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in the event of significant new factors, material mistakes or material inaccuracies when this Registration Document is no longer valid.

UNICREDIT S.p.A.

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

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

20 January 2020

Contents

Section I - Risk Factors

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

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

1.1.1. Risks connected with the Strategic Plan 2020 - 2023

On December 3rd 2019, following the completion of the 2016-2019 Strategic Plan, UniCredit presented to the capital markets in London the new 2020-2023 Strategic Plan called "Team 23" (the "**Strategic Plan**" or "**Plan**" or "**Team 23**"). The Strategic Plan contains a number of strategic, capital and financial objectives (collectively, the "**Strategic Objectives**") based on four pillars. Specifically:

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

UniCredit ability to meet the new Strategic Objectives depends on a number of assumptions and circumstances, some of which are outside UniCredit's control including those relating to developments in the macroeconomic and political environments in which our Group operates, developments in applicable laws and regulations and assumptions related to the effects of specific actions or future events which we can partially forecast/ manage.

Assumptions by their nature are inherently subjective and the assumptions underlying the Strategic Plan could turn out to be inaccurate, in whole or in part, which may mean that we are not able to fulfil the Strategic Objectives. If this were to occur, our actual results may differ significantly from those set forth in the Strategic Plan, which could have a material adverse effect on our business, results of operations, financial condition or capital position.

For all of these reasons, investors are cautioned against making their investment decisions based exclusively on the forecast data included in the Strategic Objectives. Any failure to implement the Strategic Objectives or meet the Strategic Objectives may have a material adverse effect on UniCredit's business, financial condition or results of operations.

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 troughout the plan (Euribor 3M *end of period* at minus 50 basis points until 2023) and lower GDP growth both in Western Europe and Central Eastern Europe countries.

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:

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

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

1.1.2 *<u>Credit risk and risk of credit quality deterioration</u>*

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

In carrying out its credit activities, the Group is exposed to the risk that an unexpected change in the creditworthiness of a counterparty may generate a corresponding change in the value of the associated credit exposure and give rise to the partial or total write-down thereof. This risk is always inherent in the traditional activity of providing credit, regardless of the form it takes (cash loan or endorsement loan, secured or unsecured, etc.).

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

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

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

As at 30 September 2019 the non performing loans of the Group dropped by €12.0 bn Year on Year (Y/Y) and €5.7 bn Quarter on Quarter (Q/Q). Group gross NPEs were down by 29.5% Y/Y and 16.4% Q/Q to €28.8 bn in 3Q19 with an improved gross NPE ratio of 5.7 per cent (-264 bps Y/Y, -124 bps Q/Q).

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

The Group has adopted procedures, rules and principles aimed at monitoring and managing credit risk at both individual counterparty and portfolio level. However, there is the risk that, despite these credit risk monitoring and management activities, the Group's credit exposure may exceed predetermined levels pursuant to the procedures, rules and principles it has adopted. Therefore, the deterioration of certain particularly important customers' creditworthiness and, more generally, any defaults or repayment irregularities, the launch of bankruptcy proceedings by counterparties, the reduction of the economic value of guarantees received and/or the inability to execute said guarantees successfully and/or in a timely manner, as well as any errors in assessing customers' creditworthiness, could have major negative effects on the activity, operating results and capital and financial position of UniCredit and/or the Group.

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.

In March 2018 the ECB published the Addendum to the Guidance on NPL which sets out supervisory expectations for the provisioning of exposures reclassified from performing to non-performing exposures (NPEs) after 1 April 2018 (the "ECB Addendum"). In addition, the ECB's supervisory expectations for individual banks for the provisioning of the stock of NPLs (before 31 March 2018), as set out in its 2018 SREP letters. In April 2019 the European Commission's amendment to Capital Requirements Regulation (CRR) introduced a minimum loss coverage ratio for new loans becoming NPEs after 26 April 2019 (the "statutory backstop"). On 22 August 2019, the ECB has decided to revise its supervisory expectations for prudential provisioning of new non-performing exposures. The decision was made after taking into account the adoption of the new EU regulation that outlines the Pillar I treatment for NPEs.

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

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

1. NPEs classified before 1 April 2018 (Pillar II - Stock): 2/7 years vintage buckets for unsecured/secured NPEs, subject to supervisory coverage recommendations and phase-in paths as communicated in SREP letters;

2. NPEs originated before 26 April 2018 (Pillar II – ECB Flows): 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100%;

3. NPEs originated on or after 26 April 2018 (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%.

Based on the SREP 2019, the ECB informed UniCredit of its supervisory recommendations in respect of NPE stock coverage. UniCredit estimates that the regulatory dialogue with the ECB on its NPE stock coverage, together with the calendar provisioning on new flow of NPEs, could lead to a relatively moderate impact on the CET1 MDA buffer in the years 2020-2023.

Furthermore, since 2014, the Italian market has seen an increase in the number of disposals of non-performing loans, characterised by sale prices that are lower than the relative book values, with discounts greater than those applied in other European Union countries. In this context, the UniCredit Group has launched a structured activity to reduce the amount of non-performing loans on its books, while simultaneously seeking to maximise its profitability and strengthen its capital structure. Since 2017, UniCredit Group has disposed of loans with a gross book value of approximately € 34 billion. This amount includes the loans disposed of through Project Fino in July 2017 and IFRS 5 positions.

For further information, please see pag 49 of the consolidated financial statements of UniCredit as at 31 December 2018 and of the consolidated interim report of UniCredit as at 30 September 2019 – Press Release.

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

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

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

With reference to the Group's sovereign exposures in debt, the book value of sovereign debts securities as at 30 September 2019 amounted to €108,299 million[1], of which about 88 per cent. was concentrated in eight countries: Italy with €47,848 million, representing over 44 per cent of the total; Spain with €15,309 million; Germany with €12,428 million; Japan with €6,211 million; Austria with €5,844 million; United States of America with €3,759 million; Hungary with €1,997 million and Romania with €1,984 million.

As at 30 September 2019, the remaining 12 per cent of the total sovereign exposures in debt securities, equal to €12,920 million as recorded at the book value, was divided between 34 countries, including: Bulgaria (€1,688 milion), Croatia (€1,538 million), Czech Republic (€1,207 million), Poland (€938 million), France (€916 million), Serbia (€901 million), Portugal (€564 million), Russia (€470 million), Slovakia (€456 million), and Belgium (€379 million). The exposures in sovereign debt securities relating to Greece are immaterial.

As at 30 September 2019, there is no evidence of impairment of the exposures in question.

Note that the aforementioned remainder of the sovereign exposures held as at 30 September 2019 also included debt securities relating to supranational organisations, such as the European Union, the European Financial Stability Facility and the European Stability Mechanism, worth €2,879 million.

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

Total loans to countries to which the total exposure is greater than €130 million, which represented about 92 per cent. of said exposures, as at 30 September 2019 amounts to €20,811 million.

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

For further information, please see pages 20-23 of the UniCredit Consolidated Interim Report as at 30 September 2019 - Press release incorporated by reference herein.

1.1.4 Risks relating to deferred taxes

Deferred tax assets (**DTAs**) and liabilities are recognised in UniCredit's consolidated financial statements according to accounting principle IAS 12. As of 30 June 2019, DTAs amounted in aggregate to €11,924 million, of which €8,286 million may be converted into tax credits pursuant to Law No. 214 of 22 December 2011 (**Law 214/2011**). As of 31 December 2018 DTAs amounted to €12,046 million, of which €8,310 million was available for conversion to tax credits pursuant to Law 214/2011. In relation to Convertible DTAs the fee due for fiscal year 2019 was paid on 28 June 2019 for an amount equal to €114 million.

The remaining DTAs (non-convertible DTAs) are related to costs deductible in the years following their recognition in the financial statements (typically provisions for risks, costs related to net equity increase, etc.), equal to €3,329 million net of compensation with related Deferred Tax Liabilities (DTL) as of 30 June 2019, and to tax losses carried forward, for an amount equal to €309 million. DTAs on tax losses carried forward are mainly referred to the German subsidiary UniCredit Bank AG (€199 million).

As of 30 June 2019, the sustainability test was performed pursuant to IAS 12 in order to verify whether the projected future taxable income is sufficient to absorb the future reversal of DTAs on tax losses and on temporary differences. The test takes into account the amount of taxable income currently foreseeable for future years over a five-year time period and the projection of the DTA conversion pursuant to Law No. 214/2011.

Deferred tax assets and liabilities are recognized in the financial statements on the basis of the international accounting standard IAS 12. If, for whatever reason, significant changes in the current tax legislation may occur, not foreseeable at present, such as the rate change, or the updating of the income statement estimates with the latest available official projections should lead to lower taxable future income than those estimated in the sustainability test, and therefore not sufficient to guarantee the reabsorption of the DTAs in question, negative

[1] Information on Sovereign exposures refers to the scope of the UniCredit Consolidated Interim Report as at 30 September 2019, determined under IAS/IFRS.

and even significant effects on the activities and on the economic, equity and / or financial situation of the Issuer and / or the Group could occur.

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

1.2.1 Liquidity Risk

Liquidity risk refers to the possibility that the UniCredit Group may find itself unable to meet its current and future, anticipated and unforeseen cash payment and delivery obligations without impairing its day-to-day operations or financial position. The activity of the UniCredit Group is subject in particular to funding liquidity risk, market liquidity risk, mismatch risk and contingency risk.

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

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

- the short-term indicator Liquidity Coverage Ratio (LCR), which expresses the ratio between the amount of available assets readily monetizable (cash and the readily liquidable securities held by UniCredit) and the net cash imbalance accumulated over a 30-day stress period; as of 1 January 2018, the indicator is subject to a minimum regulatory requirement of 100 per cent; and

- the 12-month structural liquidity indicator Net Stable Funding Ratio (**NSFR**), which corresponds to the ratio between the available amount of stable funding and the required amount of stable funding. While the LCR is already in force, the NSFR has been introduced as a requirement in the CRRII published in June 2019 and will apply from June 2021.

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

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

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

Furthermore, it should be noted that, 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.

As of 30 September 2019, our total debt with the ECB through TLTRO II was €51.15 billion, with a timetable of maturities between the end of June 2020 and the end of March 2021.

Other than TLTRO II (e.g. one-week refinancing operations), as of 30 September 2019 UniCredit Group did not have any other refinancing operation in place with ECB.

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

Effect from	Maturity	Amounts (Euro -billion)
29 June 2016	24 June 2020	26.6
28 September 2016	30 September 2020	0.110
21 December 2016	16 December 2020	0.050
29 March 2017	24 March 2021	24.390
Total		**51.15**

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.

1.2.2 Risks associated with the impact of current macroeconomic uncertainties

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

The current macroeconomic situation is characterized by high levels of uncertainty, due in part to: (i) the U.S.-driven trend toward protectionism; (ii) the rapid growth of credit in the Chinese economy that could reduce in the coming years; (iii) Brexit related uncertainties; (iv) future developments in the European Central Bank (the **ECB**) and Federal Reserve (**FED**) monetary policies and the policies implemented by various countries, including those aimed at promoting competitive devaluations of their currencies; (v) constant change in the global and European banking sector, which has led to a progressive reduction in the spread between lending and borrowing rates (intensified by the dovish stance of ECB that latest September 12th reduced deposit rate by 10 bps); and (vi) 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.

Material adverse effects on the business and profitability of the Group may also result from further developments of the monetary policies and additional events occurring on an extraordinary basis (such as political instability, terrorism and any other similar event occurring in the countries where the Group operates). Furthermore, the economic and political uncertainty of recent years has also introduced a considerable volatility and uncertainty in the financial markets. This, in turn, has made access to these markets increasingly complex, with a consequent rise in credit spreads and the cost of funding, as well as causing a decline in the values the Group can realize from sales of financial assets.

For further information on the impact of current macroeconomic situation, please see the consolidated financial statements of UniCredit as at 31 December 2018 and the consolidated first half financial report of UniCredit as at 30 June 2019, incorporated by reference herein.

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

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

Italy accounted for 47 per cent. of the UniCredit Group's total revenue in the 3Q2019[2] and is the Group's primary market. As a result, the Group's business is closely connected to the Italian economy and could, therefore, be negatively impacted by any changes in its macroeconomic environment. Economic forecasts and the current political situation generate considerable uncertainty surrounding the future growth of the Italian economy.

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

The UniCredit Group also operates and has a significant presence in Austria and Germany (which accounted for 10 per cent. and 21 per cent., respectively, of the UniCredit Group's total revenue for 3Q2019), as well as in Central and Eastern European countries (**CEE countries**) including, among others, Turkey, Russia, Croatia, the Czech Republic, Bulgaria and Hungary, which accounted for 22 per cent. of the Group's total revenue for 3Q2019. The risks and uncertainties to which the UniCredit Group is exposed are of a different nature and magnitude depending on the country and whether or not the country belongs to the European Union, which is one of the main factors taken into consideration when evaluating these risks and uncertainties.

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

An escalation of trade tensions and a deterioriartion of the macroeconomic environment in the euro area and the US would affect Central and Eastern European countries, in particular the most open economies. The introduction of further sanctions remains a risk for Russia and Turkey. In addition, the economic recovery in Turkey remains vulnerable to global financial conditions.

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

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

The adoption of the principle of self-sufficiency by the Group companies has led, as previously mentioned, to the adoption of very strict policies to reduce the funding gap, not only in Italy, but in all subsidiaries. The combined action of such policies could result in a deterioration, whether real or perceived, in the credit profile

[2] Based on regional view

(particularly in Italy) and could have a significant negative effect on borrowing costs and, consequently, on the operating and financial results of the Issuer and of the Group.

1.2.4 *Market risks*

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

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

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

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

As at 30 September 2019 RWA (Risk-Weighted Assets) for Market Risk amounted to +€9.637 mln out of +€387.8 mln of Total Group RWA in 3Q19. Total Market Risk RWA (excluding CVA Risk) are split between the part calculated under the internal model (+€7.941 mln) and the standardised approach (+€1.696 mln).

1.2.4.1 *Interest rate fluctuation and exchange rate*

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

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

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

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

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

For further information, please see the consolidated first half financial report of UniCredit as at 30 June 2019 and the consolidated interim report of UniCredit as at 30 September 2019 – Press Release incorporated by reference herein.

1.2.5 *Operational risk*

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

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

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

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

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

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

1.2.6 Risks connected with legal proceedings in progress and supervisory authority measures

1.2.6.1 Risks connected with legal proceedings in progress

As at the date of this Registration Document, UniCredit S.p.A. and other UniCredit group companies are named as defendants in several legal proceedings. In particular, as at 30 June 2019, UniCredit and other UniCredit group companies were named as defendants in about 20,700 legal proceedings of which approx. 9,700 involving UniCredit (excluding labour law cases, tax cases and credit recovery actions in which counterclaims were asserted or objections raised with regard to the credit claims of Group companies). Moreover, from time to time, past and present directors, officers and employees may be involved in civil and/or criminal proceedings, the details of which the UniCredit Group may not be lawfully know about or communicate.

In many of these cases, there is substantial uncertainty regarding the outcomes of the proceedings and the amount of possible losses. These cases include criminal proceedings, administrative proceedings brought by supervisory or prosecution authorities and/or claims in which the claimed damagesand/or potential liabilities of the Group is not and cannot be determined, either because of how the claims is presented and/or because of the nature of the actual proceedings. In such cases, until the time when it will be possible to estimate reliably the potential outcome, no provisions are made. However, where it is possible to estimate reliably the amount of possible losses and loss is considered likely, provisions have been made in the financial statements to the extent the parent company UniCredit S.p.A., or any of the Group companies involved, deemed appropriate based on the circumstances and in accordance with IAS. To provide for possible liabilities and costs that may result from pending legal proceedings (excluding labor law and tax cases), as of 30 June 2019, the UniCredit Group set aside a provision for risks and charges of €718 million, of which €451 million for the parent company UniCredit S.p.A. As of 30 June 2019, the total amount of claimed damages relating to judicial proceedings other than labor, tax and debt collections proceedings was €11 billion, of which approximately €6.9 billion for the proceedings involving the parent company UniCredit S.p.A. That figure reflects the inconsistent nature of the pending disputes and the large number of different jurisdictions, as well as the circumstances in which the UniCredit Group is involved in counterclaims.

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

1.2.6.2 <u>Risks connected with Supervisory Authority measures</u>

During the course of its normal activities, the UniCredit Group is subject to structured regulations and supervision by various supervisory authorities, each according to their respective area of responsibility.

In exercising their supervisory powers, the ECB, Bank of Italy, CONSOB, AGCM, European Commission and other competent supervisory authorities subject the UniCredit Group to inspections on a regular basis, which could lead to the demand for measures of an organisational nature and to strengthen safeguards aimed at remedying any shortcomings that may be discovered, with possible adverse effects on the operating results, capital and/or financial position of the Group. The extent of any shortcomings could also cause the launch of disciplinary proceedings against company representatives and/or related Group companies, with possible adverse effects on the operating results, capital and/or financial position of the Group.

For more information in relation to the proceedings connected with Supervisory Authority measures please see Section 11.4 of this Registration Document.

1.2.6.3 <u>Risks arising from tax disputes</u>

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

Specifically, as at 30 June 2019, there were 479 tax disputes involving counterclaims pending with regard to UniCredit and other companies belonging to the UniCredit Group's "Italian" perimeter, net of settled disputes, for a total amount equal to €120.26 million.

As of 30 June 2019, the total amount of provisions for tax risks amounted to €165.6 million, of which €6.5 million per legal expenses.

As far as the tax inspections which were concluded during the course of the financial year ended at 31 December 2018 and during the first half financial year ended at 30 June 2019 are concerned, reference is made to Section 11.4 of this Registration Document.

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

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

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

1.3 Risks connected with the legal and regulatory framework

1.3.1 Basel III and Bank Capital Adequacy

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

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

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

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

Failure to comply with such combined buffer requirements triggers restrictions on distributions and the need for the bank to adopt a capital conservation plan on necessary remedial actions (Articles 140 and 141 of the CRD IV Directive).

In addition, UniCredit is subject to the Pillar 2 requirements for banks imposed under the CRD IV Package, which will be impacted, on an ongoing basis, by the SREP.

Specifically, in October 2013, the Council of the European Union adopted regulations establishing the single supervisory mechanism (the **Single Supervisory Mechanism** or **SSM**) for all banks in the euro area, which have, beginning in November 2014, given the ECB, in conjunction with the national competent authorities of the eurozone states, direct supervisory responsibility over "banks of systemic importance" in the Banking Union as well as their subsidiaries in a participating non-euro area Member State. The ECB has fully assumed its new supervisory responsibilities of UniCredit and the UniCredit Group. The ECB is required under the SSM Regulation to carry out a SREP at least on an annual basis. The key purpose of the SREP is to ensure that institutions have adequate arrangements as well as capital and liquidity to ensure sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing, as well as risks the institution may pose to the financial system.

Based on the decision of ECB concerning the capital requirements following the results of its annual 2018 SREP, as of 30 September 2019, the following capital requirements apply:

- Common Equity Tier 1 ratio: 10,09%
- *Tier 1 ratio*: 11,59%
- Total Capital ratio: 13,59%

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

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

As at 30 September 2019, the consolidated capital ratios (CETI Capital, Tier 1 and Total Capital ratios) were, respectively, 12.60 per cent., 14.23 per cent. and 17.11 per cent.

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

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

UniCredit participated in the 2019 stress test conducted by the ECB, the “Sensitivity analysis of Liquidity Risk - Stress Test 2019” (LiST 2019), which is an analysis based on idiosyncratic liquidity shocks with no macro-economic scenario nor market risk shocks. The outcome has been integrated into the SREP 2019. The sensitivity analysis also aimed to follow-up on 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.

1.3.2 Evolution of banking prudential regulation

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

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

The Issuer is also subject to the Single Resolution Mechanism ("**SRM**"). The SRM and BRRD enable a range of tools to be used in relation to credit institutions and investment firms considered to be at risk of failing.

The stated aim of the BRRD is to provide the authority designated by each EU Member State (the “**Resolution Authority”**) with a credible set of tools and powers, including the ability to apply the Bail-in Power, as defined below, to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers’ exposure to losses.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation (as defined below) include write-down/conversion powers to ensure that capital instruments (including Additional Tier 1 instruments such as the Notes and Tier 2 instruments) and eligible liabilities (including senior debt instruments) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (referred to as the **Bail-in Power**).

It should be noted that the Resolution Authority's resolution powers have been superseded by the Single Resolution Board (the SRB) since 1 January 2016. Regulation (EU) No. 806/2014 of the European Parliament and of the Council of the European Union (the "**SRM Regulation**") establishes uniform rules and a uniform procedure for the resolution (including the Bail-in Power) of credit institutions and certain investment firms in the framework of the SRM and a Single Resolution Fund.
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, at all times the MREL requirements, as well as the standard on total loss absorbing capacity (TLAC). The MREL and TLAC requirements involve similar risks. They constrain the structure of liabilities and require the use of subordinated debt, which have an impact on cost and potentially on the Issuer's financing capacity. Directive (EU) 2019/879 ("**BRRD II**"), amending the BRRD, modifies the definition of the MREL so as to converge this ratio with the TLAC.

Among other things, the EU's banking reform proposals published in November 2016, as amended (the "**EU Banking Reform Proposals**"), have been adopted by the European Parliament and the European Council and published in the EU Official Journal on 7 June 2019, including, inter alia, the CRR2 and CRD5 texts. Member States have 18 months to transpose the CRD5 texts into national law.

Moreover, it is worth mentioning that the BCBS embarked on a very significant RWA variability agenda. The finalisation of the new framework was completed in respect of market risk in 2016, and in respect of credit risk and operational risk, in December 2017, but a number of elements of the market risk framework or so-called "Fundamental Review of the Trading Book" were revised in January 2019. It is designed to enhance the robustness and risk sensitivity of the standardised approaches, constrain the use of internally modelled approaches and complement the risk-weighted capital ratio with a finalised leverage ratio (including an additional G-SIB buffer requirement) and a revised capital floor. The EU is expected to implement these standards by way of new changes to the CRR which are expected to be proposed by the Commission not before the summer of 2020.

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2018 and the consolidated first half financial report of UniCredit as at 30 June 2019, incorporated by reference herein.

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

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

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

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

For further information in relation to the above-mentioned ordinary and extraordinary contributions, please see pag 263-264 for DGS/SRF and pag 187 for FITD of the consolidated financial statements of UniCredit as at 31

December 2018 and pag 137-139 for DGS/SRF and pag 115 for FITD of the consolidated first half financial report of UniCredit as at 30 June 2019, incorporated by reference herein.

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

The UniCredit Group is exposed, like other parties operating in the banking sector, to the effects of the entry into force and subsequent application of new accounting principles or standards and regulations and/or changes to them (including those resulting from IFRS as endorsed and adopted into European law). Specifically, in the future, the UniCredit Group may need to revise the accounting and regulatory treatment of some existing assets and liabilities and transactions (and related income and expense), with possible negative effects, including significant ones, on the estimates in financial plans for future years and this could lead the Group to having to restate financial data published previously. In this regard, an important change was introduced on 1 January 2019 following the coming into force of IFRS16 "Leases".

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

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

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

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

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

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

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

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

For further information in relation to the application of IFRS16, please see section "A2 - Main items of the accounts" of the consolidated first half financial report of UniCredit as at 30 June 2019, incorporated by reference herein.

In addition, the Group has decided to adopt starting from 31 December 2019 the current value model for the evaluation of lands and buildings both held for investments (IAS 40) and used in business (IAS 16) included in Group real estate portfolio following its active management, and the disposal of real estate assets in 4Q19.

The application of revaluation model for IAS16 assets determines the following accounting depending on the fact that the difference between carrying amount and Fair value at the date of revaluation is positive or negative:

- positive changes in value to be periodically recognized in OCI reserve (as general rule); however in case in the previous periods negative changes in value were accounted for in P&L, then subsequent positive changes will be recognized in P&L up to the amount of negative change previously recognized;

- negative changes in value to be periodically recognized in P&L (as general rule); however in case in the previous periods positive changes in value were accounted for in OCI reserve, then subsequent negative changes in value will be recognized in OCI reserve taking into consideration that such reserve can never be negative.

The application of the aforementioned value model could lead in the future to P&L and CET1 capital potential swings linked to the volatility of the real estate values for both held for investments (IAS 40) and used in business (IAS 16) properties.

Real estates different from lands used in business and measured at revalued amount are subject to depreciation.

Tangible assets used in business different from lands and buildings continue to be measured using the cost model.

The application of fair model for IAS40 assets requires changes in fair value to be recognized in profit or loss in P&L. Such investment properties will no longer have to be depreciated or subject to impairment.

Based on regulatory and/or technological developments and/or the business context, it is also possible that the Group could, in the future, further revise the operating methods for applying the IFRS, with possible negative impacts, including significant ones, on the operating results and capital and financial position of the Issuer and/or other Group companies.

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

2.1 Persons responsible for the Registration Document

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

2.2 Responsibility Declaration

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

2.3 Experts' reports

No statement or report attributed to a person as an expert is included in this Registration Document, except for the reports of the auditors of the Issuer who have audited the consolidated financial statements of the UniCredit for the year ended 31 December 2018 and 31 December 2017 and who have carried out the limited review of the interim consolidated financial statements of the Issuer as at and for the six month ending on 30 June 2019. The reports of the auditors of the Issuer are incorporated by reference in this Registration Document in the form and context in which they are incorporated, with the consent of the auditors who have authorised the contents of that part of this Registration Document.

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

2.4 Third party information

No third party information is included in this Registration Document, except for the rating information set out in Section 4.1.6 below. The Issuer declares that such information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The sources of such information are the following rating agency: Fitch Ratings (**Fitch**), by Moody's Investors Service (**Moody's**) and by S&P Global Ratings (**S&P**).

2.5 Competent Authority approval

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

Section III - Statutory Auditors

3.1. Names and addresses of the Issuer's auditors

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

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

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

No auditors have resigned, have been removed or have not been re-appointed during the financial statements 2017 and 2018.

Section IV – Information about the Issuer

4.1 History and development of the Issuer

UniCredit (formerly Unicredito Italiano S.p.A.) and the UniCredit Group of which UniCredit is the parent 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 June 2017, according to the Polish Law and after discussions with the relevant Authorities, the UniCredit Shareholders' Meeting (held in Milan on 11 April 2019) authorized the Board of Directors to purchase and dispose of a maximum number of UniCredit ordinary shares to be carried out within 18 (eighteen) months from the date of the Shareholders' resolution in order to initiate the procedure aimed at obtaining the delisting of the UniCredit shares from the trading on the Warsaw Stock Exchange (so called "delisting").

Recent Developments

- On 29 November 2019, UniCredit noted the announcements made by the European Banking Authority (EBA) and the European Central Bank (ECB) regarding the information of the 2019 EU-wide Transparency Exercise and fulfilment of the EBA Board of Supervisors' decision.

  Giving a little background, the EBA Board of Supervisors, at its meetings in April 2019, approved the package for the 2019 EU-wide Transparency Exercise, which since 2016 is performed on an annual basis and published along with the Risk Assessment Report (RAR). The annual transparency exercise will be based solely on COREP/FINREP data on the form and scope to assure a sufficient and appropriate level of information to market participants.

  The templates were centrally filled in by the EBA and sent afterwards for verification by banks and supervisors. Banks had the chance to correct any errors detected and to resubmit correct data through the regular supervisory reporting channels.

  The 2019 Transparency exercise covers four reference dates: 30 September 2018, 31 December 2018, 31 March 2019 and 30 June 2019.

- On 30 November 2019 UniCredit and Koç Group entered into a set of agreements related to certain shares transfers (as better described below) and to the termination of the exisiting shareholders agreement related to Koç Finansal Hizmetleri A.S. (**KFS**), the Turkish joint venture vehicle through which Koç Group and UniCredit have run a commercial banking operation in Turkey since 2002 and which currently owns a controlling stake in Yapı ve Kredi Bankası A.Ş. (**YKB**).

  In particular, the agreements envisage that upon completion of the transaction, which is subject to regulatory approvals:

  (i) Koç Group will acquire UniCredit's entire 50 percent shareholding in KFS, thereby becoming the sole owner of KFS,

  (ii) KFS will simultaneously sell 31.93 percent and 9.02 percent stakes in YKB to UniCredit and Koç Holding A.Ş. (**Koç Holding**), respectively, and

  (iii) simultaneously, the shareholders agreement related to KFS will be terminated.

  As a result, at closing, UniCredit will own a direct 31.93 percent stake in YKB[5]. Koç Holding and its related shareholders will cumulatively hold direct and indirect stakes in YKB of 49.99 percent (of which 40.95 percent indirectly via KFS and a 9.04 percent directly). The remaining approximately 18 percent shares of YKB will continue being traded on Istanbul Stock Exchange.

  The aforementioned transaction will entail certain consolidated impacts for UniCredit spreading their effectivity on the basis of a variety of contextual circumstances such as, *inter alia*, share market price and exchange rate evolution. However, the overall transaction will lead to capital strength improvement.

  The transaction is part of UniCredit's on-going strategy to simplify its shareholdings and to optimize its capital allocation.

  The completion of the transaction is subject to regulatory approvals in all relevant jurisdictions and is expected take place in the first half of 2020.

- On 2 December 2019 UniCredit has announced that it has been informed by the European Central Bank ("**ECB**") of its final decision concerning capital requirements following the results of its annual Supervisory Review and Evaluation Process ("**SREP**").

  UniCredit is required to meet the following overall capital requirements on a consolidated basis from 1 January 2020:

  - 9.84 per cent CET1 ratio
  - 11.34 per cent Tier 1 ratio
  - 13.34 per cent Total Capital ratio

[5] From 40.95 percent previously held by UniCredit in YKB through its 50 percent stake in KFS to 31.93 percent.

As a result of the strengthening and de-risking of its balance sheet and given the successful execution of Transform 2019, the ECB has improved the risk evaluation of UniCredit compared to 2018. As a consequence, the Single Supervisor has lowered UniCredit's SREP Pillar 2 Capital Requirement (P2R) by 25 basis points to 175 basis points.

Further to the minimum capital requirements set by the CRR article 92, the above capital ratios include the following capital buffers, to be met with CET1 instruments: 1.75 per cent P2R, 2.50 per cent Capital Conservation Buffer (CCB), 1.00 per cent G-SIB buffer and 0.09 per cent Countercyclical Capital Buffer (CCyB) updated as at 30 September 2019. The CCyB depends on UniCredit's exposure towards the countries where countercyclical buffer rates are or will be set, therefore it may vary on a quarterly basis.

As of 30 September 2019, UniCredit's capital ratios on a consolidated basis stood at:

- 12.60 per cent CET 1 ratio, fully loaded
- 14.23 per cent Tier 1 ratio, transitional
- 17.11 per cent Total Capital ratio, transitional

- On 2 December 2019 UniCredit has received from the Single Resolution Board and Banca d'Italia the updated decision on the Minimum Requirement for Own Funds and Eligible Liabilities (MREL), which supersedes the previous one communicated in May 2018.

  UniCredit SpA shall comply with MREL on a consolidated basis at the level of 10.67 percent of Total Liabilities and Own Funds (TLOF), of which 8.29 percent shall be met with subordinated instruments taking into account an allowance of 2.5 percent of Risk Weighted Assets (RWAs), which shall be reached by 30 June 2022 and from that day shall be met at all times.

  The 10.67 percent of TLOF, which corresponds to 25.18 percent of RWAs as of 31 December 2017, considers the 2017 SPREP Pillar 2 requirement at 2.0 percent of RWAs.

  The MREL requirements, adjusted for the reduction of the Pillar 2 requirement from 2.0 percent to 1.75 percent of RWAs as per the latest SREP, are already factored in the Group 2020-23 Multi Year Funding Plan.

- On 3 December 2019, at the end of the completion of 2016-2019 strategic plan, UniCredit group presented to the markets in London its 2020-23 Strategic Plan called "Team 23" (the "**Strategic Plan**" or "**Plan**" or "**Team 23**"). The Strategic Plan contains a number of strategic, capital and financial objectives based on four pillars. Specifically:

Growth and strengthen client franchise

Whereas Transform 2019 focused on making the Group more efficient and de-risking the balance sheet, the new strategic plan's key priority is to grow and strengthen the pan European franchise, both by widening and deepening relationships with customers. Examples of initiatives underway include:

- ➢ Building on UniCredit's position as the "go-to" bank for European SMEs.
- ➢ Redesigning the product and service offering for individuals through enhancements to the service and distribution models, including a continued migration of transactions towards direct channels.
- ➢ Fully exploiting the CEE leadership position and economic potential with a strengthened commercial strategy, driven by a clear customer focus and leveraging on the enhanced digital processes and international franchise.
- ➢ Delivering the fully plugged-in CIB's complete product offering to all customers across the Group's pan European network including SMEs, Corporates, Private Banking, Wealth Management and Financial Institutions.

Complementing this clear commitment to grow and strengthen the pan European client franchise, is a strong focus on improving the customer experience in the new plan. This involves a multi-faceted approach including:

- ➢ Digitalisation to streamline processes and simplify the customer journey.
- ➢ Leverage on customer insights (via net promoter scores) to better prioritise initiatives to enhance dedicated customer journeys.
- ➢ New, flexible ways of working to reduce time to market.

Transform and maximise productivity

Reducing costs formed a core part of Transform 2019’s success.

Controlling costs combined with improving the customer experience remains a key focus in Team 23. Building on the work begun in Transform 2019, the bank is launching a permanent optimisation of work processes across six customer journeys: current accounts, investment products, residential mortgages, consumer finance, cards and SME banking.

Through this continuous transformation and simplification of processes, the Group will meet three key objectives:

- Enhanced customer experience;
- Improved productivity across the value chain;
- Reduced operational risks.

Significantly exceeding the original cost targets within Transform 2019 has allowed the Group to increase its investment in IT.

Disciplined risk management & controls

A strict focus on credit risk and asset quality was another core part of Transform 2019’s success and remains a key focus in Team 23. The Group will maintain its discipline in origination, targeting the best rated clients. The monitoring and management of credit risk will be further strengthened through the use of new technologies and data sources. Automatic risk approval will be used for selected segments and products using enhanced data analytics during the preevaluation phase. Building on the experience gained in Transform 2019, the bank will continue to manage NPEs proactively to optimise value and capital.

Operational risk remains a significant focus for the Group, with reinforced controls of business and governance processes across all legal entities. An enhanced focus on Anti Financial Crime controls and KYC includes improving oversight through strengthened, centralised compliance requirements, as well as rotating people between business and control functions. Employees remain the first line of defence against operational risk.

Capital and balance sheet management

Capital allocation is an important part of how the Group manages its balance sheet. Capital is allocated proactively based on financial performance at a country, segment and individual client level. This approach was demonstrated with the recently announced unwinding of Koç Financial Services, the joint venture with Koç Group through which the stake in Yapi ve Kredi Bankasi A.Ş (Yapi) was held.

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, and the reduction in intragroup exposures. The tangible benefit of these actions was acknowledged with the upgrade of UniCredit S.p.A’s ratings by S&P and Moody’s announced in July earlier this year.

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:

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

- On 8 January 2020 UniCredit (issuer rating Baa1/BBB/BBB) launched a Tier 2 subordinated benchmark with 12 year maturity, callable after 7 years. The amount issued is equal to EUR 1.25 billion and represents the first Tier 2 issuance in 2020, reaffirming UniCredit's solid fixed income investors base and its market access in different formats. The bond pays a fixed coupon of 2.731% during the first 7 years, and has an issue price of 100%, equivalent to a spread of 280 bps over the 7 year swap rate. If the issuer does not call the bonds after 7 years, the coupon for the subsequent period until maturity will be reset on the base of the 5 year swap rate at the end of the seventh year, increased by the initial spread. Given the strong market feedback and the sizeable order book, the guidance initially set in the 310 bps area over mid-swap was firstly reviewed to the 290 bps area and set finally at 280 bps, with a final size of EUR 1.25 billion. The transaction has encountered a very strong demand from more than 250 institutional investors and an order-book of more than 3 billion, mainly funds with 78% of the final allocation originated by UK (39%), France (19%), Germany/Austria (12%) and Italy (10%). Barclays, BBVA, Credit Agricole CIB, Mediobanca, Morgan Stanley and UniCredit Bank AG have managed the placement acting as joint bookrunners. The bonds are documented under the issuer's Euro Medium Term Notes Program. In light of the subordinated status, the expected ratings are as follows: Baa3 (Moody's) / BB+ (S&P). The amount issued is part of the 2020 Funding Plan presented at the Capital Market Day last December 3rd and will be computed in UniCredit's Tier 2 regulatory capital, contributing to the Total Capital Ratio. Listing will be on the Luxembourg Stock Exchange.

4.1.1. The legal and commercial name of the Issuer

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

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

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

The Legal Entity Identifier (LEI) is 549300TRUWO2CD2G5692.

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

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

4.1.4 The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer

UniCredit 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 telephone number is +39 02 88 621, and Unicredit’s website is www.unicreditgroup.eu.

Unicredit is subject to the supervisory power of ECB and it is also subject to the Italian and European legislation and regulation. Details in relation to the most significant regulatory provisions and european initiatives for the Issuer are provided below. For more information please see Section 1 “*Risk Factors*”, paragraph 1.3 (*Risks connected with the legal and regulatory framework*).

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

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

4.1.6 Credit ratings

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

Rating Agencies	**Short Term Counterparty Credit Rating**	**Long Term Counterparty Credit Rating**	**Outlook**	**Last update**
Fitch	F2[(1)]	BBB[(2)]	negative[(3)]	18 November 2019
S&P	A-2[(4)]	BBB[(5)]	stable[(6)]	15 July 2019
Moody's	P-2[(7)]	Baa1[(8)]	stable[(9)]	18 July 2019

Fitch Ratings

(1) 'F2': indicates a good capacity for timely payment of financial commitments. However, the margin of safety is not as great as in the case of the higher ratings. (**Source: Fitch**).

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

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

S&P

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

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

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

Moody's

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

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

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

During the validity of this Registration Document, the updated Issuer's ratings information which could occur, will be available from time to time on the Issuer's website.

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

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

There are no material changes in the Issuer's borrowing and funding structure since the last financial year ended on 31 December 2018.

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

As at 30 September 2019 the loans to deposits ratio (LDR), a ratio between the customer loans and deposits, including the repo activity, is equal to 105.6%. Such ratio increases compared to 30 June 2019, equal to 103.6%, due to the increase in loans.

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

As at 30 September 2019 the liquidity buffer is equal to Euro 129,537 millions (Euro 125,000 millions at 31 December 2018).

As at 30 September 2019, the TLTRO partecipations of the Group is equal to Euro 51.15 billions (unchanged compared to the end of 2018).

Section V – Business Overview

5.1. Principal activities

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

UniCredit is a simple pan-European commercial bank with a fully plugged in Corporate & Investment Bank, delivering a unique Western, Central and Eastern European network to its extensive client franchise. UniCredit offers local and international expertise, providing unparalleled access to market leading products and services in its 14 core markets through its European banking network.

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

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

Commercial Banking Italy

Commercial Banking Italy is composed by UniCredit's commercial network related to Core clients (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking Division), Leasing (excluding Non-Core clients), Factoring and local Corporate Centre with supporting functions for the Italian business.

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

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

Commercial Banking Germany

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

It is composed of:

- “Privatkundenbank” (Individual Clients segment) that serves retail and private banking customers with banking and insurance solutions across all areas of demand and all-round advisory services reflecting the individual and differentiated needs in terms of relationship model and product offering;

- “Unternehmerbank” (Corporate segment) that employs a different “Mittelstand” bank model to its competitors in that it serves both business and personal needs across the whole bandwidth of German enterprises and firms operating in Germany;

- Local Corporate Center.

Different service models are applied in line with the needs of its various customer groups: retail customers, private banking customers, small business and corporate customers, commercial real estate customers and wealth management customers. Commercial Banking Germany holds large market shares and a strategic market position in retail banking, in private banking and especially in business with local corporate customers (including factoring and leasing).

Commercial Banking Austria

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

- Privatkundenbank" (Private Customer Bank) that covers private individuals, ranging from mass-market to affluent customers, high net-worth individuals and business customers; it includes Schoellerbank, a well-established subsidiary servicing wealthy customers;

- "Unternehmerbank" (Corporate Customer Bank, excluding CIB clients) servicing the entire range of SMEs, medium-sized and large companies, which do not access capital markets (including real estate and public sector); it includes the product factories Factoring and Leasing);

- Local Corporate Center.

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

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

Corporate & Investment Banking (CIB)

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

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

The organisational structure of CIB is based on a matrix that integrates market coverage (carried out through an extensive commercial network in Western Europe and an international network of branches and representative offices) and product offering (divided into three Product Lines that consolidate the breadth of the Group's CIB know-how).The dedicated commercial networks (CIB Network Italy, CIB Network Germany, CIB Network Austria, CIB Network France, International Network, Financial Institutions Group) are responsible for the relationships with corporate clients, banks and financial institutions, as well as the sale of a broad range of financial products and services, ranging from traditional lending and merchant banking operations to more sophisticated services with high added value, such as project finance, acquisition finance and other investment banking services and operations in international financial markets.

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

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

- Markets - Markets is the centre specialised for all financial markets activities and serves as the Group's access point to the capital markets. This results in a highly complementary international platform with a strong presence in emerging European financial markets. As a centralised product line, Markets is responsible for the coordination of financial markets-related activities, including the structuring of products such as foreign exchange, Equities and credit related activities.

- Global Transaction Banking (**GTB**) - GTB is the centre for Cash Management, e-banking products, Supply Chain Finance, Trade Finance products and global securities services.

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

Central and Eastern Europe (CEE)

The Group, through the CEE business segment, offers a wide range of products and services to retail, corporate and institutional clients in 12 Central and Eastern Europe countries: Azerbaijan, Bosnia- Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia and Turkey, and additionally Leasing activities in the 3 Baltic countries. UniCredit Group is able to offer its retail customers in the CEE countries a broad portfolio of products and services similar to those offered to its Italian, German and Austrian customers.

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

Group Corporate Centre

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

Non-Core

Starting from the first quarter of 2014 the Group decided to introduce a clear distinction between the abovementioned activities defined as core segment, meaning strategic business segments and in line with risk strategies, and activities defined as non-core segment, including non-strategic assets and those with a poor fit to the Group’s risk-adjusted return framework, with the aim of reducing the overall exposure of this last segment in the course of time and to improve the risk profile. Specifically, the non-core segment includes selected assets of Commercial Banking Italy (identified on a single deal/client basis) to be managed with a risk mitigation approach and some special vehicles for securitisation operations.

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

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

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

Section VI – Organisational Structure

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

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

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

The following diagram illustrates the banking group companies as at 9 January 2020:

Banking Group (cod. 2008.1)

UniCredit

- UniCredit International Bank (Luxembourg) SA — Luxembourg - banking - 100%
- UniCredit Bank Ireland Plc — Dublin - banking - 100%
- UniCredit Leasing SpA — Milano - leasing - 100%
  - 100% UniCredit Glob.Leas.P.M.GmbH — Vienna - holding
  - ##### BA CA Leasing (Deutschland) GmbH — Bad Homburg - leasing
  - 100% UniCredit Leased Asset Management S.p.A. — Milan - real estate owned company
- UniCredit Factoring SpA — Milano - factoring - 100%
- CORDUSIO Soc.Fiduc.per Az. — Milano - fiduciary - 100%
- Cordusio SIM S.p.A. — Milano - advisory on investments 96,10%
- UniCredit BpC Mortgage Srl — Verona - guarantees provider - 60%
- UniCredit OBG Srl — Verona - guarantees provider - 60%
- UniCredit myAgents Srl — Bologna - agent in financial activities - 100%
- UniCredit Global Leasing Exp.GmbH — Vienna - leasing 100%
- FINECO Verwaltung AG (in liquidation) — Munich - holding - 100%

- PAI Management Limited (a) — Dublin - management of hedge funds 100%
- PAI (Bermuda) Limited (a) — Hamilton - holding/man.-adv. of hedge funds 100%
- PAI (New York) Limited (a) — Dover (USA) - investment research 100%

- UniCredit Bank Hungary Zrt — Budapest - banking - 100%
  - 100% UniCredit Jelzalogbank Zrt — Budapest - banking
  - 100% UniCredit Leasing Hungary Zrt — Budapest - leasing
- AO UniCredit Bank — Moscow - banking - 100%
  - 100% OOO "UniCredit Leasing" — Moscow - leasing
    - 100% OOO UniCredit Garant — Moskow - leasing
- UNICREDIT BANK S.A. — Bucharest - banking - 98,63%
  - ##### UniCredit Consumer Financing IFN SA (b) — Bucharest - consumer credit
    - 0,05% UniCredit Leasing Corporation IFN S.A.
  - ##### UniCredit Leasing Corporation IFN S.A. — Bucharest - leasing
- UniCredit Banka Slovenija DD — Ljubljana - banking - 100%
  - 100% UniCredit Leasing, leasing, d.o.o. — Ljubljana - leasing
- UniCredit Bank Serbia Jsc — Belgrade - banking - 100%
  - 100% UniCredit Leasing Srbija d.o.o. Beograd — Belgrade - leasing
- UniCredit Bank a.d. Banja Luka — Banja Luka - banking - 99,43%
- Europa Investment Fund Management — Budapest - Management of mutual funds 100% **(1)**

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

- Zagrebacka Banka d.d. — Zagreb - banking - 84,475%
  - ##### UniCredit Bank d.d. — Mostar-banking
  - 100% Locat Croatia d.o.o. — Zagreb - financial company
  - 100% UniCredit Leasing Croatia d.o.o. za leasing — Zagreb - leasing
  - 100% Zagreb Nekretnine d.o.o. . — Zagreb - real estate manag.
    - 100% Zane BH D.O.O. — Sarajevo - real estate manag.
  - 100% ZB Invest d.o.o. — Zagreb - mutual funds manag.
  - ##### v.r.88,95% Pominvest d.d. — Split - real estate co.
- UniCredit Bank Czech Republic and Slovakia a.s. — Prague - banking - 100%
  - 100% UniCredit Factoring Czech Rep. and Slovakia, a.s. — Prague - factoring
  - 100% UniCredit Leasing CZ a.s. — Prague - leasing
    - 100% UniCredit Leasing Slovakia a.s. — Bratislava - leasing
- UniCredit Bulbank AD — Sofia - banking - 99,45%
  - 100% UniCredit Consumer Financing EAD — Sofia - consumer credit
  - 100% UniCredit Factoring EAD — Sofia - factoring
  - 100% UniCredit Fleet Management EOOD — Sofia - fleet management
  - 100% UniCredit Leasing EAD — Sofia - leasing
- SIA "UniCredit Leasing" — Riga - leasing - 100%

- **HypoVereinsbank** — **UniCredit Bank AG** — Munich - banking - 100%
  - ...% for controlled companies (belonging to Banking Group) see Annex A
- **Bank Austria** — **UniCredit Bank Austria AG** — Vienna - banking - 99,99%
  - ...% for controlled companies (belonging to Banking Group) see Annex A
- UniCredit Services Scpa (d) — Milano - Instrumental services - 99,99%
  - 100% UniCredit Services GmbH — Vienna - Instrumental services
- Crivelli S.r.l. — Milan - real estate - 100%
- Bavaria Servicos de Repres. Comercial Ltda. (e) — Sao Paulo - administrative services - 100%
- SOFIGERE SaS in liquidazione — Paris - credit repurchase - 100%

(a) not operative (b) 49,9% held by UniCredit SpA (d) Other companies belonging to UniCredit Group and third parties hold shares of the company (e) 0,00009% held by UniCredit U.S. Finance LLC

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

Companies belonging to the Banking Group

banking
financial
instrumental

Updated

January 9th 2020

Annex A

UNICREDIT BANK AG

- UniCredit Leasing GmbH – Hamburg - leasing - 100%
- 100% UniCredit Leasing Finance GmbH – Hamburg - banking
- 100% UniCredit Leasing Aviation GmbH – Hamburg - leasing
- HVB Export Leasing GmbH – Munich - leasing - 100%
- BIL Leas.-Fon.GmbH&Co VELUM KG (a) – Grünwald - Leasing - 100%
- HVB Verwa 4 GmbH – Munich - holding - 100%
- 100% HVB Verwa 4.4 GmbH – Munich - holding company
- HVB Hong Kong Limited – Hong Kong - financial company - 100%
- UniCredit U.S. Finance LLC – Wilmington (USA) - holding company - 100%
- 100% UniCredit Capital Markets LLC – New York - broker/dealer
- Trinitrade Vermög.-G.m.b.H. – Munich - holding company - 100%
- 100% B.I. International Limited – George Town (Cayman Is.) - bond issuer
- HVB Capital LLC – Wilmington (USA) - financial company - 100%
- HVB Capital LLC II – Wilmington (USA) - financial company - 100%
- HVB Capital LLC III – Wilmington (USA) - financial company - 100%
- HVB Funding Trust II – Wilmington (USA) - economic services - 100%
- Structured Invest Société Anonyme – Luxembourg - investment company - 100%

- Wealth Manag.Capital Holding GmbH – Munich - holding company - 100%
- 100% WealthCap Initiatoren GmbH – Munich - holding company
- 100% WealthCap Equity GmbH – Munich - holding company
- 100% WealthCap Fonds GmbH – Munich - holding company
- 100% WealthCap Stiftungstreuhand GmbH – Munich - fiduciary
- 94,00% WealthCap PEIA Management GmbH – Munich - economic services - 6%
- 100% WealthCap Management Services GmbH – Grünwald - economic services
- 100% WealthCap Leasing GmbH – Grünwald - holding company
- 100% HVBFF Objekt Beteiligungs GmbH – Munich - holding company
- 100% HVBFF Produktionshalle GmbH in liquidation – Munich - holding company
- 10% / 90% HVBFF Internationale Leasing GmbH – Munich - holding company
- 100% HVBFF International Greece GmbH – Munich - leasing company
- 90% WealthCap Investment Services GmbH – Munich - economic services - 10%
- 100% WealthCap Real Estate Management GmbH – Munich - economic services
- 100% WealthCap Investorenbetreuung GmbH – Munich - fiduciary
- 100% WealthCap Kapitalverwaltungsgesellschaft mbH – Grünwald - collective asset management
- HVB Immobilien AG – Munich - holding - 100%
- 94% HVB Tecta GmbH – Munich - holding company - 6%
- 94% HVB Projekt GmbH – Munich - holding company - 6%
- 100% Orestos Immobilien-Verwaltungs GmbH – Munich - holding company
- 100% TRICASA Gr.Ges.mbH & Co. 1. Vermiet.KG – Munich - real estate
- 100% TRICASA Gr.des bürgerlichen Rechts Nr. 1 – Munich - real estate
- ##### Omnia Grund.-GmbH&Co Ob.Perlach KG (b) – Munich - real estate

- Redstone Mortgages Limited – London - mortgage loans - 100%
- HVB Gesells.für Gebäude mbH & Co KG – Munich - real estete management - 100%
- 100% Salvatorplatz-Gr.mbH & Co. OHG Saarland – Munich - real estate
- 100% Grundstücksgesellschaft Simon b.h.K. – Munich - real estate management
- ##### Acis Imm.- und Pr.GmbH & Co. St. Kronpr...KG – Grünwald - real estate management
- 100% Bayerische Wohn.für Handel und Ind. GmbH – Munich - real estate management
- 100% HAWA Grundstücks GmbH & Co. OHG Imm. – Munich - real estate man. (dont 0,50 % TIVOLI)
- 100% Hypo-B.Verw.GmbH & Co. KG O. Arabellastr. – Munich - real estate management
- 100% Portia Grund.-Verwalt. mbH & Co. Objekt KG – Munich - holding company
- ##### TIVOLI Grundstücks-Aktiengesellschaft – Munich - real estate management
- 100% Hypo-Bank Verwaltungszentrum GmbH – Munich - real estate management
- ##### / 2,22% Salvatorplatz-G.mbH & Co. OHG Verwalt – Munich - real estate management
- 100% HVZ GmbH & Co. Objekt KG – Munich - real estate management
- Merkurhof Grundstücks. m.b.H. – Munich - real estate management - 100%
- Food & more GmbH – Munich - hotel and restaurant ind. - 100%
- Verwaltungsgesellschaft Katharinenhof mbH – Munich - real estate management - 100%
- UniCredit Direct Services GmbH – Munich - call center for retail bank - 100%
- HVB Secur GmbH – Munich - economic services - 100%

UNICREDIT BANK AUSTRIA AG

- Schoellerbank Aktiengesellschaft – Vienna - private bank - 100%
- 100% Schoellerbank Invest AG – Salzburg - investment company
- 100% Palais Rothschild Verm.GmbH & Co OG – Vienna - real estate services
- 100% Palais Rothschild Vermietungs GmbH – Vienna - real estate services
- Bank Austria Real Invest Immob.-Managem.GmbH – Vienna - real estate investment -94,95%
- 100% Bank Austria Real Invest Imm.Kap.GmbH – Vienna - real estate invest. company
- 100% Bank Austria Real Invest Client Investm. GmbH – Vienna - investment advisory
- 61% Immobilien Rating GmbH (d) – Vienna - real estate appraisal
- Alpine Cayman Islands Ltd. – Georgetown (Cayman Is.) - holding co. - 100%
- 100% BA-CA Finance (Cayman) Limited – George Town (Cayman Is.) - issuing hybrid cap.
- 100% BA-CA Finance (Cayman) II Limited – George Town (Cayman Is.) - issuing hybrid cap.
- Paytria Unternehmensbeteiligungen GmbH – Vienna - holding - 100%
- Bank Austria Finanzservice GmbH – Vienna - mobile sales and distribution - 100%
- BA- Alpine Holdings, Inc. – Wilmington (USA) - holding company - 100%
- AI Beteiligungs GmbH – Vienna - holding - 100%
- CABET-Holding GmbH – Vienna - holding - 100%
- 100% CABO Beteiligungsgesellschaft m.b.H. – Vienna - holding
- BA-CA Markets & Investment Bet.GmbH – Vienna - holding - 100%
- UniCredit Leasing Kft – Budapest - leasing 100% (1)

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

- card complete Service Bank AG – Vienna - issuing of credit cards - 50,10%
- 100% DC Bank AG – Vienna - issuing of credit cards
- 100% Diners Club Polska Sp.z.o.o. – Warsaw - credit cards
- 100% Diners Club CS s.r.o. – Bratislava - credit cards
- 100% Ksg Karten-Verrech.- und Serviceges. mbH – vienna - EDP Services
- FactorBank Aktiengesellschaft – Vienna - factoring - 100%
- Bank Austria Wohnbaubank AG – Vienna - real estate financing - 100%
- BA Betriebsobjekte GmbH – Vienna - real estate ownership - 100%
- BA GVG-Holding GmbH – Vienna - holding - 100%
- 100% BA Gebäudevermietungsgmbh (c) – Vienna - real estate
- Human Resources Service and devel.GmbH – Vienna - personnel secondment - 100%
- Pollux Immobilien GmbH (c) – Vienna - real estate - 100%
- Real(e) value Immobilien Bewertungs GmbH – Vienna - real estate services - 100%
- UniCredit Leasing (Austria) GmbH (c) – Vienna - holding and leasing 100%
- (***) LEASFINANZ GmbH – Vienna - leasing 100% (***)
- (***) Leasfinanz Bank GmbH – Vienna - small lending business 100% (***)

(***) held indirectly by UniCredit Leasing (Austria) GmbH trhough companyies non belonging to Banking Group

(a) voting rights held by UCB AG (33,33%) and by BIL Leasing-Fonds Verwaltungs GmbH (33,33%) (b) 5,22% held by WealthCap Leasing GmbH (c) % considering shares held by other Companies controlled by BA (d) 19% held by BA and 19% held by UniCredit Leasing (Austria) GmbH

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

Companies belonging to the Banking Group

- banking
- financial
- instrumental

Updated

January 9th 2020

6.2 Dependence upon other entities within the Group

At the date of this Registration Document no individual or entity controls UniCredit within the meaning provided for in Article 93 of Legislative Decree 58/1998, as amended (the **Financial Services Act**).

Section VII – Trend Information

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

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements as at 31 December 2018.

There has been no significant change in the financial performance of the Group since the end of the last financial period as at 31 December 2018 for which financial information has been published to the date of this Registration Document.

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

Save for what it has been mentioned in Section 1 "Risk Factors" paragraph 1.1.1 ("Risks connected with the Strategic Plan 2020-2023") and Section 4 "Information about the Issuer", paragraph 4.1 ("History and development of the Issuer"), the Issuer is not aware about any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.

Section VIII – Profit forecasts or estimates

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

Section IX – Administrative, management, and supervisory bodies

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

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

The Board of Directors currently in office was appointed by the UniCredit Ordinary Shareholders' Meeting on 12 April 2018 for a term of three financial years and, at the date of this Registration Document, is composed of 13 members. The term in office of the current members of the Board will expire on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2020.

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

Name	**Position**
Cesare Bisoni[1]	Chairman
Lamberto Andreotti[2]	Deputy Chairman
Jean Pierre Mustier[1-3]	Chief Executive Officer
Mohamed Hamad Al Mehairi[2]	Director
Sergio Balbinot[l]	Director
Vincenzo Cariello[2]	Director
Elena Carletti[2]	Director
Isabelle de Wismes[2]	Director
Stefano Micossi[2]	Director
Maria Pierdicchi[2]	Director
Francesca Tondi[2]	Director
Alexander Wolfgring[2]	Director
Elena Zambon[2]	Director

Notes:

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

(2) Director that meets the independence requirements pursuant to Clause 20 of the Articles of Association, Section 3 of the Italian Corporate Governance Code and Section 148 of the Financial Services Act.

(3) Director that does not meet the independence requirements pursuant to Section 148 of the Financial Services Act.

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

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

Cesare Bisoni

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

Lamberto Andreotti

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

Jean Pierre Mustier

- Chairman of the Board of Directors of Federazione Bancaria Europea
- Member of the Board of Directors of ABI – Associazione Bancaria Italiana
- Member of the Board of Directors of Fondazione Leonardo Del Vecchio
- Shareholder of TAM S.à. r.l.
- Shareholder of F.M. Invest SA
- Shareholder of Groupement Forestier Abbaye Grand Mont
- Shareholder of TAM Eurl
- Shareholder of Chelsea Real Estate
- Shareholder of HLD Associés
- Shareholder of Eastern Properties
- Shareholder of Bankable
- Shareholder of Dashlane Inc.
- Shareholder of Chili Piper Inc.

Mohamed Hamad Al Mehairi

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

Sergio Balbinot

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

Vincenzo Cariello

- Of Counsel at RCCD Studio Legale, Milan

Elena Carletti

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

Isabelle de Wismes

- none

Stefano Micossi

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

Maria Pierdicchi

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

Francesca Tondi

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

Alexander Wolfgring

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

Elena Zambon

Zambon Group:

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

Offices extra Zambon Group:

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

Board of Statutory Auditors

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

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

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

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

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

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

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

Marco Rigotti

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

Angelo Rocco Bonissoni

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

Benedetta Navarra

- Member of the Supervisory Board and of the Audit Committee of UniCredit Bank Czech Republic and Slovakia, a.s.
- Member of Audit Committee of UniCredit BulBank A.D.
- Member of the Board of Directors of A.S. Roma S.p.A.
- Statutory Auditor and member of the Supervisory Body of CDP Reti S.p.A.
- Chairman of the Supervisory Body pursuant to legislative Decree 231/2001 of Equitalia Giustizia S.p.A.
- Statutory Auditor of Italo S.p.A.
- Chairman of the Board of Statutory Auditors of Guala Closures S.p.A.
- Member of the Supervisory Body of Confcommercio imprese per 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.
- Sole Auditor of Publispei S.r.l.
- Chairman of the Board of Statutory Auditors of Fondazione "Casa Sollievo della Sofferenza"

Antonella Bientinesi

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

9.2 Conflicts of Interest

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

- Article 53 of the Italian Banking Act sets forth the obligations envisaged by paragraph 1 of Article 2391 of the Italian Civil Code, hereinafter quoted, confirming the duty to abstain from voting for the Directors having a conflicting interest, on their own behalf or on behalf of a third party;
- Article 136 of the Italian Banking Act, which requires a special authorisation procedure (a unanimous decision by the supervisory body with the exclusion of the concerned officers' vote and the favourable vote of all members of the controlling body) should a bank enter into obligations of any kind or enter, directly or indirectly, into purchase or sale agreements with its corporate officers;

- Article 2391 of the Italian Civil Code, which obliges directors to notify fellow directors and the Board of Statutory Auditors of any interest, on their own behalf or on behalf of a third party, that they may have, in a specific company transaction, with the concerned member of the Board of Directors having to abstain from carrying out the transaction if he/she is also the CEO; and

- Article 2391-*bis* of the Italian Civil Code, CONSOB Regulation No. 17221 dated 12 March 2010 (and subsequent updates) concerning transactions with related parties, as well as the provisions issued by the Bank of Italy for the prudential supervision of banks concerning risk activities and conflicts of interest of banks and banking groups with associated persons (New Prudential Supervisory Regulations of the Bank of Italy and subsequent updates).

In accordance with the said latest provisions, UniCredit has adopted specific policies and procedures in order to ensure, between the others, the transparency and the material and procedural correctness of the transactions with related parties, directly or through controlled companies. In accordance with the aforementioned provisions transactions with related parties or with associated persons fall within the exclusive responsibility of the UniCredit Board of Directors, with the exception of the transactions falling under the responsibility of the UniCredit Shareholders' Meeting. For information on related-party transactions, please see Part H of the Notes to the consolidated financial statements of UniCredit as at 31 December 2018, incorporated by reference herein.

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

Section X – Major Shareholders

10.1 Information related to the shareholder structured of the Issuer

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

As at 30 December 2019, according to available information, the main shareholders holding, directly or indirectly, a relevant participation in UniCredit were:

Major Shareholders	**Ordinary Shares**	**% owned(1)**
BlackRock Inc.	113,550,196	5.084
Dodge & Cox	111,715,904	5.002(2)

(1) at the date of 30 December 2019.

(2) non-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.

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

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

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

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

11.1 Historical financial information

11.1.1 The Issuer's financial information is included in the Issuer's financial statements incorporated by reference – pursuant to article 19 of the Prospectus Regulation – in this Registration Document related to the audited annual consolidated financial statementes for the financial year ended on 31 December 2018 and 31 December 2017. The annual consolidated financial statementes for the financial year ended on 31 December 2017 is available to the public on the Issuer's website at the following link: https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2017/4Q17/2017-Consolidated-Reports-and-Accounts.pdf, and the annual consolidated financial statementes for the financial year ended on 31 December 2018 is available to the public on the Issuer's website at the following link: https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2018/4Q18/2018-Annual-Report-and-Accounts.pdf.

The audited annual consolidated financial statements ended on 31 December 2018 have been approved by the ordinary shareholders' meeting on 11 April 2019.

Details in relation to the consolidated financial statements ended on 31 December 2018 and 31 December 2017 are provided below.

Document	**Information incorporated**	**Page numbers**
2018 UniCredit Annual Report and Accounts	**Consolidated Report and Accounts of UniCredit Group:**	
	Consolidated Report on Operations	29-67
	Consolidated Balance Sheet	89-90
	Consolidated Income Statement	91-92
	Consolidated Statement of Other Comprehensive Income	93
	Statement of Changes in the Consolidated Shareholders' Equity	94-97
	Consolidated Cash Flow Statement	98-99
	Notes to the Consolidated Accounts	101-435
	Annexes	437-487
	Certification	489
	Report of External Auditors	491-501
2017 UniCredit Annual Report and Accounts	**Consolidated Report and Accounts**	
	Consolidated Report on Operations	21-59
	Consolidated Balance Sheet	82-83
	Consolidated Income Statement	84

Document	Information incorporated	Page numbers
	Consolidated Statement of Comprehensive Income	85
	Statement of Changes in the Consolidated Shareholders' Equity	86-89
	Consolidated Cash Flows Statement	90-91
	Notes to the Consolidated Accounts	93-470
	Annexes	473-534
	Certification	537-539
	Report of External Auditors	541-550

11.2 Interim and other financial information

11.2.1 The Issuer has published also the interim consolidated financial statements ended 30 June 2019, which is incorporated by reference in this Registration Document and available to the public on the Issuer's website https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2019/2Q19/Consolidated-First-Half-Financial-Report-as-at-30-June-2019.pdf.

Detailed are provided below.

UniCredit Consolidated First Half Financial Report as at 30 June 2019	Consolidated Balance Sheet	51
	Consolidated Income Statement	52
	Consolidated Statement of Comprehensive Income	53
	Statement of changes in the Consolidated Shareholder's Equity	54-55
	Consolidated Cash Flow Statement	56-57
	Explanatory Notes	59-221
	Report of External Auditors	225
	Other Information - Subsequent Events	48

The limited review of the interim consolidated financial statements of the Issuer as at and for the six month ending on 30 June 2019 has been carried out by Deloitte S.p.A. The relevant report of the auditors is incorporated by reference in this Registration Document.

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

The consolidated interim reports as at 30 September 2019 and as at 30 September 2018 are incorporated by reference in this Registration Document. The consolidated interim reports as at 30 September 2019 is available to the public on the Issuer's website: https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2019/UniCredit_PR_3Q19_ENG.pdf and the consolidated interim reports as at 30 September 2018 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/2018/UniCredit_PR_3Q18-ENG.pdf. Detailed are provided below.

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 financial statements of the UniCredit for the year ended 31 December 2018 and 31 December 2017 respectively as well as of the interim consolidated financial statements ended 30 June 2019 and of the consolidated interim reports as at 30 September 2019 and as at 30 September 2018 which are not explicitly listed in the tables above, are not incorporated by reference into this Registration Document as these parts are either not relevant for the investor or covered elsewhere in this Registration Document.

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

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

11.3 Auditing of historical annual financial information

11.3.1 Deloitte has audited and issued unqualified audit opinions – incorporated by reference in this Registration Document - on the consolidated financial statements of the UniCredit for the year ended 31 December 2018 and 31 December 2017.

11.3.2 Except for the financial information contained in the consolidated financial statements of the UniCredit for the year ended 31 December 2018 and 31 December 2017 and in the interim consolidated financial statements ended 30 June 2019, no other financial information contained in this Registration Document has been verified by the auditors.

11.4 Legal and arbitration proceedings

11.4.1 The risks connected with pending legal proceedings have been duly examined by the Parent Company and each of the involved Subsidiaries (the "**Companies**"). Assuming the possibility of outlays in reference of some of the aforementioned proceedings, whether carrying out the related estimates for potential disbursement is feasible, as at 30 June 2019 the Companies decided to set aside appropriate provisions for risks and charges for EUR 718 million, of which EUR 451 million for the Parent Company UniCredit S.p.A.

As at 30 June 2019, the Companies were named as defendants in about 20,700 legal proceedings, of which approx. 9,700 involving the Parent Company UniCredit S.p.A. (excluding labor law cases, tax cases and credit recovery actions in which counterclaims were asserted or objections raised with regard to the credit claims of Group Companies). As at 30 June 2019, the total amount of claimed damages relating to the relevant judicial proceedings (excluding labor law cases, tax cases and debt collection proceedings) is equal to EUR 11 billion, of which approximately EUR 6.9 billion for the proceedings involving the Parent Company UniCredit S.p.A.

In a greater detail, it mainly deals with:

Madoff

The Parent Company and a variety of its Subsidiaries (collectively, the "**Companies"**) have been sued in the wake of a Ponzi scheme perpetrated by Bernard L. Madoff through his company Bernard L. Madoff Investments Securities LLC ("BLMIS"), which was exposed in December 2008. The Companies were principally connected with Madoff as investment manager and/or investment adviser for the Primeo Fund Ltd (now in liquidation) and other non US funds of funds that had invested in other non US funds with accounts at BLMIS.

Specifically, the Companies (together with a variety of other entities) were named as defendants in a variety of proceedings (both in US and in non US jurisdictions), for a total damage compensation claims of over USD 6 billion (to be later determined over the course of the proceedings). As at the date of this Registration Document, most of the claims brought before US Courts and referring to the Companies have been rejected without any possibility of appeal or dismissal. However, the bankruptcy administrator of BLMIS (the "SIPA Trustee") responsible for the Madoff's company liquidation continues to pursue claims related to transfers of money made by BLMIS pre-bankruptcy to an affiliated company, BA Worldwide Fund Management Ltd ("BAWFM"), and other similarly situated parties. The potential claim for damages against BAWFM is non-material and, therefore, there are no specific risk profiles for the Companies. In addition, certain current or formerly affiliated persons named as defendants in a proceeding in the United States may seek indemnification from the Company and its affiliated entities.

As at the date of this Registration Document, there are several pending civil proceedings against UniCredit Bank Austria AG ("**UCB Austria**") for the total amount of EUR 5.7 million. While a large majority of the occurred judicial decisions was favorable to the involved Subsidiary, the impact of the remaining cases cannot be predicted with certainty, as the related future rulings may be adverse to UCB Austria. The Subsidiary has made adequate provisions related to the Madoff's matter.

Furthermore, UCB Austria was named as a defendant in criminal proceedings in Austria concerning the Madoff case, on allegations that UCB Austria breached provisions of the Austrian Investment Fund Act as prospectus controller of the Primeo fund while other allegations relate to the level of fees and embezzlement. In November 2019 the criminal investigation against UCB Austria and all individual defendants was closed. Private parties have 14 days to ask for a detailed written statement of reason by the prosecutor and/or request for the continuation of the criminal investigation.

Alpine

Legal proceedings against UCB Austria arose from bondholders' claims commenced in June/July 2013, in connection to the insolvency of Alpine Holding GmbH, as UCB Austria acted as joint lead manager, together with another bank, for the undertaking of Alpine Holding GmbH bond issues in 2010, 2011 and 2012. Bondholders' claims are mainly referred to prospectus liability of the joint lead manager, whereas a minority of the cases is based on misselling due to allegedly unlawful investment advice. The damage claims amount to EUR 20.26 million. These proceedings are mainly pending in the first instance and may be adverse to the Companies.

Squeeze-out proceedings

Legal proceedings arising out of the purchase of UCB AG by UniCredit and the related Group reorganization. Specifically, in 2008, approx. 300 former minority shareholders of UCB AG filed a request to have a review of the price paid to them by the Parent Company UniCredit S.p.A., equal to EUR 38.26 per share, in the context of the squeeze out of minority shareholders. Moreover, in 2008, approx. 70 former minority shareholders in UCB Austria commenced proceedings claiming the inadequacy of squeeze out price paid to them, equal to EUR 129.4 per share. The proceedings are still pending and may be adverse to the Companies

Financial Sanctions Matters

In March 2011 UniCredit Bank AG received a subpoena from the District Attorney for New York County ("DANY") relating to historical transactions involving certain Iranian entities designated by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and their affiliates. In the subsequent years, DANY, the U.S. Department of Justice ("DOJ"), OFAC, the New York State Department of Financial Services ("DFS"), and the Board of Governors of the Federal Reserve System and the New York Federal Reserve Bank ("Fed") (collectively "U.S. and New York authorities") initiated their own investigations respecting historical compliance by UniCredit S.p.A., UniCredit Bank AG, and UniCredit Bank Austria AG (together "Group") with applicable U.S. sanctions laws and regulations. The parent company UniCredit S.p.A., UniCredit Bank AG, and UniCredit Bank Austria AG have each cooperated extensively with the U.S. and New York authorities, including conducting their own voluntary investigation of their U.S. dollar payments practices and its historical compliance with applicable U.S. financial sanctions, in the course of which certain historical non-transparent practices were identified. Even before the conclusion of these investigations, the Group initiated substantial and substantive remediation activities relating to policies and procedures, which are ongoing. On 15 April 2019 the parent company UniCredit S.p.A., UniCredit Bank AG, and UniCredit Bank Austria AG reached a resolution with the U.S. and New York authorities regarding these investigations. As part of such resolution, the parent company UniCredit S.p.A., UniCredit Bank AG, and UniCredit Bank Austria AG entities have paid penalties totalling approximately $1.3 billion and have agreed to implement certain remedial policies and procedures. The amount paid by the respective entities was entirely covered by their provisions, and the final penalty amount has not had a material impact on UniCredit group. No further enforcement actions are expected relating to the subject of the resolved investigation. As part of the settlements with the U.S. and New York authorities (DANY, OFAC, DOJ, DFS and Fed), the parent company UniCredit S.p.A., UniCredit Bank AG, and UniCredit Bank Austria AG made certain commitments to implement remedial compliance controls and conduct risk assessments relating to UniCredit group's global business lines, to provide periodic reports and certifications concerning the implementation and effectiveness of the group's compliance program to the U.S. and New York authorities, and to engage an independent external party to conduct an annual review of the effectiveness of the group's compliance program whose findings will be shared with the U.S. and New York authorities.

Euro-denominated bonds issued by EU countries related proceedings.

On 31 January 2019, the parent company UniCredit S.p.A. and UniCredit Bank 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 UniCredit Bank 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 company's annual worldwide turnover. The parent company UniCredit S.p.A. and UniCredit Bank 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 Bank regards 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 UniCredit Bank AG have responded to the raised objections on 29 April 2019. Proceedings are ongoing. There is no legal deadline for the European Commission to complete antitrust inquiries. On 11 June 2019, UniCredit Bank 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. The proceedings are in their inception. Motions to dismiss, a procedural device contemplated by the United States Federal Rules of Civil Procedure which provides defendants with an opportunity to challenge the legal sufficiency of a complaint and present arguments that the complaint should be dismissed, will likely be fully briefed before the end of the second quarter of 2020 and will include the argument that the complaint fails to state a claim.

Proceedings related to claims for Witholding Tax Credits

On 31 July 2014 the Supervisory Board of UCB AG concluded its internal investigation into the so-called "cum-ex" transactions (the short selling of equities around dividend dates and claims for withholding tax credits on German share dividends) at UCB AG. The findings of the Supervisory Board's investigation indicated that UCB AG sustained losses due to certain past acts/omissions of individuals. The Supervisory Board brought proceedings for compensation against three former members of the Management Board, not seeing reasons to take any action against the current members. These proceedings are ongoing. UniCredit S.p.A., UCB AG's Parent company, supports the decisions taken by the Supervisory Board. In addition, criminal investigations have been conducted against current or former employees of UCB AG by the Prosecutors in Frankfurt on the Main, Cologne and Munich with the aim of verifying alleged tax evasion offences on their part. UCB AG cooperated and continues to cooperate with the aforesaid Prosecutors who investigated offences that include alleged tax evasion in connection with cum-ex transactions both for UCB AG's own book as well as for a former customer of UCB AG. Proceedings in Cologne against UCB AG and its former employees were closed in November 2015 with, inter alia, the payment by UCB AG of a fine of €9.8 million. The investigations by the Frankfurt on the Main Prosecutor against UCB AG under section 30 of the Administrative Offences Act (the Ordnungswidrigkeitengesetz) were closed in February 2016 by the payment of a fine of €5 million. The investigation by the Munich Prosecutor against UCB AG was closed as well in April 2017 with legally binding effect following the payment of a forfeiture of €5 million. In December 2018, in connection with an ongoing investigation against former bank employees by the Cologne prosecutor, UCB AG was informed of the initiation of an investigation in connection with an administrative offence regarding "cum-ex" transactions involving Exchange Traded Funds ("ETF"). In April 2019 these investigations were extended to the so called Ex/Ex-transactions, in which an involvement of the bank in the sourcing of cum/ex transactions of other market participants on the ex-day is suspected. The facts are examined internally. UCB AG continues to cooperate with the authorities. The Munich tax authorities are currently performing a regular field audit of UCB AG for the years 2009 to 2012 as well as the ongoing follow-up audits for the years 2013 to 2015 which includes, among other things, review of other transactions in equities around the dividend record date. During these years UCB AG performed, among other things, securities-lending transactions with different domestic counterparties which include, but are not limited to, different types of securities transactions around the dividend date. It remains to be clarified whether, and under what circumstances, tax credits can be obtained or taxes refunded with regard to different types of transactions carried out close to the dividend record days, and what the further consequences for the bank will be in the event of different tax treatment. It cannot be ruled out that UCB AG might be exposed to tax-claims in this respect by relevant tax-offices or third party claims under civil law. UCB AG is in constant communication with relevant regulatory authorities and the competent tax authorities regarding these matters. UCB AG has made provisions deemed appropriate.

Proceedings (both judicial and arbitral) relating to certain forms of banking transactions.

The Group is named as defendant in several proceedings in matters connected to its operations with clients, as the related and specific risks do not singularly concern UniCredit Group, rather affect the financial sector in general. In this regard, as at 30 June 2019 (i) proceedings against the parent company UniCredit S.p.A. pertaining to compound interest, typical of the Italian market, had a total claimed amount of €1,173 million, mediations included; (ii) proceedings pertaining to derivative products, mainly affecting the Italian market (for which the claimed amount against the parent company UniCredit S.p.A. was €708 million, mediations included) and the German market (for which the claimed amount against UCB AG was €59.9 million); and (iii) proceedings relating to foreign currency loans, mainly affecting the CEE countries (for which the claimed amount was around €57 million).

Medienfonds/closed-end funds

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

Additionally, at present, UCB AG is defending lawsuits concerning other closed-end funds. Investors filed lawsuits against UCB AG and claim insufficient advice was provided by the bank within the scope of their investment in closed-end funds. In particular, the investors claim that UCB AG did not or did not fully disclose any refunds made to the bank or they were advised on the basis of an allegedly incorrect prospectus. The questions regarding a correct and sufficient advice to a customer as well as questions regarding the limitation period and thus the success prospects in the proceedings depend on the individual circumstances of the particular case and are therefore difficult to be predicted. As far as these proceedings were disputed, the experience in the past has shown that the deciding courts have largely ruled in favour of UCB AG.

Vanderbilt-related litigations

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

Divania S.r.l.

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

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

Valauret

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

I Viaggi del Ventaglio Group (IVV)

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

The four lawsuits pertain to allegedly unlawful conduct with regard to certain loans and certain derivative transactions. As at the date of this Registration Document, (i) the Parent Company UniCredit S.p.A. won the first case both in the first-instance and on appeal; (ii) the Bankruptcy Trustee and the Parent Company UniCredit S.p.A. reached a settlement agreement approved by the Court for the second case; (iii) the third case is pending in the first-instance; and (iv) the fourth case is in the initial stages.

Lawsuit brought by "Paolo Bolici"

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

Mazza

In 2005 the Parent Company UniCredit S.p.A. filed a criminal complaint against a Notary, Mr Mazza, representatives of certain companies and disloyal employees of the Parent Company UniCredit S.p.A. in relation to unlawful lending transactions in favour of certain clients for approximately €84 million. The criminal proceedings are on appeal following the acquittal of the defendants in the first-instance by the Court of Rome.

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

So.De.Co.

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

Criminal proceedings

As at the date of this Registration Document, certain entities within UniCredit Group and certain of its representatives (including those no longer in office) are involved in various criminal proceedings in relation to various cases linked to banking transactions, including usury allegations pursuant to article 644 of the Italian Criminal Code. As at the date of this Registration Document, these criminal proceedings have not had significant negative impact on the operating results and capital and financial position of the Parent Company and/or the Group; however, there is a risk that , if the Parent company UniCredit S.p.A. and/or other UniCredit group entities or their representatives (including those no longer in office) were to be convicted, these events could have an impact on the reputation of the Parent company UniCredit S.p.A. and/or UniCredit Group.

Labour-releated Litigation

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

Diamond offer

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

On 8 March 2018, a specific communication was issued from Banca d'Italia concerning the "Related activities exercisable by banks", in which large attention was given to the reporting at the bank branches of operations, purchase and sale of diamonds by specialised third-party companies. As at 30 June 2019, UniCredit:

- received reimbursement requests for a total amount of about €358 million (cost originally incurred by the Clients) from No. 10,441 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 (€358 million), reimbursed No.6,064 customers for about €228 million (equivalent value of original purchases), equal to about 64% 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 €61 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 Article 25-octies of Legislative Decree 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. The next phase of the proceeding will be a request for indictments.

Proceeedings related to Tax matters

Pending cases arising during the period

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

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

- moreover, to UniCredit S.p.A., a request of information, pursuant to Art.36-bis of D.P.R. 600/1973, regarding certain amounts indicated in the 2015 IRAP tax return;

- to Bank Austria A.G., a request regarding income from capital of Italian source received from 2014 to 2018.

All the aforementioned requests have been served in June 2019 and, as at 30 June 2019, the due answers are being prepared.

Moreover:

- to Unicredit Bank A.G., Italian branch, on 11 July 2019, the tax Authorities have served a notice of assessment regarding VAT 2014 for a total amount of €14.5 million (€6 million for higher tax, €7.4 million for penalties and €1.1 million for interest). The deed follows a tax audit concluded in 2018 regarding the fiscal years 2013 and 2014. The remark pertains to the effects of the decision No. C-7/13 (Skandia) of the EUCJ. According to the decision made with reference to the 2013 assessment, a claim with the Tax Court will be filed;

- pursuant to a decision of the Supreme Court, which has referred the parties to the second degree tax Court, to UniCredit S.p.A. has been served a request of payment for €0.48 million. Such request had been already notified and, therefore, it is a duplication. Subsequently, a claim with the Tax Court has been filed and the litigation is pending.

Updates on pending disputes and tax audits

With reference to the first half of 2019, the following information is reported:

- with respect to the registration tax allegedly due for the registration of the rulings that had settled a number of opposition proceedings regarding the liability status of the companies of the "Costanzo Group", the Tax Authorities have recognised as not due an additional amount of the registration tax requested. Therefore, with reference to all the requests of payment notified, the tax requested is reduced to €12.05 million. Moreover, all the pending litigations have been decided by the second degree Tax Court in favour of UniCredit S.p.A. Currently, the legal terms for the filing of the claims with the Supreme Court are pending;

- the notice of assessment regarding IRES 2013 referred to Pioneer Investment Management S.G.R.p.A., regarding transfer pricing issues, has been settled out of Court, similarly to what happened with respect to previous fiscal years. The higher tax requested was equal to €4.4 million, plus interest, and the litigation has been settled by means of the payment of €2.34 million plus interest. No penalty has been applied since the Tax Authorities have expressly recognized the compliance with the transfer pricing documentation regime;

- the Supreme Court took a favourable decision for UniCredit S.p.A. for a notice of assessment regarding VAT 2000. The amount of the litigation is €6.7 million.

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

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

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

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

As at 31 December 2018, the provisions for tax risks amounted to about €182.1 million (including provisions for legal expenses). As at 30 June 2019, due to the use of funds and to new provisions, the provisions amount to €165.6 million, of which €6.5 million per legal expenses.

For the litigations which are not mentioned, please see pagg. 410 - 411 of the consolidated financial statements of UniCredit as at 31 December 2018.

<u>*Proceedings connected with Supervisory Authority Measures*</u>

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

Italy

Bank of Italy Inspections:

(a) In November 2017 the Bank of Italy launched an inspection related to "Transparency and Usury", concluded in February 2018. The final results were notified to UniCredit in June 2018 highlighting shortcomings mainly related to (i) preparation of some unilateral modification of contract conditions, (ii) product approval process, (iii) internal and compliance controls. UniCredit sent an action plan to the Regulator in September 2018. The remedy actions will be completed by March 2020.

(b) In January 2019 the Bank of Italy launched an inspection related to “AML Anti Money Laundering” concluded in May 2019. The final results were notified to UniCredit in September 2019 highlighting some areas of improvement: (i) customer due diligence processes and active cooperation, (ii) oversight and cascading on subsidiaries, (iii) II Level on-site controls, (iv) clients profiling. UniCredit delivered a dedicated action plan to the Regulator in November 2019. The remedy actions will be concluded by September 2020.

(c) In May 2019 the Bank of Italy launched a "General Inspection" of UniCredit's subsidiary Cordusio SIM, concluded in July 2019. The final results were notified to UniCredit in November 2019 highlighting some areas of improvement: (i) customer due diligence, (ii) active cooperation, (iii) clients profiling. The bank will reply to the Regulator by January 2020.

(d) In November 2019 the Bank of Italy launched an inspection related to “Protection profiles in the assessment of creditworthiness”. The inspection is currently ongoing.

(e) In November 2019 the Bank of Italy launched an inspection related to “AML Law Decree 21.11.2007 n. 231”. The inspection is currently ongoing.

ECB Inspections:

(a) In September 2016, the ECB launched an inspection into the "IRBB management and risk control system", which was concluded in December 2016. In June 2017, UniCredit was notified of the findings of the inspection and on 12 September 2017 delivered the action plan to the ECB. The remedy actions will be completed by March 2020.

(b) As disclosed in the ECB “2017 Planned Supervisory Activities” sent in January 2017, in August 2017 the ECB announced an inspection related to “IT Risk” of UniCredit Group. The inspection was launched in October 2017 and concluded in December 2017. The final results were notified in April 2018, mainly highlighting areas of improvement on some IT access rights processes. UniCredit delivered the action plan to ECB in July 2019. The remedy actions will be concluded in December 2019.

(c) As disclosed in the ECB’s “2018 Planned Supervisory Activities” sent in January 2018, in February 2018 the ECB announced an inspection related to “Internal Governance – Compliance Function” of the UniCredit Group. The inspection was launched in April 2018 and concluded in July 2018. The final results were notified in October 2018, mainly highlighting areas of improvement on: (i) compliance oversight, (ii) compliance monitoring, (iii) launch of new products, (iv) monitoring of the consumer protection area. The dedicated action plan was delivered to ECB in January 2019. The remedy actions will be concluded in December 2019.

(d) As disclosed in the ECB’s “2018 Planned Supervisory Activities” sent in January 2018, in March 2018 th ECB announced an inspection related to “Market Risk Framework, Policies and Procedures”, with particular reference to CEE countries. The inspection was launched in April 2018 and concluded in June 2018. The final results were notified in November 2018, highlighting some areas of improvement on: (i) governance and organization, (ii) risk strategy, limitation and management process, (iii) risk management in terms of Pillar I and Pillar II. UniCredit delivered the dedicated action plan to ECB in March 2019. The remedy actions will be completed in December 2019.

(e) As disclosed in the ECB’s “2018 Planned Supervisory Activities” sent in January 2018, in March 2018 ECB announced an inspection related to “Credit Quality Review Retail & SME Portfolios” of UniCredit S.p.A. and subsidiaries in Italy. The inspection was launched in June 2018 and concluded in October 2018. The final results were notified in March 2019 highlighting some areas of improvement: (i) credit classification, (ii) forbearance granting and provisioning processes. UniCredit delivered the action plan to ECB in September 2019. The remedy actions will be completed by December 2020.

(f) As disclosed in the ECB's "2018 Planned Supervisory Activities" sent in January 2018, in July 2018 the ECB announced an inspection related to the "Business Model" of UniCredit S.p.A. The inspection was launched in September 2018 and concluded in December 2018. The final results were notified to UniCredit in September 2019. UniCredit is already working at the dedicated action plan.

(g) As disclosed in ECB "2018 Planned Supervisory Activities" sent in January 2018, in July 2018 the ECB announced an inspection dedicated to "IT Services". The inspection was launched in November 2018 and concluded in March 2019. The final results were notified in May 2019 to UniCredit, highlighting some areas of improvement: (i) General framework, (ii) Life cycle of components, (iii) IT outsourcing internal framework, (iv) IT outsourcing management, (v) IT risk identification and assessment. The dedicated action plan was delivered to ECB in November 2019. The remedy actions will be completed by December 2021.

(h) In July 2018 the ECB notified to UniCredit the results of a review relating to the implementation of Commission Delegated Regulation (EU) 2015/61 with regard to the liquidity coverage requirement (LCR Deep Dive). UniCredit delivered the action plan to the ECB in August 2018. The remedial actions are planned to be concluded by March 2020.

(i) As disclosed in ECB "2019 Planned Supervisory Activities" sent in January 2019, the ECB announced a TREVI - Targeted Review of Internal Models inspection related to "Credit Risk" with focus on MNC and Sovereign (PD and LGD models), The inspection was launched on 21 January 2019 and was concluded in April 2019. The final results has not been notified.

(j) As disclosed in ECB "2019 Planned Supervisory Activities" sent in January 2019, in March 2019 the ECB announced an inspection dedicated to "Information Security". The inspection was launched in April 2019 and ended in August 2019. The final results have been notified to UniCredit in November 2019, highlighting some areas or improvement: (i) IT security governance, (ii) IT Security policy and architecture framework, (iii) IT Security risk, (iv) IT systems development process. UniCredit is already working at the dedicated action plan.

(k) As disclosed in the ECB's "2019 Planned Supervisory Activities" sent in January 2019, in March 2019 the ECB announced an inspection dedicated to "Credit Lending Processing, Underwriting Standards and Delegations". The inspection was launched in May 2019 and ended in July 2019. The final results have not yet been notified to UniCredit.

(l) As disclosed in ECB "2019 Planned Supervisory Activities" sent in January 2019, in March 2019 the ECB announced an inspection dedicated to "Business Model CIB". The inspection was launched in June 2019 and concluded in September. The final results have not yet been notified to UniCredit.

(m) As disclosed in ECB "2019 Planned Supervisory Activities" sent in January 2019, in August 2019 the ECB announced an inspection dedicated to "Liquidity Stress Testing Capabilities". The inspection has been launched in September 2019 and is expected to end in December 2019.

(n) As disclosed in ECB "2017 Planned Supervisory Activities" sent in January 2017, in May 2017 the ECB announced a TRIM Targeted Review of Internal Models inspection related to "Credit risk (PD, LGD, CCF/EAD)", with particular reference to: Retail secured by real estate- non SME. The inspection was launched in July 2017 and concluded in September 2017. The final report was released in December 2017. The final ECB decision letter was received in August 2018. The Guarantor provided a dedicated action plan in February 2018. The inspection did not report blocking criticalities. A limitation linked to missing factor within the LGD model was raised. UniCredit is currently working on the implementation of the dedicated action plan which is expected to end in December 2019.

(o) As disclosed in ECB "2017 Planned Supervisory Activities" sent in January 2017, in June 2017 the ECB announced a TRIM Targeted Review of Internal Models inspection related to "Market risk (IRC, VaR, SVaR)", with particular reference to: Commodities risk, Debt instruments general risk, Debt instruments specific risk, Equity general risk, Equity specific risk, Forex risk. The inspection was launched in September 2017 and concluded in December 2017. The final ECB decision letter was received in January 2019. The Guarantor provided ECB with a dedicated action plan in February 2019. UniCredit is currently working on the implementation of the dedicated action plan.

(p) As disclosed in ECB "2017 Planned Supervisory Activities" sent in January 2017, in July 2017 the ECB announced a TRIM Targeted Review of Internal Models inspection related to "Credit risk (PD, LGD)", with particular reference to: Corporate SME including the assessment of an approval of material change related to PD and LGD for Corporate SME. The inspection was launched in October 2017 and concluded in February 2018. The final ECB decision letter was received in January 2019. The Guarantor provided a dedicated action plan in February 2019. UniCredit is currently working on the implementation of the dedicated action plan.

(q) As disclosed in ECB "2017 Planned Supervisory Activities" sent in January 2017, in September 2017 the ECB announced a TRIM Targeted Review of Internal Models inspection related to "Credit risk (PD)", with particular reference to: Retail other SME, including an assessment of an approval of material change related to Credit risk (PD) for Retail other SME. The inspection was launched in November 2017 and concluded in March 2018. The final results were notified in May 2018. Upon receipt of ECB final decision letter in January 2019, the Guarantor provided a dedicated action plan in February 2019. UniCredit is currently working on the implementation of the dedicated action plan.

(r) As disclosed in ECB "2018 Planned Supervisory Activities" sent in January 2018, in September 2018 the ECB announced a TRIM – Targeted Review of Internal Models inspection related to "Counterparty Credit Risk" for the risk category "All-IMM", including follow-up checking the remediation of previous IMI's findings. The inspection spanned from October until December 2018 and the final assessment report was received on 7 May 2019. The Guarantor has received the draft decision letter on 12 November 2019 and it is still waiting for the final decision letter.

(s) As disclosed in ECB "2019 Planned Supervisory Activities" sent in January 2019, the ECB announced a TRIM – Targeted Review of Internal Models inspection related to "Credit Risk" with focus on MNC and Sovereign (PD and LGD models), including the assessment of a material model change on PD Multinational and PD Sovereign. The inspection was launched on 21 January 2019 and was concluded on 14 April 2019. The final assessment report has been notified on 13 August 2019. The Guarantor is waiting for the draft decision letter.

(t) As disclosed in ECB "2019 Planned Supervisory Activities" sent in January 2019, the ECB announced a TRIM - Targeted Review of Internal Models inspection related to "Credit Risk" with focus on Banks PD/LGD models and Group Wide EAD model, including the assessment of material model change only for GW EAD model. The inspection was launched on 6 May 2019 and was concluded on 19 July 2019. The Guarantor is waiting for the draft decision letter.

(u) As disclosed in ECB "2019 Planned Supervisory Activities" sent in January 2019, the ECB announced a TRIM - Targeted Review of Internal Models inspection related to "Credit Risk" with focus on GLOBAL PROJECT FINANCE (GPF) PD/LGD models. The inspection was launched on 22 May 2019 and was concluded on 24 July 2019. The final assessment report has been notified on 24 October 2019. The Guarantor is waiting for the draft decision letter.

AGCM Inspections:

In April 2016, the Italian Competition Authority (**AGCM**) notified the extension to UniCredit (as well as to ten other banks) of the 1/794 ABUSEDA proceedings launched in January 2016 with regard to the Italian Banking Association (**ABI**), aimed at ascertaining of the existence of alleged concerted practices with reference to the Sepa Compliant Electronic Database Alignment (**SEDA**).

On 28 April 2017, the AGCM issued a final notice whereby it confirmed that the practices carried out by the ABI, UniCredit and the other banks in connection with the adoption of the SEDA service model of compensation constituted an anti-competitive practice and therefore a violation of European competition regulations. With such notice, the AGCM ordered the parties to cease the infringement, submit a report evidencing the relevant measures adopted by 1 January 2018 to the AGCM, and refrain from enacting similar practices in the future. Given the fact that the infringements were minor in light of the legislative framework, the AGCM did not impose any monetary or administrative sanctions against UniCredit (or the other ten banks) also in consideration of the fact that, in the course of the proceeding, the ABI and the banks proposed a redefined SEDA service remuneration model which, if correctly implemented by the banks, is expected to decrease the current SEDA costs by half, which benefits the enterprises utilizing the service and, ultimately, the end-users of the utilities. On 1 February 2018, the AGCM communicated that it examined the compliance report relating to the proceeding in question concerning the SEDA service and, on the basis of the information presented therein, considered the procedures put in place in line with the measures indicated in the provision closing of the preliminary investigation. UniCredit decided to appeal the AGCM decision at the TAR (the Italian regional court). As at the date of this Registration Document, the appeal filed *vis-a-vis* the regional court is still pending.

In April 2017, the AGCM extended to UniCredit (and to one other bank) the proceeding opened in January 2017 against IDB S.p.A. and MB Intermediazioni S.r.1.. In October 2017, the AGCM imposed pecuniary administrative penalties against the parties (€4 million against UniCredit), for an alleged unfair commercial practice relating to investment in diamonds. UniCredit decided to appeal the AGCM decision at the TAR. On 14 November 2018, the TAR rejected the appeal. UniCredit appealed the TAR decision before "*Consiglio di Stato*" (Supreme Administrative Court). As of the date of this Registration Document, the proceedings are still pending.

In April 2017, the AGCM launched proceedings against UniCredit (and against two more banks), at the same time requesting information, relating to alleged unfair commercial practice concerning compound interest (so called "anatocismo"). In November 2017, the AGCM imposed pecuniary administrative penalties against UniCredit and other banks (€5 million applied to UniCredit). UniCredit appealed the AGCM decision before the TAR. At the date of this Registration Document, the proceedings are still pending.

In June 2019, AGCM commenced a proceeding against the Issuer in order to ascertain two potential unfair commercial practices concerning the procedures of tying practices between mortgage and bank accounts/insurance policies. On August 2nd 2019 UniCredit submitted to AGCM own “commitments” (remediation actions, to be accepted by AGCM), rejected by the Authority on 3rd October 2019. The final measure is expected by the first quarter 2020.

Germany

In Germany various authorities exercise supervisory activities over UCB AG.

The main authorities are the BaFin and the Bundesbank, and from 4 November 2014, responsibility for Banking Supervision was transferred from BaFin to the ECB under the scope of the SSM.

If there are any findings during the inspections conducted by these authorities, UCB AG will implement the corrective measures in compliance with the mitigation plans and the time scales agreed with the authorities and provide these authorities with information about the implementation status of the corrective measures on a quarterly basis or when requested.

Austria

UCB Austria is subject to regulation by the CRR and the Austrian Consolidated Banking Act (*Banlavesengesetz*, BWG) which transposes the CRD IV into Austrian law.

From 4 November 2014, responsibility for banking supervision was transferred from the Financial Market Authority (*Finanzmarktaufsicht* - **FMA**) to the ECB under the scope of the SSM.

FMA

In September 2017, the FMA completed an on-site inspection of the UCB Austria's overall AML framework, including but not limited to all AML and KYC related processes and procedures as well as the implemented IT solutions and all other AIVIL related activities (e.g. trainings) based on samples. The final inspection report was received on February 2018. The report consists of seven Findings. The action plan has been set-up and provided to the FMA. Currently only one remedial action is still ongoing with due date Q1 2020.

At the end of a proceeding conducted in 2017 against UCB Austria by FMA and concerning AML and terrorism financing regulations, UCB Austria received a decision from FMA imposing a fine in the amount of € 66.000,00. UCB Austria decided to appeal against the FMA's decision. Several stages of appeal proceedings took place; currently this case is handled at the Austrian Highest Administrative Court.

ECB and OeNB

As disclosed in ECB "2017 Planned Supervisory Activities" sent in January 2017, in August 2017 the ECB announced an inspection related to "Business model and profitability" of UniCredit subsidiary UniCredit Bank Austria AG. The inspection was launched in October 2017 and concluded in December 2017. The final results were notified in April 2018, highlighting some areas of improvement: (i) strategic planning, (ii) capital stress tests, (iii) transformation risk, (iv) corporate pricing approval control framework, (v) allocation of net write downs and provisions to corporate center, (vi) liquidity cost benefit allocation, (vii) performance measurements, (viii) IRBB model risk. Upon receipt of ECB recommendation letter, UniCredit Bank Austria AG has delivered a dedicated action plan in July 2018. The remedy actions will be concluded by December 2019.

Other countries

The other banks operating in countries where the Group has a presence are subject to normal regulatory activities: inspections, checks and investigations or assessment procedures by the various local supervisory authorities. Depending on the country, the authorities carry out regular checks on the activities and financial status of the various Group entities with differing frequencies and using different methods. Upon the outcome of these checks, the relevant supervisory authorities can impose the adoption of organisational measures and/or impose fines.

Turkey

TCA

Following the inspection launched in November 2011, with regard to Yapi ye KrediBankasi A.S. (**YKB**) and other eleven Turkish banks, in March 2013 the Turkish AntiTrust Authority (**TCA**) announced that it was imposing monetary administrative fines on these banks for the alleged violation of Turkish law on protecting competition. The amount of the fine imposed on YKB came to TRY 149,961,870 (equal to over €63 million). Despite YKB believing it had acted in compliance with the law, in August 2013 the bank benefited from the reduced early payment of the fine pursuant to Turkish law of TRY 112,471,402 (equal to 75 per cent. of the administrative fine imposed and equal to approximately €50 million). In September 2013, YKB also appealed against the TCA' s decision asking for it to be annulled and also asking for its advance payment to be returned. Following the rejection of the appeal made by YKB in April 2015, in August 2016 YKB submitted a further appeal which, at the date of this Registration Document, is still pending.

Ministry of Customs and Trade

In addition, in September 2016, following an investigation launched on account of the alleged violation of consumer protection laws under the scope of several transactions dated between 2011 and 2015, the Turkish

Ministry of Customs and Trade imposed an administrative fine of TRY 116,254,138 (equal to approximately € 31 million) on YKB. In September 2016, YKB benefited from the reduced early payment of the fine pursuant to Turkish law of TRY 87,190,604 (equal to 75 per cent, of the original fine and equal to approximately €23 million) and in October 2016 it appealed against the fine asking for its advance payment to be returned. Following the rejection of this request, in August 2017, YKB has appealed to the Regional Administrative Court. As at the date of this Registration Document, the proceedings are still pending.

11.5 Significant change in the Issuer's financial position

No significant change in the financial position of the Group has been occurred since the end of the last financial period for which both audited financial information and interim financial information have been published.

Section XII – Additional information

12.1 Share capital

As at the date of this Registration Document, UniCredit's share capital, fully subscribed and paid-up, amounted to €20,994,799,961.81, comprising 2,233,376,842 ordinary shares without nominal value.

12.2 Memorandum and articles of association

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

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

The current articles of association was registered with the Company Register of Milano-Monza-Brianza-Lodi on 2 May 2019.

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

Section XIII – Material contracts

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

Section XIV - Documents available

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

- the Memorandum and the article of associations (with an English translation where applicable) of the Issuer;
- a copy of this Registration Document;
- the audited consolidated and unconsolidated financial statements of UniCredit as at and for the financial year ended 31 December 2018 (with an English translation thereof);
- the audited consolidated and unconsolidated financial statements of UniCredit as at and for the financial year ended 31 December 2017 (with an English translation thereof);
- the unaudited consolidated interim financial information of UniCredit as at and for the six months ended 30 June 2019 (with an English translation thereof);
- the unaudited consolidated interim financial information of UniCredit as at and for the three months ended 31 March 2019 — Press Release - (with an English translation thereof);
- the unaudited consolidated interim financial information of UniCredit as at and for the three months ended 30 September 2019 — Press Release - (with an English translation thereof); and
- the unaudited consolidated interim financial information of UniCredit as at and for the three months ended 30 September 2018 — Press Release - (with an English translation thereof).

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

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

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, as a bank which undertakes management and co-ordination activities for the UniCredit Group, pursuant to Article 61 of the Legislative Decree No. 385 of 1 September 1993 (the **Italian Banking Act**) as amended, issues, when exercising the management and co-ordination activities, instructions to the other members of the banking group in respect of the fulfilment of the requirements laid down by the supervisory authorities in the interest of the banking group's stability.

Major shareholders of the Issuer
No individual or entity controls UniCredit within the meaning provided for in Article 93 of Legislative Decree No. 58 of 24 February 1998 (the **Financial Services Act**) as amended. As at 30 December 2019, according to available information, the main shareholders holding, directly or indirectly, a relevant participation in UniCredit were: BlackRock Inc. (Ordinary Shares: 113,550,196; 5.084% owned); Dodge & Cox (Ordinanry Shares: 111,715,904; 5.002% owned).

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

Identity of the statutory auditors of the Issuer
The statutory auditors of the Issuer are Deloitte & Touche S.p.A. (**Deloitte**). Deloitte is a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan under number 03049560166 and registered with the Register of Statutory Auditors *(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 2018 and 2017 from the audited consolidated financial statements for the financial year ended 31 December 2018 and 2017. The selected consolidated financial information included in the table below for the nine months ended 30 September 2019 and 30 September 2018, was derived from the unaudited consolidated interim financial information of UniCredit ended 30 September 2019 and 2018. The figures below for the items of income statement and balance sheet refer to the reclassified schemes.

Income statement						
	As for the year ended			As for the nine months ended		
EUR millions, except where indicated	31.12.18 (*)	31.12.17 (**)	31.12.17 (***)	30.09.19 (****)	30.09.18 (*****)	30.09.18 (******)
	audited			*unaudited*		
Net interest income (or equivalent)	10,856	10,633	10,299	7,688	7,858	8,079
Net fee and commission income	6,756	6,695	6,708	4,675	4,777	5,096
Net impairment loss on financial assets [*identified in the reclassified consolidated accounts as "Net write-downs on loans and provisions for guarantees and commitments*"]	(2,619)	(2,939)	(2,605)	(1,738)	(1,693)	(1,697)
Net trading income	1,245	1,818	1,818	1,073	1,075	1,086
Measure of financial performance used by the Issuer in the financial statements such as operating profit	9,025	8,603	8,268	6,567	6,575	6,887

Net profit or loss (for consolidated financial statements net profit or loss attributable to equity holders of the parent)	3,892	5,473	5,473	4,342	2,165	2,165

Balance sheet

	As for the year ended			As for the nine months ended		Value as outcome from the most recent Supervisory Review and Evaluation Process ('SREP' 31.12.2018)
EUR millions, except where indicated	31.12.18 (*)	31.12.17 (**)	31.12.17 (***)	30.09.19 (****)	30.09.18 (******)	
	audited			*unaudited*		
Total assets	831,469	836,790	836,790	863,048	834,057	not applicable
Senior debt	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable
Subordinated debt (*******)	10,433	not applicable	12,809	not applicable	not applicable	not applicable
Loans and receivables from customers (net) [*identified in the reclassified consolidated accounts as "Loans to customers*"]	471,839	438,895	447,727	480,997	462,235	not applicable
Deposits from customers	478,988	462,895	462,895	455,473	469,044	not applicable
Group Shareholders' EquityTotal	55,841	59,331	59,331	60,038	54,309	not applicable
Non performing loans (********)	14,903	21,112	21,192	11,225	15,977	not applicable
Common Equity Tier 1 capital (CET1) ratio or other relevant prudential capital adequacy ratio depending on the issuance (%)	12.13%	not applicable	13.73%	12.60%	12.17%	12.13%
Total Capital Ratio	15.80%	not applicable	18.10%	17.11%	15.97%	15.79%
Leverage Ratio calculated under applicable regulatory framework (%)	5.06%	not applicable	5.73%	5.29%	5.09%	not applicable

(*) The financial information relating to the financial year ended 31 December 2018 has been extracted from UniCredit's audited consolidated financial statements as of and for the year ended 31 December 2018, which have been audited by Deloitte & Touche S.p.A., UniCredit's external auditors.

(**) The comparative figure as at 31 December 2017 in this column have been restated. The amount related to year 2017 differ from the ones published in the "2017 Consolidated Reports and Accounts".

(***) As published in the "2017 Consolidated Reports and Accounts"

(****) The financial information relating to 30 September 2019 has been extracted from UniCredit's unaudited Consolidated Interim Report as at 30 September 2019 – Press Release

(*****) In 2019 Reclassified income statement, comparative figures as at 30 September 2018 have been restated.

(******) As published in UniCredit's unaudited "Consolidated Interim Report as at 30 September 2018 – Press Release".

(*******) Amounts do not refer to reclassified schemes. They are extracted from the statutory financial statements - Notes to Consolidated Accounts

(********) Unlike the figures as at 31 December 2017, the figures as at 31 December 2018 apply the IFRS9 accounting principle and the exclusion of "Interessi di mora" components. The figures as at 31 December 2017 have been restated and differ from the ones published in the "2017 Consolidated Reports and Accounts" due to the exclusion of the debt securities.

What are the key risks that are specific to the Issuer?
Risks connected with the Strategic Plan 2020 – 2023 On December 3rd 2019, following the completion of the 2016-2019 Strategic Plan, UniCredit presented to the capital markets in London the new 2020-2023 Strategic Plan called "Team 23" (the "**Strategic Plan**" or "**Plan**" or "**Team 23**"). The Strategic Plan contains a number of strategic, capital and financial objectives (collectively, the "**Strategic Objectives**") based on four pillars. Specifically: (i) growth and strengthen client franchise; (ii) transform and maximise productivity; (iii) disciplined risk management & controls; (iv) capital and balance sheet management. UniCredit ability to meet the new Strategic Objectives depends on a number of assumptions and circumstances, some of which are outside UniCredit's control including those relating to developments in the macroeconomic and political environments in which our Group operates, developments in applicable laws and regulations and assumptions related to the effects of specific actions or future events which we can partially forecast/ manage. For all of these reasons, investors are cautioned against making their investment decisions based exclusively on the forecast data included in the Strategic Objectives. Any failure to implement the Strategic Objectives or meet the Strategic Objectives may have a material adverse effect on UniCredit's business, financial condition or results of operations. Furthermore it should be noted that, as disclosed to the Market in the context of Strategic Plan - Team 23 presentation, the capital distribution in the new plan is based on the concept of underlying net profit. Underlying net profit adjusts stated net profit for certain non-operating items to better demonstrate the recurring, sustainable profit base of the bank. Such adjustments include: (i) sale of non-strategic assets and selected real estate properties; (ii) non-operating non-recurring charges including, but not limited to, integration costs and extraordinary IT write-offs; (iii) non-operating items in loan loss provisions, for example the updated rundown strategy for Non Core and the regulatory headwinds. **Credit risk and risk of credit quality deterioration** The activity, financial and capital strength and profitability of the UniCredit Group depend, among other things, on the creditworthiness of its customers. In carrying out its credit activities, the Group is exposed to the risk that an unexpected change in the creditworthiness of a counterparty may generate a corresponding change in the value of the associated credit exposure and give rise to the partial or total write down thereof. In the context of credit activities, this risk involves, among other things, the possibility that the Group's contractual counterparties may not fulfil their payment obligations, as well as the possibility that Group companies may, based on incomplete, untrue or incorrect information, grant credit that otherwise would not have been granted or that would have been granted under different conditions. Other banking activities, besides the traditional lending and deposit activities, can also expose the Group to credit risks. "Non traditional" credit risk can, for example, arise from: (i) entering into derivative contracts; (ii) buying and selling securities, futures, currencies or goods; and (iii) holding third party securities. These operations expose the UniCredit Group to the risk that the counterparty of said derivative contracts or repos may fail to fulfil its obligations or may become insolvent before the contract matures, when the Issuer or one of the other Group companies still holds a credit right against the counterparty. The Group has adopted procedures, rules and principles aimed at monitoring and managing credit risk at both individual counterparty and portfolio level. However, there is the risk that, despite these credit risk monitoring and management activities, the Group's credit exposure may exceed predetermined levels pursuant to the procedures, rules and principles it has adopted. The importance of reducing the ratio of non performing loans to total loans has been stressed on several occasions by the supervisory authorities, both publicly and within the ongoing dialogue with the Italian banks and, therefore, with the UniCredit Group. **Liquidity Risk** Liquidity risk refers to the possibility that the UniCredit Group may find itself unable to meet its current and future 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. Furthermore, it should be noted that 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. 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** In the wake of the global financial crisis that began in 2008, the Basel Committee on Banking Supervision (the **BCBS**) approved revised global regulatory standards (**Basel III**) on bank capital adequacy and liquidity, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards. The Basel III framework has been implemented in the EU through the Directive 2013/36/EU (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. According to Article 92 of the CRR, institutions shall at all times satisfy the following Own Funds requirements: (i) a CET1 Capital ratio of 4.5 per cent.; (ii) a Tier 1 Capital ratio of 6 per cent.; and (iii) a Total Capital ratio of 8 per cent. These minimum ratios are complemented by the following capital buffers to be met with CET1 Capital: *Capital conservation buffer, Counter-cyclical capital buffer, Capital buffers for globally systemically important institutions (**G-SIIs**) and Capital buffers for other systemically important institutions (**O-SIIs**).* In addition, under Article 133 of the CRD IV Directive, each Member State may introduce a Systemic Risk Buffer of Common Equity Tier 1 Capital for the financial sector or one or more subsets of that sector in order to prevent and mitigate long-term non-cyclical systemic or macroprudential risks not otherwise covered by the CRD IV Package. As at the date of this Registration Document, no provision is taken on the systemic risk buffer in Italy. Failure to comply with such combined buffer requirements triggers restrictions on distributions and the need for the bank to adopt a capital conservation plan on necessary remedial actions (Articles 140 and 141 of the CRD IV Directive). In addition, UniCredit is subject to the Pillar 2 requirements for banks imposed under the CRD IV Package, which will be impacted by the SREP. Specifically, the Council of the European Union adopted regulations establishing the single supervisory mechanism (the **Single Supervisory Mechanism** or **SSM**) which have given the ECB direct supervisory responsibility over "banks of systemic importance" in the Banking Union as well as their subsidiaries in a participating non-euro area Member State. The ECB has fully assumed its new supervisory responsibilities of UniCredit and the UniCredit Group. Based on the decision of ECB concerning the capital requirements following the results of its annual 2018 SREP, as of 30 September 2019, the following capital requirements apply: Common Equity Tier 1 ratio: 10,09%; Tier 1 ratio: 11,59%; Total Capital ratio: 13,59%. Furthermore UniCredit has been informed by ECB of its final decision of its 2019 Supervisory Review and Evaluation Process: the Pillar 2 capital requirement has been lowered by 25 basis point to 175 basis point, applicable from 1st January 2020. As a consequence UniCredit is required to meet the following overall capital requirements on a consolidated basis from 1 January 2020: Common Equity Tier 1 ratio 9.84%; Tier 1 ratio 11.34%; Total Capital ratio 13.34%. Should UniCredit not be able to implement the approach to capital requirements, it may be required to maintain levels of capital which could potentially impact its credit ratings, and funding conditions and which could limit UniCredit's growth opportunities.