



**FIRST SUPPLEMENT DATED 11 AUGUST 2020
TO THE BASE PROSPECTUS DATED 5 JUNE 2020**

UNICREDIT S.p.A.

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

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

This supplement (the **Supplement**) to the base prospectus dated 5 June 2020 (the **Base Prospectus**), constitutes a supplement for the purposes of Article 23 of the Prospectus Regulation and is prepared in connection with the €60,000,000,000 Euro Medium Term Note Programme (the **Programme**) established by UniCredit S.p.A. (**UniCredit** or the **Issuer**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement. When used in this Supplement, **Prospectus Regulation** means Regulation (EU) 2017/1129.

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

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

The amendments included in this Supplement shall only apply to Final Terms the date of which falls on or after the approval of this Supplement.

Purpose of the Supplement

The purpose of the submission of this Supplement is to (i) update the “Risk Factors” section of the Base Prospectus; (ii) update the “Responsibility Statement, Third Party Information and Experts’ Reports” section of the Base Prospectus; (iii) update the “Documents Incorporated by Reference” section of the Base Prospectus to incorporate by reference some sections of the unaudited condensed interim consolidated financial statements (including review reports) of UniCredit as at each of 30 June 2019 and 30 June 2020; (iv) update the “Description of UniCredit and the UniCredit Group” section of the Base Prospectus; and (v) update the “General Information” section of the Base Prospectus.

Documents Incorporated by Reference

Unaudited condensed interim consolidated financial statements (including review reports) of UniCredit in respect of the six months ended 30 June 2019 and 30 June 2020

On 5 August 2020, the UniCredit Board of Directors approved the unaudited condensed interim consolidated financial statements of UniCredit in respect of the six months ended 30 June 2020 (the **Consolidated First Half Financial Report as at 30 June 2020**) on which the external auditor issued a review report dated 7 August 2020 (the **Review Report**) and which have been published on 7 August 2020 and are available at <https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2020/2Q20/Consolidated-First-Half-Financial-Report-as-at-30-June-2020.pdf>.

For comparative purposes, the Issuer wishes also to incorporate by reference the unaudited condensed interim consolidated financial statements of UniCredit in respect of the six months ended 30 June 2019 (the

Consolidated First Half Financial Report as at 30 June 2019) on which the external auditors issued a review report dated 8 August 2019 (the **Review Report**) and which were published on 9 August 2019 and are available at <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>.

The Consolidated First Half Financial Report as at 30 June 2019 and the Consolidated First Half Financial Report as at 30 June 2020 have both been subject to review by Deloitte & Touche S.p.A., UniCredit Group's external auditor.

A copy of each of the Consolidated First Half Financial Report as at 30 June 2019 and the Consolidated First Half Financial Report as at 30 June 2020 has been filed with the *Commission de Surveillance du Secteur Financier (CSSF)*. Copies of this Supplement and all the sections identified in the table below incorporated by reference in the Base Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Paying Agents for the time being in London as described on page 343 of the Base Prospectus. Copies of this Supplement and all the sections identified in the table below incorporated by reference in the Base Prospectus will also be published on the website of UniCredit www.unicreditgroup.eu, as well as on the website of the Luxembourg Stock Exchange (www.bourse.lu).

By virtue of this Supplement, the sections of the Consolidated First Half Financial Report as at 30 June 2019 and the Consolidated First Half Financial Report as at 30 June 2020 identified in the table below are incorporated by reference in, and form part of, the Base Prospectus. Any non-incorporated parts of a document referred to in this Supplement are either deemed not relevant for an investor or are otherwise covered elsewhere in this Supplement.

The “*Documents Incorporated by Reference*” section on page 79 of the Base Prospectus is hereby supplemented with the following:

Documents	Information Incorporated	Page Reference
Consolidated First Half Financial Report as at 30 June 2020	Consolidated Balance Sheet	p. 61
	Consolidated Income Statement	p. 62
	Consolidated Statement of Comprehensive Income	p. 63
	Statement of changes in the Consolidated Shareholders' Equity	p. 64-65
	Consolidated Cash Flow Statement	p. 66-67
	Explanatory Notes	p. 69-224
	Certification	p. 227
	Report of External Auditors	p. 229
	Annexes	p. 231-235
	Other Information – Subsequent Events	p. 58
Documents	Information Incorporated	Page Reference
Consolidated First Half Financial Report as at 30 June 2019	Consolidated Balance Sheet	p. 51

Documents	Information Incorporated	Page Reference
	Consolidated Income Statement	p. 52
	Consolidated Statement of Comprehensive Income	p. 53
	Statement of changes in the Consolidated Shareholders' Equity	p. 54-55
	Consolidated Cash Flow Statement	p. 56-57
	Explanatory Notes	p. 59-221
	Certification	p. 223
	Report of External Auditors	p. 225
	Annexes	p. 227-239
	Other Information – Subsequent Events	p. 48

Other Information

Risk Factors

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

- The following Risk Factor shall be added on page 21, before the Risk Factor headed “*Risks connected with the Strategic Plan 2020 – 2023*”, and the Risk Factors in such subsection shall be renumbered accordingly:

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

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

After the slowdown in commercial revenues from the middle of March 2020, an improving in the latter stages of the period follows, as most of key markets emerged from Covid-19 related lockdowns. The current scenario is characterised by elements of high uncertainty - strongly influenced also by the relevant restriction measures - relating both to the general situation and, in particular, to the non-performing exposure market. In particular, in this context, it should be noted that the economic slowdown may determine a deterioration of credit portfolio quality, thus increasing the incidence of non-performing loans and the need to increase the provisions that will be set aside in the income statement. Following the widespread lockdown, the Group realized

additional Loan Loss Provisions (LLPs) increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio.

The operating part of the income statement saw an impact from COVID-19 as a consequence of the significantly lower economic activity, also on revenues, by decreasing overall by about 8 per cent. in the first half 2020, compared to the same period of the past year.

Finally, taking into account the revised estimates of the cost of risk, it results that the financial objectives of Team 23 for 2020 and 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. It should be noted that, due to the current framework of high uncertainty and volatility, it is not currently possible to make an overall final assessment of the impacts on the medium/long-term Plan objectives in order to determine whether they are still relevant or how they are impacted, analyses that will be finalised over the next months. Therefore, an update of the Team 23 strategic plan reflecting current conditions will be presented during the Capital Markets Day, to be held towards the end of this year or early next year.

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

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

The slowdown caused by COVID-19, starting from the middle of March 2020, enlarge its effects in the second quarter, which revenues were down 4.8 per cent. Q/Q and 7.7 per cent. Y/Y with lockdowns in place for much of the period across core markets leading to significantly lower economic activity. The Group saw improved commercial performance in the latter stages of the period as most of its key markets emerged from Covid-19 related lockdowns.

In detail: (i) Net interest income was down 4.0 per cent. Q/Q due to commercial dynamics (-Euro 54 m Q/Q) and other factors¹ (-Euro 57 m Q/Q); (ii) fees and commission were down 11.8 per cent. Y/Y (-3.4 per cent. 1H/1H) and showed early signs of recovery towards the end of the quarter, with total fees for CB Germany, CB Austria and CB Italy, as well as Group investment fees higher in June than they were for the same month in 2019; and (iii) trading income was up 105.9 per cent. Q/Q, despite negative XVA (X-Value Adjustment) (-Euro 93m Q/Q). Client driven trading income (excluding XVA) was up Euro 164 m (+79.1 per cent. Q/Q) in 2Q20 with solid performance in certificates and fixed income. Non-client driven trading income was up Euro 113 m (+345 per cent. Q/Q) mainly thanks to treasury. Trading income was also affected by the reclassification of the net interest contribution deriving from Trading Book instruments. Operating costs were down 0.2 per cent. Y/Y and 2.0 per cent. Q/Q mainly thanks to the continued cost discipline which more than offset COVID-19 related expenses.

The current scenario is characterised by elements of high uncertainty – strongly influenced also by the relevant restriction measures – relating both to the general situation and, in particular, to the non-performing exposure market. In particular, in this context, it should be noted that the economic slowdown may determine a deterioration of credit portfolio quality, thus increasing the incidence of non-performing loans and the need to increase the provisions that will be set aside in the income statement. Following the widespread lockdown, the Group realized additional LLPs increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio.

¹ Other include: margin from impaired loans, time value, days effect, FX effect, one-offs and other minor items.

Therefore the cost of risk in the first half 2020 is 91 bps, increasing compared to the same period of the past year (50 bps).

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

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

Finally, taking into account the revised estimates of the cost of risk, it results that the financial objectives of Team 23 for 2020 and 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. It should be noted that, due to the current framework of high uncertainty and volatility, it is not currently possible to make an overall final assessment of the impacts on the medium/long-term Plan objectives in order to determine whether they are still relevant or how they are impacted, analyses that will be finalised over the next months. Therefore, an update of the Team 23 strategic plan reflecting current conditions will be presented during the Capital Markets Day, to be held towards the end of this year or early next year. For further information on the risks associated with the Strategic Plan, see Risk 1.1.2 “*Risks connected with the Strategic Plan 2020 – 2023*”.

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

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

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

- In the subsection “*Risks related to the financial situation of the Issuer and of the Group*”, the Risk Factor headed “*Risks connected with the Strategic Plan 2020 – 2023*”, on pages 21-22 of the Base Prospectus, shall be deleted and replaced as follows:

“*1.1.2. Risks connected with the Strategic Plan 2020 – 2023*

*On 3 December 2019, following the completion of the 2016-2019 Strategic Plan, UniCredit presented to the financial community in London the new 2020-2023 Strategic Plan called “Team 23” (the **Strategic Plan** or **Plan** or **Team 23**). The Strategic Plan contains determined strategic, capital and financial objectives (collectively, the **Strategic Objectives**) based on four pillars. Such Strategic Objectives focus on improving the cost of risk, reducing the gross NPE ratio, maintaining*

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

As above mentioned, the current macroeconomic scenario is worse than the plan assumptions. For this reason, UniCredit has updated the macroeconomic assumptions connected with the determination of LLPs in accordance with IFRS9 (International Financial Reporting Standards 9), and realized additional LLPs increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio.

In light of the Cost of Risk reviewed estimates, it results that the financial objectives of Team 23 for 2020 and 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. It should be noted that, due to the current framework of high uncertainty and volatility, it is not currently possible to make an overall final assessment of the impacts on the medium/long-term Plan objectives in order to determine whether they are still relevant or how they are impacted, analyses that will be finalised over the next months. The revised determinations will be organically presented in an update of the Team 23 plan, reflecting the new macroeconomic conditions, during the Capital Markets Day currently scheduled between the end of this year and the beginning of 2021, as publicly announced on 6 May 2020 during the presentation of the first quarter 2020 results. In this context it will be presented the Group's strategic priorities and the new Team 23 Plan Objectives.

Currently, as confirmed in the press release of the first quarter 2020 results, the key pillars of Team 23 remain strategic priorities, specifically:

- **Growth and strengthen client franchise:** through a renewed focus on customer satisfaction and service quality, confirming position as "go to" bank for small and mid-sized corporates, reinforcing market leadership in CEE and strengthen CIB and Commercial Banking cooperation, and redesign customer service for individuals thanks to a mix of integrated channels;
- **Transform and maximise productivity:** adopt new ways of working to continuously optimise processes, enhance customer experience and deliver efficiencies;
- **Disciplined risk management & controls:** further strengthen monitoring and management of Credit and Financial Risk: enhanced business accountability and in-depth monitoring by control functions. Targeted actions on Compliance and Operational Risk, reinforcing

governance and risk of Anti Financial Crime controls, AML and KYC, Cyber security and Operational Risk;

- **Capital and balance sheet management:** proactive capital allocation based on financial performance, preference for share buybacks over M&A, only small bolt-on acquisitions might be considered to accelerate capital allocation towards businesses or geographies with higher risk-adjusted profitability. Gradual alignment of domestic sovereign bond portfolios with those of European peers.

Team 23 plan is based on assumptions both in terms of interest rates and economic growth of the countries of presence of the Group. As macroeconomic variables are volatile, UniCredit has also developed two sensitivities on top of the base case scenario embedded in the Strategic plan, both on interest rates and economic growth. One sensitivity, internally called “Draghi”, assumes rates close to the current levels throughout the plan (Euribor 3M *end of period* at minus 50 basis points until 2023) and lower GDP (Gross Internal Product) growth both in Western Europe and Central Eastern Europe countries. “Draghi” scenario assumes an economic slowdown in normal market conditions, consequently, it is not directly comparable to the impacts related to the COVID-19 containment measures applied by most of Countries. Considering the high uncertainty of the environment, as explained above for financial results also interest rates and economic assumptions are influenced by COVID-19 and will be updated and presented during the Capital Markets Day that will be by the end of 2020 or early 2021.

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

Such adjustments include:

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

As announced on 29 July 2020, UniCredit confirms that it will comply with the ECB’s 2020 payout recommendations and not pay dividends nor do share buybacks in 2020. UniCredit will re-instate the Team 23 capital distribution policy (subject to ECB 4Q20 final recommendation on European banks distribution) from 2021 onwards, distributing 50 per cent. of underlying net profit to shareholders composed of a 30 per cent target cash dividend payout of the underlying net profit and 20 per cent. for share buyback.

Based on the market environment at that time, the Group may also review the split between cash dividend and share buyback. The Group remains committed to gradually returning excess capital to shareholders, above the upper end of its 200-250 bps target CET1 MDA buffer. To conservatively account for its capital position, UniCredit will already accrue the cash dividend for FY20 at a rate of 30 per cent. of the underlying net profit already from 2Q20.

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

- In the subsection “*Risks related to the financial situation of the Issuer and of the Group*”, the Risk Factor headed “*Credit risk and risk of credit quality deterioration*”, on pages 22-24 of the Base Prospectus, shall be deleted and replaced as follows:

“1.1.3 Credit risk and risk of credit quality deterioration

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

Following the widespread lockdown, the Group realized additional LLPs increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio.

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

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

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

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

With regard to “non-traditional” credit risk, the UniCredit Group negotiates derivative contracts and repos on a wide range of products, such as interest rates, exchange rates, share prices/indices, commodities (precious metals, base metals, oil and energy materials), both with institutional counterparties, including brokers and dealers, central counterparties, central governments and banks, commercial banks, investment banks, funds and other institutional customers, and with non-institutional Group customers. These operations expose the UniCredit Group to the risk of counterparty, which is the risk that the counterparty may become insolvent before the contract matures, not being able to fulfil its obligations towards to the Issuer or one of the other Group companies.

As at 30 June 2020 Group gross NPEs were down by 31.2 per cent. Y/Y and 5.0 per cent. Q/Q to Euro 23.7 billion in 2Q20 (while as at 31 March 2020 they were equal to Euro 24.9 billion) with an improved gross NPE ratio of 4.8 per cent. (-2.2 p.p. Y/Y, -0.1p.p. Q/Q), while as at 31 March 2020 the gross NPE ratio was equal to 4.9 per cent.

As at 30 June 2020 Group Net NPEs stood at Euro 8.8 billion while at 31 March 2020 were Euro 8.7 billion (Group Net NPE ratio remained substantially unchanged compared to 31 March 2020 and is equal to 1.8 per cent.).

As at 30 June 2020, the Group excluding Non Core gross NPEs decreased to Euro 16.7 billion (-0.7 p.p Q/Q, -10.9 p.p Y/Y while as at 31 March 2020 they were equal to Euro 16.8 billion), while Group excluding Non Core Net NPEs were slightly increased to Euro 7.2 billion.

The NPL ratio for UniCredit using the EBA definition is 2.7 per cent. in 2Q20 compared to weighted average of EBA sample banks of 3.0 per cent..

For more information on European legislative initiatives on Non-Performing Loans, please see section headed “*Information about the Issuer*”, paragraph 1.1.4 (*The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer*) of this Base Prospectus.

Furthermore, since 2014, the Italian market has seen an increase in the number of disposals of non-performing loans, characterised by sale prices that are lower than the relative book values, with discounts greater than those applied in other European Union countries. In this context, the UniCredit Group has launched a structured activity to reduce the amount of non-performing loans on its books, while simultaneously seeking to maximise its profitability and strengthen its capital structure.

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

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

Building on the experience gained in Transform 2019, according to the new Strategic Plan 2020-2023 the Group will continue to manage NPEs proactively to optimise value and capital. In order to mitigate the negative consequences caused by the restrictive measures adopted to contain the COVID-19 outbreak, several countries in which the Group operates have enacted national provisions to postpone the payment of the instalments upon request of customers or automatically (the so-called “*moratoria*”).

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

LLPs totalled Euro 937 million² in 2Q20 (-25.7 per cent. Q/Q) of which Euro 522 million were specific LLPs³ reflecting disciplined underwriting and Euro 409 million were overlays on LLPs⁴ increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio.

² The split of LLPs and Cost of Risk between the Overlay and Specific parts has been computed applying the sum of quarterly LLPs data coherently with the quarterly staging dynamic.

³ Specific LLPs: analytical and statistical LLPs related to non performing portfolio (stage 3). Specific CoR deriving from provisions on the non performing portfolio (stage 3).

⁴ Includes IFRS9 macro, sector based provisioning, pro-active staging and coverage increases. All LLPs are related to performing portfolios (stage 1 and 2).

The specific cost of risk, excluding the overlays on LLPs was 43 bps, still under control despite COVID-19⁵.

During the quarter, UniCredit continued to play its part in supporting the economy by offering Euro 35 billion of *moratoria* loans, whilst maintaining a disciplined approach to risk, with 71 per cent. of loans at investment grade in Commercial Banking Italy. Overall *moratoria* volumes are stabilising, while state guaranteed volumes are growing steadily with Euro 7 billion granted.

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

- In the subsection “*Risks related to the financial situation of the Issuer and of the Group*”, the Risk Factor headed “*Risks associated with the Group’s exposure to sovereign debt*”, on pages 24-25 of the Base Prospectus, shall be deleted and replaced as follows:

“*1.1.4 Risks associated with the Group’s exposure to sovereign debt*

As at 30 June 2020, the Group’s sovereign exposures in debt amounts to Euro 113,990 million (as at 31 December 2019 it amounted to Euro 105,370 million), of which over 85 per cent concentrated in eight countries. In particular, the Group’s exposure to Italian sovereign debt in debt securities amounts to Euro 44,092 million (at 31 December 2019 it amounted to Euro 43,849 million) and represents, respectively, about 39 per cent of the Group’s total sovereign exposure represented by debt securities (about 42 per cent. at 31 December 2019) and about 5 per cent. of the Group total assets (unchanged from 31 December 2019). Increased financial instability and the volatility of the market, with particular reference to the increase of credit spread, or the rating downgrade of sovereign debt, as well as the rating downgrade of Italian sovereign debt, or forecasts that such downgrades may occur, could negatively impact the financial position of UniCredit and/or the Group considering their exposure to sovereign debt.

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

With reference to the Group’s sovereign exposures in debt, the book value of sovereign debts securities as at 30 June 2020 amounted to Euro 113,990 million (as at 31 December 2019 it amounted to Euro 105,370 million), of which over the 85 per cent was concentrated in eight countries, including: Italy with Euro 44,092 million (at 31 December 2019 it amounted to Euro 43,849 million), representing about 39 per cent of the total (about 42 per cent. at 31 December 2019) and about 5 per cent. of the Group total assets (unchanged from 31 December 2019); Spain with Euro 16,752 million; Germany with Euro 14,446 million; Japan with Euro 7,884 million; Austria with Euro 5,878 million; United States of America with Euro 3,757 million; France with Euro 2,190 million and Romania with Euro 2,173 million.

As at 30 June 2020, the remaining 15 per cent of the total sovereign exposures in debt securities, equal to Euro 16,818 million as recorded at the book value, was divided between 32 countries, including: Hungary (Euro 1,969 million), Bulgaria (Euro 1,680 million), Portugal (Euro 1,522 million), Czech Republic (Euro 1,426 million), Croatia (Euro 1,353 million), Ireland (Euro 1,171 million), Serbia (Euro 878 million), Poland (Euro 859 million), Russia (Euro 858 million) and Israel (Euro 817 million). The exposures in sovereign debt securities relating to Greece are immaterial.

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

⁵ The 1Q20 underlying CoR of 29 bps (excludes regulatory headwinds (0 bps in 1Q20) and IFRS9 macro scenario) is the reported underlying cost of risk in the quarter. The comparable specific CoR for 1Q20 is 20 bps.

Note that the aforementioned remainder of the sovereign exposures held as at 30 June 2020 also included debt securities relating to supranational organisations, such as the European Union, the European Financial Stability Facility and the European Stability Mechanism, worth Euro 2,529 million (as at 31 December 2019 it amounted to Euro 3,065 million).

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

Total loans to countries to which the total exposure is greater than Euro 130 million, which represented about 92 per cent of said exposures, as at 30 June 2020 amounts to Euro 20,935 million (as at 31 December 2019 it amounted to Euro 22,341 million).

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

- In the subsection "Risks related to the business activities and industry of the Issuer and of the Group", the Risk Factor headed "Liquidity Risk", on pages 25-27 of the Base Prospectus, shall be deleted and replaced as follows:

"1.2.1 Liquidity Risk

The main indicators used by the UniCredit Group to assess its liquidity profile are (i) the Liquidity Coverage Ratio (LCR), which represents an indicator of short-term liquidity subject to a minimum regulatory requirement of 100 per cent. from 2018 and which was equal to 148 per cent. in June 2020, and (ii) the Net Stable Funding Ratio (NSFR), which represents the indicator of structural liquidity and which, on the same date, was above the internal limit set at 101.3 per cent. within the risk appetite framework. Liquidity risk refers to the possibility that the UniCredit Group may find itself unable to meet its current and future, anticipated and unforeseen cash payment and delivery obligations without impairing its day-to-day operations or financial position. The activity of the UniCredit Group is subject in particular to funding liquidity risk, market liquidity risk, mismatch risk and contingency risk. The most relevant risks that the Group may face are: i) an exceptionally high usage of the committed and uncommitted lines granted to corporate customers; ii) the capacity to roll over the expiring wholesale funding and the potential cash or collateral outflows the Group may suffer in case of rating downgrades of both the banks or the sovereign debt in the geographies in which it operates. In addition to this, some risks may arise from the limitations applied to the cross-border lending among banks, which have been increased in some countries. Due to the financial market crisis, followed also by the reduced liquidity available to operators in the sector, the ECB has implemented important interventions in monetary policy, such as the "Targeted Longer-Term Refinancing Operation" (TLTRO) introduced in 2014 and the TLTRO II introduced in 2016. In March 2019 ECB announced a new series of quarterly targeted longer-term refinancing operations (TLTRO-III) to be launched in September 2019 to March 2021, each with a maturity of two years, recently shifted by an additional year. On March 2020 new long term refinancing operations (LTROs) were announced to provide a bridge until the TLTRO III window in June 2020 and ensure liquidity and regular money market conditions. These measures were integrated with temporary collateral easing measures.

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

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

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

- the short-term indicator 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 NSFR, which corresponds to the ratio between the available amount of stable funding and the required amount of stable funding. While the LCR is already in force, the NSFR has been introduced as a requirement in the CRR II published in June 2019 and will apply from June 2021.

As of June 2020, the LCR of the Group was equal to 148 per cent. (calculated as the average of the 12 latest end of month ratios). At the same date, the NSFR was above the internal limit of 101.3 per cent. set in the risk appetite framework.

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

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

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

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

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

As of 30 June 2020, the total debt of the UniCredit Group with the ECB through TLTRO III was Euro 94.3 billion, with a timetable of maturities scheduled for June 2023. As of 30 June 2020 UniCredit Group did not have any refinancing operation in place neither on short nor long term maturities other than TLTRO III (e.g. one-week refinancing operations).

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

TLTRO III

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

”

- In the subsection “*Risks related to the business activities and industry of the Issuer and of the Group*”, the Risk Factor headed “*Risks associated with the impact of current macroeconomic uncertainties*”, on page 27 of the Base Prospectus, shall be deleted in its entirety. The Risk Factors from the Risk Factor headed “*Risk related the property market trends*” to the Risk Factor headed “*Risks connected with legal proceedings in progress*” on pages 27-33 shall be renumbered.
- In the subsection “*Risks related to the business activities and industry of the Issuer and of the Group*”, the Risk Factor headed “*Risk related the property market trends*”, on pages 27-28 of the Base Prospectus shall be deleted and replaced as follows:

“1.2.2 Risk related the property market trends”

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

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

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

The Group has considered that the possibility of measuring real estate assets at current values (and no longer at cost) allows, in line with the provisions of IAS8 concerning changes in accounting

principles, to provide reliable and more relevant information on the effects of business management as well as the Group's financial position and economic result.

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

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

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

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

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

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

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

- In the subsection “*Risks related to the business activities and industry of the Issuer and of the Group*”, the Risk Factor headed “*Operational risk*”, on pages 30-32 of the Base Prospectus, shall be deleted and replaced as follows:

“1.2.6 Operational risk

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

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

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

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

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

With reference to the operational risks identified, the effectiveness of the risk mitigation measures was then assessed also through a comparative analysis between different Group Legal Entities. In addition, specific second-level controls were activated to oversee those areas that were subject to the most significant changes. A specific monitoring of operational incidents linked, even indirectly, to the entire COVID-19 epidemic has been created in order to promptly intercept potential process criticalities or inappropriate behaviors.

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

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

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

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

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

In this regard it should be noted that on 5 February 2020, the Italian Personal Data Protection Authority notified UniCredit S.p.A. of the start of sanctioning proceedings regarding a violation of customers' personal data following a Cyber-attack (data breach) occurred in October 2018, communicated through its Group website on 22 October 2018. As required by the "Italian personal

data protection Code” (Art. 166, c. 6 of Legislative Decree 196/03) UniCredit S.p.A. has presented its statement of defence on the matter and has requested a hearing with the Authority to explain its arguments. It is currently not possible to define the timeline and outcome of the proceedings.

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

- In the subsection “*Risks related to the business activities and industry of the Issuer and of the Group*”, the Risk Factor headed “*Risks connected with legal proceedings in progress*”, on pages 32-33 of the Base Prospectus, and the sub-paragraphs thereof, shall be deleted and replaced as follows:

“*1.2.7 Risks connected with legal proceedings in progress*

1.2.7.1 Risks connected with legal proceedings in progress

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

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

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

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

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

For further information in relation to the single legal and arbitration proceedings please see Section headed “*Legal and Arbitration proceedings*” in the “*Description of UniCredit and the UniCredit Group*” this Base Prospectus.”

1.2.7.2 Risks arising from tax disputes

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

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

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

As far as the tax inspections and tax disputes are concerned, in relation to the first half of 2020, reference is made to Section headed “*Legal and Arbitration proceedings*” of this Base Prospectus.

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

For further information in relation to the tax proceedings please see Section headed “*Legal and Arbitration proceedings*” in the “*Description of UniCredit and the UniCredit Group*” this Base Prospectus.”

- In the subsection “*Risks connected with the legal and regulatory framework*”, the Risk Factor headed “*Basel III and Bank Capital Adequacy*”, on pages 33-35 of the Base Prospectus, shall be deleted and replaced as follows:

“1.3.1 Basel III and Bank Capital Adequacy

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

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

The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the **CRD IV Directive**) and the Regulation 2013/575/EU (the **CRR**, together with the CRD IV Directive, the **CRD IV Package**) subsequently updated in the Regulation No. 876/2019 and Directive (EU) No. 2019/878 (the **Banking Reform Package** with CRR II and CRD V). In addition to the capital requirements under CRD IV, the BRRD introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities (the **Minimum Requirement for Own Funds and Eligible Liabilities, MREL**). The Issuer has to meet MREL requirements on a consolidated basis, as well as the standard on total loss absorbing capacity for systemically important banks (**TLAC**). The MREL and TLAC requirements involve similar risks. They constrain the structure of liabilities and require the use of subordinated debt, which have an impact on cost and potentially on the Issuer's financing capacity. The Banking Reform Package also contains the Directive (EU) 2019/879 (**BRRD II**), which amended the BRRD, introducing, inter alia, significant changes to the standards regarding the calibration of the MREL requirement for banks that are systematically relevant and redefining the scope of MREL itself in order to align the eligibility criteria with those set out in the CRR so as to converge this ratio with the TLAC.

For more information on the capital adequacy legislation applicable to the Issuer, please see section headed "*Information about the Issuer*", paragraph 1.1.4 (*The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer*) of this Base Prospectus.

Capital Adequacy requirements

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

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

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

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

- Common Equity Tier 1 ratio 9.84 per cent.;
- Tier 1 ratio 11.34 per cent.;

- Total Capital ratio 13.34 per cent.⁶.

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

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

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

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

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

This implies that UniCredit and the other banks supervised by ECB are allowed to partially use Additional Tier 1 or Tier 2 instruments in order to comply with the P2R instead of Common Equity Tier 1 (**CET1**) capital. This advances a measure that was initially planned to enter into force in January 2021, following the latest revision of the Capital Requirements Directive (**CRD V**).

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

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

- Common Equity Tier 1 ratio 9.04 per cent.;
- Tier 1 ratio 10.87 per cent.;
- Total Capital ratio 13.31 per cent..

As of 31 December 2019, the consolidated capital ratios (CET1 Capital, Tier 1 and Total Capital ratios) were equal to, respectively, 13.22 per cent., 14.90 per cent. and 17.69 per cent. as of 30 June 2020, the consolidated capital ratios (CET1 Capital, Tier 1 and Total Capital ratios) were equal to,

⁶ Assuming the Countercyclical Capital Buffer equal to the 2019 year-end value. The Countercyclical Capital Buffer (**CCyB**) depends on the credit exposures of UniCredit to countries where countercyclical capital ratios have been or will be set and on the respective requirements set by the relevant national authorities, and may therefore vary on a quarterly basis over the reporting period.

respectively, 14.54 per cent., 16.63 per cent. and 19.44 per cent, with an excess of CET1 with respect to the requirement which the Group has to comply with (so called MDA buffer) of 549bps (this buffer benefits of the reduction of the P2R to be covered with CET1 Capital to 98bps, instead of 175bps as originally set). It should be noted that from 30 June 2020 the Group has adopted the so called transitional phase-in regarding the application of the IFRS9 accounting principle, that implies a difference between the CET1 ratio Transitional (reported above) relevant for the respect of capital requirements and the CET1 ratio Fully Loaded. As of 30 June the CET1r Fully Loaded the Group has a CET1 ratio equal to 13.85 per cent. exceeding by 481 bps the minimum capital requirements for CET1 ratio.

As of 30 June 2020, the fully loaded leverage ratio was 5.13 per cent, while the transitional leverage ratio stood at 5.58 per cent..

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

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

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

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

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

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

The Board reserved the right to convene a new Shareholders' Meeting in order to submit new resolution proposals on the three items withdrawn subject to an ECB review of its recommendation. Such a meeting would only occur after 1 October 2020 or post any new ECB

recommendation on this topic, unless the market conditions or the consequences of the COVID-19 pandemic do not allow such course of action.

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

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

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

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

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

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

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

Responsibility Statement, Third Party Information and Experts' Reports

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

- The paragraph titled “*Third party information*” in the “*Responsibility Statement, Third Party Information and Experts' Reports*” section on page 72 of the Base Prospectus is deleted in its entirety and replaced as follows:

“Third party information

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

- The paragraph titled “*Experts’ reports*” in the “*Responsibility Statement, Third Party Information and Experts’ Reports*” section on page 72 of the Base Prospectus is deleted in its entirety and replaced as follows:

“Experts’ reports

No statement or report attributed to a person as an expert is included in this Base Prospectus, except for the reports of the auditors of the Issuer who have audited the consolidated financial statements of the UniCredit Group and the financial statements of the Issuer for the financial year ended on 31 December 2019 and 31 December 2018 and for the six months ended on 30 June 2020 and 30 June 2019.

For further information please see the section headed “*External Auditors*” in the “*General Information*” of this Base Prospectus.”

Description of UniCredit and the UniCredit Group

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

- The sub-paragraph “*The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer*” in the “*Description of UniCredit and the UniCredit Group*” section on page 271-278 of the Base Prospectus is deleted in its entirety and replaced as follows:

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

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

UniCredit, in carrying out its banking activities, is subject to the supervisory power of the ECB and to the Italian and European legislation and regulation, as well as to the provisions on anti-money laundering, transparency and fairness in customer relations, usury, consumer protection, labour law, safety at the workplace and privacy laws.

BRRD and SRMR

With regard to the regulatory framework applicable to the Issuer, it is noted the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014, implemented in Italy with the Legislative Decree 180 and 181 of 16 November 2015 (**BRRD**).

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

Such instruments and powers include the possibility of applying the “Bail-in”, *i.e.* the power to reduce, with the possibility of cancellation, the nominal value of shares and the write-down of

receivables due from the bank with their conversion into shares. The aim of the bail-in is to absorb losses and recapitalize the failing bank in order to ensure the continuity of its critical economic functions, protecting financial stability and minimizing losses to the taxpayer, while still ensuring that no creditor suffers greater losses than if the bank had been liquidated under normal insolvency proceedings.

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

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

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

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

CRR and CRD

The Issuer shall comply with the revised global regulatory standards (**Basel III**) on bank capital adequacy and liquidity. The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the **CRD IV Directive**) and the Regulation 2013/575/EU (the **CRR**, together with the CRD IV Directive, the **CRD IV Package**) subsequently updated in the Regulation No. 876/2019 and Directive (EU) No. 2019/878 (the **Banking Reform Package** with CRR II and CRD V). According to Article 92 of the CRR, institutions shall at all times satisfy the following Own Funds requirements: (i) a CET1 Capital ratio of 4.5 per cent.; (ii) a Tier 1 Capital ratio of 6 per cent.; and (iii) a Total Capital ratio of 8 per cent. According to Articles from 129 to 134 of the CRD, these minimum ratios are complemented by the following capital buffers to be met with CET1 Capital: *Capital conservation buffer, institution-specific countercyclical capital buffer, Capital buffers for globally systemically important institutions (G-SIIs) and Capital buffers for other systemically important institutions (O-SIIs), Systemic risk buffer.*

In October 2013, the Council of the European Union adopted regulations establishing the single supervisory mechanism (the **Single Supervisory Mechanism** or **SSM**) for all banks in the Euro area, which have, beginning in November 2014, given the ECB, in conjunction with the national competent authorities of the eurozone States, direct supervisory responsibility over “significant banks” in the Banking Union as well as their subsidiaries in a participating non-euro area Member

State. The ECB has fully assumed its new supervisory responsibilities of UniCredit and the UniCredit Group.

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

Such measures entered into force on 27 June 2019, while a) the CRR II will be applicable from 28 June 2021, excluding some provisions with a different date of application (early or subsequent), b) the CRD V shall be implemented into national law by 28 December 2020 excluding some provisions which will be applicable subsequently. The BRRD II and the CRD V are subject to transposition in Italy by means of the “*Disegno di Legge di Delegazione Europea*” currently subject to parliamentary scrutiny.

Moreover, it is worth mentioning that the Basel Committee on Banking Supervision (**BCBS**) concluded the review process of the standardised models (for credit risk, counterparty risk, operational risk and market risk) for the calculation of minimum capital requirements, including constraints on the use of internal models and introducing the so-called “output floor” (setting a minimum level of capital requirements calculated on the basis of internal models equal, when fully implemented, to 72.5 per cent. of those calculated on the basis of the standardised methods). The main purpose is to enhance consistency and comparability among banks. The new framework was finalised for market risk in 2016 and finally revised in January 2019. The new framework for credit risk and operational risk was completed in December 2017. Prior to becoming binding on the European banking system, the European Commission, which conducted a public consultation (closed on 5 January) is assessing the potential impacts on the European economy. It is expected that the future legislative proposal (CRR III), which should incorporate these new standards into EU legislation, will be published at the end of 2020/beginning of 2021. Once agreed on the final text between the various stakeholders involved in the legislative process (European Commission, European Parliament and Council of the EU) and once implemented in the Union, these regulatory changes will impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements. The analysis carried out by the European Banking Authority (**EBA**), published in December 2019 upon request of the European Commission, shows that the adoption of the new Basel III criteria would require banks to increase minimum capital requirements (**MCR**) by 23.6 per cent., resulting in a capital deficit of Euro 124 billion.

On 4 May 2020, EBA published its final draft technical standards on specific reporting requirements for market risk, in accordance with the mandate set out in the provisions of the CRR II.

In particular, the implementing technical standards (**ITS**) introduced uniform reporting templates, the template related instructions, the frequency and the dates of the reporting, the definitions and the IT solutions for the specific reporting for market risk. These ITS introduce the first elements of the Fundamental Review of the Trading Book (**FRTB**) into the EU prudential framework by means of a reporting requirement. The ITS should apply from September 2021.

Regulatory and supervisory framework on non-performing exposures

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

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

On 15 March 2018, the ECB published the Addendum to the Guidance on NPL which sets out supervisory expectations for the provisioning of exposures reclassified from performing to NPEs after 1 April 2018 (the **ECB Addendum**). In addition, the ECB's supervisory expectations for individual banks for the provisioning of the stock of NPLs (before 31 March 2018), was set out in its 2018 SREP letters and the ECB will discuss any divergences from these prudential provisioning expectations with institutions as part of future SREP exercises.

On 22 August 2019, the ECB has decided to revise its supervisory expectations for prudential provisioning of new non-performing exposures. The decision was made after taking into account the adoption of the new EU regulation of that Banking Reform Package which makes further changes to the Pillar I treatment for NPEs (in revisions to the Capital Requirements Regulation known as **CRR II**).

The initiatives that originate from the ECB are strictly supervisory (Pillar II) in nature. In contrast, the European Commission's requirement is legally binding (Pillar I). The above mentioned guidelines result in three "buckets" of NPEs based on the date of the exposure's origination and the date of NPE's classification:

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

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

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

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

Regulation (EU) 2019/630 amending CRR as regards minimum loss coverage for non-performing exposures: the Regulation establishes, in the context of Pillar I, the prudential treatment of the non-performing exposures where the exposure was originated prior to 26 April 2019, requiring a deduction from own funds where NPEs are not sufficiently covered by provisions or other adjustments. The Regulation purpose is to encourage a timely and proactive management of the NPEs. The prudential treatment is applicable to: (i) unsecured exposures from the third year after the classification as NPE, (ii) exposures secured by immovable collateral and residential loans guaranteed by an eligible protection provider as defined in CRR, from the ninth year after the classification as NPE; and (iii) secured exposures, from the seventh year after the classification as NPE. The Regulation outlines the convergence process to its full application to secured and unsecured exposures classified as NPEs for less than 3/7/9 years.

Proposal for a Directive on credit servicers, credit purchasers and the recovery of collateral (COM/2018/0135): the proposal is aimed to achieve (a) a better management of NPLs by increasing the efficiency of debt recovery procedures through the availability of a distinct common accelerated extrajudicial collateral enforcement procedure (AECE); (ii) the development of secondary markets for NPLs in the EU's markets standardising the regulatory regime for credit servicers and credit purchasers.

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

Measures to counter the impact of the “COVID-19” virus

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

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

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

1. Business Continuity Planning: ESMA has recommended all financial market participants to be ready to apply their contingency plans to ensure operational continuity in line with regulatory obligations.
2. Market disclosure: issuers should disclose as soon as possible any relevant significant information concerning the impacts of COVID-19 on their fundamentals, prospects or financial situation in accordance with their transparency obligations under the Regulation (EU) No. 596/2014 (**MAR**), as a disclosure obligation contained in Article 17, paragraph 1 of the MAR, pursuant to which issuers are required to disclose to the public without delay any inside information directly concerning them.
3. Financial reporting: ESMA has recommended issuers to provide transparency on the actual and potential impacts of COVID-19, to the extent possible based on both a qualitative and quantitative assessment on their business activities, financial situation and economic performance in their 2019 year-end financial report if these have not yet been finalised or otherwise in their interim financial reporting disclosures.
4. Fund Management: ESMA has encouraged fund managers to continue to apply the requirements on risk management and to react accordingly.

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

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

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

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

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

On 20 March 2020, the ECB announced additional measures (in addition to those already undertaken on 12 March 2020 on temporary capital and operational relief for banks) to ensure that its directly supervised banks can continue to fulfil their role to fund households and corporations

amid the coronavirus-related economic shock to the global economy. In particular, the ECB recommends to:

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

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

- (i) the classification of exposures in default;
- (ii) the identification of forborne exposures;
- (iii) the accounting treatment of the aforesaid exposures.

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

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

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

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

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

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

In continuity with the Cura Italia Decree, Law Decree no. 23 of 8 April 2020 (**Liquidity Decree**) was issued, a further measure deemed necessary to support Italian entrepreneurship. The Liquidity

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

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

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

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

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

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

Such decree has been signed in the law 77/202. It introduced some provisions (valid until dec. 31st, 2020) which are aimed at strengthening SME's capital, thus preventing their insolvency risk. Particular reference is made to two public tools:

- 1) "*Patrimonio PMI*" funds. It is aimed at subscribing new bonds issued by SME corporates with 10 million Euro turnover, which have been impacted by COVID-19 a turnover reduction of 33 per cent. in April and May 2020. The law also introduced two tax credits: for other investors (20 per cent. of the investment) in such corporates, and for the corporates above indicated which have suffered losses (50 per cent. of the losses which exceed the 10 per cent. of the Net worth, but in the limit of the 30 per cent. of the capital increase);
- 2) The so called "*Patrimonio rilancio*" (Dedicated assets within CDP) which is aimed at subscribing new bonds (mainly convertible bonds) and shares in order to support real economy.

GREEN FINANCE

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

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

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

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

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

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

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

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

- The sub-paragraph "*Description of the expected financing of the Issuer's activities*" in the "*Description of UniCredit and the UniCredit Group*" section on page 279-280 of the Base Prospectus is deleted in its entirety and replaced as follows:

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

As at 30 June 2020, the loans to deposits ratio (**LDR**), a ratio between the customer loans and deposits, including the repo activity, is equal to 102.3 per cent.. Such ratio slightly improves compared to 31 December 2019, equal to 102.6 per cent., due to the slowdown of loans growth compared to the deposits one, also considering the current macroeconomic scenario.

However the Group's liquidity is always well above the minimum regulatory requirements – LCR and NSFR – as provided by EU 2013/575 Regulation and EU/36/2013 Directive.

As at 30 June 2020, the liquidity buffer is equal to Euro 143,737 million (Euro 139,389 million at 31 December 2019).

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

- The sub-paragraph "*Names, business addresses and functions of the members of the Board of Directors and Board of Statutory Auditors and an indication of the principal activities performed by them outside of the Issuer where these are significant with respect to the Issuer*" of the paragraph titled "*Administrative, Management, and Supervisory Bodies*" in the "*Description of UniCredit and the UniCredit Group*" section on pages 286-291 of the Base Prospectus, until the sub-paragraph "*Board of Statutory Auditors*" (which remains unchanged), is deleted in its entirety and replaced as follows:

“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 Base Prospectus is composed of 14 members. The term in office of the current members of the Board will expire on the date of the Shareholders’ Meeting called to approve the financial statements for the financial year ending 31 December 2020.

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

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

Notes:

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

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

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

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

Cesare Bioni

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

Lamberto Andreotti

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

Jean Pierre Mustier

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

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

Mohamed Hamad Al Mehairi

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

Sergio Balbinot

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

Vincenzo Cariello

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

Elena Carletti

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

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

Diego De Giorgi

- none

Beatriz Lara Bartolomé

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

Stefano Micossi

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

Maria Pierdicchi

- Non Executive Board Member and Chair of Human Resources Committee of Gruppo Autogrill

- Chairwoman and Board Member of NED COMMUNITY
- Board Member of PBI S.p.A.

Francesca Tondi

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

Alexander Wolfgring

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

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 HTH 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 Centro Internazionale di Studi di Architettura Andrea Palladio”
- The sub-paragraph “*Information related to the shareholder structured of the Issuer*” of the paragraph titled “*Major Shareholders*” in the “*Description of UniCredit and the UniCredit Group*” section on page 294 of the Base Prospectus is deleted in its entirety and replaced as follows:

“MAJOR SHAREHOLDERS

Information related to the shareholder structured of the Issuer

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

As at 8 June 2020, according to available information, the main shareholders holding, directly or indirectly, a relevant participation in UniCredit were:

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

(1) on share capital at the date of 8 June 2020.

(2) discretionary asset management.

Article 120, paragraph 2, of the Financial Services Act, as a consequence of Legislative Decree No. 25/2016, sets forth that holdings exceeding 3 per cent. of the voting capital of a listed company shall be communicated to both the latter and to CONSOB. It should be noted that, with the

resolution no. 21326 of 9 April 2020 (which repealed and replaced the preceding resolution no. 21304 of 17 March 2020), CONSOB provided that, pursuant to article 120, paragraph 2-bis of the Financial Services Act, for a period of three months starting from 11 April 2020 - subject to early revocation – there is the obligation to notify the investee company and CONSOB, according to article 120, paragraph 2 of the Financial Services Act, when the additional threshold of 1 per cent. is exceeded. With the resolution no. 21434 of 8 July 2020, CONSOB extended until 12 October the provisions of the previous resolution no. 21326 of 9 April 2020.

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

- The paragraph titled “*Legal and arbitration proceedings*” in the “*Description of UniCredit and the UniCredit Group*” section on pages 294-303 of the Base Prospectus is deleted in its entirety and replaced as follows:

“6. LEGAL AND ARBITRATION PROCEEDINGS

6.1 Legal and arbitration proceedings

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

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

In a greater detail, it mainly deals with:

Madoff

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

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

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

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

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

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

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

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

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

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

Financial sanctions matters

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

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

Euro-denominated bonds issued by EU countries

On 31 January 2019, the parent company UniCredit S.p.A. and UCB AG received a Statement of Objections from the European Commission referring to the investigation by the European Commission of a suspected violation of antitrust rules in relation to European government bonds. The subject matter of the investigation extends to certain periods from 2007 to 2012 and includes

alleged activities by UCB AG in a part of this period. The Statement of Objections does not prejudge the outcome of the proceeding; should the European Commission conclude that there is sufficient evidence of an infringement, a decision prohibiting the conduct and imposing a fine could be adopted, with any fine subject to a statutory maximum of 10 per cent. of the company's annual worldwide turnover.

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

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

On 11 June 2019, UCB AG and UniCredit Capital Markets LLC were named, among other financial institutions, as defendants in a putative class action already pending in the United States District Court for the Southern District of New York. The third amended class action complaint, filed on 3 December 2019, alleges a conspiracy among dealers of Euro-denominated bonds issued by European central banks to fix and manipulate the prices of those bonds, among other things by widening the bid-ask spreads they quoted to customers. The putative class consists of those who purchased or sold Euro-denominated bonds issued by European central banks in the US between 2007 and 2012. The third amended class action complaint does not include a quantification of damages claimed. On 23 July 2020, the court granted motions to dismiss the third amended complaint by certain defendants, including UCB AG and UniCredit Capital Markets LLC, without prejudice. Plaintiffs must inform the court by 12 August 2020, whether they will seek to further amend their complaint to replead the case against the dismissed defendants.

Proceedings related to claims for Withholding Tax Credits

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

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

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

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

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

Proceedings relating to certain forms of banking transactions.

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

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

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

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

With respect to proceedings relating to foreign currency (**FX**) loans, in the last decade, a significant number of customers in the Central and Eastern Europe area took out these types of loans and mortgages denominated in a foreign currency. In a number of instances customers, or consumer associations acting on their behalf, have sought to renegotiate the terms of such FX loans and mortgages, including having the loan principal and associated interest payments redenominated in the local currency at the time that the loan was taken out, and floating rates

retrospectively changed to fixed rates. In addition, in a number of countries legislation that impacts FX loans was proposed or implemented. These developments resulted in litigation against subsidiaries of the parent company UniCredit S.p.A. in a number of CEE countries including Croatia, Slovenia and Serbia.

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

In September 2016, UCB Austria and Zagrebačka Banka (**Zaba**) initiated a claim against the Republic of Croatia under the Agreement between the Government of the Republic of Austria and the Government of the Republic of Croatia for the promotion and protection of investments in order to recover the losses suffered as a result of the Conversion Amendments. In the interim, Zaba complied with the provisions of the new law and adjusted accordingly all the respective contracts where the customers requested so. Following a hearing, the arbitral tribunal ruled on part of the Respondent's jurisdictional objections. The arbitral proceedings remain pending.

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

Medienfonds/closed-end funds

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

Vanderbilt related litigations

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

Vanderbilt Financial LLC (**VCA**) related litigations, where Pioneer Investment Management USA Inc., Pioneer Global Asset Management S.p.A. (**PGAM**), at the time controlled by UniCredit S.p.A. and incorporated by the latter in 2017, and the parent company UniCredit S.p.A. (the **Defendants**) were named as additional defendants by virtue of their corporate affiliation with VCA, including in legal proceedings brought by a former employee of the State of New Mexico (the **Public Authority**), who claimed to act as representative of the Public Authority for the losses suffered by the Public Authority during the 2006-08 market downturn on investments managed by VCA (mainly CDOs). The total amount of losses claimed in those proceedings is approximately \$365 million. In 2012, the Defendants reached a settlement agreement for an amount of \$24.25 million and the settlement amount was deposited into escrow at the beginning of 2013. The settlement is contingent on the Court's approval, but that process was temporarily delayed pending the determination by the New Mexico Supreme Court of a legal matter in a separate lawsuit brought against a different set of defendants in other proceedings. The New Mexico Supreme

Court issued its ruling on the awaited legal matter in June 2015 and in December 2015 the Defendants and the Public Authority renewed their request for Court approval of the settlement. The Court held a hearing in April 2016 and in June 2017 approved the settlement and directed that the claims against VCA and the Defendants be dismissed. A judgment to that effect was entered in September 2017 and a motion by the former State employee seeking to set aside that judgment was denied by the Court in October 2017. Appeals from the judgment and the subsequent order were taken in October and November 2017 and in June 2020, the New Mexico Court of Appeals affirmed that judgment. A motion for rehearing was subsequently denied. The settlement cannot be effectuated while the appeal remains pending and the objecting former employee has until 30 July 2020 to seek review from the New Mexico Supreme Court. If the judgment continues to be upheld on appeal, the escrowed amount will be paid over to the Public Authority and the Defendants, including UniCredit S.p.A., will all be released from all the claims that were or could have been brought by or on behalf of the State or any of its agencies or funds.

Alpine Holding GmbH

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

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

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

Valauret S.A.

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

Divania S.r.l.

In 2007, Divania S.r.l. (now in bankruptcy) (**Divania**) filed a lawsuit in the Court of Bari against UniCredit Banca d'Impresa S.p.A. (then UniCredit Corporate Banking S.p.A. and now UniCredit S.p.A.) alleging violations of law relating, inter alia, to financial products in relation to certain rate and currency derivative transactions entered into between January 2000 and May 2005 first by Credito Italiano S.p.A. and subsequently by UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.), demanding damages in the amount of Euro 276.6 million, legal fees and interest. Divania

also seeks the nullification of a 2005 settlement reached by the parties in which Divania had agreed to waive any claims in respect of the transactions. In 2017, the Court of Bari ordered the parent company UniCredit S.p.A. to pay approximately Euro 7.6 million plus interests and part of the expenses in favour of Divania's bankruptcy trustee and found that it did not have jurisdiction to rule on certain of Divania's claims. The parent company UniCredit S.p.A. appealed.

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

I Viaggi del Ventaglio Group (IVV)

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

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

Lawsuit brought by "Paolo Bolici"

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

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

Mazza

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

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

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

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

Criminal proceedings

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

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

In relation to the criminal proceedings relating to the diamond offer, see the following paragraph “*Diamond offer*”.

Labour-related Litigation

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

Diamond offer

Over the years, within the diversification of investments to which the available assets are addressed and also considering in this context those investments with the characteristics of the so-called “safe haven” with a long-term horizon, several UniCredit S.p.A.’s customers have historically invested in diamonds through a specialised intermediary company, with which UniCredit S.p.A. 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 UniCredit S.p.A. 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 Euro 4 million paid in the same year. UniCredit has filed an appeal to the Council of State. The proceedings are pending.

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

As at 30 June 2020, UniCredit:

- received reimbursement requests for a total amount of about Euro 398 million (cost originally incurred by the Clients) from No. 11,741 Customers; according to a preliminary analysis, such requests fulfill the requirements envisaged by the “customer care” initiative; the finalisation of the reimbursement requests is currently carried out, aimed at assessing their effective compliance with the “customer care” initiative, and then proceed with the settlement where conditions recur;
- with reference to the scope outlined in the previous point (about Euro 398 million), reimbursed No.7,038 customers for about Euro 263 million (equivalent value of original purchases), equal to about 66 per cent. 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 Euro 67 million in item “130. Other assets” of the balance sheet.

On 19 February 2019, the judge in charge of the preliminary investigation at the Court of Milan issued an interim seizure directed to UniCredit and other financial institutions aimed at: (i) direct confiscation of the amount of Euro 33 million against UniCredit for the offence of aggravated fraud and (ii) indirect as well as direct confiscation of the amount of Euro 72 thousand for the offence of self-laundering against UniCredit. From the seizure order it emerges that investigations for the administrative offence under Art.25-octies of Legislative Decree No.231/2001 are pending against UniCredit for the crime of self-laundering. On 2 October 2019, UniCredit 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 UniCredit under Legislative Decree No.231/2001. Following the notification of the notice pursuant to Art. 415-*bis*, if the Public Prosecutor determines to request the indictment for all or part of the subjects involved, the preliminary hearing phase will take place.

Proceedings related to Tax matters

Pending cases arising during the period

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

Updates on pending disputes and tax audits

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

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

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

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

Proceedings connected with Supervisory Authority Measures

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

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

General Information

The “General Information” section of the Base Prospectus is amended as follows:

- The paragraph “*Significant or material adverse change*” in the “General Information” section on page 337 of the Base Prospectus is deleted in its entirety and replaced as follows:

“*Material adverse change in the prospects of the Issuer*”

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

Significant change in the financial performance of the Group

There has been no significant change in the financial performance of the Group since the end of the last financial period as at 30 June 2020 for which financial information has been published to the date of this Base Prospectus.

Significant change in the Group's financial position

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

- The paragraph “*Trend Information*” in the “*General Information*” section on page 338 of the Base Prospectus is deleted in its entirety and replaced as follows:

“TREND INFORMATION

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

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

- The paragraph “*External Auditors*” in the “*General Information*” section on page 338 of the Base Prospectus is deleted in its entirety and replaced as follows:

“UniCredit's annual financial statements must be audited by external auditors appointed by its shareholders, under reasoned proposal by UniCredit's Board of Statutory Auditors. The shareholders' resolution and the Board of Statutory Auditors' reasoned proposal are communicated to CONSOB. The external auditors examine UniCredit's annual financial statements and issue an opinion regarding whether its annual financial statements comply with the IAS/IFRS issued by the International Accounting Standards Board as endorsed by the European Union governing their preparation; which is to say whether they are clearly stated and give a true and fair view of the financial position and results of the Group. Their opinion is made available to UniCredit's shareholders prior to the annual general shareholders' meeting. Since 2007, following a modification of the Financial Services Act, listed companies may not appoint the same auditors for more than nine years.

At the ordinary and extraordinary 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.

Deloitte has audited and issued unqualified audit opinions on the consolidated financial statements of the UniCredit for the year ended 31 December 2019 and 31 December 2018.

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

The reports of the auditors of the Issuer are included or incorporated in the form and context in which they are included or incorporated, with the consent of the auditors who have authorised the contents of that part of this Base Prospectus.

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

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

General

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

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

Copies of this Supplement and all documents or sections incorporated by reference in the Base Prospectus can be obtained free of charge from the office of the Issuer and from the specified office of the Paying Agents for the time being in London as described on page 343 of the Base Prospectus. Copies of this Supplement and all documents or sections incorporated by reference in the Base Prospectus will also be published on the website of UniCredit www.unicreditgroup.eu, as well as on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In accordance with Article 23(2) of the Prospectus Regulation, investors who have agreed to purchase or subscribe for Notes issued under the Programme before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances. This right to withdraw shall expire by close of business on 13 August 2020.