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

4th Supplement dated 20 November 2020

(the "**Supplement**")

to the Registration Document dated 20 January 2020 of

UniCredit S.p.A.

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

(the "**Registration Document**")

This Supplement must be read in conjunction with any information already supplemented by the 1st Supplement, dated 30 April 2020, the 2nd Supplement, dated 20 May 2020, and the 3rd Supplement, dated 11 August 2020, to the Registration Document in accordance with Article 12(1) of the Prospectus Regulation.

The Registration Document, as approved by the CSSF and as supplemented, is a constituent part of the following prospectuses:

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

- the Base Prospectus for the issuance of Single Underlying and Multi Underlying Securities (with partial capital protection) dated 24 February 2020 of UniCredit S.p.A.,

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

Any reference to the Registration Document are to be read as references to the Registration Document as supplemented.

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

Investors who have already agreed to purchase or subscribe for securities before the Supplement is published shall have the right, exercisable within two working days after the publication of the Supplement, to withdraw their acceptances (Article 23, paragraph 2, of the Prospectus Regulation). Investors may therefore exercise the right of withdrawal up until 24 November 2020, contacting the relevant distributors as specified in the relevant final terms.

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

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

Purpose of the Supplement

This Supplement serves as update to the Registration Document in connection with the publication of the unaudited consolidated interim report as at 30 September 2020 - Press Release of UniCredit S.p.A..

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

(A) the following sections of the Registration Document:

a. "RISK FACTORS";

b. "INFORMATION ABOUT THE ISSUER";

c. "TREND INFORMATION";

d. "ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES"

e. "MAJOR SHAREHOLDERS";

f. "FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES";

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

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1 Changes to the Registration Document

1.1 SECTION I -RISK FACTORS

The "*Section I -Risk Factors*", on page 3 et seq. of the Registration Document, shall be amended as follows:

1.1.1. In subsection "*Risks related to the financial situation of the Issuer and of the Group*", the Risk Factor headed "*Risks associated with the impact of current macroeconomic uncertainties and the effects of the COVID-19 pandemic outbreak*" before the Risk Factor headed "*Risks connected with the Strategic Plan 2020-2023*" on pages 3 - 4 of the Registration Document, shall be deleted and replaced as follows:

"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. However it should be noted an improvement in commercial performance of the Group in the latter stages of the second quarter 2020, as most of its key markets emerged from lockdowns, proceeded in the third quarter with positive impact on Group revenues.

Following the widespread lockdown, the Group realized additional Loan Loss Provisions totalled Euro 741 m in 3Q20 (-21.0 per cent Q/Q) of which Euro 431 m were specific LLPs reflecting continued moratoria in Italy (SME loans having been extended into January next year) and beginning of expirations of moratoria in CEE and Euro 305 m were overlays on LLP increasing the forward-looking coverage to reflect Covid-19 economic impact on the portfolio, while regulatory headwinds were Euro 4 m in the quarter.

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

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, even if down 7.4 per cent Y/Y.

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 profit[1] was Euro 692 m in 3Q20, up 31.1 per cent quarter on quarter, or Euro 1,060 m in 9M20.

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

[1] Underlying net profit normalised 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 3Q 20).

impacted, analyses that will be finalized over the next months. Therefore, an update of the Team 23 strategic plan reflecting current conditions will be presented during the Capital Markets Day, to be held during first half of 2021.

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.

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, even if down 7.4 per cent Y/Y. 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 profit 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; (ii) fees and commission (Euro 1.5 bn) were up 6.4 per cent Q/Q driven by client activity.

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 totalled Euro 741 m in 3Q20 (-21.0 per cent Q/Q) of which Euro 431 m were specific LLPs reflecting continued moratoria in Italy (SME loans having been extended into January next year) and beginning of expirations of moratoria in CEE and Euro 305 m were overlays on LLP increasing the forward-looking coverage to reflect Covid-19 economic impact on the portfolio, while regulatory headwinds were Euro 4 m in the quarter.

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.

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 finalised over the next months. Therefore, an update of the Team 23 strategic plan reflecting current conditions will be presented during the Capital Markets Day, to be held in first half 2021. For further information on the risks associated with the Strategic Plan, see Risk 1.1.2 "*Risks connected with the Strategic Plan 2020 – 2023*".

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. This, in turn, has made access to these markets increasingly complex, with a consequent rise in credit spreads and the cost of funding, and impacted the values the Group can realize from sales of financial assets.

The 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) the U.S.-driven trend toward protectionism; (ii) Brexit related uncertainties; (iii) future developments in the European Central Bank (the **ECB**) and Federal Reserve (**FED**) monetary policies; and (iv) 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. In subsection "*Risks related to the financial situation of the Issuer and of the Group*", the Risk Factor headed "*Risks connected with the Strategic Plan 2020 – 2023*", on pages 3 - 4 of the Registration Document, shall be deleted and replaced as follows:

"*1.1.2. <u>Risks connected with the Strategic Plan 2020 – 2023</u>*

*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 a 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) and 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 continued moratoria in Italy (SME loans having been extended into January next year) and beginning of expirations of moratoria in CEE and Euro 305 m were overlays on LLP increasing the forward-looking coverage to reflect Covid-19 economic impact on the portfolio, while regulatory headwinds were Euro 4 m in the quarter. 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.

In light of the CoR reviewed estimates, 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 finalised 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.

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 Internal 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 (subject to ECB 4Q20 final recommendation on European banks distribution) 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 (subject to the ECB final recommendation on European banks capital distribution, expected in 4Q20).

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. In subsection "*Risks related to the financial situation of the Issuer and of the Group*", the Risk Factor headed "*Credit risk and risk of credit quality deterioration*", on pages 4 - 5 of the Registration Document, shall be deleted and replaced as follows:

"*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 totalled Euro 741 m in 3Q20 (-21.0 per cent Q/Q) of which Euro 431 m were specific LLPs reflecting continued moratoria in Italy (SME loans having been extended into January next year) and beginning of expirations of moratoria in CEE and Euro 305 m were overlays on LLP increasing the forward-looking coverage to reflect Covid-19 economic impact on the portfolio, while regulatory headwinds were Euro 4 m in the quarter.
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 into 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 forborne 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)** totalled Euro 741 million in 3Q20 (-21.0 per cent Q/Q) of which Euro 431 million were specific LLPs reflecting continued moratoria in Italy (SME loans having been extended into January next year) and beginning of expirations of moratoria in CEE and Euro 305 million were overlays on LLPs increasing the forward-looking coverage to reflect Covid-19 economic impact on the portfolio, while regulatory headwinds were Euro 4 m in the quarter. 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. In subsection "*Risks related to the financial situation of the Issuer and of the Group*", the Risk Factor headed "*Risks associated with the Group's exposure to sovereign debt*", on pages 5 - 6 of the Registration Document, shall be deleted and replaced as follows:

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

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. In subsection "*Risks connected with the legal and regulatory framework*", the Risk Factor headed "*Basel III and Bank Capital Adequacy*", on pages 13 - 14 of the Registration Document, shall be deleted and replaced as follows:

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

*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 CRRII and CRDV). 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.

<u>Capital Adequacy requirements</u>

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%[2].

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, 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%.

[2] 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).

As of 31 December 2019, the consolidated capital ratios (CETI Capital, Tier 1 and Total Capital ratios) were equal to, respectively, 13.22 per cent., 14.90 per cent. and 17.69 per cent. As of 30 September 2020, the consolidated capital ratios (CETI 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 (this buffer benefits of the reduction of the P2R to be covered with CET1 Capital to 98bps, instead of 175bps as originally set). It should be noted that form 30 June 2020 the Group as adopted the so called transitional phase-in regarding the application of the IFRS9 accounting principle, that implies a difference between the CET1 ratio Transitional (reported above) relevant for the respect of capital requirements and the CET1 ratio Fully Loaded. As of 30 September the CET1r 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) 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 Jun 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."

1.2 SECTION IV - INFORMATION ABOUT THE ISSUER

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

1.2.1 The subsection "History and development of the Issuer", on page 20 of the Registration Document, shall be amended as follows, so that the following paragraphs set out below shall replace the corresponding paragraphs currently included in the Registration Document and the paragraphs not set out below shall remain unchanged:

"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 outs[3] 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 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[4].

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3 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.

4 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

[…]"

1.2.2 The subsection "The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer", on page 24 of the Registration Document, shall be amended as follows, so that the following paragraphs set out below shall replace the corresponding paragraphs currently included in the Registration Document and the paragraphs not set out below shall remain unchanged:

"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

[…]

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 CRRII and CRDV). 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

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.

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 forborne 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 **CRRII**).

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 in 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, untl 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.

[…]"

1.2.3 In subsection "Credit ratings", on pages 24-25 of the Registration Document, the table of the ratings shall be replaced as follows:

" 4.1.6 Credit ratings

[…]

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)	29 September 2020

[…]

"

1.3 SECTION VII - TREND INFORMATION

The "*Section VII - Trend Information*", on page 34 of the Registration Document, shall be amended as follows:

1.3.1 The subsection "Material adverse change in the prospects of the Issuer since the date of its last published audited financial statements", on page 34 of the Registration Document, shall be deleted in its entirety and replaced as follows:

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

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."

1.4 SECTION IX - ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

The "*Section IX - Administrative, management, and supervisory bodies*", on page 36 et seq. of the Registration Document, shall be amended as follows:

1.4.1 The subsection "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", on page 36 et seq. of the Registration Document, shall be deleted in its entirety and replaced as follows:

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

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

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

Name	**Position**
Cesare Bisoni[1]	Chairman
Lamberto Andreotti[1-2]	Deputy Vice Chairman
Jean Pierre Mustier	Chief Executive Officer*
Mohamed Hamad Al Mehairi[1-2]	Director
Sergio Balbinot[l]	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.

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

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

Cesare Bisoni

- Member of Board of Directors and of the Executive Committee, 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 Fundation
- 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 Ecomomy, LUISS University

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

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

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

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

Name	**Position**
Marco Rigotti	Chairman
Angelo Rocco Bonissoni	Statutory Auditor

Benedetta Navarra	Statutory Auditor
Guido Paolucci	Statutory Auditor
Antonella Bientinesi	Statutory Auditor

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

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

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

Marco Rigotti

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

Angelo Rocco Bonissoni

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

Benedetta Navarra

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

Guido Paolucci

- Chairman of the Board of Statutory Auditors of Ecofuel S.p.A.
- Chairman of the Board of Statutory Auditors of Raffineria di Gela S.p.A.
- Chairman of the Board of Statutory Auditors of Telecom Italia San Marino S.p.A.

- Chairman of the Board of Statutory Auditors of Telefonia Mobile Sammarinese S.p.A.
- Statutory Auditor of Olivetti S.p.A.
- Statutory Auditor of Nuova Compagnia di Partecipazioni S.p.A.
- Statutory Auditor of Consorzio CONOU
- Statutory Auditor of Società Gemelli Molise S.p.A.
- 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"

1.5 SECTION X - MAJOR SHAREHOLDERS

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

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

"10.1 Information related to the shareholder structured of the Issuer

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

As at 8 June 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
Delfin S.a.r.l.	43,056,324	1.925
Fondazione Cassa di Risparmio di Ve-Vi-Bl 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 8 June 2020

(2) discretional 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. 21525 of 7 October 2020, CONSOB extended until 13 January 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."

1.6 SECTION XI - FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

The "*Section XI - Financial Information concerning the Issuer's assets and liabilities, financial position and profits and losses*", on page 45 et seq. of the Registration Document, shall be amended as follows:

1.6.1 The subsection "*Interim and other financial information*", on page 46 et seq. of the Registration Document, shall be amended as follows:

"11.2 Interim and other financial information

[…]

The consolidated interim reports as at 30 September 2020 is incorporated by reference in this Registration Document and 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 .

Detailed are provided below.

Document	**Information contained**	**Page**
Issuer's 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	29
	Significant events during and after the period	19

The consolidated interim reports are available to the public on the Issuer's website www.unicreditgroup.eu.

For the avoidance of doubt, such parts of the consolidated interim reports as at 30 September 2020, which are not explicitly listed in the tables above, are not incorporated by reference into this Registration Document as these parts are either not relevant for the investor or covered elsewhere in this Registration Document.

[...]"

1.6.2 The subsection "Legal and arbitration proceedings", on page 48 et seq. of the Registration Document, shall be amended as follows, so that the following paragraphs set out below

shall replace the corresponding paragraphs currently included in the Registration Document and the paragraphs not set out below shall remain unchanged:

"11.4 Legal and arbitration proceedings

[…]

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.

[…]

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.

1.6.3 The subsection "*Significant change in the Issuer's financial position*", on page 61 et seq. of the Registration Document, shall be deleted in its entirety and replaced as follows:

"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."

2 Update of the Appendix 1 of the Registration Document

2.1 "APPENDIX 1 - INFORMATION FOR THE PURPOSES OF ART. 26 (4) OF THE REGULATION (EU) 2017/1129" on page 65 et seq. of the Registration Document shall be deleted and replaced as follows:

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

Key information on the Issuer

Who is the Issuer of the securities?

Domicile and legal form of the Issuer
UniCredit is a joint-stock company established in Italy under Italian law, with its registered, head office and principal centre of business, effective as of 12 December 2017, at Piazza Gae Aulenti, 3 Tower A, 20154 Milan, Italy. UniCredit's Legal Entity Identifier (LEI) code is 549300TRUWO2CD2G5692.

Principal activities of the Issuer
UniCredit 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. The purpose of UniCredit 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, UniCredit may engage in any activity that is instrumental or in any case related to the above.

Major shareholders of the Issuer
No individual or entity controls UniCredit within the meaning provided for in Article 93 of Legislative Decree No. 58 of 24 February 1998 (the **Financial Services Act**) as amended. As at 8 June 2020, according to available information, the main shareholders holding, directly or indirectly, a relevant participation in UniCredit were: BlackRock Group (Ordinary Shares: 113,550,196; 5.075% owned); Capital Research and Management Company (Ordinary Shares: 112,363,870; 5.022% owned) , of which on behalf of EuroPacific Growth Fund (Ordinary Shares: 78,373,584; 3.503% owned); Norges Bank (Ordinary Shares: 67,366,057; 3.011% owned); Delfin S.a.r.l. (Ordinary Shares: 43,056,324; 1.925% owned); Fondazione Cassa di Risparmio di Ve-Vi-Bl e An (Ordinary Share: 40,097,626; 1.792% owned); Fondazione Cassa di Risparmio di Torino (Ordinary Shares: 36,757,449; 1.643% owned); Allianz SE Group (Ordinary Shares: 25,273,986; 1.130% owned).

Identity of the key managing directors of the Issuer
The key managing director of the Issuer is Jean-Pierre Mustier (Chief Executive Officer).

Identity of the auditors of the Issuer
The external auditors of the Issuer are Deloitte & Touche S.p.A. (**Deloitte**). Deloitte is a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan under number 03049560166 and registered with the Register of Statutory Auditors *(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

What is the key financial information regarding the Issuer?

UniCredit derived the selected consolidated financial information included in the table below for the years ended 31 December 2019 and 2018 from the audited consolidated financial statements for the financial year ended 31 December 2019 and 2018. The selected consolidated financial information included in the table below for the nine months ended 30 September 2020 and 30 September 2019, was derived from the unaudited consolidated interim financial report ended 30 September 2020 and 2019. The figures below for the items of income statement and balance sheet refer to the reclassified schemes.

Income statement						
	As for the year ended			As for the nine months ended		
EUR millions, except where indicated	31.12.19 (*)	31.12.18 (**)	31.12.18 (***)	30.09.20 (****)	30.09.19 (*****)	30.09.19 (******)
	audited			*unaudited*		
Net interest income (or equivalent)	10,203	10,570	10,856	7,190	7,564	7,688
Net fee and commission income	6,304	6,328	6,756	4,470	4,675	4,675
Net impairment loss on financial assets [*identified in the reclassified consolidated accounts as "Net*	(3,382)	(2,614)	(2,619)	(2,938)	(1,738)	(1,738)

write-downs on loans and provisions for guarantees and commitments"]						
Net trading income	1,538	1,279	1,245	985	1,197	1,073
Measure of financial performance used by the Issuer in the financial statements such as operating profit	8,910	8,658	9,025	5,555	6,584	6,567
Net profit or loss (for consolidated financial statements net profit or loss attributable to equity holders of the parent)	3,373	4,107	3,892	(1,606)	4,208	4,342

Balance sheet

	As for the year ended			As for the nine months ended			Value as outcome from the Supervisory Review and Evaluation Process ('SREP' 31.12.2019)
EUR millions, except where indicated	31.12.19 (*)	31.12.18 (**)	31.12.18 (***)	30.09.20 (****)	30.09.19 (*****)	30.09.19 (******)	
	audited			*unaudited*			
Total assets	855,647	832,172	831,469	903,353	863,544	863,048	not applicable
Senior debt	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable
Subordinated debt (*******)	12,789	10,433	10,433	not applicable	not applicable	not applicable	not applicable
Loans and receivables from customers (net) [*identified in the reclassified consolidated accounts as "Loans to customers*"]	482,574	471,839	471,839	466,776	480,997	480,997	not applicable
Deposits from customers	470,570	478,988	478,988	474,790	455,473	455,473	not applicable
Group Shareholders' Equity	61,416	56,389	55,841	60,645	60,454	60,038	not applicable
Non performing loans	8,792	14,900	14,903	8,792	not applicable	11,225	not applicable
Common Equity Tier 1 capital (CET1) ratio or other relevant prudential capital adequacy ratio depending on the issuance (%)	13.22%	not applicable	12.13%	15.15%	not applicable	12.60%	9.03%(1)
Total Capital Ratio	17.69%	not applicable	15.80%	19.86%	not applicable	17.11%	13.29%(1)
Leverage Ratio calculated under applicable regulatory framework (%)	5.51%	not applicable	5.06%	5.67%	not applicable	5.29%	not applicable

(*)	The financial information relating to the financial year ended 31 December 2019 has been extracted from UniCredit's audited consolidated financial statements as of and for the year ended 31 December 2019, which have been audited by Deloitte & Touche S.p.A., UniCredit's external auditors.
(**)	The comparative figure as at 31 December 2018 in this column have been restated. The amount related to year 2018 differ from the ones published in the "2018 Consolidated Reports and Accounts".
(***)	As published in the "2018 Consolidated Reports and Accounts".
(****)	The financial information relating to 30 September 2020 has been extracted from UniCredit's unaudited Consolidated Interim Report as at 30 September 2020 – Press Release.
(*****)	In 2020 Reclassified income statement, comparative figures as at 30 September 2019 have been restated.
(******)	As published in UniCredit's unaudited Consolidated Interim Report as at 30 September 2019 - Press Release.
(*******)	Amounts do not refer to reclassified schemes. They are extracted from the statutory financial statements - Notes to Consolidated Accounts.
(1)	As in 2019 SREP decision, amended by the ECB Decision regarding the composition of the Pillar 2 additional own funds requirement ("P2R"), and updated with the latest countercyclical capital buffer requirements.

What are the key risks that are specific to the Issuer?

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. However it should be noted an improvement in commercial performance of the Group in the latter stages of the second quarter 2020, as most of its key markets emerged from lockdowns, proceeded in the third quarter with positive impact on Group revenues.

Following the widespread lockdown, the Group realized additional Loan Loss Provisions totalled Euro 741 m in 3Q20 (-21.0 per cent Q/Q) of which Euro 431 m were specific LLPs reflecting continued moratoria in Italy (SME loans having been extended into January next year) and beginning of expirations of moratoria in CEE and Euro 305 m were overlays on LLP increasing the forward-looking coverage to reflect Covid-19 economic impact on the portfolio, while regulatory headwinds were Euro 4 m in the quarter.

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

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, even if down 7.4 per cent Y/Y.

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 profit (underlying net profit normalised 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 3Q 20)) was Euro 692 m in 3Q20, up 31.1 per cent quarter on quarter, or Euro 1,060 m in 9M20.

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. Therefore, an update of the Team 23 strategic plan reflecting current conditions will be presented during the Capital Markets Day, to be held during first half of 2021.

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 a 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.

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 totalled Euro 741 m in 3Q20 (-21.0 per cent Q/Q) of which Euro 431 m were specific LLPs reflecting continued moratoria in Italy (SME loans having been extended into January next year) and beginning of expirations of moratoria in CEE and Euro 305 m were overlays on LLP increasing the forward-looking coverage to reflect Covid-19 economic impact on the portfolio, while regulatory headwinds were Euro 4 m in the quarter.
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 into 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.

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 148% in June 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.

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.

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