

This document constitutes a registration document, as supplemented from time to time (the “**Registration Document**”) within the meaning of article 6, paragraph 3, of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the “**Prospectus Regulation**”) in connection with article 7 and Annex 6 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended (the “**Delegated Regulation**”). This Registration Document is valid for a period of twelve months from the date of its approval. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Registration Document in the event of significant new factors, material mistakes or material inaccuracies when this Registration Document is no longer valid.



UNICREDIT S.p.A.

("UniCredit" or the "Issuer", and together with its consolidated subsidiaries, the "UniCredit Group")

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

20 January 2021

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Section I - Risk Factors

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

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

1.1.1. Risks associated with the impact of current macroeconomic uncertainties and the effects of the COVID-19 pandemic outbreak

The UniCredit Group's performance is affected by the financial markets and the macroeconomic and political environment of the countries in which it operates. Expectations regarding the performance of the global economy remain uncertain in both the short term and medium term. Therefore, there is a risk that changes in the macroeconomic environment may have adverse effects on the financial and economic situation as well as on the creditworthiness of the Issuer and/or the Group. It should be noted that the national and international macroeconomic environment is subject to the risks arising from the outbreak of the viral pneumonia known as "Coronavirus" (COVID-19) and that, currently, the negative effects of this virus on international and domestic economic activities are evident, thus having an inevitable impact on the performance of the Group.

The current scenario is characterised by elements of high uncertainty - strongly influenced also by the relevant restriction measures - relating both to the general situation and, in particular, to the non-performing exposure market. In particular, in this context, it should be noted that the economic slowdown may determine a deterioration of credit portfolio quality, thus increasing the incidence of non-performing loans and the need to increase the provisions that will be set aside in the income statement. It should be noted that the Group registered a decrease in revenues compared to the corresponding period of 2019, despite an improvement in commercial performance in the latter stages of the second quarter 2020, thanks for its key markets emerged from lockdowns, proceeded in the third quarter.

Following the widespread lockdown, the Group realized additional Loan Loss Provisions totaled Euro 741 m in 3Q20 (-21.0 per cent Q/Q) of which Euro 431 m were specific LLPs reflecting credit risk in Italy characterized by the extension of moratoria on loans (SME loans having been extended into January next year) and an initial credit deterioration in CEE connected to the expirations of the moratoria in place, and Euro 305 m were overlays on LLP increasing the forward-looking coverage to reflect Covid-19 economic impact on the portfolio, and Euro 4 m on regulatory impacts connected to the introduction of new models or updating of the existing ones.

Net write-downs on loans and provisions for guarantees and commitments of the Group in the 9M20 were Euro 2,938 million.

Also as a consequence of a financial-economic context deteriorated by the Covid-19 crisis, the Group realized in the first nine months of 2020 a net loss of Euro 1,606 million, compared with the Euro 4,208 million of net profit achieved in the first nine months of 2019.

There was a decrease in revenues, down 7.4 per cent Y/Y, even if the improved economic conditions across Western Europe resulted in the third quarter in increased client activity and supported revenues increasing by 4.4 per cent Q/Q.

Finally, taking into account the revised estimates of the cost of risk, it results that the financial objectives of Team 23 for 2020 and 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. It should be noted that, due to the current framework of high uncertainty and volatility, it is not currently possible to make an overall final assessment of the impacts on the medium/long-term Plan objectives in order to determine whether they are still relevant or how they are impacted, analyses that will be finalized over the next months. In particular, the current scenario is affected by a high degree of uncertainty whose outcome is not foreseeable at the moment and may require changes in evaluations already performed, in light of the evolution of the pandemic, on the effect of relief measures put in place and the shape of economic recovery. These factors will affect the Group profitability and the parameters, such as discount rates, used for evaluating Group's assets. Furthermore, considering the high uncertainty of current context, an update in the strategic plan Team 23 that reflects current conditions will be presented during

the first half 2021. As a result, the evaluation made for Goodwill, Investments in associates and Deferred Tax Assets, whose recoverable amount depends on cash flows projections, might be subject to a change not foreseeable at the moment and from which could derive possible negative effects, including significant ones, on the bank's financial and economic situation.

The UniCredit Group's performance is affected by the financial markets and the macroeconomic and political environment of the countries in which it operates. Expectations regarding the performance of the global economy remain uncertain in both the short term and medium term.

The past months have been defined by the outbreak of the form of viral pneumonia known as " Coronavirus " (COVID-19) which had a profound impact on communities, employees and customers. Currently, the negative effects of this virus on international and domestic economic activities are evident, thus having an inevitable impact on the performance of the Group in particular on revenues and cost of risk.

There was a decrease in revenues, down 7.4 per cent Y/Y, even if the improved economic conditions across Western Europe resulted in the third quarter in increased client activity and supported revenues increasing by 4.4 per cent Q/Q. Profitability was underpinned by business and geographical diversification with positive contributions from all business divisions in the quarter, with standout contributions from CIB and CEE. As a result, underlying net profit¹ was Euro 692 m in 3Q20, up 31.1 per cent quarter on quarter, or Euro 1,060 m in 9M20.

In detail: (i) Net interest income (Euro 2.3 bn) was down by 3.8 per cent Q/Q on lower loan volumes, mix effect due to government guaranteed loans and sharp decline in Euribor, partially offset by repricing of deposits in CEE; as well as down by 8.6 per cent Y/Y compared to the corresponding period of 2019 (ii) fees and commission (Euro 1.5 bn) were up 6.4 per cent Q/Q driven by client activity.

Also as a consequence of a financial-economic context deteriorated by the Covid-19 crisis, the Group realized in the first nine months of 2020 a net loss of Euro 1,606 million, compared with the Euro 4,208 million of net profit achieved in the first nine months of 2019.

The current scenario is characterised by elements of high uncertainty - strongly influenced also by the relevant restriction measures - relating both to the general situation and, in particular, to the non-performing exposure market. In particular, in this context, it should be noted that the economic slowdown may determine a deterioration of credit portfolio quality, thus increasing the incidence of non-performing loans and the need to increase the provisions that will be set aside in the income statement. Following the widespread lockdown, the Group realized additional Loan Loss Provisions totaled Euro 741 m in 3Q20 (-21.0 per cent Q/Q) of which Euro 431 m were specific LLPs reflecting credit risk in Italy characterized by the extension of moratoria on loans (SME loans having been extended into January next year) and an initial credit deterioration in CEE connected to the expirations of the moratoria in place, and Euro 305 m were overlays on LLP increasing the forward-looking coverage to reflect Covid-19 economic impact on the portfolio, and Euro 4 m on regulatory impacts connected to the introduction of new models or updating of the existing ones.

Net write-downs on loans and provisions for guarantees and commitments of the Group in the 9M20 were Euro 2,938 million.

Therefore, the cost of risk in the 9M20 is 81 bps, increasing compared to the same period of the past year (49 bps).

For further information on the overall exposure to counterparty credit risk and the main activities undertaken by the Group to support its customers, please see risk 1.1.3 "*Credit risk and risk of credit quality deterioration*".

The containment measures adopted to contain the spread of the COVID-19 would have a severe impact on economic activity. The ECB has stepped up interventions and, with its pandemic emergency purchase program (PEPP - Pandemic Emergency Purchase Programme), it stands ready to act as a buyer of last resort in the government-bond market for as long as needed.

¹Underlying net profit normalized for integration costs in Italy (-€1,272 m in 1Q20), additional real estate disposals (+€296 m in 1Q20), Yapi deconsolidation (-€1,576 m in 1Q20), regulatory headwinds impact on CoR (-€3 m in 1Q20, -€4 m in 2Q 20 and -€3 m in 3Q20), revaluation of real estate (+€9 m in 1Q20, -€ 7m in 2Q20 and -€ 5m in 3Q20) and Non Core rundown (-€ 98 m in 2Q20 and -€ 4 m in 3Q20).

Finally, taking into account the revised estimates of the cost of risk and the target of gross cost savings, it results that the financial objectives of Team 23 for 2020 and 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. It should be noted that, due to the current framework of high uncertainty and volatility, it is not currently possible to make an overall final assessment of the impacts on the medium/long-term Plan objectives in order to determine whether they are still relevant or how they are impacted, analyses that will be finalized over the next months. In particular, the current scenario is affected by a high degree of uncertainty whose outcome is not foreseeable at the moment and may require changes in evaluations already performed, in light of the evolution of the pandemic, on the effect of relief measures put in place and the shape of economic recovery. These factors will affect the Group profitability and the parameters, such as discount rates, used for evaluating Group's assets. Furthermore, considering the high uncertainty of current context, an update in the strategic plan Team 23 that reflects current conditions will be presented during the first half 2021. As a result, the evaluation made for Goodwill, Investments in associates and Deferred Tax Assets, whose recoverable amount depends on cash flows projections, might be subject to a change not foreseeable at the moment and from which could derive possible negative effects, including significant ones, on the bank's financial and economic situation.

In this respect, it should be noted that starting from 31 December 2019, the Group updated the calculation of the sustainability test methodology considering appropriate a 10 years' time horizon, for the recognition of deferred tax assets (DTA) arising from tax loss carrying forward deemed coherent for assessing the generation of sufficient taxable profit to be available against which tax assets can be utilized. As at 30 June 2020, considering that, inter alia, the official projections used in performing the sustainability test continued to be based on the budget and forecasts approved by the Management within the Team23 Multiyear Plan (MYP), and the effects of Covid-19 pandemics, the outcome of the sustainability test presented above was corroborated through the application of two alternative scenarios envisaging the downward revision of the projections in order to estimate if such a reduction of the profitability might require an impairment of the deferred tax assets. As at 30 September 2020, considering that the test performed for the preparation of the half year report was based on alternative scenarios, the following was verified: (i) sustainability of such scenarios through the comparison of expected and actual results, (ii) absence of changes in tax legislation and tax consolidation perimeter. These analyses have confirmed the sustainability of the deferred tax assets arising from tax loss carrying forward on Italian tax perimeter as at 30 September 2020. In respect of the goodwill, the sustainability test was performed considering alternative scenarios which incorporated the effects of Covid-19 Pandemics and the associated lockdown measures. As at 30 September 2020 the analysis above has been integrated with a further trigger analysis by updating, starting from impairment test executed as at 30 June 2020, the relevant assumptions (time value, discount rate and foreign exchange rate). Finally, a back-testing analysis has been performed by comparing the forecast embedded in the alternative scenarios used in June 2020 with the actual results. The combined result of these analyses has confirmed the sustainability of goodwill as at 30 September 2020.

For further information on the risks associated with the Strategic Plan, see Risk 1.1.2 "*Risks connected with the Strategic Plan 2020 – 2023*" while for further details on valuations and assumption made refer to pages 27 and seq of the Issuer's unaudited consolidated Interim Report as at 30 September 2020 – Press Release.

Material adverse effects on the business and profitability of the Group may also result from further developments of the monetary policies and additional events occurring on an extraordinary basis (such as political instability, terrorism and any other similar event occurring in the countries where the Group operates and, as recently experienced, a pandemic emergency). Furthermore, the economic and political uncertainty of recent years 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.

The outlook of the pandemic normalization path in terms of its timeline and further evolution remains highly uncertain, as well as the magnitude of the economic downturn. The global economic downturn can be further impacted by the potential new rounds of general lockdowns that might be induced by some Countries across the world, with the risk of further slowing down the expected recovery.

In particular, besides the impact on global growth and individual countries due to Covid-19, the current macroeconomic situation is characterized by high levels of uncertainty, mainly due to: (i) Brexit related uncertainties; (ii) future developments in the European Central Bank (the **ECB**) and Federal Reserve (**FED**) monetary policies; and (iii) the sustainability of the sovereign debt of certain countries and the related, repeated shocks to the financial markets.

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

1.1.2 Risks connected with the Strategic Plan 2020 – 2023

*On 3 December 2019, following the completion of the 2016-2019 Strategic Plan, UniCredit presented to the financial community in London the new 2020-2023 Strategic Plan called "Team 23" (the **Strategic Plan** or **Plan** or **Team 23**). The Strategic Plan contains determined strategic, capital and financial objectives (collectively, the **Strategic Objectives**) based on four pillars. Such Strategic Objectives focus on improving the cost of risk, reducing the gross NPE ratio, maintaining an appropriate capital buffer throughout the Plan as well as objectives in terms of underlying net profit and capital distribution. The four pillars are: (i) growth and strengthen client franchise; (ii) transform and maximise productivity; (iii) disciplined risk management & controls; and (iv) capital and balance sheet management. UniCredit ability to meet the new Strategic Objectives depends on a number of assumptions and circumstances, some of which are outside UniCredit's control including those relating to developments in the macroeconomic environment in which our Group operates, developments in applicable laws and regulations and assumptions related to the effects of specific actions or future events which we can partially forecast/manage. The assumptions concerning the macroeconomic scenario and the development of the regulatory framework, as well as the hypothetical assumptions on which the Plan is based, were made prior to the adoption of the restrictive provisions related to the spread of COVID-19 throughout the countries and, therefore, in a macroeconomic environment different from that one determined next to the entry into force of the restrictive provisions ("lockdown") resulting from the pandemic. Indeed, financial results for this year and potentially subsequent years could be reasonably influenced by the dynamics of the COVID-19, which were not foreseeable at the date of the Strategic Plan presentation and which are still uncertain. Taking into account the revised estimates of the cost of risk, it results that the financial objectives of Team 23 for 2020 and 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. Given the high uncertainty of the environment, an update of Team 23 strategic plan will be run and presented to the markets in the Capital Markets Day in first half of 2021. For all these reasons, investors are cautioned against making their investment decisions based exclusively on the forecast data included in the Strategic Objectives. Any failure to implement the Strategic Objectives or meet the Strategic Objectives may have a material adverse effect on UniCredit's business, financial condition or results of operations.*

As above mentioned, the current macroeconomic scenario is worse than the plan assumptions. For this reason, UniCredit has updated the macroeconomic assumptions connected with the determination of Loan Loss Provisions in accordance with IFRS9 (International Financial Reporting Standards 9). Furthermore UniCredit realized additional Loan Loss Provisions totaled Euro 741 m in 3Q20 (-21.0 per cent Q/Q) of which Euro 431 m were specific LLPs reflecting credit risk in Italy characterized by the extension of moratoria on loans (SME loans having been extended into January next year) and an initial credit deterioration in CEE connected to the expirations of the moratoria in place, and Euro 305 m were overlays on LLP increasing the forward-looking coverage to reflect Covid-19 economic impact on the portfolio, and Euro 4 m on regulatory impacts connected to the introduction of new models or updating of the existing ones. Net write-downs on loans and provisions for guarantees and commitments of the Group in the 9M20 were Euro 2,938 million.

For the 2020 financial year, even considering the forecasting difficulties due to the current unpredictable situation, the estimated cost of risk ("**CoR**") is about 100-120 bps. The CoR will result from the combination of the provisions relating to the update of the IFRS9 macroeconomic scenario and the potential effects deriving from the risks that could occur during the year with reference to specific sectors and counterparties, specifically at the end of the year taking into account the expiration of the moratoria.

For the 2021 financial year, the Group currently estimates a stated CoR at the bottom end of 70 to 90 basis points range with underlying cost of risk (stated excluding regulatory headwinds) close to 60 basis points.

Furthermore, UniCredit is now targeting updated gross cost savings of Euro 1.25 billion, up 25 per cent from the original figure of Euro 1 billion.

In light of the CoR reviewed estimates and target of gross cost savings, it results that the financial objectives of Team 23 for 2020 and 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. It should be noted that, due to the current framework of high uncertainty and volatility, it is not currently possible to make an overall final assessment of the impacts on the medium/long-term Plan objectives in order to determine whether they are still relevant or how they are impacted, analyses that will be finalized over the next months. The revised determinations will be organically

presented in an update of the Team 23 plan, reflecting the new macroeconomic conditions, during the Capital Markets Day currently scheduled in first half of 2021, as publicly announced on 5 November 2020 during the presentation of the third quarter 2020 results. In this context it will be presented the Group's strategic priorities and the new Team 23 Plan Objectives.

The key pillars of Team 23 remain strategic priorities, specifically:

- **Growth and strengthen client franchise:** through a renewed focus on customer satisfaction and service quality, confirming position as "go to" bank for small and mid-sized corporates, reinforcing market leadership in CEE and strengthen CIB and Commercial Banking cooperation, and redesign customer service for individuals thanks to a mix of integrated channels;
- **Transform and maximise productivity:** adopt new ways of working to continuously optimise processes, enhance customer experience and deliver efficiencies;
- **Disciplined risk management & controls:** further strengthen monitoring and management of Credit and Financial Risk: enhanced business accountability and in-depth monitoring by control functions. Targeted actions on Compliance and Operational Risk, reinforcing governance and risk of Anti Financial Crime controls, AML and KYC, Cyber security and Operational Risk;
- **Capital and balance sheet management:** proactive capital allocation based on financial performance, preference for share buybacks over M&A, only small bolt-on acquisitions might be considered to accelerate capital allocation towards businesses or geographies with higher risk-adjusted profitability. Gradual alignment of domestic sovereign bond portfolios with those of European peers. The project related to the creation of a sub-holding for the international activities of the Group remain under investigation. There is therefore no predefined timeframe for its possible implementation, also considering that the current market and macroeconomic conditions (e.g. purchases of securities by the ECB and reduced government spreads) make some assumptions of the project no longer valid, such as the optimisation of the cost of funding.

Team 23 plan is based on assumptions both in terms of interest rates and economic growth of the countries of presence of the Group. As macroeconomic variables are volatile, UniCredit has also developed two sensitivities on top of the base case scenario embedded in the Strategic plan, both on interest rates and economic growth. One sensitivity, internally called "Draghi", assumes rates close to the current levels throughout the plan (Euribor 3M *end of period* at minus 50 basis points until 2023) and lower GDP (Gross Domestic Product) growth both in Western Europe and Central Eastern Europe countries. "Draghi" scenario assumes an economic slowdown in normal market conditions, consequently, it is not directly comparable to the impacts related to the COVID-19 containment measures applied by most of Countries. Considering the high uncertainty of the environment, as explained above for financial results also interest rates and economic assumptions are influenced by Covid-19 and will be updated and presented during the Capital Markets Day that will be in first half 2021.

Furthermore, it should be noted that, as disclosed to the Market in the context of Strategic Plan - Team 23 presentation, the capital distribution in the new plan is based on the concept of underlying net profit. Underlying net profit adjusts stated net profit for certain non-operating items to better demonstrate the recurring, sustainable profit base of the bank.

Such adjustments include:

- (i) sale of non-strategic assets and selected real estate properties;
- (ii) non-operating non-recurring charges including, but not limited to, integration costs and extraordinary IT write-offs;
- (iii) non-operating items in loan loss provisions, for example the updated rundown strategy for Non Core and the regulatory headwinds.

As announced on 29 July 2020, UniCredit confirms that it will comply with the ECB's 2020 payout recommendations and not pay dividends nor do share buybacks in 2020. UniCredit will re-instate the Team 23 capital distribution policy from 2021 onwards, distributing 50 per cent of underlying net profit to shareholders, as well as gradually returning excess capital, starting in 2021 for both, subject to regulatory "green light". The composition for the ordinary distribution, starting in 2021 for FY20, is a maximum of 30 per cent target cash dividend payout of the underlying net profit and a minimum of 20 per cent for share buyback; on this regard it should be noted that the ECB on 15 December 2020 recommended that banks exercise extreme prudence on dividends and share buy-backs. To this end, the ECB asked all banks to consider not distributing any cash

dividends or conducting share buy-backs, or to limit such distributions, until 30 September 2021. Given the persisting uncertainty over the economic impact of the coronavirus (COVID-19) pandemic, the ECB expects dividends and share buy-backs to remain below 15% of the cumulated profit for 2019-20 and not higher than 20 basis points of the Common Equity Tier 1 (CET1) ratio. Banks that intend to pay dividends or buy back shares need to be profitable and have robust capital trajectories. They are expected to contact their Joint Supervisory Team to discuss whether the level of intended distribution is prudent. The recommendation is related to the current exceptional circumstances and will remain valid until the end of September 2021; at that time, in the absence of materially adverse developments, the ECB intends to repeal the recommendation and return to assessing banks' capital and distribution plans based on the outcome of the normal supervisory cycle).

CET1 MDA buffer fully loaded remains well above 200-250bps targets; CET1 MDA buffer is expected well above 300 bps for FY20 and FY21. UniCredit remains committed to gradually return excess capital vs. MDA buffer to shareholders subject to receive regulatory "green light".

Considering the above, the Issuer evaluates that the materiality of such risk shall be high.

1.1.3 Credit risk and risk of credit quality deterioration

The activity, financial and capital strength and profitability of the UniCredit Group depend, among other things, on the creditworthiness of its customers. In carrying out its credit activities, the Group is exposed to the risk that an unexpected change in the creditworthiness of a counterparty may generate a corresponding change in the value of the associated credit exposure and give rise to the partial or total write-down thereof. Following the COVID-19 outbreak it cannot be excluded that, credit quality for this year could be influenced with potential impacts not yet quantifiable. In particular, in this context, it should be noted that the economic slowdown may determine a deterioration of credit portfolio quality, thus increasing the incidence of non-performing loans and the need to increase the provisions that will be set aside in the income statement.

Following the widespread lockdown, the Group realized additional Loan Loss Provisions totaled Euro 741 m in 3Q20 (-21.0 per cent Q/Q) of which Euro 431 m were specific LLPs reflecting credit risk in Italy characterized by the extension of moratoria on loans (SME loans having been extended into January next year) and an initial credit deterioration in CEE connected to the expirations of the moratoria in place, and Euro 305 m were overlays on LLP increasing the forward-looking coverage to reflect Covid-19 economic impact on the portfolio, and Euro 4 m on regulatory impacts connected to the introduction of new models or updating of the existing ones.

Net write-downs on loans and provisions for guarantees and commitments of the Group in the 9M20 were Euro 2,938 million.

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

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

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

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 2020 Group gross NPEs were down by 21.0% Y/Y and 4.1% Q/Q to Euro 22.7 bn in 3Q20 (while as at 30 June 2020 they were equal to Euro 23.7 billion) with an improved gross NPE ratio of 4.7 per cent (-1.1 p.p. Y/Y, -0.1 p.p. Q/Q), while as at 30 June 2020 the gross NPE ratio was equal to 4.8%.

As at 30 September 2020 Group Net NPEs stood at Euro 8.8 billion substantially unchanged compared to 30 June 2020 (Group Net NPE ratio remained substantially stable compared to 30 June 2020 and is equal to 1.9%).

As at 30 September 2020, the Group excluding Non Core gross NPEs slightly increased to Euro 16.8 billion (+0.8 p.p Q/Q, -4.0 p.p Y/Y while as at 30 June 2020 they were equal to Euro 16.7 billion), while Group excluding Non Core Net NPEs were slightly increased to Euro 7.4 billion.

The NPL ratio for UniCredit, using the EBA definition, is 2.7% in 3Q20 compared to weighted average of EBA sample banks of 2.9%.

For more information on European legislative initiatives on Non-Performing Loans, please see section headed "*Information about the Issuer*", paragraph 4.1.4 (*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 Registration Document.

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 forbore exposures for credit institutions with a gross NPL ratio greater than 5%, the Group has adopted a strategic plan to reduce NPEs and operational and governance systems to support it.

Starting from the year 2015 the overall reduction of the Group Non-Performing Exposures (NPE) amounted to about Euro 52 billion, moving from Euro 77.1 billion of 2015 to Euro 25.3 billion of 2019. This amount includes the loans disposed of through Project Fino in July 2017 and IFRS 5 positions.

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

In order to mitigate the negative consequences caused by the restrictive measures adopted to contain the COVID-19 outbreak, several countries in which the Group operates have enacted national provisions to postpone the payment of the instalments upon request of customers or automatically (the so-called "moratoria").

In accordance with ESMA statements of 25 March 2020, the Group has not derecognised credit exposures that were subject to such moratoria.

Loan Loss Provisions (**LLPs**) totaled Euro 741 million in 3Q20 (-21.0 per cent Q/Q) of which Euro 431 million were specific LLPs reflecting credit risk in Italy characterized by the extension of moratoria on loans (SME loans having been extended into January next year) and an initial credit deterioration in CEE connected to the expirations of the moratoria in place, and Euro 305 m were overlays on LLP increasing the forward-looking coverage to reflect Covid-19 economic impact on the portfolio, and Euro 4 m on regulatory impacts connected to the introduction of new models or updating of the existing ones. The specific cost of risk, including only the

specific LLPs was 36 bps, still under control despite Covid-19. Net write-downs on loans and provisions for guarantees and commitments of the Group in the 9M20 were Euro 2,938 million.

In light of the above, the Issuer evaluates that the materiality of both the credit risk and the risk of credit quality deterioration shall be medium-high.

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

As at 30 September 2020, the Group's sovereign exposures in debt amounts to Euro 112,438 million (as at 31 December 2019 it amounted to Euro 105,370 million), of which over 85 per cent concentrated in eight countries. In particular, the Group's exposure to Italian sovereign debt in debt securities amounts to Euro 44,382 million (at 31 December 2019 it amounted to Euro 43,849 million) and represents, respectively, over 39 per cent of the Group's total sovereign exposure represented by debt securities (about 42% at 31 December 2019) and about 5% of the Group total assets (unchanged from 31 December 2019). Increased financial instability and the volatility of the market, with particular reference to the increase of credit spread, or the rating downgrade of sovereign debt, as well as the rating downgrade of Italian sovereign debt, or forecasts that such downgrades may occur, could negatively impact the financial position of UniCredit and/or the Group considering their exposure to sovereign debt.

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

With reference to the Group's sovereign exposures in debt, the book value of sovereign debts securities as at 30 September 2020 amounted to Euro 112,438 million (as at 31 December 2019 it amounted to Euro 105,370 million), of which over the 85 per cent was concentrated in eight countries, including: Italy with Euro 44,382 million (at 31 December 2019 it amounted to Euro 43,849 million), representing over 39 per cent of the total (about 42% at 31 December 2019) and about 5% of the Group total assets (unchanged from 31 December 2019); Spain with Euro 16,294 million; Germany with Euro 13,846 million; Japan with Euro 7,781 million; Austria with Euro 4,794 million; United States of America with Euro 3,605 million; France with Euro 2,971 million and Romania with Euro 2,285 million.

As at 30 September 2020, the remaining 15 per cent of the total sovereign exposures in debt securities, equal to Euro 16,480 million as recorded at the book value, was divided between 31 countries, including: Bulgaria (Euro 1,857 million), Hungary (Euro 1,849 million), Portugal (Euro 1,517 million), Croatia (Euro 1,483 million), Czech Republic (Euro 1,318 million), Ireland (Euro 1,176 million), Serbia (Euro 984 million), Poland (Euro 951 million), Russia (Euro 921 million) and Israel (Euro 819 million). The exposures in sovereign debt securities relating to Greece are immaterial.

As at 30 September 2020, there is no evidence of default of the exposures in question.

Note that the aforementioned remainder of the sovereign exposures held as at 30 September 2020 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 1,823 million (as at 31 December 2019 it amounted to Euro 3,065 million).

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

Total loans to countries to which the total exposure is greater than Euro 130 million, which represented about 93 per cent of said exposures, as at 30 September 2020 amounts to Euro 21,936 million (as at 31 December 2019 it amounted to Euro 22,341 million).

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

1.1.5 Risks relating to deferred taxes

As at 31 December 2019, UniCredit recognized Deferred tax assets (DTAs) for Euro 12,129 million, of which Euro 8,302 million may be converted into tax credits pursuant to Law No. 214 of 22 December 2011 (**Law 214/2011**). As of 31 December 2018 DTAs totally amounted to Euro 11,912 million, of which Euro 8,310 million available for conversion to tax credits pursuant to Law 214/2011. In relation to Convertible DTAs the fee due for fiscal year 2019 was paid on 28 June 2019 for an amount equal to Euro 114 million.

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

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

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

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

1.2.1 Liquidity Risk

The main indicators used by the UniCredit Group to assess its liquidity profile are (i) the Liquidity Coverage Ratio (LCR), which represents an indicator of short-term liquidity subject to a minimum regulatory requirement of 100% from 2018 and which was equal to 159% in September 2020, and (ii) the Net Stable Funding Ratio (NSFR), which represents the indicator of structural liquidity and which, on the same date, was above the internal limit set at 101.3% within the risk appetite framework. Liquidity risk refers to the possibility that the UniCredit Group may find itself unable to meet its current and future, anticipated and unforeseen cash payment and delivery obligations without impairing its day-to-day operations or financial position. The activity of the UniCredit Group is subject in particular to funding liquidity risk, market liquidity risk, mismatch risk and contingency risk. The most relevant risks that the Group may face are: i) an exceptionally high usage of the committed and uncommitted lines granted to corporate customers; ii) the capacity to roll over the expiring wholesale funding and the potential cash or collateral outflows the Group may suffer in case of rating downgrades of both the banks or the sovereign debt in the geographies in which it operates. In addition to this, some risks may arise from the limitations applied to the cross-border lending among banks, which have been increased in some countries. Due to the financial market crisis, followed also by the reduced liquidity available to operators in the sector, the ECB has implemented important interventions in monetary policy, such as the "Targeted Longer-Term Refinancing Operation" (TLTRO) introduced in 2014 and the TLTRO II introduced in 2016. In March 2019 ECB announced a new series of quarterly targeted longer-term refinancing operations (TLTRO-III) to be launched in September 2019 to March 2021, each with a maturity of two years, recently shifted by an additional year. On March 2020 new long term refinancing operations (LTROs) were announced to provide a bridge until the TLTRO III window in June 2020 and ensure liquidity and regular money market conditions. These measures were integrated with temporary collateral easing measures.

It is not possible to predict the duration and the amounts with which these liquidity support operations can be repeated in the future, with the result that it is not possible to exclude a reduction or even the cancellation of this support. This would result in the need for banks to seek alternative sources of borrowing, without ruling out

the difficulties of obtaining such alternative funding as well as the risk that the related costs could be higher. Such a situation could therefore adversely affect UniCredit's business, operating results and the economic and financial position of UniCredit and / or the Group.

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

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

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

As of September 2020, the LCR of the Group was equal to 159% (calculated as the average of the 12 latest end of month ratios). At the same date, the NSFR was above the internal limit of 101.3% set in the risk appetite framework.

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

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

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

The slowdown in economic activity caused by lockdowns across Europe and the measures the Governments have taken to face the effects of the current health and economic emergency impacted the Group operations in the different countries of its perimeter. The business continuity management plans were activated in order to ensure the regular execution of Treasury activities and the proper information flows to the senior management and the Supervisors. Despite the overall liquidity situation of the Group is safe and under constant control, some risks may materialize in the coming months, depending on the length of the current lockdown and expected economic recovery.

An important mitigating factor to these risks are the contingency management policies in place in the Group system of rules and the measures announced by the European Central Bank, which have granted a higher flexibility in the management of the current liquidity situation by leveraging on the available liquidity buffers.

As of 30 September 2020, the total debt of the UniCredit Group with the ECB through TLTRO III was Euro 94.3 billion, with a timetable of maturities scheduled for June 2023. As of 30 September 2020 UniCredit Group

had a minor short-term refinancing operation in place with ECB in its Czech Republic subsidiary, other than TLTRO III.

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

TLTRO III

Effect from	Maturity	Amounts (Euro -billion)
24 June 2020	28 June 2023	94.33
Total		94.33

1.2.2 Risk related the property market trends

The UniCredit Group is exposed to risks relating to the property market as a result of its significant property portfolio (both in Italy and abroad), as well as due to loans granted to companies operating in the commercial real estate market, whose cash flow is generated mainly by the rental or sale of commercial properties, and loans to individuals secured by real property. A downturn in property prices, also in light of Covid-19 pandemics, could cause to the UniCredit Group to have to impair the property owned where book value is higher than market value, with possible material adverse effects on the business, operating results and financial position of UniCredit and / or the Group.

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

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

The Group has considered that the possibility of measuring real estate assets at current values (and no longer at cost) allows, in line with the provisions of IAS8 concerning changes in accounting principles, to provide reliable and more relevant information on the effects of business management as well as the Group's financial position and economic result.

As at 30 June 2020 fair value of both properties held for investment and properties used in business was re-determined through external appraisals relating to 100% of the properties held by the Group for the most part through desktop appraisals.

The update of appraisals has led to an overall positive balance sheet effect of Euro 0.9 million gross of tax, as detailed below:

- for real estate assets used in business, the recognition of an increase in the specific valuation reserve for an amount of Euro 12.6 million gross of tax effect (Euro 7.4 million net of the tax effect). In addition to this increase, net gains for Euro 0.7 million were recognised in the income statement gross of the tax effect;
- for real estate assets held for investment, the recognition of an income statement results equal to -Euro 12.4 million gross of the tax effect.

Furthermore during the first half 2020, the Group has sold a real estate complex in Munich composed by both real estate assets held for investment and real estate assets used in business for a sale price equal to Euro 1,012 million.

This circumstance has determined for assets used in business, for which according to IAS8 the change to revaluation model is applied prospectively from 31 December 2019, the recognition of a gain on disposal for Euro 443 million (gross of tax) in the first half 2020 when these properties have been derecognised.

Conversely, for assets held for investments, for which according to IAS8 the change to fair value model is applied retrospectively, the adjustment to the sale price has already been recognized in the last quarter of 2019.

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

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

The UniCredit Group operates in different countries and, therefore, the UniCredit Group's activities are affected by the macroeconomic context of the markets in which it operates. Italy accounted for 49 per cent. of the UniCredit Group's total revenue during 9M20² and is the Group's primary market. The UniCredit Group also operates and has a significant presence in Austria and Germany (which accounted for 10 per cent. and 22 per cent., respectively, of the UniCredit Group's total revenue for 9M20). The deterioration in the macroeconomic conditions in either Austria, Germany or Italy (including the increase of domestic capital markets volatility) may adversely affect UniCredit Group's profitability, as well as its assets and operations, balance sheet and/or income statement.

The Group's business is closely connected to the Italian economy and could, therefore, be negatively impacted by any changes in its macroeconomic environment. Economic forecasts and the current political and social health situation generate considerable uncertainty surrounding the future growth of the Italian economy.

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

The UniCredit Group operates and has a significant presence also in in Central and Eastern European countries (**CEE countries**) including, among others, Turkey, Russia, Croatia, the Czech Republic, Bulgaria and Hungary, which accounted for 20 per cent. of the Group's total revenue for 9M20. The risks and uncertainties to which the UniCredit Group is exposed are of a different nature and magnitude depending on the country and whether the country belongs to the European Union, which is one of the main factors taken into consideration when evaluating these risks and uncertainties.

CEE countries will recover gradually from the COVID-19 induced decline in economic activity. While GDP could return to pre-pandemic levels in 2022 in most CEE countries, services – especially tourism – and manufacturing with long global supply chains could lag in the recovery. The introduction of further sanctions remains a limited risk for Russia (also affected by oil price trends) and Turkey. In addition, the economic recovery in Turkey remains vulnerable to global financial conditions.

For further information, see Risk 1.1.1 “Risks associated with the impact of current macroeconomic uncertainties and the effects of the COVID-19 pandemic outbreak”.

Additional and adverse effects may result from the more restrictive CEE regulations as they may bind the Group to implement further recapitalization operations for its subsidiaries considering the risk of being subject to - among other things - regulatory and governmental initiatives of these countries. As a result, the UniCredit Group may be called upon to ensure a greater level of liquidity for its subsidiaries in these areas. Furthermore,

² Based on regional view

the Group may have to increase impairments on loans issued due to a rise in estimated credit risk. Negative implications in terms of quality of credit could, specifically, involve the UniCredit Group's exposures denominated in Swiss francs (CHF) in selected CEE countries, also as a result of the decision by the Swiss Central Bank in January 2015 to remove the Swiss franc/Euro ceiling.

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

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

1.2.4 Market risks

The UniCredit Group is exposed to Market Risk. Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Group's portfolio, including the assets held both in the Trading Book, as well as those posted in the Banking Book, both on the operations characteristically involved in commercial banking and in the choice of strategic investments. As at 30 September 2020 RWA (Risk-Weighted Assets) for Market Risk (excluding credit valuation adjustments - CVA Risk) amounted to Euro 10.4 billion out of a total of Euro 336.4 billion of Total Group RWA. Total Market Risk RWA (excluding CVA Risk) are split between the part calculated under the internal model (Euro 7,548 mln) and the standardised approach (Euro 2,812 mln). In addition, an additional capital requirement of Euro 613 million was introduced as of 31 December 2019.

Therefore it is not possible to exclude, considering the trend of the market variables, possible negative effects on the activities and the economic, capital and/or financial situation of the Issuer and/or the Group.

Market risk management within the UniCredit group accordingly includes all the activities relating to cash transactions and capital structure management, both for the Parent Company, as well as for the individual companies making up the Group.

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

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

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

As at 30 September 2020 RWA (Risk-Weighted Assets) for Market Risk (excluding credit valuation adjustments - CVA Risk) amounted to Euro 10.4 billion out of a total of Euro 336.4 billion of Total Group RWA. Total Market Risk RWA (excluding CVA Risk) are split between the part calculated under the internal model (Euro 7,548 mln) and the standardised approach (Euro 2,812 mln). In addition, an additional capital requirement of Euro 613 million was introduced as of 31 December 2019.

1.2.5 Interest rate fluctuation and exchange rate

The UniCredit Group implements an interest rate risk of Banking Book policy to manage and monitoring current or prospective risk to the bank's capital and earnings arising from adverse movements in interest rates that affect the bank's positions.

The interest rate banking book, earning and economic value are exposed to: changes in interest rate that may have a major negative impact in the value of the assets and liabilities held by the Group, change the behavioural model, change in basis of Interest rate curve tenor and changes of the Interest rate volatilities.

Dedicated hedging strategies are implemented for behavioural models impact and specific interest rate scenarios, in order to avoid that an unexpected trend in the latter may have major negative effects on the activity, operating results and capital and financial position of the Group.

Furthermore, a significant portion of the Group's business is done in currencies other than Euros. Therefore, any negative change in exchange rates and/or a hedging policy that turns out to be insufficient to hedge the related risk could have major negative effects on the activity, operating results and capital and financial position of the Issuer and/or the Group.

It should be considered that UniCredit Group is mainly exposed to foreign-exchange risk toward the U.S. dollar.

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

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2019, Part E – Information on risks and hedging policies, incorporated by reference herein.

1.2.6 Operational risk

The UniCredit Group is exposed to operational risk, namely the risk of suffering losses due to errors, violations, interruptions, damages caused by internal processes, personnel, strikes, systems (including IT systems on which the UniCredit Group depends to a great extent) or caused by external, unforeseen events, entirely or partly out of the control of the UniCredit Group (including, for example, fraud, deception or losses resulting from the disloyalty of employees and/or from the violation of control procedures, IT virus / cyber attacks or the malfunction of electronic and/or communication services, possible terrorist attacks). The realisation of one or more of these risks could have significant negative effects on the activity, operating results and capital and financial position of the Issuer and/or the Group.

The complexity and geographical distribution of the UniCredit Group's activities requires a capacity to carry out a large number of transactions efficiently and accurately, in compliance with the various different regulations applicable.

The main sources of operational risk statistically include the instability of operational processes, poor IT security, excessive concentration of the number of suppliers, changes in strategy, fraud, errors, recruitment, staff training and loyalty and, lastly, social and environmental impacts. It is not possible to identify one consistent predominant source of operational risk.

The UniCredit Group has a framework for managing operational risks, comprising a collection of policies and procedures for controlling, measuring and mitigating Group operational risks. These measures could prove to be inadequate to deal with all the types of risk that could occur and one or more of these risks could occur in the future.

Referring to operational risks' effects arising from COVID-19 pandemic, analysis were carried out in order to identify risks arising from process changes adopted time by time to protect the health of employees and customers.

With reference to the operational risks identified, the effectiveness of the risk mitigation measures was then assessed also through a comparative analysis between different Group Legal Entities. In addition, specific second-level controls were activated to oversee those areas that were subject to the most significant changes. A

specific monitoring of operational incidents linked, even indirectly, to the entire Covid-19 epidemic has been created in order to promptly intercept potential process criticalities or inappropriate behaviors.

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

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

Some of the more serious risks relating to the management of IT systems that the UniCredit Group has to deal with are possible violations of its systems due to unauthorised access to its corporate network, or IT resources, the introduction of viruses into computers or any other form of abuse committed via the Internet. Similar attempts have become more frequent over the years throughout the world and therefore can threaten the protection of information relating to the Group and its customers and can have negative effects on the integrity of the Group's IT systems, as well as on the confidence of its customers and on the actual reputation of the Group, with possible negative effects on the capital and financial position of the Issuer and/or the Group.

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

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

In this regard it should be noted that on 5 February 2020, the Italian Personal Data Protection Authority notified UniCredit S.p.A. of the start of sanctioning proceedings regarding a violation of customers' personal data following a Cyber-attack (data breach) occurred in October 2018, communicated through its Group website on 22 October 2018. It is currently not possible to define the timeline and outcome of the proceedings.

Starting from 2018, UniCredit Group has subscribed a Cyber Insurance Policy with European Insurance Companies with adequate rating and with reasonably high limits, to cover damages, in compliance with the current local legislation, caused by Data Breach and other cyber-attacks on the IT systems, except for compensation for sanctions where national law does not allow it.

1.2.7 Risks connected with legal proceedings in progress

1.2.7.1 Risks connected with legal proceedings in progress

As at the date of this Registration Document, UniCredit S.p.A. and other UniCredit group companies are named as defendants in several legal proceedings. In particular, as at 30 June 2020, UniCredit and other UniCredit group companies were named as defendants in about 26,100 legal proceedings of which approx. 9,300 involving UniCredit (excluding labour law cases, tax cases and credit recovery actions in which counterclaims were asserted or objections raised with regard to the credit claims of Group companies). Moreover, from time to time, past and present directors, officers and employees may be involved in civil and/or criminal proceedings, the details of which the UniCredit Group may not be lawfully know about or communicate.

Risk arising from legal pending proceedings consists in the possibility for UniCredit to bear claims for damages in case of unfavourable outcome of such proceedings.

In many of these cases, there is substantial uncertainty regarding the outcomes of the proceedings and the amount of possible losses. These cases include criminal proceedings, administrative proceedings brought by supervisory or prosecution authorities and/or claims in which the claimed damages and/or potential liabilities of the Group is not and cannot be determined, either because of how the claims is presented and/or because of the nature of the legal proceeding. In such cases, until the time when it will be possible to estimate reliably the potential outcome, no provisions are made. Instead, where it is possible to estimate reliably the amount of possible losses and loss is considered likely, provisions have been made in the financial statements to the extent the parent company UniCredit S.p.A., or any of the Group companies involved, deemed appropriate based on the circumstances and in accordance with IAS.

To provide for possible liabilities and costs that may result from pending legal proceedings (excluding labour law and tax cases), as of 30 June 2020, the UniCredit Group set aside a provision for risks and charges of Euro 704.2 million, of which Euro 411.1 million for the parent company UniCredit S.p.A. As of 30 June 2020, the total amount of claimed damages relating to judicial proceedings other than labour, tax and debt collections proceedings was Euro 9.9 billion, of which approximately Euro 6.4 billion for the proceedings involving the parent company UniCredit S.p.A.. That figure reflects the inconsistent nature of the pending disputes and the large number of different jurisdictions, as well as the circumstances in which the UniCredit Group is involved in counterclaims.

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

For further information in relation to the single legal and arbitration proceedings please see Paragraph 11.4 headed “*Legal and arbitration proceedings*” of this Registration Document.

1.2.7.2 Risks arising from tax disputes

At the date of this Registration Document, there are various tax-related proceedings pending with regard to UniCredit and other companies belonging to the UniCredit Group, as well as tax inspections by the competent authorities in the various countries in which the Group operates. In consideration of the uncertainty that defines the tax proceedings in which the Group is involved, there is the risk that an unfavourable outcome and/or the emergence of new proceedings could lead to an increase in risks of a tax nature for UniCredit and/or for the Group, with the consequent need to make further provisions and/or outlays, with possible negative effects on the operating results and capital and/or financial position of UniCredit and/or the Group.

Specifically, as at 30 June 2020, there were 476 tax disputes involving counterclaims pending with regard to UniCredit and other companies belonging to the UniCredit Group's Italian perimeter, net of settled disputes, for a total amount equal to Euro 140.21 million.

As of 30 June 2020, the total amount of provisions for tax risks related to legal proceedings, inspections, and tax credits amounted to Euro 182.1 million, of which Euro 6.5 million for legal expenses.

As far as the tax inspections and tax disputes are concerned, in relation to the first half of 2020, reference is made to Paragraph 11.4 headed “*Legal and arbitration proceedings*” of this Registration Document.

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

For further information in relation to the tax proceedings please see Paragraph 11.4 headed “*Legal and arbitration proceedings*” of this Registration Document.

1.3 Risks connected with the legal and regulatory framework

1.3.1 Basel III and Bank Capital Adequacy

*The Issuer shall comply with the revised global regulatory standards (**Basel III**) on bank capital adequacy and liquidity, which impose requirements for, inter alia, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards. In terms of banking prudential regulations, the Issuer is also subject to the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014 (**BRRD**, implemented in Italy with the Legislative Decree. 180 and 181 of 16 November 2015) on the recovery and resolution of credit institutions, as well as the relevant technical standards and guidelines from EU regulatory bodies (for example the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA)), which, inter alia, provide for capital requirements for credit institutions, recovery and resolution mechanisms.*

Should UniCredit not be able to meet the capital requirements imposed by the applicable laws and regulations, it may be required to maintain higher levels of capital which could potentially impact its credit ratings, and funding conditions and which could limit UniCredit's growth opportunities.

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 standard on total loss absorbing capacity for systemically important banks (TLAC). The MREL and TLAC requirements involve similar risks. They constrain the structure of liabilities and require the use of subordinated debt, which have an impact on cost and potentially on the Issuer's financing capacity. The Banking Reform Package also contains the Directive (EU) 2019/879 (**BRRD II**), which amended the BRRD, introducing, inter alia, significant changes to the standards regarding the calibration of the MREL requirement for banks that are systematically relevant and redefining the scope of MREL itself in order to align the eligibility criteria with those set out in the CRR so as to converge this ratio with the TLAC.

For more information on the capital adequacy legislation applicable to the Issuer, please see section headed "Information about the Issuer", paragraph 4.1.4 (*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 Registration Document.

Capital Adequacy requirements

The ECB is required under the Council Regulation (EU) No. 1024/2013 (the SSM Regulation establishing the single supervisory mechanism (the **Single Supervisory Mechanism** or **SSM**)) to carry out a SREP at least on an annual basis. The key purpose of the SREP is to ensure that institutions have adequate arrangements as well as capital and liquidity to ensure sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing, as well as risks the institution may pose to the financial system.

As of 31 December 2019, the following Overall Capital Requirements applied to UniCredit Group:

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

Furthermore, in December 2019 UniCredit has been informed by ECB of its final decision concerning capital requirements following the results of its annual Supervisory Review and Evaluation Process ('SREP'). With its decision the Single Supervisor has lowered the Pillar 2 capital requirement by 25 basis point to 175 basis point, applicable from 1st January 2020. As a consequence UniCredit is required to meet the following overall capital requirements on a consolidated basis from 1 January 2020:

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

Furthermore, the SREP 2019 letter includes, among the qualitative measures, the same regarding the management of non-performing loans as in the previous year. Indeed, following the ECB's request to banks in countries with relatively high levels of non-performing loans, the Issuer has been requested to:

- i. provide the ECB by 31 March 2020 with an update of the three-year strategic and operational plan for the management of NPEs, including clear quantitative targets aimed at reducing the high level of NPEs;
- ii. provide the ECB, by 31 August 2020 and based on data as at 30 June 2020, with information on the status of implementation of the strategic and operational plan for the management of NPEs.

Subsequently, within the framework of the ECB's actions to mitigate the impact of the COVID-19 and allow banks to focus on related operations, the above deadlines were initially amended to 30 September; last July they were postponed to 31 March 2021 in order to provide banks with additional time to better estimate the impact of the COVID-19 pandemic on asset quality.

It should also be noted that the ECB indicated in its SREP 2019 letter the Group's activities in Russia and Turkey as an area of weakness, uncertainty and potential risk due to potential macroeconomic and political developments in these countries.

In addition in April 2020, following the COVID-19 healthcare emergency, the ECB has amended its SREP 2019 decision establishing that the Pillar 2 requirement (P2R) shall be held in the form of 56.25% of CET1 capital and 75% of Tier 1 capital, as a minimum (in the original decision the P2R was to be held entirely in the form of Common Equity Tier 1 Capital).

This implies that UniCredit and the other Banks supervised by ECB are 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. This advances a measure that was initially planned to enter into force in January 2021, following the latest revision of the Capital Requirements Directive (CRD V).

The early introduction of this measure brings further improvement in the UniCredit Capital adequacy, as UniCredit's Overall Capital Requirement to be held in form of CET1 Capital is lowered by maximum 77bps, as a function of how Tier 1 and Total Capital compares with their respective requirements (i.e. being UniCredit's P2R equal to 175bps it can be covered by maximum 77bps by Additional Tier 1 and Tier 2 instruments of which maximum 44bps can be covered by Tier 2 instruments).

As a consequence of all what above and of the decision to reduce the in Countercyclical capital buffers adopted by certain National Authorities, UniCredit is required to meet the following overall capital requirements on a consolidated basis from 30 September 2020:

- Common Equity Tier 1 ratio: 9.03%;
- Tier 1 ratio: 10.85%;
- Total Capital ratio: 13.29%.

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

On 12 May 2020, ECB Banking Supervision announced it had adjusted its SREP approach for 2020 in light of the COVID-19 pandemic. The European Banking Authority (EBA) also published on 23 July Guidelines for competent authorities for the special procedure for the SREP 2020, identifying how flexibility and pragmatism could be exercised in relation to the SREP framework in the context of this pandemic. The 2020 SREP cycle focused on the ability of the supervised entities to handle the challenges of the COVID-19 crisis and its impact on their current and prospective risk profile.

The ECB in fact announced that only in exceptional cases it would have updated the banks' current requirements and that it would not issue SREP decisions for the 2020 SREP cycle. The 2019 SREP decisions therefore would not be superseded nor amended and would remain in force (as amended by the March 2020 ECB Decisions changing the P2R compositions).

An operational letter from the ECB on 24 November confirmed this approach for UniCredit and the ECB did not make a formal 2020 SREP decision. Consequently, the abovementioned requirements as of 30 June 2020 are in force also for 2021 (except for any change in the countercyclical capital buffer which is updated every quarter).

As of 31 December 2019, the consolidated capital ratios (CET1 Capital, Tier 1 and Total Capital ratios) were equal to, respectively, 13.22 per cent., 14.90 per cent. and 17.69 per cent. As of 30 September 2020, the consolidated capital ratios (CET1 Capital, Tier 1 and Total Capital ratios) were equal to, respectively, 15.15 per cent., 17.33 per cent. and 19.86 per cent, with an excess of CET1 with respect to the requirement which the Group has to comply with (so called MDA buffer) of 612bps. It should be noted that from 30 June 2020 the Group has adopted the so called transitional phase-in regarding the application of the IFRS9 accounting principle, that implies a difference between the CET1 ratio Transitional (relevant for the respect of capital requirements) and the CET1 ratio Fully Loaded. As of 30 September the CET1 Fully Loaded the Group has a CET1 ratio equal to 14.41% exceeding by 538 bps the minimum capital requirements for CET1 ratio.

As of 30 September 2020, the fully loaded leverage ratio was 5.20 per cent, while the transitional leverage ratio stood at 5.67 per cent.

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

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

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

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

Moreover, due to the COVID -19 outbreak, with the recommendation of 27 March 2020 the ECB recommended that at least until 1 October 2020 no dividends are paid out and no irrevocable commitment to pay out dividends is undertaken by the credit institutions for the financial year 2019 and 2020 and that credit institutions refrain from share buy-backs aimed at remunerating shareholders.

Therefore, in order to be compliant with the ECB's recommendation, on 29 March 2020 the Board of Directors resolved to withdraw the proposed resolutions (i) to distribute a FY19 dividend and (ii) to authorize a share buyback and (iii) to cancel the treasury shares that may be purchased under the above mentioned authorisation, which were to be submitted for the Shareholders' Meeting convened on 9 April 2020.

The Board reserved the right to convene a new Shareholders' Meeting in order to submit new resolution proposals on the three items withdrawn subject to an ECB review of its recommendation. Such a meeting would only occur after 1 October 2020 or post any new ECB recommendation on this topic, unless the market conditions or the consequences of the Covid-19 pandemic do not allow such course of action.

Therefore, in March 2020, the Group released the FY19 dividend deducted up to December 2019 from CET1 capital for prudential purposes, with a positive effect of 37 basis points on the CET1 capital ratio.

The European Central Bank (ECB), on 28 July 2020, extended its recommendation to banks on dividend distributions and share buy-backs until 1 January 2021 and asked banks to be extremely moderate with regard to variable remuneration.

Following the ECB's recommendation on 28 July 2020, UniCredit confirms it will not pay dividends nor do share buybacks in 2020. This is neutral for coupon payments on AT1 bond and cashes instruments.

Should the ECB decide not to extend its recommendation for 2021 and beyond, UniCredit will:

1. re-instate the Team 23 capital distribution policy in 2021 for financial year 2020 and following years. This means UniCredit will plan, as announced, to distribute 50% of underlying net profit to shareholders;
2. target a 30% cash dividend payout of the underlying net profit and 20% for share buyback. Based on the market environment, the Group could review the split between cash dividend and share buyback;
3. remain committed to gradually returning excess capital to shareholders, above the upper end of its 200-250bps target CET1 MDA buffer. As of 2021 and for the remainder of Team 23, any extraordinary capital distributions will be based on the projected sustained CET1 MDA buffer excess.

To conservatively account for its capital position, UniCredit has started from June 2020 to accrue the cash dividend for 2020 at a rate of 30% of the underlying net income. While the share buy back is subject to regulatory approval and the related deduction from CET1 capital for prudential purposes will be done immediately following such regulatory approval.

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.

1.3.2. Evolution of banking prudential regulation

The Group and the Issuer operate in a stringent and detailed regulatory context and are subject to the supervision by the competent supervisory authorities (i.e. European Central Bank, Bank of Italy, CONSOB). Either the regulatory framework and the supervision activity are subject to ongoing changes in the law and ongoing developments respectively. Moreover, being a listed issuer, the Issuer shall comply with all the further provisions enacted by CONSOB. Together with all these laws and regulations, the Issuer shall also comply with, by way of example but not limited to, anti-money laundering, usury and consumer protections legislations.

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

The banking and financial regulatory framework to which the Group is subject is extremely stringent and detailed. The Issuer is also subject to the supervision by the competent supervisory authorities, including European Central Bank, Bank of Italy and CONSOB.

Failure to observe any of the legal and regulatory provisions currently in force or any changes relating to the interpretation of the applicable legislation by the competent authorities could negatively impact the operating results and capital and financial position of UniCredit.

For more information on legislation applicable to the Issuer, please see section headed “*Information about the Issuer*”, paragraph 4.1.4 (*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 Registration Document.

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

The Issuer and the Group shall comply with the contribution obligations required by the bank resolution legislation. Should the amount of ordinary contributions requested to Group companies increase, the Group's profitability would decrease and the level of capital resources of the Issuer and the Group would be negatively affected; should extraordinary contributions be requested to the Group, this could have a negative impact, even significant, on financial position and economic results of the Group.

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

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

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

For further information in relation to the above-mentioned ordinary and extraordinary contributions, please see the Issuer's audited consolidated first half financial report at 30 June 2020 and the Unaudited Consolidated Interim Report as at 30 September 2020 – Press Release, incorporated by reference herein.

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

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

In 2020 the following standards, amendments or interpretations came into force:

- Amendments to IFRS3: Business Combinations (EU Regulation 2020/551);
- Amendments to IFRS9, IAS39 and IFRS7: Interest Rate Benchmark Reform (EU Regulation 2020/34);
- Amendments to IAS1 and IAS8: Definition of Material (EU Regulation 2019/2104);

- Amendments to References to the Conceptual Framework in IFRS Standards (EU Regulation 2019/2075).

The “Amendments to IFRS9, IAS39 and IFRS7 Interest Rate Benchmark Reform” (the Amendment) solves a potential source of uncertainty on the effects of the Interbank offered rates (IBOR) reform on existing accounting hedge relationships that are affected by the IBOR reform, clarifying that the reform does not require to terminate such hedge relationships.

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

As at 30 June 2020, no accounting standards applicable to reporting starting from or after 1 January 2021 have been endorsed by the European Commission.

As at 30 June 2020 the IASB issued the following accounting standards whose application is subject to completion of the endorsement process by the competent bodies of the European Commission, which is still ongoing:

- IFRS17 Insurance Contracts (May 2017) including Amendments to IFRS17 (June 2020);
- Amendments to IAS1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (January 2020);
- Amendments to IFRS3 Business Combinations; IAS16 Property, Plant and Equipment; IAS37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (May 2020);
- Amendment to IFRS16 Leases Covid-19-Related Rent Concessions (May 2020);
- Amendments to IFRS4 Insurance Contracts - deferral of IFRS9 (June 2020).

Section II - Persons responsible, third party information, experts' reports and competent authority approval

2.1 Persons responsible for the Registration Document

UniCredit S.p.A, having its registered, head office and principal centre of business, at Piazza Gae Aulenti, 3 Tower A, 20154 Milan, Italy, accepts responsibility for the information contained in this Registration Document.

2.2 Responsibility Declaration

UniCredit declares that the information contained in this Registration Document is, to the best of its knowledge, in accordance with the facts and that the Registration Document makes no omission likely to affect its import.

2.3 Experts' reports

No statement or report attributed to a person as an expert is included in this Registration Document, except for the reports of the auditors of the Issuer who have audited the consolidated financial statements of the UniCredit Group and the non consolidated financial statements of the Issuer ended on 31 December 2019 and 31 December 2018 and who have carried out the limited review of the consolidated first half financial report of UniCredit ended on 30 June 2020.

For further information please see Section 3 and Sections 11.1, 11.2 and 11.3 below.

2.4 Third party information

No third party information is included in this Registration Document, except for the rating information set out in Section 4.1.6 below. 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 – Sede Secondaria Italiana (**Fitch**), by Moody's Investors Service (**Moody's**) and by S&P Global Ratings (**S&P**).

2.5 Competent Authority approval

The Issuer states that:

- a) this Registration Document has been approved by the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under Prospectus Regulation;
- b) the **CSSF** only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Prospectus Regulation;
- c) such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

Section III - Statutory Auditors

3.1 Names and addresses of the Issuer's auditors

At the ordinary shareholders' meeting of UniCredit held on 11 May 2012, Deloitte & Touche S.p.A. (**Deloitte**) has been appointed to act as UniCredit's external auditor for the 2013-2021 nine-year period, pursuant to Article 13, paragraph 1, of Legislative Decree no. 39/2010 and to CONSOB Communication 97001574 dated 20 February 1997.

Deloitte is a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan under number 03049560166 and registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance effective from 7 June 2004 with registration number no: 132587, having its registered office at via Tortona 25, 20144 Milan, Italy.

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

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

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

Section IV – Information about the Issuer

4.1 History and development of the Issuer

UniCredit (formerly UniCredito Italiano S.p.A.) and the UniCredit Group of which UniCredit is the parent company are the result of the October 1998 business combination between the Credito Italiano national commercial banking group (established in 1870 with the name *Banca di Genova*) and UniCredito S.p.A. (at the time the holding company owning a controlling interest in Banca CRT (*Banca Cassa di Risparmio di Torino S.p.A.*), CRV (*Cassa di Risparmio di Verona Vicenza Belluno e Ancona Banca S.p.A.*) and Cassamarca (*Cassa di Risparmio della Marca Trivigiana S.p.A.*).

Since its formation, the Group has grown in Italy and Eastern Europe through both organic growth and acquisitions, consolidating its role in relevant sectors outside Europe and strengthening its international network.

Such expansion has been characterised, in particular:

- by the business combination with HypoVereinsbank, realised through a public tender offer launched in summer 2005 by UniCredit to acquire the control over Bayerische Hypo- and Vereinsbank AG (**HVB**) - subsequently renamed UniCredit Bank AG - and its subsidiaries, such as Bank Austria Creditanstalt AG, subsequently renamed "UniCredit Bank Austria AG" (**BA** or **Bank Austria**). At the conclusion of the offer perfected during 2005, UniCredit acquired a shareholding for an amount equal to 93.93 per cent. of the registered share capital and voting rights of HVB. On 15 September 2008, the squeeze-out of HVB's minority shareholders, resolved upon by the bank's shareholders' meeting in June 2007, was registered with the Commercial Register of Munich. Therefore, the HVB shares held by the minority shareholders - equal to 4.55 per cent. of the share capital of the company - were transferred to UniCredit by operation of law and HVB became a UniCredit wholly-owned subsidiary. In summer 2005 UniCredit also conducted an exchange offer for the acquisition of all shares of BA not held by HVB at the time. At the conclusion of the offer, the Group held 94.98 per cent. of the aggregate share capital of BA. In January 2007, UniCredit, which at the time held 96.35 per cent. of the aggregate share capital of BA, including a stake equal to 77.53 per cent. transferred to UniCredit by HVB, resolved to commence the procedures to effect the squeeze-out of the minority shareholders of BA. As at the date of this Prospectus, UniCredit's interest in BA is equal to 99.996 per cent.; and
- by the business combination with Capitalia S.p.A. (**Capitalia**), the holding company of the Capitalia banking group (the **Capitalia Group**), realised through a merger by way of incorporation of Capitalia into UniCredit effective as of 1 October 2007.

In 2008 the squeeze outs⁴ of the ordinary BA and HVB shares held by minority shareholders were completed.

Proceedings as to the adequacy of the squeeze-out price and in relation to the challenge to the relevant shareholders' resolutions promoted by certain BA and HVB shareholders are still pending. For more details please see Section 11.4 ("*Legal and arbitration proceedings*") of this Registration Document.

UniCredit S.p.A. ordinary shares are listed on the Milan Stock Exchange organised and managed by Borsa Italiana S.p.A., on the Frankfurt Stock Exchange, segment General Standard, and on the Warsaw Stock Exchange. In this regard, it should be noted that, further to the disposal of the controlling equity interest in Bank Pekao in 2017, UniCredit has initiated the procedure aimed at obtaining the delisting of the UniCredit shares from the trading on the Warsaw Stock Exchange (so called "delisting"). According to the local Law and after discussions with the relevant Authorities, the UniCredit Shareholders' Meeting held on 11 April 2019 authorized the Board of Directors to purchase and dispose of a maximum number of UniCredit ordinary shares to be carried out within 18 months from the date of the Shareholders' resolution. On 11 October 2020 such authorisation lapsed. UniCredit confirmed its intention to delist from Warsaw Stock Exchange; timing of the procedure will be defined also based on macro-economic and market conditions and a new request for authorisation will be presented at the Shareholders' Meeting in the future.

⁴ The squeeze out is the process whereby a pool of shareholders owning at a certain amount of a listed company's shares (in Germany 95 per cent., and in Austria 90 per cent.) exercises its right to "squeeze out" the remaining minority of shareholders from the company paying them an adequate compensation.

Recent Developments

- On 13 October 2020, the Board of Directors of UniCredit, with the support of a Task Force composed of independent Directors, led by the Deputy Chairman Mr. Lamberto Andreotti, unanimously co-opted Professor Pietro Carlo Padoan as a non-executive Director after having concluded that he is the best candidate for the position as Chairman of UniCredit for the next term (2021 - 2023). Professor Padoan will serve as a Board member until the Annual General Meeting called to approve the 2020 financial statements and at which a new Board of Directors will be elected.

The co-optation of Professor Padoan was made possible thanks to Mrs. Elena Zambon, a long term Board member, stepping down having declared that her primary professional engagements would prevent her to devote the necessary time and commitment to the Board of Directors' activities going forward.

Professor Padoan will play an active role in defining the list of potential members for the renewal of the Board of Directors, which will be prepared by the current Board of Directors ahead of the Annual General Meeting to be held in 2021.

As a consequence of Mrs. Zambon stepping down, the Board of Directors will restore as soon as possible, and in any case within the terms envisaged by the applicable laws, the number of Directors belonging to the least represented gender.

- On 30 November 2020, UniCredit S.p.A. announced that its current CEO, Jean Pierre Mustier, has informed the Board of Directors that he will be retiring from his role at the end of his mandate which expires in April 2021, concurrent with the overall Board, Mr. Mustier will remain in his post to ensure a smooth transition, either until the end of his mandate or until a successor has been appointed.

Following the successful implementation of the Transform 2019 strategic plan, by the end of this term Mr. Mustier will have completed an extensive revamp of the Group that considerably strengthened it both financially and operationally and has allowed UniCredit to withstand the unprecedented COVID-19 related economic upheaval from a position of strength.

Mr. Mustier and the management team remain fully focused on the execution of the Team 23 strategic plan, as well as actively addressing the challenges created by the COVID-19 pandemic and continue to support staff, customers and the real economy at this difficult moment in time.

The chairman designated, Professor Padoan, and the UniCredit Board of Directors will undertake a wide-ranging external and internal search for a replacement for Mr. Mustier following a thorough and rigorous selection process, reflecting the Group's commitment to strong corporate governance.

- On 17 December 2020, the UniCredit Board of Directors, having consulted with the Remuneration Committee and the Board of Statutory Auditors, approved the conditions for an agreement regarding the mutual termination of the relationship with its CEO, Mr. Jean Pierre Mustier, further to his already announced intention to retire from his role at the end of the current Board's mandate (expiring in April 2021).

According to the agreement, the terms of which are in line with the Bank's Remuneration Policy, both his employment and directorship will be terminated at the latest on the date on which the Annual General Meeting will approve the 2020 financial statements.

Both parties waive any possible notice period. As per his commitment when he joined UniCredit, Mr. Mustier will be leaving the group without any severance payment nor any termination payments other than the mandatory termination payments due by Law / Collective Labor Agreement in his quality as General Manager (i.e. so called "*competenze di fine rapporto*").

Mr. Mustier waives any and all claims vis-à-vis the Bank and the Group, including any entitlement under the 2020 / 2023 Long Term Incentive Plan ("LTIP"). Mr. Mustier had already waived his potential 2020 entitlement in April 2020, recognizing the priorities of the bank's stakeholders and as a personal response to the impact of the Covid 2019 emergency.

The Bank, in turn, grants Mr. Mustier the right to retain, as a "Good Leaver", his entitlements under the 2017 / 2019 Long Term Incentive Plan - corresponding to 486,391 UniCredit Shares, based on the performance assessment made by the Board in February 2020. Under the terms and conditions set out by the LTIP's Rules, the 2017 / 2019 LTIP vests in 2024 (subject to malus and claw-back clauses).

As the agreement is in line with the Bank's Remuneration Policy approved by the Annual General Meeting, pursuant to art. 13 of CONSOB Regulation 17221/2010 the transaction is excluded from the application of the related-parties provisions.

- On 12 January 2021, UniCredit S.p.A. launched a dual tranche Senior Preferred EUR 1 billion with 5 years maturity and EUR 1 billion with 10 years maturity. The two tranches were set with the following terms:
 - for the 5 years bond, a fixed coupon of 0.325% paid annually, with an issue/re-offer price of 99.891%, equivalent to a spread of 77 bps over the 5 year swap rate;
 - for the 10 years bonds, a fixed coupon of 0.85%, paid annually, with an issue/re-offer price of 99.885%, equivalent to a spread of 105 bps over the 10 year swap rate.

UniCredit Bank AG acted as Sole Book Runner and Lead Manager. Commerzbank, Credit Suisse, Danske, ING, Natixis and Santander acted as Joint Lead Managers (no books).

The bonds, documented under the issuer's Euro Medium Term Notes Program, will rank pari passu with the outstanding Senior Preferred debt of the issuer. The expected ratings are as follows: Baa1 (Moody's)/BBB (S&P) /BBB- (Fitch). Listing will be on the Luxembourg Stock Exchange.

4.1.1. The legal and commercial name of the Issuer

The legal and commercial name of the Issuer is "UniCredit, società per azioni", in short "UniCredit S.p.A.".

4.1.2 The place of registration of the Issuer, its registration number and legal entity identifier ('LEI')

UniCredit is registered with the Company Register of Milano-Monza-Brianza-Lodi under registration number 00348170101. UniCredit is also registered with the National Register of Banks; it is the parent company of the UniCredit Group registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Legislative Decree No. 385 of 1 September 1993 as amended (the **Italian Banking Act**) under number 02008.1; and it is a member of the National Interbank Deposit Fund (*Fondo Interbancario di Tutela dei Depositi*) and of the National Compensation Fund (*Fondo Nazionale di Garanzia*).

The Legal Entity Identifier (LEI) is 549300TRUWO2CD2G5692.

4.1.3 The date of incorporation and the length of life of the Issuer, except where the period is indefinite

UniCredit is a joint-stock company established in Genoa, Italy, by way of a private deed dated 28 April 1870 with a duration until 31 December 2100.

4.1.4 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

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 Registration Document unless that information is incorporated by reference into this Registration Document.

UniCredit, in carrying out its banking activities, is subject to the supervisory power of the European Central Bank and to the Italian and European legislation and regulation, as well as 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.

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**).

The Issuer is also subject to the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 (Single Resolution Mechanism, **SRM Regulation**) which 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, as of January 2016, the centralized decision-making power for resolution is entrusted to the Single Resolution Board (SRB), whose powers are attributed to the latter. In addition, the SRB cooperates closely with the national resolution authorities of Member States that are parties to the Banking Union. The national resolution authorities of Member States are empowered to implement the resolution programmes adopted by the SRB.

The BRRD introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities (the **Minimum Requirement for Own Funds and Eligible Liabilities, MREL**). The Issuer has to meet MREL requirements currently received by the Single Resolution Committee and the Bank of Italy on a consolidated basis, which must be achieved by 1 January 2022 (as transitional requirement) and complied with at all times from that date, as well as the standard on total loss absorbing capacity (TLAC). Directive (EU) 2019/879 (**BRRD II**), amending the BRRD, introduces significant changes to the standards regarding the calibration of the MREL requirement for banks that are systematically relevant and redefines the scope of MREL itself in order to align the eligibility criteria with those set out in the CRR so as to converge this ratio with the TLAC.

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.; and (iii) a Total Capital ratio of 8 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: *Capital conservation buffer, institution-specific countercyclical capital buffer, Capital buffers for globally*

systemically important institutions (G-SIIs) and Capital buffers for other systemically important institutions (O-SIIs), Systemic risk buffer.

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**) 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 amendments proposed 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 will be applicable from 28 June 2021, excluding some provisions with a different date of application (early or subsequent), b) the CRD V shall be implemented into national law by 28 December 2020 excluding some provisions which will be applicable subsequently. The BRRD II and the CRD V are subject to transposition in Italy by means of the "*Disegno di Legge di Delegazione Europea*" currently subject to parliamentary scrutiny.

Moreover, it is worth mentioning that 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% of those calculated on the basis of the standardised methods). The main purpose is to enhance consistency and comparability among banks. The new framework was finalised for market risk in 2016 and finally revised in January 2019. The new framework for credit risk and operational risk was completed in December 2017. Prior to becoming binding on the European banking system, the European Commission, which conducted a public consultation (closed on 5 January) is assessing the potential impacts on the European economy. In August the Commission required the EBA to update its assessment in the light of COVID-19 by November 30. It is therefore expected that the future legislative proposal (CRRIII), which should incorporate these new standards into EU legislation, will be published at the beginning of 2Q 2021. Once agreed on the final text between the various stakeholders involved in the legislative process (European Commission, European Parliament and Council of the EU) and once implemented in the Union, these regulatory changes will impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements. The analysis carried out by the European Banking Authority (EBA), published in December 2019 upon request of the European Commission, shows that the adoption of the new Basel III criteria would require banks to increase minimum capital requirements (MCR) by 23.6%, resulting in a capital deficit of Euro 124 billion.

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 non-performing exposures (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 forbore exposures. According to the guidance, the banks need to establish a strategy to optimize their management of NPLs based on a self-assessment 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 non-performing exposures (NPEs) after 1 April 2018 (the **ECB Addendum**). In addition, the ECB's supervisory expectations for individual banks for the provisioning of the stock of NPLs (before 31 March 2018), 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 has decided to revise its supervisory expectations for prudential provisioning of new non-performing exposures. The decision was made after taking into account the adoption of the new EU regulation 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%;
- 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%.

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 non-performing exposures (NPEs) and to substantially reduce the presence of NPEs on the balance sheet. Only for credit institutions with a gross NPL ratio above 5%, 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.

Proposal for a Directive on credit servicers, credit purchasers and the recovery of collateral (COM/2018/0135): the proposal is aimed to achieve (a) 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); (ii) the development of secondary markets for NPLs in the EU's markets standardising the regulatory regime for credit servicers and credit purchasers.

Opinion on the regulatory treatment of non-performing exposure securitisations published by EBA on 23 October 2019: the Opinion recommends to adapt 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 drafted its proposal to review the regulatory constraints to the securitisation of non-performing exposures (NPEs) by implementing a more prudential treatment of synthetic excess spread (SES), increasing the risk sensitivity for NPE securitisations by assigning different risk weights to senior tranche and extending the preferential treatment to all synthetic on-balance sheet securitisation that fulfil the simple, standardised and transparent (STS) criteria in order to help banks free up capital and promote the financing of the real economy, in particular to SMEs. Currently, discussions are ongoing within the European Parliament and Council with the aim to agree on a common text by the year-end. Amendments to the Securitisation Regulation will enter into force 20 days following the publication in the Official Journal (OJ) of the EU and will be directly applicable in all Member States.

In addition, the European Commission is currently working on a new Action plan on tackling NPLs that should be published before the end of this year. More in detail, in order to prevent a renewed build-up of NPLs on banks' balance sheets, the Commission is considering the possibility to set up a European network of Asset management companies as well as further enhancing the secondary market for NPLs. On this last issue the ongoing discussions cover the use of comparable and standardised data, to inspire investor confidence in NPL securitisation and the introduction of NPLs transaction platforms.

Measures to counter the impact of the "COVID-19" virus

In recent months, European and national authorities have undertaken several measures to support the banking and financial market to counter the economic effects of COVID-19.

On 10 March 2020, through an *addendum* to the 2019 credit agreement between ABI and the Business Associations, the possibility of requesting suspension or extension was extended to loans granted until 31 January 2020. The moratorium refers to loans to micro, small and medium-sized companies affected by COVID-19 outbreak. The capital portion of loan repayment instalments may be requested to be suspended for up to one year. The suspension is applicable to medium/long-term loans (mortgages), including those concluded through the issue of agricultural loans, and to property or business assets leasing transactions. In the latter case, the suspension concerns the implicit capital instalments of the leasing. On 21 April 2020, through an agreement entered into with the consumer associations, the moratorium was extended to credit to households, including the suspension of the principal portion of mortgage-backed loans and unsecured loans repayable in instalments.

On 11 March 2020, ESMA, considering the spread of COVID-19 and its impact on the EU economy, issued 4 recommendations on the following areas: (1) business continuity planning, (2) market disclosure, (3) financial reporting and (4) fund management.

1. **Business Continuity Planning:** ESMA has recommended all financial market participants to be ready to apply their contingency plans to ensure operational continuity in line with regulatory obligations.
2. **Market disclosure:** issuers should disclose as soon as possible any relevant significant information concerning the impacts of COVID-19 on their fundamentals, prospects or financial situation in accordance with their transparency obligations under the Regulation (EU) No. 596/2014 (**MAR**), as a disclosure obligation contained in Article 17, paragraph 1 of the MAR, pursuant to which issuers are required to disclose to the public without delay any inside information directly concerning them.

3. Financial reporting: ESMA has recommended issuers to provide transparency on the actual and potential impacts of COVID-19, to the extent possible based on both a qualitative and quantitative assessment on their business activities, financial situation and economic performance in their 2019 year-end financial report if these have not yet been finalised or otherwise in their interim financial reporting disclosures.
4. Fund Management: ESMA has encouraged fund managers to continue to apply the requirements on risk management and to react accordingly.

The European Central Bank (ECB), at its monetary policy meeting held on 12 March 2020, decided to adopt a comprehensive set of monetary policy measures, consisting of three key elements: first, safeguarding liquidity conditions in the banking system through a series of favourably-priced longer-term refinancing operations (LTROs); second, protecting the continued flow of credit to the real economy through a fundamental recalibration of targeted longer-term refinancing operations (TLTROs); and, third, preventing tightening of financing conditions for the economy in a pro-cyclical way via an increase in the asset purchase programme (APP).

As regards LTROs these will be carried out through a fixed rate tender procedure with full allotment. They will be priced attractively, with an interest rate that is equal to the average rate on the deposit facility of ECB. These new LTROs will provide liquidity on favourable terms to bridge the period until the TLTRO III operation in June 2020.

As regards TLTRO, the Governing Council decided to apply considerably more favourable terms during the period from June 2020 to June 2021 to all TLTRO III operations outstanding during that time. Throughout this period, the interest rate on these TLTRO III operations will be 25 basis points below the average rate applied in the Eurosystem's main refinancing operations.

The Governing Council also decided to add a temporary envelope of additional net asset purchases of Euro 120 billion until the end of the year, ensuring a strong contribution from the private sector purchase programmes. On 18 March 2020 this was followed by the announcement of the Euro 750 bn Pandemic Emergency Purchase Program (PEPP), increased with a further € 600 bn on 4 June 2020.

Among the various measures adopted by the Italian government to address the epidemiological emergency due to COVID-19 outbreak, on 17 March 2020 Law Decree No. 18 (**Cura Italia Decree**) has been adopted. The Cura Italia Decree has introduced special measures derogating from the ordinary proceeding of the Guarantee Fund for SMEs in order to simplify the requirements for access to the guarantee and strengthen the intervention of the Guarantee Fund for SMEs itself, as well as the possibility of transforming the DTA relating to losses that can be carried forward but not yet deducted and to the amount of the ACE notional return exceeding the total net income, to the extent of 20% of the impaired loans sold by 31 December 2020.

On 20 March 2020, the ECB announced additional measures (in addition to those already undertaken on 12 March 2020 on temporary capital and operational relief for banks) to ensure that its directly supervised banks can continue to fulfil their role to fund households and corporations amid the coronavirus-related economic shock to the global economy. In particular, the ECB recommends to:

- give banks further flexibility in prudential treatment of loans backed by public support measures;
- encourage banks to avoid excessive procyclical effects when applying the IFRS 9 international accounting standard;
- activate capital and operational relief measures announced on 12 March 2020.

On 25 March 2020, EBA published a statement to explain the functioning of the prudential framework in relation to the exposures in default, the identification of forborne exposures and impaired exposures in accordance with IFRS 9. In particular, EBA has clarified some additional aspects of the operation of the prudential framework concerning:

- (i) the classification of exposures in default;
- (ii) the identification of forborne exposures;

(iii) the accounting treatment of the aforesaid exposures.

Specifically, the Authority repeats the concept of flexibility in the application of the prudential framework, clarifying that an exposure should not be automatically reclassified as (i) exposure in default, (ii) forborne exposure, or (iii) impaired exposure under International Financial Reporting Standard - IFRS9, in case of adoption of credit tolerance measures (such as debt moratorium) by national governments.

On 25 March 2020, ESMA provided clarifications on the accounting implications of the economic support and relief measures adopted by EU Member States in response to COVID-19. In particular, the statement provides guidance to issuers and auditors on the application of IFRS 9 (Financial Instruments) with regard to the calculation of expected losses and related disclosure requirements. This concerns, in particular, the suspension (or deferral) of payments established for credit agreements (e.g. moratorium on debt) that impact the calculation of Expected Credit Loss (ECL) under the principles set forth in IFRS 9.

On 27 March 2020, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (GHOS), has deferred Basel III implementation to increase operational capacity of banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of the Covid-19 on the global banking system.

The measures endorsed by the GHOS comprise the following changes to the implementation timeline of the outstanding Basel III standards:

- the implementation date of the Basel III standards finalised in December 2017 has been deferred by one year to 1 January 2023. The accompanying transitional arrangements for the output floor has also been extended by one year to 1 January 2028.
- the implementation date of the revised market risk framework finalised in January 2019 has been deferred by one year to 1 January 2023.
- the implementation date of the revised Pillar 3 disclosure requirements finalised in December 2018 has been deferred by one year to 1 January 2023.

On 27 March 2020, the European Central Bank published a recommendation addressed to significant banks to refrain from paying dividends and from share buy-backs aimed at remunerating shareholders for the duration of the economic shock related to COVID-19.

On 2 April 2020, EBA issued Guidelines on the treatment of legislative and non-legislative moratoria applied before 30 June 2020: clarified which legislative and non-legislative payment moratoria could trigger forbearance classification; in particular, the guidelines supplemented the EBA Guidelines on the application of the definition of default as regards the treatment of distressed restructuring (they clarified that the payment moratoria, if based on the application of national laws, or on initiatives agreed at industry / private sector level, where widely applied by the relevant credit institutions, do not trigger forbearance classification and it is not necessary to verify the existence of the requirements for tracing between the distressed restructuring). On 18 June 2020 EBA has extended the deadline for the application of its Guidelines on payment moratoria to 30 September 2020.

In continuity with the Cura Italia Decree, Law Decree no. 23 of 8 April 2020 (**Liquidity Decree**) was issued, a further measure deemed necessary to support Italian entrepreneurship. The Liquidity Decree, in addition to providing an additional guarantee managed by SACE Simest (**SACE**), a company of the Cassa Depositi e Prestiti group, aims to further strengthen the Guarantee Fund for SMEs by redrawing its rules for accessing, by including also companies with no more than 499 employees and professionals, as well as increasing the guarantee coverage percentages already provided by Article 49 of the Cura Italia Decree (provision that is repealed). In the wake of the latter provision, the Liquidity Decree makes further exceptions to the ordinary rules of the Guarantee Fund for SMEs, which will be applicable until 31 December 2020.

On 28 April 2020, the EU Commission published a proposal to amend the CRR Regulation ("quick fix") in order to reduce certain regulatory requirements and facilitate the provision of bank credit to households and enterprises across the EU with the aim of ensuring that banks can continue to lend money to support the economy and help mitigate the significant economic impact of the COVID-19.

The measures, both temporary and exceptional, have been promoted to mitigate the immediate impact of coronavirus-related developments and imply:

- the reintroduction of prudential filters to manage the current situations of strong turbulence in the markets and to neutralize the effects of losses and gains on the value of debt securities held in the portfolio available for sale as if the securities were valued at cost instead of at fair value;
- a temporary approach to market risk in order to allow supervisors to implement appropriate measures to avoid automatic increases in the quantitative addendum (in particular over the period January 2020 and December 2021);
- more favourable treatment of government guarantees granted during the crisis, aligning the calendar applied to positions with government guarantees with the calendar applied to credits guaranteed by Export Credit Agencies;
- early application of certain measures provided for in CRR2: i) extension of the SME Supporting Factor; ii) introduction of the Infrastructure Supporting Factor; iii) improved weighting calibration for loans guaranteed by salary/pension share disposals; iv) improved prudential treatment of software (pending EBA Regulatory Technical Standards);
- an adaptation of the timeline of the application of international accounting standards to banks' capital (IFRS9 phase-in arrangements);
- the postponement of the date of application of the additional reserve requirement for the leverage ratio of systemic banks ("G-SIB buffer");
- a change in the way of excluding certain exposures from the calculation of the leverage ratio;
- the introduction of a transitional regime for EU Sovereign exposures in the currency of another EU Member State.

Following the positive vote of the plenary session of the European Parliament (19 June 2020), the "CRR Quick Fix" has been published in the European Official Journal on June 26 and has entered into force the following day (June 27).

On 19 May 2020, the Law Decree No. 34 of 19 May 2020 (the so-called "*Decreto Rilancio*") was published in the Official Journal, introducing urgent measures in the areas of healthcare, work and economic support, as well as social policies, related to the epidemiological emergency by COVID-19.

Such decree has been signed in the law 77/202. It introduced some provisions (valid until dec. 31st, 2020) which are aimed at strengthening SME's capital, thus preventing their insolvency risk. Particular reference is made to two public tools: "Patrimonio PMI" fund, which is aimed at subscribing new bonds issued by SME corporates with 10 millions euro turnover, which have been impacted by COVID-19 a turnover reduction of 33% in April and May 2020 (two tax credits are granted to other investors <20% of the investment> in such corporates, and to the corporates above indicated which have suffered losses <50% of the losses which exceed the 10% of the Net worth, but in the limit of the 30% of the capital increase>); and the so called "Patrimonio rilancio" (Dedicated assets within CDP) which is aimed at subscribing new bonds (mainly convertible bonds) and shares in order to support real economy.

In August the Government approved the Law Decree "August" (Decree Law 14 August 2020, n. 104, converted into Law 13 October 2020, n.126) containing several urgent measures in support of health, work and economy, linked to the Covid-19 emergency. The measures introduced by the Law regard the extension of the moratorium for SME until 31 January 2021 (formerly 09.30.2020) and, for tourist sector, until March, 31st, 2021. Such prorogation operate automatically, unless expressly waived by the beneficiary company. They also provide technical changes to the possibility (art. 55, DL Cura Italia n. 18/2020) to convert the DTAs into tax credits (application to special regimes, such as consolidated and transparency). The decree above mentioned also widens the scope of the public guarantee, too, extending the FCG guarantee scope to companies which already

got a prorogation of the guarantee due to temporary difficulties of the beneficiary and including financial intermediation and holding financial assets activities in the 30k guaranteed loans. It also extends SACE guarantee scope also to companies admitted to the arrangement procedure with business continuity (or certified plans and restructuring agreements) if their exposures are not classifiable as non performing exposures (at the date of submission of the application), they don't present amounts in arrears and the lender can reasonably assume the full repayment of the exposure at maturity.

In October and November the Council of Ministers approved the "Relieves" law decree (**Decree Law 28 October 2020, n. 137**) and the "Relieves 2" law decree (**Decree Law 9 November 2020, n. 149**) which provides further urgent measure regarding health protection, support to workers and production sectors, justice and safety linked to COVID-19 epidemic. Main measures introduced by the Law are a non refundable aid for enterprises whose sectors have been restricted and the prorogation of "rental" Tax credit to October-December period and extension to enterprises with turnover exceeding 5 millions and which have had a 50% reduction of turnover.

Finally, among the measures adopted in response to the Covid-19 emergency, we recall the Capital Markets Recovery Package proposal (so-called Quick Fix) published by the European Commission on July 24, 2020 which proposes targeted amendments on MiFID, Securitization Regulation and Prospectus Regulation. The proposal aims to provide European economies with some relief to face the crisis emerging from the Covid-19 pandemic. As to MiFID2, the proposal includes targeted amendments on: i) investor protection, ii) commodity derivatives and iii) research regime for SMEs. As to Securitization, the proposal aims to review the regulatory constraints to the securitisation of non-performing exposures (NPEs) by implementing a more prudential treatment of synthetic excess spread (SES), increasing the risk sensitivity for NPE securitisations by assigning different risk weights to senior tranche and extending the preferential treatment to all synthetic on-balance sheet securitisation that fulfil the simple, standardised and transparent (STS) criteria in order to help banks free up capital and promote the financing of the real economy, in particular to SMEs. As to Prospectus, the EC proposes a new type of short-form prospectus to facilitate the raising of capital in public markets. Currently, discussions are ongoing within the European Parliament and Council with the aim to agree on a common text by the year-end. The MiFID amendments, being part of a Directive, will then need to be transposed into national laws. On the contrary, amendments to the Securitisation and Prospectus Regulations will enter into force 20 days following the publication in the Official Journal (OJ) of the EU and will be directly applicable in all Member States.

GREEN FINANCE

Finally, it is worth mentioning the developments in Green Finance regulation. The banking system needs to be able to collect high quality data on companies' sustainable activities and projects to contribute to the radical transformation towards climate neutrality and sustainability, which are the basis for green finance decision-making and necessary to ensure that the banks shall comply with the regulations on the disclosure of non-financial information. Moreover, in relation to the European Commission public consultation on Renewed Strategy on Sustainable Finance (mentioned below) and the potential early introduction in respect of the EBA working plan of a green supporting factor and a brown penalising factor which are, respectively, a discount and an add-on the weighting of capital risk for investments in "green" companies or in company which produce significant greenhouse gas emission, UniCredit (as EBF) asks that the introduction of such factors is preceded by in-depth researches which certify the actual lower / higher risk of these activities, the link between climatic and financial risks and the development of risk scenarios. It is also requested that such researches shall be carried out over a period of 3-4 years, so that the negative effect of COVID-19 could be neutralized. The EBA Action plan on the implementation of the ESG risks in the prudential framework aims to amend the European legislation not before 2025. UniCredit considers that the process should not be accelerated.

In May 2018, the European Commission published a package of legislative measures in order to promote a sustainable finance in line with the objectives of its action plan of March 2018. In such context, the Commission has started preparatory works in order to amend MiFID II. In such regard, ESMA submitted technical advice on sustainable finance to the European Commission.

On 9 December 2019 has been published Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (**SFDR** - Sustainable Finance Disclosure Regulation), which lays down harmonised rules for financial market participants and financial advisers on transparency.

On 9 March 2020, the European Commission Technical Expert Group on Sustainable Finance (TEG) published its final report on the taxonomy, following the public consultation launched after the publication of the June 2019 report. The EU Taxonomy, which is part of the Action 1 of the Action Plan on financing sustainable growth published on 8 March 2018 by the Commission, aims to establish an unique classification system for the economic activities which can be classified as sustainable. The current framework set out in the EU Taxonomy regards only two of the six environmental objectives which the European Union intends to pursue: climate change mitigation and climate change adaptation – which will enter into application by 1 January 2021. For the other four environmental 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, the second set of technical screening criteria will be adopted during the 2021, which will enter into force on 1 January 2023.

Together with EU Taxonomy final report, TEG has released a guide for how to use the EU's Green Bond Standard (EU GBS). The document incorporates several updates related to the political agreement on Taxonomy reached in December 2019 by the Commission, Council and European Parliament, and the Green Deal launched by the Commission. The EU GBS regulation is included in Commission's initiatives set out in Action 2 of the Action Plan, which envisages to create standards and labels for green financial products.

On 12 March 2020, Consob drawn attention to the current investor protection safeguards applicable to intermediaries that provide investment services, when they address clients with an offer characterized as sustainable.

On 8 April 2020, European Commission launched a public consultation to collect opinions in relation to the Commission's renewed strategy on sustainable finance, until now based on the Action Plan on financing sustainable growth published on 8 March 2018. The aim of the Commission is to reach a proposal for the implementation of a new strategy on sustainable finance by next September.

On 23 April 2020, the three European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) have published a Consultation Paper seeking input on proposed environmental, social and governance (ESG) disclosure standards set out under the SFDR, aiming to: (i) strengthen protection for end-investors; (ii) improve the disclosures to investors from a broad range of financial market participants and financial advisers; and (iii) improve the disclosures to investors regarding financial products.

4.1.5 Details of any recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the issuer's solvency

There are no recent events particular to the Issuer which are to a material extent relevant to an evaluation of the Issuer's solvency.

4.1.6 Credit ratings

As at the date of this Registration Document, UniCredit has been rated as follow:

Rating Agencies	Short Term Counterparty Credit Rating	Long Term Counterparty Credit Rating	Outlook	Last update
Fitch	F3 ⁽¹⁾	BBB- ⁽²⁾	stable ⁽³⁾	5 November 2020
S&P	A-2 ⁽⁴⁾	BBB ⁽⁵⁾	negative ⁽⁶⁾	29 October 2020
Moody's	P-2 ⁽⁷⁾	Baa1 ⁽⁸⁾	stable ⁽⁹⁾	26 March 2020

Fitch Ratings

(1) F3: indicates an adequate capacity for timely payment of financial commitments. (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. Negative means that a rating may be lowered (**Source: S&P**).

Moody's

- (6) P-2: issuers (or supporting institution) rated Prime-2 have a strong ability to repay short-term debt obligations (**Source: Moody's**).
- (7) 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**).
- (8) Outlook is an opinion regarding the likely rating direction over the medium term. A stable outlook indicates a low likelihood of a rating change over the medium term (**Source: Moody's**).

During the validity of this Registration Document, 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 requirements set out in Article 23 of the Prospectus Regulations concerning the possible preparation of a supplement.

The rating agencies Fitch, S&P and Moody' 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/supervision/credit-rating-agencies/risk>.

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

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

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

As at 30 September 2020, the loans to deposits ratio (LDR), a ratio between the customer loans and deposits, including the repo activity, is equal to 98.3%. Such ratio slightly improves compared to 31 December 2019, equal to 102.6%, due to the slowdown of loans growth compared to the deposits one, also considering the current macroeconomic scenario.

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 September 2020, the liquidity buffer is equal to Euro 153,486 millions (Euro 139,389 millions at 31 December 2019).

As at 30 September 2020, the TLTRO participations of the Group is equal to Euro 94.332 billions (compared to Euro 50.7 billions at the end of 2019).

Section V – Business Overview

5.1 Principal activities

5.1.1. A description of the Issuer’s principal activities, including the main categories of products sold and/or services performed, an indication of any significant new products or activities, and the principal markets in which the Issuer competes

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

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

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

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

Commercial Banking Italy

Commercial Banking Italy is composed by UniCredit S.p.A. commercial network limited to Core clients (excluding Corporate clients, supported by Corporate and Investment Banking Division and clients supported by Foreign Branches), Leasing (excluding Non-Core clients), Factoring and UniCredit S.p.A. structures included in local Corporate Centre that support the Italian business network. In relation to individual clients (Mass market, Affluent, Private and Wealth), Commercial Banking Italy’s goal is to offer a full range of products, services and consultancy to fulfill transactional, investments and credit needs, relying on branches and multichannel services provided thanks to new technologies.

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

Commercial Banking Germany

Commercial Banking Germany provides all German customers (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking Division) with a complete range of banking products and services. It is composed of:

- “Privatkundenbank” (Individual Clients segment) that serves retail and private banking customers with banking and insurance solutions across all areas of demand and all-round advisory services reflecting the individual and differentiated needs in terms of relationship model and product offering;
- “Unternehmerbank” (Corporate segment) that employs a different “Mittelstand” bank model to its competitors in that it serves both business and personal needs across the whole bandwidth of German enterprises and firms operating in Germany;
- Local Corporate Center.

Different service models are applied in line with the needs of its various customer groups: retail customers, private banking customers, small business and corporate customers, real estate customers and wealth management customers.

Commercial Banking Germany holds large market shares and a strategic market position in retail banking, in private banking and especially in business with local corporate customers (including factoring and leasing).

Commercial Banking Austria

Commercial Banking Austria provides its Austrian customers (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking Division) with a complete range of banking products and services. It is composed of:

- “Privatkundenbank” (Private Customer Bank) that covers private individuals, ranging from mass-market to affluent customers, high net-worth individuals and business customers; it includes Schoellerbank, a well-established subsidiary servicing wealthy customers;
- “Unternehmenbank” (Corporate Customer Bank, excluding CIB clients) servicing the entire range of SMEs, medium-sized and large companies, which do not access capital markets (including real estate and public sector); it includes the product factory Leasing;
- Local Corporate Center.

A broad coverage of individual clients and companies is ensured through its nation-wide branch network. Commercial Banking Austria holds significant market shares and a strategic market position in retail banking, private banking and especially in business with local corporate customers and is one of the leading providers of banking services in Austria.

Commercial Banking Austria applies an integrated service model, allowing clients to decide when, where and how they contact UniCredit Bank Austria. This approach combines classic branches which are continuously modernised, new formats of advisory service centres and modern selfservice branches, internet solutions, mobile banking with innovative apps and contact to relationship managers via video-telephony.

Corporate & Investment Banking (CIB)

The CIB Division targets mainly Large Corporate and Multinational clients with highly sophisticated financial profile and needs for investment banking services, as well as institutional clients of UniCredit Group. CIB serves UniCredit Group’s clients across 32 countries with a wide range of specialized products and services, combining geographical proximity with a high expertise in all segments in which it is active.

Moreover CIB acts as products and solutions provider for the commercial network, provides structured financing, hedging and treasury solutions for corporate and investment products for private and retail, according to the “CIB fully plugged-in concept”. In the light of a more integrated client offering, Joint Venture between Commercial Banking and CIB division have been set up in Italy and Germany, with the objective to increase cross selling of investment banking products (M&A, Capital Markets and derivatives) to commercial banking clients.

The organisational structure of CIB is based on a matrix that integrates market coverage (carried out through an extensive commercial network in Western Europe and an international network of branches and representative offices) and product offering (divided into three Product Lines that consolidate the breadth of the Group’s CIB know-how).

The dedicated commercial networks (CIB Network Italy, CIB Network Germany, CIB Network Austria, CIB Network France, International Network, Financial Institutions Group) are responsible for the relationships with corporate clients, banks and financial institutions as well as the sale of a broad range of financial products and services, ranging from traditional lending and merchant banking operations to more sophisticated services with high added value, such as project finance, acquisition finance and other investment banking services and operations in international financial markets.

The three following Product Lines supplement and add value to the activities of the commercial networks:

- **Financing and Advisory (F&A)** - F&A is the expertise centre for all business operations related to credit and advisory services for corporate and institutional clients. It is responsible for providing a wide variety of products and services ranging from plain vanilla and standardized products, extending to more sophisticated products such as Capital Markets (Equity and Debt Capital Markets), Corporate Finance and Advisory, Syndications, Leverage Buy-Out, Project and Commodity Finance, Real Estate Finance, Structured Trade and Export Finance.

- **Markets** - Markets is the centre specialised for all financial markets activities and serves as the Group's access point to the capital markets. This results in a highly complementary international platform with a strong presence in emerging European financial markets. As a centralised product line, Markets is responsible for the coordination of financial markets related activities, including the structuring of products such as foreign FX, Rates, Equities and credit related activities.
- **Global Transaction Banking (GTB)** - GTB is the centre for Cash Management, e-banking, Supply Chain Finance, Trade Finance products, Factoring and global securities services.

Moreover the controlled company UCI International Luxembourg operates in Global Family Office and Wealth Management activities.

Central and Eastern Europe (CEE)

The Group, through the CEE business segment, offers a wide range of products and services to retail, corporate and institutional clients in 10 Central and Eastern Europe countries: Bosnia- Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia and Slovenia. UniCredit Group is able to offer its retail customers in the CEE countries a broad portfolio of products and services similar to those offered to its Italian, German and Austrian customers.

With respect to corporate clients, UniCredit Group is constantly engaged in standardising the customer segments and range of products. The Group shares its business models on an international level in order to ensure access to its network in any country where the Group is present. This approach is vital due to the variety of global products offered, particularly cash management and trade finance solutions to corporate customers operating in more than one CEE country.

Group Corporate Centre

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

Non Core

Starting from the first quarter of 2014 the Group decided to introduce a clear distinction between the abovementioned activities defined as core segment, meaning strategic business segments and in line with risk strategies, and activities defined as non-core segment, including non-strategic assets and those with a poor fit to the Group's risk-adjusted return framework, with the aim of reducing the overall exposure of this last segment in the course of time and to improve the risk profile.

Specifically, the non-core segment includes selected assets of Commercial Banking Italy (identified on a single deal/client basis) to be managed with a risk mitigation approach and some special vehicles for securitisation operations.

5.2 The basis for any statements made by the Issuer regarding its competitive position.

No precise data about Issuer's competitive position are included in this Registration Document.

Section VI – Organisational Structure

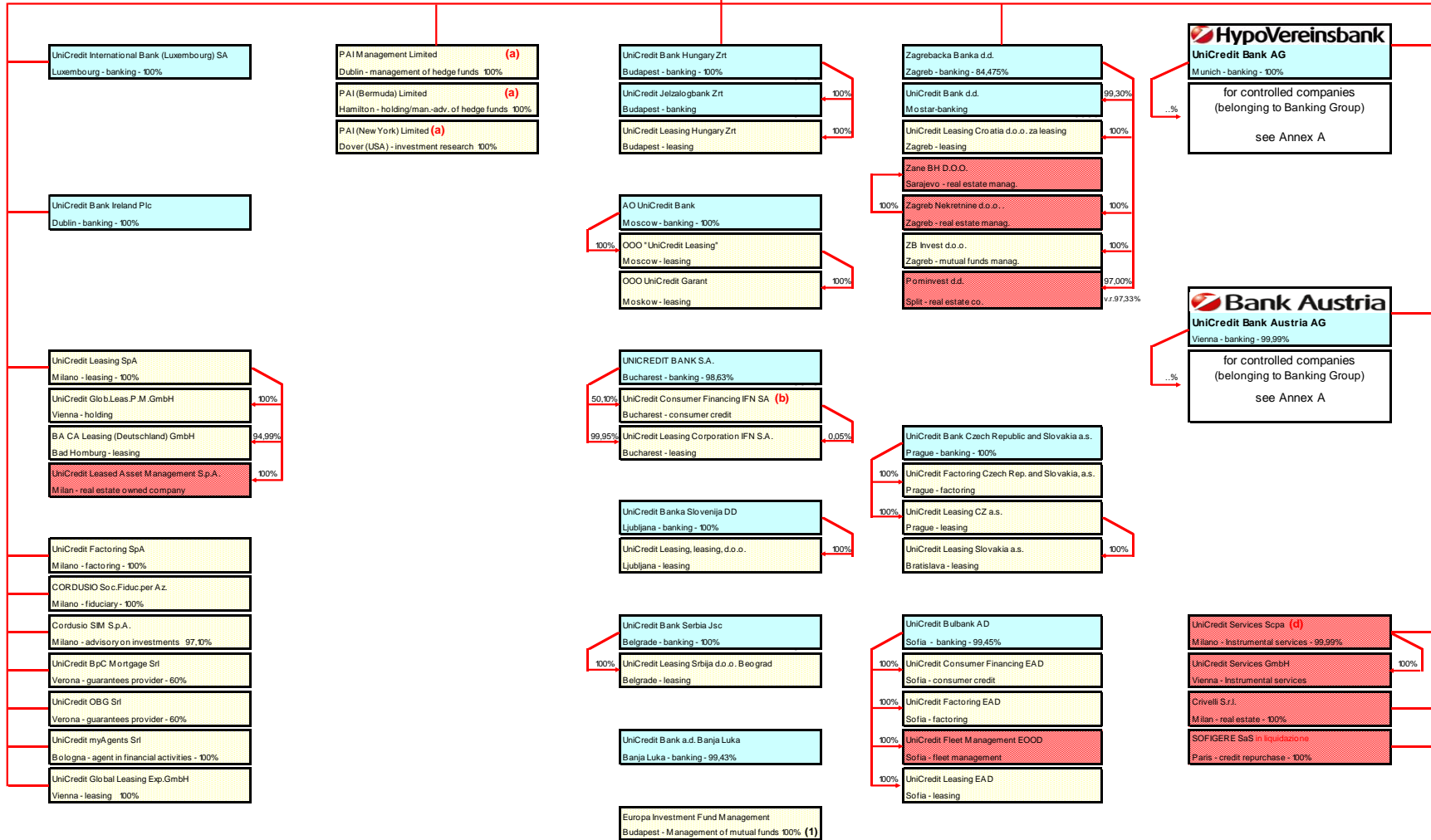
6.1 Brief description of the Group and the Issuer’s position within the group.

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

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

The following diagram illustrates the banking group companies as at 14 January 2021:

Banking Group (cod. 2008.1)



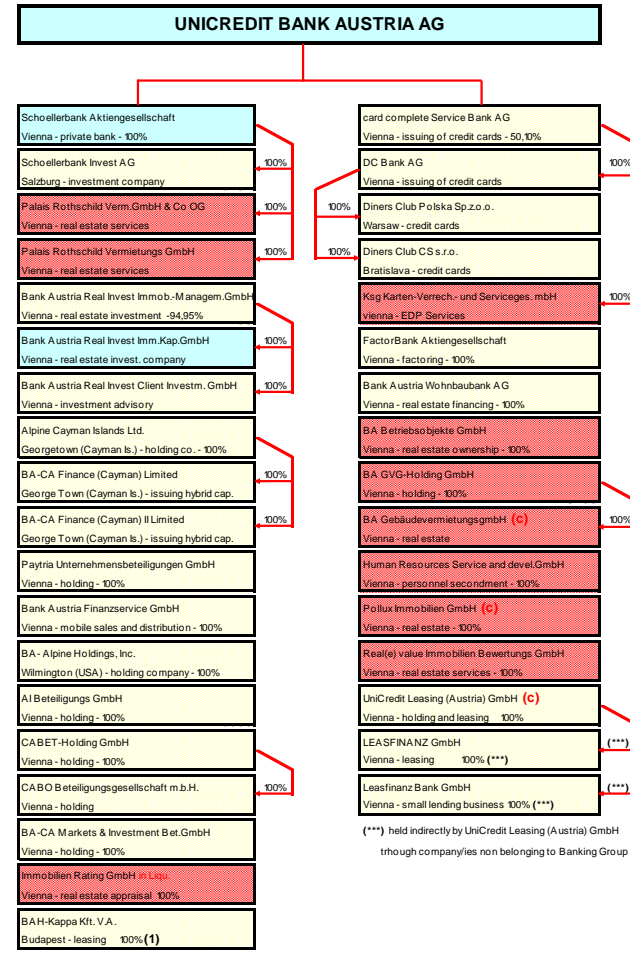
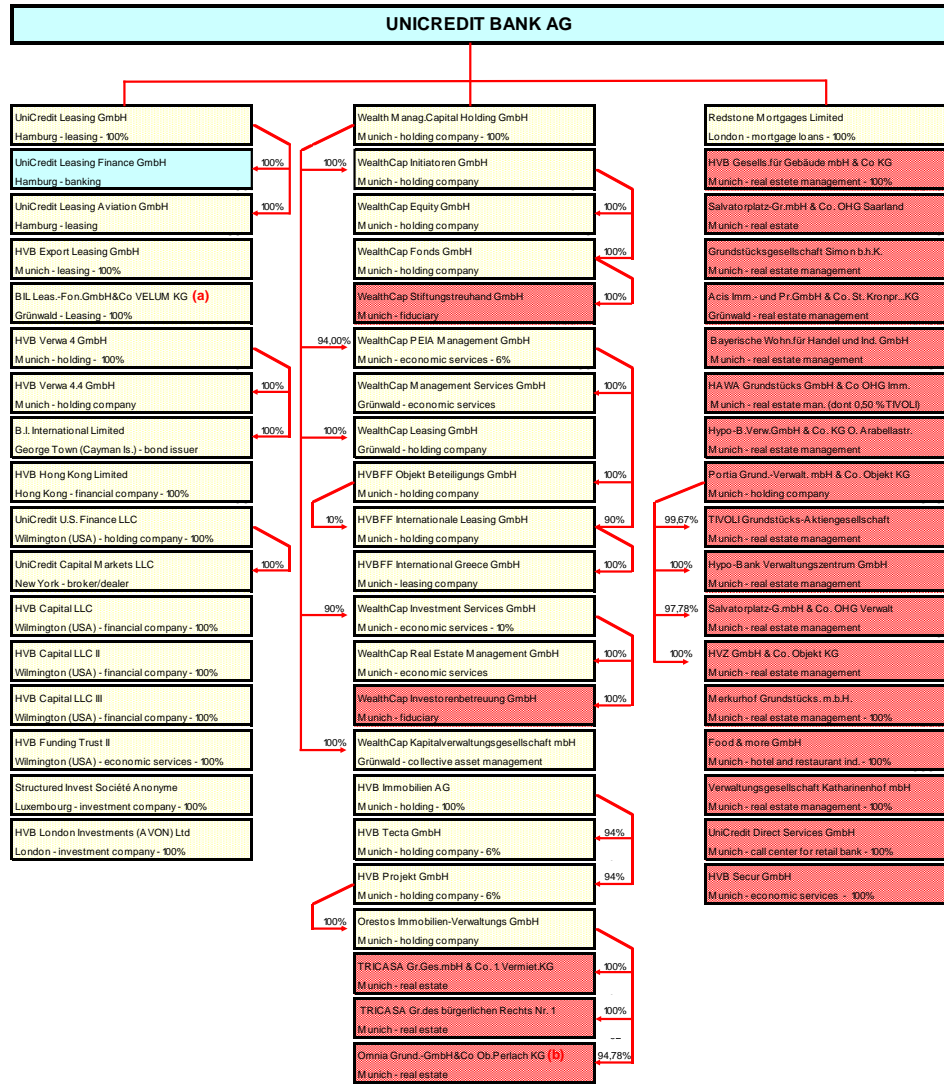
(1) held indirectly by UniCredit S.p.A. through company non belonging to Banking Group

(a) not operative (b) 49,9% held by UniCredit SpA (d) Other companies belonging to UniCredit Group and third parties hold shares of the company
 (z) Requested to Bank of Italy the inclusion in the Banking Group

Companies belonging to the Banking Group

banking
financial
instrumental

Annex A



(1) held indirectly by UniCredit Bank Austria AG through company non belonging to Banking Group

(**) held indirectly by UniCredit Leasing (Austria) GmbH through companies/ies not belonging to Banking Group

(a) voting rights held by UCB AG (33,33%) and by BIL Leasing-Fonds Verwaltungs GmbH (33,33%) (b) 5,22% held by WealthCap Leasing GmbH (c) % considering shares held by other Companies controlled by BA
 (z) Requested to Bank of Italy the inclusion in the Banking Group

Companies belonging to the Banking Group

banking
financial
instrumental

Updated
 January 14th 2021

6.2 Dependence upon other entities within the Group

At the date of this Registration Document UniCredit is not dependent upon other entities within the Group and no individual or entity controls UniCredit within the meaning provided for in Article 93 of Legislative Decree 58/1998, as amended (the **Financial Services Act**).

Section VII – Trend Information

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

The current market environment is characterized by uncertainties also on the financial markets due to the Covid-19 crisis, the impact of which on the profitability of the Issuer, in particular in terms of operating income and cost of risk, cannot yet be finally assessed as at the date of this Registration Document. Except for the possible impact of the Covid-19 crisis indicated above, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements as at 31 December 2019.

There has been no significant change in the financial performance of the Group since 30 September 2020 to the date of this Registration Document.

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

The current Market environment is characterized by uncertainties also on the financial markets due to the Covid-19 crisis, whose impact on Group's profitability, in particular in terms of operating income and cost of risk, and on the macro scenario and the sector underlying the Strategic Plan 2020-2023, cannot yet be finally assessed as at the date of this Registration Document. Except what aforementioned, the Issuer is not aware about any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer’s prospects for at least the current financial year.

Section VIII – Profit forecasts or estimates

8.1 This Registration Document does not include any profit forecasts or estimates.

Section IX – Administrative, management, and supervisory bodies

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

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

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

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

Name	Position
Cesare Bioni ¹	Chairman
Lamberto Andreotti ¹⁻²	Deputy Vice Chairman
Jean Pierre Mustier	Chief Executive Officer*
Mohamed Hamad Al Mehairi ¹⁻²	Director
Sergio Balbinot ¹	Director
Vincenzo Cariello ¹⁻²	Director
Elena Carletti ¹⁻²	Director
Diego De Giorgi ¹⁻²	Director
Beatriz Lara Bartolomé ¹⁻²	Director
Stefano Micossi ¹⁻²	Director
Pietro Carlo Padoan ¹⁻²	Director
Maria Pierdicchi ¹⁻²	Director
Francesca Tondi ¹⁻²	Director
Alexander Wolfgring ¹⁻²	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 Clause 20 of the Articles of Association and Section 3 of the Italian Corporate Governance Code.

* Also elected General Manager by the Board of Directors on 30 June 2016.

For further information on the restoration of the number of Directors belonging to the least represented gender, in accordance with the applicable provisions on gender quotas, and on the retirement from his role of Chief Executive Officer of UniCredit S.p.A. by Mr. Jean Pierre Mustier, see Section 4, paragraph 4.1 “History and development of the Issuer”, subparagraph “Recent developments”.

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

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

Cesare Bioni

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

Lamberto Andreotti

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

Jean Pierre Mustier

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

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

Mohamed Hamad Al Mehairi

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

Sergio Balbinot

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

Vincenzo Cariello

- Of Counsel at RCCD Studio Legale, Milan
- Member of the Board of Directors of A2A S.p.A.

Elena Carletti

- Full Professor of Finance, Bocconi University, Department of Finance

- Vice Chairperson of the European Finance Association (EFA)
- Research Professor, Bundesbank
- Scientific Director, European University Institute, Florence School of Banking and Finance (FDB)
- Member of the Advisory Scientific Committee, European Systemic Risk Board (ESRB) - European System of Financial Supervision
- Member of Expert Panel on banking supervision, European Parliament
- Member of the Scientific Committee "Paolo Baffi Lecture", Bank of Italy
- Member of the Scientific Committee, Bruegel

Diego De Giorgi

- none

Beatriz Lara Bartolomé

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

Stefano Micossi

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

Pietro Carlo Padoan

- Vice Chairman of Istituto Affari Internazionali (IAI)

- Member of the Scientific Council of the School of European Political Economy, LUISS University
- Member of the Honorary Board of Scope Foundation

Maria Pierdicchi

- Non Executive Board Member and Chair of Human Resources Committee of Gruppo Autogrill
- Chairwoman and Board Member of NED COMMUNITY
- Board Member of PBI S.p.A.

Francesca Tondi

- Member of the Advisory Board of Angel Academe, London, UK
- Member of the Board of Directors of Angel Academe Nominee, London, UK
- Member of the Selection Committee, Mentor of Fintech Circle, London, UK
- Member of “Women supporting Women” Foundation “Princess Trust”

Alexander Wolfgring

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

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 Chairman, and four stand-in statutory auditors.

The Board of Statutory Auditors currently in office was appointed by the UniCredit Ordinary Shareholders' Meeting on 11 April 2019 for a term of three financial years and its members may be re-elected.

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

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

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

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

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

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

Marco Rigotti

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

Angelo Rocco Bonissoni

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

Benedetta Navarra

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

Guido Paolucci

- Chairman of the Board of Statutory Auditors of Ecofuel S.p.A.
- Chairman of the Board of Statutory Auditors of Raffineria di Gela S.p.A.
- Chairman of the Board of Statutory Auditors of Telecom Italia San Marino S.p.A.
- Chairman of the Board of Statutory Auditors of Telefonía Mobile Sammarinese S.p.A.
- Statutory Auditor of Olivetti S.p.A.
- Statutory Auditor of Nuova Compagnia di Partecipazioni S.p.A.
- Statutory Auditor of Consorzio CONOU
- Statutory Auditor of Società Gemelli Molise S.p.A.
- Statutory Auditor of Società HYLE Capital Partners SGR S.p.A.
- Chairman of the Board of Statutory Auditors of Fondazione "Casa Sollievo della Sofferenza"

Antonella Bientinesi

- Chairman of the Board of Statutory Auditors of Cerved Group S.p.A.
- Chairman of the Board of Statutory Auditors of Anas S.p.A.
- Statutory Auditor of ACER SEDE S.p.A.
- Statutory Auditor of Enel Energia S.p.A.
- Statutory Auditor of Enel Green Power Solar Metehara S.p.A.
- Statutory Auditor of Enel Green Power Solar Ngonye S.p.A.
- Statutory Auditor of Fondo Ambiente Italiano – FAI

9.2 Conflicts of Interest

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

- Article 53 paragraph 4, of the Italian Banking Act, without prejudice to the obligations envisaged by paragraph 1 of Article 2391 of the Italian Civil Code, hereinafter quoted, sets forth the duty to abstain from voting for the Directors having a conflicting interest, on their own behalf or on behalf of a third party;
- Article 136 of the Italian Banking Act, which requires a special authorisation procedure (a unanimous decision by the supervisory body with the exclusion of the concerned officers' vote and the favourable vote of all members of the controlling body) should a bank enter into obligations of any kind or enter, directly or indirectly, into purchase or sale agreements with its corporate officers;

- Article 2391 of the Italian Civil Code, which obliges directors to notify fellow directors and the Board of Statutory Auditors of any interest, on their own behalf or on behalf of a third party, that they may have, in a specific company transaction, with the concerned member of the Board of Directors having to abstain from carrying out the transaction if he/she is also the CEO; and
- Article 2391-*bis* of the Italian Civil Code, CONSOB Regulation No. 17221 dated 12 March 2010 (and subsequent updates) concerning transactions with related parties, as well as the provisions issued by the Bank of Italy concerning risk activities and conflicts of interest of banks and banking groups with associated persons (Supervisory Regulations for the banks issued by the Bank of Italy).

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

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

Section X – Major Shareholders

10.1 Information related to the shareholder structured of the Issuer

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

As at 30 December 2020, according to available information, the main shareholders holding, directly or indirectly, a relevant participation in UniCredit were:

Major Shareholders	Ordinary Shares	% owned ⁽¹⁾
BlackRock Group	113,550,196	5.075
Capital Research and Management Company	112,363,870	5.022 ⁽²⁾
- of which on behalf of EuroPacific Growth Fund	78,373,584	3.503
Norges Bank	67,366,057	3.011
ATIC Second International Investment Company LLC	45,100,000	2.016
Delfin S.a.r.l.	43,056,324	1.925
Fondazione Cassa di Risparmio di Ve-Vi-BI e An	40,097,626	1.792
Fondazione Cassa di Risparmio di Torino	36,757,449	1.643
Allianz SE Group	25,273,986	1.130

(1) figures updated based on the communications received: last communication received on 30 December 2020

(2) discretionary asset management

Article 120, paragraph 2, of the Financial Services Act, as a consequence of Legislative Decree No. 25/2016, sets forth that holdings exceeding 3 per cent. of the voting capital of a listed company shall be communicated to both the latter and to CONSOB. It should be noted that, with the resolution no. 21672 of 13 January 2021, CONSOB extended until 13 April 2021 the provisions of the previous resolution no. 21326 of 9 April 2020 by which the Authority provided, pursuant to article 120, paragraph 2-bis of the Financial Services Act, the additional threshold of 1% above which arises the obligation to notify the investee company and CONSOB according to article 120, paragraph 2 of the Financial Services Act.

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

10.2 A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer

As at the date of this Registration Document, as far as the Issuer is aware, there are no arrangements the operation of which, at a subsequent date, could result in a change in control of the Issuer.

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

11.1 Historical financial information

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

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

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

Document	Information incorporated	Page numbers
2019 UniCredit Annual Report and Accounts	Consolidated Report and Accounts of UniCredit Group:	
	Consolidated Report on Operations	29-71
	Consolidated Balance Sheet	91
	Consolidated Income Statement	92
	Consolidated Statement of Comprehensive Income	93
	Statement of Changes in the Consolidated Shareholders' Equity	94-95
	Consolidated Cash Flow Statement	96-97
	Notes to the Consolidated Accounts	99-400
	Certification	403
	Report of External Auditors	405-415
	Annexes	417-475
	Report and Accounts of UniCredit S.p.A.:	
	Report on operations	485-507

Document	Information incorporated	Page numbers
	Balance Sheet	511
	Income Statement	512
	Statement of Comprehensive Income	513
	Statement of Changes in the Shareholders' Equity	514-515
	Cash Flow Statement	516-517
	Notes to the Accounts	519-685
	Certification	687
	Report of External Auditors	715-725
	Annexes	729-737

Document	Information incorporated	Page numbers
2018 UniCredit Annual Report and Accounts	Consolidated Report and Accounts of UniCredit Group:	
	Consolidated Report on Operations	29-67
	Consolidated Balance Sheet	89-90
	Consolidated Income Statement	91-92
	Consolidated Statement of Other Comprehensive Income	93
	Statement of Changes in the Consolidated Shareholders' Equity	94-97
	Consolidated Cash Flow Statement	98-99
	Notes to the Consolidated Accounts	101-435
	Annexes	437-487
	Certification	489
	Report of External Auditors	491-501
	Report and Accounts of UniCredit S.p.A.:	
	Report on operations	511-533
	Balance Sheet	537

Document	Information incorporated	Page numbers
	Income Statement	538
	Statement of Comprehensive Income	539
	Statement of Changes in the Shareholders' Equity	540-541
	Cash Flow Statement	542-543
	Notes to the Accounts	545-727
	Annexes	729-738
	Certification	741
	Report of External Auditors	763-773

11.2 Interim and other financial information

11.2.1 The Issuer has published also the interim consolidated financial statements ended 30 June 2020, which is incorporated by reference in this Registration Document and available to the public on the Issuer's website <https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2020/2Q20/Consolidated-First-Half-Financial-Report-as-at-30-June-2020.pdf>.

Detailed are provided below.

Document	Information incorporated	Page numbers
Consolidated First Half Financial Report as at 30 June 2020	Consolidated Balance Sheet	61
	Consolidated Income Statement	62
	Consolidated Statement of Comprehensive Income	63
	Statement of changes in the Consolidated Shareholder's Equity	64 -65
	Consolidated Cash Flow Statement	66 -67
	Explanatory Notes	69-224
	Certification	227
	Report of External Auditors	229
	Annexes	231-235
	Other Information - Subsequent Events	58

The Issuer also publishes, on a voluntary basis, additional financial information, other than the annual and interim financial report. Such consolidated interim reports refer to 31 March and 30 September of each year, are approved by the Board of Directors of the Issuer but they are not audited by the external auditors.

The consolidated interim reports as at 30 September 2020 and as at 30 September 2019 are incorporated by reference in this Registration Document. The consolidated interim reports as at 30 September 2020 is available to the public on the Issuer's website: https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2020/UniCredit_PR_3Q20_ENG.pdf and the consolidated interim reports as at 30 September 2019 is available to the public on the Issuer's website: https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2019/UniCredit_PR_3Q19_ENG.pdf.

Detailed are provided below.

Document	Information incorporated	Page numbers
Unaudited Consolidated Interim Report as at 30 September 2020 – Press Release	UniCredit Group: Reclassified Income Statement	20
	UniCredit Group: Reclassified Balance Sheet	21
	Other UniCredit Group Tables (Shareholders' Equity, Staff and Branches, Ratings, Sovereign Debt Securities – Breakdown by Country/Portfolio, Weighted Duration, Breakdown of Sovereign Debt Securities by Banking Book Portfolio, Sovereign Loans – Breakdown by Country)	22-26
	Basis of Preparation	26-29
	Declaration by the manager charged with preparing the financial reports	29
	Significant events during and after 3Q20	19

Document	Information incorporated	Page numbers
Unaudited Consolidated Interim Report as at 30 September 2019 - Press Release	UniCredit Group: Reclassified Income Statement	17
	UniCredit Group: Reclassified Balance Sheet	18
	Other UniCredit Group Tables (Shareholders' Equity, Staff and Branches, Ratings, Sovereign Debt Securities – Breakdown by Country/Portfolio, Weighted Duration, Breakdown of Sovereign Debt Securities by Banking Book Portfolio, Sovereign Loans – Breakdown by Country)	19 - 23

Basis for Preparation	24
Declaration by the manager charged with preparing the financial reports	25
Other Information – Significant Events during and after 3Q19	16

For the avoidance of doubt, any parts of a document not included in the cross-reference lists of this Section 11 are not incorporated by reference into this Registration Document as these parts are either not relevant for the investor or covered elsewhere in this Registration Document.

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

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

11.3 Auditing of historical annual financial information

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

11.3.2 Except for the financial information contained in the consolidated financial statements of the UniCredit Group and in the financial statements of the Issuer for the year ended on 31 December 2019 and 31 December 2018 and in the interim consolidated financial statements ended on 30 June 2020, no other financial information has been verified by the auditors.

11.4 Legal and arbitration proceedings

11.4.1 The risks connected with pending legal proceedings have been duly examined by the Parent Company and each of the involved Subsidiaries (the “**Companies**”). Assuming the possibility of outlays in reference of some of the aforementioned proceedings, whether carrying out the related estimates for potential disbursement is feasible, as at 30 June 2020 the Companies decided to set aside appropriate provisions for risks and charges for EUR 704.2 million, of which EUR 411.1 million for the Parent Company UniCredit S.p.A.

As at 30 June 2020, the Companies were named as defendants in about 26,100 legal proceedings, of which approx. 9,300 involving the Parent Company UniCredit S.p.A. (excluding labor law cases, tax cases and credit recovery actions in which counterclaims were asserted or objections raised with regard to the credit claims of Group Companies). As at 30 June 2020, the total amount of claimed damages relating to the relevant judicial proceedings (excluding labor law cases, tax cases and debt collection proceedings) is equal to EUR 9.9 billion, of which approximately EUR 6.4 billion for the proceedings involving the Parent Company UniCredit S.p.A.

In a greater detail, it mainly deals with:

Madoff

The parent company UniCredit S.p.A. and several of its direct and indirect subsidiaries (the “**Companies**”) have been sued in the wake of a Ponzi scheme perpetrated by Bernard L. Madoff through his company Bernard L.

Madoff Investments Securities LLC (“BLMIS”), which was exposed in December 2008. The Companies were principally connected with Madoff as investment manager and/or investment adviser for the Primeo Fund Ltd (now in liquidation) and other non US funds of funds that had invested in other non US funds with accounts at BLMIS.

Specifically, the Companies (together with a variety of other entities) were named as defendants in a variety of proceedings (both in the US and in non US jurisdictions), for a total damage compensation claims of over \$6 billion (to be later determined over the course of the proceedings). At present, most of the claims brought before US Courts and referring to the Companies have been rejected without any possibility of appeal or dismissal. However, the bankruptcy administrator of BLMIS (the “SIPA Trustee”) responsible for the Madoff’s company liquidation continues to pursue claims related to transfers of money made by BLMIS pre-bankruptcy to an affiliated company, BA Worldwide Fund Management Ltd (“BAWFM”), and other similarly situated parties. The potential claim for damages against BAWFM is non-material and, therefore, there are no specific risk profiles for the Companies.

In addition, certain current or formerly affiliated persons named as defendants in a proceeding in the United States may seek indemnification from the Companies and its affiliated entities.

As at 30 June 2020, there were several pending civil proceedings against UniCredit Bank Austria AG (“UCB Austria”) for the total claimed damages amount of €5.2 million. While a large majority of the judgments have been favorable to UCB Austria, the impact of the remaining cases cannot be predicted with certainty, as the related future rulings may be adverse to UCB Austria. UCB Austria has made adequate provisions related to the Madoff’s matter.

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

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

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

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

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

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

Financial sanctions matters

On 15 April 2019, the parent company UniCredit S.p.A., UCB AG and UCB Austria reached a resolution with the U.S. and New York Authorities regarding investigations concerning historical compliance with applicable U.S. sanctions law and regulations. No further enforcement actions are expected relating to the subject of the resolved investigation.

As part of the settlements with the U.S. and New York Authorities, the parent company UniCredit S.p.A., UCB AG and UCB Austria made certain commitments to implement remedial compliance controls and conduct risk assessments relating to UniCredit group’s global business lines, to provide periodic reports and certifications concerning the implementation and effectiveness of the group’s compliance program to the U.S. and New York

Authorities, and to engage an independent external party to conduct an annual review of the effectiveness of the group's compliance program whose findings will be shared with the U.S. and New York Authorities.

Euro-denominated bonds issued by EU countries

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

The parent company UniCredit S.p.A. and UCB AG had access to the entirety of the European Commission's file on the investigation from 15 February 2019 onwards. As a result of the assessment of the files, the parent company UniCredit S.p.A. and UCB AG regard it no longer remote but possible, even though not likely, that a cash outflow might be required to fulfill a potential fine arising from the outcome of the investigation. On the basis of the current information, it is not possible to estimate reliably the amount of any potential fine at the present date.

The parent company UniCredit S.p.A. and UCB AG have responded to the raised objections on 29 April 2019 and participated in a hearing before the European Commission on 22-24 October 2019. Proceedings are ongoing. There is no legal deadline for the European Commission to complete antitrust inquiries.

On 11 June 2019, UCB AG and UniCredit Capital Markets LLC were named, among other financial institutions, as defendants in a putative class action already pending in the United States District Court for the Southern District of New York. The third amended class action complaint, filed on 3 December 2019, alleges a conspiracy among dealers of Euro-denominated bonds issued by European central banks to fix and manipulate the prices of those bonds, among other things by widening the bid-ask spreads they quoted to customers. The putative class consists of those who purchased or sold Euro-denominated bonds issued by European central banks in the US between 2007 and 2012. The third amended class action complaint does not include a quantification of damages claimed. On 23 July 2020, the court granted motions to dismiss the third amended complaint by certain defendants, including UCB AG and UniCredit Capital Markets LLC, without prejudice. Plaintiffs have stated that they intend replead the case against at least some of the dismissed defendants after the court resolves a pending motion for reconsideration filed by non-dismissed defendants.

Proceedings related to claims for Withholding Tax Credits

On 31 July 2014, the Supervisory Board of UCB AG concluded its internal investigation into the so-called "cum-ex" transactions (the short selling of equities around dividend dates and claims for withholding tax credits on German share dividends) at UCB AG. The findings of the Supervisory Board's investigation indicated that the bank sustained losses due to certain past acts/omissions of individuals.

The Supervisory Board has brought proceedings for compensation against three individual former members of the management board, not seeing reasons to take any action against the current members. In line with the suggestion of the Regional Court of Munich I, the conflicting parties settled the dispute out of court.

In addition, criminal investigations have been conducted against current or former employees of UCB AG by the Prosecutors in Frankfurt am Main, Cologne and Munich with the aim of verifying alleged tax evasion offences on their part. UCB AG cooperated, and continues to cooperate, with the aforesaid Prosecutors who investigated offences that include alleged tax evasion in connection with cum-ex transactions both for UCB AG's own book as well as for a former customer of UCB AG. Proceedings in Cologne against UCB AG and its former employees were closed in November 2015 with, inter alia, the payment of a fine of €9.8 million by UCB AG. The investigations by the Frankfurt am Main Prosecutor against UCB AG under section 30 of the Administrative Offences Act (the Ordnungswidrigkeitengesetz) were closed in February 2016 with the payment of a fine of €5 million. The investigation by the Munich Prosecutor against UCB AG was closed in April 2017 with legally binding effect following the payment of a forfeiture of €5 million.

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

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

Proceedings relating to certain forms of banking transactions.

The UniCredit group is named as a defendant in several proceedings in matters connected to its operations with clients, which are not specific to UniCredit group, rather affect the financial sector in general.

In this regard, as at 30 June 2020 (i) proceedings against the parent company UniCredit S.p.A. pertaining to compound interest, typical of the Italian market, had a total claimed amount of €1,134 million, mediations included; (ii) proceedings pertaining to derivative products, mainly affecting the Italian market (for which the claimed amount against the parent company UniCredit S.p.A. was €716 million, mediations included) and the German market (for which the claimed amount against UCB AG was €43 million); and (iii) proceedings relating to foreign currency loans, mainly affecting the CEE countries (for which the claimed amount was around €117 million).

The proceedings pertaining to compound interest mainly involve damages requests from clients arising from the alleged unlawfulness of the calculation methods of the amount of interest payable in connection with certain banking contracts. At present, the parent company UniCredit S.p.A. has made provisions that it deems appropriate for the risks associated with these claims.

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

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

In 2015, the Republic of Croatia enacted amendments to the Consumer Lending Act and Credit Institutions Act mandating the conversion with retroactive effect of Swiss franc (CHF)-linked loans into Euro-linked (the “Conversion Amendments”).

In September 2016, UCB Austria and Zagrebačka Banka (“Zaba”) initiated a claim against the Republic of Croatia under the Agreement between the Government of the Republic of Austria and the Government of the

Republic of Croatia for the promotion and protection of investments in order to recover the losses suffered as a result of the Conversion Amendments. In the interim, Zaba complied with the provisions of the new law and adjusted accordingly all the respective contracts where the customers requested so. Following a hearing, the arbitral tribunal ruled on part of the Respondent's jurisdictional objections. The arbitral proceedings remain pending.

In 2019, the Supreme Court of the Republic of Croatia ruled that the CHF currency clause contained in certain loan and mortgage documentation was invalid. Accordingly, in the course of 2019, court decisions, recent court practice related to FX matters along with the expiration of the statute of limitation for filing individual lawsuits in respect of the invalidity of the interest rate clause, led to a significant increase in the number of new lawsuits against Zaba. In 2020, the Supreme Court ruled that agreements entered into following the Conversion Amendments whereby customers converted their CHF mortgages and/or loans into EUR are valid and accordingly no additional payments are due. The matter of the validity of the FX clauses contained in mortgages and loan documentation is still pending before the Constitutional Court of the Republic of Croatia. Provisions have been booked which are deemed appropriate.

Medienfonds/closed-end funds

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

Vanderbilt related litigations

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

Vanderbilt Financial LLC ("VCA") related litigations, where Pioneer Investment Management USA Inc., Pioneer Global Asset Management S.p.A. ("PGAM"), at the time controlled by UniCredit S.p.A. and incorporated by the latter in 2017, and the parent company UniCredit S.p.A. (the "Defendants") were named as additional defendants by virtue of their corporate affiliation with VCA, including in legal proceedings brought by a former employee of the State of New Mexico (the "Public Authority"), who claimed to act as representative of the Public Authority for the losses suffered by the State of New Mexico during the 2006-08 market downturn on investments managed by VCA (mainly CDOs). The total amount of losses claimed in those proceedings is approximately \$365 million. In 2012, the Defendants reached a settlement agreement for an amount of \$24.25 million and the settlement amount was deposited into escrow at the beginning of 2013. The settlement is contingent on the Court's approval, but that process was temporarily delayed pending the determination by the New Mexico Supreme Court of a legal matter in a separate lawsuit brought against a different set of defendants in other proceedings. The New Mexico Supreme Court issued its ruling on the awaited legal matter in June 2015 and in December 2015 the Defendants and the State of New Mexico renewed their request for Court approval of the settlement. The Court held a hearing in April 2016 and in June 2017 approved the settlement and directed that the claims against VCA and the Defendants be dismissed. A judgment to that effect was entered in September 2017 and a motion by the former State employee seeking to set aside that judgment was denied by the Court in October 2017. Appeals from the judgment and the subsequent order were taken in October and November 2017 and in June 2020, the New Mexico Court of Appeals affirmed that judgment. A motion for rehearing was subsequently denied. The settlement cannot be effectuated while the appeal remains pending and the objecting former employee has until 30 July 2020 to seek review from the New Mexico Supreme Court. If the judgment continues to be upheld on appeal, the escrowed amount will be paid over to the State of New Mexico and the Defendants, including UniCredit S.p.A., will all be released from all the claims that were or could have been brought by or on behalf of the State or any of its agencies or funds.

Alpine Holding GmbH

Legal proceedings against UCB Austria arose from bondholders' claims commenced in June/July 2013. The claims stemmed from the insolvency of Alpine Holding GmbH, as UCB Austria acted as joint lead manager, together with another bank, for the undertaking of Alpine Holding GmbH bond issues in 2010 and 2011.

Bondholders' claims are mainly referred to prospectus liability of the joint lead manager, whereas a minority of the cases is based on mis-selling due to allegedly unlawful investment advice. The damage claims amount to €20.26 million. These proceedings are mainly pending in the first instance and may be adverse to UCB Austria.

Most recently, the expert appointed by the Court in the majority of the civil proceedings has issued a report largely in favour of UCB Austria and the other issuing banks. Investors have a different reading of the report and have requested that the expert answers supplementary questions. Therefore, the final outcome of the expert report cannot be assessed as of yet.

In addition to the ongoing proceedings against UCB Austria stemming from the Alpine insolvency, additional Alpine-related actions have been threatened and may be filed in the future. The pending or future actions may have negative consequences for UCB Austria. Despite the favourable expert opinion mentioned above, it is not, at the moment, possible to estimate reliably the timing and results of the various actions, nor determine the level of liability, if any.

Valauret S.A.

Civil claim filed in 2004 by Valauret S.A. and Hughes de Lasteyrie du Saillant for losses resulting from the drop in the share price, between 2002 and 2003, including allegations on alleged fraudulent actions by members of the company's Board of directors and others. UCB Austria (as successor to Creditanstalt) was joined as the fourteenth defendant in 2007 based on the fact that it was banker to one of the defendants. The total claimed amount is equal to €129.86 million (plus costs €4.39 million). Furthermore, in 2006, before the action was extended to UCB Austria, the civil proceedings were suspended following the opening of criminal proceedings by the French State that are underway. In December 2008, the civil proceedings were also suspended against UCB Austria. Nevertheless, the proceedings are still pending and may be adverse to UCB Austria, although the alleged claims are considered unfounded.

Divania S.r.l.

In 2007, Divania S.r.l. (now in bankruptcy) ("Divania") filed a lawsuit in the Court of Bari against UniCredit Banca d'Impresa S.p.A. (then UniCredit Corporate Banking S.p.A. and now UniCredit S.p.A.) alleging violations of law relating, inter alia, to financial products in relation to certain rate and currency derivative transactions entered into between January 2000 and May 2005 first by Credito Italiano S.p.A. and subsequently by UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.), demanding damages in the amount of €276.6 million, legal fees and interest. Divania also seeks the nullification of a 2005 settlement reached by the parties in which Divania had agreed to waive any claims in respect of the transactions. In 2017, the Court of Bari ordered the parent company UniCredit S.p.A. to pay approximately €7.6 million plus interests and part of the expenses in favour of Divania's bankruptcy trustee and found that it did not have jurisdiction to rule on certain of Divania's claims. The parent company UniCredit S.p.A. appealed.

Divania filed two additional lawsuits before the Court of Bari: (i) one for €68.9 million in 2009 (subsequently increased to €80.5 million), essentially mirroring the claims brought in its lawsuit filed in 2007; and (ii) a second one for €1.6 million in 2006. With respect to the first lawsuit, in May 2016, the Court of Bari ordered the parent company UniCredit S.p.A. to pay approximately €12.6 million plus costs. The parent company UniCredit S.p.A. appealed. With respect to the second lawsuit, in 2015, the Court of Bari rejected Divania's original claim and the judgment has res judicata effect.

I Viaggi del Ventaglio Group (IVV)

In 2011, IVV DE MEXICO S.A., TONLE S.A. and the bankruptcy trustee of IVV INTERNATIONAL S.A. filed a lawsuit against the parent company UniCredit S.p.A. in the Court of Milan demanding approximately €68 million in damages. In 2014, the bankruptcy trustees of IVV Holding S.r.l. and IVV S.p.A. filed two additional lawsuits against the parent company UniCredit S.p.A. in the Court of Milan demanding €48 million and €170 million, respectively, in damages. In October 2019, the bankruptcy trustee of I Viaggi del Ventaglio Resorts Ventaglio Real Estate S.r.l. filed an additional lawsuit in the Court of Milan against the parent company UniCredit S.p.A. demanding a total of €12.8 million in damages.

The four lawsuits pertain to allegedly unlawful conduct with regard to certain loans and certain derivative transactions. At present, (i) the parent company UniCredit S.p.A. won the first case both in the first-instance and on appeal; (ii) the Bankruptcy Trustee and the parent company UniCredit S.p.A. reached a settlement agreement

approved by the Court for the second case; (iii) the third case is pending in the first-instance; and (iv) the fourth case is in the initial stages.

Lawsuit brought by “Paolo Bolici”

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

On 31 July 2020, Mr. Bolici’s business partner sued the parent company UniCredit S.p.A., seeking damages based on analogous facts to those alleged in the 2014 proceedings.

Mazza

In 2005 the parent company UniCredit S.p.A. filed a criminal complaint against a Notary, Mr. Mazza, representatives of certain companies and disloyal employees of the parent company UniCredit S.p.A. in relation to unlawful lending transactions in favour of certain clients for approximately €84 million. The criminal court of first-instance acquitted the defendants. This decision was reversed by the Court of Appeal of Rome, which found all the defendants guilty.

Following the acquittal in the first-instance criminal proceedings, Mr. Mazza and other persons involved in the criminal proceedings filed two lawsuits for compensation claims against the parent company UniCredit S.p.A.: (i) the first (commenced by Mr. Mazza with a claimed amount of approximately €15 million) is pending before the Court of Rome; (ii) the second (commenced by Como S.r.l. and Mr. Colella with a claimed amount of approximately €379 million) is also pending before the Court of Rome. In the view of the parent company UniCredit S.p.A., these lawsuits currently appear to be unfounded, in particular in light of the criminal judgment by the Court of Appeal of Rome.

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

As part of a restructuring, in 2014, Ludoil Energy S.r.l. (“Ludoil”) acquired the “oil” business from Nuova Compagnia di Partecipazione S.p.A. (“NCP”). In March 2016, So.De.Co., a wholly owned subsidiary of Ludoil, filed a lawsuit in the Court of Rome against its former directors, NCP, the parent company UniCredit S.p.A. (in its capacity as holding company of NCP) and the external auditors (PricewaterhouseCoopers S.p.A. and Deloitte & Touche S.p.A.) claiming damages of approximately €94 million for allegedly failing to provision properly for supposed environmental risks and thereby causing the inflation of the sale price paid by Ludoil. In November 2019, the Court rejected So.De.Co.’s claims in their entirety and ordered it to pay costs in favour of the defendants. So.De.Co. appealed the judgment and reduced its claim to approximately €17 million. In November 2017, So.De.Co. filed a separate lawsuit against NCP and its former directors. The case is ongoing. In February 2019, NCP commenced an arbitral proceeding against Ludoil (So.De.Co.’s sole shareholder). The proceedings are ongoing.

Criminal proceedings

Certain entities within UniCredit group and certain of its representatives (including those no longer in office), are involved in various criminal proceedings and/or, as far as the parent company UniCredit S.p.A. is aware, are under investigation by the competent authorities with regard to various cases linked to banking transactions, including, specifically, in Italy, the offence pursuant to Art.644 (usury) of the Italian Criminal Code.

At present, these criminal proceedings have had no significant negative impact on the operating results and capital and financial position of the parent company UniCredit S.p.A. and/or the Group, however there is a risk that, if the parent company UniCredit S.p.A. and/or other UniCredit group entities or their representatives (including those no longer in office) were to be convicted, these events could have an impact on the reputation of the parent company UniCredit S.p.A. and/or UniCredit group.

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

Labour-related Litigation

The Companies are involved in employment law disputes and, as the date of this Registration Document, there are pending disputes brought against it. In general, provisions have been made, judged by the Parent Company and, time to time, by all the interested Subsidiaries as adequate in order to cover any potential and connected disbursement. On this matter we report lawsuits brought against UniCredit S.p.A. by members of the former Cassa di Risparmio di Roma Fund aimed to reconstitute the patrimony of the fund, ascertain and quantify social security individual position of each member. Claims' value is about € 384 million. The litigations are now pending before the Supreme Court after two degrees decisions favorable to the Bank. No provision has been made as these claims are considered groundless.

Diamond offer

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

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

As at 30 June 2020, UniCredit:

- received reimbursement requests for a total amount of about €398 million (cost originally incurred by the Clients) from No.11,741 Customers; according to a preliminary analysis, such requests fulfill the requirements envisaged by the "customer care" initiative; the finalisation of the reimbursement requests is currently carried out, aimed at assessing their effective compliance with the "customer care" initiative, and then proceed with the settlement where conditions recur;
- with reference to the scope outlined in the previous point (about €398 million), reimbursed No.7,038 customers for about €263 million (equivalent value of original purchases), equal to about 66% of the reimbursement requests said above.

In order to cope with the probable risks of loss related to the repurchases of diamonds, a dedicated Risk and Charges Fund was set up; its quantification was also based on the outcome of an independent study (commissioned to a primary third company) aiming at evaluating the diamonds' value. Finally, the gems purchased are recognised for about €67 million in item "130. Other assets" of the balance sheet.

On 19 February 2019, the judge in charge of the preliminary investigation at the Court of Milan issued an interim seizure directed to UniCredit and other financial institutions aimed at: (i) direct confiscation of the amount of €33 million against UniCredit for the offence of aggravated fraud and (ii) indirect as well as direct confiscation of the amount of €72 thousand for the offence of self-laundering against UniCredit. From the seizure order it emerges that investigations for the administrative offence under Art.25-octies of Legislative Decree No.231/2001 are pending against UniCredit for the crime of self-laundering. On 2 October 2019, the Bank and certain individuals received the notice of conclusion of the investigations pursuant to Article 415-bis of the Italian Code of criminal procedure. The notice confirmed the involvement of certain current and former employees for the offence of aggravated fraud and self-laundering. With regard to the latter, self-laundering serves as a predicate crime for the administrative liability of the Bank under Legislative Decree No.231/2001. In September 2020, a new notice pursuant to Article 415-bis of the Italian code of criminal procedure was served on certain individuals already involved in the proceedings. The allegations against the UniCredit individuals

only pertain to the offence of fraud. Such new allegations do not modify the overall investigative framework as per the notice served in the autumn of 2019. Following the notification of the notices pursuant to Art. 415-bis, if the Public Prosecutor determines to request the indictment for all or part of the subjects involved, the preliminary hearing phase will take place.

Proceedings related to Tax matters

Pending cases arising during the period

In the first half of 2020 no new cases of significant amount were born.

Updates on pending disputes and tax audits

With reference to the first half of 2020, the following information is reported:

- with respect to the registration tax allegedly due for the registration of the rulings that had settled a number of opposition proceedings regarding the liability status of the companies of the “Costanzo Group”, the Tax Authorities have filed a claim with the Italian Supreme Court against a second degree decision, completely favourable to the bank, relating to a notice of assessment bearing a total amount of €6.3 million, subsequently reduced by the Tax Authorities to €0.43 million. The bank filed a counterclaim with the Supreme Court;
- with reference to the litigation arising from the payment requests of the higher IRAP due in connection to the higher tax rates provided for by the Regions Veneto and Toscana, the Italian Supreme Court, with the decision no. 1476/2020, issued for a payment request notified for 2006 to the merged company UniCredit Corporate Banking S.p.A., definitively stated applicable an increase of 0.5% in the tax rate (instead of 1%), and stated that penalties are not applicable. The total value of the litigation, equal to €0.11 million, reduced to €0.08 million. Moreover, the Tax Authorities of Bologna canceled a payment request of €0.15 million served to the merged company UniCredit Banca S.p.A. for IRAP 2006;
- the second degree Tax Court of the Region Liguria, with three decisions, judged in favour of the bank for the refund of IRPEG 2000 e 2001 and IRAP 2001 credits, for a total amount of €9.3 million. The legal term for the filing of claims with the Supreme Court is pending.

With regard to the previous year, reference is made to the information that has been disclosed in the consolidated financial statements of UniCredit as at 31 December 2019.

As at 31 December 2019, the provisions for tax risks amounted to €177.9 million, of which €6.5 million for legal expenses. As at June 30, 2020, the provision for tax risks, referred to tax litigation, tax audit and tax credits, amounts to about €182.1 million, of which €6.5 million for legal expenses.

Proceedings connected with Supervisory Authority Measures

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

In this regard it should be noted that on 5 February 2020, the Italian Personal Data Protection Authority notified UniCredit S.p.A. of the start of sanctioning proceedings regarding a violation of customers' personal data following a Cyber-attack (data breach) occurred in October 2018, communicated through its Group website on 22 October 2018. As required by the “Italian personal data protection Code” (Art. 166, c. 6 of Legislative Decree 196/03) the Bank has presented its statement of defence on the matter and explained its argument during the hearing with the Authority. It is currently not possible to define the timeline and outcome of the proceedings.

11.5 Significant change in the Issuer's financial position

The current market environment is characterized by uncertainties also on the financial markets due to the Covid-19 crisis, the impact of which on the profitability of the Group, in particular in terms of operating income and cost of risk, cannot yet be finally assessed as at the date of this Registration Document. Except for the possible impact of the Covid-19 crisis indicated above, there has been no significant change in the financial position of the Group which has occurred since 30 September 2020.

Section XII – Additional information

12.1 Share capital

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

12.2 Memorandum and articles of association

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

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

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

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

Section XIII – Material contracts

13.1 Except for the ordinary course of business, UniCredit has not entered into any material contract which could result in any group member being under an obligation or an entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued.

Section XIV - Documents available

14.1 Starting from the approval, and during the term of this Registration Document, copies of the following documents can be inspected during normal business hours at the registered office of the Issuer and, except for the memorandum, are available also in electronic format on the website of the Issuer www.unicreditgroup.eu:

- the Memorandum (with an English translation where applicable) of the Issuer;
- the Article of associations (with an English translation where applicable) of the Issuer;
- a copy of this Registration Document and any supplement to the Registration Document, available also at the following website: <https://www.investimenti.unicredit.it/it/info/documentazione.html#programmi-di-emissione-unicredit-spa>;
- the documents incorporated by reference (with an English translation thereof).

The updated Issuer's corporate information occurred after the date of approval of this Registration Document will be available from time to time on the Issuer's website.

Potential investors are invited to read the documentation available to the public and the documentation included by reference in this Registration Document in order to obtain more information about the economic-financial conditions and the activity of the Issuer and the Group.