SECOND SUPPLEMENT DATED 30 OCTOBER 2023

TO THE BASE PROSPECTUS DATED 10 MAY 2023

UNICREDIT S.p.A.
(incorporated with limited liability as a *Società per Azioni* in the Republic of Italy under registered number 00348170101)

€60,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME

This supplement (the **Supplement**) to the base prospectus dated 10 May 2023, as supplemented by the first supplement dated 4 August 2023 (the **Base Prospectus**), constitutes a supplement for the purposes of Article 23(1) of the Prospectus Regulation and is prepared in connection with the €60,000,000,000 Euro Medium Term Note Programme (the **Programme**) established by UniCredit S.p.A. (**UniCredit** or the **Issuer**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement. When used in this Supplement, **Prospectus Regulation** means Regulation (EU) 2017/1129.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and contains no omissions likely to affect its import.

Purpose of the Supplement

The purpose of the submission of this Supplement is to update the following sections of the Base Prospectus: (i) "*General Description of the Programme*"; (ii) "*Risk Factors*"; (iii) "*Responsibility Statement, Third Party Information and Experts' Reports*", (iv) "*Documents Incorporated by Reference*", to incorporate by reference some sections of the unaudited consolidated interim financial results of the UniCredit Group in respect of the nine months ended 30 September 2023 and 30 September 2022; (v) "*Applicable Final Terms for Notes with a Denomination of less than €100,000*"; (vi) "*Applicable Final Terms for Notes with a Denomination of at least €100,000*" (vii) "*Applicable Pricing Supplement*"; (viii) "*Terms and Conditions for the Notes in Global Form*"; (ix) "*Terms and Conditions for the Dematerialised Notes*"; (x) "*Description of UniCredit and the UniCredit Group*"; and (xi) "*General Information*".

The amendments in relation to the "*Applicable Final Terms for Notes with a Denomination of less than €100,000*"; the "*Applicable Final Terms for Notes with a Denomination of at least €100,000*" and the "*Applicable Pricing Supplement*" sections of the Base Prospectus shall only apply to final terms and pricing supplements the date of which falls on or after the approval of this Supplement.

General Description of the Programme

The "*General Description of the Programme*" section of the Base Prospectus is amended as follows:

- The paragraph titled "*Variation*" at pages 21-22 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"**Variation:**

In relation to Senior Notes and Non-Preferred Senior Notes

If (i) at any time a MREL or TLAC Disqualification Event or a Tax Event occurs and is continuing in relation to any Series of Senior Notes or Non-Preferred Senior Notes, or (ii) in order to ensure the effectiveness and enforceability of Condition 21 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Notes in Global Form and Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Dematerialised Notes, then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority and/or as appropriate the Relevant Resolution Authority (without any requirement for the consent or approval of the holders of the Senior Notes or Non-Preferred Senior Notes of that Series), at any time vary the terms of such Senior Notes or Non-Preferred Senior Notes so that they remain or, as appropriate, become, Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable, are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 21 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Notes in Global Form and Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Dematerialised Notes, have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Senior Notes or Non-Preferred Senior Notes, as applicable.

In relation to Subordinated Notes

If (i) at any time a Regulatory Event or a Tax Event occurs or (ii) in order to ensure the effectiveness and enforceability of Condition 21 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Notes in Global Form and Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Dematerialised Notes, then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority and/or as appropriate the Relevant Resolution Authority (without any requirement for the consent or approval of the holders of the Subordinated Notes of that Series), at any time vary the terms of such Subordinated Notes so that they remain or, as appropriate, become, Qualifying Subordinated Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Subordinated Notes are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 21 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Notes in Global Form and Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Dematerialised Notes have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Subordinated Notes.

In relation to Additional Tier 1 Notes

If (i) at any time a Capital Event, an Alignment Event occurs or a Tax Event or (ii) in order to ensure the effectiveness and enforceability of Condition 21 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Notes in Global Form and Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Dematerialised Notes, then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority and/or as appropriate the Relevant Resolution Authority (without any requirement for the consent or approval of the holders of the Additional Tier 1 Notes of that Series), at any time vary the terms of such Additional Tier 1 Notes so that they remain or, as appropriate, become, Qualifying Additional Tier 1 Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Additional Tier 1 Notes are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 21 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Notes in Global Form and Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Dematerialised Note shave terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Additional Tier 1 Notes."

Risk Factors

The "*Risk Factors*" section of the Base Prospectus is amended as follows:

- In the subsection "*Risks related to the financial situation of the Issuer and of the Group*", the Risk Factor headed "*Risks associated with the impact of current macroeconomic uncertainties and the effects of the COVID-19 pandemic outbreak and recent geopolitical tensions with Russia*" on pages 23-25 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

"*1.1.1* *Risks associated with the impact of current macroeconomic uncertainties and the effects of the geopolitical tensions*

The market environment in which UniCredit operates continues to be affected by high levels of uncertainty for both the short and the medium-term outlook. The economic consequences stemming from the geopolitical tensions, not only in Russia, pushed up inflationary pressures and could continue to unfold increasing uncertainty for the euro area economy, with potential impact on the performance of the Group. The Russia-Ukraine crisis caused a sharp rise in commodities prices, further global supply-chain disruption, a tightening of financial conditions, heightened uncertainty, and a sharp drop in consumer confidence. As inflation builds up due to the increase in energy price and the supply disruptions, ECB changed its monetary stance (Deposit Facility rate: -50 bps in June 2022, 0 bps in July, 75 bps in September, 150 bps in October, 200 bps in December, 250 bps in February 2023, 300 bps in March, 325 bps in May, 350 bps in June, 375 bps in July, 400 bps in September) and market is repricing interest rate expectations. The outlook is still surrounded by risks, further tensions on commodity prices cannot be excluded and an upsurge in the ongoing Russia-Ukraine conflict cannot be ignored. Therefore, the expectations regarding the performance of the global economy remains still uncertain in both the short and medium term. The current environment, characterized by highly uncertain elements as above mentioned could generate a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement.

UniCredit's Loan Loss Provisions (LLPs) excluding Russia, decreased by 36.5 per cent Y/Y to Euro 1,012 million in FY22. Therefore, the cost of risk, excluding Russia, decreased by 14 bps Y/Y to 23 bps in FY22.

UniCredit's LLPs in FY22 amounted to Euro 1,894 million. Therefore, the CoR in FY22 was equal to 41 bps.

UniCredit's LLPs increased Q/Q and Y/Y by 60.1 per cent to Euro 135 million in 3Q23. Therefore, the cost of risk increased by 10 bps Q/Q and increased by 5 bps Y/Y to 12 bps in 3Q23.

UniCredit's LLPs in 9M23 amounted to Euro 249 million decreased by 81.8 per cent 9M/9M. Therefore the CoR was equal to 7 bps.

The Group, excluding Russia, has delivered record net revenue growth driven by a favourable interest rate environment and strong commercial momentum, this has resulted in Euro 18.1 billion in FY22, an increase of 14.7 per cent year on year. In FY22 NII grew 16.0 per cent year on year to Euro 9.9 billion. In 1Q23 the Group has delivered revenue growth driven by a favourable interest rate environment combined with management of deposit beta and strong commercial momentum. This has resulted in Euro 5.8 billion of net revenues, an increase of 56.5% year on year. It reflects consistent quality growth, delivering on all key levers across all businesses, underpinned by net interest income of Euro 3.3 billion, Euro 2.0 billion of fees, Euro 2.3 billion in costs and Euro 0.1 billion loan loss provisions. Net of the TLTRO, Tiering and Excess liquidity fee contribution booked in 4Q22, net revenues grew 22.3%

quarter on quarter and grew 65.4% year on year underpinned by the strength of the commercial franchise and progress on the industrial transformation.

Total revenues stood at Euro 6.0 billion in 2Q23, up 0.6% Q/Q, driven by NII at Euro 3.5 billion (+6.0% Q/Q), partially offset by fees at Euro 1.9 billion (-1.6% Q/Q if excluding the net reduction of current account fees in Italy, -4.6% Q/Q otherwise), and Euro 0.5 billion trading income (-3.0% Q/Q). Total revenues were up 24.9% Y/Y, driven by NII (+41.3% Y/Y), fees (up 2.4% Y/Y if excluding the net reduction of current account fees in Italy, -0.7% Y/Y otherwise) and trading (+32.0% Y/Y).

In 3Q23 total revenues stood at Euro 6.0 billion, flat Q/Q, driven by NII at Euro 3.6 billion (+2.9% Q/Q) mainly offset by fees at Euro 1.8 billion (-7.1% Q/Q). Total revenues were up 23.7% Y/Y, driven by NII (+45.0% Y/Y) and trading (+26.7% Y/Y). partially offset by fees (-1.3% Y/Y if excluding the net reduction of current account fees in Italy and securitization costs, -5.2% Y/Y otherwise). Net revenues reached Euro 5.8 billion in 3Q23, down 1.9% Q/Q and up 23.1% Y/Y.

In details[1]: in FY22 NII was at Euro 9.9 billion, a 16.0 per cent increase, benefiting from higher loan rates and increased commercial activity, exceeding the above Euro 9.7 billion FY22 guidance.

In FY22, fees stood at Euro 6.8 billion, a 0.8 per cent increase Y/Y, a resilient outcome thanks to the diversified fee mix. In FY22 trading income stood at Euro 2.1 billion, up 37.1 per cent Y/Y driven by corporate demand for hedging products as well as contribution from disposal of bonds in Italy and Germany.

In 1Q23, NII stood at Euro 3.3 billion, down 3.4% Q/Q and up 43.6% Y/Y. Net of Euro 415 million of TLTRO, Tiering and Excess liquidity fee contribution in 4Q22, NII was up 10.0% Q/Q thanks to the contribution from all business divisions with management of the deposit pass-through combined with supportive rates development. In particular, the Q/Q as well as the Y/Y trend was driven by higher customer loan rates, together with better results in Treasury & Markets, particularly in the investment portfolio in Italy, Germany and Central Europe. Net of the TLTRO, Tiering and Excess liquidity fee contribution, NII was up 57.4% Y/Y.

Fees stood at Euro 2.0 billion in 1Q23, up 10.7% Q/Q thanks to better investment fees in Italy and better financing fees in Germany and Italy; and down 2.0% Y/Y, driven by a decline in investment and financing related fees, partially compensated by better transactional fees. Fees are well diversified and balanced.

Trading income stood at Euro 500 million in 1Q23, up 17.2% Q/Q driven by high demand on client risk management products in Germany and XVA dynamics and down 14.8 Y/Y, affected by the Treasury result in Italy and Germany, more than offsetting the positive client driven trading income results.

In 2Q23, NII stood at Euro 3.5 billion, up 6.0% Q/Q, thanks to the contribution from all business divisions with management of the deposit pass through particularly in Italy, combined with supportive interest rate environment as well as the contribution from the investment portfolio. NII was up 41.3% Y/Y driven by higher customer loan rates, together with better results in the investment portfolio thanks to higher market rates (3M Euribor average).

Fees stood at Euro 1.9 billion in 2Q23, down 4.6% Q/Q and down 0.7% Y/Y almost entirely driven by the impact of the current account fees reduction in Italy, which started in April 2023 and total c. Euro 60 million in 2Q23. Net of this effect, fees were down 1.6% Q/Q, driven by lower investment fees in Italy, affected by lower gross AuM sales; and up 2.4% Y/Y thanks to better financing fees in Germany as well as better overall transactional fees.

[1] 2022 data excluding Russia.

Trading income stood at Euro 485 million in 2Q23, down 3.0% Q/Q and up 32.0% Y/Y the latter driven by higher treasury activity in Italy as well as contribution from strategic FX Hedging activity, and Fixed Income, Currencies and Commodity business in Germany, partially offset by lower client risk management activity in Russia.

In 3Q23, NII stood at Euro 3.6 billion, up 2.9% Q/Q, thanks to management of the deposit pass-through particularly in Italy, combined with a supportive interest rate environment. NII was up 45.0% Y/Y driven by higher customer loan rates, together with better results in the investment portfolio thanks to higher market rates (3M Euribor average).

Fees stood at Euro 1.8 billion in 3Q23, down 7.1% Q/Q due, among others, to seasonality and lower financing fees in Germany; and down 5.2% Y/Y in large part driven by the impact of the current account fees reduction in Italy, which started in April 2023 and total c. Euro 60 m in 3Q23, and larger securitisation costs. Net of these effects, fees were down 1.3% Y/Y.

Trading income stood at Euro 499 m in 3Q23, up 2.8% Q/Q and up 26.7% Y/Y driven by dynamics in client risk management, especially in Germany, and higher interest rates.

For further information in relation to the net write-downs on loans, please see the consolidated Financial Statements of UniCredit as at 31 December 2022, the UniCredit Consolidated First Half Financial report as at 30 June 2023 and the Unaudited Consolidated Interim Report as at 30 September 2023 – Press Release.

As recently highlighted by ECB (in September 2023), the short-term outlook for growth in the euro area has deteriorated, while over the medium term the economy should gradually return to moderate growth as both domestic and foreign demand recover. Euro area economic activity grew at a subdued paced in the first half of 2023, despite the elevated level of manufacturing order backlogs and the unwinding of high energy prices. Growth is expected to pick up from 2024 as foreign demand approaches its pre-pandemic trend and real incomes improve, underpinned by declining inflation, buoyant nominal wage growth and still low, through slightly increasing, unemployment. The ECB underlines that high uncertainty surrounding the staff projections economic outlook, including the ones related to the implications of potential weaker economic developments and renewed financial stresses in China, for the euro area economy and related to alternative paths for energy and food commodity prices.

The world is still in a volatile and challenging period: economic, geopolitical, and ecological changes all impact the global outlook. High inflation, tightening financial conditions in most regions, an upsurge in the ongoing Russia-Ukraine conflict, further tensions on commodity prices, weaker global trade and renewed supply shortages, all could weigh heavily on the outlook. Tighter financing conditions, mainly owing to the higher interest rates and partly also related to credit supply restrictions, are expected to continue to dampen demand. Together with the gradual withdrawal of fiscal support, this will weigh on economic growth in the medium term. The global economy's future health rests critically on the successful calibration of monetary policy and related impacts on inflation and the course of the war in Ukraine with related spill over effects.

In the context of persisting uncertainty explained above, UniCredit group has defined different macro-economic scenarios, to be used for the purposes of the evaluation processes of first half 2023 Condensed interim Consolidated financial statements. In particular, in addition to the "Baseline" scenario, which reflects the expectations considered most likely concerning macro-economic trends, a Downturn Scenario has been outlined, the latter reflecting a downward forecast of the macroeconomic parameters and consequently in the expected profitability of the business; in light of the persistent level of uncertainty, no positive scenario was included in the approach (thus, the positive scenario was weighted at zero percent). Such updated scenarios were applied for the valuation of credit exposures and deferred tax assets.

For further information in relation to macroeconomic scenario adopted for the evaluation of the credit exposures and for the Deferred Tax Assets (DTAs) sustainability test please see the consolidated Financial Report as at 30 June 2023: Notes to the consolidated accounts - Part A Accounting policies – A1 General – Section 2 General preparation criteria.

In 3Q2023 specific analyses were performed with the aim to evaluate whether the scenarios underlying the valuations made as of 30 June 2023 - for the purposes of the evaluation process of the DTAs and credit exposures subject to valuation uncertainties - were still valid or, conversely, which adjustments should have been put in place to properly reflect the updated economic environment.

On 9 December 2021 UniCredit presented to the financial community the 2022-2024 Strategic Plan, which included a set of strategic and financial objectives that considered the underlying scenario and resulted from the assessment performed at that time.

The macro assumptions underlying the Strategic Plan excluded unexpected materially adverse developments such as the Russia-Ukraine conflict and worsening/resurge of the COVID-19 pandemic, situations that UniCredit has been monitoring closely[2].

For further information on the risks associated with the Strategic Plan, see Risk Factor 1.1.2 "*Risks connected with the Strategic Plan 2022 – 2024*".

Material adverse effects on the business and profitability of the Group may also result from further developments of the monetary policies (and related impacts on financial entities and markets) and additional events occurring on an extraordinary basis (such as political instability, terrorism and any other similar event/correlated effects occurring in the countries where the Group operates and, as already experienced, a new pandemic emergency). Furthermore, the economic and geopolitical uncertainty has also introduced a considerable volatility and uncertainty in the financial markets, potentially impacting on credit spreads/cost of funding and therefore on the values the Group can realize from sales of financial assets."

- In the subsection "*Risks related to the financial situation of the Issuer and of the Group*", the Risk Factor headed "*Risks connected with the Strategic Plan 2022 – 2024*", on pages 25-27 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"1.1.2 <u>Risks connected with the Strategic Plan 2022 – 2024</u>

On 9 December 2021, UniCredit presented to the financial community in Milan the 2022-2024 Strategic Plan called "UniCredit Unlocked" (the **Strategic Plan** or **Plan**) which contains a number of strategic, capital and financial objectives (the **Strategic Objectives**). The Strategic Plan focuses on UniCredit's geographic areas in which the Bank currently operates; with financial performance driven by three interconnected levers: cost efficiency, optimal capital allocation and net revenue growth.

"UniCredit Unlocked" delivers strategic imperatives and financial ambitions based on six pillars. Such strategic imperatives and financial ambitions regard: (i) the growth in its regions and the development of its client franchise, changing its business model and how people operate; (ii) the delivery of economies of scale from its footprint of banks, transforming the technology, leveraging Digital & Data and embedding sustainability in all that UniCredit does; (iii) driving financial performance via three interconnected levers.

Sustainability is embedded in the Plan and UniCredit commits to deliver on ESG target and policies. Specifically, UniCredit: has established an ESG advisory model for Corporates and Individuals; is

[2] From Strategic Plan presentation: Macro assumptions in the Strategic Plan consider the recent and existing impacts of COVID-19 at the time of the Plan presentation with a gradual normalization over the subsequent years. The scenario did not assume that the COVID-19 situation at that time would develop in a particularly negative way in the subsequent years.

financing innovation for environmental transition; and is partnering with key players to enrich and improve ESG offerings across-sectors.

New business model allows for strong organic capital generation[3] with materially increased and growing shareholder distributions[4], consisting in cash dividends and share buybacks, while maintaining a robust CET1 ratio.

Although the Plan is based primarily through management actions, thanks to its geographical positioning UniCredit assumed the following at the time of disclosure of the Plan: (i) a conservative interest rate scenario based on a broadly stable Euribor 3 month rate over the 3 years of the MYP; (ii) the combination of its countries was expected to deliver GDP growth[5] above the eurozone average over the course of the Plan, helped by its Central and Eastern European positioning; (iii) Central and Eastern Europe loan growth was expected at a multiple of GDP due to the relatively low maturity of the market; (iv) UC countries had theoretical access to approximately 50 per cent of the overall fund disbursement of the Recovery and Resilience Fund allocation.

The macro assumptions underlying the Strategic Plan disclosed in December 2021 excluded unexpected materially adverse developments such as the Russia-Ukraine conflict and worsening/resurge of the COVID-19 pandemic, situations that UniCredit has been monitoring closely[2].

The Plan is based on six pillars:

- Optimise: improving operational and capital efficiency, with gross cost savings, considering also Digital & Data, and a contribution to CET1 ratio from active portfolio management; expect RWA to decrease over the course of the Plan as active portfolio management more than offsets impact of organic growth and expected regulatory headwinds and thanks to additional risk and business levers;

- Invest: cash investments in Digital & Data, new hires in Business and Digital & Data, targeted growth initiatives including ESG; targeted approach to costs savings: faster realisation of non-business related efficiencies, technology benefit and simplification & streamlining;

- Grow: increasing net revenues in the period 2021-2024, thanks to the optimisation UniCredit is undertaking, and the underlying focus on quality growth;

- Return: increasing in 2024;

- Strengthen: maintain solidity thanks to revised CET1 ratio target, decrease in gross NPE ratio and stable net NPE ratio in 2024;

- Distribute: higher distribution consistently with organic capital generation[3,4] from net profit and RWA evolution.

UniCredit's ability to meet the Strategic Objectives and all forward-looking statements relies on a number of assumptions, expectations, projections and provisional data concerning future events and is subject to a number of uncertainties and additional factors, many of which are outside the control of UniCredit. There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents of any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of future performances.

[3] Organic capital generation means CET1 evolution deriving from (i) stated net profit excluding DTA from tax loss carry forward contribution and (ii) RWA dynamic net of regulatory headwinds.
[4] Shareholder distribution subject to supervisory & shareholder approvals and inorganic options.
[5] Average of yearly changes.

The future financial results could be influenced by the macroeconomic developments on which uncertainties increased as a result of the heightened geopolitical tension between the Russian Federation and Ukraine. The Russia-Ukraine crisis has implied a sharp rise in commodities prices and inflationary pressure, further global supply-chain disruption, a tightening of financial conditions, heightened uncertainty, and a sharp drop in consumer confidence. As inflation builds up because of the increase in energy price and the supply disruptions, ECB is changing its monetary stance and market is repricing interest rate expectations. The outlook is surrounded by risks which were not foreseeable at the date of the Strategic Plan presentation, and which are still uncertain.

UniCredit after having updated the macroeconomic assumptions connected with the determination of LLPs in December 2021 has further updated the macroeconomic assumptions with reference to Russia as at 1Q22 in light of a drop in GDP higher than those expected under the negative scenario considered in December 2021 in accordance with International Financial Reporting Standards 9 (IFRS9). In 2Q22 the macroeconomic scenarios used for calculation of credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default) were updated, according to the Group policies, for all the Regions in which UniCredit operates. With reference to the 3Q22 a comparison between the scenarios used in the evaluation process of credit exposures as at 30 June 2022 and the updated macro-economic scenario released in September 2022 by UniCredit Research was performed. Considering the limited decrease in GDP evolution between the periods, the IFRS9 macro-economic scenario was not updated as at 30 September 2022. In 1Q23 an updated base case macro scenario has been disclosed in line with revised expectations.

For the 3Q23, reflecting UniCredit's historically prudent approach on classification and provisioning, the cost of risk, is 12 basis points. Cost of risk, excluding Russia, is expected in the 30 to 35 basis points range over the plan period.

Furthermore, should any of the assumptions turn out to be inaccurate and/or the circumstances envisaged not be fulfilled, or fulfilled only in part or in a different way to that assumed, the ability to meet the Strategic Objectives may be negatively impacted.

Given the inherent uncertainty surrounding any future event, both in terms of the event's occurrence as well as eventual timing, the differences between the actual values and the Strategic Objectives could be significant. Assumptions by their nature are inherently subjective and the assumptions underlying the Strategic Objectives could turn out to be inaccurate, in whole or in part, which may mean that UniCredit is not able to fulfil the Strategic Plan. If this were to occur, the actual results may differ significantly from those set forth in the Strategic Objectives, which could have a material adverse effect on UniCredit's business, results of operations, financial conditions, or capital position.

For all these reasons, investors are cautioned against making their investment decisions based exclusively on the forecast data included in the Strategic Objectives.

The Issuer evaluates that the materiality of such risk shall be high."

- In the subsection "*Risks related to the financial situation of the Issuer and of the Group*", the Risk Factor headed "*Credit risk and risk of credit quality deterioration*", on pages 27-28 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"1.1.3 <u>Credit risk and risk of credit quality deterioration</u>

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.

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

With regard to "non-traditional" credit risk, 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), 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 of counterparty, which is the risk that the counterparty may become insolvent before the contract matures, not being able to fulfil its obligations towards to the Issuer or one of the other Group companies.

As at 30 September 2023, Group gross NPEs were down by 13.1 per cent Y/Y and by 1.1 per cent Q/Q to Euro 12.0 billion in 3Q23 (while as at 30 June 2023 they were equal to Euro 12.1 billion) with gross NPE ratio of 2.7 per cent. (-0.2 p.p. Y/Y, +0.1 Q/Q).

As at 30 September 2023, Group Net NPEs stood at Euro 6.2 billion decreased compared to 30 June 2023 which attested at Euro 6.3 billion (Group Net NPE ratio stable compared to 30 June 2023 and is equal to 1.4 per cent.).

For more information on European legislative initiatives on Non-Performing Loans, please see section headed "*Information about the Issuer*", paragraph 1.1.4 "*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*" of this Base Prospectus.

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.

In the last years, also in accordance with the EBA Guidelines of 31 October 2018 on management of non-performing and forborne exposures for credit institutions with a gross NPL ratio greater than 5 per cent., the Group has adopted a strategic plan to reduce Non-Performing Exposures (NPE) and operational and governance systems to support it.

Starting from the year 2015 the overall reduction of the Group NPE amounted to about Euro 66 billion, moving from Euro 77.8 billion of 2015 to Euro 12.0 billion of 3Q23 (Euro 12.5 billion of 2022). This amount includes the loans disposed of through Project Fino in July 2017 and IFRS 5 positions if any.

According to the Strategic Plan 2022-2024, the Group will continue to manage NPEs proactively to optimise value and capital.

The current environment continues to be characterised by highly uncertain elements, with the possibility that the slowdown of the economy, jointly with the termination of the safeguard measures, such as the customer loans moratorium, generates a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement.

UniCredit's Loan Loss Provisions (**LLPs**) increased Q/Q and increased Y/Y by 60.1 per cent to Euro 135 million in 3Q23. Therefore, the cost of risk increased by 10 bps Q/Q and increased by 5 bps Y/Y to 12 bps in 3Q23. The Group kept the amount of overlays on performing exposures flat Q/Q at 1.75 billion, which substantially reinforces the Group's capacity to withstand macroeconomic shocks.

UniCredit's LLPs in 9M23 amounted to Euro 249 million decreased by 81.8 per cent 9M/9M. Therefore the CoR was equal to 7 bps.

It is worth pointing out that the measurement is affected by the already mentioned effect of the relief measures and, ultimately, the existence and degree of economic recovery. The evolution of these factors may, indeed, require in future financial years the classification of additional credit exposures as non-performing thus determining the recognition of additional loan loss provisions related to both these exposures as well as performing exposures following the update in credit parameters.

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 risk's levels pursuant to the procedures, rules and principles it has adopted.

The Issuer evaluates that the materiality of both the credit risk and the risk of credit quality deterioration shall be medium-high.

For further information in relation to the net write-downs on loans, please see the consolidated Financial Statements of UniCredit as at 31 December 2022, the UniCredit consolidated First Half Financial Report as at 30 June 2023 and the Unaudited Consolidated Interim Report as at 30 September 2023 – Press Release."

- In the subsection "*Risks related to the financial situation of the Issuer and of the Group*", the Risk Factor headed "*Risks associated with the Group's exposure to sovereign debt*", on page 29 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"*1.1.4 <u>Risks associated with the Group's exposure to sovereign debt</u>*

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, positions held through Asset Backed Securities (ABS) are not included.

With reference to the Group's sovereign exposures, the book value of sovereign debt securities as at 30 September 2023 amounted to Euro 102,295 million (as at 31 December 2022 it amounted to Euro 99,103 million), of which about the 79 per cent was concentrated in eight countries, including: Italy with Euro 38,355 million (at 31 December 2022 it amounted to Euro 34,826 million), representing over 37 per cent of the total (over 35 per cent at 31 December 2022) and about 5 per cent of the Group total assets (over 4 per cent as at 31 December 2022); Spain with Euro 14,104 million; Japan with Euro 7,692 million; United States of America with Euro 6,513 million; Germany with Euro 5,560 million; Austria with Euro 3,042 million; Czech Republic with Euro 2,817 million and Romania with Euro 2,585 million.

As at 30 September 2023, the remaining 21 per cent of the total sovereign exposures in debt securities, equal to Euro 21,627 million as recorded at the book value, was divided between 33 countries, including: Croatia (Euro 2,189 million), Bulgaria (Euro 2,141 million), France (Euro 2,101 million), Portugal (Euro 1,593 million), Hungary (Euro 1,548 million), Poland (Euro 993 million), Ireland (Euro 961 million), Israel (Euro 920 million), Serbia (Euro 803 million), Slovakia (Euro 770 million), China (Euro 698 million) and Russia (Euro 621 million).

With respect to these exposures, as at 30 September 2023, there were no indications that defaults have occurred and the Group is closely monitoring the evolution of the situation.

With particular reference to the book value of the sovereign debt securities exposure to Russia it should be noted that Euro 618 million are held by the Russian controlled bank in local currency and almost totally classified in the banking book.

Note that the aforementioned remaining of the sovereign exposures held as at 30 September 2023 also included debt securities relating to supranational organisations, such as the European Union, the European Financial Stability Facility and the European Stability Mechanism, worth Euro 4,748 million (as at 31 December 2022 it amounted to Euro 3,241 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, amounting to Euro 26,168 million as at 30 September 2023 (as at 31 December 2022 it amounted to Euro 25,321 million)."

- In the subsection "*Risks connected with the legal and regulatory framework*", the Risk Factor headed "*Basel III and Bank Capital Adequacy*", on pages 37-39 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"1.3.1 <u>Basel III and Bank Capital Adequacy</u>

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 and Directive (EU) No. 2019/878 (the **Banking Reform Package** with CRR II and CRD V). 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 on a consolidated basis, as well as the total loss absorbing capacity requirement for globally systemically important institutions (TLAC), as established by the CRRII. 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.

Following the communication received by the Single Resolution Board (SRB) and the Bank of Italy in May 2023, the Issuer shall comply, on a consolidated basis, with an intermediate MREL equal to the 20.73 per cent of Risk Weighted Assets (RWA) - plus the applicable Combined Buffer Requirement (CBR) - and 5.90 per cent of leverage ratio exposures (LRE). Similarly, the Issuer has to comply with a subordinated MREL, i.e. to be met with subordinated instruments, equal to 11.79 per cent RWA - plus the applicable CBR - and 5.68 per cent LRE. From 1 January 2024, the consolidated MREL will become "fully loaded" and will be equal to 22.13 per cent of RWA - plus the applicable CBR - and 6.02 per cent of LRE. The corresponding "fully loaded" MREL subordinated component will be equal to 15.36 per cent of RWA plus applicable CBR and 6.02 per cent of LRE. Moreover, the Issuer shall comply with a TLAC requirement, that from 1 January 2022, is equal to the maximum between 18 per cent of RWA – plus the applicable CBR – and 6.75 per cent of LRE. For more information on the capital adequacy legislation applicable to the Issuer, please see Section headed "*Information about the Issuer*", paragraph 1.1.4, "*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*" of this Base Prospectus.

Article 513 of the CRR requires the European Commission to complete a review of the macroprudential provisions in the CRR and CRD by June 2022 and every five years thereafter, and, if appropriate, to submit a legislative proposal to the European Parliament and to the Council by December 2022 and every five years thereafter. At the time of this Base Prospectus, no specific change of the regulatory reclassification of capital instruments is currently deemed reasonably foreseeable.

In December 2017 the Basel Committee on Banking Supervision (**BCBS**) concluded the review process of the models (for credit risk, counterparty risk, operational risk and market risk, the latter in January 2019) 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 per cent. of those calculated on the basis of the standardised methods). The main purpose is to enhance consistency and comparability among banks.

In October 2021, the European Commission published the Banking Package, by way of a regulation (CRR3), implementing the final Basel standards into the EU legislation with new rules for the calculation of risk weighted assets for credit, operational, Credit Valuation Adjustment (CVA) and market risks as well as the introduction of the Output floor. Going beyond Basel by way of a Directive (CRD6), the Commission also made some proposals on Environmental Social and Governance (ESG) Risks, Fit & Proper and Third-Country Branches. In June 2023, the EU Council and the European Parliament found a provisional agreement on the revisions to the Commission proposal. For more information on the banking package, please see Section headed "*Information about the Issuer*", paragraph 1.1.4 "*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*" of this Base Prospectus.

Capital Adequacy requirements

The ECB is required under the Council Regulation (EU) No. 1024/2013 (the SSM Regulation establishing the Single Supervisory Mechanism (**SSM**)) to carry out a Supervisory Review and Evaluation Process (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.

In December 2022, UniCredit has been informed by the ECB of its final decision concerning capital requirements following the results of its annual SREP (SREP 2022). With its decision the Single Supervisor has increased, compared to the SREP decision of the previous year, the Pillar 2 capital requirement by 25 basis point to 200 basis points. The Pillar 2 requirement (P2R) shall be held in the form of 56.25 per cent. of CET1 capital and 75 per cent. of Tier 1 capital, as a minimum. UniCredit is allowed to partially use Additional Tier 1 or Tier 2 instruments in order to comply with the Pillar 2 Requirements (P2R) instead of Common Equity Tier 1 (CET1) capital, in line with the latest revision of the Capital Requirements Directive (CRD V). The ECB has also communicated to UniCredit a Leverage ratio Pillar 2 Requirement (P2R-LR) equal to zero. As a consequence, UniCredit is required to meet the following overall capital requirements (OCR) and overall leverage ratio requirement (OLRR) on a consolidated basis as of September 2023[6]:

- Common Equity Tier 1 ratio: 9.53 per cent.;
- Tier 1 ratio: 11.40 per cent.;
- Total Capital ratio: 13.90 per cent.; and
- Leverage ratio: 3.5 per cent.

As of September 2023, the consolidated CET1 Capital, Tier 1 and Total Capital Transitional ratios were equal to, respectively, 17.50 per cent, 19.17 per cent and 22.24 per cent. CET1 Transitional ratio was

[6] The reported OCR is based on the Countercyclical Capital Buffer as of September 2023. As of December 2022 previous to the increase of the Pillar 2 requirements the own funds requirements (OCR) were: Common Equity Tier 1 ratio 9.12 per cent; Tier 1 ratio 10.95 per cent; and Total Capital ratio 13.38 per cent. 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 therefore may vary on a quarterly basis over the reporting period. The reported leverage ratio requirement (OLRR) includes the 3% minimum equal for all the banks and 0.5% additional buffer for global systemically important bank specific to UniCredit.

exceeding the relevant requirement by 777 bps (so called MDA buffer), after being reduced by ca. 21 bps of the CET1 utilized to cover the Tier 1 requirement.

From 30 June 2020 the Group has adopted the so-called transitional phase-in regarding the application of the IFRS9 accounting principle. As of September 2023, the CET1 ratio Fully Loaded, i.e. calculated without considering the benefit arising from IFRS 9 Transitional arrangements, was equal to 17.19 per cent exceeding by 746 bps CET1 ratio requirements.

As of September 2023, the Transitional Leverage Ratio was 6.07 per cent. Therefore, Transitional leverage ratio was exceeding the relevant requirement by 257 bps.

UniCredit also took part to the 2023 EU-wide stress test conducted by the European Banking Authority (**EBA**), in cooperation with the Single Supervisory Mechanism (**SSM**), the European Central Bank (ECB) and the European Systemic Risk Board (**ESRB**). The 2023 EU-wide stress test does not contain a pass/fail threshold as it is instead designed to be used as an important source of information for the purposes of the SREP. The results assist Competent Authorities in assessing UniCredit's ability to meet applicable prudential requirements under stressed scenarios. The adverse stress test scenario was set by the ECB/ESRB and covers a three-year time horizon (2023-2025). The stress test was carried out applying a static balance sheet assumption as of December 2022 and therefore does not consider future business strategies and management actions. The EBA published the results for the individual banks at the end of July 2023. Despite the more severe stressed scenario applied this year, UniCredit's capital depletion is meaningfully lower than for the 2021 EU-wide stress test result thanks to a much stronger starting point based on a significant improvement in capital generation, sound asset quality and prudent overlays. This positions UniCredit well for potential macroeconomic shocks. UniCredit's results are summarized below:

- Baseline scenario:

  - 2025 fully loaded CET1r at 19.97% corresponding to 397 bps higher than fully loaded CET1r as of December 2022

  - 2025 transitional CET1r at 19.97% corresponding to 329 bps higher than transitional CET1r as of December 2022

- adverse scenario:

  - 2025 fully loaded CET1r at 12.51% corresponding to 349 bps lower than fully loaded CET1r as of December 2022

  - 2025 transitional CET1r at 12.51%, corresponding to 417 bps lower than transitional CET1r as of December 2022.

In years when there is no EU-wide EBA stress test, the ECB tests significant institutions under its direct supervision against a specific kind of shock. These tests are run in cooperation with national supervisory authorities, and the ECB publishes the results on an aggregate basis. In 2022 UniCredit participated to the ECB stress test on “Climate Risk”, with results published in July 2022. In 2024, UniCredit is expected to participate to the ECB stress test on “Cyber resilience”, currently in planning by the ECB.

Furthermore, EBA has announced the timeline for the annual EU-wide transparency exercise, which has been launched in September 2023. The exercise will cover the figures from the second half of 2022 and the first half of 2023 (i.e. information as of September 2022, December 2022, March 2023 and June 2023) on banks' exposures and asset quality to financial operators and results will be published by EBA in December 2023. UniCredit was notified its involvement in the 2023 EU-wide transparency exercise on 8 May 2022.

UniCredit, on 9 December 2021, presenting its 2022-2024 Strategic Plan "UniCredit Unlocked", announced the aim to ensure a materially increased and growing remuneration in favor of the Shareholders over the course of the Plan, also by means of programmes for the purchase of ordinary shares of UniCredit.

Furthermore, on 31 January 2023, in connection with the Board of Directors communication of the consolidated Group results for the financial year ended on 31 December 2022, the Company announced the aim of remunerating the Shareholders for the financial year 2022 with an overall distribution up 40 per cent. versus the previous financial year, while preserving capital strength.

In this respect, on 31 March 2023 the shareholders' meeting has resolved, as part of the activities envisaged in the 2022-2024 strategic plan (**UniCredit Unlocked**), the authorization for a distribution of approximately Euro 5,250 million for the financial year ended on 31 December 2022, composed of:

1. a cash dividend equal to a total consideration of Euro 1,906,562,000.00 from the allocation of profit for the year 2022, corresponding to approximately 35 per cent. of the "Net Group Profit"[7]; and

2. purchases of UniCredit shares to be subsequently cancelled (so called share buy-back programme) corresponding to a total expenditure up to Euro 3,343,438,000.00.

The share buy-back programme referred has been authorized by the ECB, it was communicated to the market on 3 April 2023. On 29 September 2023, the execution of the buy-back programme 2022 has been completed.

On 20 September 2023, UniCredit announced the intention to launch a tranche of the 2023 share buy-back programme for a maximum of Euro 2.5 billion. In this respect, the target of 2023 total distribution, subject to supervisory and shareholder approvals, is a minimum of Euro 6.5 billion. Commencement of this buy-back 2023 tranche is dependent upon the supervisory authorization and the approval by the shareholders' meeting convened on 27 October 2023.

Having regard to the assessments made in relation to the probability of the occurrence of such risk and the extent of any negative impact, the Issuer evaluates that the materiality of such risk shall be medium-high."

- In the subsection "*Risks relating to Subordinated Notes*", the Risk Factor headed "*Early redemption and purchase of the Subordinated Notes may be restricted*" on pages 47-48 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"*1.3.4 <u>Early redemption and purchase of the Subordinated Notes may be restricted</u>*

Any early redemption or purchase of Subordinated Notes is subject to compliance with the then applicable Relevant Regulations, including for the avoidance of doubt:

(a) the Issuer giving notice to the Competent Authority and the Competent Authority granting prior permission to redeem or purchase the relevant Subordinated Notes (in each case subject to and in accordance with the then applicable Relevant Regulations, including Articles 77 and 78 of the CRD IV Regulation, as amended or replaced from time to time), where either:

[7] Excluding Russia segment contribution.

(i) on or before such redemption or purchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

(ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its Own Funds and eligible liabilities would, following such repayment or purchase, exceed the minimum requirements (including any capital buffer requirements) required under the Relevant Regulations by a margin that the Competent Authority considers necessary at such time; and

(b) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date of the relevant Subordinated Notes, if and to the extent required under Article 78(4) of the CRD IV Regulation or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014, as amended from time to time:

(i) in the case of redemption pursuant to Condition 10.3 (*Redemption for tax reasons*) of the Terms and Conditions for the Notes in Global Form and Condition 10.3 (*Redemption for tax reasons*) of the Terms and Conditions for the Dematerialised Notes, the Issuer having demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Subordinated Notes is material and was not reasonably foreseeable as at the Issue Date; or

(ii) in case of redemption pursuant to Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the Notes in Global Form and Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the Dematerialised Notes, a Regulatory Event having occurred in respect of Subordinated Notes; or

(iii) on or before such redemption or repurchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted that action on the basis of the determination that it would be classified from a prudential point of view and justified by exceptional circumstances; or

(iv) the Notes being repurchased for market making purposes,

subject in any event to any alternative or additional conditions or requirements as may be applicable from time to time under the Relevant Regulations for the time being.

There can be no assurance that the relevant Competent Authority will permit such redemption or purchase. In addition, the Issuer may elect not to exercise any option to redeem any Subordinated Notes early or at any time. Holders of Subordinated Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period."

- In the subsection "*Risks relating to Additional Tier 1 Notes*", the Risk Factor headed "*The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items will restrict the ability of the Issuer to make interest payments on the*

Additional Tier 1 Notes", on page 53 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"1.4.5 <u>The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items will restrict the ability of the Issuer to make interest payments on the Additional Tier 1 Notes</u>

As noted above, the Issuer will be required to cancel any Interest Amounts (in whole or, as the case may be, in part) if and to the extent that such Interest Amounts, when aggregated together with distributions on all other Own Funds instruments of the Issuer (excluding Tier 2 Capital instruments) paid or scheduled for payment in the then current financial year, exceed the amount of Distributable Items, excluding any payments already accounted for in determining the Distributable Items.

The Issuer had approximately Euro 21.5 billion of Distributable Items as at 31 December 2022, of which approximately Euro 2.5 billion were represented by the distributable portion of the Share Premium Reserve (see also Section 12 Part B – Balance sheet - Liabilities, reported in the Notes to the Accounts of the 2022 UniCredit Annual Report and Accounts). It should be noted that on 31 March 2023, after the approval of the Shareholders' meeting and of the ECB, Euro 3.3 billion of distributable reserves (Euro 2.2 billion of the Share Premium Reserve and Euro 1.2 billion of the business combination reserve) have been allocated to the buy-back of own shares. The Euro 3.3 billion share buy-back has been completed on 29 September 2023. In addition, on 20 September 2023, UniCredit has announced the intention to launch a tranche of the 2023 share buy-back for a maximum of Euro 2.5 billion. Commencement of this buy-back 2023 tranche is dependent upon the approval by shareholders at an Extraordinary Shareholders' Meeting (**EGM**) convened on 27 October 2023, as well as approval by the supervisor.

The level of the Issuer's Distributable Items is affected by a number of factors. The Issuer's future Distributable Items, and therefore the ability of the Issuer to make interest payments under the Additional Tier 1 Notes, are a function of the Issuer's existing Distributable Items and its future profitability. In addition, the Issuer's Distributable Items may also be adversely affected by the servicing of more senior instruments, parity ranking instruments or more junior ranking instruments, including dividends on the Issuer's shares.

The level of the Issuer's Distributable Items may be affected by changes to accounting rules, regulation or the requirements and expectations of applicable regulatory authorities. Furthermore, the definition of Distributable Items may be reformed in a restrictive way, if the Relevant Regulations are amended or extended. Any such potential changes could adversely affect the Issuer's Distributable Items in the future.

Further, the Issuer's Distributable Items, and therefore the Issuer's ability to make interest payments under the Additional Tier 1 Notes, may be adversely affected by the performance of the business of the UniCredit Group in general, factors affecting its financial position (including capital and leverage), the economic environment in which the UniCredit Group operates and other factors outside of the Issuer's control. See generally "*Factors that may affect the Issuer's ability to fulfil its obligations under the Notes*" above. In addition, adjustments to earnings, as determined by the Board, may fluctuate significantly and may materially adversely affect Distributable Items."

- In the subsection "*Risks relating to Additional Tier 1 Notes*", the Risk Factor headed "*If the Issuer breaches the combined buffer requirement or the Leverage Ratio buffer requirement, a Maximum Distributable Amount will apply which may restrict the Issuer from making interest payments on the Additional Tier 1 Notes in certain circumstances; Noteholders may not be able to anticipate whether* *or when the Issuer will cancel such interest payments*", on pages 53-58 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"*1.4.6 <u>If the Issuer breaches the combined buffer requirement or the Leverage Ratio buffer requirement, a Maximum Distributable Amount will apply which may restrict the Issuer from making interest payments on the Additional Tier 1 Notes in certain circumstances; Noteholders may not be able to anticipate whether or when the Issuer will cancel such interest payments</u>*

Under Article 141 (Restrictions on distributions) of the CRD IV Directive, EU Member States must require that institutions that fail to meet the combined buffer requirement will be subject to restricted "discretionary payments" (which are defined broadly by CRD IV as payments relating to Common Equity Tier 1 and Additional Tier 1 instruments and variable remuneration to staff). In addition, the Banking Reform Package included in the CRD IV Directive Article 141b which introduces restrictions on distributions in the case of failure to meet the Leverage Ratio buffer requirement (including the G-SIB buffer), thus introducing a new Leverage Ratio Maximum Distributable Amount (**L-MDA**).

The BRRD II also introduced in the BRRD Article 16a that clarifies the stacking order between the combined buffer requirement and the MREL requirements (including the TLAC requirement). Pursuant to this provision the resolution authority shall have the power to prohibit an entity from distributing more than the Maximum Distributable Amount for the Minimum Requirement for Own Funds and Eligible Liabilities (**MREL**) (calculated in accordance with Article 16a(4) of the BRRD, the **M-MDA**) where the combined buffer requirement is not met when considered in addition to the MREL requirement. Article 16a envisages a potential nine-month grace period whereby the resolution authority assesses on a monthly basis whether to exercise its powers under the provision, before such resolution authority is compelled to exercise its power under the provisions (subject to certain limited exceptions).

The restrictions will be scaled according to the extent of the breach of the combined buffer requirement or, as appropriate, the Leverage Ratio buffer requirement and calculated as a percentage of the profits of the institution since the last distribution of profits or "discretionary payments". Such calculation will result in a "Maximum Distributable Amount" in each relevant period. As an example, if the available CET1 capital is within the bottom quartile of the combined buffer requirement or, as appropriate, if the available Tier 1 capital is within the bottom quartile of the Leverage Ratio buffer requirement, no "discretionary distributions" will be permitted to be paid.

As a consequence, in the event of breach of the combined buffer requirement or the Leverage Ratio buffer requirement, it may be necessary to reduce discretionary payments, including potentially cancelling (in whole or in part) interest payments in respect of the Additional Tier 1 Notes. In addition, the Issuer will have the discretion to determine how to allocate the Maximum Distributable Amount among the different types of payments contemplated in Article 141 or Article 141b of the CRD IV Directive or Article 16a of the BRRD and it may elect to allocate such amounts to "discretionary payments" other than in respect of the Additional Tier 1 Notes. Moreover, payments made earlier in the relevant period will reduce the remaining relevant Maximum Distributable Amount available for payments later in the relevant period, and the Issuer will have no obligation to preserve any portion of the relevant Maximum Distributable Amount for payments scheduled to be made later in a given period. Even if the Issuer attempts to do so, there can be no assurance that it will be successful, because the relevant Maximum Distributable Amount will depend on the amount of Net Income earned during the course of the relevant period, which will necessarily be difficult to predict.

Under the provisions of CRR and CRD IV, the Issuer is required to hold a minimum amount of regulatory capital equal to 8 per cent. of risk weighted assets (the **Pillar 1 Requirement**). In addition to these minimum capital requirements under the CRR and CRD provisions, supervisory authorities may add extra capital requirements (**Pillar 2 Requirement**) to cover risks they believe are not covered, or are insufficiently covered, by the minimum capital requirements. See also "*Factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme – Risks connected to Bank Capital Adequacy*" above.

According to the CRD V, the Pillar 2 Requirement must be fulfilled with at least 56.25 per cent. Common Equity Tier 1 Capital and at least 75 per cent. Tier 1 Capital. The relevant competent authority may require that the institution fulfils this additional requirement with a higher portion of Tier 1 Capital or Common Equity Tier 1 Capital where necessary (while having regard to the specific circumstances of the relevant institution).

Moreover, the CRR and the CRD V envisage a leverage ratio requirement of 3 per cent. of total exposures to be held in Tier 1 Capital. In addition to this minimum capital requirements under the CRR and CRD V provisions, supervisory authorities may add extra capital requirements (Leverage Ratio Pillar 2 Requirement) to cover risks arising from excessive leverage. According to ECB this additional requirement "is intended to capture contingent leverage risk originating from a bank extensively using derivatives, securities financing transactions and off-balance-sheet items, as well as engaging in regulatory arbitrage and providing step-in support."

The CRD V also envisages a "Pillar 2 guidance" (the **Pillar 2 Guidance**) and a "leverage ratio Pillar 2 guidance" which sets a level and quality of capital the relevant credit institution is expected to hold in excess of its overall capital and leverage ratio requirements. Failure to meet the Pillar 2 Guidance or the leverage ratio Pillar 2 guidance does not trigger automatic restrictions on distributions provided for in Article 141 and 141b of the CRD IV Directive or Article 16a of the BRRD. However, where an institution repeatedly fails to meet the Pillar 2 Guidance, the competent authority is entitled to take supervisory measures and, where appropriate, impose additional Own Funds or leverage ratio requirements.

The provisions laid down by the CRD V as to the Pillar 2 Guidance, "leverage ratio Pillar 2 guidance" and Pillar 2 Requirements have been transposed into the Italian secondary level legislation.

According to EBA's guidelines to national supervisors on common procedures and methodologies for the Supervisory Review and Evaluation Process (**SREP**) and Supervisory Stress Testing (the **SREP Guidelines**), as most recently updated on 18 March 2022, competent authorities may, on the basis of the vulnerabilities and deficiencies identified in the SREP assessment, among other things, restrict or prohibit distributions or interest payments by a credit institution to members or holders of its Additional Tier 1 Capital instruments, as provided by Article 104 (1 (i)) of the CRD IV. Accordingly, the additional Pillar 2 Requirement and leverage ratio requirements that may be imposed on the Issuer and/or the UniCredit Group by the ECB pursuant to the SREP would require the Issuer and/or the UniCredit Group to hold capital levels above the Pillar 1 Requirement.

The CRRII allows for the "grandfathering", until 28 June 2025 at the latest, of Additional Tier 1 instruments, Tier 2 instruments and Eligible Liabilities issued before 27 June 2019, that do not comply with certain requirements of the CRRII. This grandfathering framework is in addition to the one provisioned by CRR Articles 484 – 491 ended on 1 January 2022.

The Banking Reform Package clarifies the distinction between the Pillar 2 Requirement and Pillar 2 Guidance. Under the Banking Reform Package (and as described above), only the "Pillar 2 Requirement", and not "Pillar 2 Guidance", is relevant in determining whether an institution meets its combined buffer requirement for the purposes of the Maximum Distributable Amount restrictions.

The following tables show the impact of the Pillar 2 Requirement on the required minimum CET1 Capital ratio, Tier 1 Capital ratio and Total Capital ratio, in each case on a consolidated basis, as from the dates indicated, on the level at which the Maximum Distributable Amount restrictions will take effect:

Required minimum CET1 Capital ratio		
	As at 31 December 2022	**As at 30 September 2023**
Pillar 1 CET1	4.50%	4.50%
Pillar 2 CET1 requirement	0.98%	1.13%
Combined capital buffer requirement	3.63%[1]	3.90%[1]
OCR level	**9.12%**	**9.53%**

[1] Including buffers updated on a quarterly basis: 0.37 per cent. countercyclical capital buffer and 0.03 per cent. systemic risk buffer, as of 30 September 2023, and 0.13 per cent. countercyclical capital buffer, as of 31 December 2022.

Required Minimum Tier 1 ratio		
	As at 31 December 2022	**As at 30 September 2023**
Pillar 1 CET1	4.50%	4.50%
Pillar 1 Additional Tier 1[1]	1.50%	1.50%
Pillar 2 Tier 1 requirement	1.31%	1.50%
Combined capital buffer requirement	3.63%[2]	3.90%[2]
OCR level	**10.95%**	**11.40%**

[1] May be comprised of Additional Tier 1 or CET1.
[2] Including buffers updated on a quarterly basis: 0.37 per cent. countercyclical capital buffer and 0.03 per cent. systemic risk buffer, as of 30 September 2023, and 0.13 per cent. countercyclical capital buffer, as of 31 December 2022.

Required Minimum Total Capital ratio		
	As at 31 December 2022	**As at 30 September 2023**
Pillar 1 CET1	4.50%	4.50%
Pillar 1 Additional Tier 1[1]	1.50%	1.50%
Pillar 1 Tier 2[2]	2.00%	2.00%
Pillar 2 Total Capital requirement	1.75%	2.00%

Combined capital buffer requirement	3.63%[3]	3.90%[3]
OCR level	**13.38%**	**13.90%**

[1] May be comprised of Additional Tier 1 or CET1.
[2] May be comprised of Tier 2, Additional Tier 1 or CET1.
[3] Including buffers updated on a quarterly basis: 0.37 per cent. countercyclical capital buffer and 0.03 per cent. systemic risk buffer, as of 30 September 2023, and 0.13 per cent. countercyclical capital buffer, as of 31 December 2022.

As at 31 December 2021, 31 December 2022 and 30 September 2023, the consolidated capital ratios (CET1 Capital, Tier 1 and Total Capital ratios), are set out in the table below:

Capital ratios	**31 December 2021**	**31 December 2022**	**30 September 2023**
CET1 Capital ratio	15.82%	16.68%	17.50%
Tier 1 ratio	17.94%	18.65%	19.17%
Total Capital ratio	20.14%	21.42%	22.24%

The transitional leverage ratio stated stood at 6.07 per cent. in 3Q23.

UniCredit is fully compliant with its TLAC requirement which, as of 3Q23, is based on RWA[8], with a TLAC ratio of 28.31 per cent. of RWA[9] and of 8.96% per cent. of Leverage Ratio Exposures, implying a buffer of 641 bps over the 21.90 per cent requirement in terms of RWA equivalent to 203 bps in terms of Leverage Exposures. The buffer calculated on TLAC requirement in terms of Leverage Exposures (6.75 per cent.) amounts to 221 bps.

UniCredit is also fully compliant with its MREL requirements[10] with a 3Q23 MREL ratio of 32.36 per cent. of RWA (of which 24.81 per cent of subordinated components) and of 10.25 per cent. of Leverage Exposures (of which 7.86 per cent of subordinated components) implying a buffer of 773 bps over the 24.63 per cent. RWA Requirement (of which 15.69 per cent of subordinated components, leading to buffer of 912 bps) and a buffer of 435 bps over the 5.90 per cent Leverage Exposures Requirement (of which 5.68 per cent of subordinated components, leading to buffer of 218 bps).

Starting from 30 June 2020, CET1 Capital (and, as a consequence, also the CET1, the Tier 1 and the Total Capital ratios) benefits from the application of the transitional arrangements foreseen by the regulation for IFRS9 provisions adopted by the Group in the quarter. In addition, the new grandfathering framework is applicable, until 2025 and according to the CRR2 Article 494b, to the Additional Tier 1 and Tier 2 instruments issued before 27 June 2019 that do not fully comply with the CRR2 Articles 52 and 63.

If at any time the Issuer is unable to maintain its total Own Funds at the level necessary to meet its combined buffer requirement or, as appropriate, its Leverage Ratio buffer requirement, a Maximum Distributable Amount (MDA) or a leverage ratio related Maximum Distributable Amount (L-MDA) restriction would be applicable and the Issuer may be required to cancel interest payments on the Additional Tier 1 Notes. The Issuer's Own Funds requirements, including the Pillar 1 Requirement and leverage ratio requirements and the Pillar 2 Requirement and leverage ratio requirements, TLAC,

[8] According to the provisions of Article 92a of the CRR2, the minimum TLAC requirement applicable is equal to the maximum between the 18% of the total risk weighted asset plus the Combined Buffer Requirement applicable at the date (3.90% as of September 2023) and the 6.75% of leverage exposures.
[9] Including 3.5% per cent. of RWA senior exemption.
[10] MREL RWA requirement includes the Combined capital Buffer Requirement applicable at the date.

MREL, the combined buffer requirement and the Leverage Ratio buffer requirement, are, by their nature, calculated by reference to a number of factors any one of which or combination of which may not be easily observable or capable of calculation by investors. Investors in the Additional Tier 1 Notes may not be able to assess or predict accurately the proximity of the risk of discretionary payments on the Additional Tier 1 Notes being prohibited from time to time as a result of the operation of Article 141 or Article 141b of the CRD IV Directive or Article 16a of the BRRD and, if relevant, in other similar payment restriction provision(s) under the Relevant Regulations. There can be no assurance that any of the Own Funds, leverage ratio and MREL requirements, the combined buffer requirement or the Leverage Ratio buffer requirement applicable to the Issuer and/or the Group will not be amended in the future to include new and more onerous requirements, which in turn may affect the Issuer's capacity to make payments of interest on the Additional Tier 1 Notes.

There can be no assurance that the Own Funds, leverage ratio and MREL requirements, the combined buffer requirement or the Leverage Ratio buffer requirement applicable to the Issuer and/or the Group from time to time may not be higher than the levels of Own Funds and/or eligible liabilities, as applicable, available to the Issuer and/or the Group at such point in time. Also, there can also be no assurance as to the result of any future SREP carried out by the ECB and whether this will impose any higher Pillar 2 Requirement or leverage ratio requirements on the Issuer and/or the UniCredit Group.

These issues and other possible issues of interpretation make it difficult to determine how the Maximum Distributable Amount will apply as a practical matter to limit interest payments on the Additional Tier 1 Notes, the reinstatement of the Prevailing Principal Amount of the Additional Tier 1 Notes following a Write-Down, and the ability of the Issuer to redeem and purchase the Additional Tier 1 Notes. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Additional Tier 1 Notes.

In addition to the above, under Article 133 of CRD V, European Member States may introduce a systemic risk buffer of Common Equity Tier 1 capital in order to prevent and mitigate macroprudential or systemic risk not covered by CRR, the countercyclical capital buffer, the G-SII buffer or the O-SII buffer. Pursuant to this provision, the Competent Authority has the power to set one or more systemic risk buffer rates applicable to one or a combination of the exposures of the kind referred to in Article 133(5) of CRD V.

The provisions laid down by the CRD V as to the national competent authorities' to introduce a systemic risk buffer have been transposed into the Italian secondary level legislation, now also providing for the regulator's authority to set one or more systemic risk buffer rates.

As of the date of this Base Prospectus, the Bank of Italy has not exercised so far its authority to introduce a SyRB (as defined below) or a borrower-based measure.

In accordance with the Recommendation of the European System Risk Board of 2 June no. ESRB/2022/4, on 20 October 2022, the Bank of Italy has announced its intention to reciprocate the German measure (the **German Measure**) imposing a 2% SyRB buffer rate on all exposures (both retail and non-retail) to natural and legal persons that are secured by residential real estate located in Germany. As of 1 February 2023, the German Measure applies in relation to direct or indirect exposures of banks incorporated in Italy secured by real estate situated in Germany and addressed Italian banks are required to comply with this SyRB buffer ratio. As of the date of this Base Prospectus, the Group is compliant with the German Measure, as reciprocated by the Bank of Italy.

Furthermore, a number of Member States where the Group undertakes its activities have decided to introduce a SyRB buffer ratio. As of the date of this Base Prospectus, these decisions have not been reciprocated by the Bank of Italy and thus are not expected to have a material impact on the Group's operations.

In addition, Article 133 of the CRD V includes a paragraph which introduces restrictions on distributions in the case of failure to meet the systemic risk buffer rates imposed by the Competent Authority. In fact, based on the mentioned article of CRD V, "where an institution fails to meet fully the requirement under paragraph 1 of this Article, it shall be subject to the restrictions on distributions set out in Article 141(2) and (3). Where the application of those restrictions on distributions leads to an unsatisfactory improvement of the Common Equity Tier 1 capital of the institution in the light of the relevant systemic risk, the competent authorities may take additional measures in accordance with Article 64". As a consequence, in the event of the breach of the systemic risk buffer rates, it may be necessary to reduce discretionary payments, including potentially cancelling (in whole or in part) interest payments in respect of Additional Tier 1 Notes."

- In the subsection "*Risks relating to Additional Tier 1 Notes*", the Risk Factor headed "*No scheduled redemption – early redemption and purchase of the Additional Tier 1 Notes may be restricted*" on pages 61-63 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"*1.4.9* *No scheduled redemption – early redemption and purchase of the Additional Tier 1 Notes may be restricted*

The Issuer is under no obligation to redeem the Additional Tier Notes at any time before the date on which voluntary or involuntary winding up proceedings are instituted in respect of the Issuer, and the Noteholders have no right to call for their redemption.

The Issuer may, at its sole discretion (but subject to the provisions of Condition 10.16 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*) of the Terms and Conditions for the Notes in Global Form and Condition 10.16 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*) of the Terms and Conditions for the Dematerialised Notes) redeem the Additional Tier 1 Notes in whole, but not in part, on any Optional Redemption Date (Call) at their Prevailing Principal Amount, plus any accrued interest and any additional amounts due pursuant to Condition 11 (*Taxation*) of the Terms and Conditions for Notes in Global Form and Condition 11 (*Taxation*) of the Terms and Conditions for the Dematerialised Notes, as described in Condition 10.2 (*No fixed redemption for the Additional Tier 1 Notes*) of the Terms and Conditions for the Notes in Global Form and Condition 10.2 (*No fixed redemption for the Additional Tier 1 Notes*) of the Terms and Conditions for the Dematerialised Notes.

In addition, the Issuer may also, at its sole discretion (but subject to the provisions of Condition 10 (*Redemption and Purchase*) of the Terms and Conditions for the Notes in Global Form and Condition 10 (*Redemption and Purchase*) of the Terms and Conditions for the Dematerialised Notes), redeem the Additional Tier 1 Notes in whole, but not in part, following the occurrence of a Capital Event and in whole, or in part, following the occurrence of a Tax Event (each as defined herein) at their Prevailing Principal Amount, plus, in each case, if relevant, any accrued interest and any additional amounts due pursuant to Condition 11 (*Taxation*) of the Terms and Contions for the Notes in Global Form and Condition 11 (*Taxation*) of the Terms and Conditions for the Dematerialised Notes as described in Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) and Condition 10.3 (*Redemption for tax reasons*) of the Terms and Conditions for the Notes in Global Form and Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) and Condition 10.3 (*Redemption for tax reasons*) of the Terms and Conditions for the Dematerialised Notes.

In addition, on 22 December 2022 the Council Directive 2022/2523 "on ensuring a global minimum level of taxation for multinational groups in the Union" aimed at implementing the OECD Pillar Two Model Rules (the **Pillar 2 Directive**) has been published in the EU Official Journal. The Directive has been unanimously approved by all 27 Member States, which are required to implement these rules into their national systems before 31 December 2023 (first fiscal year applicable 2024). The extent of the implementation of Pillar 2 Directive in the jurisdictions in which the UniCredit Group operates is still uncertain. In particular, it is unclear whether and to what extent interest payments accrued in respect of certain equity accounted instruments such as the Additional Tier 1 Notes would be considered as being deductible for tax purposes. If, following the implementation of the Pillar 2 Directive in Italy, interest payments under the Notes become not tax deductible by the Issuer, this may result in the occurrence of a Tax Event (please see Condition 10.3 (*Redemption for tax reasons*) of the Terms and Conditions for the Notes in Global Form and Condition 10.3 (*Redemption for tax reasons*) of the Terms and Conditions for the Dematerialised Notes).

The intention of UniCredit is for Additional Tier 1 Notes to qualify on issue as "Additional Tier 1 Capital" for regulatory capital purposes.

Although it is UniCredit's expectation that the Additional Tier 1 Notes qualify on issue as "Additional Tier 1 Capital", there can be no representation that this is or will remain the case during the life of the Additional Tier 1 Notes. If there is a change in the regulatory classification of the Additional Tier 1 Notes that would be likely to result in their exclusion from "Additional Tier 1 Capital" and, in respect of any redemption of the relevant Additional Tier 1 Notes proposed to be made prior to the fifth anniversary of the Issue Date, both of the following conditions are met: (i) the Competent Authority considers such a change to be reasonably certain and (ii) UniCredit demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Additional Tier 1 Notes was not reasonably foreseeable by UniCredit as at the date of the issue of the relevant Additional Tier 1 Notes, UniCredit will (if so specified in the applicable Final Terms) have the right to redeem the Additional Tier 1 Notes in accordance with Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the Notes in Global Form and Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the Dematerialised Notes, subject to, *inter alia*, the prior approval of the relevant Competent Authority and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations. There can be no assurance that holders of such Additional Tier 1 Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the relevant Notes, as the case may be. Also, if at any time a Regulatory Event with regard to Additional Tier 1 Notes occurs then the Issuer may, as specified in the risk factor "*Additional Tier 1 Notes may be subject to modification without Noteholder consent*" below, at any time vary the terms of such Notes so that they remain or, as appropriate, become Qualifying Additional Tier 1 Notes.

Any early redemption or purchase of Additional Tier 1 Notes is subject to compliance with the then applicable Relevant Regulations, including for the avoidance of doubt:

(a) the Issuer giving notice to the Competent Authority and the Competent Authority granting prior permission to redeem or purchase the relevant Additional Tier 1 Notes (in each case subject to and in accordance with the then Relevant Regulations, including Articles 77 and 78 of the CRD IV Regulation, as amended or replaced from time to time), where either:

    (i) on or before such redemption or purchase (as applicable), the Issuer having replaced the Notes with Own Funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

    (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its Own Funds and eligible liabilities would, following such repayment or purchase, exceed the minimum requirements (including any capital buffer requirements) required under the Relevant Regulations by a margin that the Competent Authority considers necessary at such time; and

(b) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date of the relevant Additional Tier 1 Notes, if and to the extent required under Article 78(4) of the CRD IV Regulation or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014, as subsequently amended:

(i) in the case of redemption pursuant to Condition 10.3 (*Redemption for tax reasons*) of the Terms and Conditions for the Notes in Global Form and Condition 10.3 (*Redemption for tax reasons*) of the Terms and Conditions for the Dematerialised Notes, the Issuer having demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Additional Tier 1 Notes is material and was not reasonably foreseeable as at the Issue Date; or

(ii) in case of redemption pursuant to Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the Notes in Global Form and Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the Dematerialised Notes, a Capital Event having occurred in respect of Additional Tier 1 Notes; or

(iii) on or before such redemption or repurchase (as applicable), the Issuer having replaced the Notes with Own Funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority has permitted that action on the basis of the determination that it would be classified from a prudential point of view and justified by exceptional circumstances; or

(iv) the Notes being repurchased for market marketing purposes.

subject in any event to any alternative or additional conditions or requirements as may be applicable from time to time under the Relevant Regulations.

In addition, any proposed redemption of Additional Tier 1 Notes prior to the fifth anniversary of their Issue Date shall (i) in the case of a Capital Event, be restricted as set out above under "*Regulatory classification of the Notes*" and (ii) in the case of a Tax Event, be limited to circumstances in which the change or amendment giving rise to the Tax Event is, to the satisfaction of the relevant Competent Authority, material and was not reasonably foreseeable by the Issuer as at the Issue Date of the relevant Additional Tier 1 Notes.

There can be no assurance that the relevant Competent Authority will permit any redemption or purchase of Additional Tier 1 Notes. See also "No scheduled redemption" above. In addition, the Issuer may elect not to exercise any option to redeem any Additional Tier 1 Notes early or at any time. Holders of Additional Tier 1 Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for an indefinite period."

- In the subsection "*Risks relating to Additional Tier 1 Notes*", the Risk Factor headed "*Additional Tier 1 Notes may be subject to modification without Noteholders' consent*" on page 63 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"*1.4.10 <u>Additional Tier 1 Notes may be subject to modification without Noteholders' consent</u>*

If (i) at any time, a Capital Event or an Alignment Event occurs for any Series of Additional Tier 1 Notes, or (ii) in order to ensure the effectiveness and enforceability of Condition 21 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Notes in Global Form and Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Dematerialised Notes for any Series of Additional Tier 1 Notes, then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent

Authority and/or as appropriate the Relevant Resolution Authority (without any requirement for the consent or approval of the holders of the Additional Tier 1 Notes of that Series), at any time vary the terms of a Series of Additional Tier 1 Notes so that they remain or, as appropriate, become, Qualifying Additional Tier 1 Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Additional Tier 1 Notes are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 21 (Contractual Recognition of Statutory Bail-In Powers) of the Terms and Conditions for the Notes in Global Form and Condition 19 (Contractual Recognition of Statutory Bail-In Powers) of the Terms and Conditions for the Dematerialised Notes have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Additional Tier 1 Notes. However, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the notes prior to such variation."

- In the subsection "*Risks related to the Notes generally*", the Risk Factor headed "*Notes issued, if any, as "Green Bonds", "Social Bonds" or "Sustainability Bonds" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets*" on pages 69-72 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"*1.7.9* *<u>Notes issued, if any, as "Green Bonds", "Social Bonds" or "Sustainability Bonds" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets</u>*

If so specified in the relevant Final Terms, the Issuer may issue Notes under the Programme described as Green Bonds, Social Bonds and Sustainability Bonds (each as defined in the "*Use of Proceeds*" section of this Base Prospectus) in accordance with the Issuer's Sustainability Bond Framework (as defined in the "*Use of Proceeds*" section of this Base Prospectus) and the principles set out by the International Capital Market Association (**ICMA**) (respectively, the Green Bond Principles (**GBP**), the Social Bond Principles (**SBP**) and the Sustainability Bond Guidelines (**SBG**)).

In such a case, prospective investors should have regard to the information set out at "Reasons for the Offer, estimated net proceeds and total expenses" in the applicable Final Terms and must determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investors deem necessary, and must assess the suitability of that investment in light of their own circumstances. In particular, no assurance is given by the Issuer, the Arranger or the Dealers that the use of such proceeds for the funding of any green project or social project or sustainable project, as the case may be, will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law, regulations or standards (including, amongst others, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the **EU Taxonomy Regulation**) or any standards resulting from the proposal for a European green bond standard (**EUGBS**) adopted by the European Commission on 6 July 2021 and approved by the European Parliament on 5 October 2023 and by the Council on 23 October 2023).

Furthermore, it should be noted that there is currently no clearly established definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, respectively "green" or a "social" or a "sustainable" project or as to what precise attributes are required for a particular project to be defined as "green" or "social" or "sustainable" or such other equivalent label. The EU Taxonomy Regulation is subject to further developments by way of implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the EU Taxonomy Regulation (the **EU Sustainable Finance Taxonomy Delegated Acts**). A first delegated act on sustainable activities for climate change adaptation and mitigation objectives was approved in principle on 21 April 2021 and formally adopted on 4 June 2021. A second delegated act for the remaining objectives will be published. On 6 July 2021, a delegated act supplementing Article 8 of the EU Taxonomy Regulation was adopted by the Commission, then published in the Official Journal on 10 December 2021 and it is applicable since January 2022. This delegated act specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities. On March 2022, the European Commission adopted a complementary climate delegated act including, under strict conditions, specific nuclear and gas energy activities in the list of economic activities covered by the EU Taxonomy Regulation. It was published in the Official Journal on 15 July 2022 and it is applicable since January 2023. The criteria for the specific gas and nuclear activities are in line with EU climate and environmental objectives and will help accelerate the shift from solid or liquid fossil fuels, including coal, towards a climate-neutral future.

Even if a definition or market consensus as to what constitutes, a “green” or “sustainable” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green” or “sustainable” or such other equivalent label, should develop or be established, no assurance is or can be given to investors that any green or social or sustainable project, as the case may be, towards which proceeds of the Notes are to be applied will meet any or all investor expectations regarding such "green" or "social" or "sustainable"(or other equivalently labelled) performance objectives (including those set out under the EU Taxonomy Regulation and the EU Sustainable Finance Taxonomy Delegated Acts) or that any adverse social, green, sustainable and/or other impacts will not occur during the implementation of any green or social or sustainable project. Moreover, in light of the continuing development of legal, regulatory and market conventions in the green, sustainable and positive social impact markets, there is a risk that the legal frameworks and/or definitions may (or may not) be modified to adapt any update that may be made to the ICMA’s Green Bond Principles and/or the ICMA’s Social Bonds Principles and/or the ICMA’s Sustainable Bonds Guidelines and/or the EU framework standard. Such changes may have a negative impact on the market value and the liquidity of any Green Bond, Social Bond or Sustainability Bond issued prior to their implementation.

In the event that any Green Bond, Social Bond or Sustainability Bond are listed or admitted to trading on any dedicated “green”, “environmental”, “social” or “sustainable” or other equivalently labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Arranger, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another.

While it is the intention of the Issuer to apply an amount equivalent to the proceeds of Social Bonds, Green Bonds or Sustainability Bonds in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the green, social or sustainable projects (either resulting from the original application of the proceeds of the Notes or a subsequent reallocation of such proceeds), as the case may be, will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly the proceeds of the relevant Green Bonds, Social Bonds or Sustainability Bonds will be totally or partially disbursed for such projects. Nor can there be any assurance that (i) such green, social or sustainable projects will be completed within any specified period or at all, (ii) with the results or outcome as originally expected or anticipated by the Issuer or (iii) the originally designated green project or social project or sustainable project (or any project(s) resulting from any subsequent reallocation of some or all of the proceeds of the relevant Green Bonds, Social Bonds or Sustainability Bonds) will not be the potentially or actual disqualified as such. Any such event or failure by the Issuer (including to comply with its reporting obligations or to obtain any assessment, opinion or certification, including the Second-party Opinion in relation to Green Bonds, Social Bonds or Sustainability Bonds), any actual or potential maturity mismatch between the green, social or sustainable asset(s) towards which proceeds of the Notes may have been applied and the relevant Notes or if any other risk(s) set out or contemplated by this risk factor with respect to Green Bonds, Social Bonds or Sustainability Bonds are realised, such occurrence will not, with respect to any Notes (including for the avoidance of doubt, any Senior Notes, Non-Preferred Senior Notes, Subordinated Notes or Additional Tier 1 Notes), (i) give rise to any claim of a Noteholder against the Issuer; (ii) constitute an event of default under the relevant Notes; (iii) lead to an obligation of the Issuer to redeem such Notes or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Notes; (iv) affect the qualification of such Notes as Senior Notes, Non-Preferred Senior Notes, Subordinated Notes, Additional Tier 1 Notes or as eligible liabilities instruments or impact any of the features of such Notes, including (without limitation, as applicable) features relating to ranking, permanence, loss absorption and/or flexibility of payments (as applicable); or (v) prevent the applicability of the Bail-in Power (or any other provision of the Relevant Regulations). Neither the proceeds of any Green Bonds, Social Bonds or Sustainability Bonds nor any amount equal to such proceeds or asset financed with such proceeds will be segregated by the Issuer from its capital and other assets. For the avoidance of doubt, payments of principal and interest and the operation of any other features (as the case may be) on the relevant Green Bonds, Social Bonds or Sustainability Bonds shall not depend on the performance of the relevant project nor have any preferred or any other right against the green, social or sustainable assets towards which proceeds of the Notes are to be applied.

Any such event or failure to apply the proceeds of the issue of the Notes for any green, social or sustainable projects as aforesaid may have a material adverse effect on the value of the Notes and/or result in adverse consequences for, amongst others, investors with portfolio mandates to invest in securities to be used for a particular purpose.

In addition, Green Bonds, Social Bonds or Sustainability Bonds may also qualify as Own Funds or eligible liabilities. The fact that Notes which qualify as Own Funds or eligible liabilities (which may include, for the avoidance of doubt, Senior Notes, Non-Preferred Senior Notes, Subordinated Notes and Additional Tier 1 Notes) are also Green Bonds, Social Bonds or Sustainability Bonds shall not impact (i) any of the features of such Notes, including (without limitation, as applicable) features relating to ranking, permanence, loss absorption and/or flexibility of payments or enhance the performance of the relevant Notes in any way, (ii) the availability of the Notes (or the proceeds thereof) to absorb all losses (whether or not related to any green, social or sustainable assets towards which proceeds of the relevant Notes may have been applied or, if relevant, reallocated) in accordance with their terms (if applicable) or the Relevant Regulations, (iii) the relevant CRR eligibility criteria applicable to the qualification of the relevant Notes as Own Funds or eligible liabilities (as appropriate) or applicability of the relevant BRRD requirements for Own Funds and eligible liabilities or (iv) the risks related to the qualification of such Notes as Own Funds or eligible liabilities (as appropriate). Among the risks applicable to the Issuer’s Notes, the Issuer’s Green Bonds, Social Bonds or Sustainability Bonds may be subject to mandatory write-down or conversion to equity in the event a resolution procedure is initiated in respect of the UniCredit Group (including the Issuer) and, with respect to Green Bonds, Social Bonds or Sustainability Bonds qualifying as Tier 2 Capital or Additional Tier 1 Capital, even before the commencement of any such procedure if certain conditions are met, in which cases the fact that such Notes are designated as Green Bonds, Social Bonds or Sustainability Bonds does not provide their holders with any priority compared to other Notes, nor is their level of subordination affected by such designation.”

Responsibility Statement, Third Party Information and Experts' Reports

The "*Responsibility Statement, Third Party Information and Experts' Reports*" section of the Base Prospectus is amended as follows:

- The paragraph "*3. Third party information*" on page 87 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

"**3. Third party information**

No third party information is included in this Base Prospectus, except for the rating information set out in the section headed "*Credit ratings*" in the "*Description of UniCredit and the UniCredit Group*" of this Base Prospectus. The Issuer declares that such information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The sources of such information are the following rating agency: Fitch Ratings Ireland Limited (**Fitch**), by Moody's Investors Service España S.A. (**Moody's**) and by S&P Global Ratings Europe Limited (**S&P**)."

Documents Incorporated by Reference

Unaudited consolidated interim financial results of the UniCredit Group in respect of the nine months ended 30 September 2023

On 23 October 2023, the UniCredit Board of Directors approved the unaudited consolidated interim financial results of the UniCredit Group in respect of the nine months ended 30 September 2023 (the **Unaudited Consolidated Interim Report as at 30 September 2023 – Press Release**) which have been published on 24 October 2023 and are available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2023/3Q23_UniCredit_PR_ENG.pdf.

For comparative purposes, the Issuer wishes also to incorporate by reference the unaudited consolidated interim financial results of the UniCredit Group in respect of the nine months ended 30 September 2022 (the **Unaudited Consolidated Interim Report as at 30 September 2022 – Press Release**) which have been published on 26 October 2022 and are available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2022/UniCredit_PR_3Q22_ENG_26102022.pdf.

A copy of the Unaudited Consolidated Interim Report as at 30 September 2023 – Press Release and a copy of the Unaudited Consolidated Interim Report as at 30 September 2022 – Press Release have been filed with the *Commission de Surveillance du Secteur Financier* (**CSSF**). Copies of this Supplement and all the sections identified in the table below incorporated by reference in the Base Prospectus will also be published on the website of UniCredit *www.unicreditgroup.eu*, as well as on the website of the Luxembourg Stock Exchange (*www.luxse.com*).

By virtue of this Supplement, the sections of the Unaudited Consolidated Interim Report as at 30 September 2023 – Press Release and the sections of the Unaudited Consolidated Interim Report as at 30 September 2022 identified in the table below are incorporated by reference in, and form part of, Section "*Documents incorporated by reference*" on pages 94-96 of the Base Prospectus. Any non-incorporated parts of a document referred to in this Supplement are either deemed not relevant for an investor or are otherwise covered elsewhere in this Supplement.

Documents	Information Incorporated	Page Reference
Unaudited Consolidated Interim Report as at 30 September 2023 – Press Release	UniCredit Group: Reclassified Income Statement	14
	UniCredit Group: Reclassified Balance Sheet	15
	Other UniCredit Group Tables (Ratings, Sovereign Debt Securities – Breakdown by Country/Portfolio, Weighted Duration)	16-18
	Basis of Preparation	19-23
	Declaration by the manager charged with preparing the financial reports	26
	Significant events during and after 3Q23	13
Unaudited Consolidated Interim Report as at 30 September 2022 – Press Release	UniCredit Group: Reclassified Income Statement	16
	UniCredit Group: Reclassified Balance Sheet	17
	Other UniCredit Group Tables (Ratings, Sovereign Debt Securities – Breakdown by Country/Portfolio, Weighted Duration)	18-20
	Basis of Preparation	21-25
	Declaration by the manager charged with preparing the financial reports	28
	Significant events during and after 3Q22	15

Applicable Final Terms for Notes with a Denomination of less than €100,000

- The paragraphs titled "*(a) Rate(s) of Interest*", "*(b) Interest Payment Date(s)*", "*(d) Fixed Coupon Amount(s)*" and "*(e) Broken Amount(s)*" in the item titled "*13. Fixed Rate Note Provisions*" in Part A of section "*Applicable Final Terms for Notes with a Denomination of less than €100,000*" at page 105 of the Base Prospectus are amended as follows, so that the following item set out below shall replace the corresponding item currently included in the Base Prospectus and the items not set out below shall remain unchanged:

"13.	Fixed Rate Note Provisions:	(…)
	(a) Rate(s) of Interest:	[[ ] per cent. per annum payable in arrear on [each][the relevant] Interest Payment Date] [*specify other in case of different Rates of Interest in respect of different Interest Periods*].
	(b) Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date] [the earlier of the following dates: (i) the Optional Redemption Date, provided that the Issuer exercises its option to redeem the Notes in accordance with Condition 10.5 of the Terms and Conditions for the Dematerialised Notes; (ii) the Maturity Date] (*Only relevant in the case of Dematerialised Notes*) (*Amend appropriately in the case of irregular coupons*)
	(…)	(…)
	(d) Fixed Coupon Amount(s):	[[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)] [payable [[ ] in arrear] on [ ]/[each Interest Payment Date][, except for the amount of interest payable on the first Interest Payment Date falling on [ ]].] [[This]/[These] Fixed Coupon Amount[s] appl[ies]/[y] if the Notes are represented by a global Note or are in definitive form.][Not Applicable][[Unless previously redeemed, on [each][the] Interest Payment Date, the Issuer shall pay to the Noteholders, for each Note, an amount determined as follows:][*Insert the currency and the amount*] per Note of [*Insert the currency and the amount*] Specified Denomination [[*Insert the currency and the amount*] per Calculation Amount] [Rate of Interest x Specified

		Denomination [x Day Count Fraction]] (*Only relevant in the case of Dematerialised Notes*)] *(Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods)*
(e)	Broken Amount(s):	[[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)][, payable on the Interest Payment Date falling [in/on] [ ].][This Broken Amount applies if the Notes are represented by a global Note or are in definitive form]/[Not Applicable][In case of a long or short Interest Period (with regard to paragraph 13(b) ("*Interest Payment Date(s)*") above), the amount of Interest will be calculated in accordance with the formula specified in paragraph 13(d) ("*Fixed Coupon Amount(s)*") above (*Only relevant in the case of Dematerialised Notes*)]"

- The paragraph titled "*(b) Optional Redemption Amount*" in the item titled "*19. Issuer Call*" in Part A of section "*Applicable Final Terms for Notes with a Denomination of less than €100,000*" at page 113 of the Base Prospectus is amended as follows, so that the following item set out below shall replace the corresponding item currently included in the Base Prospectus and the items not set out below shall remain unchanged:

(b)	Optional Redemption Amount:	[[ ] per Calculation Amount][[Make-whole Amount][Unless previously redeemed, at the option of the Issuer, the Notes may be early redeemed on the Optional Redemption Dates in accordance with the following provisions in respect of each Note: Specified Denomination x [*Insert percentage*]%]]

Applicable Final Terms for Notes with a Denomination of at least €100,000

- The paragraphs titled "*(a) Rate(s) of Interest*", "*(b) Interest Payment Date(s)*", "*(d) Fixed Coupon Amount(s)*" and "*(e) Broken Amount(s)*" in the item titled "*13. Fixed Rate Note Provisions*" in Part A of section "*Applicable Final Terms for Notes with a Denomination of at least €100,000*" at page 130 of the Base Prospectus are amended as follows, so that the following item set out below shall replace the corresponding item currently included in the Base Prospectus and the items not set out below shall remain unchanged:

"13.	Fixed Rate Note Provisions:	(…)
	(a) Rate(s) of Interest:	[[ ] per cent. per annum payable in arrear on [each][the relevant] Interest Payment Date] [*specify other in case of different Rates of Interest in respect of different Interest Periods*]
	(b) Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date] [the earlier of the following dates: (i) the Optional Redemption Date, provided that the Issuer exercises its option to redeem the Notes in accordance with Condition 10.5 of the Terms and Conditions for the Dematerialised Notes; (ii) the Maturity Date] (*Only relevant in the case of Dematerialised Notes*) (*Amend appropriately in the case of irregular coupons*)
	(…)	(…)
	(d) Fixed Coupon Amount(s):	[[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)] [payable [[ ] in arrear] on [ ]/[each Interest Payment Date][, except for the amount of interest payable on the first Interest Payment Date falling on [ ]].] [[This]/[These] Fixed Coupon Amount[s] appl[ies]/[y] if the Notes are represented by a global Note or are in definitive form.][Not Applicable][[Unless previously redeemed, on [each][the] Interest Payment Date, the Issuer shall pay to the Noteholders, for each Note, an amount determined as follows:][*Insert the currency and the amount*] per Note of [*Insert the currency and the amount*] Specified Denomination [[*Insert the currency and the amount*] per Calculation Amount] [Rate of Interest x Specified

		Denomination [x Day Count Fraction]] (*Only relevant in the case of Dematerialised Notes*)] *(Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods)*
(e)	Broken Amount(s):	[[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)][, payable on the Interest Payment Date falling [in/on] [ ].][This Broken Amount applies if the Notes are represented by a global Note or are in definitive form]/[Not Applicable][In case of a long or short Interest Period (with regard to paragraph 13(b) ("*Interest Payment Date(s)*") above), the amount of Interest will be calculated in accordance with the formula specified in paragraph 13(d) ("*Fixed Coupon Amount(s)*") above (*Only relevant in the case of Dematerialised Notes*)]"

- The paragraph titled "*(b) Optional Redemption Amount (in the case of Subordinated Notes or Additional Tier 1 Notes only, subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)*" in the item titled "*19. Issuer Call*" in Part A of section "*Applicable Final Terms for Notes with a Denomination of at least €100,000*" at page 138 of the Base Prospectus is amended as follows, so that the following item set out below shall replace the corresponding item currently included in the Base Prospectus and the items not set out below shall remain unchanged:

(b) Optional Redemption Amount (in the case of Subordinated Notes or Additional Tier 1 Notes only, subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations):	[[ ] per Calculation Amount][[Make-whole Amount][Unless previously redeemed, at the option of the Issuer, the Notes may be early redeemed on the Optional Redemption Dates in accordance with the following provisions in respect of each Note: Specified Denomination x [*Insert percentage*]%]]

Applicable Pricing Supplement

- The paragraphs titled "*(a) Rate(s) of Interest*", "*(b) Interest Payment Date(s)*", "*(d) Fixed Coupon Amount(s)*" and "*(e) Broken Amount(s)*" in the item titled "*14. Fixed Rate Note Provisions*" in Part A of section "*Applicable Pricing Supplement*" at pages 152-153 of the Base Prospectus are amended as follows, so that the following item set out below shall replace the corresponding item currently included in the Base Prospectus and the items not set out below shall remain unchanged:

"14.	Fixed Rate Note Provisions:		(…)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on [each][the relevant] Interest Payment Date
	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date] [the earlier of the following dates: (i) the Optional Redemption Date, provided that the Issuer exercises its option to redeem the Notes in accordance with Condition 10.5 of the Terms and Conditions for the Dematerialised Notes; (ii) the Maturity Date] (*Only relevant in the case of Dematerialised Notes*) (*Amend appropriately in the case of irregular coupons*)
	(…)		(…)
	(d)	Fixed Coupon Amount(s):	[[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)] [payable [[ ] in arrear] on [ ]/[each Interest Payment Date][, except for the amount of interest payable on the first Interest Payment Date falling on [ ]].] [[This]/[These] Fixed Coupon Amount[s] appl[ies]/[y] if the Notes are represented by a global Note or are in definitive form.][Not Applicable][[Unless previously redeemed, on [each][the] Interest Payment Date, the Issuer shall pay to the Noteholders, for each Note, an amount determined as follows:][*Insert the currency and the amount*] per Note of [*Insert the currency and the amount*] Specified Denomination [[*Insert the currency and the amount*] per Calculation Amount] [Rate of Interest x Specified

		Denomination [x Day Count Fraction]] (*Only relevant in the case of Dematerialised Notes*)] *(Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods)*
(e)	Broken Amount(s):	[[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)][, payable on the Interest Payment Date falling [in/on] [ ].][This Broken Amount applies if the Notes are represented by a global Note or are in definitive form]/[Not Applicable][In case of a long or short Interest Period (with regard to paragraph 14(b) ("*Interest Payment Date(s)*") above), the amount of Interest will be calculated in accordance with the formula specified in paragraph 14(d) ("*Fixed Coupon Amount(s)*") above (*Only relevant in the case of Dematerialised Notes*)]"

- The paragraph titled "*(b) Optional Redemption Amount (in the case of Subordinated Notes and Additional Tier 1 Notes only, subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)*" in the item titled "*21. Issuer Call*" in Part A of section "*Applicable Pricing Supplement*" at pages 159-160 of the Base Prospectus is amended as follows, so that the following item set out below shall replace the corresponding item currently included in the Base Prospectus and the items not set out below shall remain unchanged:

(b) Optional Redemption Amount (in the case of Subordinated Notes and Additional Tier 1 Notes only, subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations):	[[ ] per Calculation Amount][Unless previously redeemed, at the option of the Issuer, the Notes may be early redeemed on the Optional Redemption Dates in accordance with the following provisions in respect of each Note: Specified Denomination x [*Insert percentage*]%]]

Terms and Conditions for the Notes in Global Form

- Condition 10.16 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*) at pages 228-229 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

"10.16 Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes

Any redemption or purchase of Subordinated Notes or Additional Tier 1 Notes in accordance with Conditions 10.2, 10.3, 10.4, 10.5, 10.7 or 10.11 or Condition 18 (including, for the avoidance of doubt, any modification or variation in accordance with Condition 18) is subject to compliance with the then applicable Relevant Regulations, including, as relevant, for the avoidance of doubt:

(a) the Issuer giving notice to the Competent Authority and the Competent Authority granting prior permission to redeem or purchase the relevant Subordinated Notes or Additional Tier 1 Notes (in each case subject to and in accordance with the then Relevant Regulations, including Articles 77 and 78 of the CRD IV Regulation, as amended or replaced from time to time), where either:

(i) on or before such redemption or purchase (as applicable), the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

(ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its Own Funds and eligible liabilities would, following such repayment or purchase, exceed the minimum requirements (including any capital buffer requirements) required under the Relevant Regulations by a margin that the Competent Authority considers necessary at such time; and

(b) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date of the relevant Subordinated Notes or Additional Tier 1 Notes, if and to the extent required under Article 78(4) of the CRD IV Regulation or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014:

(i) in the case of redemption pursuant to Condition 10.3 (*Redemption for tax reasons*), the Issuer having demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Subordinated Notes or Additional Tier 1 Notes is material and was not reasonably foreseeable as at the Issue Date; or

(ii) in case of redemption pursuant to Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*), a Regulatory Event having occurred in respect of Subordinated Notes or a Capital Event having occurred in respect of Additional Tier 1 Notes; or

(iii) on or before such redemption or repurchase (as applicable), the Issuer replacing the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

(iv) the Notes being repurchased for market making purposes, subject in any event to any alternative or additional conditions or requirements as may be applicable from time to time under the Relevant Regulations.

The Competent Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) the Subordinated Notes or Additional Tier 1 Notes, in the limit of a predetermined amount, which shall not exceed the lower of (i) 10 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the aggregate nominal amount of the relevant Series of the Subordinated Notes or the Additional Tier 1 Notes and (ii) 3 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the outstanding aggregate nominal amount of the Tier 2 instruments or the Additional Tier 1 instruments of the Issuer at the relevant time, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out at letters (i) or (ii) of subparagraph (a) of the preceding paragraph.

If the Issuer has elected to redeem any Additional Tier 1 Notes pursuant to Conditions 10.3, 10.4, 10.5 or 10.7 and prior to the relevant redemption date a Contingency Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, the Prevailing Principal Amount of the Notes will not be due and payable and a Write-Down shall occur as described under Condition 8.

The Issuer shall not give a redemption notice pursuant to Conditions 10.3, 10.4, 10.5 or 10.7 in the period following the giving of a Loss Absorption Event Notice and prior to the relevant Write Down Effective Date."

- Condition 18 (*Meetings of Noteholders, Modification, Waiver and Substitution*) at pages 233-236 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

"18. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Agency Agreement contains provisions for convening meetings, including by way of conference call or by use of a videoconference platform, of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts, the Coupons, these Conditions or the Agency Agreement (including (i) modifying the date of maturity of the Notes or any date for payment of interest thereon, (ii) reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes (in case of Additional Tier 1 Notes, except as provided by the Conditions), or (iii) altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The rights and powers of the Noteholders may only be exercised in accordance with the relevant provisions for meetings of Noteholders attached to the Agency Agreement (the **Provisions for Meetings of Noteholders**) which are deemed to form part of these Conditions. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, *inter alia*, the terms of the Provisions for Meetings of Noteholders.

The Issuer and the Principal Paying Agent may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(a) any modification of the Notes, the Receipts, the Coupons, these Conditions or the Agency Agreement or any waiver or authorisation of any breach or proposed breach of any of the provisions of the Notes or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default for the Senior Notes and Non-Preferred Senior Notes or any Event of Default for the Subordinated Notes and Additional Tier 1 Notes, as applicable, or potential Event of Default for the Senior Notes and Non-Preferred Senior Notes or potential Event of Default for the Subordinated Notes and Additional Tier 1 Notes, as applicable, shall not be treated as such, where, in any such case, it is not, in the opinion of the Issuer, materially prejudicial to the interests of the Noteholders so to do; or

(b) any modification of the Notes, the Receipts, the Coupons, these Conditions or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification, waiver, authorisation or determination shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

In addition, (i) in the case of Senior Notes or Non-Preferred Senior Notes, if at any time a MREL or TLAC Disqualification Event occurs, (ii) in the case of Subordinated Notes, if at any time a Regulatory Event occurs, (iii) in the case of Additional Tier 1 Notes, if at any time a Capital Event or an Alignment Event occurs, (iv) in the case of all Notes, if at any time a Tax Event occurs; or (v) in the case of all Notes, in order to ensure the effectiveness and enforceability of Condition 21, then the Issuer may (without any requirement for the consent or approval of the holders of the relevant Notes of that Series), and having given not less than 30 nor more than 60 days' notice to the Paying Agent and the holders of the Notes of that Series (which notice shall be irrevocable, except that, if a Contingency Event occurs in respect of the Additional Tier 1 Notes, the relevant notice shall be automatically rescinded and shall be of no force and effect and a Write-Down shall occur as described under Condition 8), at any time vary the terms of such Notes so that they remain or, as appropriate, become, Qualifying Senior Notes, Qualifying Non-Preferred Senior Notes, Qualifying Subordinated Notes or Qualifying Additional Tier 1 Notes, as applicable, provided that Qualifying Senior Notes, Qualifying Non-Preferred Senior Notes, Qualifying Subordinated Notes or Qualifying Additional Tier 1 Notes, as applicable, shall not, immediately following such variation, be subject to a Capital Event, a MREL or TLAC Disqualification Event (in the case of Senior Notes and/or Senior Non-Preferred Notes), a Regulatory Event and/or a Tax Event, as applicable.

In these Conditions:

Alignment Event will be deemed to have occurred if, as a result of a change in or amendment to the Relevant Regulations or interpretation thereof, at any time after the Issue Date, the Issuer would be able to issue a capital instrument qualifying as Additional Tier 1 Capital that contains one or more provisions that are, in the reasonable opinion of the Issuer, different in any material respect from those contained in these Conditions.

Qualifying Non-Preferred Senior Notes means securities issued by the Issuer that:

(a) other than in respect of the effectiveness and enforceability of Condition 21, have terms not materially less favourable to a Holder of the Non-Preferred Senior Notes (as reasonably determined by the Issuer) than the terms of the Non-Preferred Senior Notes, and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the UniCredit Group's (as applicable) minimum requirements for Own Funds and eligible liabilities under the then applicable MREL or TLAC Requirements; (B) include a ranking at least equal to that of the Non-Preferred Senior Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Non-Preferred Senior Notes; (D) have the same redemption rights as the Non-Preferred Senior Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Non-Preferred Senior Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21; and

(b) are listed on a recognised stock exchange if the Non-Preferred Senior Notes were listed immediately prior to such variation.

Qualifying Senior Notes means securities issued by the Issuer that:

(a) other than in respect of the effectiveness and enforceability of Condition 21, have terms not materially less favourable to a Holder of the Senior Notes (as reasonably determined by the Issuer) than the terms of the Senior Notes, and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the UniCredit Group's (as applicable) minimum requirements for Own Funds and eligible liabilities under the then applicable MREL or TLAC Requirements; (B) include a ranking at least equal to that of the Senior Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Notes; (D) have the same redemption rights as the Senior Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Senior Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21; and

(b) are listed on a recognised stock exchange if the Senior Notes were listed immediately prior to such variation.

Qualifying Subordinated Notes means securities issued by the Issuer that:

(a) other than in respect of the effectiveness and enforceability of Condition 21, have terms not materially less favourable to a Holder of the Subordinated Notes (as reasonably determined by the Issuer) than the terms of the Subordinated Senior Notes, and they shall also (A) comply with the then-current requirements of the Relevant Regulations in relation to Tier 2 Capital, (B) include a ranking at least equal to that of the Subordinated Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes; (D) have the same redemption rights as the Subordinated Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and

(F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Subordinated Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21; and

(b) are listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such variation.

Qualifying Additional Tier 1 Notes means securities issued by the Issuer that:

(a) other than in respect of the effectiveness and enforceability of Condition 21, have terms not materially less favourable to a Holder of the Additional Tier 1 Notes (as reasonably determined by the Issuer) than the terms of the Additional Tier 1 Notes, and they shall also (A) contain terms such that they comply with the then-current minimum requirements under the Relevant Regulations for inclusion in the Tier 1 Capital of the Issuer and/or the UniCredit Group (as applicable); (B) provide for a ranking at least equal to that of the Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Notes; (D) have the same redemption rights as the Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest (which has not been cancelled) in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation (but subject always to the right or obligation of the Issuer subsequently to cancel any such accrued interest in accordance with the terms of the Notes); and (F) are assigned (or maintain) the same solicited credit ratings as were assigned to the Notes by credit agencies solicited by the Issuer immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21; and

(b) are listed on a recognised stock exchange if the Additional Tier 1 Notes were listed immediately prior to such variation.

For the avoidance of doubt, any variations of the Conditions and the Agency Agreement to give effect to the Benchmark Amendments or the Benchmark Replacement Conforming Changes in accordance with Condition 6.4 (*Reference Rate Replacement*) shall not require the consent or approval of Noteholders, Receiptholders or Couponholders.

For avoidance of doubt, any modification or variation pursuant to this Condition 18 is subject to the provisions of Condition 10.16 (in respect of Subordinated Notes and Additional Tier 1 Notes) and Condition 10.17 (in respect of Senior Notes and Non-Preferred Senior Notes)."

Terms and Conditions for the Dematerialised Notes

- Condition 6.1 (*Interest on Fixed Rate Notes*) at pages 243-245 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

"**6.1 Interest on Fixed Rate Notes**

This Condition 6.1 applies to Fixed Rate Notes. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 6.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), any applicable Business Day Convention, the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) specified in the applicable Final Terms. The Rate of Interest may be specified in the applicable Final Terms either (i) as the same Rate of Interest for all Interest Periods or (ii) as a different Rate of Interest in respect of one or more Interest Periods.

In respect of Notes which are denominated in Renminbi, if the Business Day Convention is specified as the Modified Following Business Day Convention in the applicable Final Terms or Pricing Supplement, as the case may be, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

Except as provided in the applicable Final Terms, or if the applicable Final Terms specify that a Fixed Coupon Amount or Broken Amount(s) shall apply to the Notes, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or such other period as specified in the applicable Final Terms.

Except in the case of Notes where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to the aggregate outstanding nominal amount of the Fixed Rate Notes (or, if they are Partly Paid Notes, the aggregate amount paid up) and, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

For the avoidance of doubt if the applicable Final Terms specify that the Interest Payment Date shall be the earlier of (i) the Optional Redemption Date, provided that the Issuer exercises its option to redeem the Notes in accordance with Condition 10.5; and (ii) the Maturity Date, the relevant interest period shall start from the Interest Commencement Date and shall end on such Interest Payment Date and no interest shall be paid by the Issuer before such Interest Payment Date.

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 6.1:

(a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would normally occur in one calendar year;

(b) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

(c) if "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(d) if "Actual/Actual Canadian Compound Method" is specified in the applicable Final Terms, whenever it is necessary to compute any amount of accrued interest in respect of the Notes for a period of less than one full year, other than in respect of any Fixed Coupon Amount or Broken Amount, such interest will be calculated on the basis of the Actual number of days in the period and a year of 365 days; and

(e) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In these Conditions:

Business Day means a day which is both:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and

(ii) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant RMB Settlement Centre(s).

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

RMB Settlement Centre, means the financial centre(s) specified as such in the applicable Final Terms or Pricing Supplement in accordance with applicable laws and regulations. If no RMB Settlement Centre is specified in the relevant Final Terms or Pricing Supplement, the RMB Settlement Centre shall be deemed to be Hong Kong; and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent."

- Condition 10.16 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*) at pages 293-294 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

"**10.16 Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes**

Any redemption or purchase of Subordinated Notes or Additional Tier 1 Notes in accordance with Conditions 10.2, 10.3, 10.4, 10.5, 10.7 or 10.11 or Condition 16 (including, for the avoidance of doubt, any modification or variation in accordance with Condition 16) is subject to compliance with the then applicable Relevant Regulations, including, as relevant, for the avoidance of doubt:

(c) the Issuer giving notice to the Competent Authority and the Competent Authority granting prior permission to redeem or purchase the relevant Subordinated Notes or Additional Tier 1 Notes (in each case subject to and in accordance with the then Relevant Regulations, including Articles 77 and 78 of the CRD IV Regulation, as amended or replaced from time to time), where either:

(i) on or before such redemption or purchase (as applicable), the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

(ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its Own Funds and eligible liabilities would, following such repayment or purchase, exceed the minimum requirements (including any capital buffer requirements) required under the Relevant Regulations by a margin that the Competent Authority considers necessary at such time; and

(d) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date of the relevant Subordinated Notes or Additional Tier 1 Notes, if and to the extent required under Article 78(4) of the CRD IV Regulation or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014:

(i) in the case of redemption pursuant to Condition 10.3 (*Redemption for tax reasons*), the Issuer having demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Subordinated Notes or Additional Tier 1 Notes is material and was not reasonably foreseeable as at the Issue Date; or

(ii) in case of redemption pursuant to Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*), a Regulatory Event having occurred in respect of Subordinated Notes or a Capital Event having occurred in respect of Additional Tier 1 Notes; or

(iii) on or before such redemption or repurchase (as applicable), the Issuer replacing the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

(iv) the Notes being repurchased for market making purposes,

subject in any event to any alternative or additional conditions or requirements as may be applicable from time to time under the Relevant Regulations.

The Competent Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) the Subordinated Notes or Additional Tier 1 Notes, in the limit of a predetermined amount, which shall not exceed the lower of (i) 10 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the aggregate nominal amount of the relevant Series of the Subordinated Notes or the Additional Tier 1 Notes and (ii) 3 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the outstanding aggregate nominal amount of the Tier 2 instruments or the Additional Tier 1 instruments of the Issuer at the relevant time, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out at letters (i) or (ii) of subparagraph (a) of the preceding paragraph.

If the Issuer has elected to redeem any Additional Tier 1 Notes pursuant to Conditions 10.3, 10.4, 10.5 or 10.7 and prior to the relevant redemption date a Contingency Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, the Prevailing Principal Amount of the Notes will not be due and payable and a Write-Down shall occur as described under Condition 8.

The Issuer shall not give a redemption notice pursuant to Conditions 10.3, 10.4, 10.5 or 10.7 in the period following the giving of a Loss Absorption Event Notice and prior to the relevant Write Down Effective Date. "

- Condition 16 (*Meetings of Noteholders, Modification, Waiver and Substitution*) at pages 298-300 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

"16. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Provisions for Meetings of Noteholders attached to these Terms and Conditions contains provisions for convening meetings, including by way of conference call or by use of a videoconference platform, of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes. Such a meeting may be convened by the Issuer or Noteholders holding not less than one-tenth in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than one half in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or these Conditions (including (i) modifying the date of maturity of the Notes or any date for payment of interest thereon, (ii) reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes (in case of Additional Tier 1 Notes, except as provided by the Conditions), or (iii) altering the currency of payment of the Notes), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting.

The rights and powers of the Noteholders may only be exercised in accordance with the Provisions for Meetings of Noteholders. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, *inter alia*, the terms of the Provisions for Meetings of Noteholders.

The Issuer and the Paying Agent for the Dematerialised Notes may agree, without the consent of the Noteholders, to:

(a) any modification of the Notes or these Conditions or any waiver or authorisation of any breach or proposed breach of any of the provisions of the Notes, or determine, without any such consent as aforesaid, that any Event of Default for the Senior Notes and Non-Preferred Senior Notes or any Event of Default for the Subordinated Notes and Additional Tier 1 Notes, as applicable, or potential Event of Default for the Senior Notes and Non-Preferred Senior Notes or potential Event of Default for the Subordinated Notes and Additional Tier 1 Notes, as applicable, shall not be treated as such, where, in any such case, it is not, in the opinion of the Issuer, materially prejudicial to the interests of the Noteholders so to do; or

(b) any modification of the Notes or these Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

In addition, (i) in the case of Senior Notes or Non-Preferred Senior Notes, if at any time a MREL or TLAC Disqualification Event occurs, (ii) in the case of Subordinated Notes, if at any time a Regulatory Event occurs, (iii) in the case of Additional Tier 1 Notes, if at any time a Capital Event or an Alignment Event occurs, (iv) in the case of all Notes, if at any time a Tax Event occurs; or (v) in the case of all Notes, in order to ensure the effectiveness and enforceability of Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*), then the Issuer may (without any requirement for the consent or approval of the holders of the relevant Notes of that Series), and having given not less than 30 nor more than 60 days' notice to Monte

Titoli, the Paying Agent for the Dematerialised Notes and, in accordance with Condition 15 (*Notices*), the holders of the Notes of that Series (which notice shall be irrevocable, except that, if a Contingency Event occurs in respect of the Additional Tier 1 Notes, the relevant notice shall be automatically rescinded and shall be of no force and effect and a Write-Down shall occur as described under Condition 8), at any time vary the terms of such Notes so that they remain or, as appropriate, become, Qualifying Senior Notes, Qualifying Non-Preferred Senior Notes, Qualifying Subordinated Notes or Qualifying Additional Tier 1 Notes, as applicable, provided that Qualifying Senior Notes, Qualifying Non-Preferred Senior Notes, Qualifying Subordinated Notes or Qualifying Additional Tier 1 Notes, as applicable, shall not, immediately following such variation, be subject to a Capital Event, a MREL or TLAC Disqualification Event (in the case of Senior Notes and/or Senior Non-Preferred Notes), a Regulatory Event and/or a Tax Event, as applicable.

In these Conditions:

Alignment Event will be deemed to have occurred if, as a result of a change in or amendment to the Relevant Regulations or interpretation thereof, at any time after the Issue Date, the Issuer would be able to issue a capital instrument qualifying as Additional Tier 1 Capital that contains one or more provisions that are, in the reasonable opinion of the Issuer, different in any material respect from those contained in these Conditions.

Qualifying Non-Preferred Senior Notes means securities issued by the Issuer that:

(a) other than in respect of the effectiveness and enforceability of Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*), have terms not materially less favourable to a Holder of the Non-Preferred Senior Notes (as reasonably determined by the Issuer) than the terms of the Non-Preferred Senior Notes, and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the UniCredit Group's (as applicable) minimum requirements for Own Funds and eligible liabilities under the then applicable MREL or TLAC Requirements; (B) include a ranking at least equal to that of the Non-Preferred Senior Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Non-Preferred Senior Notes; (D) have the same redemption rights as the Non-Preferred Senior Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Non-Preferred Senior Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*); and

(b) are listed on a recognised stock exchange if the Non-Preferred Senior Notes were listed immediately prior to such variation.

Qualifying Senior Notes means securities issued by the Issuer that:

(a) other than in respect of the effectiveness and enforceability of Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*), have terms not materially less favourable to a Holder of the Senior Notes (as reasonably determined by the Issuer) than the terms of the Senior Notes, and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the UniCredit Group's (as applicable) minimum requirements for Own Funds and eligible liabilities under the then applicable MREL or TLAC Requirements; (B) include a ranking at least equal to that of the Senior Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Notes; (D) have the same redemption rights as the Senior Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Senior Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*); and

(b) are listed on a recognised stock exchange if the Senior Notes were listed immediately prior to such variation.

Qualifying Subordinated Notes means securities issued by the Issuer that:

(a) other than in respect of the effectiveness and enforceability of Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*), have terms not materially less favourable to a Holder of the Subordinated Notes (as reasonably determined by the Issuer) than the terms of the Subordinated Senior Notes, and they shall also (A) comply with the then-current requirements of the Relevant Regulations in relation to Tier 2 Capital, (B) include a ranking at least equal to that of the Subordinated Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes; (D) have the same redemption rights as the Subordinated Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Subordinated Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*); and

(b) are listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such variation.

Qualifying Additional Tier 1 Notes means securities issued by the Issuer that:

(a) other than in respect of the effectiveness and enforceability of Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*), have terms not materially less favourable to a Holder of the Additional Tier 1 Notes (as reasonably determined by the Issuer) than the terms of the Additional Tier 1 Notes, and they shall also (A) contain terms such that they comply with the then-current minimum requirements under the Relevant Regulations for inclusion in the Tier 1 Capital of the Issuer and/or the UniCredit Group (as applicable); (B) provide for a ranking at least equal to that of the Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Notes; (D) have the same redemption rights as the Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest (which has not been cancelled) in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation (but subject always to the right or obligation of the Issuer subsequently to cancel any such accrued interest in accordance with the terms of the Notes); and (F) are assigned (or maintain) the same solicited credit ratings as were assigned to the Notes by credit agencies solicited by the Issuer immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 19 (*Contractual Recognition of Statutory Bail-In Powers*); and

(b) are listed on a recognised stock exchange if the Additional Tier 1 Notes were listed immediately prior to such variation.

For the avoidance of doubt, any variations of the Conditions to give effect to the Benchmark Amendments or the Benchmark Replacement Conforming Changes in accordance with Condition 6.4 (*Reference Rate Replacement*) shall not require the consent or approval of Noteholders.

For avoidance of doubt, any modification or variation pursuant to this Condition 16 is subject to the provisions of Condition 10.16 (in respect of Subordinated Notes and Additional Tier 1 Notes) and Condition 10.17 (in respect of Senior Notes and Non-Preferred Senior Notes)."

Description of UniCredit and the UniCredit Group

The "*Description of UniCredit and the UniCredit Group*" section of the Base Prospectus is amended as follows:

- The following sub-paragraphs are inserted at the end of the paragraph titled "*Recent Developments*" in the "*History and Development of the Issuer*" section on page 312 of the Base Prospectus:

"**Recent Developments**

- On 23 October 2023, UniCredit announced the following:

    - Merger of Romanian subsidiaries: UniCredit and Alpha Services and Holdings S.A. (**Alpha**), 100% parent of Alpha Bank S.A. (**Alpha Bank**), have agreed the key economic terms for the merger of UniCredit Bank S.A. (**UniCredit Romania**) with Alpha Bank Romania S.A. (**Alpha Bank Romania**), to create the third largest bank in the local market with a combined 12% market share by total assets. The merger combines two complementary franchises in a high growth country, with UniCredit Romania and Alpha Bank Romania having strong footholds in the corporate and retail segments.

      Transaction closing is expected in 2024, subject to the completion of a due diligence process, corporate approvals for the merger and all necessary regulatory approvals and consents, including on anti-trust. Upon completion, Alpha Bank is expected to (i) retain 9.9% of the combined entity share capital and (ii) receive a cash consideration of Euro 300,000,000. The cash component remains subject to post due diligence adjustments related to asset quality, if applicable.

      The merger will grant customers of Alpha Bank Romania access to an enlarged range of services and products; and both parties will ensure continuity and quality of service to their clients throughout the period of transition.

    - Commercial partnership in the distribution of bancassurance, asset management and other banking products: UniCredit and Alpha have agreed key terms for:

        a) the purchase by UniCredit of a 51% stake in AlphaLife Insurance Company S.A. (**AlphaLife**), a wholly-owned life insurance subsidiary of Alpha active in the pension and savings products segment;

        b) the distribution of UniCredit onemarkets mutual funds through the Alpha Bank network, which serves more than 3.5 million clients in Greece.

      This cooperation will leverage UniCredit's expertise and breadth of products in the asset management and in the bancassurance space to accelerate the development of AlphaLife's capabilities and enrich the wealth management offering available to Alpha Bank's customers. It is an example of UniCredit's factories adding value to third parties and a demonstration of its commitment to being the Bank for Europe's future by distributing its best-in-class products into new markets.

      The parties will also explore further collaboration opportunities to support their customers' needs in their respective countries of presence, leveraging on their combined international footprint and origination capabilities in regional banking, transaction banking, syndicated lending, advisory, other market and corporate services as well as other banking services and products.

The final agreement on the commercial partnership is subject to completion of a due diligence process, corporate approvals and all necessary regulatory approvals and consents, including on anti-trust.

- Purchase by UniCredit of a strategic stake in Alpha: UniCredit has submitted today an offer to the Hellenic Financial Stability Fund (**HFSF**) to purchase, in accordance with the HFSF divestment strategy and procedures, all the shares the HFSF currently holds in Alpha, equal to 9%. The transaction will have a negligible impact on UniCredit's CET1 ratio.

  If the process with the HFSF is not completed, UniCredit has committed to purchase on market an equity stake equal to the lower of 5% or a different percentage of shares which results from UniCredit investing an aggregate pre-agreed amount over a period of 24 months.

- On 27 October 2023, UniCredit announced that the EGM was held in Milan and approved the following resolutions:

  - Ordinary part:

    a) Authorisation to purchase treasury shares aimed at remunerating the shareholders. Consequent and inherent resolutions

    The EGM, with 99.45 per cent of the share capital present and entitled to vote, authorised the Board of Directors, pursuant to Articles 2357 of the Italian Civil Code and 132 of the Financial Services Act, to carry out the purchases, in one or more transactions, for maximum shares of the Issuer equal to a total expenditure up to Euro 2,500,000,000 and, in any case, not exceeding no. 160,000,000 shares. The transaction was authorised by the ECB on 26 October 2023.

    The purchases of UniCredit's shares may be carried out and therefore completed within the earliest of the date of: (a) the shareholders' meeting which will be called to approve the financial statements for the year ending on 31 December 2023; and (b) 30 June 2024.

    The Issuer's shares purchases, if executed, must be carried out at a price that will be determined on a case-by-case basis, in compliance with any applicable regulatory requirements, in force from time to time, on the understanding that the purchase price cannot diverge downwards or upwards by more than 10 per cent from the official price registered by UniCredit's share in Euronext Milan's trading session, organised and managed by Borsa Italiana S.p.A., on the day prior to the execution of each individual purchase transaction.

  - Extraordinary part:

    a) Cancellation of treasury shares with no reduction of share capital; consequent amendment to clause 5 of the Articles of Association. Consequent and inherent resolutions

    The Shareholders' Meeting, with 99.78 per cent of the share capital present and entitled to vote, resolved to cancel any UniCredit treasury shares that will be acquired in accordance with the authorisation of the Shareholders Meeting in ordinary session, up to a maximum of UniCredit ordinary shares in total not exceeding no. 160,000,000 of the Company's shares. The above-mentioned cancellation will not have any impact on the amount of the share capital, with a consequent automatic increase in their "accounting par value" of the shares issued by the Issuer.

The Shareholders' Meeting also approved the amendments to Article 5 of the Articles of Association necessary to implement this resolution. The amendments were authorised by the ECB on 26 October 2023.

b) <u>Amendments to the Articles of Association to adopt the one-tier corporate governance system</u>

Shareholders' Meeting resolved, with 99.71 per cent of the share capital present and entitled to vote, to adopt the one-tier corporate governance system pursuant to Articles 2409-sexiesdecies and following of the Italian Civil Code. In particular, the consequent amendments to the Articles of Association shall became effective upon the first renewal of the Board of Directors in office, following the EGM, except for Clause 20, concerning the method of electing corporate bodies, which shall apply from the date of the notice convening the shareholders' meeting called to resolve on the appointment of the aforementioned renewal. The amendments to the Articles of Assosiation were authorised by the ECB on 20 October 2023.

The one-tier governance system is characterized by the presence of a Board of Directors, which performs the strategic supervision and management function, and an Audit Committee - established within the Board - which performs control functions.

- On 30 October 2023, UniCredit announced, as per the authorisation granted by the EGM, that it has defined the measures for the execution of the first tranche of the share buy-back programme for a maximum amount of Euro 2,500,000,000.00 and for a number of shares not exceeding 160,000,000 (the **First Tranche of the Buy-Back Programme 2023**). As disclosed on 26 October 2023, the First Tranche of the Buy-Back Programme 2023 has been authorised by the ECB.

  For executing the First Tranche of the Buy-Back Programme 2023, UniCredit engaged Goldman Sachs International as qualified third-party broker (the **Broker**), which will decide on the stock purchases in full independence, also in relation to the timing of the transactions and in compliance with the daily price and volume limits and the terms of the programme (so-called "riskless principal" or "matched principal").

  The transaction completed will be disclosed to the market in accordance with the terms and conditions set out in the laws and regulation in force. Any subsequent changes to the First Tranche of the Buy-Back Programme 2023 will be promptly disclosed to the public in the manners and terms provided for by the laws and regulations in force.

  The UniCredit shares that will be acquired as part of the First Tranche of the Buy-Back Programme 2023 will be cancelled in execution of the resolution of the EGM."

- The sub-paragraph "*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 pages 312-326 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

"1.1.4 <u>*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*</u>

UniCredit S.p.A. is a joint stock company established in Italy and operating under Italian law. The Registered and Head Offices of the Issuer are located in Milan, Piazza Gae Aulenti, 3 — Tower A. UniCredit's telephone number is +39 02 88 621, and UniCredit's website is www.unicreditgroup.eu. The information on the website of the Issuer does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

UniCredit, in carrying out its activities, is subject to both the Italian provisions (e.g. to the provisions on anti-money laundering, transparency and fairness in customer relations, usury, consumer protection, labour law, safety at the workplace and privacy laws) and European provisions as well as to the supervision of various Authorities, each for their respective areas of competence. In particular, UniCredit is subject to the provisions contained in the Supervisory Regulations issued by the Bank of Italy and, as a significant bank, to the direct prudential supervision of the European Central Bank.

BRRD and SRMR

With regard to the regulatory framework applicable to the Issuer, it is noted the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014 implemented in Italy with the Legislative Decree 180 and 181 of 16 November 2015 (BRRD) as amended by the Directive (EU) 2019/879 (**BRRD II**) and implemented in Italy by Legislative Decree No. 193 of 8 November 2021 (published in the *Gazzetta Ufficiale* on 30 November 2021). 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 Regulation** or **SRM Regulation** as amended by Regulation (EU) 2019/877 of 20 May 2019, published in the Official Journal of the European Union on 7 June 2019 (**SRMR II**) and applying from 28 December 2020) which sets 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, *i.e.* 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.

In the framework of the SRMR and BRRD, the centralized decision-making power for resolution is entrusted to the Single Resolution Board (**SRB**). 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 schemes adopted by the SRB.

In such a context, it is worth mentioning that on 18 April 2023, the European Commission published a legislative proposal on the Crisis Management and Deposits Insurance (**CMDI**) framework. The package consists of four legislative proposals that would amend existing EU legislation: the BRRD, the Deposit Guarantee Scheme Directive (**DGSD**) and the SRMR. New aspects of the framework could include: i) expanding the scope of resolution through a revision of the public interest assessment to include a regional impact so more eurozone banks could be brought into the resolution framework, ii) the use of deposit guarantee schemes to help banks, especially the small ones, to meet a key threshold for bearing losses of 8% of their own funds and liabilities, which then allows them to have access to the Single Resolution Fund, also funded by bank contributions, and help sell the problem banks' assets and fund their exit from the market, iii) amending the hierarchy of claims in insolvency and scrapping the "super-preference" of the DGS to put all deposits on equal pegging in an insolvency, but still above ordinary unsecured creditors with the aim of enabling the use of DGS funds in measures other than pay out of covered deposits without violating the least cost test. The proposal will need to be agreed by the Member States and the European Parliament, a process which could take one year if they aim to finalise it before the current European Commission's mandate ends in spring 2024.

The BRRD also 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**). From 1 January 2022, the Issuer has to comply on a consolidated basis with a first binding intermediate target for MREL (including a subordinated component i.e., to be met with subordinated instruments) received from the Single Resolution Board and the Bank of Italy. From 1 January 2024, the consolidated MREL will become "fully loaded". The Issuer also has to comply with the standard on total loss absorbing capacity (**TLAC**).

CRR and CRD

The Issuer shall comply with the revised global regulatory standards (Basel III) on bank capital adequacy and liquidity. 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 and Directive (EU) No. 2019/878 (the Banking Reform 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.; (iii) a Total Capital ratio of 8 per cent.; and (iv) a Leverage Ratio of 3 per cent. According to Articles from 129 to 134 of the CRD, these minimum ratios are complemented by the following capital buffers to be met with CET1 Capital: (a) *Capital conservation buffer, institution-specific countercyclical capital buffer, capital buffers for globally systemically important institutions (**G-SIIs**);* (b) *capital buffers for other systemically important institutions (O-**SIIs**), Systemic risk buffer;* and (c) *a systemic risk buffer (**SyRB**)* each Member State may introduce in order to prevent and mitigate long term non-cyclical systemic or macro-prudential risks not covered by the other capital requirements set out in the CRD V Directive (as defined below).

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 "significant banks" 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.

On 7 June 2019, the legal acts "Risk Reduction Measures Package" regarding the banking sector have been published on the EU Official Journal. Such measures include, together with the amendments to the BRRD and to SRMR, (i) the Regulation (EU) 2019/876 of the European Parliament and of the Council (**CRR II**) amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and (ii) the Directive (EU) 2019/878 of the European Parliament and of the Council (**CRD V Directive**) amending the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The revisions better align the current regulatory framework to international developments in order to promote consistency and comparability among jurisdictions.

Such measures entered into force on 27 June 2019, while a) the CRR II is applicable from 28 June 2021, excluding some provisions with a different date of application (early or subsequent), b) the CRD V Directive was to be implemented into national law by 28 December 2020 excluding some provisions which will be applicable subsequently. CRD V Directive has been implemented in Italy by the Legislative Decree No. 182/2021. The BRRD II has been implemented in Italy by the Legislative Decree No. 193/2021, which provides for, among other measures:

- the determination of a minimum unit value for bonds and debt securities (Article 12-*ter* of the Italian Banking Act) issued by credit institutions and investment firms:

  1. Euro 200,000 for subordinated bonds and other subordinated securities;

  2. Euro 150,000 for senior non-preferred debt instruments ("*strumenti di debito chirografario di secondo livello*");

- the nullity of contracts entered into with non-professional investors (relating to investment services having as their object the instruments referred to in Article 12-ter of the Italian Banking Act issued after 1 December 2021 (or equivalent instruments when issued by subjects having their registered office in a third country, under certain conditions) that do not respect the minimum unit value (Article 25-quater of the Financial Services Act);

- the elimination of the ban on the placement of senior non-preferred debt instruments with non-qualified investors (Article 5 of Legislative Decree No. 193/2021), subject to the abovementioned provisions.

Moreover, the Basel Committee on Banking Supervision (**BCBS**) concluded the review process of the 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 per cent. 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.

The European Commission, published on 27 October 2021 the Banking Package 2021, which includes the proposals for the final implementation of Basel 3 in the European Union through a legislative package introducing amendments to Capital Requirements Regulation 2013/575/EU (CRR), to the Directive 2013/36/UE (Capital Requirements Directive), and also a proposal to amend the Capital Requirements Regulation in the area of resolution (the so-called "daisy chain" proposal). In June 2023, the EU Council and the European Parliament found a provisional agreement on the revisions to the Commission proposal. In line with the Basel standards, the EU Co-legislators agreed in restricting the usage of internal models for measuring credit risk on some specific portfolios and to return to a more stringent standardised approach as well as to eliminate internal models for operational risks. They also agreed to introduce the output floor, applied at all levels of consolidation (including "solo" level). The agreement shows that the Co-Legislators have taken into account some important European specificities that could mitigate the impact on the sector. In addition to the implementation of the Basel standards, part of the legislative package also aims to strengthen the resilience of the banking sector to environmental, social and governance (ESG) risks and to improve the Fit and Proper assessment framework. Few technical details still need to be discussed before finding a final agreement. Due to the complexity of such technical discussions, the banking package is expected to be published in 1Q24.

The CRRIII will enter into force 20 days after publication in the EU Official Journal; some provisions will be applicable from such date. The majority of the CRRIII provisions will be applied starting from 1 January 2025, with certain elements of the Regulation phasing in over the years. Member States shall adopt and publish the CRDVI measures by 18 months from the date of entry into force and they shall apply those provisions from one day after its transposition date. On 26 September 2023, the EBA published its second mandatory Basel III monitoring report based on data as of 31 December 2022 from a sample of 157 banks. A separate annex to the report also includes the impact of the proposals for the EU implementation of Basel III under the banking package. Based on the content of the package agreed so far, at €0.6 billion of additional Tier 1 capital required for the entire EU banking sector, the estimated capital shortfall to comply with the Basel III reform has been practically eliminated.

With update No. 38 of 22 February 2022, the Bank of Italy Circular No. 285 of 17 December 2013 (**Circular 285**) was amended in order to provide, *inter alia*, the introduction of:

i. the possibility for the Bank of Italy to activate the systemic risk buffer (**SyRB**) for banks and banking groups authorised in Italy. In particular, the requirement to maintain a systemic risk buffer of Common Equity Tier 1 is intended to prevent and mitigate macro-prudential or systemic risks not otherwise covered with the macro-prudential instruments provided for by the CRR, the anti-cyclical capital buffer and the capital buffers for G-SII and for O-SII. The buffer ratio for systemic risk can be applied to all exposures or to a subset of exposures and to all banks or to one or more subsets of banks with similar risk profiles; and

ii. some macro-prudential instruments based on the characteristics of customers or loans (so-called "borrower-based measures"). Specifically, these are measures that are not harmonised at European level, which can be used to counter systemic risks deriving from developments in the real estate market and from high or rising levels of household and non-financial corporate debt.

As of the date of this Base Prospectus, the Bank of Italy has not exercised so far its authority to introduce a SyRB or a borrower-based measure.

Furthermore, with update No. 39 of 13 July 2022, the Circular 285 was amended in order to align its provisions with Articles 104 to 104c of the CRD V Directive. In particular, the amendments introduced to Part I, Chapter 1, Title III of the Circular 285 provide, inter alia, the introduction of:

i. a clear differentiation between components of P2R estimated from an ordinary perspective and the Pillar 2 Guidance determined from a stressed perspective which supervisory authorities may require banks to hold; and

ii. the possibility for supervisory authorities to require additional capital in the presence of excessive leverage risk, under both ordinary and stressed conditions (P2R and Leverage Ratio and Pillar 2 Guidance Leverage Ratio).

Regulatory and supervisory framework on non-performing exposures

Among the measures adopted at European level in order to reduce non-performing exposures within adequate levels, worth mentioning are the followings:

Guidance to banks on non-performing loans published by ECB on 20 March 2017 and Addendum to the Guidance to banks on non-performing loans published by ECB on 15 March 2018: the NPL guidance contains recommendations and lays out the bank's approach, processes and objectives regarding the effective management of the exposures. The guidance addresses all NPEs, as well as foreclosed assets, and also touches on performing exposures with an elevated risk of turning non-performing, such as "watch-list" exposures and performing forborne exposures. According to the guidance, the banks need to establish a strategy to optimize their management of NPLs based on a selfassessment of the internal capabilities to effectively manage NPLs; the external conditions and operating environment; and the impaired portfolios specifications.

On 15 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 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), was set out in its 2018 Supervisory Review and Evaluation Process (**SREP**) letters and the ECB will discuss any divergences from these prudential provisioning expectations with institutions as part of future SREP exercises.

On 22 August 2019, the ECB 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 of that Banking Reform Package which makes further changes to the Pillar I treatment for NPEs (in revisions to the Capital Requirements Regulation known as **CRR II**).

The initiatives that 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:

- 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;

- 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 per cent.; and

- 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 per cent.

Action plan to address the problem of non-performing loans in the European banking sector published by the **European Council on 11 July 2017**: the action plan outlines an approach based on a mix of four policy actions: the bank supervision; the reform of insolvency and debt recovery frameworks; the development of secondary markets for NPLs; promotion of the banking industry restructuring.

Guidelines on management of non-performing and forborne exposures published by **EBA on 31 October 2018**: the Guidelines aim to ensure that credit institutions have adequate tools and frameworks in place to manage effectively their NPEs and to substantially reduce the presence of NPEs on the balance sheet. Only for credit institutions with a gross NPL ratio above 5 per cent., EBA asked to introduce strategies, in order to achieve a reduction of NPEs, and governance and operational requirements to support them.

Guidelines on disclosure of non-performing and forborne exposures published by **EBA on 17 December 2018**: in force since 31 December 2019, the Guidelines set enhanced disclosure requirements and uniform disclosure formats applicable to credit institutions' public disclosure of information regarding non-performing exposures, forborne exposures and foreclosed assets.

Regulation (EU) 2019/630 amending CRR as regards minimum loss coverage for non-performing exposures: the Regulation establishes, in the context of Pillar I, the prudential treatment of the non-performing exposures where the exposure was originated prior to 26 April 2019, requiring a deduction from Own Funds where NPEs are not sufficiently covered by provisions or other adjustments. The Regulation purpose is to encourage a timely and proactive management of the NPEs. The prudential treatment is applicable to: (i) unsecured exposures from the third year after the classification as NPE,

(ii) exposures secured by immovable collateral and residential loans guaranteed by an eligible protection provider as defined in CRR, from the ninth year after the classification as NPE; and (iii) secured exposures, from the seventh year after the classification as NPE. The Regulation outlines the convergence process to its full application to secured and unsecured exposures classified as NPEs for less than 3/7/9 years.

Directive on credit servicers, credit purchasers and the recovery of collateral (**COM/2018/0135**): On 20 October, the European Parliament's plenary approved the final text of the Directive aimed at achieving the development of secondary markets for NPLs in the EU's markets standardizing the regulatory regime for credit servicers and credit purchasers. The second part of the Directive aimed at a better management of NPLs by increasing the efficiency of debt recovery procedures through the availability of a distinct common accelerated extrajudicial collateral enforcement procedure (AECE) is still put on hold.

Opinion on the regulatory treatment of non-performing exposure securitisations **published by EBA on 23 October 2019**: the Opinion recommends adapting the CRR and the Regulation (EU) 2017/2401 (Securitisation Regulation) to the particular characteristics of NPEs by removing certain constraints imposed by the regulatory framework on credit institutions using securitisation technology to dispose of NPE holdings. In preparing its proposal to the Commission, EBA outlines the fact that the securitisations can be used to enhance the overall market capacity to absorb NPEs at a faster pace and larger rate than otherwise possible through bilateral sales only, as a consequence of securitisations' structure in tranches of notes with various risk profiles and returns, which may attract a more diverse investor pool with a different risk appetite.

On July 24, 2020, as part of the Capital Markets Recovery Package, the European Commission presented amendments to review, *inter alia,* some regulatory constraints in order to facilitate the securitisation of non-performing loans (*i.e.* increasing the risk sensitivity for NPE securitisations by assigning different risk weights to senior tranche) in order to promote the economic recovery after the COVID-19 crisis. The new measures - through the Regulation (EU) 2021/557 amending the Securitisation Regulation and the Regulation (EU) 2021/558 amending the Regulation (EU) 2013/575 (**CRR**) - entered into force on 9 April 2021.

In addition, the European Commission published in December 2020 a new Action plan on tackling NPLs. More in detail, in order to prevent a renewed build-up of NPLs on banks' balance sheets, the Commission proposed a series of actions with four main goals: (i) further develop secondary markets for distressed assets (in particular call for finalization of the Directive on credit servicers, credit purchasers and the recovery of collateral; establishing a data hub at European level; reviewing EBA templates to be used during the disposal of NPLs); (ii) Reform the EU's corporate insolvency and debt recovery legislation; (iii) Support the establishment and cooperation of national asset management companies at EU level; (iv) Introduce precautionary public support measures, where needed, to ensure the continued funding of the real economy under the EU's Bank Recovery and Resolution Directive and State aid frameworks.

Measures to counter the impact of the Russia-Ukraine conflict

In May 2022 the Council of Minister approved the "**Aiuti" Decree** (Law Decree 17 May 2022, No. 50, converted into Law 15 July 2022 No. 91) to address the negative consequences on the country's economic recovery caused by the Russia-Ukraine war. The decree contains some measures aimed at boosting the public guarantees' system through:

- The introduction of a new SACE guarantee until 31 December 2022 in favor of banks, national and international financial institutions and other entities authorized to exercise credit in Italy, for loans, in any form, granted to companies that demonstrate that the current crisis has direct negative economic repercussions on their activities.

The maximum duration of the guaranteed loans is 6 years (extendable to 8 years subject to authorization by the EU Commission), with the possibility of pre-amortization not exceeding 36 months and the guarantee's percentage changes (from 70 per cent. to 90 per cent.) depending on the company turnover and the number of employees.

- The introduction, until 31 December 2022, of a further measure relating to a 90 per cent. guarantee granted by SME's Guarantee Fund on individual loans granted to SMEs aimed at achieving efficiency goals or diversification of energy production or consumption. The guarantee is free only for companies, located in Italy, operating in the particularly affected sectors (Annex I of the new TF Crisis) and the maximum duration of guaranteed loans is 6 years.

In August 2022 the Council of Ministers approved the **"Aiuti Bis" Decree** (Decree Law 9 August 2022, No. 115 converted into Law 21 September 2022, No. 142) aimed at supporting companies and families to address the effects of the energy crisis and the ongoing conflict. Below the main measures of interest contained in the decree:

- **Implementing liquidity through the simplification of tax credits' assignment**: the measure has the aim of giving a stable framework regarding the tax credit's assignment from banks to transferees. It provides that transferee's liability is limited only to cases of involvement in violation with willful misconduct and gross negligence. Such clarity allows banks to make easier tax credits' assignment.

- **Guaranties Loans Active Management Project - GLAM**: the measure provides for the possibility for AMCO to set up dedicated assets aimed at purchasing, at market conditions, loans backed by FCG Guarantee as well as the possibility for banks to grant new loans to debtors transferred to the dedicated assets.

In September 2022 the Council of Ministers approved a new "**Aiuti Ter**" Decree to face energy costs' increase on households and companies (Law Decree 23 September 2022 n. 144 converted into Law 17 November 2022, n. 175). Below the measures of interest:

- **SACE guarantee for companies' liquidity needs**: it is envisaged that SACE can provide free guarantees (ex art. 15 of Aiuti Decree - DL 50/2022) on loans granted to companies for the payment of the invoices for energy consumption, which have been issued in October, November and December 2022, provided that the interest rate applied to the loan does not exceed, at the time of the request for the guarantee, the yield of the BTPs with a duration equal to the loan granted.

- **FCG guarantee for liquidity needs of companies**: for individual loans granted after the date of decree's entry into force (24th September 2022) and intended for the payment of invoices for energy consumption, issued in October, November and December 2022, the Central Guarantee Fund can grant free guarantees (provided that the interest rate applied to the loan does not exceed, at the time of the request for the guarantee, the yield of the BTPs with a duration equal to the loan), up to a maximum of 80 per cent., in favor of SME's, regardless of their rating.

In November 2022 the Council of Ministers approved a new "**Aiuti Quater**" Decree aimed at introducing urgent measures on electricity, natural gas and fuels (Decree Law 18 November 2022 n. 176 converted into Law 13 January 2023 n. 6). Below the main measures of interest contained in the decree:

- **Support measures to cope with energy costs' increase:** the decree provides for:

  - possibility for companies based in Italy to ask suppliers to pay by instalments the amounts due relating to electricity and natural gas' consumption made from 1/10/2022 to 31/03/2023 and invoiced by 31/12/2023 (exceeding the average amount recorded between 1/01/2021 and

31/12/2021). To ensure the widest application of the measure, SACE may grant to insurance companies a guarantee equal to 90 per cent. of the indemnities generated by exposures relating to receivables claimed by electricity and gas suppliers based in Italy.

  - possibility for electricity and gas suppliers based in Italy to ask for bank loans backed by a SACE guarantee under the same terms and conditions set in the "Aiuti" Decree (art. 15 DL 50/2022), to meet the liquidity needs deriving from the instalment plans granted.

  - extension until 31/12/2023 of the SACE guarantee (art. 15 of DL 50/2022) in favor of banks, national and international financial institutions and other entities authorized to exercise credit in Italy, for loans granted to companies that demonstrate to have suffered direct economic repercussions on their business.

- **Tax Credits' Assignment:** it's increased from 2 to 3 the number of credit assignments (central ones, between the first assignment and the last) in favour of qualified intermediaries. The possibility remains for banks to assign credit to their current account holders (fifth and last assignment).

- **SACE Guarantee related to Superbonus:** it is envisaged the possibility for SACE to issue guarantees on loans granted to building companies that discount the invoice for works linked to Superbonus, to face their liquidity needs. The amount of tax credits accrued by the company as of 25 November 2022 may be considered for the purpose of assessing the creditworthiness of the company applying for the loan.

In November 2022 the Council of Ministers also approved the **Budget Law 2023** (Law 29 December 2022 n. 197) through which the Government extended until 31 December 2023 the transitional and extraordinary period of operation of the SME's Guarantee Fund (provided for in art.1 paragraph 55 and 55-bis of Budget Law 2022 - Law 234/2021). The measure provides for: maximum amount guaranteed per single company equal to 5 million; the application of the valuation model for the granting of the guarantee (the eligibility for the guarantee remains for the entities included in the rank n. 5 of the same valuation model); different percentages of the guarantee (for investment-related needs: 80 per cent. for all beneficiaries regardless of the rank they belong to; for needs other than investments (liquidity): 80 per cent. to weaker companies (rank 3-4-5), 60 per cent. guarantee for the others (rank 1-2); 90 per cent. guarantee on loans for investment or coverage of working capital costs for the achievement of efficiency targets or diversification of energy production or consumption).

<u>Other measures to support the economy</u>

In February 2023 the Council of Ministers approved the Law Decree 16 February n. 11, converted into Law 11 April 2023 n. 38 (the **"Superbonus – Crediti Fiscali" Decree**) which introduces urgent measures on tax credit assignment (provided for in art. 121 Decree Law 19 May 2020, n. 34).

Below the main measures of interest contained in the decree:

- prohibition of the exercise of the tax credit transfer options and the discount on the invoice for building bonuses (Super Bonus and other transferable building bonuses) from 17 February 2023 (with some exceptions).

- exclusion of the involvement in the violation (and therefore of joint and several liability) for assignee who have acquired the credit and are in possession of the documentation needed to demonstrate the effectiveness of the works carried out (the liability in case of fraud remains).

- possibility of using in 10 equal annual instalments (at the request of the supplier or transferee) the tax credits (superbonus and other building bonuses) deriving from the communications sent to the ADE by 31 March 2023. For the Superbonus expenses incurred in 2022, the deduction can be divided, at the request of the taxpayer, into 10 equal annual instalments starting from the 2023 tax period.

- possibility for banks, financial intermediaries, and insurance companies (with no more tax capacity) to use the Superbonus tax credits purchased to subscribe to BTPs, with a duration of at least 10 years, within the limit of 10% of the annual quota exceeding the tax credits already compensated. This solution is limited to credits relating to interventions carried out up to 31 December 2022, and will be adoptable by BTP issues carried out starting from 1 January 2028.

- possibility of making the communication for the exercise of the option in the manner and within the terms of the so-called "remissione in bonis" (by 30 November 2023 with a fine of Euro 250), if the transfer contract has not been concluded by 31 March 2023 and the transfer is carried out in favour of banks, financial intermediaries or companies belonging to a banking group.

- extension of the exclusion ex lege from joint liability between the transferor and transferee to all transferees (not only current account holders), who purchase tax credits from a bank or from a company of a banking group which have to issue a statement concerning the possession of credit verification documents.

Following the flood occurred in Emilia Romagna, the civil protection issued an ordinance which provides for the possibility of requesting the suspension of mortgage installments relating to evicted or uninhabitable buildings, or to the management of commercial and economic activities, including agricultural, carried out in the same buildings (in any case no later than the date of cessation of the state of emergency)

The Government also intervened, approving an "Alluvioni" decree law (DL 1 June 2023, n. 61) containing several urgent measures to deal with the emergency. Among the measures contained in the Decree Law:

- Moratorium on mortgages and loans of any kind from 1 May 2023 to 30 June 2023 in favor of businesses located in the area affected by the flood. The moratorium operates automatically without a request from the debtor;

- FCG guarantee granted, until 31 December 2023, free of charge and up to 80% in the case of direct guarantee (which can be raised up to 90%, in compliance with the provisions of the TF) and 90% in the case of reinsurance (which can be raised up to 100%, in accordance with the provisions of the TF).

SUSTAINABLE FINANCE

Finally, it is worth mentioning the developments in the Sustainable Finance area. 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 and necessary to ensure that the banks shall comply with the regulations on the disclosure of financial and non-financial information.

In May 2018, the European Commission published a package of legislative measures in order to promote a sustainable finance based on three building blocks that included: i) a classification system, or "sustainable taxonomy", ii) a disclosure framework relating to sustainable risks and iii) investment tools, including benchmarks, standards and labels.

Taxonomy. The final text of the Taxonomy Regulation has been adopted by the European Parliament and Council and was subsequently published in the OJ in 2020. The Taxonomy Regulation is a classification system intended to address greenwashing and provide a tool to direct finance towards sustainable investments. The regulatory framework outlines definitions and specific criteria (technical screening criteria) to determine whether an economic activity can be classified as environmentally sustainable.

The level II timeline to determine the specific technical screening criteria is progressing with criteria for the first two environmental objectives (climate change mitigation and adaptation) now adopted and applicable from 1 January 2022. The criteria for the remaining four objectives – sustainable use and protection of water and marine resources, transition to circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems – were adopted by the EC in June 2023 and are subject to a four-month scrutiny period by the EU Parliament and Council. These criteria are expected to apply as of January 2024.

On 15 July, the Taxonomy Complementary Delegated Act covering gas and nuclear related activities was published in the OJ of the EU and will enter into force twenty days after the publication. The Delegated Act are applicable from 1 January 2023.

Taxonomy Extension. In July 2021, the Platform on Sustainable Finance published a consultation paper on 'Taxonomy extension options linked to environmental objectives'; and a draft report on 'Social Taxonomy'. The consultation paper asked feedback on the possibility to extend the EU Taxonomy to significantly harmful (**SH**) activities and no significant impact (**NSI**) activities and if this would fall within the overall framework of EU sustainable finance. The final report on a Social Taxonomy which looks at how to implement a social Taxonomy as well as how to make the two Taxonomies (social and environmental) work together was formally published by the Platform on 28 February 2022. The Finale Report on the extension of the Taxonomy to significantly harmful (**SH**) activities, intermediate activities and no significant impact (**NSI**) activities was published on 28 March 2022. The Commission is expected to assess the two reports in due time and decide whether to put forward a legislative proposal on both Social and Extended Taxonomy.

On 9 December 2019 has been published Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the **Sustainable Finance Disclosure Regulation** or **SFDR**), which lays down harmonised rules for financial market participants and financial advisers on transparency. The SFDR entered into force from March 2021, but the EC was mandated to adopt regulatory technical standards regarding the ESG disclosure requirements. The three ESAs (EBA, EIOPA and ESMA) published their report in February 2021 which was finally adopted by the EC in April 2022 and are applicable from January 2023.

On 14 September 2023 the Commission published a targeted consultation to seek feedback on the SFDR from industry and other stakeholders, running until 15 December 2023. The consultation is aimed to assess the current requirement and also to explore potential changes to disclosures and the possible creation of a product categorization system.

The Corporate Sustainable Reporting Directive (CSRD), published by the Commission on 21 April 2021, finally approved in December 2022 (with publication in the OJ), will review the existing Non-Financial Reporting Directive (**NFRD**) to reinforce disclosure obligations through mandatory reporting standards while broadening the application scope. The Directive proposes:

1. an extension of scope to all large companies, all listed companies (except listed micro enterprises), non- EU companies with branches or subsidiaries in the EU above certain thresholds-undertakings);

2. the requirement to specify in greater detail the information that companies should report (e.g., information about their strategy, targets, the role of the board and management, principal adverse impacts of the undertaking);

3. the requirement to report against mandatory EU sustainability reporting standards;

4. the requirement for an EU-wide audit (assurance) requirement for reported sustainability information, starting with limited assurance, later reasonable.

The requirement to ensure all information is published as part of the firm's management report and is disclosed in a digital, machine-readable format.

The CSRD's new sustainability reporting obligations will apply to financial years starting with 1 January 2024 (reporting in 2025), according to a three stages-timeline.

On 21 April 2021, the European Commission published a package of measures on Sustainable Finance, which included proposals for inclusion of ESG into the existing MiFID 2 Regulation. Starting from August 2022, the financial advisors are required to gather information about ESG preferences of clients and take them into consideration when providing advice or propose financial products. Additionally, the financial institutions are requested to integrate sustainability factors, risks and preferences into organizational and operational processes.

On 6 July 2021, the Commission published its communication on the "Strategy for Financing the Transition to a Sustainable Economy" (the **Renewed Strategy**), which is a complementary strategy to the 2018 Sustainable Finance Action Plan. The Renewed Strategy focusses on management of financial risk by the financial sector, including a focus on taxonomy and disclosures. It identifies four main areas where additional actions are needed for the financial system to fully support the transition of the economy towards sustainability namely: i) financing the transition to sustainability (adoption of the Intermediate Taxonomy as well as the establishment of "significant harmful" and "non-significant impact" taxonomies), ii) inclusiveness (extension of Taxonomy to social objectives. Publication of the Sustainable Corporate Governance and definition of green retail loans and green mortgages), iii) financial sector resilience and contribution to sustainability (incorporate ESG risk in the Supervisory Review and Evaluation Process; regular climate change stress tests) and iv) global ambition. Alongside the Renewed Strategy the Commission published also a proposal for a regulation for a voluntary EU Green Bond Standard (EuGBs) with an aim to scale up and raise the environmental ambitions of the green bond market, approved by the European Parliament on 5 October 2023 and by the Council on 23 October 2023.

<u>Green Bond Standard</u>. The Commission published its proposal for an EU Green Bond Standard (**EU GBS**) on 6 July 2021. The Regulation lays down the foundation for a common framework of rules regarding the use and designation of EU GBS for bonds that pursue environmentally sustainable objectives within the meaning of Taxonomy Regulation. The Regulation is mainly aimed at issuers who wish to use the voluntary EU GB standard. The political agreement was reached on 28 February 2023. The Regulation was approved by the European Parliament on 5 October 2023 and was also approved by the Council on 23 October 2023. The Regulation will enter into force 20 days after its publication in the OJ of the EU and will be applicable 12 months afterwards.

The Regulation also sets up a system for registering and supervising companies that act as external reviewers for green bonds aligned with this framework. The negotiations are ongoing both in the European Parliament and in the Council. It is expected that the Regulation will be finalized by the end of 2022. On 6 July 2021, the European Commission adopted the Delegated Act on Article 8 under the EU Taxonomy Regulation which requires entities covered by the EU Non-Financial Reporting Directive (**NFRD**) to publish information on how and to what extent their activities are associated with economic activities that quality as "environmentally sustainable" under the EU Taxonomy Regulation. The application of the delegated act for financial institutions is limited in 2022 and 2023 to certain elements, while the remaining provision will apply from 1 January 2024 (e.g, the Green Asset Ratio). The disclosure of the information related with banks' trading book exposures and fees and commissions for other commercial services will apply from 1 January 2026.

On 25 November 2021, as part of the CMU Action Plan, the Commission published the legislative proposal for the establishment of the European Single Access Point (**ESAP**), aimed to ensure public and free access to financial and sustainability-related information across the single market with a view to meet investors' demand. The scope of data accessible via the ESAP will include information published by entities under existing EU financial services legislation, with a phased approach. The ESAP will enable any entity, in particular SMEs, to file relevant information voluntarily. Entities are expected to file the information only once to a collection body (for instance the Officially Appointed Mechanisms or an existing authority, at national or at European level). All the collection points will enable the ESAP to access that information via application programming interfaces (**APIs**). The European Securities and Markets Authority (**ESMA**) will be in charge of building, operating and governing the ESAP. The information will be available for free and in data extraction format, with an increasing amount of information made machine-readable in the long run. Under the provisional agreement reached by the Parliament and the Council on 23 May 2023 on the ESAP proposal, the ESAP implementation is expected from 2Q27 while a pilot phase should be implemented from 2Q26.

On 23 February 2022, the Commission published a legislative proposal on Corporate Sustainability Due Diligence which creates a new obligation of due diligence mandating the management of companies to prevent, end or mitigate negative impacts on human rights and the environment stemming from a company's own operations, its subsidiaries and their value chains. It applies to all industries and companies of a certain size, including from the financial sector. The Directive specifies that financial institutions will have to identify such possible adverse impacts for their subsidiaries and their clients' receiving loans, credit and other financial services (with the exclusion of households and SMEs) and only before providing that service. The scope of the value chain for financial institutions should be limited to their direct clients. The proposal requires Member States to lay down a civil liability framework in case of non-compliance by companies with due diligence obligations. The Directive introduces duties for directors to set up and oversee the implementation of due diligence processes and integrate due diligence into the official corporate strategy. As part of the duty to act in the best interest of the company, directors will have to take into account the human rights, climate change and environmental impacts of business activities (duty of care). The proposal is currently under negotiation by co-legislators.

On 24 January 2022, the EBA published their final drafts on the implementing technical standards (**ITS**) on Pillar 3 disclosures of ESG risks in accordance with Article 449a of the CRR. In defining the ITS, the EBA took into consideration the sequential approach followed by the European Commission (**EC**) for the disclosure obligations requested by Article 8 of the EU Taxonomy and proposed the disclosure of a Green Asset Ratio (**GAR**) for the exposures related to the NFRD companies starting from 2024, while it introduced a transition period until June 2024 for the disclosure of the Banking Book Taxonomy alignment Ratio (BTAR - dedicated to exposures towards SMEs and non-EU counterparties) and for the banks' scope 3 emissions. EBA confirmed that will review the disclosure requirements in 2024 to extend them to the other four environmental objectives and to the trading book. On 17 October 2022, the EBA accepted the EC's proposed changes on how BTAR should be disclosed by financial institutions to emphasise that: i) credit institutions may choose to disclose the information regarding their exposures towards SMEs and non-EU counterparties instead of being required to report on a "best effort basis" and ii) that the collection of the information from the counterparties will be on a "voluntary basis" including that banks need to inform their counterparties about the voluntary nature of this request of information. The final standards were adopted by the EC and are applicable as of January 2023.

On 12 October 2023, the EBA published a report on the role of environmental and social risks in the prudential framework of credit institutions and investment firms. Taking a risk-based approach, the report recommends targeted enhancements to accelerate the integration of environmental and social risks across the Pillar I. In particular, the EBA proposed to: (i) including environmental risk as part of stress testing programmes under both the internal ratings-based (IRB) and the internal model approaches (IMA) under the Fundamental Review of the Trading Book; (ii) encourage inclusion of environmental and social factors as part of external assessment by the credit rating agencies; (iii) encourage the inclusion of environmental and social factors as part of the due diligence requirements and evaluation of immovable property collateral; (iv) require institutions to identify whether environmental and social factors constitute triggers of operational risk losses; and (v) progressively develop environment-related concentration risk metrics as part of supervisory reporting.

DIGITAL FINANCE

On 24 September 2020, the European Commission published a Digital Finance Package with the main aim to support the EU digital transformation of finance while regulating its risks. Four broad priorities guide the EU's initiatives to promote digital transformation until 2024 with associated actions (legislative and non-legislative) that the Commission put forward in the next four years.

- Removing fragmentation in the Digital Single Market: in June 2021, the Commission launched a legislative proposal aimed at creating a **European Digital Identity** which will be available to all EU citizens, residents, and businesses in the EU. The proposal builds on the existing cross-border legal framework for trusted digital identities, the European electronic identification and trust services initiative (eIDAS Regulation). Adopted in 2014, it provides the basis for cross-border electronic identification, authentication and website certification within the EU.

- Adapting the EU regulatory framework to facilitate digital innovation: in May 2023, the Regulation on markets in crypto-assets (the so-called **MiCAR**) was published in the Official Journal. MiCAR entered into force on 29 June 2023 and most of its provisions will be enforceable from June 2024 or December 2024. The main scope of the MiCAR is to ensure clarity and legal certainty for issuers and providers of crypto assets that are not currently covered by current EU legislation. Safeguards include capital requirements. Issuers of significant asset-reference token and e-money token (the so-called global "stablecoins") will be subject to stricter requirements (e.g., in terms of capital, investor rights and supervision). The Commission also proposed a Regulation on a pilot regime for market infrastructures based on distributed ledger technology (DLT) (the **DLT Regulation**), which allows temporary derogations from existing rules, for market infrastructures interested in trading and settling transactions in financial instruments in crypto-asset form. The DLT Regulation entered into force in June 2022, with most of its provisions applicable from 23 March 2023. The DLT Regulation has been fully transposed into Italy by Law Decree no. 25 of 17 March 2023, converted into Law no. 52 of 10 May 2023, which also sets forth provisions aimed at allowing the issuance and transfer of financial instruments in a digital form. In April 2021, to facilitate digital innovation, the Commission also presented a proposal for a regulatory framework on Artificial Intelligence (**AI**) aimed both at promoting its development but also at managing its potential risks.

- In October 2022, the European Commission adopted a legislative proposal to make instant payments in euro available to all citizens and businesses holding a bank account in the EU and in EEA countries. The proposal would oblige all credit institutions to offer (and receive) instant payments to all their customers through all channels (digital and traditional), already offered for SEPA Credit Transfer (SCT). Moreover, the price of an instant payment transaction should be aligned to the one of a regular credit transfer. All Payment Service Providers (PSPs) offering the service of sending euro IPs (Instant Payments) are required to check that the payee's IBAN matches the payee's name and must notify the customer of any detected discrepancy. EU Council and Parliament have adopted their respective revisions to the Commission text and have started the negotiations for reaching a final agreement and concluding the legislative process. Entry into force is expected beginning 2024, Application is foreseen after several months, depending on the single provision.

- Promoting data-driven innovation in finance: in coordination with the PSD2's review and building on initiatives in the data strategy (Data Governance, Data Act and the Digital Markets Act as well the Digital Services Act), on 28 June 2023, the EC published a legislative proposal for a **broader open finance framework**. The proposal aims at establishing clear rights and obligations to manage customer data sharing in the financial sector beyond payment accounts: mortgages, loans, savings, investment, insurance and pensions. The legislative proposal foresees clear obligations for financial institutions (data holders) upon a request from customer to make their data available to customer without under delay, free of charge and in real-time. Additionally, banks have the obligation to make the customer data available also to other data users in a standardised way and subject to a compensation regime.

- Addressing the challenges and risks associated with digital transformation: in September 2020, the Commission proposed a Digital Operational Resilience Act (**DORA**) to prevent and mitigate cyber threats and enhance oversight of outsourced services. The legislation requires all interested firms to ensure that they can withstand all types of ICT related disruptions and threats and introduces an oversight framework for ICT providers, such as cloud computing service providers. The DORA entered into force in January 2023 and will become fully applicable in January 2025.

  In addition to the legislative initiatives included in the Digital Finance package, it is worth mentioning another initiative with very important implications for the financial sector: the increasingly probable introduction of a digital euro. On 18 October 2023, the Governing Council of the ECB decided to move forward to the preparation phase of the digital euro project. This decision follows the completion of the investigation phase launched by the Eurosystem in October 2021 to explore possible design and distribution models for digital euro.

  The preparation phase will start in November 2023 and will initially last two years. It will involve inter alia finalising the digital euro rulebook and selecting providers that could develop a digital euro platform and infrastructure. The Governing Council has nonetheless clarified that the launch of the preparation phase is not yet a decision on whether to issue a digital euro. That decision will only be considered by the Governing Council once the European Union's legislative process on the establishment of this currency, launched in June 2023, has been completed.

OTHER RECENT SECURITIES MARKETS RELATED REGULATIONS

In November 2021, the Commission presented its official proposal for a Markets and Financial Instruments Regulation (**MiFIR**) review as part of a Capital Market Package including other legislative proposals (i.e., the creation of the European Single Access Point (**ESAP**) – see above - and a review of the European Long-Term Investment Funds (**ELTIFs**) Regulation). Regulation (EU) 2023/606 (the so-called ELTIFs II Regulation), specifically aimed at amending the ELTIFs Regulation as to the requirements pertaining to investment policies and operating conditions of ELTIFs, the scope of eligible investment assets, the portfolio composition, the diversification requirements and the borrowing of cash and other fund rules, was published in the Official Journal of the EU on 20 March 2023. The ELTIFs II Regulation entered into force on 9 April 2023, with most of its provisions that will apply from 10 January 2024. The EC MiFIR review aims at improving transparency and making the EU market infrastructure more competitive. The review is mainly focused on the establishment of an EU Consolidated Tape (**CT**) – a centralized database meant to provide a comprehensive view of market data - namely prices and volumes of traded securities across trading venues in the EU. On 30 June 2023, the European Commission, the European Parliament and the Council reached a provisional agreement on this legislative proposal. The new rules amending the MiFIR are expected to apply from early 2024, with certain elements of the regulation phasing in over the coming years.

In May 2023, the European Commission published its Retail Investment Strategy (RIS) legislative package with the aim of ensuring that the legal framework for retail investments sufficiently empowers consumers, encourages improved and fairer market outcomes and ultimately creates the necessary conditions to grow retail investor participation in capital markets. The Package consists of: i) an Omnibus Directive amending the Directive on markets in financial instruments (MiFID II), Directive on insurance distribution (IDD), Solvency II Directive, Directive on Undertakings for collective investment in transferable securities (UCITS), Directive on Alternative Investment Fund Managers (AIFMD); ii) a Regulation amending PRIIPs (Regulation on key information documents for packaged retail and insurance-based investment products). In particular the package i) introduces a partial ban on inducements paid from manufacturers to distributors in relation to the reception and transmission of orders, or the execution of orders to or on behalf of retail clients (where no advice relationship exists between the investment firm and the client); ii) introduce a "Value for Money" (VfM) approach by amending product oversight and governance rules to ensure that undue costs are not charged and that products deliver Value for Money to retail investors, with specific comparability tools (benchmarks); iii) obliges firms, to act in accordance with the best interest of their clients and customers, by introducing a new test with clear criteria which will be applied both in MiFID and IDD; iv) introduces revisions to the suitability and appropriateness assessment v) foresees the standardization of information on costs and charges, with a greater degree of detail. The legislative process is ongoing.

On 7 December 2022, the Commission published its proposal to further review the European Market Infrastructure Regulation (also known as EMIR 3.0) with the aim of reducing reliance from UK clearing houses and foster EU clearing attractiveness. The key part of the proposal is the introduction of the obligation for counterparties subject to the clearing obligation to hold an active account (AA) at an EU CCP, and clear with an EU CCP a portion of their trades of derivatives products considered of systemic importance to the EU or to one or more of its Member States (interest rate derivatives denominated in euro and Polish zloty, CDS denominated in euro and short-term interest Rate derivatives (STIR) denominated in euro). The Council and the EU Parliament started their discussions on the proposal in early 2023."

- The sub-paragraph "*Credit ratings*" on pages 326-327 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"1.1.6 <u>Credit ratings</u>

As at the date of this Base Prospectus, UniCredit has been rated as follows:

Rating Agencies	**Short Term Counterparty Credit Rating**	**Long Term Counterparty Credit Rating**	**Outlook**	**Last update**
Fitch	F2(1)	BBB(2)	stable(3)	29 November 2022
S&P	A-2(4)	BBB(5)	stable(6)	25 October 2023
Moody's	P-2(7)	Baa1(8)	negative (9)	9 August 2022

<u>Fitch Ratings</u>

(1) F2: indicates a good capacity for timely payment of financial commitments relative to other issuers or obligations in the same country or monetary union. However, the margin of safety is not as great as in the case of the higher ratings (**Source: Fitch**).

(2) BBB: indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity (**Source: Fitch**).
Note: A "+" or "–" may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the AAA rating category, to categories below CCC, or to Short-Term Credit Ratings other than F1 (**Source: Fitch**).

(3) Outlooks indicate the direction a rating is likely to move over a one- to two-year period. They reflect financial or other trends that have not yet reached or been sustained the level that would cause a rating action, but which may do so if such trends continue. A Positive Rating Outlook indicates an upward trend on the rating scale. Conversely, a Negative Rating Outlook signals a negative trend on the rating scale. Positive or Negative Rating Outlooks do not imply that a rating change is inevitable, and similarly, ratings with Stable Outlooks can be raised or lowered without a prior revision to the Outlook. Occasionally, where the fundamental trend has strong, conflicting elements of both positive and negative, the Rating Outlook may be described as "Evolving" (**Source: Fitch**).

S&P

(4) A-2: an obligor has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category (**Source: S&P**).

(5) BBB: an obligor has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments (**Source: S&P**).
Note: ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories (**Source: S&P**).

(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. A stable outlook is assigned when S&P believes that ratings is not likely to change (**Source: S&P**).

Moody's

(7) P-2: issuers (or supporting institution) rated Prime-2 have a strong ability to repay short-term debt obligations (**Source: Moody's**).

(8) Baa: obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics (**Source: Moody's**).
Note: Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category (**Source: Moody's**).

(9) Outlook is an opinion regarding the likely rating direction over the medium term. A negative outlook indicates a higher likelihood of a rating change over the medium term (**Source: Moody's**).

During the validity of this Base Prospectus, the updated Issuer's ratings information which could occur, will be available from time to time on the Issuer's website, without prejudice to the obligations arising from Article 23 of the Prospectus Regulation in relation to the drafting of a supplement.

The rating agencies Fitch, S&P and Moody's are established in the European Economic Area, are registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended, and are included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation."

- The sub-paragraph "*Description of the expected financing of the Issuer's activities*" on page 327 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

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

As at 30 September 2023, the loans to deposits ratio (**LDR**), a ratio between the customer loans and deposits, excluding the repo activity, is equal to 88.7 per cent. Such ratio worsens compared to 31 December 2022, equal to 87.9 per cent, mainly driven by the reduction of customer deposits.

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 30 June 2023, the liquidity buffer[11] is equal to Euro 185.0 billion (Euro 187.8 billion at 31 March 2023).

As at 30 September 2023, the TLTRO participations of the Group is equal to Euro 12.6 billion."

- The sub-paragraph "*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*" of the paragraph titled "*Administrative, management and supervisory bodies*" in the "*Description of UniCredit and the UniCredit Group*" section on pages 332-337 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

"4.1 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 a number 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 15 April 2021 for a term of three financial years and is composed of 12 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 2023. The members of the Board of Directors have been appointed on the basis of a proportional representation mechanism ("*voto di lista*") and in compliance with the provisions on gender balance.

The following table sets forth the current members of UniCredit's Board of Directors as at the date of this Base Prospectus, having regard also to the changes occurred in the composition of the Board after the abovementioned Ordinary Shareholders' Meeting.

Name	**Position**
Pietro Carlo Padoan[1-2-3]	Chairman
Lamberto Andreotti[1-2-3]	Deputy Vice Chairman
Andrea Orcel	Chief Executive Officer*
Vincenzo Cariello[1-2-3]	Director
Elena Carletti[1-2-3]	Director
Jeffrey Alan Hedberg[1-2-3]	Director
Beatriz Lara Bartolomé[1-2-3]	Director
Luca Molinari[1-2-3]	Director
Maria Pierdicchi[1-2-3]	Director

[11] Average of 12 months, consistently with Pillar 3 disclosure.

Francesca Tondi[1-2-3]	Director
Renate Wagner[1-2]	Director
Alexander Wolfgring[1]	Director

Notes:
(1) Director that meets the independence requirements pursuant to Section 148 of the Financial Services Act.
(2) Director that meets the independence requirements pursuant to Section 13 of the Treasury Decree no. 169 dated November 23, 2020.
(3) Director that meets the independence requirements pursuant to Section 2, recommendation 7, of the Italian Corporate Governance Code.

* Also elected as General Manager by the Board of Directors on 15 April 2021.

The information on the Board of Directors and its updates are available on the UniCredit website without prejudice to the obligations arising from Article 23 of the Prospectus Regulation in relation to the drafting of a supplement.

The business address for each of the foregoing Directors is in Milan, 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:

Pietro Carlo Padoan

- Member of the Board of Directors and the Executive Committee of ABI – Italian Banking Association
- Chairman of the Capital Markets Union technical Committee of ABI - Italian Banking Association
- Member of the Institut International d'Etudes Bancaires
- Chairman of the High Level Group on Financing Sustainability Transition
- Member of the European Financial Roundtable (EFR)
- Member of the European Banking Group (EBG)
- Member of the Executive Committee of FeBAF (Italian Banking, Insurance and Finance Federation)
- Member of the Executive Committee of Assonime
- Member of the Committee of Market Operators and Investors (COMI)
- Member of the Governing Council of the School for Economic and Social Politics (AISES)
- Member of the "Comitato Scientifico Osservatorio Banca Impresa 2030"
- Member of the Board of Directors of International Monetary Conference

- Member of the Board of "Istituto Luigi Einaudi per gli Studi bancari, finanziari e assicurativi"
- Member of the Corporate Governance Committee of Borsa Italiana
- Member of the Board of the Institute of International Finance (IIF)
- Member of the FEPs High-Level Group on the New Global Deal
- Member of the Consiglio Generale of AIFI (Associazione Italiana del Private Equity, Venture Capital e Private Debt)
- Vice Chairman of IAI – Istituto Affari Internazionali
- Member of the Scientific Council of LUISS Institute for European Analysis and Policy (LEAP)
- Senior Scientific Advisor of Master LUISS Energy and Sustainability
- Honorary Board Member of Scope Foundation
- Distinguished Fellow of the Centre for International Governance Innovation (CIGI)

Lamberto Andreotti

- Member of the Board of Directors, Chairman of People & Compensation Committee of Corteva Agriscience
- Member of the Board of Directors of American Italian Cancer Foundation

Andrea Orcel

- Non-executive Director of EIS Group Ltd

Vincenzo Cariello

- Founding and Name Partner Studio Legale Professor Cariello
- Member of the Board of Directors, Chairman of Related Parties Committee, member of ESG and Rapporto con i Territori Committee of A2A S.p.A.
- Member of Collegio dei Docenti del Dottorato di Ricerca in Impresa, Lavoro, Società - Cattolica University

Elena Carletti

- Full Professor of Finance, Bocconi University, Department of Finance
- Director of the "Banking, Finance and Regulation" Research Unit – Bocconi University
- Dean for Research – Bocconi University
- Director of Center for Economic Policy & Research
- Research Professor, Bundesbank

- Scientific Advisor, European University Institute, Florence School of Banking and Finance (FBF)
- Member of Expert Panel on banking supervision, European Parliament
- Member of the Scientific Committee, Bruegel

Jeffrey Alan Hedberg

- Advisory Board Member of SDA Bocconi

Beatriz Lara Bartolomé

- Sole Administrator of AHAOW Moment S.L.
- Member of the Board of Directors of FINCOMUN MEXICO
- Business Angel & Senior Advisor at ZELEROS Hyperloop
- Investor & Senior Advisor at OPINNO
- Investor & Senior Advisor Bound4Blue
- Mentor at Startup Lab, International MBA, IE Business School

Luca Molinari

- Head of Financial Services at Mubadala Investment Company
- Non-Executive Director at Sanad Group

Maria Pierdicchi

- Chairwoman and Board Member of NED COMMUNITY
- Board Member of Aidexa Holding (previously PBI S.p.A.)
- Board Member of HUBLAB Eccellenze d'impresa S.r.l.

Francesca Tondi

- Member of the Board of Directors of Piraeus Financial Holdings SA
- Member of the Board of Directors of Piraeus Bank SA
- Leader of the Financial sector HUB – Climate governance initiative

Renate Wagner

- Member of the Board of Management Allianz SE
- Member of the Supervisory Board of Allianz Holding Eins GmbH
- Chairperson of the Board of Directors of Allianz (China) Insurance Holding Company Ltd

- Non-executive Director of Allianz Australia Ltd
- Non-executive Director of Bajaj Allianz General Insurance Co. Ltd
- Non-executive Director of Bajaj Allianz Life Insurance Ltd

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
- 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

Board of Statutory Auditors

Pursuant to the provisions of the UniCredit Articles of Association, the board of statutory auditors (the **Board of Statutory Auditors**) consists of five permanent statutory auditors, including a Chair, and four substitute statutory auditors.

The Board of Statutory Auditors currently in office was appointed by the UniCredit Ordinary Shareholders' Meeting on 8 April 2022 for a term of three financial years and its members may be re-elected.

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 2024. The members of the Board of Statutory Auditors have been appointed on the basis of a proportional representation mechanism (“*voto di lista*”) and in compliance with the provisions on gender balance.

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

Name	**Position**
Marco Rigotti	Chairman
Claudio Cacciamani	Statutory Auditor
Benedetta Navarra	Statutory Auditor
Guido Paolucci	Statutory Auditor
Antonella Bientinesi	Statutory Auditor

The information on the Board of Statutory Auditors and its updates are available on the UniCredit website, without prejudice to the obligations arising from Article 23 of the Prospectus Regulation in relation to the drafting of a supplement.

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, 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 Directors of Alisarda S.p.A.

Claudio Cacciamani

- Chairman of the Board of Statutory Auditors of Confidi Parma S.C.p.A.
- Non-executive Director of Carlyle Real Estate Società di Gestione del Risparmio S.p.A.
- Non-executive Director of CBRE Investment Management SGR S.p.A.
- Non-executive Director of Consultinvest S.p.A.
- Member of the Supervisory Committee of Banca Popolare di Garanzia in compulsory liquidation

Benedetta Navarra

- Chairwoman of the Board of Directors of Italgas S.p.A.
- Member of the Board of Directors of Cementir Holding N.V.
- Statutory Auditor of Mundys S.p.A.
- Statutory Auditor of Aeroporti di Roma S.p.A.
- Chairwoman of the Supervisory Body pursuant to Legislative Decree 231/2001 of Equitalia Giustizia S.p.A.
- Member of the Supervisory Body pursuant to Legislative Decree 231/2001 of Confcommercio imprese per l'Italia Provincia di Roma Capitale

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 TIM San Marino S.p.A.
- Chairman of the Board of Statutory Auditors of Telefonia Mobile Sanmarinese S.p.A.
- Statutory Auditor of Nuova Compagnia di Partecipazioni S.p.A.
- Statutory Auditor of HYLE Capital Partners SGR S.p.A.

- Statutory Auditor of Consorzio CONOU
- Statutory Auditor of Fondazione "Casa Sollievo della Sofferenza"

Antonella Bientinesi

- Chairwoman of the Board of Statutory Auditors of Italferr S.p.A.
- Chairwoman of the Board of Statutory Auditors of Enel Erre S.p.A.
- Statutory Auditor of Enel Produzione 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.
- Sole Auditor of Enel Green Power Matimba Newco 1 S.r.l.
- Statutory Auditor of CESI S.p.A.
- Statutory Auditor of Gridspertise S.r.l.
- Statutory Auditor of Invitalia S.p.A."

- The sub-paragraph "*Information related to the shareholder structure of the Issuer*" of the paragraph titled "*Major Shareholders*" in the "*Description of UniCredit and the UniCredit Group*" section on pages 338-339 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

"**5.1 Information related to the shareholder structure 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 2023, the major shareholders who have disclosed that they hold, directly or indirectly, a relevant participation in UniCredit, pursuant to Article 120 of the Financial Services Act, were:

Major Shareholders*	**Ordinary Shares**	**% owned**
BlackRock Group	114,907,383	6.439(1)
Allianz Group	69,622,203	3.901

(1) non-discretional asset management

* The table shows the information notified by the shareholders pursuant to Article 120 of the Financial Services Act following the update disclosed on the CONSOB website on 3 April 2023. The percentages here indicated are calculated on the number of shares representing the share capital as of the date of this Base Prospectus, which takes into account the cancellation of treasury shares carried out on 12 September 2023.

It should be noted that, in the cases provided for by the Issuers' Regulations, management companies and qualified entities that have acquired, as part of their management activities, shareholdings less than 5 per cent are not required to make disclosures.

The updated information concerning the major shareholders will be available from time to time on the Issuer's website without prejudice to the obligations arising from Article 23 of the Prospectus Regulation in relation to the drafting of a supplement."

General Information

The "*General Information*" section of the Base Prospectus is amended as follows:

- The paragraph "*Significant or material adverse change*" on page 380 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

"*Material adverse change in the prospects of the Issuer and significant change in the financial performance of the Group*

Except for what reported in the section headed "*Risk Factors*", paragraph 1.1.1 "*Risks associated with the impact of current macroeconomic uncertainties and the effects of the geopolitical tensions*", 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 2022.

There has been no significant change in the financial performance of the Group since 30 September 2023 to the date of this Base Prospectus.

Significant change in the Issuer's financial position

Except for what reported in the section headed "*Risk Factors*", paragraph 1.1.1 "*Risks associated with the impact of current macroeconomic uncertainties and the effects of the geopolitical tensions*", there has been no significant changes in the financial position of the Group which has occurred since 30 September 2023."

- The paragraph "*Trend information*" on page 380 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

"*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*

Except for what reported in the section headed "*Risk Factors*", paragraph 1.1.1 "*Risks associated with the impact of current macroeconomic uncertainties and the effects of the geopolitical tensions*", 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."

General

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

Copies of this Supplement and all documents or sections incorporated by reference in the Base Prospectus can be obtained free of charge from the office of the Issuer and from the specified office of the Paying Agents for the time being in London as described on page 386 of the Base Prospectus. Copies of this Supplement and all documents or sections incorporated by reference in the Base Prospectus will also be published on the website of UniCredit (*www.unicreditgroup.eu*), as well as on the website of the Luxembourg Stock Exchange (*www.luxse.com*).

In accordance with Article 23(2) of the Prospectus Regulation, investors who have agreed to purchase or subscribe for Notes issued under the Programme before this Supplement is published have the right, exercisable before the end of the period of three working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances. This right to withdraw shall expire by close of business on 3 November 2023. Investors can exercise their right to withdraw their acceptances by contacting the person from whom any such investor has agreed to purchase or subscribe for such notes before the above deadline.