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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

Under the €60,000,000,000 Euro Medium Term Note Programme (the **Programme**) described in this document (the **Base Prospectus**), UniCredit S.p.A. (**UniCredit** or the **Issuer**) may from time to time issue notes governed by Italian law (the **Notes**). The Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes will be issued in bearer form (**Bearer Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €60,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to UniCredit Bank AG and any additional dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an on-going basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

The terms and conditions of the Notes are set out herein in "*Terms and Conditions of the Notes*".

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "*Risk Factors*".

This Base Prospectus has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the **CSSF**), as competent authority under Regulation (EU) 2017/1129, as amended (the **Prospectus Regulation**). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval by the CSSF should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

By approving this Base Prospectus, in accordance with the Prospectus Regulation, the CSSF does not engage in respect of the economic or financial opportunity of the operation or the quality and solvency of the Issuer. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market (as contemplated by Directive 2014/65/EU) and to be listed on the Official List of the Luxembourg Stock Exchange. Application may also be made for notification to be given to competent authorities in other Member States of the EEA in order to permit Notes issued under the Programme to be offered to the public and admitted to trading on regulated markets in such other Member States in accordance with the procedures under Article 25 of the Prospectus Regulation.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU), as amended.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from the date of its approval) in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA) and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid. The validity of this Base Prospectus ends upon expiration on 7 June 2023.

References in this Base Prospectus to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Regulation and the Financial Services and Markets Act 2000. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the **Final Terms**) which will be filed with the CSSF.

Copies of the Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the **Pricing Supplement**).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer(s). The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

As more fully set out in "*Terms and Conditions of the Notes – Taxation*", in the case of payments by the Issuer, additional amounts will not be payable to holders of the Notes or of the interest coupons appertaining to the Notes (the **Coupons**) with respect to any withholding or deduction pursuant to Italian Legislative Decree No. 239 of 1 April 1996 (as amended or supplemented) and related regulations of implementation which have been or may subsequently be enacted (**Decree 239**). In addition, certain other (more customary) exceptions to the obligation of the Issuer to pay additional amounts to holders of the Notes with respect to the imposition of withholding or deduction from payments relating to the Notes also apply, also as more fully set out in "*Terms and Conditions of the Notes – Taxation*".

UniCredit, having made all reasonable enquiries, confirms that this Base Prospectus contains or incorporates all information which is material in the context of the issuance and offering of Notes, that the information contained or incorporated in this Base Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Base Prospectus are honestly held and that there are no other facts the omission of which would make this Base Prospectus or any of such information or the expression of any such opinions or intentions misleading. UniCredit accepts responsibility accordingly.

Certain information under the heading "*Book Entry Clearance Systems*" has been extracted from information provided by the clearing systems referred to therein. UniCredit confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant clearing systems, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The information relating to each of Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**) has been accurately reproduced from information published by each of Euroclear and Clearstream, Luxembourg respectively. So far as UniCredit is aware and is able to ascertain from information published by the Clearing Systems, no facts have been omitted which would render the reproduced information misleading.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction of the United States.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be (i) issued or endorsed by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) or by a credit rating agency which is certified under the CRA Regulation, and/or (ii) issued or endorsed by a credit rating agency established in the United Kingdom and

registered under the CRA Regulation, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**) or by a credit rating agency which is certified under the UK CRA Regulation, and whether such credit rating agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation, will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation or (i) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (ii) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (i) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (ii) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation. The European Securities and Markets Authority (**ESMA**) is obliged to maintain on its website, https://www.esma.europa.eu/page/Listregistered-and-certified-CRAs, a list of credit rating agencies registered and certified in accordance with the CRA Regulation. Please also refer to "*Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes*" in the "*Risk Factors*" section of this Base Prospectus.

Amounts payable under the Floating Rate Notes and/or the Reset Notes may be calculated by reference to certain reference rates such as EURIBOR, CAD-BA-CDOR, CMS or SOFR, as specified in the relevant Final Terms. As at the date of this Base Prospectus, Thomson Reuters Benchmark Services Limited (as administrator of CAD-BA-CDOR) and the European Money Markets Institute (as administrator of EURIBOR) are included in the register of administrators maintained by the ESMA under Article 36 of Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**). As at the date of this Base Prospectus, the ICE Benchmark Administration (as administrator of CMS) and the Federal Reserve Bank of New York (as administrator of SOFR) are not included in the register of administrators maintained by ESMA under Article 36 of the EU Benchmarks Regulation. As far the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that ICE Benchmark Administration (as administrator of CMS) is not currently required to obtain authorization/registration (or, if located outside the European Union, recognition, endorsement or equivalence). As far as the Issuer is aware, SOFR does not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of that Regulation.

Amounts payable on Inflation Linked Notes will be calculated by reference to CPI or HICP (each as defined below). As at the date of this Base Prospectus, the administrators of CPI and HICP are not included in ESMA's register of administrators under Article 36 of the Benchmarks Regulation.

As far as the Issuer is aware, CPI and HICP do not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of that Regulation.

The Additional Tier 1 Notes are not intended to be sold and should not be sold to "retail clients" (as defined in Directive 2014/65/EU (as amended, **MiFID II**)) in the European Economic Area (**EEA**). In addition to the above, pursuant to the United Kingdom (**UK**) Financial Conduct Authority Conduct of Business Sourcebook (**COBS**), the Additional Tier 1 Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the UK. Potential investors should read the whole of this document, in particular the "*Risks relating to Additional Tier 1 Notes*" set out on pages 50 to 62 and "*Restrictions on marketing, sales and resales of Additional Tier 1 Notes to Retail Investors*" set out on page 75.

Arranger and Dealer

UNICREDIT BANK AG

The date of this Base Prospectus is 7 June 2022.

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General Description of the Programme

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of Notes other than Exempt Notes, and if appropriate, a new Base Prospectus or a supplement to the Base Prospectus, will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980 (the **Delegated Regulation**).

Words and expressions defined in the sections headed "*Form of the Notes*" or "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	UniCredit S.p.A. (**UniCredit**)
Issuer Legal Entity Identifier (LEI):	549300TRUWO2CD2G5692
Description:	Euro Medium Term Note Programme
Arranger:	UniCredit Bank AG
Dealers:	UniCredit Bank AG and any other Dealers appointed from time to time in accordance with the Nineteenth Amended and Restated Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Selling Restrictions*") including the following restrictions applicable at the date of this Base Prospectus.
Programme Size:	Up to €60,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Principal Paying Agent:	Citibank, N.A., London Branch or such other agent(s) specified in the applicable Final Terms or Pricing Supplement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in euro, Sterling, U.S. dollars, yen, Renmimbi (CNY) and any other currency agreed between the Issuer and the relevant Dealer(s).
Maturities:	The Senior Notes, Non-Preferred Senior Notes and Subordinated Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or

equivalent body) or by any laws or regulations applicable to the Issuer or the relevant Specified Currency.

The Senior Notes, Non-Preferred Senior Notes and Subordinated Notes may however be issued with an Initial Maturity Date which may be extended from time to time up to a Final Maturity Date at the option of the holders. Please see Condition 10.8 (*Extendible Notes*) of the Terms and Conditions of the Notes.

Subject as set out herein, the Additional Tier 1 Notes will mature on the date on which voluntary or involuntary winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) proceedings are instituted in respect of the Issuer, in accordance with: (a) a resolution of the shareholders' meeting of the Issuer; (b) any provision of the by-laws of the Issuer (currently, the maturity of the Issuer is set at 31 December 2100); or (c) any applicable legal provision or any decision of any judicial or administrative authority. Upon maturity, the Notes will become due and payable at an amount equal to their Prevailing Principal Amount, together with any accrued interest and any additional amounts due pursuant to Condition 11 (*Taxation*) of the Terms and Conditions of the Notes.

Unless otherwise permitted by current laws, regulations, directives and/or the Competent Authority's requirements applicable to the issue of Subordinated Notes and Additional Tier 1 Notes, the Subordinated Notes and Additional Tier 1 Notes must have a minimum maturity of five years.

Issue Price: Notes may be issued on a fully-paid or in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes: The Notes will be issued in bearer form as described in "*Form of the Notes*". Notes may not be issued or sold in the United States in bearer form, except in certain transactions permitted by U.S. tax regulations.

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).

Reset Notes: Reset Notes will, in respect of an initial period, bear interest at the initial fixed rate of interest specified in the relevant Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the relevant Final Terms by reference to a mid-market swap rate, as adjusted for any applicable margin, in each case, as may be specified in the relevant Final Terms.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Notes, Pricing Supplement).

	The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer(s).
Reference Rate Replacement	According to Condition 6.4 of the Terms and Conditions of the Notes, if the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate, the Issuer shall determine a Successor Reference Rate and an Adjustment Spread (if any). If the Issuer cannot determine a Successor Reference Rate and an Adjustment Reference Rate (if any), an Independent Adviser will be appointed to determine an Alternative Reference Rate and an Adjustment Spread (if any). Such Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable), shall replace the Original Reference Rate for all future Interest Periods or Reset Periods. For further information, please see Condition 6.4 of the Terms and Conditions of the Notes.
Inflation Linked Interest Notes:	Payments of interest in respect of Inflation Linked Interest Notes will be calculated by reference to one or more inflation Indices as set out in Condition 6 (*Interest*) of the Terms and Conditions of the Notes.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Extendible Notes:	Notes may be issued with an Initial Maturity Date which may be extended from time to time upon the election of the holders on specified Election Date(s) specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms). The Notes may bear interest on a different interest basis in respect of different interest periods. The Issuer has the option of changing the interest basis between fixed rate and floating rate and vice versa in respect of different periods, upon prior notification of such change in interest basis to noteholders.
Other provisions in relation to Additional Tier 1 Notes:	*Cancellation of Interest Amounts* The Issuer may at any time elect at its full discretion to cancel (in whole or in part) for an unlimited period and on a non-cumulative basis the Interest Amounts otherwise scheduled to be paid on an Interest Payment Date. Without prejudice to (i) such full discretion of the Issuer to cancel the

Interest Amounts and (ii) the prohibition to make payments on the Additional Tier 1 Notes pursuant to any provisions of Italian law implementing Article 141(2) of the CRD IV Directive and, if relevant, in any other similar payment restriction provision(s) under the Relevant Regulations, before the Maximum Distributable Amount is calculated, payment of Interest Amounts on any Interest Payment Date must be cancelled (in whole or, as the case may be, in part) if and to the extent that such Interest Amounts:

(a) when aggregated together with distributions on all other Own Funds instruments of the Issuer (excluding Tier 2 Capital instruments) paid or scheduled for payment in the then current financial year and any potential write-ups exceed the amount of Distributable Items, excluding any payments already accounted for in determining the Distributable Items; and/or

(b) when aggregated together with other distributions of the Issuer or the UniCredit Group, as applicable, of the kind referred to in Article 141(2) of the CRD IV Directive and, if relevant, in any other similar payment restriction provision(s) under the Relevant Regulations (or, if different, any provisions of Italian law implementing Article 141(2) of the CRD IV Directive or, if relevant, such other provision(s)) and the amount of any write-up (if applicable), would, if paid, cause the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the UniCredit Group to be exceeded; and/or

(c) are required to be cancelled (in whole or in part) by an order to the Issuer from the Competent Authority.

Interest shall also be cancelled if a Contingency Event occurs, as set out in Condition 8.1 (*Loss Absorption*) of the Terms and Conditions of the Notes.

See Condition 7.1 (*Cancellation of Interest Amounts*) of the Terms and Conditions of the Notes.

Distributable Items means, subject as otherwise defined in the Relevant Regulations from time to time:

(a) an amount equal to the Issuer's profits at the end of the financial year immediately preceding the financial year in which the relevant Interest Payment Date falls plus any profits brought forward and reserves available for that purpose before distributions to holders of Own Funds instruments (which, for the avoidance of doubt, excludes any such distributions paid or made on Tier 2 instruments or any such distributions which have already been provided for, by way of deduction, in calculating the amount of Distributable Items); less

(b) an amount equal to any losses brought forward, profits which are non-distributable pursuant to applicable Italian law or the by-laws of the Issuer from time to time and sums placed to non-distributable reserves in accordance with applicable Italian law or the by-laws of the Issuer from time to time,

those profits, losses and reserves being determined on the basis of the Issuer's non-consolidated accounts.

Maximum Distributable Amount means any applicable maximum distributable amount relating to the Issuer and/or the UniCredit Group, as the case may be, required to be calculated in accordance with the CRD IV

Directive and/or any other Relevant Regulation(s) (or any provision of Italian law transposing or implementing the CRD IV Directive and/or, if relevant, any other Relevant Regulation(s)).

Calculation of Interest Amount in case of Write-Down

Subject to Condition 7.1 (*Cancellation of Interest Amounts*) of the Terms and Conditions of the Notes, in the event that a Write-Down occurs during an Interest Period, any accrued and unpaid interest shall be cancelled pursuant to Condition 8.1 (*Loss Absorption*) of the Terms and Conditions of the Notes and the Interest Amount payable on the Interest Payment Date immediately following such Interest Period shall be calculated in accordance with Condition 6.3(f) (*Determination of Rate of Interest and calculation of Interest Amounts*) of the Terms and Conditions of the Notes, provided that the Day Count Fraction shall be determined as if the Interest Period started on, and included, the Write-Down Effective Date.

Calculation of Interest Amount in case of Write-Up

Subject to Condition 7.1 (*Cancellation of Interest Amounts*) of the Terms and Conditions of the Notes, in the event that a Write-Up occurs during an Interest Period, the Interest Amount payable on the Interest Payment Date immediately following such Interest Period shall be calculated as the sum (rounding the resulting figure to the nearest cent, with half a cent being rounded upwards) of the following:

(a) the product of the applicable Rate of Interest, the Prevailing Principal Amount before such Write-Up, and the Day Count Fraction (determined as if the Interest Period ended on, but excluded, the date of such Write-Up); and

(b) the product of the applicable Rate of Interest, the Prevailing Principal Amount after such Write-Up, and the Day Count Fraction (determined as if the Interest Period started on, and included, the date of such Write-Up).

Non-cumulative interest

Interest on the Additional Tier 1 Notes is not cumulative. Interest that the Issuer elects not to pay or is prohibited from paying will not accumulate or compound and all rights and claims in respect of such amounts shall be fully and irrevocably cancelled and forfeited, and no payments shall be made nor shall any Noteholders be entitled to any payment or indemnity in respect thereof.

No restriction following cancellation of Interest Amounts

In the event that the Issuer exercises its discretion not to pay interest or is prohibited from paying interest on any Interest Payment Date, it will not give rise to any contractual restriction on the Issuer making distributions or any other payments to the holders of any securities ranking *pari passu* with, or junior to, the Additional Tier 1 Notes (or, for the avoidance of doubt, Tier 2 instruments).

Loss Absorption and Reinstatement of Principal Amount

If, at any time, the Common Equity Tier 1 Capital Ratio of the Issuer falls below 5.125 per cent. (an **Issuer Contingency Event**) or the Common Equity Tier 1 Capital Ratio of the UniCredit Group falls below 5.125 per cent. (a **Group Contingency Event**) or, in each case, the then minimum

trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations (excluding any guidelines or policies of non-mandatory application) applicable to the Issuer and/or the UniCredit Group (each, a **Contingency Event**), the Issuer shall:

(a) immediately notify the Competent Authority of the occurrence of the relevant Contingency Event;

(b) as soon as reasonably practicable deliver a Loss Absorption Event Notice to Noteholders (in accordance with Condition 17 (*Notices*) of the Terms and Conditions of the Notes), the Principal Paying Agent and the Paying Agents (provided that failure or delay in delivering a Loss Absorption Event Notice shall not constitute a default for any purpose or in any way impact on the effectiveness of, or otherwise invalidate, any Write-Down);

(c) cancel any accrued and unpaid interest up to (but excluding) the Write-Down Effective Date; and

(d) without delay, and in any event within one month (or such shorter period as the Competent Authority may require) from the determination that the relevant Contingency Event has occurred, reduce the then Prevailing Principal Amount of each Note by the Write-Down Amount (such reduction being referred to as a Write-Down and Written Down being construed accordingly).

Whether a Contingency Event has occurred at any time shall be determined by the Issuer and the Competent Authority.

For the avoidance of doubt, even if the cancellation of interest pursuant to Condition 8.1(c) of the Terms and Conditions of the Notes would cure the relevant Contingency Event, the relevant Write-Down shall occur in any event and any increase in the CET1 Ratio as a result of such cancellation shall be disregarded for the purpose of calculating the relevant Write-Down Amount in respect of such Contingency Event.

Any Write-Down of an Additional Tier 1 Note will be effected, save as may otherwise be required by the Competent Authority and subject as otherwise provided in these Conditions, *pro rata* with the Write-Down of the other Additional Tier 1 Notes and with the concurrent (or substantially concurrent) write-down (or write-off) or conversion into Ordinary Shares, as the case may be, of any Equal Loss Absorbing Instruments (based on the prevailing amount of the relevant Equal Loss Absorbing Instrument). To the extent possible, the write-down (or write-off) or conversion into Ordinary Shares of any Prior Loss Absorbing Instruments will be taken into account in the calculation of the Write Down Amount, and of the amount of write-down (or write-off) or conversion into Ordinary Shares of any Equal Loss Absorbing Instruments, required to cure the relevant Contingency Event.

A Write-Down may occur on more than one occasion and the Additional Tier 1 Notes may be Written Down on more than one occasion.

Following the giving of a Loss Absorption Event Notice which specifies a Write-Down of the Additional Tier 1 Notes, the Issuer shall procure that:

(a) a similar notice is, or has been, given in respect of each Loss Absorbing Instrument (in accordance with, and to the extent required by, its terms); and

(b) the prevailing principal amount of each Loss Absorbing Instrument outstanding (other than the Additional Tier 1 Notes) (if any) is written down (or written-off) or converted, as appropriate, in accordance with its terms prior to or, as appropriate, as soon as reasonably practicable following the giving of such Loss Absorption Event Notice.

Equal Loss Absorbing Instrument means:

(a) in respect of an Issuer Contingency Event, at any time, any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Additional Tier 1 Notes) issued directly or indirectly by the Issuer (other than the Additional Tier 1 Notes) which contains provisions relating to a write-down (or write-off) (whether on a permanent or temporary basis) or conversion into Ordinary Shares of the principal amount of such instrument (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of the Issuer falling below a level that is equal to 5.125 per cent. or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations applicable to the Issuer; and

(b) in respect of a Group Contingency Event, at any time, any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Notes) issued directly or indirectly by the Issuer or any member of the UniCredit Group (a **Group Entity**) which contains provisions relating to a write-down (or write-off) (whether on a permanent or temporary basis) or conversion of the principal amount of such instrument (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of the UniCredit Group falling below a level that is equal to 5.125 per cent. or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations applicable to the UniCredit Group,

and, in each case, in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied;

Loss Absorbing Instrument means an Equal Loss Absorbing Instrument and/or a Prior Loss Absorbing Instrument, as applicable;

Prior Loss Absorbing Instrument means;

(a) in respect of an Issuer Contingency Event, at any time, any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Additional Tier 1 Notes) issued directly or indirectly by the Issuer which contains provisions relating to a write-down (or write-off) (whether on a permanent or temporary basis) or conversion into Ordinary Shares of the principal amount of such instrument (in each case in accordance

with its conditions or otherwise) on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of the Issuer falling below a level that is higher than 5.125 per cent. or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations applicable to the Issuer; and

(b) in respect of a Group Contingency Event, at any time: (i) any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Additional Tier 1 Notes) issued directly or indirectly by the Issuer or any Group Entity which contains provisions relating to a write-down (or write-off) (whether on a permanent or temporary basis) or conversion of the principal amount of such instrument (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of the UniCredit Group falling below a level that is higher than 5.125 per cent. or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations applicable to the UniCredit Group; and (ii) any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Additional Tier 1 Notes) issued directly or indirectly by any Group Entity which contains provisions relating to a write-down (or write-off) or conversion of the principal amount of such instrument on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of that Group Entity, or of a group within the prudential consolidation of such Group Entity pursuant to Chapter 2 of Title II of Part One of the CRD IV Regulation other than the UniCredit Group, falling below the level specified in such instrument at the date on which the relevant Group Contingency Event first occurred,

and, in each case, in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied.

Risk Weighted Assets means, at any time, the aggregate amount of the risk weighted assets of the Issuer or the UniCredit Group, as the case may be, at such time calculated by the Issuer in accordance with the Relevant Regulations, taking into account any applicable transitional provisions under the Relevant Regulations.

Write-Down Amount means the amount by which the then Prevailing Principal Amount of each outstanding Note is to be Written Down with effect as of the Write-Down Effective Date on a *pro rata* basis pursuant to a Write-Down, being:

(a) the amount that (together with (a) the concurrent Write-Down on a *pro rata* basis of the other Additional Tier 1 Notes and (b) the concurrent or substantially concurrent write-down (or write-off) or conversion on a *pro rata* basis to the extent possible of any Loss Absorbing Instruments) would be sufficient to cure the Contingency Event; or

(b) if that Write-Down (together with (a) the concurrent Write-Down on a *pro rata* basis of the other Additional Tier 1 Notes and (b) the

concurrent or substantially concurrent write-down (or write-off) or conversion on a *pro rata* basis to the extent possible of any Loss Absorbing Instruments) would be insufficient to cure the Contingency Event, or the Contingency Event is not capable of being cured, the amount necessary to reduce the Prevailing Principal Amount to one cent.

In respect of any Write-Down, to the extent the write-down (or write-off) or conversion into Ordinary Shares of any Loss Absorbing Instrument is not, or within one month (or such shorter period as the Competent Authority may require) from the determination that the relevant Contingency Event has occurred will not be, effective for any reason (i) the ineffectiveness of any such write-down (or write-off) or conversion into Ordinary Shares shall not prejudice the requirement to effect the Write-Down of the Additional Tier 1 Notes pursuant to Condition 8.1 (*Loss Absorption*) of the Terms and Conditions of the Notes; and (ii) such write-down (or write-off) or conversion into Ordinary Shares shall not be taken into account in calculating the Write Down Amount in respect of such Write-Down. For the avoidance of doubt, the write-down (or write-off) or conversion into Ordinary Shares of any Loss Absorbing Instrument will only be taken into account in the calculation of the Write-Down Amount to the extent (and in the amount, if any) that such Loss Absorbing Instrument can actually be written-down (or written-off) or converted into Ordinary Shares in the relevant circumstances within one month (or such shorter period as the Competent Authority may require) from the determination that the relevant Contingency Event has occurred.

If, in connection with a Write-Down or the calculation of a Write-Down Amount, there are outstanding any Loss Absorbing Instruments the terms of which provide that they shall be written-down (or written-off) or converted into Ordinary Shares in full and not in part only (**Full Loss Absorbing Instruments**) then:

(A) the requirement that a Write-Down of the Additional Tier 1 Notes shall be effected *pro rata* with the write-down (or write-off) or conversion into Ordinary Shares, as the case may be, of any such Loss Absorbing Instruments shall not be construed as requiring the Additional Tier 1 Notes to be Written-Down in full (or in full save for the one cent floor) simply by virtue of the fact that such Full Loss Absorbing Instruments will be written-down (or written-off) or converted in full; and

(B) for the purposes of calculating the Write-Down Amount, the Full Loss Absorbing Instruments will be treated (for the purposes only of determining the write-down (or write-off) of principal or conversion into Ordinary Shares, as the case may be, among the Additional Tier 1 Notes and such other Loss Absorbing Instruments on a *pro rata* basis) as if their terms permitted partial write-down (or write-off) or conversion into Ordinary Shares, such that the write-down (or write-off) or conversion into Ordinary Shares of such Full Loss Absorbing Instruments shall be deemed to occur in two concurrent stages: (a) first, the principal amount of such Full Loss Absorbing Instruments shall be written-down (or written-off) or converted into Ordinary Shares *pro rata* with the

Additional Tier 1 Notes and all other Loss Absorbing Instruments (in each case subject to and as provided in the preceding paragraph) to the extent necessary to cure the relevant Contingency Event; and (b) secondly, the balance (if any) of the principal amount of such Full Loss Absorbing Instruments remaining following (a) shall be written-down (or written-off) or converted into Ordinary Shares, as the case may be, with the effect of increasing the Issuer's and/or the UniCredit Group's, as the case may be, CET1 Ratio above the minimum required level under (a) above.

See Condition 8.1 (*Loss Absorption*) of the Terms and Conditions of the Notes.

Reinstatement of principal amount

If both a positive Net Income and a positive Consolidated Net Income are recorded at any time while the Prevailing Principal Amount of the Additional Tier 1 Notes is less than their Initial Principal Amount, the Issuer may, at its full discretion and subject to the Maximum Distributable Amount (if any) (when the amount of the Write-Up is aggregated together with other distributions of the Issuer or the UniCredit Group, as applicable, of the kind referred to in Article 141(2) of the CRD IV Directive and, if relevant, in any other similar payment restriction provision(s) under the Relevant Regulations (or, if different, any provision of Italian law implementing Article 141(2) of the CRD IV Directive or, if relevant, such other provision(s))) not being exceeded thereby, increase the Prevailing Principal Amount of each Note (a **Write-Up**) up to a maximum of the Initial Principal Amount, on a *pro rata* basis with the other Additional Tier 1 Notes and with any Written-Down Additional Tier 1 Instruments that have terms permitting a principal write-up to occur on a basis similar to that set out in Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions of the Notes in the circumstances existing on the date of the relevant Write-Up (based on their Initial Principal Amounts), provided that the sum of:

(a) the aggregate amount of the relevant Write-Up on all the Additional Tier 1 Notes (aggregated with the aggregate amounts of any other Write-Ups out of the same Relevant Net Income);

(b) the aggregate amount of any interest payments on the Additional Tier 1 Notes that were paid on the basis of a Prevailing Principal Amount lower than the Initial Principal Amount at any time after the end of the previous financial year,

(c) the aggregate amount of the increase in principal amount of each such Written-Down Additional Tier 1 Instrument at the time of the relevant Write-Up; and

(d) the aggregate amount of any interest payments on each such Written-Down Additional Tier 1 Instrument that were calculated or paid on the basis of a prevailing principal amount that is lower than the principal amount it was issued with at any time after the end of the previous financial year,

does not exceed the Maximum Write-Up Amount.

The **Maximum Write-Up Amount** means:

(a) if the Relevant Net Income for the relevant Write-Up is equal to the Consolidated Net Income, the Consolidated Net Income multiplied by the sum of the aggregate Initial Principal Amount of the Additional Tier 1 Notes and the aggregate initial principal amount of all Written-Down Additional Tier 1 Instruments of the UniCredit Group, and divided by the total Tier 1 Capital of the UniCredit Group as at the date of the relevant Write-Up; or

(b) if the Relevant Net Income for the relevant Write-Up is equal to the Net Income, the Net Income multiplied by the sum of the aggregate Initial Principal Amount of the Additional Tier 1 Notes and the aggregate initial principal amount of all Written-Down Additional Tier 1 Instruments of the Issuer, and divided by the total Tier 1 Capital of the Issuer as at the date of the relevant Write-Up.

Relevant Net Income means the lowest of the Net Income and the Consolidated Net Income.

Written-Down Additional Tier 1 Instrument means an instrument (other than the Notes) issued directly or indirectly by the Issuer or, as applicable, any member of the UniCredit Group, and qualifying as Additional Tier 1 Capital of the Issuer or, as applicable, the UniCredit Group that, as at the time immediately prior to the relevant Write-Up, has a prevailing principal amount lower than the principal amount that it was issued with due to a write-down.

The Issuer will not reinstate the principal amount of any Written-Down Additional Tier 1 Instruments of the Issuer that have terms permitting a principal write-up to occur on a similar basis to that set out in Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions of the Notes unless it does so on a *pro rata* basis with a Write-Up on the Additional Tier 1 Notes.

A Write-Up may be made on one or more occasions in accordance with Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions of the Notes until the Prevailing Principal Amount of the Additional Tier 1 Notes has been reinstated to the Initial Principal Amount. No Write-Up shall be operated (i) whilst a Contingency Event has occurred and is continuing, or (ii) where any such Write-Up (together with the write-up of all other Written-Down Additional Tier 1 Instruments) would cause a Contingency Event to occur.

Any decision by the Issuer to effect or not to effect any Write-Up pursuant to Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions of the Notes on any occasion shall not preclude it from effecting or not effecting any Write-Up on any other occasion pursuant to Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions of the Notes.

If the Issuer decides to Write-Up the Additional Tier 1 Notes pursuant to Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions of the Notes, it shall deliver a notice (a **Write-Up Notice**)

specifying the amount of any Write-Up (as a percentage of the Initial Principal Amount of a Note resulting in a *pro rata* increase in the Prevailing Principal Amount of each Note) and the date on which such Write-Up shall take effect shall be given to Noteholders in accordance with Condition 17 (*Notices*) of the Terms and Conditions of the Notes and to the Principal Paying Agent. Such Write-Up Notice shall be given at least ten Business Days prior to the date on which the relevant Write-Up becomes effective.

See Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions of the Notes.

Exempt Notes:

The Issuer may issue Exempt Notes which are Index Linked Notes, Dual Currency Notes, Partly Paid Notes and Notes redeemable in one or more instalments. References in this Base Prospectus to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Regulation. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

Index Linked Notes: payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer(s) may agree.

Dual Currency Notes: payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree.

Partly Paid Notes: the Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer(s) may agree.

Notes redeemable in instalments: the Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer(s) may agree.

The Issuer may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption:

The applicable Final Terms of the Senior Notes, Non-Preferred Senior Notes and Subordinated Notes (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in the case of Exempt Notes in specified instalments, if applicable, or for taxation reasons or, in the case of Subordinated Notes, for regulatory reasons subject to, *inter alia*, the prior approval of the relevant Competent Authority, as applicable or following an Event of Default or, in the case of Senior Notes or Non-Preferred Senior Notes, at the option of the Issuer (and subject to compliance with any conditions to such redemption prescribed by the Relevant Regulations at the relevant time) if the Issuer determines that a MREL or TLAC Disqualification Event has occurred and is continuing) or that such Notes will be redeemable at the option of the Issuer. The terms of any such redemption, including notice periods, any relevant conditions to be satisfied and the relevant redemption dates and prices will, as appropriate, be indicated in the applicable Final Terms.

In the case of Subordinated Notes, early redemption may occur only at the option of UniCredit and with the prior approval of the relevant Competent Authority and otherwise in accordance with applicable laws and regulations, including Articles 77 and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations, and is subject to the provisions of Condition 10.15 of the Terms and Conditions of the Notes.

The applicable Pricing Supplement, in the case of Exempt Notes, may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.

If the applicable Final Terms specify that the Issuer Call due to MREL or TLAC Disqualification Event applies, then any Series of Senior Notes or Non-Preferred Senior Notes may on or after the date specified in a notice published on the Issuer's website be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Note is a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the Applicable Final Terms to the Principal Paying Agent and, in accordance with Condition 17 (*Notices*) of the Terms and Conditions of the Notes, the Noteholders (which notice shall be irrevocable), if the Issuer determines that a MREL or TLAC Disqualification Event has occurred and is continuing.

Early redemption of Senior Notes or Non-Preferred Senior Notes is subject to the provisions of Condition 10.16 of the Terms and Conditions of the Notes.

Under the Prospectus Regulation, prospectuses for the admission to trading of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions stated therein.

The applicable Final Terms of the Additional Tier 1 Notes (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate if such Notes will be redeemable at the option of the Issuer and if the applicable Final Terms specify that the Issuer Call applies, the Issuer may, at its sole discretion (but subject to the provisions of Condition 10.15 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*) of the Terms and Conditions of the Notes), redeem the Notes in whole or in part, on any Optional Redemption Date (Call) at their Prevailing Principal Amount plus any accrued but unpaid interest (to the extent not cancelled in accordance with Condition 7.1 (*Cancellation of Interest Amounts*) of the Terms and Conditions of the Notes) up to, but excluding the date fixed for redemption, and any additional amounts due pursuant to Condition 11 (*Taxation*) of the Terms and Conditions of the Notes. In addition, the Issuer may, at its sole discretion (but subject to the provisions of Condition 10.15 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*) of the Terms and Conditions of the Notes), redeem the Notes in whole, but not in part, following the occurrence of a Capital Event (if the applicable Final Terms specify that the Regulatory Call applies) or in whole or in part (to the extent permitted by the Relevant Regulations) following the occurrence of a Tax Event (each as defined herein), in each case, at their Prevailing Principal Amount, plus, in each case, any accrued but unpaid interest (to the extent not cancelled in accordance with Condition 7.1 (*Cancellation of Interest Amounts*) of the Terms and Conditions of the Notes) up to, but excluding the date fixed for redemption, and any additional amounts due pursuant to

	Condition 11 (*Taxation*) of the Terms and Conditions of the Notes, as described in Condition 10.3 (*Redemption for tax reasons*) or Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*)) of the Terms and Conditions of the Notes.
Redemption for Indexation Reasons:	Inflation Linked Interest Notes may be redeemed before their stated maturity at the option of the Issuer, if the Index ceases to be published or any changes are made to it which, in the opinion of an Expert, constitute a fundamental change in the rules governing the Index and the change would, in the opinion of the Expert, be detrimental to the interests of the Noteholders.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) save that (i) the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or by any laws or regulations applicable to the relevant Specified Currency, (ii) the minimum denomination of each Note which is not a Non-Preferred Senior Note or a Subordinated Note or an Additional Tier 1 Note may be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency), (iii) where it is a Note to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the Prospectus Regulation) have access, the minum denominational may be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency), (iv) the minimum denomination of each Non-Preferred Senior Note will be Euro 150,000 (or, if the Senior Non-Preferred Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) and (v) the minimum denomination of each Subordinated Note or Additional Tier 1 Note will be Euro 200,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body).
Governing Law:	The Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, Italian law.
Variation:	*In relation to Senior Notes and Non-Preferred Senior Notes* If (i) at any time a MREL or TLAC Disqualification Event occurs and is continuing in relation to any Series of Senior Notes or Non-Preferred Senior Notes, or (ii) in order to ensure the effectiveness and enforceability of Condition 21 *Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions of the Notes, then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority and/or as appropriate the Relevant Resolution Authority (without any requirement for the consent or approval of the holders of the Senior Notes or Non-Preferred Senior Notes of that Series), at any time vary the terms of such Senior Notes or Non-Preferred Senior Notes so that they remain or, as appropriate, become, Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities. Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable, are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 21 *Contractual*

Recognition of Statutory Bail-In Powers) of the Terms and Conditions of the Notes, have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Senior Notes or Non-Preferred Senior Notes, as applicable.

In relation to Subordinated Notes

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

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

In relation to Additional Tier 1 Notes

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

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

Risk Factors

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the material risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. The Issuer has identified in this "Risk Factors" section a number of factors which could materially adversely affect its businesses and ability to make payments due under the Notes. Prospective investors should read these risk factors together with the other detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

The risk factors relating to the Group are deemed to cover the Issuer.

Any reference in the Risk Factors to "applicable Final Terms" or "Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" or "Pricing Supplement" where relevant in the case of Exempt Notes.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

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

1.1.1 Risks associated with the impact of current macroeconomic uncertainties and the effects of the COVID-19 pandemic outbreak and recent geopolitical tensions with Russia

*The financial markets and the macroeconomic and political environment of the countries in which UniCredit operates were impacted by the viral pneumonia known as "Coronavirus" (**COVID-19**) outbreak and this has had and could continue to have a negative impact on the performance of the Group. Moreover, the valuation of certain assets has become complex and uncertain as a result of the lockdown measures and other restrictive measures put in place by governments for the containment of the COVID-19 pandemic, even though progressively lifted, as well as recent geopolitical tensions with Russia. Expectations regarding the performance of the global economy remain therefore still uncertain in both the short and medium term. The macroeconomic context in which the Group functioned in 2021 was characterized by encouraging signs of recovery compared with the prior year, supported by the governmental measures sustaining the economy, by vaccination campaigns and by the progressive slowing-down of the lockdown measures. The current environment continues to be characterized by highly uncertain elements, such as geopolitical tensions with Russia, with the possibility that the slowdown of the economy could generate a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement. On 9 December 2021, UniCredit presented to the financial community its new Strategic Plan, which included a set of strategic and financial objectives that considered the underlying scenario and resulted from the assessment performed in the previous months.*

The macro assumptions underlying the Strategic Plan exclude[1] *unexpected materially adverse developments such as the worsening of the COVID-19 pandemic, a situation that UniCredit is monitoring closely.*

The evaluations processes, such as Deferred Tax Assets, whose recoverable amount depends on cash flows projections, might be subject to a change not foreseeable at the moment and from which could derive possible negative effects, including significant ones, on the bank's financial and economic situation.

The financial markets and the macroeconomic and political environment of the countries in which UniCredit operates were impacted by the viral pneumonia known as "Coronavirus" (**COVID-19**) outbreak and this has had

[1] Macro assumptions consider the recent and still existing impacts of COVID with a gradual normalisation over the upcoming years. The scenario does not assume that the current COVID situation will develop in a particularly negative way in the upcoming years.

and could continue to have a negative impact on the performance of the Group. Moreover, the valuation of certain assets has become complex and uncertain as a result of the lockdown measures and other restrictive measures put in place by governments for the containment of the COVID-19 pandemic, even though progressively lifted. Expectations regarding the performance of the global economy remain still uncertain in both the short and medium term, also considering the recent geopolitical tensions with Russia.

The macroeconomic context in which the Group functioned in 2021 was characterized by encouraging signs of recovery compared with the prior year, supported by the governmental measures sustaining the economy, by vaccination campaigns and by the progressive slowing-down of the lockdown measures.

The current environment continues to be characterized by highly uncertain elements, such as geopolitical tensions with Russia, with the possibility that the slowdown of the economy could generate a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement. The adequate operative answer and the prudential management ensured by the Group during 2020 to face the crisis emerging from the COVID-19 pandemic, allowed in 2021 to reach a performance improvement. In fact the Group recorded a Euro 822 million increase in revenues to Euro 17,954 million for the year ended 31 December 2021 from Euro 17,132 million for the corresponding period of 2020, sustained mainly by higher commissions and trading profit.

UniCredit's Loan Loss Provisions (**LLPs**) decreased by Euro 3,362 million to Euro 1,634 million as at 31 December 2021 from Euro 4,996 million as at 31 December 2020. Therefore, the cost of risk (**CoR**) in the 2021 was 37 bps, decreased compared to the past year (105 bps).

UniCredit's LLPs, excluding Russia, decreased by 93.2 per cent. Q/Q and 64.6 per cent. Y/Y to Euro 52 million in 1Q22. Therefore, the cost of risk, excluding Russia, decreased by 67 bps Q/Q and 9 bps Y/Y to 5 bps in 1Q22.

UniCredit's LLPs in 1Q22 amounted to Euro 1.3 billion almost entirely against Russia. Therefore, the CoR in 1Q22 was equal to 116 bps.

Revenues were up 4.8 per cent. Y/Y to Euro 18.0 billion in FY21 with fees (+12.1 per cent. Y/Y), trading income up +16 per cent. Y/Y and Dividends and other income from equity investments + 25.2 per cent., more than offsetting lower NII (*i.e.* net interest income) (-4 per cent. Y/Y). Total revenues up 12.0 per cent. Q/Q and up 5.5 per cent. Y/Y to Euro 4.8 billion in 1Q22, with continued fees (+9.0 per cent. Q/Q, +7.9 per cent. Y/Y) offset by weaker quarterly trends in NII (-4.2 per cent. Q/Q, +5.5 per cent. Y/Y)[2].

In details: FY21 NII was down 4 per cent. Y/Y to Euro 9.1 billion, as a result of lower loans volumes and customer rates; fees were at Euro 6.7 billion, up 12.1 per cent. FY/FY, mainly due to investment fees. FY21 trading income was up 16.0 per cent. FY/FY at Euro 1.6 billion, of which Euro 1.3 billion is customer driven, increasing thanks to Valuation adjustments (**XVA**[3]) and Fair Value (**FV**) valuation. Also dividends were up, +25.2 per cent. FY/FY to Euro 520 million, with a higher contribution from Yapi Kredi (+Euro 18 million FY/FY). In 1Q22[2], NII stood at Euro 2.2 billion, down 4.2 per cent. Q/Q. Adjusted for a positive non-recurring item in Germany in 4Q21 and days effect, NII was up 2 per cent. Q/Q, also supported by recovering demand for credit. Average client loan volumes are up Euro 8 billion Q/Q driven by Austria, Germany and Italy; fees at Euro 1.8 billion in 1Q22, up 9.0 per cent. Q/Q and 7.9 per cent. Y/Y. UniCredit fees are well diversified, and all categories contributed positively, led by transactional and financing fees; trading income was strong at Euro 701 million in 1Q22, of which Euro 388 million client driven, thanks to good results in Fixed Income, Currencies & Commodities in both in Italy and Germany, with positive XVA3 and good Treasury results contributing to a Q/Q increase.

For further information in relation to the net write-downs on loans, please see the consolidated financial statements of UniCredit as at 31 December 2021 and the consolidated interim report as at 31 March 2022 – Press Release.

Furthermore, the evaluation processes, such as Deferred Tax Assets, whose recoverable amount depends on expected cash flows projections, might be subject to a change not foreseeable as of the date of this Base Prospectus and which may have negative effects, including significant ones, on the bank's financial and economic situation.

In addition, as a result of the current elements of high uncertainty, ESMA requires particular attention in performing assets evaluation. In particular, ESMA believes in the context of COVID-19 pandemic impairment

[2] Data excluding Russia.
[3] Valuation adjustments (XVA) include: Debt/Credit Value Adjustment (DVA/CVA), Funding Valuation Adjustments (FuVA) and Hedging desk.

tests have to assess (i) with particular attention the evaluation of cash flows used and (ii) the possible use of alternative scenarios. Coherently with such recommendations and with UniCredit's macro assumptions in the 2022-2024 Strategic Plan called "*UniCredit Unlocked*" (the **Strategic Plan** or **Plan**), that assumes the recent and still existing impacts of COVID-19 will gradually normalize without developing in a particularly negative way in the upcoming years, UniCredit Group has defined different macro-economic scenarios, to be used for the purposes of the evaluation processes of 2021 Consolidated reports

In particular, in addition to the "Baseline" scenario, which reflects the expectations considered most likely concerning macro-economic trends, alternative scenarios have been outlined assuming different trends in the main macro-economic parameters (e.g. gross domestic product, interest rates); in this respect:

- with reference to the sustainability test of deferred tax assets, a worst-case scenario ("Downturn") was considered, reflecting a downward forecast of the expected profitability of the business; and

- with reference to the valuation of credit exposures (IFRS9), two alternative scenarios ("Positive" and "Negative" vis-à-vis the "Baseline" scenario) were defined; such alternative scenarios provide for different assessments regarding the expected trend of the parameters that can influence the assessment of the prospective credit risk.

The above outlined lower predictivity has heightened in the first quarter 2022 due to the outbreak of geopolitical tensions between the Russian Federation and Ukraine.

Indeed, ECB Macro-economic Projections published in March 2022[4] report that the outlook regarding the trend in economic activities and inflation in the euro area has become very uncertain and depends crucially on how the war in Ukraine unfolds, on the impact of current sanctions and on possible further measures.

In light of the above-mentioned heightened uncertainties, specific analyses were performed in the first quarter of 2022:

- with reference to the Italian tax perimeter (which accounts for the significant majority of the DTAs): Baseline/Downturn scenarios, foreseen by the new strategic plan and used in the evaluation process as at 31 Dec 2021 were confirmed on the basis that the comparison with the updated macro-economic scenario highlighted that: (i) Italian GDP is substantially aligned with the Downturn in 2022 and with Baseline in 2023/2024; (ii) higher interest rates are foreseen, thus representing a positive driver considering the positive correlation existing between net interest income and interest rates trend;

- with reference to the credit exposures a specific analysis was put in place by comparing the scenarios used in the evaluation process of credit exposures as at 31 December 2021 and the updated macro-economic scenario developed in March 2022 by UniCredit Research:

    - with reference to the geographies different from Russia, the macroeconomic scenario developed in March 2022 reports a limited decrease in term of GDP for the periods 2022 – 2024 compared with 31 December 2021, not triggering an extraordinary update as of 1Q2022;

    - with reference to Russian consolidated subsidiaries, the macroeconomic scenario developed in March 2022 reports worsening GDP projections for the periods 2022 - 2024 compared with the negative scenario considered in December 2021 both on a year to year and on a cumulated basis. Consequently, as of 1Q22: (i) the Baseline scenario was updated in coherence with March 2022 evidence; (ii) the negative scenario has been updated by keeping constant the multi-scenario overlay used as at 31 December 2021, thus implying a downward GDP correction with the same magnitude of the correction to the Baseline. Furthermore, the weight of negative scenario was increased from 40 per cent. to 50 per cent. and the baseline reduced from 55 per cent. to 50 per cent. (with positive scenario also reduced from 5 per cent. to 0 per cent.).

With specific reference to goodwill, as at 31 December 2021 no goodwill is present on the balance sheet therefore there is no risk of impairment.

While evaluations have been made on the basis of assumptions deemed to be reasonable as at 31 December 2021 and as at 31 March 2022, existing uncertainties related to evolution of the (i) pandemic, when lockdown measures

[4] ECB staff macroeconomic projections for the euro area, March 2022 (europa.eu).

and other restrictive measures will be completely lifted and the extent and speed of the economic recovery, and (ii) geopolitical tensions between Russia and Ukraine could further affect the valuation processes.

Therefore, the information and parameters used for the update of the DTA sustainability test and the evaluation of the loan portfolio in term of Expected Credit Loss (**ECL**) could develop in different ways to those envisaged, with possible further negative effects on UniCredit's assets and operations, balance sheet and/or income statement.

On 9 December 2021 UniCredit presented to the financial community its new Strategic Plan, which included a set of strategic and financial objectives that considered the underlying scenario and resulted from the assessment performed in the previous months.

The macro assumptions underlying the Strategic Plan exclude[5] unexpected materially adverse developments such as the worsening of the COVID-19 pandemic, a situation that UniCredit is monitoring closely.

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

Material adverse effects on the business and profitability of the Group may also result from further developments of the monetary policies and 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 geopolitical uncertainty has also introduced a considerable volatility and uncertainty in the financial markets, potentially impacting on credit spreads/cost of funding and therefore on the values the Group can realize from sales of financial assets.

The outlook of the pandemic normalization path in terms of its timeline and further evolution remains uncertain, as well as the magnitude of the economic impact. The global economic developments can be further impacted by the potential new rounds of restrictions/financial sanctions that might be introduced by some countries across the world, with the risk of further slowing down of the economy.

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,first of all due to the evolution of the conflict between Russia and Ukraine and the related potential implications/spill-over macroeconomic effects; moreover due to: (i) the risk of further increasing inflation; (ii) future developments in the European Central Bank (the **ECB**) and Federal Reserve (**FED**) monetary policies; (iii) the sustainability of the sovereign debt of certain countries and the related, repeated shocks to the financial markets.

1.1.2 Risks connected with the Strategic Plan 2022 – 2024

*On 9 December 2021, UniCredit presented to the financial community in Milan the 2022-2024 Strategic Plan called "UniCredit Unlocked" (the **Strategic Plan** or **Plan**) which contains a number of strategic, capital and financial objectives (the **Strategic Objectives**). "UniCredit Unlocked" delivers strategic imperatives and financial ambitions based on six pillars. Such strategic imperatives and financial ambitions regard: (i) the growth in its regions and the development of its client franchise, changing its business model and how its people operate; (ii) the delivery of economies of scale from its footprint of banks, transforming the technology leveraging Digital & Data and embedding sustainability in all that UniCredit does; (iii) driving financial performance via three interconnecting levers. UniCredit's ability to meet the strategic objectives and all forward-looking statements relies on a number of assumptions, expectations, projections and provisional data concerning future events and is subject to a number of uncertainties and other factors, many of which are outside the control of UniCredit. Macro assumptions exclude[6] unexpected materially adverse developments such as the worsening of the COVID-19 pandemic, a situation that UniCredit is monitoring closely. The six pillars are: (i) optimise, through the improvement of operational and capital efficiency; (ii) invest, with targeted growth initiatives, including ESG; (iii) grow net revenues; (iv) return; (v) strengthen thanks to revised CET1 ratio target and decrease of Gross NPE ratio; and (vi) distribute consistently with organic capital generation. 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 objective or meet the strategic objectives may have a material adverse effect on UniCredit's business, financial condition or results of operations.*

[5] Macro assumptions consider the recent and still existing impacts of COVID with a gradual normalisation over the upcoming years. The scenario does not assume that the current COVID situation will develop in a particularly negative way in the upcoming years.
[6] Macro assumptions consider the recent and still existing impacts of COVID with a gradual normalisation over the upcoming years. The scenario does not assume that the current COVID situation will develop in a particularly negative way in the upcoming years.

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

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

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

Sustainability is embedded in the Plan and UniCredit commits to deliver on ESG global policies. Specifically UniCredit: has established an ESG advisory model for Corporates and Individuals; is financing innovation for environmental transition; and is partnering with key players to enrich and improve ESG offerings across-sectors.

New business model allows for strong organic capital generation[7] with materially increased and growing shareholder distributions[8], consisting in cash dividends and share buybacks, while maintaining a robust CET1 ratio.

Although the Plan is based primarily through management actions, thanks to its geographical positioning UniCredit: (i) over the three years, assumes a conservative interest rate scenario based on a broadly stable Euribor 3 month rate; (ii) the combination of its countries is expected to deliver GDP growth[9] above the eurozone average over the course of the Plan, helped by its Central and Eastern European positioning.

Macro assumptions exclude[10] unexpected materially adverse developments such as the worsening of the COVID-19 pandemic, a situation that UniCredit is monitoring closely.

The Plan is based on six pillars:

- Optimise: improving operational and capital efficiency, with gross cost savings, considering also Digital & Data, and a contribution to CET1 ratio from active portfolio management; expect RWA to decrease over the course of the Plan as active portfolio management more than offsets impact of organic growth and expected regulatory headwinds;
- Invest: cash investments in Digital & Data, new hires in Business and Digital & Data, targeted growth initiatives including ESG; gross integration costs impact from: Team23 acceleration, technology benefit and simplification & streamlining;
- Grow: increasing net revenues in the period 2021-2024, net of all the optimisation UniCredit is undertaking, with underlying growth substantially higher;
- Return: increasing in 2024;
- Strengthen: thanks to revised CET1 ratio target, decrease in gross NPE ratio and stable net NPE ratio in 2024;
- Distribute: consistently with organic capital generation[6] from net profit and RWA evolution.

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

[7] Organic capital generation means CET1 evolution deriving from (i) stated net profit excluding DTA from tax loss carry forward contribution and (ii) RWA dynamic net of regulatory headwind.
[8] Shareholder distribution subject to supervisory & shareholder approvals and inorganic options.
[9] Average of yearly changes.
[10] Macro assumptions consider the recent and still existing impacts of COVID with a gradual normalisation over the upcoming years. The scenario does not assume that the current COVID situation will develop in a particularly negative way in the upcoming years.

Moreover, the future financial results could be influenced by the dynamics of the COVID-19 as well as the evolution of the geopolitical tension with Russia, which were not foreseeable at the date of the Strategic Plan presentation, and which are still uncertain.

In particular, Eurozone's GDP expanded by 5.3 per cent. in 2021 Y/Y, with a rebound vs. 2020 significantly impacted by COVID-19 related containment measures. Among the largest eurozone economies, France and Italy experienced greatest growth, respectively +7.0 per cent. and +6.6 per cent. (Germany +2.9 per cent., Austria +4.5 per cent.).

For this reason, UniCredit after having updated the macroeconomic assumptions connected with the determination of LLPs in December 2021 has further updated the macroeconomic assumptions with reference to Russia in light of a drop in GDP higher than those expected under the negative scenario considered in December 2021 in accordance with International Financial Reporting Standards 9 (**IFRS9**).

For the 1Q22, reflecting UniCredit's historically prudent approach on classification and provisioning, the cost of risk excluding Russia is 5 basis points. Cost of risk, excluding Russia, is expected in the 30 to 35 basis points range over the plan period.

Any failure by the Group to implement the revised 2022-2024 Strategic Plan or meet the Strategic Objectives may have a material adverse effect on UniCredit's business, financial condition or results of operations. Assumptions by their nature are inherently subjective and the assumptions underlying the Strategic Objectives could turn out to be inaccurate, in whole or in part, which may mean that UniCredit is not able to fulfil the Strategic Plan. If this were to occur, the actual results may differ significantly from those set forth in the Strategic Objectives, which could have a material adverse effect on UniCredit's business, results of operations, financial condition or capital position.

The Strategic Objectives are also based on certain assumptions which include actions that management should undertake over the course of the new Strategic Plan, including:

- over the three years, UniCredit assumes a conservative interest rate scenario based on a broadly stable Euribor three-month rate;
- the combination of the countries is expected to deliver GDP growth that is above the eurozone average over the course of the Plan. This is helped by UniCredit's Central and Eastern European positioning;
- Central and Eastern Europe loan growth is expected at a multiple of GDP due to the relatively low maturity of the market;
- Recovery and Resilience Fund allocation: the countries have access to approximately 50 per cent. of the overall fund disbursement.

Given that the realization of these initiatives is, as of the date hereof, uncertain, should UniCredit fail to generate the expected benefits of actions taken to support future income, UniCredit may not reach its Strategic Objectives and its results may differ significantly from those set out in the new Strategic Plan which, in turn, could have a material adverse effect on UniCredit's business, financial condition and results of operations.

Furthermore, should any of the assumptions turn out to be inaccurate and/or the circumstances envisaged not be fulfilled, or fulfilled only in part or in a different way to that assumed, the ability to meet the Strategic Objectives may be negatively impacted. For example, the focus set out in the new Strategic Plan on delivering enhanced capital returns for shareholders through, among other things, share buy-backs and cash dividends, could be reasonably influenced by the dynamics of the COVID-19 pandemic outbreak as well as the evolution of the geopolitical tension with Russia.

Given the inherent uncertainty surrounding any future event, both in terms of the event's occurrence as well as eventual timing, the differences between the actual values and the Strategic Objectives could be significant.

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

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

*UniCredit's Loan Loss Provisions (**LLPs**), excluding Russia, decreased by 93.2 per cent. Q/Q and 64.6 per cent. Y/Y to Euro 52 million in 1Q22. Therefore, the cost of risk, excluding Russia, decreased by 67 bps Q/Q and 9 bps Y/Y to 5 bps in 1Q22. As at 31 March 2022, Group gross NPE ratio, excluding Russia, was equal to 3.5 per cent., decreasing compared to 31 December 2021 in which the gross NPE ratio was equal to 3.6 per cent.. As at 31 March 2022 Group Net NPE ratio, excluding Russia, substantially stable compared to 31 December 2021 and is equal to 1.6 per cent.*

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

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

The Group has adopted procedures, rules and principles aimed at monitoring and managing credit risk at both individual counterparty and portfolio level. However, there is the risk that, despite these credit risk monitoring and management activities, the Group's credit exposure may exceed predetermined risk's levels pursuant to the procedures, rules and principles it has adopted.

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

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 31 March 2022, Group gross NPEs, excluding Russia, were down by 29.0 per cent. Y/Y and 2.2 per cent. Q/Q to Euro 15.5 billion in 1Q22 (while as at 31 December 2021 they were equal to Euro 15.9 billion) with an improved gross NPE ratio of 3.5 per cent. (-1.4 p.p. Y/Y, -0.1 p.p. Q/Q), while as at 31 December 2021 the gross NPE ratio was equal to 3.6 per cent.

As at 31 March 2022, Group Net NPEs, excluding Russia, stood at Euro 7.1 billion decreased compared to 31 December 2021 which attested at Euro 7.4 billion (Group Net NPE ratio, excluding Russia, substantially stable compared to 31 December 2021 and is equal to 1.6 per cent.).

As at 31 March 2022, the Group gross NPEs increased to Euro 16.8 billion (+3.2 p.p. Q/Q, -25.1 p.p. Y/Y) while as at 31 December 2021 they were equal to Euro 16.3 billion, while Group Net NPEs were increased to Euro 7.9 billion.

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

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

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

Starting from the year 2015 the overall reduction of the Group NPE amounted to about Euro 61 billion, moving from Euro 77.8 billion of 2015 to Euro 16.8 billion of 1Q22 (Euro 16.3 billion of 2021). This amount includes the loans disposed of through Project Fino in July 2017 and IFRS 5 positions if any.

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

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

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, which clarified that it is unlikely that the contractual changes resulting from these moratoria can be considered as substantial, the Group has not derecognised credit exposures that were subject to such moratoria.

UniCredit's Loan Loss Provisions (**LLPs**), excluding Russia, decreased by 93.2 per cent. Q/Q and 64.6 per cent. Y/Y to Euro 52 million in 1Q22. Therefore, the cost of risk, excluding Russia, decreased by 67 bps Q/Q and 9 bps Y/Y to 5 bps in 1Q22.

UniCredit's LLPs in 1Q22 amounted to Euro 1.3 billion almost entirely against Russia. Therefore, the CoR in 1Q22 was equal to 116 bps. With specific reference to Russian credit exposures (i.e. both cross - border and originated by Russian consolidated subsidiaries), in addition to the already mentioned update of the IFRS-9 macro-economic scenario the adverse change in the economic environment, as above outlined, has been deemed evidence of a significant increase in credit risk triggering: (i) their classification in Stage 2; (ii) an update of the Russian sovereign rating so to embed - in the measurement process - the worsening of Russia credit worthiness, triggered by the severity of Western countries' sanctions, Russian authorities' responses and the economic effects of the war itself. Such approach led to a consequent increase in LLP.

Furthermore, an overlay (basically tiering the effect resulting from an UTP classification) has been recognized on cross-border loans exposures toward Russian counterparties in order to reflect the differentiation in asset valuation between on-shore and off-shore investors, in light of sanctions imposed to Russia, with off-shore investors being penalized vs on-shore ones in their ability to recover their claims against investments in Russia. Indeed, such circumstance stemmed from several occurrences, e.g., among them: (i) certain Russian counterparties entered in technical default as a result of sanctions imposed against Russia (which impeded them to repay their debt toward foreign counterparty in accordance with the original terms of the contract subscribed); (ii) several multinational corporations decided to exit from the Russian market and, among them, certain financial group disposed their activities in Russia or announced their intention to do so with a zeroed investment value recovered.

While these events materialized also after 31 March 2022, they stemmed from events (the Russia – Ukraine conflict and sanctions) which started before 31 March 2022.

As a result, such events were deemed to be "adjusting events" for the purposes of preparation of the Consolidated Results of UniCredit Group as at 31 March 2022.

It is finally worth mentioning that the overall impact of the actions presented here above led to a coverage ratio so to better reflect the different risk profile of domestic and cross border exposures, where only the latter are directly impacted by the sanctions, impairing the willingness and technical abilities of Russian counterparties to honor the terms and conditions of their obligations to foreign debt holders.

Moreover, in order to cope with the extraordinary contingency of COVID-19 and the peculiar dynamic of default risk observed in the course of 2021 as a consequence of supporting measures and the potential emerging of a cliff-effect in 2022 when the measures will expire, an upward corrective factor has been applied on both the 2021 default rate and the 2022 forecast underlying the updated calibration of IFRS models for the 31 December 2021 figures and likely postponement of part of default risk in 2022.

It is worth pointing out that the measurement is affected by the already mentioned degree of uncertainty on the evolution of the pandemic, the effect of the relief measures and, ultimately, the existence and degree of economic recovery. The evolution of these factors may, indeed, require in future financial years the classification of additional credit exposures as non-performing thus determining the recognition of additional loan loss provisions related to both these exposures as well as performing exposures following the update in credit parameters. In this context it will be relevant, among other factors, the ability of the customers to service their debt once moratoria measures adopted by the Governments of the countries where the Group operates or voluntarily adopted by the Group's banks themselves, will expire. The Group delivered underlying net profit of Euro 3,900 million for FY21, increased compared to the underlying net profit of Euro 1,264 million delivered for FY20.

For further information in relation to the net write-downs on loans, please see the consolidated financial statements of UniCredit as at 31 December 2021 and the consolidated interim report as at 31 March 2022 – Press Release.

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

As at 31 March 2022, the Group's sovereign exposures in debt amounts to Euro 109,575 million (as at 31 December 2021 it amounted to Euro 114,690 million), of which over 82 per cent. concentrated in eight countries. In particular, the Group's exposure to Italian sovereign debt in debt securities amounts to Euro 39,516 million (at 31 December 2021 it amounted to Euro 43,121 million) and represents, respectively, over 36 per cent. of the Group's total sovereign exposure represented by debt securities (about 38 per cent. at 31 December 2021) and over 4 per cent. of the Group total assets (about 5 per cent. at 31 December 2021). 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 31 March 2022 amounted to Euro 109,575 million (as at 31 December 2021 it amounted to Euro 114,690 million), of which over the 82 per cent was concentrated in eight countries, including: Italy with Euro 39,516 million (at 31 December 2021 it amounted to Euro 43,121 million), representing over 36 per cent of the total (about 38 per cent at 31 December 2021) and over 4 per cent of the Group total assets (about 5 per cent at 31 December 2021); Spain with Euro 16,764 million; Japan with Euro 10,745 million; Germany with Euro 9,016 million; Austria with Euro 4,284 million; United States of America with Euro 4,274 million; France with Euro 3,102 million and Romania with Euro 2,606 million.

As at 31 March 2022, the remaining 18 per cent of the total sovereign exposures in debt securities, equal to Euro 19,268 million as recorded at the book value, was divided between 37 countries, including: Bulgaria (Euro 2,044 million), Czech Republic (Euro 2,030 million), Croatia (Euro 1,844 million), Hungary (Euro 1,626 million),

Portugal (Euro 1,601 million), Israel (Euro 1,186 million), Ireland (Euro 1,029 million), Serbia (Euro 944 million), Poland (Euro 935 million), Russia (Euro 794 million) and China (Euro 789 million).

With respect to these exposures, as at 31 March 2022, there were no indications that defaults have occurred and the Group is closely monitoring the evolution of the situation.

With particular reference to the book value of the sovereign debt securities exposure to Russia it should be noted that Euro 793 million are held by the Russian controlled bank and classified in the banking book.

Note that the aforementioned remainder of the sovereign exposures held as at 31 March 2022 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 2,596 million (as at 31 December 2021 it amounted to Euro 2,680 million).

In addition to the Group's sovereign exposure in debt securities, there were also loans issued to central and local governments and government bodies, amounting to Euro 25,383 million as at 31 March 2022 (as at 31 December 2021 it amounted to Euro 31,068 million).

1.1.5 Risks relating to deferred taxes

*As at 31 December 2021, Deferred Tax Assets (**DTAs**) amounted in aggregate to Euro 11,598 million, of which Euro 6,239 million may be converted into tax credits pursuant to Law No. 214 of 22 December 2011 (**Law 214/2011**). As of 31 December 2020, DTAs totally amounted to Euro 11,361 million, of which Euro 7,491 million was available for conversion to tax credits pursuant to Law 214/2011..*

*The above mentioned amounts are the ones resulting from the sustainability test provided for IAS12, that takes into account the economic projections foreseeable for future years and the peculiarities of the fiscal legislations of each country, in order to check whether there are future taxable incomes against which tax loss carry forward (**TLCF**) can be offset.*

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

The Law Decree No.73 of 25 May 2021 (LD 73/2021) extended to 2021 the incentives, introduced in 2020, for Non-Performing Exposures (NPE) disposals provided by Art.44-bis Law Decree No.34/2019. Therefore, also for 2021 the NPE disposals to companies not belonging to UniCredit Group completed by 31 December 2021 allowed the transformation in Tax Credits (**TC**) of Deferred Tax Assets (**DTAs**) deriving from (i) tax losses and (ii) ACE (so-called *Aiuto alla Crescita Economica*) surpluses, under the same conditions applied to the benefit in 2020. As of 31 December 2021, Euro 110 million of DTAs were recognised into tax credits, with a correspondent positive impact on the income statement.

DTA's and liabilities are recognized in the consolidated financial statements according to accounting principle IAS 12. As of 31 December 2021, DTAs amounted in aggregate to Euro 11,598 million, of which Euro 6,239 million may be converted into tax credits pursuant to Law No. 214 of 22 December 2011 (**Law 214/2011**). As of 31 December 2020, DTAs totally amounted to Euro 11,361 million, of which Euro 7,491 million available for conversion to tax credits pursuant to Law 214/2011. Under Law 214/2011, DTAs related to loan impairments and loan losses, or to goodwill and certain other intangible assets, may be converted into tax credits if the company has a full-year loss in its non-consolidated accounts relating to convertible DTAs (to which such convertible DTAs relate) (**Convertible DTAs**). Under the conversion into tax credits, Convertible DTAs recognized in the accounts of the company with the non-consolidated full-year loss, and a proportion of the deferred tax credits are converted in accordance with a ratio between the amount of the full-year loss and the company's shareholders' equity.

Law 214/2011 also provides for the conversion of Convertible DTAs if there is a tax loss on a non-consolidated basis. In such circumstances, the conversion of the Convertible DTAs is recognized in the financial statements against the tax loss, limited to the loss generated from the deduction of the same categories of negative income components (loan impairments and loan losses, or related to goodwill and other intangible assets)..

As at 31 December 2021, the remaining Deferred Tax Assets (*i.e.*, DTAs non-convertible into tax credits) are related to costs and write-offs deductible in future years, for Euro 3,097 million (net of related deferred tax liabilities), and to tax losses carried forward (**TLCF**) for Euro 2,262 million (of which Euro 2,067 million DTAs on TLCF and Euro 195 million tax credit IRAP deriving from the conversion of the ACE benefit). DTAs on TLCF are mainly related to UniCredit S.p.A., also as Italian Tax Group Parent Company, for Euro 2,002 million, to UniCredit Bank Austria AG for Euro 185 million, and to UniCredit Bank AG for Euro 17 million.

The above mentioned amounts are the ones resulting from the sustainability test provided for IAS12 that takes into account the economic projections foreseeable for future years and the peculiarities of the fiscal legislations of each country, in order to check whether there are future taxable incomes against which TLCF can be offset.

At Group level total not recognized DTAs TLCF are equal to Euro 2,702 million mainly referred to UniCredit S.p.A. for Euro 2,072 million, to Sub-groups UniCredit Bank AG for Euro 331 million and UniCredit Bank Austria AG for Euro 270 million.

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

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

1.2.1 Liquidity Risk

*The main indicators used by the UniCredit Group to assess its liquidity profile are (i) the Liquidity Coverage Ratio (**LCR**), which represents an indicator of short-term liquidity subject to a minimum regulatory requirement of 100 per cent. from 2018 and which was equal to 177 per cent. in March 2022, whereas at 31 December 2021 was equal to 182 per cent. (calculated as the average of the 12 latest end of month ratios), and (ii) the Net Stable Funding Ratio (**NSFR**), which represents the indicator of structural liquidity and which in March 2022 was above the internal limit set at 102 per cent. as at 31 December 2021, 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) an unusual withdrawal of sight deposits by UniCredit's retail and corporate customers; iii) the decline in the market value of the securities in which UniCredit invests its liquidity buffer; and iv) 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. 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.*

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 the UniCredit Group, the following principal indicators are also used:

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

- the 12-month structural liquidity indicator Net Stable Funding Ratio (**NSFR**), which corresponds to the ratio between the available amount of stable funding and the required amount of stable funding.

As of March 2022, the LCR of the Group was equal to 177 per cent., whereas at 31 December 2021 was equal to 182 per cent. (calculated as the average of the 12 latest end of month ratios). As of March 2022, the NSFR was above the internal limit of 102 per cent., as at 31 December 2021, 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 favorable 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 possibility that new lockdown measures might be taken 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 31 March 2022, the total debt of the UniCredit Group with the ECB through TLTRO III was Euro 106.8 billion, with a timetable of maturities scheduled for June 2023 and March 2024. In relation to the second one, in March 2022, the Bank decided to set the repayment date to the original maturity of March 2024. As of 31 March 2022, UniCredit Group had other minor refinancing operation in place other than TLTRO III in the subsidiaries in Eastern Europe.

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	94.2
24 March 2021	27 March 2024	12.6
Total		**106.8**

1.2.2 Risk related to 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 the COVID-19 pandemic, may cause the UniCredit Group to have to recognize reduction in the value of the property owned where book value is higher than market value, with possible material adverse effects on UniCredit's business, capital and results of operations.

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

In this regard, starting from 31 December 2019 financial statements, the Group has decided to change the evaluation criterion of the Group's real estate portfolio, in particular for the properties used in business (ruled by IAS16 "Property, plant and equipment") providing for the transition from the cost model to the revaluation model for the measurement subsequent to initial recognition while for the properties held for investment (ruled by IAS40 "Investment property") providing for the transition from the cost model to the fair value model.
The Group has considered that the possibility of measuring real estate assets at current values (and no longer at cost) allows, in line with the provisions of IAS8 concerning changes in accounting principles, to provide reliable and more relevant information on the effects of business management as well as the Group's financial position and economic result.

As at 31 December 2021 fair value of both properties held for investment and properties used in business was re-determined through external appraisals.

The update of appraisals has led to an overall positive balance sheet effect of Euro 138 million gross of tax: (i) for real estate assets used in business, the recognition of an increase in the specific valuation reserve for an amount of Euro 157 million gross of tax effect. In addition to this increase, net losses for Euro 35 million were recognized in the income statement gross of the tax effect; and (ii) for real estate assets held for investment, the recognition of an income statement result equal to Euro 16 million gross of the tax effect.

The valuation of properties at current values implies a possible risk of volatility as well as an increase of the so-called real estate risk. By reference to the real estate units held as at 31 December 2021 and their corresponding market value overall equal to Euro 5,955 million, it has been estimated a sensitivity to the increase/decrease in real estate values of +/-1 per cent. equal to approximately Euro 60 million corresponding to approximately +/-2 basis point of CET1 ratio.

The measurement of inventories of property, plant and equipment, to the lower between cost and net realizable value, has determined the recognition of a net write-down for Euro 16 million.

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2021, *Part B – Consolidated balance sheet – Assets – Section 9 – Property, plant and equipment – Item 90.*

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

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

The UniCredit Group operates in different countries and, therefore, the UniCredit Group's activities are affected by the macroeconomic context of the markets in which it operates. Italy accounted for 46 per cent. of the UniCredit Group's total revenue during 2021 and is the Group's primary market. The UniCredit Group operates and has a significant presence also in in Germany (which accounted for 25 per cent. of UniCredit's total revenues in 2021), as well as in Central Europe (17 per cent. including Austria, Czech Republic, Hungary and Slovenia) and in Eastern Europe countries (Russia, Croatia, Bulgaria, Romania, Bosnia and Serbia representing 13 per cent. of UniCredit's total revenues in 2021). A deterioration in the macroeconomic conditions in Western Europe, also considering the potential impact of the ongoing conflict between Russia and Ukraine, an increase in the volatility of their capital markets, a significant increase in the cost of funding, the end of the current period of ready availability of liquidity in the respective markets or an increase in political instability could create a difficult operating environment and have a negative impact on UniCredit's profitability, as well as UniCredit's assets and operations, balance sheet and/or income statement.

The Group's business is closely connected to the Italian economy and could, therefore, be negatively impacted by any changes in the macroeconomic environment considering the recent geopolitical developments, energy crisis, and inflation increase.

The UniCredit Group operates and has a significant presence also in in Germany (which accounted for 25 per cent. of UniCredit's total revenues in 2021), as well as in Central Europe (17 per cent. including Austria, Czech Republic, Hungary and Slovenia) and in Eastern Europe countries (Russia, Croatia, Bulgaria, Romania, Bosnia and Serbia, representing 13 per cent. of UniCredit's total revenues in 2021). The risks and uncertainties to which UniCredit is exposed are of a different nature and magnitude depending on the country, and whether or not the country belongs to the European Union, which is one of the main factors taken into consideration when evaluating these risks and uncertainties.

A deterioration in the macroeconomic conditions in Western Europe, an increase in the volatility of their capital markets, a significant increase in the cost of funding, the end of the current period of ready availability of liquidity in the respective markets or an increase in political instability could create a difficult operating environment and have a negative impact on UniCredit's profitability, as well as UniCredit's assets and operations, balance sheet and/or income statement.

CE & EE countries have also historically featured volatile capital and foreign exchange markets, as well as a certain degree of political, economic and financial instability (which for certain countries might increase due to spillover effects of the Russia-Ukraine conflict). In some cases, CE & EE countries have a less developed political, financial and legal system, when compared to Western European countries. In countries where there is greater political instability, there is the risk of political or economic events affecting the transferability and/or limiting the operations of one or more of the UniCredit Group companies, as well as the risk that local governments could implement nationalization policies or introduce similar restrictions or other measures, which could directly affect Group companies and/or which could have negative consequences on UniCredit's assets and operations, balance sheet and/or income statement.

In addition, UniCredit's geographic presence implies risks related to negative effects of Russia-Ukraine conflict. In the extreme scenario, where the entirety of UniCredit's maximum exposure is non-recoverable and zeroed, UniCredit's capital position would allow it to absorb such an impact while still having a solid capital position. Whilst UniCredit does not consider this extreme scenario as base case, it is closely monitoring the developments in the country, in full cooperation with regulators, and with dedicated cross expert teams which defined robust and tested contingency plans, and it is taking a prudent and sustainable approach to distributions. UniCredit continues to dynamically manage its risk exposure, whilst constantly assessing the potential impact of the conflict on global GDP and public policies.

1.2.4 Market risks

The UniCredit Group is exposed to Market Risk. Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Group's

portfolio, including the assets held both in the Trading Book, as well as those posted in the Banking Book, both on the operations characteristically involved in commercial banking and in the choice of strategic investments. As at 31 December 2021 RWA (Risk-Weighted Assets) for Market Risk (excluding credit valuation adjustments - CVA Risk) amounted to Euro 6.58 billion out of a total of Euro 322 billion of Total Group RWA. Total Market Risk RWA (excluding CVA Risk) are split between the part calculated under the internal model (Euro 5.68 billion) and the standardised approach (Euro 0.84 billion) and settlement risk (Euro 0.06 billion). In addition, starting from December 2019 an additional capital requirement has been added, amounting to 336.74 million as of 31 December 2021.

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

Specifically, the Trading book is defined as all positions in financial instruments and commodities held either with trading intent, or in order to hedge positions held with trading intent. Books held with trading intent are composed of:

- positions arising from client servicing and market making;
- positions intended to be resold in the short term;
- positions intended to benefit from actual or expected short-term price differences between buying and selling prices or from other price or interest rate variations.

In addition, Trading book may include internal or intra-group hedging derivatives transferring risk from Banking book into Trading book, entitled to manage the relevant risk and having access to the derivatives market.

The essential requirement for the Regulatory Trading book assignment is a clear "trading intent" which the trader has to commit to and has to confirm on an ongoing basis. Additionally, the so called "tradability", "marketability" and "hedge-ability" requirements have to be assessed in order to evaluate the appropriateness for the Trading book assignment. The financial instruments (an asset or a liability, cash or derivative) held by the Group are exposed to changes over time driven by moves of market risk factors. The market risk factors are classified in the following five standard market risk asset classes:

- Credit risk: the risk that the value of the instrument decreases due to credit spreads changes, issuer correlation and recovery rates;
- Equity risk: the risk that the value of the instrument decreases due to increase/decrease of index/stock prices, equity volatilities, implied correlation;
- Interest rate risk: the risk that the value of the instrument decreases due to interest rates changes, basis risk, interest rates volatility;
- Currency risk: the risk that the value of the instrument decreases due to foreign exchange rate changes, foreign exchange rate volatility; and
- Commodity risk: the risk that the value of the instrument decreases due to changes of the commodity prices, for example gold, crude oil, commodity prices volatility.

Market risk in UniCredit group is measured and limited mainly through two sets of metrics: Broad Market Risk measures and Granular Market Risk measures.

As at 31 December 2021 RWA (Risk-Weighted Assets) for Market Risk (excluding credit valuation adjustments, CVA Risk) amounted to Euro 6.58 billion out of a total of Euro 322 billion of Total Group RWA. Total Market Risk RWA (excluding CVA Risk) are split between the part calculated under the internal model (Euro 5.68 billion) and the standardised approach (Euro 0.84 billion) and settlement risk (Euro 0.06 billion). In addition, starting from December 2019 an additional capital requirement has been added, amounting to Euro 336.74 million as of 31 December 2021.

1.2.5 Interest rate fluctuation and exchange rate risk

The interest rate banking book, earnings and economic value are exposed to: changes in interest rates that may have a major negative impact in the value of the assets and liabilities held by the Group; changes in the behavioural models; changes in the basis of Interest rate curves tenors and changes of the Interest rate volatilities.

The UniCredit Group implements also a hedging policy of risks related to the fluctuation of interest rates. Such hedges are based on estimates of behavioural models and interest rate scenarios which could have an impact on the activity, operating results and capital and financial position of the Group.

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

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2021, Part E – Information on risks and hedging policies, incorporated by reference herein.

1.2.6 Operational risk

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

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

Operational risk also includes legal risk and compliance risk, but not strategic risk and reputational risk. The main sources of operational risk statistically include the instability of operating 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 operating 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 as a result of unforeseen events, entirely or partly out of UniCredit's control (including, for example, non-compliance of suppliers with their contractual obligations, fraud, deception or losses resulting from the disloyalty of employees and/or from the violation of control procedures, IT virus attacks or the malfunction of electronic and/or communication services, possible terrorist attacks). The realization of one or more of these risks could have material adverse effects on UniCredit's business, financial condition and results of operations.

Referring to operational risks' effects arising from the 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: the outcome of these checks did not highlight any significant criticality. A specific monitoring of operational incidents linked, even indirectly, to the entire COVID-19 pandemic 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 2022-2024, digitalisation is at the heart of the Bank's strategy and its ultimate ambition is to be a truly digital bank. Operational risk remains a significant focus for the Group, with reinforced controls of business and governance process across all legal entities and with a permanent optimisation of work process. However, possible risks remain with regards to the reliability of the system, the quality, integrity and confidentiality of the data managed, increasing digital exposure and the continuously evolving threats landscape 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 digital channel. 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.

UniCredit Group is subject to the regulations governing the protection, collection and processing of personal data in the jurisdictions in which it operates. While the Group maintains internal procedures that are compliant with applicable regulation, it remains exposed to the risk that the data could be damaged or lost, or removed, disclosed or processed (data breach) for purposes other than those authorized by the customer, including by unauthorized parties (such as third parties or Group employees) or with insufficient lawful basis (e.g. Standard Contractual Clauses to be signed in case of transfer of personal data outside EEA as per European Court of Justice decision of July 2020). Examples of data processed for purposes other than those for which they were collected or by unauthorised parties may be: the viewing of data by employees outside their work duties or for clients of other branches/portfolios of other managers; the employee of a supplier, appointed as Data Processor, processing the data with procedures/methods or for purposes other than those stated in the Data Processing Agreement.

With reference to the insufficient lawful basis, the European Court of Justice, in the aforementioned decision, confirmed the validity of Standard Contract Clauses as an instrument of transfer/lawful basis, but added the responsibility, on the "exporter" of the personal data, to assess whether the country of destination of the data offers a level of protection of the rights and freedoms of the data subject equivalent to the one guaranteed in Europe, by Regulation (EU) 2016/679. Moreover, the European Data Protection Board has stated, in documents released after the decision, that even simple access to the data (i.e. by an employee of the third company engaged for IT platform maintenance activities) may constitute a transfer of personal data. Thus, the potential risk is that personal data may be processed by third parties, appointed as Data Processor, from countries outside the European Economic Area without the presence of Standard Contract Clauses and/or without an adequate assessment by the data controller of the privacy rules in the destination country.

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

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

1.2.7 Risks connected with legal proceedings

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 31 December 2021, UniCredit and other UniCredit Group companies were named as defendants in about 55,900 legal proceedings of which approximately 8,500 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 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 31 December 2021, the UniCredit Group set aside a provision for risks and charges of Euro 688.4 million, of which Euro 428.1 million for the parent company UniCredit S.p.A. As of 31 December 2021, the total amount of claimed damages relating to judicial proceedings other than labour, tax and debt collections proceedings was Euro 9.8 billion, of which approximately Euro 6.4 billion for the proceedings involving the parent company UniCredit S.p.A.. This figure is affected by both the heterogeneous nature of the pending proceedings and the number of involved jurisdictions and their corresponding characteristics in which UniCredit Group companies are named as defendants.

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, EU, US and international sanctions, 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*" of 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.

As of 31 December 2020, the total amount of provisions for tax risks related to legal proceedings, inspections, and tax credits amounted to Euro 180.8 million, of which Euro 6.4 million for legal expenses. As of 31 December 2021, the total amount of provisions amounted to Euro 182.45 million, of which Euro 2.92 million for legal expenses.

As far as the tax inspections and tax disputes are concerned, in relation to 31 December 2021, 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*" of this Base Prospectus.

1.3 Risks connected with the legal and regulatory framework

1.3.1 Basel III and Bank Capital Adequacy

*The Issuer shall comply with the revised global regulatory standards (**Basel III**) on bank capital adequacy and liquidity, which impose requirements for, inter alia, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards. In terms of banking prudential regulations, the Issuer is also subject to the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014 (**BRRD**), implemented in Italy with the Legislative Decree. 180 and 181 of 16 November 2015 as amended by Directive (EU) 2019/879, the "BRRD II" (implemented in Italy by Legislative Decree No. 193 of 8 November, 2021) on the recovery and resolution of credit institutions, as well as the relevant technical standards and guidelines from EU regulatory bodies (i.e. the European Banking Authority (**EBA**)), which, inter alia, provide for capital/Minimum Requirement for Own Funds and Eligible Liabilities (**MREL**) requirements for credit institutions, recovery and resolution mechanisms.*

Should UniCredit not be able to meet the capital/MREL 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.

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.

The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the **CRD IV Directive**) and the Regulation 2013/575/EU (the **CRR**, together with the CRD IV Directive, the **CRD IV Package**) subsequently updated in the Regulation No. 876/2019 and Directive (EU) No. 2019/878 (the **Banking Reform Package** with CRR II and CRD V). In addition to the capital requirements under CRD IV, the BRRD introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities (the **Minimum Requirement for Own Funds and Eligible Liabilities, MREL**). The Issuer has to meet MREL requirements on a consolidated basis, as well as the total loss absorbing capacity requirement for globally systemically important institutions (TLAC), as established by the CRRII. The MREL and TLAC requirements involve similar risks. They constrain the structure of liabilities and require the use of subordinated debt, which have an impact on cost and potentially on the Issuer's financing capacity.

From 1 January 2022, the Issuer shall comply, on a consolidated basis, with an intermediate MREL equal to the 20.73 per cent. of Risk Weighted Assets (**RWA**), plus the applicable Combined Buffer Requirement (**CBR**) and 5.90 per cent. of leverage ratio exposures (**LRE**). Similarly, the Issuer has to comply with a subordinated MREL, i.e. to be met with subordinated instruments, equal to 11.79 per cent. RWA – plus the applicable CBR – and 5.68 per cent. LRE. From 1 January 2024, the consolidated MREL will become "fully loaded" and will be equal to 21.83 per cent. of RWA – plus the applicable CBR – and 5.90[11] per cent. of LRE. The fully loaded MREL subordinated component will be equal to 15.53 per cent. of RWA plus applicable CBR and 5.77[11] per cent. of LRE. Moreover, the Issuer shall comply with a TLAC requirement from 1 January 2022 equal to the maximum between 18 per cent. of RWA – plus the applicable CBR – and 6.75 per cent. of Total Exposure Measure. 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.

[11] LRE requirement defined and communicated by SRB in line with "SRB approach to CRR discretion on leverage and MREL calibration" published on 22 December 2021 and 7 March 2022.

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

Capital Adequacy requirements

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

In February 2022, UniCredit has been informed by the ECB of its final decision concerning capital requirements following the results of its annual SREP. With its decision the Single Supervisor left unchanged, compared to the SREP decision of 2019[12], the Pillar 2 capital requirement at 175 basis points (to be held in the form of 56.25 per cent. of CET1 capital and 75 per cent. of Tier 1 capital, as a minimum), applicable from 1 March 2022. As a consequence, UniCredit has been required to meet the following overall capital requirements on a consolidated basis from 1 March 2022[13] (unchanged with respect to the ones applicable as of 31 December 2021):

- Common Equity Tier 1 ratio: 9.03 per cent.;
- Tier 1 ratio: 10.86 per cent.; and
- Total Capital ratio: 13.30 per cent.

Furthermore, the SREP 2021 letter includes qualitative measures regarding the management of non-performing loans. Following the ECB's request to banks in countries with relatively high levels of non-performing loans, the Issuer has been requested to:

i. provide the ECB, by 31 March 2022 with an update of the three-year strategic and operational plan for the management of NPEs, including clear quantitative targets aimed at reducing the high level of NPEs;

ii. provide the ECB, by 31 August 2022, and based on data as at 30 June 2022, with information on the status of implementation of the strategic and operational plan for the management of NPEs; and

iii. provide the ECB, by 28 February 2023, and based on data as at 31 December 2022, with information on the status of implementation of the strategic and operational plan for the management of NPEs.

The Pillar 2 requirement (**P2R**) shall be held in the form of 56.25 per cent. of CET1 capital and 75 per cent. of Tier 1 capital, as a minimum. UniCredit is allowed to partially use Additional Tier 1 or Tier 2 instruments in order to comply with the Pillar 2 Requirements (**P2R**) instead of Common Equity Tier 1 (**CET1**) capital, in line with the latest revision of the Capital Requirements Directive (**CRD V**).

As of 31 March 2022, the consolidated CET1 Capital, Tier 1 and Total Capital Transitional ratios were equal to, respectively, 14.62 per cent., 16.47 per cent. and 18.99 per cent. Therefore, CET1 Transitional ratio was exceeding the relevant requirement by 559 bps (so called MDA buffer).

[12] In light of the COVID-19 situation, in 2020 the ECB did not issue a formal SREP decision: on 12 May 2020, ECB Banking Supervision announced it had adjusted its SREP approach for 2020 in light of the COVID-19 pandemic. The EBA also published on 23 July Guidelines for competent authorities for the special procedure for the SREP 2020, identifying how flexibility and pragmatism could be exercised in relation to the SREP framework in the context of the pandemic. The 2020 SREP cycle focused on the ability of the supervised entities to handle the challenges of the COVID-19 crisis and its impact on their current and prospective risk profile.
The ECB in fact announced that only in exceptional cases it would have updated the banks' current requirements and that it would not issue SREP decisions for the 2020 SREP cycle. The 2019 SREP decisions therefore would not be superseded or amended and would remain in force (as amended by the March 2020 ECB Decisions changing the P2R compositions). An operational letter from the ECB on 24 November 2020 confirmed this approach for UniCredit and the ECB did not make a formal 2020 SREP decision.
After adjusting its SREP approach for 2020, the ECB Banking Supervision returned to its regular SREP methodology for 2021.

[13] Assuming the Countercyclical Capital Buffer equal to the March 2021 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.

From 30 June 2020 the Group has adopted the so-called transitional phase-in regarding the application of the IFRS9 accounting principle. As of 31 March 2022, the CET1 ratio Fully Loaded, i.e. calculated without considering the benefit arising from IFRS 9 Transitional arrangements, was equal to 14.00 per cent. exceeding by 497 bps CET1 ratio requirements.

As of 31 March 2022, the Transitional Leverage Ratio was 5.19 per cent.

UniCredit is participating in the 2022 stress test conducted by the ECB on "Climate Risk", launched on 27 January 2022. Such test is a learning exercise for banks and supervisors alike; aiming to identify vulnerabilities, best practices and challenges banks face when managing climate-related risk. Importantly, this is not a pass or fail exercise, nor does it have direct implications for banks' capital levels. The outcome will feed into the Supervisory Review and Evaluation Process (SREP) from a qualitative point of view: this means that this stress test could indirectly impact Pillar 2 requirements through the SREP scores but will not directly impact capital through Pillar 2 guidance (P2G). No individual results will be published by the ECB; instead, only aggregate results will be published and are expected in July 2022.

UniCredit was also subject to the 2021 EU-wide stress test conducted by the European Banking Authority (**EBA**), in cooperation with the Single Supervisory Mechanism (**SSM**), the European Central Bank (**ECB**) and the European Systemic Risk Board (**ESRB**). The 2021 EU-wide stress test did not contain a pass/fail threshold as it is instead designed to be used as an important source of information for the purposes of the SREP. The results assist Competent Authorities in assessing UniCredit's ability to meet applicable prudential requirements under stressed scenarios. The results for the single banks were published on 30 July 2021 and the outcome has been considered in the SREP 2021. UniCredit's results are summarized below:

- Baseline scenario:
    - 2023 fully loaded CET1 ratio at 15.66 per cent. corresponding to 52 bps higher than fully loaded CET1 ratio as of December 2020; and
    - 2023 transitional CET1 ratio at 15.80 per cent. corresponding to 16 bps lower than transitional CET1 ratio as of December 2020
- Adverse scenario:
    - 2023 fully loaded CET1 ratio at 9.22 per cent. corresponding to 592 bps lower than fully loaded CET1r as of December 2020; and
    - 2023 transitional CET1 ratio at 9.59 per cent., corresponding to 637 bps lower than transitional CET1 ratio as of December 2020.

Furthermore, during the fourth quarter of 2021, EBA performed the annual EU-wide transparency exercise to provide updated information as of September 2020, December 2020, March 2021 and June 2021 on banks' exposures and asset quality to financial operators; EBA published the results on 3 December 2021.

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

As part of the activities envisaged in this announcement, the Shareholders Meeting called on 8 April 2022, for the financial year ended on 31 December 2021, substantially in line with "UniCredit Unlocked", has approved a distribution of approximately Euro 3.75 billion, composed of:

- a cash dividend Euro 0.5380 for each share outstanding and entitled to dividend at payment date, for a maximum amount of Euro 1.170 billion from the allocation of profit for the year 2021, corresponding to approximately 30 per cent. of the so-called "underlying consolidated net profit" (i.e. Net Profit adjusted for non-operating items); and

- purchases of UniCredit ordinary shares corresponding to a maximum total expenditure up to ca. Euro 2.580 billion and, in any case, not exceeding no. 215 million of UniCredit ordinary shares equal to 9.87 per cent. of the share capital of UniCredit at 9 March 2022, to be carried out, in one or more transactions, within the earliest of: (i) the date which will fall after 18 (eighteen) months from the date of the authorisation of the Shareholders' Meeting; and (ii) the date of the shareholders' meeting which will be called to approve the financial statements for the year ending on 31 December 2022, respectively pursuant to Article 2357 of the Italian Civil Code and Article 132 of Legislative Decree 58/1998 (**Italian Consolidated Financial Act**) and the relevant implementing regulations, and Article 2357-ter of the Italian Civil Code. The ordinary shares thus purchased will be subsequently subject to cancellation.

Without prejudice to the above, UniCredit has specified that any purchase made under the Shareholders Meeting authorisation will be made in compliance with the purposes set out in the laws and regulations in force and applicable from time to time and with any indications given by the relevant Supervisory Authorities. The execution of the share buy-back programme will also be assessed taking a prudent and sustainable approach to distributions. In particular, the abovementioned execution will be subject to UniCredit's CET1 ratio proforma 2021 remaining above 13.0 per cent.; it is hereby therefore specified that the share buy-back programme that is the subject of this request for authorisation may not be executed or may be only partially executed. In this respect, the first tranche of the share buy-back, for an amount of Euro 1.6 billion, has received supervisory approval and it has been already commenced. The remaining amount of Euro 1 billion of share buy-back is subject to Russia performance and Supervisory approval.

1.3.2 Evolution of banking prudential regulation

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

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

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

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

For more information on legislation applicable to the Issuer, please see section headed "*Information about the Issuer*", paragraph 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.

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

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

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

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

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

For further information in relation to the above-mentioned ordinary and extraordinary contributions, please see the Issuer's audited consolidated annual financial report at 31 December 2021, incorporated by reference herein.

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

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

In 2021 the following standards, amendments or interpretations came into force:

- Amendments to IFRS9, IAS39, IFRS7, IFRS4 and IFRS16 Interest Rate Benchmark Reform - Phase 2 (EU Regulation 2021/25);
- Amendments to IFRS4 Insurance Contracts - deferral of IFRS9 (EU Regulation 2020/2097); and
- Amendments to IFRS16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (EU Regulation 2021/1421);

whose adoption has not determined substantial effects on the amounts recognised in balance sheet or income statement.

As at 31 December 2021, the following documents have been endorsed by the European Commission:

- Amendments to IFRS3 Business Combinations; IAS16 Property, Plant and Equipment; IAS37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020" (EU Regulation 2021/1080) applicable to reporting starting from 1 January 2022; and
- IFRS17 Insurance Contracts; including Amendments to IFRS17 (EU Regulation 2021/2036) applicable to reporting starting from 1 January 2023.

As at 31 December 2021 the IASB issued the following accounting standards whose application is subject to completion of the endorsement process by the competent bodies of the European Commission, which is still ongoing:

- Amendments to IAS1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (January 2020 and July 2020 respectively);
- Amendments to IAS1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (February 2021);
- Amendments to IAS8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (February 2021);

- Amendments to IAS12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (May 2021); and
- Amendments to IFRS17 Insurance contracts: Initial Application of IFRS17 and IFRS9 - Comparative Information (December 2021).

As a result, following the adoption of the new accounting principles, comparisons of UniCredit's financial results prior to such adoption may be difficult. Prospective investors are therefore cautioned against placing undue reliance on such comparisons.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes:

1.1 Risks applicable to all Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

1.1.1 Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Issuer may, at its option, redeem Notes for tax reasons in the circumstances described in, and in accordance with, Condition 10.3 (*Redemption for tax reasons*) of the Terms and Conditions of the Notes or, if so specified in the applicable Final Terms, in accordance with Condition 10.5 (*Redemption at the option of the Issuer (Issuer Call)*) of the Terms and Conditions of the Notes.

Also, if so specified in the applicable Final Terms, the Issuer may, at its option, redeem Senior Notes or Non-Preferred Senior Notes in the circumstances described in, and in accordance with Condition 10.6 (*Issuer Call due to MREL or TLAC Disqualification Event*) of the Terms and Conditions of the Notes. See also "*Risks relating to Senior Notes and Non-Preferred Senior Notes - Senior Notes and Non-Preferred Senior Notes could be subject to an MREL or TLAC Disqualification Event redemption*" below.

In addition, if so specified in the applicable Final Terms, the Issuer may also, at its option, redeem Subordinated Notes and the Additional Tier 1 Notes following a change of the regulatory classification of the relevant Subordinated Notes or the Additional Tier 1 Notes, in the circumstances described in, and in accordance with Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the Notes. See also "*Risks relating to Subordinated Notes - Regulatory classification of the Notes*" in respect of Subordinated Notes and "*Risks relating to Additional Tier 1 Notes - Regulatory classification of the Notes*" in respect of Additional Tier 1 Notes below.

Any redemption of the Senior Notes or Non-Preferred Senior Notes is subject to compliance by the Issuer with any conditions to such redemption prescribed by the then applicable MREL or TLAC Requirements (including any requirements applicable to such redemption due to the qualification of such Senior Notes or Non-Preferred Senior Notes at such time as eligible liabilities available to meet the MREL or TLAC Requirements). See "*Risks relating to Senior Notes and Non-Preferred Senior Notes - Early redemption and*

purchase of the Senior Notes and Non-Preferred Senior Notes may be restricted" below for further information.

Any redemption of the Subordinated Notes or Additional Tier 1 Notes is subject to the prior approval of the relevant Competent Authority and in accordance with the then applicable Relevant Regulations. See also "*Risks relating to Subordinated Notes - Early redemption and purchase of the Subordinated Notes may be restricted*" in respect of Subordinated Notes and "*Risks relating to Additional Tier 1 Notes - Early redemption and purchase of the Additional Tier 1 Notes may be restricted*" in respect of Additional Tier 1 Notes below for further information.

1.1.2 If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

1.1.3 Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. The credit rating assigned to the Notes may be suspended, reduced or withdrawn.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

1.2 Risks relating to Senior Notes and Non-Preferred Senior Notes

1.2.1 An investor in Non-Preferred Senior Notes assumes an enhanced risk of loss in the event of insolvency of UniCredit

UniCredit's obligations under Non-Preferred Senior Notes will be unsecured, unsubordinated and non-preferred obligations of the Issuer and will rank junior in priority of payment to Senior Liabilities and claims arising from the excluded liabilities within the meaning of Article 72a(2) of the CRR. **Senior Liabilities** means any direct, unconditional, unsecured and unsubordinated indebtedness or payment obligations (or indebtedness or obligations which rank, or are expressed to rank by their terms, senior to the Non-Preferred Senior Notes) of UniCredit for money borrowed or raised or guaranteed by UniCredit, as the case may be, and any indebtedness or mandatory payment obligations preferred by the laws of the Republic of Italy. Although Non-Preferred Senior Notes may pay a higher rate of interest than comparable Senior Notes which are preferred, there is a real risk that an investor in Non-Preferred Senior Notes will lose all or some of his investment should UniCredit become insolvent.

1.2.2 Senior Notes and Non-Preferred Senior Notes have limited Events of Default and remedies

The Events of Default in respect of Senior Notes and Non-Preferred Senior Notes, being events upon which in certain circumstances the Noteholders may declare the Senior Notes or Non-Preferred Senior Notes to be immediately due and payable, are limited to circumstances in which the Issuer becomes subject to *Liquidazione Coatta Amministrativa*, as defined in Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy (as amended from time to time) (the **Banking Act**) as set out in Condition 13.1 of the Terms and Conditions of the Notes. Accordingly, other than following the occurrence of an Event of Default, even if the Issuer fails to meet any of its obligations under the Senior Notes or Non-Preferred Senior Notes, including the payment of any interest,

the Noteholders will not have the right of acceleration of principal and the sole remedy available to Noteholders for recovery of amounts owing in respect of any of the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

In the case of Senior Notes or Non-Preferred Senior Notes which are issued as Green Bonds, Social Bonds or Sustainability Bonds, please also see Risk Factor "*Notes issued, if any, as "Green Bonds", "Social Bonds" or "Sustainability Bonds" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets*".

1.2.3 Early redemption and purchase of the Senior Notes and Non-Preferred Senior Notes may be restricted

Any early redemption or purchase of Senior Notes and Non-Preferred Senior Notes is subject to compliance by the Issuer with any conditions to such redemption or repurchase prescribed by the then applicable Relevant Regulations, including any requirements applicable to such redemption or repurchase due to the qualification of such Senior Notes or Non-Preferred Senior Notes at such time as eligible liabilities available to meet the MREL or TLAC Requirements.

In addition, under the Banking Reform Package, the early redemption or purchase of Senior Notes and Non-Preferred Senior Notes which qualify as eligible liabilities available to meet MREL or TLAC Requirements is subject to the prior approval of the Relevant Resolution Authority where applicable from time to time under the applicable laws and regulations. The Banking Reform Package states that the Relevant Resolution Authority would approve an early redemption of the Senior Notes and Non-Preferred Senior Notes where any of the following conditions is met:

- on or before such early redemption or purchase of the Senior Notes or Non-Preferred Senior Notes, the Issuer replaces the Senior Notes or Non-Preferred Senior Notes with Own Funds instruments or eligible liabilities of an equal or higher quality on terms that are sustainable for the income capacity of the Issuer;

- the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that its Own Funds and eligible liabilities would, following such redemption or purchase, exceed the requirements for Own Funds and eligible liabilities set out in the CRD IV Directive or the BRRD (or, in either case, any relevant provisions of Italian law implementing the CRD IV Directive or, as appropriate, the BRRD) or the CRD IV Regulation by a margin that the Relevant Resolution Authority, in agreement with the Competent Authority, considers necessary; or

- the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that the partial or full replacement of the eligible liabilities with Own Funds instruments is necessary to ensure compliance with the Own Funds requirements laid down in the CRD IV Regulation and in the CRD IV Directive for continuing authorisation.

In addition, the Issuer may elect not to exercise any option to redeem any Senior Notes or Non-Preferred Senior Notes early or at any time. Holders of such Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period.

1.2.4 Senior Notes and Non-Preferred Senior Notes could be subject to an MREL or TLAC Disqualification Event redemption

If at any time a MREL or TLAC Disqualification Event occurs and is continuing in relation to any Series of Senior Notes or Non-Preferred Senior Notes and the applicable Final Terms for the Senior Notes or Non-Preferred Senior Notes of such Series specify that Issuer Call due to an MREL or TLAC Disqualification Event is applicable, the Issuer may redeem all, but not some only, of the Notes of such Series at their Early Redemption Amount together with any outstanding interest. Senior Notes or Non-Preferred Senior Notes may only be redeemed by the Issuer provided that any conditions to such redemption prescribed by the MREL or TLAC Requirements at the relevant time (including any requirements applicable to such redemption due to the qualification of such Senior Notes or Non-Preferred Senior Notes at such time as eligible liabilities available to meet the MREL or TLAC Requirements) have been complied with by the Issuer. A MREL or TLAC Disqualification Event means that, at any time, all or part of the aggregate outstanding nominal amount of such Series of Senior Notes or Non-Preferred Senior Notes is or will be excluded fully or partially from the eligible liabilities available to meet the MREL or

TLAC Requirements, subject as set out in Condition 10.6 (*Issuer Call due to MREL or TLAC Disqualification Event*) of the Terms and Conditions of the Notes.

If the Senior Notes or Non-Preferred Senior Notes are to be so redeemed, there can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Senior Notes or Non-Preferred Senior Notes. In addition, the occurrence of a MREL or TLAC Disqualification Event could result in a decrease in the market price of the Notes. Also, if at any time an MREL or TLAC Disqualification Event with regard to Senior Notes or Non-Preferred Senior Notes occurs then the Issuer may, as specified in the risk factor "*Senior Notes and Non-Preferred Senior Notes may be subject to modification without Noteholder consent*" below, at any time vary the terms of such Notes so that they remain or, as appropriate, become Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable.

1.2.5 Senior Notes and Non-Preferred Senior Notes may be subject to modification without Noteholders' consent

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

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

1.2.6 Senior Notes and Non-Preferred Senior Notes may be subject to loss absorption on any application of the general bail-in-tool

Investors should be aware that Senior Notes and Non-Preferred Senior Notes may be subject to write-down or conversion into equity capital instruments on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The exercise of the general bail-in tool, or any other power under the BRRD or any suggestion or perceived suggestion of such exercise could, therefore, materially adversely affect the rights of holders Senior Notes and Non-Preferred Senior Notes, the price or value of their investment in any such Notes and/or the ability of the Issuer to satisfy its obligations under such Notes. Any shares issued to holders of Senior Notes or Non-Preferred Senior Notes upon any such conversion into equity capital instruments may be of little value at the time of conversion and may also be subject to any future application of the BRRD.

1.3 Risks relating to Subordinated Notes

1.3.1 An investor in Subordinated Notes assumes an enhanced risk of loss in the event of insolvency of UniCredit

UniCredit's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to Senior Liabilities. **Senior Liabilities** means any direct, unconditional, unsecured and unsubordinated indebtedness or payment obligations (or indebtedness or obligations which are subordinated but to a lesser degree than the obligations under the relevant Subordinated Notes) of UniCredit for money borrowed or raised or guaranteed by UniCredit, as the case may be, and any indebtedness or mandatory payment obligations preferred by the laws of the Republic of Italy. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should UniCredit become insolvent.

1.3.2 *Subordinated Notes may be subject to loss absorption on any application of the general bail-in-tool or at the point of non-viability of the Issuer or may be the subject to the burden sharing requirements of the EU State aid framework and the BRRD*

Investors should be aware that, in addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to write-down permanently/convert into equity capital instruments such as the Subordinated Notes at the point of non-viability and before any other resolution action is taken, with losses absorbed in accordance with the priority of claims under normal insolvency proceedings (Non-Viability Loss Absorption). Any shares issued to holders of Subordinated Notes upon any such conversion into equity capital instruments may also be subject to any future application of the BRRD.

Furthermore, the BRRD provides for a Member State as a last resort, after having assessed and applied the resolution tools (including the general bail-in tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD. As an exemption from these principles, the BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks' conditions; 2) a State guarantee of newly issued liabilities; or 3) an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalization EU state aid rules require that shareholders and junior bond holders (such as holders of the Subordinated Notes) contribute to the costs of restructuring.

As a result, Subordinated Notes may be subject to a partial or full write-down or conversion to Common Equity Tier 1 instruments of the Issuer or one of the UniCredit Group's entities or another institution. Accordingly, trading behaviour may also be affected by the threat that Non-Viability Loss Absorption (or the general bail-in tool) may be applied to Subordinated Notes or the burden sharing requirements of the EU state aid framework and the BRRD may be applied and, as a result, Subordinated Notes are not necessarily expected to follow the trading behaviour associated with other types of securities. Noteholders should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest if the Non-Viability Loss Absorption (or the general bail-in tool) is applied to the Subordinated Notes or the burden sharing requirements of the EU state aid framework and the BRRD are applied or that such Subordinated Notes may be converted into ordinary shares which ordinary shares may be of little value at the time of conversion.

In addition, on 30 November 2021, Legislative Decree No. 193 of 8 November 2021 (the **193 Decree**) implementing the BRRD II was published in the *Gazzetta Ufficiale* and entered into force on 1 December 2021. The 193 Decree introduces point c-*ter*) under Article 91 paragraph 1-*bis*) of the Italian Banking Act transposing Article 48(7) of the BRRD II. The amended Article 91 of the Italian Banking Act provides for the following ranking:

- subordinated instruments which do not qualify (and no part thereof is recognized) as own funds items (*elementi di fondi propri*) shall rank senior to own funds items (including any instruments only partly recognized as own funds items (*elementi di fondi propri*)) and junior to senior non-preferred instruments (*strumenti di debito chirografario di secondo livello*);

- if instruments which qualified in whole or in part as own funds items (*elementi di fondi propri*) cease, in their entirety, to be classified as such, they will rank senior to own fund items (*elementi di fondi propri*) but junior to senior non-preferred instruments.

The provisions also apply to instruments issued before the 193 Decree came into effect (1 December 2021).

In light of the above, if Subordinated Notes of the Issuer (which qualify or qualified at any time either in whole or in part as Own Funds items) were to be disqualified entirely as Own Funds items in the future, their ranking would improve compared to Subordinated Notes which at the relevant time qualify as Own Funds items (in whole or in part) and would rank pari passu with Additional Tier 1 Notes and Subordinated Notes which at the relevant time are not qualified in whole or in part as Own Funds item. In the event of a liquidation or bankruptcy of the Issuer, the Issuer would, inter alia, be required to pay subordinated creditors of the Issuer whose claims rank in priority to the Subordinated Notes, including those whose claims arise from liabilities that no longer fully or partially are recognized as an own funds instrument in full before it can make any payments on the Subordinated Notes which, at the relevant time, qualify as Own Funds items (in whole or in part). Furthermore, if Subordinated

Notes are fully disqualified as Own Funds items, such Notes would not be subject to a write-down or conversion into common shares at the point of non-viability even though they would continue to be subject to bail-in, and, in the event the Issuer were to receive extraordinary financial support in accordance with the EU state aid framework and the BRRD, may be subject to the burden sharing requirements of such legislation.

1.3.3 Subordinated Notes have limited Events of Default and remedies

The Events of Default in respect of Subordinated Notes, being events upon which in certain circumstances the Noteholders may declare the Subordinated Notes to be immediately due and payable, are limited to circumstances in which the Issuer becomes subject to *Liquidazione Coatta Amministrativa* as defined in the Banking Act as set out in Condition 13.2 of the Terms and Conditions of the Notes. Accordingly, other than following the occurrence of an Event of Default, even if the Issuer fails to meet any of its obligations under the Subordinated Notes, including the payment of any interest, the Noteholders will not have the right of acceleration of principal and the sole remedy available to Noteholders for recovery of amounts owing in respect of any of the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

In the case of Subordinated Notes which are issued as Green Bonds, Social Bonds or Sustainability Bonds, please also see Risk Factor "*Notes issued, if any, as "Green Bonds", "Social Bonds" or "Sustainability Bonds" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets*".

1.3.4 Early redemption and purchase of the Subordinated Notes may be restricted

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

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

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

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

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

  (i) in the case of redemption pursuant to Condition 8.2 (*Redemption for tax reasons*), the Issuer having demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Subordinated Notes is material and was not reasonably foreseeable as at the Issue Date; or

  (ii) in case of redemption pursuant to Condition 8.3 (*Redemption for regulatory reasons (Regulatory call)*), a Regulatory Event having occurred in respect of Subordinated Notes; or

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

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

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

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

1.3.5 Regulatory classification of the Notes

The intention of UniCredit is for Subordinated Notes to qualify on issue as "Tier 2 Capital" for regulatory capital purposes.

Although it is UniCredit's expectation that the Notes qualify on issue as "Tier 2 Capital", there can be no representation that this is or will remain the case during the life of the Notes. If there is a change in the regulatory classification of the Subordinated Notes that would be likely to result in their exclusion from "Tier 2 Capital" and, in respect of any redemption of the relevant Subordinated Notes proposed to be made prior to the fifth anniversary of their Issue Date, both of the following conditions are met: (i) the Competent Authority (as defined in Condition 10.15 of the Terms and Conditions of the Notes) considers such a change to be reasonably certain and (ii) UniCredit demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Subordinated Notes was not reasonably foreseeable by UniCredit as at the date of the issue of the relevant Subordinated Notes, UniCredit will (if so specified in the applicable Final Terms) have the right to redeem the Subordinated Notes in accordance with Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the Notes, subject to, inter alia, the prior approval of the relevant Competent Authority and in accordance with the then applicable Relevant Regulations. There can be no assurance that holders of such Subordinated Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the relevant Notes, as the case may be. In addition, the occurrence of such event could result in a decrease in the market price of the Notes. Also, if at any time a Regulatory Event with regard to Subordinated Notes occurs then the Issuer may, as specified in the risk factor "*Subordinated Notes may be subject to modification without Noteholder consent*" below, at any time vary the terms of such Notes so that they remain or, as appropriate, become Qualifying Subordinated Notes.

1.3.6 Subordinated Notes may be subject to modification without Noteholders' consent

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

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

1.4 Risks relating to Additional Tier 1 Notes

1.4.1 The Additional Tier 1 Notes are subordinated obligations of the Issuer

The Issuer's obligations under the Additional Tier 1 Notes are unsecured and subordinated and will rank subordinate and junior to all indebtedness of the Issuer, including unsubordinated indebtedness of the Issuer, the Issuer's obligations in respect of any dated subordinated instruments and any Tier 2 Capital or guarantee in respect of any such instruments (other than any instrument or contractual right expressed to rank *pari passu* with the Additional Tier 1 Notes), as more fully described in the "*Terms and Conditions of the Notes*".

If any judgment is rendered by any competent court declaring the judicial liquidation of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the Noteholders shall rank senior to any payments to holders of the Issuer's shares, including its *azioni privilegiate,* ordinary shares and *azioni di risparmio* (or certain securities or guarantees expressed to rank *pari passu* with the Issuer's shares or otherwise junior to the Additional Tier 1 Notes, as further described in Condition 5 (*Status of the Additional Tier 1 Notes*) of the Terms and Conditions of the Notes). In the event of incomplete payment of unsubordinated creditors on liquidation, the obligations of the Issuer in connection with the Additional Tier 1 Notes will be terminated (save as otherwise provided under applicable law from time to time). Noteholders shall be responsible for taking all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation in relation to any claims they may have against the Issuer.

Although the Additional Tier 1 Notes may pay a higher rate of interest than notes which are not subordinated, there is a substantial risk that investors in subordinated notes such as the Additional Tier 1 Notes will lose all or some of their investment should the Issuer become insolvent.

1.4.2 The Additional Tier 1 Notes may be subject to write-down, cancellation or conversion upon the occurrence of the exercise by the relevant resolution authority of the general bail-in tool or capital instruments write-down and conversion powers, which powers are in addition to the terms of the Additional Tier 1 Notes which provide for Write-Down on the occurrence of a Contingency Event, or may be subject to the burden sharing requirements of the EU State aid framework and the BRRD

Noteholders should understand that the powers to convert, write-down or cancel the Additional Tier 1 Notes given to resolution authorities pursuant to the rules and regulations described below are in addition to the terms of the Additional Tier 1 Notes which provide for Write-Down upon the occurrence of a Contingency Event.

Investors should be aware that, in addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to write-down permanently/convert into equity capital instruments such as the Additional Tier 1 Notes through the application of Non-Viability Loss Absorption. Any shares issued to holders of Additional Tier 1 Notes upon any such conversion into equity capital instruments may also be subject to any future application of the BRRD.

Furthermore, the BRRD provides for a Member State as a last resort, after having assessed and applied the resolution tools (including the general bail-in tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD. As an exemption from these principles, the BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks' conditions; 2) a State guarantee of newly issued liabilities; or 3) an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalization EU state aid rules require that shareholders and junior bond holders (such as holders of the Additional Tier 1 Notes) contribute to the costs of restructuring.

As a result, the Additional Tier 1 Notes may be subject to a partial or full write-down or conversion to common equity Tier 1 instruments of the Issuer or one of the UniCredit Group's entities or another institution. Accordingly, trading behaviour may also be affected by the threat that Non-Viability Loss Absorption (or the general bail-in tool) may be applied to the Additional Tier 1 Notes or the burden sharing requirements of the EU state aid framework and the BRRD may be applied and, as a result, the Additional Tier 1 Notes are not necessarily expected to follow the trading behaviour associated with other types of securities. Noteholders should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest if the Non-Viability

Loss Absorption (or the general bail-in tool) is applied to the Additional Tier 1 Notes or the burden sharing requirements of the EU state aid framework and the BRRD are applied or that such Additional Tier 1 Notes may be converted into ordinary shares which ordinary shares may be of little value at the time of conversion.

For as long as the Additional Tier 1 Notes are in global form and in the event that any Write-Down or Write-Up is required pursuant to the Conditions, the records of Euroclear and Clearstream, Luxembourg or any other clearing system of their respective participants' position held in the Additional Tier 1 Notes may not be immediately updated to reflect the amount of Write-Down or Write-Up and may continue to reflect the Prevailing Principal Amount of the Additional Tier 1 Notes prior to such Write-Down or Write-Up, for a period of time. The update process of the relevant clearing system may only be completed after the date on which the Write-Down or Write-Up will occur. No assurance can be given as to the period of time required by the relevant clearing system to complete the update of their records. Further, the conveyance of notices and other communications by the relevant clearing system to their respective participants, by those participants to their respective indirect participants, and by the participants and indirect participants to beneficial owners of interests in the Additional Tier 1 Notes in global form will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

In addition, on 30 November 2021, the 193 Decree implementing the BBRD II was published in the *Gazzetta Ufficiale* and entered into force on 1 December 2021. The 193 Decree introduces point c-*ter*) under Article 91 paragraph 1-*bis*) of the Italian Banking Act transposing Article 48(7) of the BRRD II. The amended Article 91 of the Italian Banking Act provides for the following ranking:

- subordinated instruments which do not qualify (and no part thereof is recognized) as own funds items (*elementi di fondi propri*) shall rank senior to own funds items (including any instruments only partly recognized as own funds items (*elementi di fondi propri*)) and junior to senior non-preferred instruments (*strumenti di debito chirografario di secondo livello*);

- if instruments which qualified in whole or in part as own funds items (*elementi di fondi propri*) cease, in their entirety, to be classified as such, they will rank senior to own fund items (*elementi di fondi propri*) but junior to senior non-preferred instruments.

The provisions also apply to instruments issued before the 193 Decree came into effect (1 December 2021)

In light of the above, if Additional Tier 1 Notes of the Issuer (which qualify or qualified at any time either in whole or in part as Own Funds items) were to be disqualified entirely as Own Funds items in the future, their ranking would improve compared to Additional Tier 1 Notes and Subordinated Notes which at the relevant time qualify as Own Funds items (in whole or in part) and would rank pari passu with Additional Tier 1 Notes and Subordinated Notes which at the relevant time are not qualified in whole or in part as Own Funds item. In the event of a liquidation or bankruptcy of the Issuer, the Issuer would, *inter alia*, be required to pay subordinated creditors of the Issuer whose claims rank in priority to the Additional Tier 1 Notes, including those whose claims arise from liabilities that no longer fully or partially are recognized as an own funds instrument in full before it can make any payments on the Additional Tier 1 Notes which, at the relevant time qualify as Own Funds items (in whole or in part). Furthermore, if Additional Tier 1 Notes are fully disqualified as Own Funds items, such Notes would not be subject to a write-down or conversion into common shares at the point of non-viability even though they would continue to be subject to bail-in, and, in the event the Issuer were to receive extraordinary financial support in accordance with the EU state aid framework and the BRRD, may be subject to the burden sharing requirements of such legislation.

In case the Additional Tier 1 Notes were to be disqualified as Additional Tier 1 Capital Notes, but were to qualify (in whole or in part) as Tier 2 Capital, their ranking would improve *vis-à-vis* the rest of the Additional Tier 1 Notes and they would rank *pari passu* with any instruments which qualify as Tier 2 Capital (save to the extent any such instrument ra*n*k, or are expressed to rank, senior or junior to the relevant disqualified Additional Tier 1 Notes), but junior to any instrument – previously recognised as own funds item – that is fully disqualified as own funds. See further Condition 5 (*Status of Additional Tier 1 Notes*) of the Terms and Conditions of the Notes.

1.4.3 There are no events of default, other than in the case of Liquidazione Coatta Amministrativa*, under the Additional Tier 1 Notes*

The Terms and Conditions of the Notes do not provide for events of default, other than in the case of *Liquidazione Coatta Amministrativa* as defined in the Banking Act as set out in Condition 13.2 of the Terms

and Conditions of the Notes, allowing acceleration of the Additional Tier 1 Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Additional Tier 1 Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Additional Tier 1 Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

In the case of Additional Tier 1 Notes which are issued as Green Bonds, Social Bonds or Sustainability Bonds, please also see Risk Factor "*Notes issued, if any, as "Green Bonds", "Social Bonds" or "Sustainability Bonds" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets*".

1.4.4 *The Issuer may elect in its full discretion to cancel interest on the Additional Tier 1 Notes and may, in certain circumstances, be required to cancel such interest*

The Issuer may elect at any time in its full discretion to cancel (in whole or in part) for an unlimited period and on a no-cumulative basis Interest Amounts otherwise scheduled to be paid on any Interest Payment Date.

Further, the Issuer will be required to cancel payment of Interest Amounts (in whole or, as the case may be, in part) if and to the extent that such Interest Amounts, when aggregated together with distributions on all other Own Funds instruments of the Issuer (excluding Tier 2 Capital instruments) paid or scheduled for payment in the then current financial year, exceed the amount of Distributable Items, excluding any payments already accounted for in determining the Distributable Items. The Issuer's Distributable Items will depend to a large extent on, *inter alia*, the dividends that it receives from its subsidiaries and affiliates. See also "*–The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items will restrict the ability of the Issuer to make interest payments on the Additional Tier 1 Notes*" below.

The Issuer will also be required to cancel payment of Interest Amounts (in whole or, as the case may be, in part) if and to the extent that such payment, when aggregated together with other distributions of the Issuer or the UniCredit Group, as applicable, of the kind referred to in Article 141(2) of the CRD IV Directive and, if relevant, in any other similar payment restriction provision(s) under the Relevant Regulations (or, if different, any provisions of Italian law implementing Article 141(2) of the CRD IV Directive or, if relevant, such other provision(s)), would cause the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the UniCredit Group to be exceeded, or where such Interest Amounts are required to be cancelled (in whole or in part) by an order to the Issuer from the Competent Authority. For further details, see section below "*If the Issuer breaches the combined buffer requirement a Maximum Distributable Amount will apply which may restrict the Issuer from making interest payments on the Additional Tier 1 Notes in certain circumstances; Noteholders may not be able to anticipate whether or when the Issuer will cancel such interest payments*".

Additionally, the Competent Authority has the power under Article 104 of the CRD IV Directive to restrict or prohibit payments of interest by the Issuer to holders of Additional Tier 1 instruments such as the Additional Tier 1 Notes. The risk of any such intervention by the Competent Authority is most likely to materialise if at any time the Issuer or the UniCredit Group is failing, or is expected to fail, to meet its capital requirements – see "*If the Issuer breaches the combined buffer requirement a Maximum Distributable Amount will apply which may restrict the Issuer from making interest payments on the Additional Tier 1 Notes in certain circumstances; Noteholders may not be able to anticipate whether or when the Issuer will cancel such interest payments*" below.

Also, in accordance with Article 63(j) of the BRRD (as implemented in Italy by Article 60(1)(i) of Legislative Decree No. 180/2015), the Competent Authority has the power to alter the amount of interest payable under debt instruments issued by banks subject to resolution proceedings and the date on which the interest becomes payable under the debt instrument (including the power to suspend payment for a temporary period). The Competent Authority also has the power under Articles 53-*bis* and 67-*ter* of the Banking Act to impose requirements on the Issuer, the effect of which will be to restrict or prohibit payments of interest by the Issuer to Noteholders, which is most likely to materialise if at any time the Issuer is failing, or is expected to fail, to meet its capital or liquidity requirements. If the Competent Authority exercises its discretion, the Issuer will exercise its discretion to cancel (in whole or in part, as required by the Competent Authority) interest payments in respect of the Additional Tier 1 Notes.

Furthermore, upon the occurrence of a Contingency Event (as defined in Condition 8 (*Loss absorption and Reinstatement of Principal Amount*) of the Terms and Conditions of the Notes), the Issuer will not make payment of accrued and unpaid interest in respect of the Additional Tier 1 Notes up to the Write-Down Effective Date and any such accrued and unpaid interest shall be cancelled.

The cancellation of any Interest Amounts shall not constitute a default for any purpose on the part of the Issuer. Interest on the Additional Tier 1 Notes is not cumulative and any Interest Amounts that the Issuer elects not to pay or is prohibited from paying will not accumulate or compound and all rights and claims in respect of such amounts shall be fully and irrevocably forfeited and no payments shall be made nor shall any Noteholder be entitled to any payment or indemnity in respect thereof. See Condition 7 (*Interest and Interest Cancellation in respect of Additional Tier 1 Notes*) of the Terms and Conditions of the Notes.

Because the Issuer is entitled to cancel Interest Amounts in its full discretion, it may do so even if it could make such payments without exceeding the limits described above. Interest Amounts on the Additional Tier 1 Notes may be cancelled even if holders of the Issuer's shares continue to receive dividends and/or the Issuer and/or its subsidiaries continues to make payments of interest or other amounts on other Additional Tier 1 instruments.

Any actual or anticipated cancellation of interest on the Additional Tier 1 Notes will likely have an adverse effect on the market price of the Additional Tier 1 Notes. In addition, as a result of the interest cancellation provisions of the Additional Tier 1 Notes, the market price of the Additional Tier 1 Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition. Any indication that, for example, the Issuer may not have sufficient Distributable Items and/or distributions may be limited by a Maximum Distributable Amount may have an adverse effect on the market price of the Additional Tier 1 Notes.

Also, the Common Equity Tier 1 Capital Ratio, Distributable Items and any Maximum Distributable Amount will depend in part on decisions made by the Issuer and other entities in the UniCredit Group relating to their businesses and operations, as well as the management of their capital position. The Issuer and other entities in the UniCredit Group will have no obligation to consider the interests of Noteholders in connection with their strategic decisions, including in respect of capital management and the relationship among the various entities in the UniCredit Group and the UniCredit Group's structure. The Issuer may decide not to raise capital at a time when it is feasible to do so, even if that would result in the occurrence of a Contingency Event. Moreover, in order to avoid the use of public resources, the Competent Authority may decide that the Issuer should allow a Contingency Event to occur at a time when it is feasible to avoid it. Noteholders will not have any claim against the Issuer or any other entity in the UniCredit Group relating to decisions that affect the capital position of the Issuer or the UniCredit Group, regardless of whether they result in the occurrence of a Contingency Event. Such decisions could cause Noteholders to lose all or part of their investment in the Additional Tier 1 Notes.

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

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

The Issuer had approximately Euro 15.34 billion of Distributable Items as at 31 December 2021, of which approximately Euro 5.45 billion were represented by the distributable portion of the Share Premium Reserve (see also Section 12 Part B – Balance sheet - Liabilities, reported in the Notes to the Accounts of the 2021 UniCredit Annual Report and Accounts).

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

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

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

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

Under Article 141 (Restrictions on distributions) of the CRD IV Directive, EU Member States must require that institutions that fail to meet the combined buffer requirement (as described below) will be subject to restricted "discretionary payments" (which are defined broadly by CRD IV as payments relating to Common Equity Tier 1 and Additional Tier 1 instruments and variable remuneration to staff). In addition, the Banking Reform Package includes a new Article 141b in the CRD IV Directive which introduces restrictions on distributions in the case of failure to meet the Leverage Ratio buffer requirement (i.e. G-SIB buffer), thus introducing a new Leverage Ratio Maximum Distributable Amount (**L-MDA**). The BRRD II also introduces in the BRRD a new Article 16a that clarifies the stacking order between the combined buffer requirement and the MREL requirements (including the TLAC requirement). Pursuant to this new provision the resolution authority shall have the power to prohibit an entity from distributing more than the Maximum Distributable Amount for the Minimum Requirement for Own Funds and Eligible Liabilities (**MREL**) (calculated in accordance with Article 16a(4) of the BRRD, the **M-MDA**) where the combined buffer requirement is not met when considered in addition to the MREL requirement. Article 16a, envisages a potential nine month grace period whereby the resolution authority assesses on a monthly basis whether to exercise its powers under the provision, before such resolution authority is compelled to exercise its power under the provisions (subject to certain limited exceptions).

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

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

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

The CRRII and the CRDV introduce, among other things, a leverage ratio requirement of 3 per cent Tier 1 Capital, a leverage ratio related maximum distributable amount for G-SIIs (as described above) and changes to the relevant regulator's application of the Pillar 2 Requirement. The CRRII and the CRDV entered into force on 27 June 2019. The date of application of the new rules varies from the date of their entry into force and 12 months to four years after their entry into force.

According to the CRDV, the Pillar 2 Requirement must be fulfilled with at least 56.25 per cent. Common Equity Tier 1 Capital and at least 75 per cent. Tier 1 capital. Furthermore, the CRDV authorises the relevant competent authority to require that the institution fulfils its additional Own Funds requirement with a higher portion of Tier 1 Capital or Common Equity Tier 1 Capital where necessary (while having regard to the specific circumstances of the relevant institution).

The CRDV also introduces a so-called "guidance on additional own funds" requirement (the **Pillar 2 Guidance**), which sets a level and quality of capital the relevant credit institution is expected to hold in excess of its overall capital requirement. The Pillar 2 Guidance will be based on expectations of competent authorities for each institution to hold capital in excess of its capital requirements (Pillar 1 and Pillar 2) and combined buffer requirement in order to address forward-looking and remote situations. A failure to meet the Pillar 2 Guidance does not trigger automatic restrictions on distributions provided for in Article 141 and 141b of the CRD IV Directive or Article 16a of the BRRD. However, where an institution repeatedly fails to meet the Pillar 2 Guidance, the competent authority is entitled to take supervisory measures and, where appropriate, impose additional Own Funds requirements.

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

Also, as part of the CRD IV transitional arrangements, regulatory capital recognition of outstanding instruments which qualified as Tier 1 and Tier 2 Capital instruments under the framework which the CRD IV has replaced that no longer meet the minimum criteria under the CRD IV Package had been gradually phased out. Once fixed the base at the nominal amount of such instruments outstanding on 1 January 2013, their recognition was capped at 80 per cent. in 2014, with this cap decreasing by 10 per cent. in each subsequent year until 2021. A further rule introduced by the CRRII, applicable in respect of liabilities issued before 27 June 2019, allows for the "grandfathering" of instruments as, respectively, Additional Tier 1 instruments, Tier 2 instruments and eligible liabilities, even if they do not fully comply with certain requirements of the CRRII. This treatment is available until 28 June 2025 at the latest.

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

On 12 March 2020, the ECB, taking into account the economic effects of COVID-19, announced certain measures aimed at ensuring that banks, under its direct supervision, are still able to provide credit support to the real economy. In such context, the ECB has allowed banks to operate temporarily below the capital level defined by the Pillar 2 Guidance, the CCB and the LCR. Furthermore, the ECB expects these temporary measures to be further improved by an appropriate revision of the CCyB by the competent national authorities. The Bank of Italy has decided to keep the CCyB at zero per cent. for the second quarter of 2022. However, on 10 February 2022, the ECB announced its intention to not allow banks to operate below the level of capital defined by the Pillar 2 Guidance beyond December 2022.

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

Required minimum CET1 Capital ratio		
	As at 31 December 2021	**As at 31 March 2022**
Pillar 1 CET1	4.50%	4.50%
Pillar 2 CET1 requirement	0.98%	0.98%
Combined capital buffer requirement	3.55%[1]	3.55%[1]
OCR level	**9.03%**	**9.03%**

[1] Including 0.05 per cent. of countercyclical capital buffer as at 31 December 2021, and 0.05 per cent. as at 31 March 2022 to be calculated on a quarterly basis.

Required Minimum Tier 1 ratio		
	As at 31 December 2021	**As at 31 March 2022**
Pillar 1 CET1	4.50%	4.50%
Pillar 1 Additional Tier 1[1]	1.50%	1.50%
Pillar 2 Tier 1 requirement	1.31%	1.31%
Combined capital buffer requirement	3.55%[2]	3.55%[2]
OCR level	**10.86%**	**10.86%**

[1] May be comprised of Additional Tier 1 or CET1.

[2] Including 0.05 per cent. of countercyclical capital buffer as at 31 December 2021, and 0.05 per cent. as at 31 March 2022 to be calculated on a quarterly basis.

Required Minimum Total Capital ratio		
	As at 31 December 2021	**As at 31 March 2022**
Pillar 1 CET1	4.50%	4.50%
Pillar 1 Additional Tier 1[1]	1.50%	1.50%
Pillar 1 Tier 2[2]	2.00%	2.00%
Pillar 2 Total Capital requirement	1.75%	1.75%
Combined capital buffer requirement	3.55%[3]	3.55%[3]
OCR level	**13.30%**	**13.30%**

[1] May be comprised of Additional Tier 1 or CET1.

[2] May be comprised of Tier 2, Additional Tier 1 or CET1.

[3] Including 0.05 per cent. of countercyclical capital buffer as at 31 December 2021, and 0.05 per cent. as at 31 March 2022 to be calculated on a quarterly basis.

As at 31 December 2021, 31 December 2020 and 31 March 2022, the consolidated capital ratios (CET1 Capital, Tier 1 and Total Capital ratios), are set out in the table below:

Capital ratios	31 December 2021	31 December 2020	31 March 2022
CET1 Capital ratio	15.82%	15.96%	14.62%
Tier 1 ratio	17.94%	18.22%	16.47%
Total Capital ratio	20.14%	20.72%	18.99%

The transitional leverage ratio stated stood at 5.19 per cent. in 1Q22.

UniCredit is fully compliant with its TLAC requirements[14] with a 1Q22 TLAC ratio of 24.78 per cent. of RWA and of 7.81 per cent. of Leverage Exposures (including 3.5 per cent. of RWA senior exemption) implying a buffer of 322 bps over the 21.55 per cent. RWA Requirement and a buffer of 106 bps over the 6.75 per cent Leverage Exposures Requirement.

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

If at any time the Issuer is unable to maintain its total Own Funds at the level necessary to meet its combined buffer requirement or, as appropriate, its Leverage Ratio buffer requirement, a Maximum Distributable Amount restriction would be applicable and the Issuer may be required to cancel interest payments on the Additional Tier 1 Notes. The Issuer's Own Funds requirements, including the Pillar 1 Requirement and the Pillar 2 Requirement, TLAC, MREL, the combined buffer requirement and the Leverage Ratio buffer requirement, are, by their nature, calculated by reference to a number of factors any one of which or combination of which may not be easily observable or capable of calculation by investors. Investors in the Additional Tier 1 Notes may not be able to assess or predict accurately the proximity of the risk of discretionary payments on the Additional Tier 1 Notes being prohibited from time to time as a result of the operation of Article 141 or Article 141b of the CRD IV Directive or Article 16a of the BRRD and, if relevant, in other similar payment restriction provision(s) under the Relevant Regulations. There can be no assurance that any of the Own Funds and MREL requirements, the combined buffer requirement or the Leverage Ratio buffer requirement applicable to the Issuer and/or the Group will not be amended in the future to include new and more onerous requirements, which in turn may affect the Issuer's capacity to make payments of interest on the Additional Tier 1 Notes.

There can be no assurance that the Own Funds and MREL requirements, the combined buffer requirement or the Leverage Ratio buffer requirement applicable to the Issuer and/or the Group from time to time may not be higher than the levels of Own Funds and/or eligible liabilities, as applicable, available to the Issuer and/or the Group at such point in time. Also, there can also be no assurance as to the result of any future SREP carried out by the ECB and whether this will impose any higher Pillar 2 Requirement on the Issuer and/or the UniCredit Group. In addition, the measures put in place by the ECB to address concerns relating to the economic effects of COVID-19 are temporary in nature and are expected to expire (most of them by 2022).

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

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

[14] TLAC RWA requirement includes the Combined capital Buffer Requirement applicable at the date.

In addition, Article 133 includes a new paragraph which introduces restrictions on distributions in the case of failure to meet the systemic risk buffer rates imposed by the Competent Authority. As a consequence, in the event of the breach of the systemic risk buffer rates, it may be necessary to reduce discretionary payments, including potentially cancelling (in whole or in part) interest payments in respect of Additional Tier 1 Notes.

1.4.7 *The Additional Tier 1 Notes may be traded with accrued interest, but under certain circumstances, such interest may be cancelled and not paid on the relevant Interest Payment Date; the Issuer may be required to reduce the principal amount of the Additional Tier 1 Notes to absorb losses*

The Additional Tier 1 Notes may trade, and/or the prices for the Additional Tier 1 Notes may appear, on the Official List of the Luxembourg Stock Exchange and in other trading systems with accrued interest. If this occurs, purchasers of Additional Tier 1 Notes in the secondary market will pay a price that reflects such accrued interest upon purchase of the Additional Tier 1 Notes. However, if a payment of interest on any Interest Payment Date is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Additional Tier 1 Notes will not be entitled to that interest payment (or, if the Issuer elects to make a payment of a portion, but not all, of such interest payment, the portion of such interest payment not paid) on the relevant Interest Payment Date. This may affect the value of any investment in the Additional Tier 1 Notes.

For the avoidance of doubt accrued interest will also be cancelled following a Write-Down as described below.

The Additional Tier 1 Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 Capital under the CRD IV both at the level of the Issuer and at the level of the UniCredit Group. Such eligibility depends upon a number of conditions being satisfied. One of these relates to the ability of the Additional Tier 1 Notes and the proceeds of their issue to be available to absorb any losses of the Issuer. Accordingly, under the Terms and Conditions of the Notes, if at any time the Issuer's or the UniCredit Group's Common Equity Tier 1 Capital Ratio falls below 5.125 per cent. or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 instruments specified in the Relevant Regulations (excluding any guidelines or policies of non-mandatory application) applicable to the Issuer and/or the UniCredit Group (a **Contingency Event**), the Issuer shall reduce the then Prevailing Principal Amount of the Additional Tier 1 Notes by the Write-Down Amount, *pro rata* with the other Additional Tier 1 Notes and taking into account the write-down (or write-off) or conversion into Ordinary Shares of any other Loss Absorbing Instruments. See Condition 8 (*Loss Absorption and Reinstatement of Principal Amount*) of the Terms and Conditions of the Notes.

Although Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions of the Notes permits the Issuer in its full discretion to reinstate Written-Down principal amounts up to a maximum of the Initial Principal Amount if certain conditions (further described therein) are met, the Issuer is under no obligation to do so. Moreover, the Issuer will only have the option to Write-Up the principal amount of the Additional Tier 1 Notes if, at a time when the Prevailing Principal Amount of the Additional Tier 1 Notes is less than their Initial Principal Amount, both a positive Net Income and a positive Consolidated Net Income are recorded, and if the Maximum Distributable Amount (if any) (when the amount of the Write-Up is aggregated together with other distributions of the Issuer or the UniCredit Group, as applicable, of the kind referred to in Article 141(2) of the CRD IV Directive and, if relevant, in any other similar payment restriction provision(s) under the Relevant Regulations (or, if different, any provision of Italian law transposing or implementing Article 141(2) of the CRD IV Directive or, if relevant, such other provision(s), as amended or replaced)) would not be exceeded as a result of the Write-Up.

No assurance can be given that these conditions will ever be met, or that the Issuer will ever Write-Up the principal amount of the Additional Tier 1 Notes following a Write-Down. Furthermore, any Write-Up must be undertaken on a *pro rata* basis with the other Additional Tier 1 Notes and any Written-Down Additional Tier 1 Instruments of the Issuer that have terms permitting a principal write-up to occur on a basis similar to that set out in Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions of the Notes in the circumstances then existing.

During the period of any Write-Down pursuant to Condition 8 (*Loss Absorption and Reinstatement of Principal Amount*) of the Terms and Conditions of the Notes, interest will accrue (subject in certain circumstances to the Maximum Distributable Amount, as further set out below) on the Prevailing Principal Amount of the Additional Tier 1 Notes, which shall be lower than the Initial Principal Amount unless and until the Additional Tier 1 Notes are subsequently Written-Up in full. Furthermore, in the event that a Write-Down occurs during an Interest Period, any interest accrued but not yet paid up to the occurrence of such Write-Down will be cancelled. See generally Condition 7.4 (*Calculation of Interest Amount in case of Write Down*) of the Terms and Conditions of the Notes.

Noteholders may lose all or some of their investment as a result of a Write Down. If any judgment is rendered by any competent court declaring the judicial liquidation of the Issuer, or if the Issuer is liquidated for any other reason prior to the Additional Tier 1 Notes being written-up in full pursuant to Condition 8 (*Loss Absorption and Reinstatement of Principal Amount*) of the Terms and Conditions of the Notes, Noteholders' claims for principal and interest will be based on the reduced Prevailing Principal Amount of the Additional Tier 1 Notes.

In addition, in certain circumstances the Maximum Distributable Amount will impose a cap on the Issuer's ability to pay interest on the Additional Tier 1 Notes, on the Issuer's ability to reinstate the Prevailing Principal Amount of the Additional Tier 1 Notes following a Write-Down and on its ability to redeem or repurchase Additional Tier 1 Notes. See generally "*If the Issuer breaches the combined buffer requirement a Maximum Distributable Amount will apply which may restrict the Issuer from making interest payments on the Additional Tier 1 Notes in certain circumstances; Noteholders may not be able to anticipate whether or when the Issuer will cancel such interest payments*".

The market price of the Additional Tier 1 Notes is expected to be affected by fluctuations in the Issuer's and the UniCredit Group's Common Equity Tier 1 Capital Ratio. Any indication that the Issuer's or the UniCredit Group's Common Equity Tier 1 Capital Ratio is approaching the level that would trigger a Contingency Event may have an adverse effect on the market price of the Additional Tier 1 Notes.

In the event that the relevant resolution authority utilises the general bail-in tool, this could materially adversely affect the rights of Noteholders, the price or value of their investment in any Additional Tier 1 Notes and/or the ability of the Issuer to satisfy its obligations under the Additional Tier 1 Notes. In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments such as the Additional Tier 1 Notes at the point of non-viability and before any other resolution action is taken. Any shares issued to holders of subordinated notes (such as the Additional Tier 1 Notes) upon any such conversion into equity may also be subject to any application of the general bail-in tool. See generally "*– The Additional Tier 1 Notes may be subject to write-down, cancellation or conversion upon the occurrence of the exercise by the relevant resolution authority of the general bail-in tool or capital instruments write-down and conversion powers, which powers are in addition to the terms of the Additional Tier 1 Notes which provide for Write-Down on the occurrence of a Contingency Event, or may be subject to the burden sharing requirements of the EU State aid framework and the BRRD*".

The calculation of the Common Equity Tier 1 Capital Ratios will be affected by a number of factors, many of which may be outside the Issuer's control.

The occurrence of a Contingency Event, which would result in a Write-Down of the Prevailing Principal Amount of the Additional Tier 1 Notes (and the cancellation of interest accrued not yet paid up to the occurrence of the Write-Down) or the application of a Maximum Distributable Amount, is inherently unpredictable and depends on a number of factors, many of which may be outside the Issuer's control. Also, whether a Contingency Event has occurred at any time shall be determined by the Issuer and the Competent Authority. Because the Competent Authority may require Common Equity Tier 1 Capital Ratios to be calculated as of any date (which calculation shall be binding on the Noteholders), a Contingency Event could occur at any time. The calculation of the Common Equity Tier 1 Capital Ratios of the Issuer or of the UniCredit Group could be affected by a wide range of factors, including, among other things, factors affecting the level of the Issuer's earnings or dividend payments, the mix of its businesses, its ability to effectively manage the risk-weighted assets in its ongoing businesses, losses in the context of its banking activities or other businesses, changes in the UniCredit Group's structure or organisation. The calculation of the ratios also may be affected by changes in the applicable laws and regulations or applicable accounting rules and the manner in which accounting policies are applied, including the manner in which permitted discretion under the applicable accounting rules is exercised.

Accordingly, the trading behaviour of the Additional Tier 1 Notes may not necessarily follow the trading behaviour of other types of subordinated securities. Any indication that the Common Equity Tier 1 Capital Ratio of the Issuer or of the UniCredit Group is approaching the level that would trigger a Contingency Event or a breach of the combined buffer requirement may have an adverse effect on the market price and liquidity of the Additional Tier 1 Notes. Under such circumstances, investors may not be able to sell their Additional Tier 1 Notes easily or at prices that will provide them with a yield comparable to more conventional investments.

Changes to the calculation of Common Equity Tier 1 Capital and/or Risk Weighted Assets may negatively affect the Issuer or the UniCredit Group's Common Equity Tier 1 Capital Ratio.

In addition, regulatory initiatives may impact the calculation of the Issuer or the UniCredit Group's Risk Weighted Assets, being the denominator of the Issuer's and the UniCredit Group's Common Equity Tier 1 Capital Ratio, respectively. 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. The implementation of this new risk assessment framework, which should have originally occured on 1 January 2022 (with transitional arrangement for phasing in the aggregate output floor), has been postponed – due to COVID-19 outbreak – by the Group of Central Bank Governors and Heads of Supervision (GHOS) to 1 January 2023. The EU is expected to implement these standards by way of new changes to the CRR (CRR III) which were proposed on 27 October 2021, in the context of the so-called "2021 Banking Package" legislative proposal. In particular, this proposal is aimed at finalising the inmplementation of Basel III agreement in the European Union. Thus, it will impact the calculation of the Issuer's or the UniCredit Group's Risk Weighted Assets and, consequently, the Issuer or the UniCredit Group's Common Equity Tier 1 Capital Ratio.

Any changes that may occur in the application to the Issuer and/or the UniCredit Group of the CRD IV rules, the loss absorbency requirements under the BRRD (including MREL) or the FSB's TLAC proposals subsequent to the date of this Base Prospectus and/or any subsequent changes to such rules and other variables may individually and/or in the aggregate negatively affect the Issuer or the UniCredit Group's Common Equity Tier 1 Capital Ratio and thus increase the risk of a Contingency Event, which will lead to Write-Down, and a breach of the combined buffer requirement, as a result of which Noteholders could lose all or part of the value of their investment in the Additional Tier 1 Notes.

1.4.8 The Issuer is not prohibited from issuing further debt which may rank pari passu with or senior to the Additional Tier 1 Note

The Terms and Conditions of the Notes place no restriction on the amount of debt that the Issuer may issue that ranks senior to the Additional Tier 1 Notes or on the amount of securities that it may issue that rank *pari passu* with the Additional Tier 1 Notes. The issue of any such debt or securities may reduce the amount recoverable by investors upon the Issuer's bankruptcy. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including cancellation of interest and reduction of principal and, if the Issuer were liquidated (whether voluntarily or involuntarily), the Noteholders could suffer loss of their entire investment.

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

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

The Issuer may, at its sole discretion (but subject to the provisions of Condition 10.15 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*) of the Terms and Conditions of the Notes) redeem the Additional Tier 1 Notes in whole, but not in part, on any Optional Redemption Date (Call) at their Prevailing Principal Amount, plus any accrued interest and any additional amounts due pursuant to Condition 11 (*Taxation*), as described in Condition 10.2 (*No fixed redemption for the Additional Tier 1 Notes*) of the Terms and Conditions of the Notes.

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

(*Redemption for regulatory reasons (Regulatory Call)*) and Condition 10.3 (*Redemption for tax reasons*) of the Terms and Conditions of the Notes.

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

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

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

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

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

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

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

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

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

  (iii) on or before such redemption or repurchase (as applicable), the Issuer having replaced the Notes with Own Funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority has permitted that action on the basis of the

determination that it would be classified from a prudential point of view and justified by exceptional circumstances; or

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

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

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

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

1.4.10 Additional Tier 1 Notes may be subject to modification without Noteholders' consent

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

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

1.5 Risks applicable to certain types of Exempt Notes

1.5.1 There are particular risks associated with an investment in certain types of Exempt Notes, such as Index Linked Notes and Dual Currency Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it

The Issuer may issue Notes with principal or interest payable in respect of the Notes being determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or to other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(a) the market price of such Notes may be volatile;

(b) they may receive no interest;

(c) payment of principal or interest may occur at a different time or in a different currency than expected;

(d) they may lose all or a substantial portion of their principal;

(e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(f) the effect of any multiplier or leverage factor that is applied to the Relevant Factor is that the impact of any changes in the Relevant Factor on the amounts of principal or interest payable will be magnified; and

(g) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in the light of its particular circumstances.

1.5.2 Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of its investment

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of its investment.

1.5.3 Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

1.5.4 Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR. The market values of those Notes are typically more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

1.6 Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

1.6.1 Waiver of set-off

As specified in the Terms and Conditions of the Notes, each Noteholder unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction or otherwise, in respect of such Note.

1.6.2 The interest rate on Reset Notes will reset on each Reset Date, which can be expected to affect the interest payment on an investment in Reset Notes and could affect the market value of the Reset Notes

Reset Notes will initially bear interest at the Initial Rate of Interest from and including the Interest Commencement Date up to but excluding the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the First Margin or Subsequent Margin (as applicable) as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a **Subsequent Reset Rate of Interest**). The Subsequent Reset Rate of Interest for any Reset Period could be less than the Initial Rate of Interest or the

Subsequent Reset Rate of Interest for prior Reset Periods and could affect the market value of an investment in the Reset Notes.

1.6.3 The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including, without limitation, EURIBOR), are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the Financial Conduct Authority (**FCA**) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a rate or index deemed to be a "benchmark", including, without limitation, any Floating Rate Notes linked to or referencing EURIBOR or any Reset Notes referencing the relevant swap rate for swap transactions in the Specified Currency (as specified in the applicable Final Terms or Pricing Supplement with respect to the relevant Notes), in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guidelines principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, among other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicated, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

Investors should be aware that, if EURIBOR or any originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes (each an **Original Reference Rate**) were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes or Reset Notes which reference such Original Reference Rate will be determined for the relevant period by the fallback provisions applicable to such Notes, as indicated in the "Terms and Conditions of the Notes". Such provisions could have an adverse effect on the value or liquidity of, and return on, any relevant Notes referring the relevant Original Reference Rate.

Investors should also be aware that the market continues to develop in relation to risk free rates, such as Secured Overnight Financing Rates (**SOFR**), as reference rates in the capital markets for U.S. dollar bonds, as applicable, and their adoption as alternatives to the relevant interbank offered rates. In addition, market participants and relevant working groups are exploring alternative reference rates based on risk free rates, including term SOFR reference rates (which seek to measure the market's forward expectation of an average SOFR rate over a designated term). The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Terms and Conditions and used in relation to Floating Rate Notes that reference a risk free rate issued under this Base Prospectus. Interest on Notes which reference a risk free rate can be capable of being determined only immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk free rates to reliably estimate the amount of interest which will be payable on such Notes. Further, if the Notes become due and payable under Condition 13 (*Events of default*) of the Terms and Conditions of the Notes, the Rate of Interest payable shall be determined on the date the Notes became due and payable and shall not be reset thereafter. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes. Investors should consider these matters when making their investment decision with respect to any such Floating Rate Notes.

The Terms and Conditions of the Notes provide for certain arrangements in the event that a published Original Reference Rate (including any page on which such Original Reference Rate may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Reference Rate determined by the Issuer or an Alternative Reference Rate determined by an Independent Adviser or failing that, by the Issuer, and that such Successor Reference Rate or Alternative Reference Rate may be adjusted (if required) by the application of an Adjustment Spread. The application of a Successor Reference Rate or an Alternative Reference Rate or an Adjustment Spread may result in the relevant Notes performing differently (which may include payment of a lower interest rate) than they would do if the relevant Original Reference Rate were to continue to apply in its current form. If no Adjustment Spread is determined, a Successor Reference Rate or Alternative Reference Rate may nonetheless be used to determine the rate of interest. In certain circumstances, the ultimate fallback of interest for a particular Interest Period or Reset Period (as applicable) may result in the rate of interest for the last preceding Interest Period or Reset Period (as applicable) being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes (as applicable) based on the rate which was last used for the relevant Notes.

In the case of Notes not linked to SOFR, if Reference Rate Replacement is specified in the relevant Final Terms as being applicable, and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined or, in the case of Reset Notes, Reset Reference Rate Replacement is specified in the relevant Final Terms as being applicable, if the Issuer determines that a Benchmark Event (as defined in the Conditions) has occurred in relation to an Original Reference Rate (as defined in the Conditions) when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then: (i) the Issuer shall use reasonable endeavours: (A) to determine a Successor Reference Rate and an Adjustment Spread (if any); or (B) if the Issuer cannot determine a Successor Reference Rate and an Adjustment Spread (if any), appoint an Independent Adviser to determine an Alternative Reference Rate, and an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner), no later than five Business Days prior to the Interest Determination Date or Reset Determination Date, as the case may be, relating to the next Interest Period or Reset Period (the IA Determination Cut-off Date); (ii) if the Issuer is unable to determine a Successor Reference Rate and the Independent Adviser is unable to determine an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine an Alternative Reference Rate and an Adjustment Spread (if any) no later than three Business Days prior to the Interest Determination Date or Reset Determination Date, as the case may be, relating to the next Interest Period or Reset Period (the Issuer Determination Cut-

off Date). No consent of the Noteholders shall be required in connection with effecting any relevant changes pursuant to the terms and conditions, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement (as applicable).

In the case of Notes linked to SOFR, if Reference Rate Replacement is specified in the relevant Final Terms as being applicable and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, if the Issuer determines that a Benchmark Event and the relevant SOFR Index Cessation Date (as defined in the Conditions) have both occurred, when a Rate of Interest (or the relevant component part thereof) remains to be determined, then: (i) the Benchmark Replacement shall be the rate that was recommended as the replacement for the SOFR by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the SOFR (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads) ; or (ii) if no such rate has been recommended within one Business Day of the SOFR Index Cessation Date, the Benchmark Replacement shall be the ISDA Fallback Rate (which rate may include any adjustments or spreads that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark Replacement); or (iii) if the replacement rate cannot be determined in accordance with the previous paragraph, then the Benchmark Replacement shall be the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current rate for the applicable Corresponding Tenor that gives due consideration to any industry-accepted rate of interest as a replacement for the then-current Original Reference Rate for U.S. dollar denominated floating rate notes at such time (which rate may include any adjustments or spreads). No consent of the Noteholders shall be required in connection with effecting any relevant changes pursuant to the terms and conditions, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement (as applicable).

There is also a risk that the relevant fallback provisions may not operate as expected or intended at the relevant time. If the Independent Adviser or, as applicable, the Issuer determines that amendments to the "Terms and Conditions of the Notes" and the Agency Agreement are necessary to ensure the proper operation of any Successor Reference Rate or Alternative Reference Rate and/or Adjustment Spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of Noteholders, as provided by Condition 6.4 (*Reference Rate Replacement*) of the Terms and Conditions of the Notes.

1.6.4 Risks relating to Inflation Linked Interest Notes

The Issuer may issue Inflation Linked Interest Notes where the amount of interest is dependent upon the level of an inflation/consumer price index or indices.

Potential investors in any such Notes should be aware that depending on the terms of the Inflation Linked Interest Notes they may receive no interest or a limited amount of interest. In addition, the movements in the level of the inflation/consumer price index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual return to investors, even if the average level is consistent with their expectations.

Inflation Linked Interest Notes may be subject to certain disruption provisions or extraordinary event provisions. Relevant events may relate to an inflation/consumer price index publication being delayed or ceasing or such index being rebased or modified. If the Calculation Agent determines that any such event has occurred this may delay valuations under and/or settlements in respect of the Notes and consequently adversely affect the value of the Notes. Any such adjustments may be by reference to a Related Bond if specified in the applicable Final Terms. In addition certain extraordinary or disruption events may lead to early termination of the Notes which may have an adverse effect on the value of the Notes. Whether and how such provisions apply to the relevant Notes can be ascertained by reading the Inflation Linked Conditions in conjunction with the applicable Final Terms.

If the amount of interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the inflation/consumer price index or the indices or interest payable will be magnified.

A relevant consumer price index or other formula linked to a measure of inflation to which the Notes are linked may be subject to significant fluctuations that may not correlate with other indices. Any movement in the level of the index may result in a reduction of the interest payable on the Notes (if applicable).

The timing of changes in the relevant consumer price index or other formula linked to the measure of inflation comprising the relevant index or indices may affect the actual yield to investors on the Notes, even if the average level is consistent with their expectations.

An inflation or consumer price index to which interest payments are linked is only one measure of inflation for the relevant jurisdiction or area, and such Index may not correlate perfectly with the rate of inflation experienced by Noteholders in such jurisdiction or area.

The market price of Inflation Linked Interest Notes may be volatile and may depend on the time remaining to the maturity date or expiration and the volatility of the level of the inflation or consumer price index or indices. The level of the inflation or consumer price index or indices may be affected by the economic, financial and political events in one or more jurisdictions or areas.

1.6.5 Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

1.6.6 Risks related to Singapore taxation

Notes issued in Singapore dollars to be issued from time to time under the Programme, during the period from the date of this Base Prospectus to 31 December 2023, are intended to be, where applicable, "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore (the **ITA**), subject to the fulfilment of certain conditions as further described under "*Taxation in Singapore*". However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith under the ITA should the relevant tax laws be amended or revoked at any time, which amendment or revocation may be prospective or retroactive.

1.6.7 The value of the Notes could be adversely affected by a change in Italian laws or administrative practice

The Notes are based on Italian law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Italian law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

1.6.8 Risk relating to the governing law of the Notes

The Terms and Conditions of the Notes are governed by Italian law and Condition 20.1 of the Terms and Conditions of the Notes provides that contractual and non-contractual obligations arising out or in connection with them are governed by, and shall be construed in accordance with, Italian Law. The Global Notes

representing the Notes provide that all contractual and non-contractual obligations arising out of or in connection with the Global Notes representing the Notes are governed by Italian law, save for the form and transferability of the Global Notes which are governed by English law. Furthermore, Temporary Global Notes and Permanent Global Notes, whether issued in CGN or NGN form, as the case may be, representing the Notes are signed by the Issuer in the United Kingdom and, thereafter, delivered to Citibank N.A., London Branch as initial Principal Paying Agent, being the entity in charge for, *inter alia*, completing, authenticating and delivering the Temporary Global Notes and Permanent Global Notes and (if required) authenticating and delivering Definitive Notes, hence the Notes would be deemed to be issued in England and according to Italian law. Article 59 of Law No. 218 of 31 May 1995 (regarding the Italian international private law rules) provides that "other debt securities (*titoli di credito*) are governed by the law of the State in which the security was issued".

In light of the above, the Issuer cannot foresee the effect of any potential misalignment between the laws applicable to the Terms and Conditions of the Notes and the Global Notes and the laws applicable to their transfer and circulation for any prospective investors in the Notes and any disputes which may arise in relation to, *inter alia*, the transfer of ownership in the Notes.

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

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

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

Furthermore, it should be noted that there is currently no clearly established definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, respectively "green" or a "social" or a "sustainable" project or as to what precise attributes are required for a particular project to be defined as "green" or "social" or "sustainable" or such other equivalent label. The EU Taxonomy Regulation has been recently enacted and is subject to further development by way of implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the EU Taxonomy Regulation (the **EU Sustainable Finance Taxonomy Delegated Acts**). A first delegated act on sustainable activities for climate change adaptation and mitigation objectives was approved in principle on 21 April 2021, and formally adopted on 4 June 2021 for scrutiny by the co-legislators. A second delegated act for the remaining objectives will be published in 2022. On 6 July 2021, a delegated act supplementing Article 8 of the EU Taxonomy Regulation was adopted by the Commission for scrutiny by the co-legislators. This delegated act specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities.

Even if a definition or market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label, should develop or be established, no assurance is or can be given to investors that any green or social or sustainable project, as the case may be, towards which proceeds

of the Notes are to be applied will meet any or all investor expectations regarding such "green" or "social" or "sustainable"(or other equivalently labelled) performance objectives (including those set out under the EU Taxonomy Regulation and the EU Sustainable Finance Taxonomy Delegated Acts) or that any adverse social, green, sustainable and/or other impacts will not occur during the implementation of any green or social or sustainable project. Moreover, in light of the continuing development of legal, regulatory and market conventions in the green, sustainable and positive social impact markets, there is a risk that the legal frameworks and/or definitions may (or may not) be modified to adapt any update that may be made to the ICMA's Green Bond Principles and/or the ICMA's Social Bonds Principles and/or the ICMA's Sustainable Bonds Guidelines and/or the EU framework standard. Such changes may have a negative impact on the market value and the liquidity of any Green Bond, Social Bond or Sustainability Bond issued prior to their implementation.

Furthermore, it should be noted that in connection with the issue of Green Bonds, Social Bonds and Sustainability Bonds, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that the relevant green and/or social and/or sustainable project, as the case may be have been defined in accordance with the broad categorisation of eligibility for green, social and sustainable projects set out in the GBP, the SBP and the SBG and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental, sustainability or social projects (any such second-party opinion, a **Second-party Opinion**). A Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Green Bonds, Social Bonds or Sustainability Bonds. A Second-party Opinion would not constitute a recommendation to buy, sell or hold the relevant Green Bonds or Social Bonds or Sustainability Bonds and would only be current as of the date it is released. In addition, no assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any Second-party Opinion, which may or may not be made available in connection with the issue of any Green Bond, Social Bond or Sustainability Bond and in particular with any eligible projects to fulfil any environmental, social, sustainability and/or other criteria. Any such Second-party Opinion is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus.

A withdrawal of the Second-party Opinion may affect the value of such Green Bonds, Social Bonds or Sustainability Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green or social or sustainable assets. The withdrawal of any report, assessment, opinion or certification as described above, or any such Second-party Opinion attesting that the Issuer is not complying in whole or in part with any matters for which such Second-party Opinion is reporting, assessing, opining or certifying on, and/or any such Green Bonds, Social Bonds or Sustainability Bonds no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of Green Bonds, Social Bonds or Sustainability Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

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

While it is the intention of the Issuer to apply an amount equivalent to the proceeds of Social Bonds, Green Bonds or Sustainability Bonds in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the green, social or sustainable projects (either resulting from the original application of the proceeds of the Notes or a subsequent reallocation of such proceeds), as the case may be, will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly the proceeds of the relevant Green Bonds, Social Bonds or Sustainability Bonds will be totally or partially disbursed for such projects. Nor can there be any assurance that (i) such green, social or sustainable projects will be completed within any specified period or at all, (ii) with the results or outcome as originally expected or anticipated by the Issuer or (iii) the originally designated green project or social project or sustainable project (or any project(s) resulting from any subsequent reallocation of some or all of the proceeds of the relevant Green Bonds, Social Bonds or Sustainability Bonds) will not be the potentially or actual disqualified as such. Any such event or failure by the Issuer

(including to comply with its reporting obligations or to obtain any assessment, opinion or certification, including the Second-party Opinion in relation to Green Bonds, Social Bonds or Sustainability Bonds), any actual or potential maturity mismatch between the green, social or sustainable asset(s) towards which proceeds of the Notes may have been applied and the relevant Notes or if any other risk(s) set out or contemplated by this risk factor with respect to Green Bonds, Social Bonds or Sustainability Bonds are realised, such occurrence will not, with respect to any Notes (including for the avoidance of doubt, any Senior Notes, Non-Preferred Senior Notes, Subordinated Notes or Additional Tier 1 Notes), (i) give rise to any claim of a Noteholder against the Issuer; (ii) constitute an event of default under the relevant Notes; (iii) lead to an obligation of the Issuer to redeem such Notes or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Notes; (iv) affect the qualification of such Notes as Senior Notes, Non-Preferred Senior Notes, Subordinated Notes, Additional Tier 1 Notes or as eligible liabilities instruments or impact any of the features of such Notes, including (without limitation, as applicable) features relating to ranking, permanence, loss absorption and/or flexibility of payments (as applicable); or (v) prevent the applicability of the Bail-in Power (or any other provision of the Relevant Regulations). Neither the proceeds of any Green Bonds, Social Bonds or Sustainability Bonds nor any amount equal to such proceeds or asset financed with such proceeds will be segregated by the Issuer from its capital and other assets. For the avoidance of doubt, payments of principal and interest and the operation of any other features (as the case may be) on the relevant Green Bonds, Social Bonds or Sustainability Bonds shall not depend on the performance of the relevant project nor have any preferred or any other right against the green, social or sustainable assets towards which proceeds of the Notes are to be applied.

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

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

1.7 Risks relating to Renminbi Notes

1.7.1 *The Renminbi is not completely freely convertible and there are significant restrictions on the remittance of the Renminbi into and outside the PRC which may affect the liquidity of the Notes*

The Renminbi is not completely freely convertible at present. The government of the PRC (the **PRC Government**) continues to regulate conversion between the Renminbi and foreign currencies.

Although since 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the IMF and policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were issued, there is no assurance that the PRC Government will continue to liberalise the control over cross-border Renminbi remittances in the future, that any pilot schemes for Renminbi cross-border liberalisation will not be discontinued or that new PRC regulations, or that new PRC regulations will not be promulgated in the

future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital accounts items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi (the **Renminbi Notes**).

1.7.2 There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service the Renminbi Notes

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent that the Issuer is required to source Renminbi in the offshore market to service the Renminbi Notes, there is no assurance that it will be able to source such Renminbi on satisfactory terms, if at all. If the Renminbi is not available in certain circumstances as described in the conditions applicable to Renminbi Notes, the Issuer can make payments under the Renminbi Notes in U.S. Dollars or such other currency as specified in the applicable final terms or pricing supplement of the Notes (as the case may be).

1.7.3 Investment in the Renminbi Notes is subject to exchange rate risks

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to the Renminbi Notes in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in U.S. dollar terms (or in terms of other applicable foreign currencies) may vary with the prevailing exchange rates in the market place. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of the investment in U.S. dollar or other applicable foreign currency terms will decline. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in Renminbi Notes.

In the event that access to Renminbi becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (as defined in the Terms and Conditions of the Notes), the Issuer is unable, or it is impractical for it, to pay interest or principal in Renminbi, the Conditions of the Notes allow the Issuer to make payment in U.S. dollars or such other currency as specified in the applicable final terms or pricing supplement of the Notes (as the case may be) at the prevailing Spot Rate (as defined in the Conditions of the Notes) for the relevant Determination Date (as defined in the Conditions of the Notes), all as provided in more detail in the Conditions of the Notes. As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a holder's investment in U.S. dollar or other foreign currency terms will decline.

1.7.4 An investment in Renminbi Notes is subject to interest rate risk

The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions. The Renminbi Notes may carry a fixed interest rate. Consequently, the trading price of such Renminbi Notes will vary with fluctuations in interest rates. If a holder of Renminbi Notes tries to sell any Renminbi Notes before their maturity, they may receive an offer that is less than the amount invested.

1.7.5 An investment in Renminbi Notes is subject to risk of change in the regulatory regime governing the issuance of Renminbi Notes

Renminbi Notes issuance is subject to laws and regulations of the relevant RMB Settlement Centre(s) (as defined in the Terms and Conditions of the Notes). There can be no assurance that the PRC Government will continue to encourage issuance of RMB-denominated debt instruments outside of mainland China and any change in the Chinese government’s policy or the regulatory regime governing the issuance of RMB-denominated debt instruments may adversely affect the Renminbi Notes.

1.7.6 Payments in respect of the Renminbi Notes will only be made to investors in the manner specified in the terms and conditions of the relevant Notes

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in the RMB Settlement Centre(s). All Renminbi payments to investors in respect of the Notes will be made solely (i) for so long as the Notes are represented by Global Notes held with the common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg or any alternative clearing system by transfer to a Renminbi bank account maintained in RMB Settlement Centre(s) in accordance with prevailing Euroclear and/or Clearstream, Luxembourg rules and procedures, or (ii) for so long as the Notes are in definitive form, by transfer to a Renminbi bank account maintained in the RMB Settlement Centre(s) in accordance with prevailing rules and regulations. Other than described in the Conditions of the Notes, the Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

1.7.7 PRC Taxation

Prospective purchasers or holders of the Notes are advised to consult their own tax advisers as to the overall PRC tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state or local taxes, under the tax laws of the PRC.

1.8 Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

1.8.1 Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

1.8.2 An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid and may be sensitive to changes in financial markets. Therefore investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

1.8.3 If an investor holds Notes which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency-equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

1.8.4 The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Important Information

This document constitutes a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation (the Base Prospectus). When used in this Base Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129, as amended, and UK Prospectus Regulation means Regulation (EU) 2017/1129, as amended, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA).

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that those documents are incorporated and form part of this Base Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.

No representation, warranty or undertaking, express or implied, is made by any of the Dealers or any of their respective affiliates and no responsibility or liability is accepted by any of the Dealers or by any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or of any other information provided by the Issuer in connection with the Programme. No Dealer or any of their respective affiliates accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

This Base Prospectus contains industry and customer-related data as well as calculations taken from industry reports, market research reports, publicly available information and commercial publications. It is hereby confirmed that (a) to the extent that information reproduced herein derives from a third party, such information has been accurately reproduced and (b) insofar as the Issuer is aware and is able to ascertain from information derived from a third party, no facts have been omitted which would render the information reproduced inaccurate or misleading.

Commercial publications generally state that the information they contain originates from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed, and that the calculations contained therein are based on a series of assumptions. External data have not been independently verified by the Issuer.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or with any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or of any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or in any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the likelihood of cancellation of Interest Amounts or a Write Down in the case of the Additional Tier 1 Notes or the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The obligations of the Issuer under the Notes are not covered by deposit insurance schemes in the Republic of Italy. Furthermore, the Notes will not be guaranteed by the Republic of Italy under any legislation that is or will be passed to address liquidity issues in the credit markets, including government guarantees or similar measures. A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. For a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes, please see section headed "*Factors which are material for the purpose of assessing the market risks associated with notes issued under the Programme*" in the Risk Factors section.

None of the Dealers or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

Restrictions on marketing, sales and resales of Additional Tier 1 Notes to Retail Investors

1. The Additional Tier 1 Notes discussed in this document are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Additional Tier 1 Notes. Potential investors in the Additional Tier 1 Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Additional Tier 1 Notes (or any beneficial interests therein).

2. a) In the United Kingdom (**UK**), the Financial Conduct Authority (**FCA**) Conduct of Business Sourcebook (**COBS**) requires, in summary, that the Securities should not be offered or sold to retail clients (as defined in COBS 3.4 and each a **retail client**) in the UK.

   b) Each Dealer is required to comply with COBS.

   c) By purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes (or a beneficial interest in such Additional Tier 1 Notes) from the Issuer and/or the Dealers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Dealers that:

      i) it is not a retail client in the UK; and

      ii) it will not sell or offer the Additional Tier 1 Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of the Base Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Additional Tier 1 Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.

   d) In selling or offering the Additional Tier 1 Notes or making or approving communications relating to the Additional Tier 1 Notes you may not rely on the limited exemptions set out in COBS.

3. The obligations in paragraph 2 above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the European Economic Area (**EEA**) or the UK) relating to the promotion, offering, distribution and/or sale of the Additional Tier 1 Notes (or any beneficial interests therein), whether or not specifically mentioned in the Base Prospectus, including (without limitation) any requirements under the Markets in Financial Instruments Directive 2014/65/EU (as amended) (**MiFID II**) or the UK FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Additional Tier 1 Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes (or any beneficial interests therein) from the Issuer and/or the Dealers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client

Guidance under the Hong Kong Monetary Authority (the HKMA) circular – In October 2018, the HKMA issued a circular regarding enhanced investor protection measures on the sale and distribution of debt instruments with loss-absorption features and related products (the **HKMA Circular**)**.** Under the HKMA Circular, debt instruments with loss-absorption features, being subject to the risk of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments (together, **Loss-Absorption Products**), are to be targeted in Hong Kong at professional investors (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and its subsidiary legislation, **Professional Investors**) only. All Additional Tier 1 Notes issued or to be issued under the Programme contain loss-absorption features and may be considered Loss-Absorption Products under the HKMA Circular. **Investors in Hong Kong should not purchase such Notes with loss-absorption features unless they are Professional Investors and understand the risks involved. Such Notes are generally not suitable for retail investors in Hong Kong in either the primary or the secondary markets.**

Investors in Hong Kong should not purchase the Additional Tier 1 Notes in the primary or secondary markets unless they are professional investors (as defined in the SFO and its subsidiary legislation) only and understand the risks involved. The Additional Tier 1 Notes are generally not suitable for retail investors.

IMPORTANT – EEA RETAIL INVESTORS – If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specify that "Prohibition of Sales to EEA Retail Investors" is applicable, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined

in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, as amended (the **Prospectus Regulation**). Consequently, no key information document required by PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specify that "Prohibition of Sales to UK Retail Investors" is applicable, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565, as amended, as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation, as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended, as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / target market – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the SFA) – Unless otherwise stated in the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes), all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF SENIOR OR SUBORDINATED NOTES

Restrictions on Non-exempt Offers of Notes in relevant Member States

Certain Tranches of Senior or Subordinated Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus. Any such offer is referred to as a **Non-exempt Offer**. This Base Prospectus has been prepared on a basis that permits Non-exempt Offers of Senior or Subordinated Notes in Luxembourg and in the following States where the Issuer has passported this Base Prospectus to: the Republic of Italy, the Federal Republic of Germany and Austria, as specified in the applicable Final Terms (each specified Member State a **Non-exempt Offer Jurisdiction** and together the **Non-exempt Offer Jurisdictions**). Any person making or intending to make a Non-exempt Offer of Senior or Subordinated Notes on the basis of this Base Prospectus must do so only with the Issuer's consent to the use of this Base Prospectus as provided under "*Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)*" and provided that such person complies with the conditions specified in or attached to that consent.

Save as provided above, none of the Issuer and any Dealer have authorised, nor do they authorise, the making of any Non-exempt Offer of Senior or Subordinated Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Non-Preferred Senior Notes and the Additional Tier 1 Notes shall not be offered in the context of a Non-exempt Offer.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealer(s) do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer or the Dealer(s) which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, Japan, Hong Kong, the People's Republic of China, Australia, Taiwan, the EEA (including, for these purposes, the Republic of Italy, France, the Federal Republic of Germany and Austria) and the United Kingdom. See "*Subscription and Sale and Selling Restrictions*".

See "*Form of the Notes*" for a description of the manner in which Notes will be issued.

This Base Prospectus has not been submitted for clearance to the *Autorité des Marchés financiers* in France.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

I. has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

II. has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

III. has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

IV. understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and

V. is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or to review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Base Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. These forward looking statements are contained in the section entitled "*Risk Factors*" and other sections of this Base Prospectus. The Issuer has based these forward looking statements on the current view of their management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer has otherwise identified in this Base Prospectus, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- the Issuer's ability to achieve and manage the growth of its business;
- the performance of the markets in the Issuer's jurisdiction and the wider region in which the Issuer operates;
- the Issuer's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the Issuer's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects;

- changes in political, social, legal or economic conditions in the markets in which the Issuer and its customers operate; and

- actions taken by the Issuer's joint venture partners that may not be in accordance with its policies and objectives.

Any forward looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward looking statement is based.

U.S. INFORMATION

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary is unlawful.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and the Treasury regulations promulgated thereunder.

Service of Process and Enforcement of Civil Liabilities

The Issuer is a corporation organised under the laws of the Republic of Italy. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside the Republic of Italy upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside the Republic of Italy predicated upon civil liabilities of the Issuer or of such directors and officers under laws other than Italian law, including any judgment predicated upon United States federal securities laws.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2021 and 31 December 2020 respectively (together, the **Financial Statements**).

The Issuer's financial years end on 31 December, and references in this Base Prospectus to any specific year are either to the 12-month period ended on 31 December of such year or as of 31 December of such year, as applicable. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

Investors should consult the Issuer should they require a copy of the ISDA 2006 Definitions, the ISDA 2003 Credit Derivatives Definitions or the ISDA 2009 Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions published on 14 July 2009, as applicable.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in the Terms and Conditions or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

In this Base Prospectus, all references to:

- **U.S. dollars**, **U.S.$** and **$** refer to United States dollars;
- to **Sterling**, **GBP** and **£** refer to pounds sterling;
- **Canadian Dollars** and **C$** refer to the currency of Canada;
- **euro**, **Euro** and **€** refer to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended; and
- **Renminbi**, **RMB** and **CNY** refers to the currency of the People's Republic of China. All references to the **PRC** are to the People's Republic of China excluding the Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), the Macau Special Administrative Region of the People's Republic of China and Taiwan.
- References to a **billion** are to a thousand million.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Responsibility Statement, Third Party Information and Experts' Reports

1. Persons responsible for the Base Prospectus

UniCredit S.p.A. as Issuer (the **Responsible Person**), having its registered, head office and principal centre of business, at Piazza Gae Aulenti, 3 Tower A, 20154 Milan, Italy, accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme.

2. Responsibility Declaration

To the best of the knowledge of the Responsible Person, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and contains no omissions likely to affect its import.

3. Third party information

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

4. 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 2021 and 31 December 2020 and who have carried out the limited review of the consolidated first half financial report of UniCredit ended on 30 June 2021.

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

Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)

In the context of a Non-exempt Offer of Senior or Subordinated Notes, the Issuer accepts responsibility in each of the Non-exempt Offer Jurisdictions for the content of this Base Prospectus under Article 6 of the Prospectus Regulation in relation to any person (an **Investor**) who acquires any Senior or Subordinated Notes in a Non-exempt Offer made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period specified in the applicable Final Terms and provided that the conditions attached to the giving of consent for the use of this Base Prospectus are complied with. The consent and conditions attached to it are set out under "*Consent*" and "*Common Conditions to Consent*" below.

None of the Issuer or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and none of the Issuer or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

Save as provided below, the Issuer has not authorised the making of any Non-exempt Offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Non-exempt Offer of Senior or Subordinated Notes. Any Non-exempt Offer made without the consent of the Issuer is unauthorised and none of the Issuer and, for the avoidance of doubt, any Dealer accepts any responsibility or liability in relation to such offer for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-exempt Offer, an Investor is offered Senior or Subordinated Notes by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of Article 6 of the Prospectus Regulation in the context of the relevant Non-exempt Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

The financial intermediaries referred to in paragraphs(a)(ii), (a)(iii) and (b) below are together the **Authorised Offerors** and each an **Authorised Offeror**.

Consent

In connection with each Tranche of Senior or Subordinated Notes and subject to the conditions set out below under "*Common Conditions to Consent*":

(a) Specific Consent: the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of such Senior or Subordinated Notes by:

(i) the relevant Dealer(s) or Manager(s) specified in the applicable Final Terms;

(ii) any financial intermediaries specified in the applicable Final Terms; and

(iii) any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Issuer's website (*www.unicreditgroup.eu*) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer; and

(b) General Consent: if (and only if) Part B of the applicable Final Terms specifies "General Consent" as "Applicable", the Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of Senior or Subordinated Notes by any financial intermediary which satisfies the following conditions:

(i) it is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2014/65/EU); and

(ii) it accepts such offer by publishing on its website the following statement (with the information in square brackets duly completed) (the **Acceptance Statement**):

"We, [*insert legal name of financial intermediary*], refer to the offer of [*insert title of relevant Senior or Subordinated Notes*] (the **Notes**) described in the Final Terms dated [*insert date*] (the **Final Terms**) published by UniCredit S.p.A. (the **Issuer**). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [*specify relevant State(s)*] during the Offer Period and subject to the other conditions to such consent, each as specified in the Base Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus), and confirm that we are using the Base Prospectus accordingly."

The consent referred to above relates to Non-exempt offers occurring within 12 months from the date of this Base Prospectus.

The **Authorised Offeror Terms** are that the relevant financial intermediary:

(A) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer and the relevant Dealer that it will, at all times in connection with the relevant Non-exempt Offer:

(I) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the **Rules**) from time to time including, without limitation, and in each case, Rules relating to both the appropriateness or suitability of any investment in the Senior or Subordinated Notes by any person and disclosure to any potential Investor;

(II) comply with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply if the relevant financial intermediary were a Dealer and consider the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms;

(III) ensure that any fee (and any other commissions or benefits of any kind) or rebate received or paid by the relevant financial intermediary in relation to the offer or sale of the Senior or Subordinated Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;

(IV) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Senior or Subordinated Notes under the Rules;

(V) comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Senior or Subordinated Notes by the Investor), and will not permit any application for Senior or Subordinated Notes in circumstances where the financial intermediary has any suspicions as to the source of the application moneys;

(VI) retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the rules, make such records available to the relevant Dealer and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer in order to enable the Issuer and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the Issuer and the relevant Dealer, as the case may be;

(VII) immediately inform the Issuer and the relevant Dealer if at any time it becomes aware, or suspects, that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;

(VIII) ensure that no holder of Senior or Subordinated Notes or potential Investor in Senior or Subordinated Notes shall become an indirect or direct client of the Issuer or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;

(IX) co-operate with the Issuer and the relevant Dealer in providing relevant information (including, without limitation, documents and records maintained pursuant to paragraph (I) above) and such further assistance as is reasonably requested upon written request from the Issuer or the relevant Dealer in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process. For this purpose, relevant information is information that is available to or can be acquired by the relevant financial intermediary:

(i) in connection with any request or investigation by any regulator in relation to the Senior or Subordinated Notes, the Issuer or the relevant Dealer; and/or

(ii) in connection with any complaints received by the Issuer and/or the relevant Dealer relating to the Issuer and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in the Rules; and/or

(iii) which the Issuer or the relevant Dealer may reasonably require from time to time in relation to the Senior or Subordinated Notes and/or to allow the Issuer or the relevant Dealer fully to comply with its own legal, tax and regulatory requirements;

(X) during the primary distribution period of the Senior or Subordinated Notes: (i) only sell the Senior or Subordinated Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Dealer); (ii) only sell the Senior or Subordinated Notes for settlement on the Issue Date specified in the applicable Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Senior or Subordinated Notes (unless otherwise agreed with the relevant Dealer); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer;

(XI) either (i) obtain from each potential Investor an executed application for the Senior or Subordinated Notes, or (ii) keep a record of all requests the relevant financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Senior or Subordinated Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;

(XII) ensure that it does not, directly or indirectly, cause the Issuer or the relevant Dealer to breach any Rule or subject the Issuer or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

(XIII) comply with the conditions to the consent referred to under "Common Conditions to Consent" below and any further requirements or other Authorised Offeror Terms relevant to the Non-exempt Offer as specified in the applicable Final Terms;

(XIV) make available to each potential Investor in the Senior or Subordinated Notes this Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with this Base Prospectus; and

(XV) if it conveys or publishes any communication (other than this Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Non-exempt Offer) in connection with the relevant Non-exempt Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that none of the Issuer and the relevant Dealer accepts any responsibility for such communication and (C) does not, without the prior written consent of the Issuer or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the relevant Senior or Subordinated Notes on the basis set out in this Base Prospectus;

(B) agrees and undertakes to each of the Issuer and the relevant Dealer that if it or any of its respective directors, officers, employees, agents, affiliates and controlling persons (each a **Relevant Party**) incurs any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) (a **Loss**) arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by the relevant financial intermediary, including (without limitation) any unauthorised action by the relevant financial intermediary or failure by it to observe any of the above restrictions or requirements or the making by it of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Dealer, the relevant financial intermediary shall pay to the Issuer, or the relevant Dealer, as the case may be, an amount equal to the Loss. Neither the Issuer nor any Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this provision; and

(C) agrees and accepts that:

(I) the contract between the Issuer and the relevant financial intermediary formed upon acceptance by the relevant financial intermediary of the Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Exempt Offer (the **Authorised Offeror Contract**), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with Italian law;

(II) subject to paragraph (IV) below, the Italian courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a **Dispute**) and the Issuer and the relevant financial intermediary submit to the exclusive jurisdiction of the Italian courts;

(III) for the purposes of paragraphs (II) above and (IV) below, the Issuer and the relevant financial intermediary waive any objection to the Italian courts, on the grounds that they are an inconvenient or inappropriate forum to settle any dispute; and

(IV) the Issuer and each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

Any Authorised Offeror falling within paragraph (b) above and who meets the other conditions stated in "*Common Conditions to Consent*" below and who wishes to use this Base Prospectus in connection with a Non-exempt Offer is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.

Common Conditions to Consent

The conditions to the Issuer's consent are (in addition to the conditions described in paragraph (a) above if Part B of the applicable Final Terms specifies "*General Consent*" as "*Applicable*") that such consent:

I. is only valid during the Offer Period specified in the applicable Final Terms; and

II. only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Senior or Subordinated Notes in the Republic of Italy, Luxembourg, the Federal Republic of Germany and Austria as specified in the applicable Final Terms.

The consent referred to above only relates to Offer Periods (if any) occurring within 12 months from the date of this Base Prospectus.

Each Tranche of Senior or Subordinated Notes may only be offered to Investors as part of a Non-exempt Offer in each Relevant Member State specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SENIOR OR SUBORDINATED NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SENIOR OR SUBORDINATED NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE SENIOR OR SUBORDINATED NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE ISSUER AND, FOR THE AVOIDANCE OF DOUBT, ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF THE INFORMATION DESCRIBED ABOVE.

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms or Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, will be carried out in accordance with all applicable laws and regulations and may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Documents Incorporated by Reference

The following documents which have previously been published shall be incorporated in, and form part of, this Base Prospectus:

- the Terms and Conditions for the English Law Notes contained in the Base Prospectus dated 7 June 2021, pages 168 to 229 (inclusive), available athttps://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/funding-and-ratings/funding-programs/EMTN/2021/Base-Prospectus-_2021-06-07_pub.pdf,, prepared by the Issuer in connection with the Programme;

- the Terms and Conditions for the Italian Law Notes contained in the Base Prospectus dated 7 June 2021, pages 230 to 297 (inclusive), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/funding-and-ratings/funding-programs/EMTN/2021/Base-Prospectus-_2021-06-07_pub.pdf, as subsequently supplemented by the Fourth Supplement dated 16 May 2022, pages 50 to 52 (inclusive), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/funding-and-ratings/funding-programs/EMTN/2021/UCI-EMTN-2022---Fourth-Supplement.pub.pdf, prepared by the Issuer in connection with the Programme;

- the audited consolidated and non-consolidated annual financial statements as at and for the financial year ended 31 December 2020 of UniCredit (the **2020 UniCredit Annual Report and Accounts**) available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2020/4Q20/2020-Annual-Report-and-Accounts.pdf, including the information set out at the following pages in particular:

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- the audited consolidated and non-consolidated annual financial statements as at and for the financial year ended 31 December 2021 of UniCredit (the **2021 UniCredit Annual Report and Accounts**) available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2021/4Q21/2021-Annual-Reports-and-Accounts.pdf, including the information set out at the following pages in particular:

Information incorporated	**Page numbers**
Consolidated Report and Accounts of UniCredit Group:	
Consolidated Report on Operations	77-119
Consolidated Balance Sheet	139
Consolidated Income Statement	140
Consolidated Statement of Comprehensive Income	141
Statement of Changes in the Consolidated Shareholders' Equity	142-144
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Report and Accounts of UniCredit S.p.A.:	
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Balance Sheet	593
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- the unaudited consolidated interim report as at and for the three months ended 31 March 2021 – Press Release dated 6 May 2021 of UniCredit (the **UniCredit Unaudited Consolidated Interim Report as at 31 March 2021 – Press Release**) available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2020/UniCredit_PR_1Q21_ENG.pdf including the information set out at the following pages in particular:

Information incorporated	**Page numbers**
UniCredit Group: Reclassified Income Statement	21
UniCredit Group: Reclassified Balance Sheet	22
Other UniCredit Group Tables (Shareholders' Equity, Staff and Branches, Ratings, Sovereign Debt Securities – Breakdown by Country/Portfolio, Weighted Duration, Breakdown of Sovereign Debt Securities by Portfolio, Sovereign Loans – Breakdown by Country)	23-27
Basis for Preparation	27-31
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- the unaudited consolidated interim report as at and for the three months ended 31 March 2022 – Press Release dated 5 May 2022 of UniCredit (the **UniCredit Unaudited Consolidated Interim Report as at 31 March 2022 – Press Release**) available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2022/UniCredit_PR_1Q22_ENG.pdf, including the information set out at the following pages in particular:

Information incorporated	**Page numbers**
UniCredit Group: Reclassified Income Statement	14
UniCredit Group: Reclassified Balance Sheet	15
Other UniCredit Group Tables (Sovereign Debt Securities – Breakdown by Country/Portfolio, Weighted Duration, Ratings)	16-18
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Declaration by the manager charged with preparing the financial reports	25

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference lists above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this

Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

Form of the Notes

Any reference in this section to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.

The Notes of each Series will be in bearer form, with or without Coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

BEARER NOTES

Each Tranche of Bearer Notes will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent Global Note (a **Permanent Bearer Global Note** and, together with the Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will:

I. if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and

II. if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received in accordance with its rules and procedures) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Bearer Global Note of the same Series or (b) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note) if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange** Event means that (i) an Event of Default (as defined in Condition 13 (*Events of Default*) of the Terms and Conditions of the Notes) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 17 (*Notices*) of the Terms and Conditions of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Notes (other than Temporary Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms or Pricing Supplement, as the case may be:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

GENERAL

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or as otherwise required by a court of competent jurisdiction or a public official authority) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note, and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

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

NOTES WITH A DENOMINATION OF LESS THAN €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY), OTHER THAN (1) NOTES TO BE ADMITTED TO TRADING ONLY ON A REGULATED MARKET, OR A SPECIFIC SEGMENT OF A REGULATED MARKET, TO WHICH ONLY QUALIFIED INVESTORS HAVE ACCESS, AND (2) EXEMPT NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not (1) Notes to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the Prospectus Regulation) have access and (2) Exempt Notes and which have a denomination of less than €100,000 (or its equivalent in any other currency) issued under the Programme.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][15]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][16]

[[**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the [Notes] has led to the conclusion that: (i) the target market for the [Notes] is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the [Notes] to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the [Notes] (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Notes] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the

[15] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[16] Legend to be included on the front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][17]

OR

[**MIFID II product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the [Notes] has led to the conclusion that: (i) the target market for the [Notes] is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; EITHER [and (ii) all channels for distribution of the [Notes] are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the [Notes] to retail clients are appropriate – investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the [Notes] (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Notes] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]]

[**UK MIFIR product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); EITHER [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable].]][18]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (**the **SFA) -** [*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*]][19]

[*The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act 1947 of Singapore.*

[17] Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

[18] Legend to be included on front of the Final Terms if following the ICMA 2 market approach.

[19] Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the **ITA**), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[*Date*]

FINAL TERMS
UniCredit S.p.A.
[*Please include the place of incorporation, registered office, registration number and form of the Issuer*]

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
under the
€60,000,000,000 Euro Medium Term Note Programme

Part A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the Base Prospectus dated 7 June 2022 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus in order to obtain all the relevant information.

A summary of the individual issue is annexed to these Final Terms. The Base Prospectus is available for viewing during normal business hours at UniCredit S.p.A., Piazza Gae Aulenti, 3 Tower A 20154 Milan, Italy and has been published on the website of UniCredit *www.unicreditgroup.eu*, as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from the Issuer at the address above.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date*.]

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions for the English Law Notes] [Terms and Conditions for the Italian Law Notes] (the **Conditions**) set forth in the Base Prospectus dated 7 June 2021 which are incorporated by reference in the Base Prospectus dated [7] June 2022. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. A summary of the individual issue is annexed to these Final Terms. The Base Prospectus is available for viewing during normal business hours at UniCredit S.p.A., Piazza Gae Aulenti, 3 Tower A 20154 Milan, Italy and has been published on the website of UniCredit *www.unicreditgroup.eu* as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from the Issuer at the address above.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*]

[*When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation*.]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency*.]

1.	Series Number:		[ ]
	(a)	Tranche Number:	[ ]
	[(b)	Date on which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated and form a single Series with [*Provide issue amount/ISIN/maturity date/issue date of earlier Tranches*] on [the Issue Date/ the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 27 below, which is expected to occur on or about [*date*]][Not Applicable]] (*delete this paragraph if Not Applicable*)
2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5.	Specified Denominations:		[ ]
	(a)	Calculation Amount:	[ ] *(If only one Specified Denomination, insert the Specified Denomination* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)*
6.	Issue Date:		[ ]
	(a)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] *(An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
7.	Maturity Date:		[*Specify date or for Floating rate notes - Interest Payment Date falling in or nearest to* [*specify month and year*][20]] [*The Maturity Date may need to be not less than one year after the Issue Date*)]
8.	Interest Basis:		[[ ] per cent. Fixed Rate]

[20] Note that for Renminbi denominated Fixed Rate Notes, where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

		[[ ] per cent. Fixed Rate from [ ] to [ ], then [ ] per cent. Fixed Rate from [ ] to [ ]] [[ ] month [EURIBOR/CAD-BA-CDOR/CMS Reference Rate/SOFR] +/- [ ] per cent. Floating Rate] [Floating Rate: CMS Rate Linked Interest] [Inflation Linked Interest] [Zero Coupon] (further particulars specified below)
9.	Redemption/Payment Basis:	100 per cent.
10.	Change of Interest Basis:	[Applicable]/[Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*To be completed in addition to paragraphs 13 and 15 below (as appropriate) if any fixed to floating or fixed reset rate change occurs*)
	(i) Switch Option:	[Applicable – [*specify details of the change(s) in Interest Basis and the relevant Interest Periods to which the change(s) in Interest Basis applies*]/[Not Applicable] (*The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 17 (Notices) of the Terms and Conditions of the Notes on or prior to the relevant Switch Option Expiry Date*)
	(ii) Switch Option Expiry Date:	[ ]
	(iii) Switch Option Effective Date:	[ ]
11.	Call Options:	[Not Applicable] [Issuer Call] [Regulatory Call] [Issuer Call due to MREL or TLAC Disqualification Event] [(see paragraph[s] [19][, 20] [and][21]below]
12.	Status of the Notes:	[Senior/Subordinated]
	(a) [Date of [Board] approval for issuance of Notes:	[ ]] *(Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Rate(s) of Interest:	[[ ] per cent. per annum payable in arrear on each Interest Payment Date] [*specify other in case of different Rates of Interest in respect of different Interest Periods*].
	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date] (*Amend appropriately in the case of irregular coupons*)
	(c)	Business Day Convention:	[Modified Following Business Day Convention/Not Applicable] (*For certain Renminbi denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification, insert Modified Following Business Day Convention*)
	(d)	Fixed Coupon Amount(s):	[[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)] [payable [[ ] in arrear] on [ ]/[each Interest Payment Date][, except for the amount of interest payable on the first Interest Payment Date falling on [ ]].] [[This]/[These] Fixed Coupon Amount[s] appl[ies]/[y] if the Notes are represented by a global Note or are in definitive form.] *(Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods)*
	(e)	Broken Amount(s):	[[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)][, payable on the Interest Payment Date falling [in/on] [ ].][This Broken Amount applies if the Notes are represented by a global Note or are in definitive form]/[Not Applicable]
	(f)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)][21][Actual/Actual Canadian Compound Method][622]
	(g)	Determination Date[s]:	[[ ] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular*

[21] Applicable for Fixed Rate Notes denominated in Renminbi.
[22] Applicable for Fixed Rate Notes denominated in Canadian Dollars.

			interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
14.	Reset Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Initial Rate of Interest:	[●] per cent. per annum payable in arrear [on each Interest Payment Date]
	(b)	First Margin:	[+/-][●] per cent. per annum
	(c)	Subsequent Margin:	[[+/-][●] per cent. per annum] [Not Applicable]
	(d)	Interest Payment Date(s):	[●] [and [●]] in each *year* up to and including the Maturity Date [until and excluding [●]]
	(e)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[[●] per Calculation Amount] (*applicable to the Notes in definitive form)*] [/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)] [payable [[ ] in arrear] on [ ]/[each Interest Payment Date][, except for the amount of interest payable on the first Interest Payment Date falling on [ ]].] [[This]/[These] Fixed Coupon Amount[s] appl[ies]/[y] if the Notes are represented by a global Note or are in definitive form.] (*Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods*)
	(f)	Broken Amount(s):	[[●] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)][, payable on the Interest Payment Date falling [in/on] [ ].] [This Broken Amount applies if the Notes are represented by a global Note or are in definitive form]/[Not Applicable]
	(g)	First Reset Date:	[●]
	(h)	Second Reset Date:	[●]/[Not Applicable]
	(i)	Subsequent Reset Date(s):	[●] [and [●]]
	(j)	Mid-Swap Floating Leg Benchmark Rate:	[●]
	(k)	Relevant Screen Page:	[ISDAFIX1]/[ISDAFIX2]/[ISDAFIX3]/ [ISDAFIX4]/[ISDAFIX5]/[ISDAFIX6]/[●]/[Not Applicable]
	(l)	Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
	(m)	Mid-Swap Maturity:	[●]
	(n)	Reset Reference Rate Conversion:	[Applicable/Not Applicable]

	(o)	Original Reset Reference Rate Payment Basis:	[Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
	(p)	Day Count Fraction:	[Actual/Actual / Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360/360/360/Bond Basis] [30E/360/Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual ICMA]
	(q)	Determination Dates:	[●] in each year
	(r)	Additional Business Centre(s):	[●]
	(s)	Calculation Agent:	[Principal Paying Agent] [●]
	(t)	Reset Reference Rate Replacement:	[Applicable][Not Applicable]
15.	Floating Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Interest Period(s):	[●] [each consisting of [●] Interest Accrual Periods each of [●]][, subject to adjustment in accordance with the Business Day Convention]
	(b)	Interest Accrual Period:	[●] [*Define for Compounded SOFR only, otherwise delete*]
	(c)	Interest Accrual Period End Date(s):	[[●]/Not Applicable]
	(d)	Specified Period(s)/Specified Interest Payment Dates:	[ ][, subject to adjustment in accordance with the Business Day Convention set out in subparagraph (e) below/, not subject to any adjustment, as the Business Day Convention subparagraph in (e) below is specified to be Not Applicable] [[ ] Business Days following each Interest Accrual Period End Date/As per Condition 6.3(b)(iii)(c)]
	(e)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
	(f)	Additional Business Centre(s):	[ ]
	(g)	Manner in which the Rate of Interest and Interest Amount are to be determined:	[Screen Rate Determination/ISDA Determination]
	(h)	Calculation Agent:	[Principal Paying Agent] / [●]
	(i)	Screen Rate Determination:	

Reference Rate(s):	[[ ] month [EURIBOR/CAD-BA-CDOR/CMS Reference Rate/SOFR]]/[CMS Rate]]
Relevant Financial Centre:	[London/Brussels/*specify other Relevant Financial Centre*] (*only relevant for CMS Rate*) *(If CMS Rate is not applicable, delete the remaining subparagraphs of this paragraph)*
Reference Currency:	[ ] (*only relevant for CMS Rate*)
Designated Maturity:	[ ] (*only relevant for CMS Rate*)
Specified Time:	[ ] in the Relevant Financial Centre (*only relevant for CMS Rate*)
(i) Interest Determination Date(s)/SOFR Interest Determination Date(s):	[ ] *(First day of each Interest Period if CAD-BA-CDOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or CMS Rate where the reference currency is euro)* (*In the case of a CMS Rate where the Reference Currency is euro*): [Second day on which the TARGET2 system is open prior to the start of each interest Period] (*In the case of a CMS Rate where the Reference Currency is other than euro): [Second (specify type of day) prior to the start of each Interest Period*] (*In the case of Compounded SOFR with Lookback, Compounded SOFR with Observation Period Shift and Compounded SOFR Index with Observation Period Shift, set out the number of U.S. Government Securities Business Days prior to Interest Payment Date(s) in respect of the relevant Interest Period(s)*)
(ii) Relevant Screen Page:	**[**ISDAFIX2 or any successor screen page**] [***insert other screen page***]** *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)* (*In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions*)
CMS Rate definitions:	[Not Applicable][Cap means [ ] per cent. per annum] [Floor means [ ] per cent. per annum]

		[Leverage means [ ] per cent.]
	Calculation Method:	[Compounded SOFR with Lookback/Compounded SOFR with Observation Period Shift/Compounded SOFR with Payment Delay/Compounded SOFR Index with Observation Period Shift] (*only relevant for SOFR*)
	Observation Period:	[[●]/Not Applicable] [As defined in Conditions] (*only relevant for SOFR*)
	SOFR $Index_{Start}$ and SOFR $Index_{End}$ Number of U.S. Government Securities Business Days:	[SOFR $Index_{Start}$: [2 U.S. Government Securities Business Days / [ ]] / Not Applicable] (*only relevant for SOFR*) [SOFR $Index_{End}$: [2 U.S. Government Securities Business Days / [ ]] / Not Applicable] (*only relevant for SOFR*)
	Lookback Number of U.S. Government Securities Business Days:	[[●]/Not Applicable] (*only relevant for SOFR*) (*Not less than Five U.S. Government Securities Business Days without consent of Calculation Agent*)
	D:	[365/360/[ ]] (*only relevant for SOFR*)
(j)	ISDA Determination:	
	(i) Floating Rate Option:	[ ]
	(ii) Designated Maturity:	[ ]
	(iii) Reset Date:	[ ] (*In the case of a EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of each Interest Period and if otherwise to be checked.*)
(k)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(l)	Difference in Rates:	[Applicable]/[Not Applicable]
	CMS Rate 1:	[ ]
	Manner in which CMS Rate 1 is to be determined:	[Reference Rate determined in accordance with Screen Rate Determination/ISDA Rate determined in accordance with ISDA Determination/ CMS Rate determined in accordance with ISDA Determination]
	CMS Rate 2:	[ ]
	Manner in which CMS Rate 2 is to be determined:	[Reference Rate determined in accordance with Screen Rate Determination/ISDA Rate determined in

			accordance with ISDA Determination/ CMS Rate determined in accordance with ISDA Determination]
	(m)	Margin(s):	[Not Applicable]/[[+/-] [ ] per cent. per annum
	(n)	Minimum Rate of Interest:	[ ] per cent. per annum
	(o)	Maximum Rate of Interest:	[ ] per cent. per annum
	(p)	Day Count Fraction:	[[Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond basis] 30E/360 (ISDA)][23]
	(q)	Reference Rate Replacement:	[Applicable][Not Applicable]
16.	Inflation Linked Interest Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Inflation Index:	[Inflation for Blue Collar Workers and Employees - Excluding Tobacco Consumer Price Index Unrevised (CPI)/ Eurozone Harmonised Index of Consumer Prices excluding Tobacco (HICP)] (*Give or annex details of index/indices*) [Amounts payable under the Notes will be calculated by reference to [CPI/HICP] which is provided by [●]. [As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**).] [As far as the Issuer is aware, [CPI/HICP] [does/do] not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of that Regulation.]]
	(b)	Inflation Index Sponsor:	[ ]
	(c)	Index Factor:	[ ] [*Specify the relevant Index Factor*] [Not Applicable]
	(d)	Calculation Agent (which shall not be the Principal Paying Agent):	[*name*]
	(e)	Determination Date(s):	[ ]
	(f)	Interest or calculation period(s):	[ ]

[23] Actual/365(Fixed) is applicable to Renminbi and Canadian Dollars denominated Notes.

(g)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(h)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable] (*Note that this item adjusts the end date of each Interest Period (and, consequently, also adjusts the length of the Interest Period and the amount of interest due). In relation to the actual date on which Noteholders are entitled to receive payment of interest, see also Condition 9.7 (Payment Day) of the Terms and Conditions of the Notes.)*
(i)	Additional Business Centre(s):	[ ]
(j)	Minimum Rate of Interest:	[ ] per cent. per annum
(k)	Maximum Rate of Interest:	[ ] per cent. per annum
(l)	Margin:	[[*insert Margin*] per cent. per annum] [Not Applicable]
(m)	Day Count Fraction:	[ ]
(n)	Commencement Date of the Inflation Index:	[ ]*[Specify the relevant commencement month of the retail price index]*
(o)	Reference Month:	[ ]
(p)	Reference Bond:	[ ]
(q)	Related Bond:	[Applicable]/[Not Applicable] The Related Bond is: [ ] [Fallback Bond] The issuer of the Related Bond is: [ ]
(r)	Fallback Bond:	[Applicable]/[Not Applicable]
(s)	Cut-Off Date:	[As per Conditions]/[*specify other*]
(t)	End Date:	[ ] (*This is necessary whenever Fallback Bond is applicable*)
(u)	Additional Disruption Events:	[Change of Law] [Increased Cost of Hedging] [Hedging Disruption] [None]

	(v)	Trade Date:	[ ]
17.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

18.	Notice periods for Condition 10.3 of the Terms and Conditions of the Notes and Condition 10.6 of the Terms and Conditions of the Notes:		Minimum period: [ ] days Maximum period: [ ] days
19.	Issuer Call:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Optional Redemption Date(s):	[ ] [each Business Day during the period from (and including) [*date*] to (but excluding) [*date*] [and each Interest Payment Date following [*date*]].]
	(b)	Optional Redemption Amount (in the case of Subordinated Notes only, subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations):	[[ ] per Calculation Amount][[Make-whole Amount]]
	(c)	Reference Bond:	[Insert applicable Reference Bond/FA Selected Bond]
	(d)	Quotation Time:	[11.00 a.m. [London/*specify other*] time]
	(e)	Redemption Margin:	[[ ] per cent./Not Applicable]
	(f)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]

	(ii) Maximum Redemption Amount:	[ ]
	(g) Notice period:	Minimum period: [ ] days Maximum period: [ ] days (*When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent*)
20.	Regulatory Call:	[Applicable/Not Applicable] (*Only relevant in the case of Subordinated Notes*)
21.	Issuer Call due to MREL or TLAC Disqualification Event:	[Applicable]/[Not Applicable] (*Please consider that not less than the minimum period nor more than maximum period (each as specified in paragraph 18 above) of notice has to be sent to the Principal Paying Agent and, in accordance with Condition 17* (*Notices*) *of the Terms and Conditions of the Notes, the Noteholders)* (*Only relevant in the case of Senior Notes*)
22.	Final Redemption Amount:	[ ]/[[100 per cent.] per Calculation Amount]
23.	Early Redemption Amount payable on redemption:	[ ] [per Calculation Amount/As per Condition [10.7] (*Early Redemption Amounts*) of the Terms and Conditions of the Notes]
	(i) for taxation reasons (subject to [*insert in the case of Senior Notes*][Condition 10.16 of the Terms and Conditions of the Notes] in [*insert in the case of Subordinated Notes*][Condition 10.15 of the Terms and Conditions of the Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]) as contemplated by Condition 10.3 of the Terms and Conditions of the Notes;	[See also paragraph 20 above)] **(***Delete this cross-reference unless the Notes are Subordinated Notes and the Regulatory Call is applicable*) [See also paragraph 21 (*Issuer Call due to MREL or TLAC Disqualification Event*) above] *(Delete this cross-reference unless the Notes are Senior Notes and the Issuer Call due to MREL or TLAC Disqualification Event is applicable)* *(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*
	(ii) [*insert in case of Subordinated Notes*][for regulatory reasons (subject to Condition 10.15 of the	

Terms and Conditions of the Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)) as contemplated by Condition 10.4 of the Terms and Conditions of the Notes;]

(iii) [*insert in case of Senior Notes*][for MREL or TLAC Disqualification Event (subject to Condition 10.16 of the Terms and Conditions of the Notes) as contemplated by Condition 10.6 of the Terms and Conditions of the Notes; or]

(iv) on event of default (subject to[*insert in the case of Senior Notes*][Condition 10.16 of the Terms and Conditions of the Notes] [*insert in the case of Subordinated Notes*][Condition 10.15 of the Terms and Conditions of the Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]),

and/or the method of calculating the same (if required or if different from that set out in Condition 10.7 of the Terms and Conditions of the Notes (*Redemption and Purchase – Early Redemption Amounts*):

24.	Extendible Notes:		[Applicable/Not Applicable]
	(a)	Initial Maturity Date:	[ ]
	(b)	Final Maturity Date:	[ ]
	(c)	Election Date(s):	[ ]
	(d)	Notice period:	Not less than [ ] nor more than [ ] days prior to the applicable Election Date][*]
25.	RMB Currency Event:		[Applicable] [Not Applicable]

[*] For any maturity extension at the option of the holder a minimum of 10 business days notice is required.

			(*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Spot Rate:	(i) Relevant Spot Rate Screen Page: [Reuters CNHFIX01]/[ ]/[Not Applicable] (ii) Relevant Valuation Time: [ ]/[Not Applicable]
	(b)	Calculation Agent responsible for calculating the Spot Rate:	[●][Not Applicable]
26.	Relevant Currency:		[*specify*] [Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27.	Form of Notes		
	(a)	Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes upon an Exchange Event] [Permanent Bearer Global Note exchangeable for definitive Notes upon an Exchange Event] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.[24]]
	(b)	New Global Note:	[Yes] [No]
28.	Additional Financial Centre(s):		[Not Applicable/*give details*] *(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which subparagraph 16(c) above relates)*
29.	RMB Settlement Centre(s):		[Not Applicable/*give details*]
30.	Talons for future Coupons to be attached to Definitive Notes:		[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

[**THIRD PARTY INFORMATION**

[*Relevant third-party information,*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from

[24] Include for Notes that are to be offered in Belgium.

information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of UniCredit S.p.A.:

By:

Duly authorised

By:

Duly authorised

Part B – OTHER INFORMATION

1.	**LISTING AND ADMISSION TO TRADING:**	[Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from [ ].] [Not Applicable.] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading on the Luxembourg Stock Exchange's regulated market*)
2.	**RATINGS**	
	Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [*insert details*]] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*.] [Each of [*defined terms*] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).] [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**).] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating*.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Dealers/Managers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Dealers/Managers] and their affiliates have engaged, and may in the future engage, in investment

banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(a)	Reasons for the offer:	[for its general corporate purposes, which include making a profit] / [●] [Further details on Green Bonds, Social Bonds or Sustainability Bonds are included in the [UniCredit Sustainability Bond Framework], made available on the Issuer's website in the investor relations sections at [●]] See "Use of Proceeds" wording in the Base Prospectus. *(If reasons for offer different from making profit or general corporate purposes (for example for a Green Bond, a Social Bond, or an issuance of a Sustainability Bond, will need to include those reasons here)*)
(b)	Estimated net proceeds:	[ ] *(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds are insufficient to fund all proposed uses, state amount and sources of other funding)*
(c)	Estimated total expenses:	[ ]

5. YIELD (Fixed Rate Notes only)

Indication of yield: [ ] [Not Applicable]

6. PERFORMANCE OF RATES (Floating Rate Notes and Inflation Linked Notes Only)

[Details of performance of [EURIBOR/CAD-BA-CDOR/CMS Reference Rate/SOFR/CPI/HICP] rates can be obtained, [but not] free of charge, from [Reuters/Bloomberg/*give details of electronic means of obtaining the details of performance*].] [Not Applicable]

7. OPERATIONAL INFORMATION

(a)	ISIN:	[ ]
(b)	Common Code:	[ ]
(c)	CUSIP:	[ ] [Not Applicable]
(d)	CINS:	[ ] [Not Applicable]
(e)	CFI:	[[*include code*][25], as updated, as set out on the website of the Association of National Numbering Agencies

[25] The actual code should only be included where the Issuer is comfortable that it is correct.

		(ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(f)	FISN:	[[*include code*][20], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(g)	[[*specify other codes*]	[ ]]
(h)	Any clearing system(s) other than Euroclear Bank and Clearstream Luxembourg and the relevant identification number(s):	[Not Applicable/give name(s), address(es) and number(s)]
(i)	Delivery:	Delivery [against/free of] payment
(j)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(k)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

8. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names and addresses of Managers (specifying Lead Manager) and underwriting commitments:	[Not Applicable/*give names, addresses and underwriting commitments*] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place*

		the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)
(iii)	Date of [Subscription Agreement/ *other agreement*]:	[ ] [Not Applicable]
(iv)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(v)	If non-syndicated, name and address of relevant Dealer:	[Not Applicable/*give name and address*]
(vi)	Total commission and concession:	[ ] per cent. of the Aggregate Nominal Amount
(vii)	U.S. Selling Restrictions:	[Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]]
(viii)	[Non-exempt Offer [where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus]:	[Applicable] [Not Applicable]
		(*if not applicable, delete the remaining placeholders of this paragraph (viii) and also paragraph 9 below*)
	[Non-exempt Offer Jurisdictions:	[*Specify relevant Member State(s) where the issuer intends to make Non-exempt Offers (note that the Base Prospectus includes a list of States where the issuer has passported the Base Prospectus and any supplements and from which the relevant Non-exempt Offer Jurisdictions should be selected in addition to Luxembourg: the Republic of Italy, the Federal Republic of Germany and Austria)*]
	Offer Period:	From [*Specify the start date(s)*] until [*specify end-date(s)*]
	Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it:	[*Insert names and addresses of financial intermediaries receiving consent (specific consent)*/Not Applicable]
	General Consent:	[Not Applicable][Applicable]
	Other Authorised Offeror Terms conditions to consent:	[Not Applicable][*Add here any other Authorised Offeror Terms*]
		(*Authorised Offeror Terms should only be included here where General Consent is applicable*)
		(*Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base*

		prospectus (and any supplement) has been notified/passported.)
(ix)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.*)
(x)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(xi)	[EU Benchmark Regulation:	[Applicable: Amounts payable under the Notes are calculated by reference to [*insert name*[*s*] *of benchmark*(*s*)], which [is/are] provided by [*insert name*[*s*] *of the administrator*[*s*] *– if more than one specify in relation to each relevant benchmark*].
	EU Benchmark Regulation: Article 29(2) statement on benchmarks:	[As at the date of these Final Terms, [*insert name*[*s*] *of the administrator*[*s*]] [is/are] [not] included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority [(**ESMA**)] pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) [(the **BMR**)]. [As far as the Issuer is aware, [[*insert name of the benchmark*] does not fall within the scope of the BMR by virtue of Article 2 of the BMR.]/[the transitional provisions in Article 51 of the BMR apply, such that the administrator is not currently required to obtain authorisation/registration]]. (*repeat as necessary*)]] (*if Not Applicable, delete this sub-paragraph*)

9. TERMS AND CONDITIONS OF THE OFFER

(*Whole section not to be completed if subparagraph 8(viii) above is specified to be Not Applicable because there is no Non-exempt Offer*)

(a)	Offer Price:	[Issue Price/Not Applicable/*specify*]
(b)	Conditions to which the offer is subject:	[Not Applicable/*give details*]
(c)	Description of the application process:	[A prospective investor will subscribe for Notes in accordance with the arrangements agreed with the relevant authorized intermediary relating to the subscription of securities generally/*give details*/Not Applicable]

(d)	Details of the minimum and/or maximum amount of the application:	[Not Applicable/*give details*]
(e)	Description of possibility to reduce subscriptions and manner for refunding amounts paid in excess by applicants:	[Not Applicable/*give details*]
(f)	Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/*give details*]
(g)	Manner in and date on which results of the offer are to be made public:	[Not Applicable/*give details*]
(h)	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/*give details*]
(i)	Whether tranche(s) have been reserved for certain countries:	[Not Applicable/*give details*]
(j)	Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made:	[Not Applicable/*give details*]
(k)	Amount of any expenses and taxes charged to the subscriber or purchaser:	[Not Applicable/*give details*] *(If the Issuer is subject to MiFID II and/or PRIIPs such that it is required to disclose information relating to costs and charges, also include that information)*
(l)	Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[*insert name*] [*insert address*] [The Authorised Offerors identified in paragraph [8] above and identifiable from the Base Prospectus/None/*give details*]

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

NOTES WITH A DENOMINATION OF AT LEAST €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY), OTHER THAN EXEMPT NOTES, AND NOTES TO BE ADMITTED TO TRADING ONLY ON A REGULATED MARKET, OR A SPECIFIC SEGMENT OF A REGULATED MARKET, TO WHICH ONLY QUALIFIED INVESTORS HAVE ACCESS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which are not Exempt Notes and which (1) have a denomination of at least €100,000 (or its equivalent in any other currency) and/or (2) are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the Prospectus Regulation and UK Prospectus Regulation) have access.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][26]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**) where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][27]

[[**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the [Notes] has led to the conclusion that: (i) the target market for the [Notes] is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the [Notes] to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the [Notes] (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Notes] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

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[26] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[27] Legend to be included on the front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][28]

OR

[**MIFID II product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the [Notes] has led to the conclusion that: (i) the target market for the [Notes] is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, "MiFID II")][MiFID II]; EITHER [and (ii) all channels for distribution of the [Notes] are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the [Notes] to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the [Notes] (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Notes] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]]

[**UK MIFIR product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); EITHER [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable].]][29]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time** (the **SFA**) - [*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*]][30]

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28 Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

29 Legend to be included on front of the Final Terms if following the ICMA 2 market approach.

30 Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

[*The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act 1947 of Singapore.*

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the **ITA**), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[*Date*]

FINAL TERMS

UniCredit S.p.A.
[*Please include the place of incorporation, registered office, registration number and form of the Issuer*]

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
under the
€60,000,000,000 Euro Medium Term Note Programme

[The Notes will only be admitted to trading on [*insert name of relevant Q1 market/segment*], which is [an EEA regulated market/a specific segment of an EEA regulated market] (as defined in MiFID II), to which only qualified investors (as defined in the Prospectus Regulation) can have access and shall not be offered or sold to non-qualified investors.][31]

Part A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the Base Prospectus dated 7 June 2022 [and the supplement[s] to it dated [*date(s)*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus, in order to obtain all the relevant information. The Base Prospectus is available for viewing during normal business hours at UniCredit S.p.A., Piazza Gae Aulenti, 3 Tower A 20154 Milan, Italy and has been published on the website of UniCredit *www.unicreditgroup.eu*, as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from the Issuer at the address above.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date*.]

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions for the English Law Notes] [Terms and Conditions for the Italian Law Notes] (the **Conditions**) set forth in the Base Prospectus dated 7 June 2021 which are incorporated by reference in the Base Prospectus dated 7 June 2022. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. The Base Prospectus is available for viewing during normal business hours at UniCredit S.p.A., Piazza Gae Aulenti, 3 Tower A 20154 Milan, Italy and has been published on the website of UniCredit *www.unicreditgroup.eu* as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from the Issuer at the address above.

[31] Legend to be included for Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) which will only be admitted to trading on a regulated market or a specific segment of a regulated market to which only qualified investors can have access.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency*.]

1.	Series Number:		[ ]
	(a)	Tranche Number:	[ ]
	(b)	[Date on which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated and form a single Series with [*Provide issue amount/ISIN/maturity date/issue date of earlier Tranches*] on [the Issue Date/ the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [*date*]][Not Applicable]] (*delete this paragraph if Not Applicable*)
2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5.	Specified Denominations[32]:		[ ] *(Notes must have a minimum denomination of €100,000 (or equivalent) unless they are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors have access. In the case of Non-Preferred Senior Notes, Notes must have a minimum denomination of €250,000 (or equivalent))* *(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in*

[32] The minimum denomination of the Non-Preferred Senior Notes will be Euro 250,000 and the minimum denomination of each Additional Tier 1 Note will be Euro 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body).

		definitive form will be issued with a denomination above [€199,000]."))
	(a) Calculation Amount:	[ ] *(If only one Specified Denomination, insert the Specified Denomination* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)*
6.	Issue Date:	[ ]
	(a) Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] *(An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
7.	Maturity Date:	[*Specify date or for Floating rate - Interest Payment Date falling in or nearest to* [*specify month and year*][33]] [(*The Maturity Date may need to be not less than one year after the Issue Date*)] [The Notes are perpetual securities and have no fixed date for redemption. The Notes may only be redeemed in the circumstances described in Condition 10 of the Terms and Conditions of the Notes.] *(N.B. only applicable to Additional Tier 1 Notes)*
8.	Interest Basis:	[[ ] per cent. Fixed Rate] [[ ] per cent. Fixed Rate from [ ] to [ ], then [ ] per cent. Fixed Rate from [ ] to [ ]] [[ ] month [EURIBOR/CAD-BA-CDOR/CMS Reference Rate/SOFR] +/- [ ] per cent. Floating Rate] [Floating Rate: CMS Rate Linked Interest] [Inflation Linked Interest] [Zero Coupon] (further particulars specified below)
9.	Redemption/Payment Basis:	100 per cent.
10.	Change of Interest Basis:	[Applicable]/[Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

[33] Note that for Renminbi denominated Fixed Rate Notes, where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

			(*To be completed in addition to paragraphs 13 and 15 below (as appropriate) if any fixed to floating or fixed reset rate change occurs*)
	(i)	Switch Option:	[Applicable – [*specify details of the change(s) in Interest Basis and the relevant Interest Periods to which the change(s) in Interest Basis applies*]/[Not Applicable] (*The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 17 (Notices) of the Terms and Conditions of the Notes on or prior to the relevant Switch Option Expiry Date*)
	(ii)	Switch Option Expiry Date:	[ ]
	(iii)	Switch Option Effective Date:	[ ]
11.	Call Options:		[Not Applicable] [Issuer Call] [Regulatory Call] [Issuer Call due to MREL or TLAC Disqualification Event] [(see paragraph[s] [19]/[, 20][and][21 below]
12.	Status of the Notes:		[Senior / Non-Preferred Senior / Subordinated / Additional Tier 1]
	(a)	[Date of [Board] approval for issuance of Notes	[ ]] *(Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Rate(s) of Interest:	[[ ] per cent. per annum payable in arrear on each Interest Payment Date] [*specify other in case of different Rates of Interest in respect of different Interest Periods*]
	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(c)	Business Day Convention:	[Modified Following Business Day Convention/Not Applicable] (*For certain Renminbi denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification, insert Modified Following Business Day Convention*)

	(d)	Fixed Coupon Amount(s):	[[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)] [payable [[ ] in arrear] on [ ]/[each Interest Payment Date][, except for the amount of interest payable on the first Interest Payment Date falling on [ ]].] [[This]/[These] Fixed Coupon Amount[s] appl[ies]/[y] if the Notes are represented by a global Note or are in definitive form.] *(Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods)*
	(e)	Broken Amount(s):	[[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)][, payable on the Interest Payment Date falling [in/on] [ ].] [This Broken Amount applies if the Notes are represented by a global Note or are in definitive form]/[Not Applicable]
	(f)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)][34][Actual/Actual Canadian Compound Method][35]
	(g)	Determination Date[s]:	[[ ] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
14.	Reset Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Initial Rate of Interest:	[●] per cent. per annum payable in arrear [on each Interest Payment Date]
	(b)	First Margin:	[+/-][●] per cent. per annum
	(c)	Subsequent Margin:	[[+/-][●] per cent. per annum] [Not Applicable]
	(d)	Interest Payment Date(s):	[●] [and [●]] in each *year* up to and including the Maturity Date [until and excluding [●]]
	(e)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[[●] per *Calculation* Amount] (*applicable to the Notes in definitive form)*] [/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)] [payable [[ ] in arrear] on [ ]/[each Interest Payment Date][, except for the amount of interest payable on the first Interest Payment Date falling on [ ]].] [[This]/[These] Fixed Coupon Amount[s]

[34] Applicable for Fixed Rate Notes denominated in Renminbi.
[35] Applicable for Fixed Rate Notes denominated in Canadian Dollars.

			appl[ies]/[y] if the Notes are represented by a global Note or are in definitive form.] (*Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods*)
	(f)	Broken Amount(s):	[[●] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)][, payable on the Interest Payment Date falling [in/on] [ ].] [This Broken Amount applies if the Notes are represented by a global Note or are in definitive form]/[Not Applicable]
	(g)	First Reset Date:	[●]
	(h)	Second Reset Date:	[●]/[Not Applicable]
	(i)	Subsequent Reset Date(s):	[●] [and [●]]
	(j)	Mid-Swap Floating Leg Benchmark Rate:	[●]
	(k)	Relevant Screen Page:	[ISDAFIX1]/[ISDAFIX2]/[ISDAFIX3]/[ISDAFIX4]/ [ISDAFIX5]/[ISDAFIX6]/[●]/[Not Applicable]
	(l)	Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
	(m)	Mid-Swap Maturity:	[●]
	(n)	Reset Reference Rate Conversion:	[Applicable/Not Applicable]
	(o)	Original Reset Reference Rate Payment Basis:	[Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
	(p)	Day Count Fraction:	[Actual/Actual / Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360/360/360/Bond Basis] [30E/360/Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual ICMA]
	(q)	Determination Dates:	[●] in each year
	(r)	Additional Business Centre(s):	[●]
	(s)	Calculation Agent:	[Principal Paying Agent] [●]
	(t)	Reset Reference Rate Replacement:	[Applicable][Not Applicable]
15.	Floating Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a)	Interest Period(s):	[●] [each consisting of [●] Interest Accrual Periods each of [●]][, subject to adjustment in accordance with the Business Day Convention]
(b)	Interest Accrual Period:	[●] [*Define for Compounded SOFR only, otherwise delete*]
(c)	Interest Accrual Period End Date(s):	[[●]/Not Applicable]
(d)	Specified Period(s)/Specified Interest Payment Dates:	[ ][, subject to adjustment in accordance with the Business Day Convention set out in subparagraph (e) below/, not subject to any adjustment, as the Business Day Convention in subparagraph (e) below is specified to be Not Applicable] [[ ] Business Days following each Interest Accrual Period End Date/As per Condition 6.3(b)(iii)(c)]
(e)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
(f)	Additional Business Centre(s):	[ ]
(g)	Manner in which the Rate of Interest and Interest Amount are to be determined:	[Screen Rate Determination/ISDA Determination]
(h)	Calculation Agent:	[Principal Paying Agent] [●]
(i)	Screen Rate Determination:	
	Reference Rate(s):	[[ ] month [EURIBOR/CAD-BA-CDOR/CMS Reference Rate/SOFR]]/[CMS Rate]]
	Relevant Financial Centre:	[London/Brussels/*specify other Relevant Financial Centre*] (*only relevant for CMS Rate*) (*If CMS Rate is not applicable, delete the remaining subparagraphs of this paragraph*)
	Reference Currency:	[ ] (*only relevant for CMS Rate*)
	Designated Maturity:	[ ] (*only relevant for CMS Rate*)
	Specified Time:	[ ] in the Relevant Financial Centre (*only relevant for CMS Rate*)
	(i) Interest Determination Date(s)/SOFR Interest Determination Date(s):	[ ] *(First day of each Interest Period if CAD-BA-CDOR and the second day on which the TARGET2 System is open*

		prior to the start of each Interest Period if EURIBOR or CMS Rate when the reference currency is euro) (*In the case of a CMS Rate where the Reference Currency is euro*): [Second day on which the TARGET2 system is open prior to the start of each interest Period] (*In the case of a CMS Rate where the Reference Currency is other than euro): [Second (specify type of day) prior to the start of each Interest Period*] (*In the case of Compounded SOFR with Lookback, Compounded SOFR with Observation Period Shift and Compounded SOFR Index with Observation Period Shift, set out the number of U.S. Government Securities Business Days prior to Interest Payment Date(s) in respect of the relevant Interest Period(s)*)
(ii)	Relevant Screen Page:	**[**ISDAFIX2 or any successor screen page**] [***insert other screen page***]** *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)* (*In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions*)
	CMS Rate definitions:	[Cap means [ ] per cent. per annum] [Floor means [ ] per cent. per annum] [Leverage means [ ] per cent.]
	Calculation Method:	[Compounded SOFR with Lookback/Compounded SOFR with Observation Period Shift/Compounded SOFR with Payment Delay/Compounded SOFR Index with Observation Period Shift] (*only relevant for SOFR*)
	Observation Period:	[[●]/Not Applicable] [As defined in Conditions] (*only relevant for SOFR*)
	SOFR $Index_{Start}$ and SOFR $Index_{End}$ Number of U.S. Government Securities Business Days:	[SOFR $Index_{Start}$: [2 U.S. Government Securities Business Days / [ ]] / Not Applicable] (*only relevant for SOFR*) [SOFR $Index_{End}$: [2 U.S. Government Securities Business Days / [ ]] / Not Applicable] (*only relevant for SOFR*)
	Lookback Number of U.S. Government Securities Business Days:	[[●]/Not Applicable] [[●]/Not Applicable] (*only relevant for SOFR*) (*Not less than Five U.S. Government Securities Business Days without consent of Calculation Agent*)

	D:		[365/360/[ ]] (*only relevant for SOFR*)
(j)	ISDA Determination:		
	(i)	Floating Rate Option:	[ ]
	(ii)	Designated Maturity:	[ ]
	(iii)	Reset Date:	[ ] (*In the case of a EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of each Interest Period and if otherwise to be checked.*)
(k)	Linear Interpolation:		[Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(l)	Difference in Rates:		[Applicable]/[Not Applicable]
	CMS Rate 1:		[ ]
	Manner in which CMS Rate 1 is to be determined:		[Reference Rate determined in accordance with Screen Rate Determination/ISDA Rate determined in accordance with ISDA Determination/ CMS Rate determined in accordance with ISDA Determination]
	CMS Rate 2:		[ ]
	Manner in which Rate 2 is to be determined:		[Reference Rate determined in accordance with Screen Rate Determination/ISDA Rate determined in accordance with ISDA Determination/ CMS Rate determined in accordance with ISDA Determination]
(m)	Margin(s):		[Not Applicable] [[+/-] [ ] per cent. per annum]
(n)	Minimum Rate of Interest:		[ ] per cent. per annum
(o)	Maximum Rate of Interest:		[ ] per cent. per annum
(p)	Day Count Fraction:		[[Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond basis] 30E/360 (ISDA)][36]
(q)	Reference Rate Replacement:		[Applicable][Not Applicable]
16.	Inflation Linked Interest Note Provisions:		[Applicable/Not Applicable]

[36] Actual 365 (Fixed) is applicable to Renminbi and Canadian Dollars denominated Notes.

		(*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Inflation Index:	[Inflation for Blue Collar Workers and Employees - Excluding Tobacco Consumer Price Index Unrevised (CPI)/ Eurozone Harmonised Index of Consumer Prices excluding Tobacco (HICP)] (*Give or annex details of index/indices*) [Amounts payable under the Notes will be calculated by reference to [CPI/HICP] which is provided by [●]. [As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**).] [As far as the Issuer is aware, [CPI/HICP] [does/do] not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of that Regulation.]]
(b)	Inflation Index Sponsor:	[ ]
(c)	Index Factor:	[ ] [*Specify the relevant Index Factor*] [Not Applicable]
(d)	Calculation Agent (which shall not be the Principal Paying Agent):	[*name*]
(e)	Determination Date(s):	[ ]
(f)	Interest or calculation period(s):	[ ]
(g)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(h)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable] (*Note that this item adjusts the end date of each Interest Period (and, consequently, also adjusts the length of the Interest Period and the amount of interest due). In relation to the actual date on which Noteholders are entitled to receive payment of interest, see also Condition 9.7 (Payment Day) of the Terms and Conditions of the Notes.*)
(i)	Additional Business Centre(s):	[ ]
(j)	Minimum Rate of Interest:	[ ] per cent. per annum
(k)	Maximum Rate of Interest:	[ ] per cent. per annum
(l)	Margin:	[[*insert Margin*] per cent. per annum] [Not Applicable]

	(m)	Day Count Fraction:	[ ]
	(n)	Commencement Date of the Inflation Index:	[ ][*Specify the relevant commencement month of the retail price index*]
	(o)	Reference Month:	[ ]
	(p)	Reference Bond:	[ ]
	(q)	Related Bond:	[Applicable]/[Not Applicable] The Related Bond is: [ ] [Fallback Bond] The issuer of the Related Bond is: [ ]
	(r)	Fallback Bond:	[Applicable]/[Not Applicable]
	(s)	Cut-Off Date:	[As per Conditions]/[*specify other*]
	(t)	End Date:	[ ] (*This is necessary whenever Fallback Bond is applicable*)
	(u)	Additional Disruption Events:	[Change of Law] [Increased Cost of Hedging] [Hedging Disruption] [None]
	(v)	Trade Date:	[ ]
17.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

18.	Notice periods for Condition 10.3 of the Terms and Conditions of the Notes and Condition 10.6 of the Terms and Conditions of the Notes:	Minimum period: [ ] days Maximum period: [ ] days

19.	Issuer Call:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Optional Redemption Date(s):	[ ] [each Business Day during the period from (and including) [*date*] to (but excluding) [*date*] [and each Interest Payment Date following [*date*]].]
	(b)	Optional Redemption Amount (in the case of Subordinated Notes or Additional Tier 1 Notes only, subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations):	[[ ] per Calculation Amount][[Make-whole Amount]]
	(c)	Reference Bond:	[Insert applicable Reference Bond/FA Selected Bond]
	(d)	Quotation Time:	[11.00 a.m. [London/*specify other*] time]
	(e)	Redemption Margin:	[[ ] per cent./Not Applicable]
	(f)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]
	(g)	Notice period:	Minimum period: [ ] days Maximum period: [ ] days (*When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent*)
20.	Regulatory Call:		[Applicable/Not Applicable] (*Only relevant in the case of Subordinated Notes and Additional Tier 1 Notes*)

21.	Issuer Call due to MREL or TLAC Disqualification Event:	[Applicable]/[Not Applicable] (*Please consider that not less than the minimum period nor more than maximum period (each as specified in paragraph 18 above) of notice has to be sent to the Principal Paying Agent and, in accordance with Condition 17 (Notices) of the Terms and Conditions of the Notes, the Noteholders*) (*Only relevant in the case of Senior Notes or Non-Preferred Senior Notes*)
22.	Final Redemption Amount:	[ ]/[[100 per cent.] per Calculation Amount]
23.	Early Redemption Amount payable on redemption:	[ ] [per Calculation Amount/As per Condition] [10.7] (*Early Redemption Amounts*) of the Terms and Conditions of the Notes]
	(i) for taxation reasons (subject to [*insert in the case of Senior Notes and Non-Preferred Senior Notes*] [Condition 10.16 of the Terms and Conditions of the Notes] [*insert in the case of Subordinated Notes*] [Condition 10.15 of the Terms and Conditions of the Notes] [*insert in the case of Additional Tier 1 Notes*] [Condition 10.15 of the Terms and Conditions of the Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]) as contemplated by Condition 10.3 of the Terms and Conditions of the Notes;	[See also paragraph 20 above] (*Delete this cross-reference unless the Notes are Subordinated Notes or Additional Tier 1 Notes and the Regulatory Call is applicable*) [See also paragraph 21 above] (*Delete this cross-reference unless the Notes are Senior Notes or Non-Preferred Senior Notes and the Issuer Call due to MREL or TLAC Disqualification Event is applicable*) *(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*
	(ii) [*insert in case of Subordinated Notes or Additional Tier 1 Notes*][for regulatory reasons ([*insert in the case of Subordinated Notes*] [subject to Condition 10.15 of the Terms and Conditions of the Notes] [*insert in case of Additional Tier 1 Notes*] [subject to Condition 10.15 of the Terms and Conditions of the Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including	

Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]) as contemplated by Condition 10.4 of the Terms and Conditions of the Notes;]

(iii) [*insert in case of Senior Notes or Non-Preferred Senior Notes*][for MREL or TLAC Disqualification Event (subject to Condition 10.16 of the Terms and Conditions of the Notes) as contemplated by Condition 10.6 of the Terms and Conditions of the Notes; or]

(iv) on event of default (subject to[*insert in the case of Senior Notes or Non-Preferred Senior Notes*] [Condition 10.16 of the Terms and Conditions of the Notes] [*insert in the case of Subordinated Notes*] [Condition 10.15 of the Terms and Conditions of the Notes] [*insert in the case of Additional Tier 1 Notes*] [Condition 10.15 of the Terms and Conditions of the Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]),

and/or the method of calculating the same (if required or if different from that set out in Condition 10.7 of the Terms and Conditions of the Notes):

24.	Extendible Notes:		[Applicable/Not Applicable]
	(a)	Initial Maturity Date:	[ ]
	(b)	Final Maturity Date:	[ ]
	(c)	Election Date(s):	[ ]
	(d)	Notice period:	Not less than [ ] nor more than [ ] days prior to the applicable Election Date*
25.	RMB Currency Event:		[Applicable] [Not Applicable]

* For any maturity extension at the option of the holder a minimum of 10 business days notice is required.

			(*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Spot Rate:	(i) Relevant Spot Rate Screen Page: [Reuters CNHFIX01]/[ ]/[Not Applicable]
			(ii) Relevant Valuation Time: [ ]/[Not Applicable]
	(b)	Calculation Agent responsible for calculating the Spot Rate:	[●][Not Applicable]
26.	Relevant Currency:		[*specify*] [Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27.	Form of Notes		
	(a)	Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes upon an Exchange Event] [Permanent Bearer Global Note exchangeable for definitive Notes upon an Exchange Event] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.[37]] (*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 above includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."*.)]
	(b)	New Global Note:	[Yes] [No]
28.	Additional Financial Centre(s):		[Not Applicable/*give details*] *(Note that this paragraph relates to the date of payment and not the end dates of Periods for the purpose of calculating the amount of interest, to which subparagraph 15(f) above relates)*
29.	RMB Settlement Centre(s):		[Not Applicable/*give details*]

[37] Include for Notes that are to be offered in Belgium.

30.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

[THIRD PARTY INFORMATION

[*Relevant third-party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of UniCredit S.p.A.:

By:

Duly authorised

By:

Duly authorised

Part B – OTHER INFORMATION

1.	**LISTING AND ADMISSION TO TRADING**	[Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from [ ].] [Not Applicable.] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading on the Luxembourg Stock Exchange's regulated market*)
	(a) Estimate of total expenses related to admission to trading:	[ ]
2.	**RATINGS**	
	Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [*insert details*]] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*] [Each of [*defined terms*] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).] [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**).] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Dealers/Managers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Dealers/Managers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business – Amend as appropriate if there are other interests]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)]

4. USE AND ESTIMATED NET AMOUNT OF THE PROCEEDS

(a)	Use of the proceeds:	[for its general corporate purposes, which include making a profit] / [●] [Further details on Green Bonds, Social Bonds or Sustainability Bonds are included in the [UniCredit Sustainability Bond Framework], made available on the Issuer's website in the investor relations sections at [●]] See "Use of Proceeds" wording in the Base Prospectus. *(If reasons for offer different from making profit or general corporate purposes (for example for a Green Bond, a Social Bond, or an issuance of a Sustainability Bond, will need to include those reasons here))*
(b)	Estimated net amount of the proceeds:	[ ] *(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds are insufficient to fund all proposed uses, state amount and sources of other funding)*

5. YIELD (Fixed Rate Notes only)

Indication of yield:	[ ] [Not Applicable]

6. OPERATIONAL INFORMATION

(a)	ISIN Code:	[ ]
(b)	Common Code:	[ ]
(c)	CUSIP:	[ ] [Not Applicable]
(d)	CINS:	[ ] [Not Applicable]
(e)	CFI:	[[*include code*][38], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(f)	FISN:	[[*include code*][34], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(g)	[[*specify other codes*]	[ ]]

[38] The actual code should only be included where the Issuer is comfortable that it is correct.

(h)	Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s):	[Not Applicable/give name(s), address(es) and number(s)]
(i)	Delivery:	Delivery [against/free of] payment
(j)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(k)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

7. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names and addresses of Managers (specifying Lead Manager) and underwriting commitments:	[Not Applicable/*give names*] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(iv)	If non-syndicated, name and address of relevant Dealer:	[Not Applicable/*give name and address*]
(v)	U.S. Selling Restrictions:	[Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]]

(vi)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
(vii)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
(viii)	[EU Benchmark Regulation:	[Applicable: Amounts payable under the Notes are calculated by reference to [*insert name*[*s*] *of benchmark*(*s*)], which [is/are] provided by [*insert name*[*s*] *of the administrator*[*s*] – *if more than one specify in relation to each relevant benchmark*].
	EU Benchmark Regulation: Article 29(2) statement on benchmarks:	[As at the date of these Final Terms, [*insert name*[*s*] *of the administrator*[*s*]] [is/are] [not] included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority [(**ESMA**)] pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) [(the **BMR**)]. [As far as the Issuer is aware, [[*insert name of the benchmark*] does not fall within the scope of the BMR by virtue of Article 2 of the BMR.]/[the transitional provisions in Article 51 of the BMR apply, such that the administrator is not currently required to obtain authorisation/registration]]. (*repeat as necessary*)]] (*if Not Applicable, delete this subparagraph*)

Applicable Pricing Supplement

APPLICABLE PRICING SUPPLEMENT

EXEMPT NOTES OF ANY DENOMINATIONS

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes, whatever the denomination of those Notes, issued under the Programme.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][39]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**) where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][40]

[**MIFID II/UK MIFIR product governance / target market** - [*appropriate target market legend to be included*]]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the SFA)** - [*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products*)]][41]

[*The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act 1947 of Singapore.*

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to

[39] Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[40] Legend to be included on the front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[41] Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

certain conditions) under the Income Tax Act 1947 of Singapore (the **ITA**), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[*Date*]

PRICING SUPPLEMENT
UniCredit S.p.A.
[*Please include the place of incorporation, registered office, registration number and form of the Issuer*]
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the
€60,000,000,000 Euro Medium Term Note Programme

Part A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or to supplement a prospectus pursuant to either of Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Base Prospectus dated 7 June 2022 [as supplemented by the supplement[s] dated [*date*[s]]] (the **Base Prospectus**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus may be obtained from [address]. Stamp duty is paid virtually, if due, to Auth. Agenzia delle Entrate, Ufficio di Roma 1, No. 143106/07 of 21 December 2007.

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions for the English Law Notes] [Terms and Conditions for the Italian Law Notes] (the **Conditions**) set forth in the Base Prospectus [dated [*original date*] [and the supplement dated [*date*]] which are incorporated by reference in the Base Prospectus].[42]

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.*]

1.	Issuer:		UniCredit S.p.A.
2.	Series Number:		[ ]
	(a)	Tranche Number:	[ ]
	(b)	[Date on which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated and form a single Series with [*Provide issue amount/ISIN/maturity date/issue date of earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [*date*]][Not Applicable]]

[42] Only include this language where it is a fungible issue and the original Tranche was issued under a Base Prospectus with a different date.

3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (if applicable)]
6.	Specified Denominations[43]:		[ ]
	(a)	Calculation Amount:	[ ] (If only one Specified Denomination, insert the Specified Denomination If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)
7.	Issue Date:		[ ]
	(a)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes*.)
8.	Maturity Date:		[ ] [The Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described in the Conditions.] *(N.B. only applicable to Additional Tier 1 Notes)*
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [[specify Reference Rate] +/- [ ] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [Inflation Linked Interest] [*specify other*] (further particulars specified below)
10.	Redemption/Payment Basis:		[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]

[43] The minimum denomination of the Non-Preferred Senior Notes will be Euro 250,000 and the minimum denomination of each Additional Tier 1 Note will be Euro 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body).

11.	Change of Interest Basis:		[Applicable]/[Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*To be completed in addition to paragraphs 14 and 16 below (as appropriate) if any fixed to floating or fixed reset rate change occurs*)
	(iv)	Switch Option:	[Applicable – [*specify details of the change(s) in Interest Basis and the relevant Interest Periods to which the change(s) in Interest Basis applies*]/[Not Applicable] (*The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 17 (Notices) of the Terms and Conditions of the Notes on or prior to the relevant Switch Option Expiry Date*)
	(v)	Switch Option Expiry Date:	[ ]
	(vi)	Switch Option Effective Date:	[ ]
12.	Call Options:		[Not Applicable] [Issuer Call] [Issuer Call due to MREL or TLAC Disqualification Event] [(further particulars specified below)]
13.	Status of the Notes:		[Senior / Non-Preferred Senior / Subordinated / Additional Tier 1]
	(a)	[Date of [Board] approval for issuance of Notes:	[ ]] (Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(c)	Business Day Convention:	[Modified Following Business Day Convention/Not Applicable]

(*For certain Renminbi denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification, insert Modified Following Business Day Convention*)

(d) Fixed Coupon Amount(s): [[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)] [payable [[ ] in arrear] on [ ]/[each Interest Payment Date][, except for the amount of interest payable on the first Interest Payment Date falling on [ ]].] [[This]/[These] Fixed Coupon Amount[s] appl[ies]/[y] if the Notes are represented by a global Note or are in definitive form.]

(Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods)

(e) Broken Amount(s): [[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)][, payable on the Interest Payment Date falling [in/on] [ ].] [This Broken Amount applies if the Notes are represented by a global Note or are in definitive form]/[Not Applicable]

(f) Day Count Fraction: [30/360/Actual/Actual (ICMA)/*specify other*][Actual 365 (Fixed)][44][Actual/Actual Canadian Compound Method][45]

(g) Determination Date[s]: [[ ] in each year][Not Applicable]

(*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*]

15. Reset Note Provisions: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Initial Rate of Interest: [●] per cent. per annum payable in arrear [on each Interest Payment Date]

(b) First Margin: [+/-][●] per cent. per annum

(c) Subsequent Margin: [[+/-][●] per cent. per annum] [Not Applicable]

(d) Interest Payment Date(s): [●] [and [●]] in each *year* up to and including the Maturity Date [until and excluding [●]]

(e) Fixed Coupon Amount up to (but excluding) the First Reset Date: [[●] per *Calculation* Amount] (*applicable to the Notes in definitive form)*] [/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)] [payable [[ ] in arrear] on [ ]/[each Interest Payment

[44] Applicable for Fixed Rate Notes denominated in Renminbi.
[45] Applicable for Fixed Rate Notes denominated in Canadian Dollars.

			Date][, except for the amount of interest payable on the first Interest Payment Date falling on [ ]].] [[This]/[These] Fixed Coupon Amount[s] appl[ies]/[y] if the Notes are represented by a global Note or are in definitive form.] (*Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods*)
	(f)	Broken Amount(s):	[[●] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)][, payable on the Interest Payment Date falling [in/on] [ ].] [This Broken Amount applies if the Notes are represented by a global Note or are in definitive form]/[Not Applicable]
	(g)	First Reset Date:	[●]
	(h)	Second Reset Date:	[●]/[Not Applicable]
	(i)	Subsequent Reset Date(s):	[●] [and [●]]
	(j)	Mid-Swap Floating Leg Benchmark Rate:	[●]
	(k)	Relevant Screen Page:	[ISDAFIX1]/[ISDAFIX2]/[ISDAFIX3]/[ISDAFIX4]/ [ISDAFIX5]/[ISDAFIX6]/[●]/[Not Applicable]
	(l)	Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
	(m)	Mid-Swap Maturity:	[●]
	(n)	Reset Reference Rate Conversion:	[Applicable/Not Applicable]
	(o)	Original Reset Reference Rate Payment Basis:	[Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
	(p)	Day Count Fraction:	[Actual/Actual / Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360/360/360/Bond Basis] [30E/360/Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual ICMA]
	(q)	Determination Dates:	[●] in each year
	(r)	Additional Business Centre(s):	[●]
	(s)	Calculation Agent:	[Principal Paying Agent] [●]
	(t)	Reset Reference Rate Replacement:	[Applicable][Not Applicable]
16.	Floating Rate Note Provisions:		[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a)	Interest Period(s):	[●] [each consisting of [●] Interest Accrual Periods each of [●]][, subject to adjustment in accordance with the Business Day Convention]
(b)	Interest Accrual Period:	[●] [*Define for Compounded SOFR only, otherwise delete*]
(c)	Interest Accrual Period End Date(s):	[[●]/Not Applicable]
(d)	Specified Period(s)/Specified Interest Payment Dates:	[ ] [, subject to adjustment in accordance with the Business Day Convention set out in subparagraph (e) below/, not subject to any adjustment, as the Business Day Convention in subparagraph (e) below is specified to be Not Applicable] [[ ] Business Days following each Interest Accrual Period End Date/As per Condition 6.3(b)(iii)(c)]
(e)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
(f)	Additional Business Centre(s):	[ ]
(g)	Manner in which the Rate of Interest and Interest Amount are to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
(h)	Calculation Agent:	[Principal Paying Agent] / [●]
(i)	Screen Rate Determination:	
	(i) Reference Rate:	Reference Rate: [ ] month [EURIBOR/CAD-BA-CDOR/CMS Reference Rate/SOFR]. (*Either EURIBOR or other, although additional information is required if other, including fallback provisions in the Agency Agreement*)
	(ii) Interest Determination Date(s)/SOFR Interest Determination Date(s):	[ ] (*First day of each Interest Period if CAD-BA-CDOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR*) (*In the case of Compounded SOFR with Lookback, Compounded SOFR with Observation Period Shift and Compounded SOFR Index with Observation Period Shift, set out the number of U.S. Government Securities Business Days prior to Interest Payment Date(s) in respect of the relevant Interest Period(s)*)

	(iii)	Relevant Screen Page:	**[**ISDAFIX2 or any successor screen page**] [***insert other screen page***]** (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
	(iv)	Calculation Method:	[Compounded SOFR with Lookback/Compounded SOFR with Observation Period Shift/Compounded SOFR with Payment Delay/Compounded SOFR Index with Observation Period Shift] (*only relevant for SOFR*)
	(v)	Observation Period:	[[●]/Not Applicable] [As defined in Conditions] (*only relevant for SOFR*)
	(vi)	SOFR $\text{Index}_{\text{Start}}$ and SOFR $\text{Index}_{\text{End}}$ Number of U.S. Government Securities Business Days:	[SOFR $\text{Index}_{\text{Start}}$: [2 U.S. Government Securities Business Days / [ ]] / Not Applicable] (*only relevant for SOFR*) [SOFR $\text{Index}_{\text{End}}$: [2 U.S. Government Securities Business Days / [ ]] / Not Applicable] (*only relevant for SOFR*)
	(vii)	Lookback Number of U.S. Government Securities Business Days:	[[●]/Not Applicable] (*only relevant for SOFR*) (*Not less than Five U.S. Government Securities Business Days without consent of Calculation Agent*)
	(viii)	D:	[365/360/[ ]] (*only relevant for SOFR*)
(j)	ISDA Determination:		
	(i)	Floating Rate Option:	[ ]
	(ii)	Designated Maturity:	[ ]
	(iii)	Reset Date:	[ ] (*In the case of a EURIBOR based option, the first day of the Interest Period*)
(k)	Linear Interpolation:		[Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(l)	Margin(s):		[+/-] [ ] per cent. per annum
(m)	Minimum Rate of Interest:		[ ] per cent. per annum
(n)	Maximum Rate of Interest:		[ ] per cent. per annum
(o)	Day Count Fraction:		[Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis]

			30E/360 (ISDA) *Other*][46]
	(p)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions:	[ ]
	(q)	Reference Rate Replacement:	[Applicable][Not Applicable]
17.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes:	
	(d)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365] [*specify other codes*]
18.	Index Linked Interest Note:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Index/Formula:	[*give or annex details*] [*If physical settlement of Index Linked Notes is contemplated, details to be set out in an annex*]
	(b)	Calculation Agent:	[Principal Paying Agent] / [●]
	(c)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(d)	Specified Period(s)/Specified Interest Payment Dates:	[ ] [, subject to adjustment in accordance with the Business Day Convention set out in [(b) below/, not subject to any adjustment, as the Business Day Convention in (f) below] is specified to be Not Applicable]

[46] Actual 365 (Fixed) is applicable to Renminbi and Canadian Dollars denominated Notes.

	(e)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*specify other*] [Not Applicable]
	(f)	Additional Business Centre(s):	[ ]
	(g)	Minimum Rate of Interest:	[ ] per cent. per annum
	(h)	Maximum Rate of Interest:	[ ] per cent. per annum
	(i)	Day Count Fraction:	[ ]
19.	Dual Currency Interest Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate of Exchange/method of [*give or annex details*] calculating Rate of Exchange:	[ ]
	(b)	Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent):	[ ]
	(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(d)	Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

20.	Notice periods for Condition 10.3 of the Terms and Conditions of the Notes and Condition 10.6 of the Terms and Conditions of the Notes:		Minimum period: [ ] days Maximum period: [ ] days
21.	Issuer Call:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Optional Redemption Date(s):	[ ] [each Business Day during the period from (and including) [*date*] to (but excluding) [*date*] [and each Interest Payment Date following [*date*]].]
	(b)	Optional Redemption Amount (in the case of Subordinated Notes and Additional Tier 1	[ ] per Calculation Amount

	Notes only, subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations):	
(c)	Notice periods:	Minimum period: [ ] days Maximum period: [ ] days (*When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent*).
22.	Regulatory Call:	[Applicable/Not Applicable] (*Only relevant in the case of Subordinated Note and Additional Tier 1 Notes*)
23.	Issuer Call due to MREL or TLAC Disqualification Event:	[Applicable]/[Not Applicable] (*Please consider that not less than the minimum period nor more than maximum period (each as specified in paragraph 19 above) of notice has to be sent to the Principal Paying Agent and, in accordance with Condition 17* (*Notices*) *of the Terms and Conditions of the Notes, the Noteholders)* (*Only relevant in the case of Senior Notes or Non-Preferred Senior Notes*)
24.	Final Redemption Amount:	[ ]/[[100 per cent.] per Calculation Amount]
25.	Early Redemption Amount payable on redemption:	[ ] [per Calculation Amount/As per Condition] [10.7] (*Early Redemption Amounts*) of the Terms and Conditions of the Notes]
	(i) for taxation reasons (subject to [*insert in the case of Senior Notes and Non-Preferred Senior Notes*] [Condition 10.16 of the Terms and Conditions of the Notes] [*insert in the case of Subordinated Notes*] [Condition 10.15 of the Terms and Conditions of the Notes] [*insert in the case of Additional Tier 1 Notes*] [Condition 10.15 of the Terms and Conditions of the Notes (including the prior	[See also paragraph 22 (*Regulatory Call*) above] (*Delete this cross-reference unless the Notes are Subordinated Notes or Additional Tier 1 Notes and the Regulatory Call is applicable*) [See also paragraph 23 above] (*Delete this cross-reference unless the Notes are Senior Notes or Non-Preferred Senior Notes and the Issuer Call due to MREL or TLAC Disqualification Event is applicable*) *(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption*

approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]) as contemplated by Condition 10.3 of the Terms and Conditions of the Notes;

Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)

(ii) [*insert in case of Subordinated Notes or Additional Tier 1 Notes*] [for regulatory reasons ([*insert in the case of Subordinated Notes*] [subject to Condition 10.15 of the Terms and Conditions of the Notes] [*insert in case of Additional Tier 1 Notes*] [subject to Condition 10.15 of the Terms and Conditions of the Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]) as contemplated by Condition 10.4 of the Terms and Conditions of the Notes;]

(iii) [*insert in case of Senior Notes or Non-Preferred Senior Notes*] [for MREL or TLAC Disqualification Event (subject to Condition 10.16 of the Terms and Conditions of the Notes) as contemplated by Condition 10.6 of the Terms and Conditions of the Notes; or]

(iv) on event of default (subject to[*insert in the case of Senior Notes or Non-Preferred Senior Notes*] [Condition 10.16 of the Terms and Conditions of the Notes] [*insert in the case of Subordinated Notes*] [Condition 10.15 of the Terms and Conditions of the Notes] [*insert in the case of Additional Tier 1 Notes*] [Condition 10.15 of the Terms and Conditions of the Notes (including the prior approval of the relevant

		Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]),	
		and/or the method of calculating the same (if required or if different from that set out in Condition 10.7 of the Terms and Conditions of the Notes (*Redemption and Purchase – Early Redemption Amounts*):	
26.	RMB Currency Event:		[Applicable] [Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Spot Rate:	(i) Relevant Spot Rate Screen Page: [Reuters CNHFIX01]/[ ]/[Not Applicable] (ii) Relevant Valuation Time: [ ]/[Not Applicable]
	(b)	Calculation Agent responsible for calculating the Spot Rate:	[●][Not Applicable]
27.	Relevant Currency:		[*specify*] [Not Applicable]
28.	Extendible Notes:		[Applicable/Not Applicable]
	(a)	Initial Maturity Date:	[ ]
	(b)	Final Maturity Date:	[ ]
	(c)	Election Date(s):	[ ]
	(d)	Notice period:	Not less than [ ] nor more than [ ] days prior to the applicable Election Date*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

29.	Form of Notes:		
	(a)	Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes upon an Exchange Event] [Permanent Bearer Global Note exchangeable for definitive Notes upon an Exchange Event]

* For any maturity extension at the option of the holder a minimum of 10 business days' notice is required.

		[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.[47]] (*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 above includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."*.)]
	(b) [New Global Note:	[Yes] [No]]
30.	Additional Financial Centre(s):	[Not Applicable/*give details*] *(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which subparagraph 16(c) above) relates)*
31.	RMB Settlement Centre	[Not Applicable/*give details*]
32.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
33.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment.	[Not Applicable/*give details*. *A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
34.	Details relating to Instalment Notes:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Instalment Amount(s):	[*give details*]
	(b) Instalment Date(s):	[*give details*]
35.	Other terms or special conditions:	[Not Applicable/*give details*]

[47] Include for Notes that are to be offered in Belgium.

[THIRD PARTY INFORMATION

[*Relevant third party information*] has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of UniCredit S.p.A.:

By:

Duly authorised

By:

Duly authorised

Part B – OTHER INFORMATION

1.	**LISTING**	[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [*specify market - note this must not be an EEA regulated market or the London Stock Exchange's main market*] with effect from [ ].] [Not Applicable]
2.	**RATINGS**	
	Ratings:	[The Notes to be issued are not expected to be rated] [The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*] [Each of [*defined terms*] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).] [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**).] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)
3.	**INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**	
	[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business – Amend as appropriate if there are other interests]	
4.	**REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF THE PROCEEDS**	
	(a) Reasons for the offer:	[for its general corporate purposes, which include making a profit] / [●] [Further details on Green Bonds, Social Bonds or Sustainability Bonds are included in the [UniCredit Sustainability Bond Framework] made available on the Issuer's website in the investor relations sections at [●]] See "Use of Proceeds" wording in the Base Prospectus. *(If reasons for offer different from making profit or general corporate purposes (for example for a Green Bond, a Social Bond, or an issuance of a Sustainability Bond, will need to include those reasons here*))

(b)	Estimated net amount of the proceeds:	[ ] *(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds are insufficient to fund all proposed uses, state amount and sources of other funding)*

5. OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
(iii)	CUSIP:	[ ] [Not Applicable]
(iv)	CINS:	[ ] [Not Applicable]
(v)	CFI:	[[*include code*][48], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(vi)	FISN:	[[*include code*][40], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(vii)	[[*specify other codes*]	[ ]]
(viii)	Any clearing system(s) other than Euroclear. and Clearstream Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s), address(es) and number(s)*]
(ix)	Delivery:	Delivery [against/free of] payment
(x)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(xi)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[48] The actual code should only be included where the Issuer is comfortable that it is correct.

[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

6. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names and addresses of Managers (specifying Lead Manager) and underwriting commitments:	[Not Applicable/*give names*] (*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers*.)
(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(iv)	If non-syndicated, name and address of relevant Dealer:	[Not Applicable/*give name and address*]
(v)	U.S. Selling Restrictions:	[Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]]
(vi)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.)*
(vii)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)

Terms and Conditions of the Notes

The following are the Terms and Conditions for the Notes governed by Italian law which will be attached to each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange, the competent authority or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

Any reference in the Terms and Conditions to "applicable Final Terms" or "Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" or "Pricing Supplement" where relevant in the case of Exempt Notes.

This Note is one of a Series (as defined below) of Notes governed by Italian law and issued by UniCredit S.p.A. (**UniCredit** or the **Issuer**) pursuant to the Agency Agreement (as defined below).

These terms and conditions of the Notes (the **Terms and Conditions of the Notes** or the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Agency Agreement (as defined below), which includes the form of the Bearer Notes, Coupons, Receipts and Talons referred to below. References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note; and

(c) any definitive Notes in bearer form (**Definitive Bearer Notes**) issued in exchange for a Global Note in bearer form.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of a Fourth Amended and Restated Agency Agreement dated 7 June 2022 (such Fourth Amended and Restated Agency Agreement, as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) and made between UniCredit and Citibank, N.A., London Branch as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms (or Pricing Supplement, in the case of Exempt Notes) attached to or endorsed on this Note which complete these Terms and Conditions of the Notes and, in the case of a Note which is neither admitted to trading (i) on a regulated market in the EEA or (ii) a UK regulated market as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, nor offered in (i) the EEA or (ii) the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (an **Exempt Note**), may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to **the applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note or to the **applicable Pricing Supplement** (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Exempt

Notes in definitive form which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Agency Agreement (i) are available for inspection or collection by Noteholders upon reasonable request during normal business hours at the principal office for the time being of the Principal Paying Agent being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and the other Paying Agents (such Agents being together referred to as the **Agents**) and Banque Internationale à Luxembourg S.A. (the **Luxembourg Listing Agent**), or (ii) may be provided by email to a Noteholder following their prior written request to the Agents or the Luxembourg Listing Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Agent or the Luxembourg Listing Agent, as the case may be), as long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity unless the regulations of the relevant stock exchange require otherwise. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms or applicable Pricing Supplement which are applicable to them.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Reset Note, an Inflation Linked Interest Note, a Zero Coupon Note, a CMS Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Reset Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note (each as hereinafter defined), or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note and a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

This Note may be an Extendible Note, depending on the Redemption/Payment Basis shown in the applicable Final Terms (or Pricing Supplement if applicable).

This Note may also be a Senior Note, a Subordinated Note or a Non-Preferred Senior Note, as indicated in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery in accordance with the provisions of the Agency Agreement. The Issuer and the Paying Agents will (except as otherwise required by law or as otherwise required by a court of competent jurisdiction or a public official authority) deem and treat the bearer of any Bearer Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or proven error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms, provided that, in the case of the Notes issued in NGN form, such additional or alternative clearing system must also be authorised to hold such Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations.

2. STATUS OF THE SENIOR NOTES

This Condition 2 applies only to Notes specified in the applicable Final Terms as Senior and being Senior Notes (and, for the avoidance of doubt, does not apply to Non-Preferred Senior Notes).

The Senior Notes and any relative Receipts and Coupons constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer ranking (subject to any obligations preferred by any applicable law) *pari passu* with all other unsecured obligations (other than obligations ranking junior to the Senior Notes from time to time (including Non-Preferred Senior Notes and any further obligations permitted by law to rank junior to the Senior Notes following the Issue Date), if any) of the Issuer present and future and, in the case of the Senior Notes, *pari passu* and rateably without any preference among themselves.

Each holder of a Senior Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have under the laws of any jurisdiction or otherwise in respect of such Senior Note.

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

3. STATUS OF THE NON-PREFERRED SENIOR NOTES

This Condition 3 applies only to Notes specified in the applicable Final Terms as Non-Preferred Senior and intended to qualify as *strumenti di debito chirografario di secondo livello* of the Issuer,

as defined under Article 12-*bis* of the Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy, as amended (the **Italian Banking Act**).

Non-Preferred Senior Notes, any related Receipts and Coupons constitute direct, unconditional, unsubordinated, and unsecured and non-preferred obligations of the Issuer, ranking junior to Senior Notes and any other unsecured and unsubordinated obligations of the Issuer which rank, or are expressed to rank by their terms, senior to the Non-Preferred Senior Notes, *pari passu* without any preferences among themselves, and with all other present or future obligations of the Issuer which do not rank or are not expressed by their terms to rank junior or senior to the relevant Non-Preferred Senior Notes and in priority to any subordinated instruments and to the claims of shareholders of UniCredit, pursuant to Article 91, section 1-*bis*, letter c-*bis* of the Italian Banking Act, as amended from time to time.

Each holder of a Non-Preferred Senior Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have under the laws of any jurisdiction or otherwise in respect of such Non-Preferred Senior Note.

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

4. STATUS OF THE SUBORDINATED NOTES

This Condition 4 applies only to Notes specified in the applicable Final Terms as Subordinated and intended to qualify as Tier 2 Capital.

Subject as set out below, Subordinated Notes (notes intended to qualify as Tier 2 Capital for regulatory capital purposes, in accordance with Part II, Chapter 1 of the Bank of Italy's *Disposizioni di Vigilanza per le Banche*, as set out in Bank of Italy Circular No. 285 of 17 December 2013, as amended or supplemented from time to time (the **Bank of Italy Regulations**), including any successor regulations, and Article 63 of the Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended from time to time) and any relative Receipts and Coupons constitute direct, unconditional, unsecured and subordinated obligations of UniCredit and rank after unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) of UniCredit and after all creditors of UniCredit holding instruments which are less subordinated than the relevant Subordinated Notes but at least *pari passu* without any preferences among themselves and with all other present and future subordinated obligations of UniCredit which do not rank or are not expressed by their terms to rank junior or senior to the relevant Subordinated Notes and in priority to the claims of holders of Additional Tier 1 Notes (which qualify, in whole or in part, as Additional Tier 1 Capital) and shareholders of UniCredit.

In the event the Subordinated Notes of any Series do not qualify or cease to qualify, in their entirety, as Own Funds, such Subordinated Notes and any relative Receipts and Coupons shall rank subordinated and junior to unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) of UniCredit, *pari passu* among themselves and with the Issuer's obligations in respect of any other subordinated instruments which do not qualify or have ceased to qualify, in their entirety, as Own Funds and with all other present and future subordinated obligations of UniCredit which do not rank or are not expressed by their terms and/or by mandatory and/or overriding provisions of law to rank junior or senior to the relevant Subordinated Notes (which do not qualify or have so ceased to qualify, in their entirety, as Own Funds) and senior to instruments which qualify (in whole or in part) as own fund items (*elementi di fondi propri*).

In relation to each Series of Subordinated Notes, all Subordinated Notes of such Series will be treated equally and all amounts paid by UniCredit in respect of principal and interest thereon will be paid *pro rata* on all Subordinated Notes of such Series.

Each holder of a Subordinated Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction or otherwise, in respect of such Subordinated Note.

In these Conditions:

Competent Authority means the Bank of Italy and/or, to the extent applicable in any relevant situation, the European Central Bank or any successor or replacement entity to either, or other authority having primary responsibility for the prudential oversight and supervision of UniCredit or the Group and/or, as the context may require, the "resolution authority" or the "competent authority" as defined under BRRD and/or SRM Regulation.

Relevant Regulations has the meaning attributed to that term in Condition 10.6.

Tier 2 Capital has the meaning given to such term (or any other equivalent or successor term) in the Relevant Regulations.

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

5. STATUS OF ADDITIONAL TIER 1 NOTES

This Condition 5 applies only to Additional Tier 1 Notes specified in the applicable Final Terms as Additional Tier 1 and intended to qualify as Additional Tier 1 Capital.

A. Subject as set out below, the Additional Tier 1 Notes and any relative Receipts and Coupons will constitute direct, unsecured and subordinated obligations of the Issuer ranking:

(i) subordinated and junior to all indebtedness of the Issuer, including unsubordinated indebtedness of the Issuer and depositors and holders of Senior Notes and Non-Preferred Senior Notes, the Issuer's obligations in respect of any dated subordinated instruments and any instruments issued as Tier 2 Capital of the Issuer or guarantee in respect of any such instruments (other than any instrument or contractual right ranking, or expressed to rank, *pari passu* with the Additional Tier 1 Notes);

(ii) *pari passu* among themselves and with the Issuer's obligations in respect of any Additional Tier 1 Capital instruments or any other instruments or obligations which rank or are expressed to rank *pari passu* with the Additional Tier 1 Notes; and

(iii) senior to:

(a) the share capital of the Issuer, including, if any, its *azioni privilegiate*, ordinary shares and *azioni di risparmio*;

(b) (i) any securities of the Issuer (including *strumenti finanziari* issued under Article 2346 of the Italian Civil Code); and (ii) any guarantee or similar instrument from the Issuer to any securities issued by a subsidiary,

which securities (in the case of (b)(i) above) or guarantee or similar instrument (in the case of (b)(ii) above) rank or are expressed to rank *pari passu* with the claims described under paragraphs (a) and (b) above and/or otherwise junior to the Additional Tier 1 Notes.

B. In the event the Additional Tier 1 Notes of any Series do not qualify or cease to qualify, in their entirety, as Additional Tier 1 Capital and for so long as they qualify, in whole or part, as Tier 2 Capital, such Additional Tier 1 Notes (the **Reclassified AT1 Notes**) shall rank *pari passu* without any preference among themselves and:

(i) *pari passu* with: (x) any instruments qualified in whole or in part as Tier 2 Capital of the Issuer (save to the extent any such instrument ranks, or is expressed to rank, senior or junior to the relevant Reclassified AT1 Notes); and (y) any securities or other obligations of the Issuer which rank, or are expressed to rank, on a voluntary or involuntary liquidation or bankruptcy of the Issuer, *pari passu* with instruments qualified in whole or in part as Tier 2 Capital;

(ii) senior to:

(a) the share capital of the Issuer, including, if any, its *azioni privilegiate*, ordinary shares and *azioni di risparmio*;

(b) (i) any securities of the Issuer (including *strumenti finanziari* issued under Article 2346 of the Italian Civil Code); and (ii) any guarantee or similar instrument from the Issuer to any securities issued by a subsidiary,

which securities (in the case of (b)(i) above) or guarantee or similar instrument (in the case of (b)(ii) above) rank or are expressed to rank pari passu with the claims described under paragraph (a) and this paragraph (b) above and/or otherwise junior to the Reclassified AT1 Notes; and

(c) any Additional Tier 1 Notes (which qualify, in whole or in part, as Additional Tier 1 Capital);

(iii) subordinated and junior to (x) unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) of the Issuer and (z) subordinated creditors of the Issuer which rank, or are expressed to rank, senior to the relevant Reclassified AT1 Notes (including any subordinated instruments that do not qualify or have ceased to qualify, in their entirety, as Own Funds but which rank, or are expressed to rank senior to the relevant Reclassified AT1 Notes);

C. In the event the Additional Tier 1 Notes of any Series do not qualify or cease to qualify, in their entirety, as Own Funds, such Additional Tier 1 Notes and any relative Receipts and Coupons shall rank (i) subordinated and junior to unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) of UniCredit; (ii) *pari passu* among themselves and with the Issuer's obligations in respect of any other subordinated instruments which do not qualify or have ceased to qualify, in their entirety, as Own Funds and with all other present and future subordinated obligations of UniCredit which do not rank or are not expressed by their terms and/or by mandatory and/or overriding provisions of law to rank junior or senior to the relevant Additional Tier 1 Notes (which do not qualify or have so ceased to qualify, in their entirety, as Own Funds) and (iii) senior to instruments which qualify (in whole or in part) as own fund items (*elementi di fondi propri*), including, for the avoidance of doubt, any Reclassified AT1 Notes (which qualify, in whole or in part, as Tier 2 Capital as per paragraph (B) above).

Each holder of an Additional Tier 1 Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have under the laws of any jurisdiction or otherwise in respect of such Additional Tier 1 Note.

In these Conditions:

Additional Tier 1 Capital has the meaning given to such term (or any other equivalent or successor term) in the Relevant Regulations.

Tier 1 Capital has the meaning given to such term (or any other equivalent or successor term) in the Relevant Regulations.

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

6. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Reset Notes, Floating Rate Notes, Inflation Linked Interest Notes or Zero Coupon Notes or, in the case of Exempt Notes, whether a different interest basis applies.

6.1 Interest on Fixed Rate Notes

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

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

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

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

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

Except in the case of (i) Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms or (ii) Notes represented by a Global Note where the applicable Final Terms specify that a Fixed Coupon Amount or Broken Amount(s) shall apply, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

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

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

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest

Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

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

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

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

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

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

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

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

In these Conditions:

Business Day means a day which is both:

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

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

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

RMB Settlement Centre, means the financial centre(s) specified as such in the applicable Final Terms or Pricing Supplement in accordance with applicable laws and regulations. If no RMB Settlement Centre

is specified in the relevant Final Terms or Pricing Supplement, the RMB Settlement Centre shall be deemed to be Hong Kong; and

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

6.2 Interest on Reset Notes

(i) *Rate of Interest and Interest Payment Dates*

Each Reset Note bears interest:

(a) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the Initial Rate of Interest;

(b) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and

(c) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date and on the Maturity Date if that does not fall on an Interest Payment Date. The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, subject to Condition 6.4 (*Reference Rate Replacement*) and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 6.1. Unless otherwise stated in the applicable Final Terms the Rate of Interest (inclusive of the First or Subsequent Margin) shall not be deemed to be less than zero.

(ii) *Reset Reference Rate Conversion*

This Condition 6.2(ii) is only applicable if Reset Reference Rate Conversion is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable.

The First Reset Rate of Interest and, if applicable, each Subsequent Reset Rate of Interest will be converted from the Original Reset Reference Rate Payment Basis specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to a basis which matches the frequency of Interest Payment Dates in respect of the relevant Notes.

For the purposes of the Conditions, with regard to the Reset Notes:

First Margin means the margin specified as such in the applicable Final Terms;

First Reset Date means the date specified in the applicable Final Terms;

First Reset Period means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date;

First Reset Rate of Interest means, in respect of the First Reset Period, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin, subject to Condition 6.2(ii);

Initial Rate of Interest has the meaning specified in the applicable Final Terms;

Mid-Market Swap Rate means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Original Reset Reference Rate Payment Basis (calculated

on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the applicable Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

Mid-Market Swap Rate Quotation means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

Mid-Swap Floating Leg Benchmark Rate means either (i) the Reference Rate specified in the applicable Final Terms or (ii) if no such Reference Rate is specified, EURIBOR if the Specified Currency is euro or SOFR if the Specified Currency is U.S. dollar;

Mid-Swap Rate means, in relation to a Reset Determination Date and subject to Condition 6.2(iii), either:

(a) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(b) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

Original Reset Reference Rate Payment Basis has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. In the case of Notes other than Exempt Notes, the Original Reset Reference Rate Payment Basis shall be annual, semi-annual, quarterly or monthly;

Rate of Interest means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

Reset Date means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

Reset Determination Date means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

Reset Period means the First Reset Period or a Subsequent Reset Period, as the case may be;

Second Reset Date means the date specified in the applicable Final Terms;

Subsequent Margin means the margin specified as such in the applicable Final Terms;

Subsequent Reset Date means the date or dates specified in the applicable Final Terms;

Subsequent Reset Period means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date; and

Subsequent Reset Rate of Interest means, in respect of any Subsequent Reset Period and subject to Condition 6.2(iii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin, subject to Condition 6.2(ii).

(iii) *Fallbacks*

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Issuer (or an agent appointed by the Issuer) shall, subject as provided in Condition 6.4 (*Reference Rate Replacement*), request each of the Reference Banks (as defined below) to provide the Issuer (or an agent appointed by the Issuer) with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Issuer (or an agent appointed by the Issuer) with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Issuer (or an agent appointed by the Issuer) with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined by the Calculation Agent to be the sum of (as applicable) the First Margin (in the case of the First Reset Rate of Interest) or the Subsequent Margin (in the case of the Subsequent Reset Rate of Interest) and the relevant Mid-Swap Rate as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

For the purposes of this Condition 6.2, **Reference Banks** means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer.

6.3 Interest on Floating Rate Notes and Inflation Linked Interest Notes

(a) Interest Payment Dates

This Condition 6.3 applies to Floating Rate Notes and Inflation Linked Interest Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and inflation linked rate interest and must be read in conjunction with this Condition 6.3 for full information on the manner in which interest is calculated on Floating Rate Notes, or, as appropriate, Inflation Linked Interest Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest (applicable to Floating Rate Notes only), the party who will calculate the amount of interest due if it is not the Principal Paying Agent or, as the case may be, the Calculation Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where, in the case of Floating Rate Notes, ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where

Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

Each Floating Rate Note and Inflation Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls in the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified as:

(a) in any case where Specified Periods are specified in accordance with Condition 6.3(a)(ii) the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis*: or

(b) or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

(c) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(d) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(e) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions:

Business Day means a day which is both:

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

(ii) either (a) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Additional Business Centre and which if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi shall be Sydney, Auckland and the relevant RMB Settlement Centre(s), respectively) or (b) in relation to any sum payable in euro, a day on which the Trans-European

Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

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

(b) Rate of Interest – Floating Rate Notes

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms. It may be specified in the Final Terms that the Rate of Interest is multiplied by a factor.

(i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus (as indicated in the applicable Final Terms) the Margin (if any), which can be positive or negative. For the purposes of this Condition 6.3(b)(i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(a) the Floating Rate Option is as specified in the applicable Final Terms;

(b) the Designated Maturity is a period specified in the applicable Final Terms; and

(c) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this Condition 6.3(b)(i), Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity and Reset Date have the meanings given to those terms in the ISDA Definitions. Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) *Screen Rate Determination for Floating Rate Notes (other than Floating Rate Notes which reference SOFR and CMS Linked Interest Notes)*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to Condition 6.4 (*Reference Rate Replacement*) below, be either:

(a) the rate or offered quotation; or

(b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates or offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being the Euro-zone interbank offered rate (**EURIBOR**) or the Canadian Dollar offered rate (**CAD-BA-CDOR**), as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time, in the case of EURIBOR) or 10:00 a.m. (Toronto time, in the case of CAD-BA-CDOR) on the Interest Determination Date in question plus (as indicated in the applicable Final Terms) the Margin (if any), which can be positive or negative, all as determined by the Calculation Agent. If five or more of such rates or offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation

Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such rates or offered quotations.

If the Relevant Screen Page is not available or if no rate or offered quotation appears or, in the case of fewer than three such rates or offered quotations appears, in each case as at the Specified Time, the Issuer (or an agent appointed by the Issuer) shall request each of the Reference Banks (as defined below) to provide its bid rate or offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer (or an agent appointed by the Issuer) with bid rates or offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the bid rates or offered quotations plus (as appropriate) the Margin (if any), which can be positive or negative, all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Issuer (or an agent appointed by the Issuer) with a bid rate or offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Issuer (or an agent appointed by the Issuer) by the Reference Banks or any two or more of them (a) if the Reference Rate is CAD-BA-CDOR, for Canadian Dollar bankers acceptances for a period of the applicable Interest Period in an amount representative for a single transaction in the relevant market at the relevant time accepted by those banks as of 10:00 a.m. (Toronto time), or (b) at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus (as appropriate) the Margin (if any), which can be positive or negative or, if fewer than two of the Reference Banks provide the Issuer (or an agent appointed by the Issuer) with bid rates or offered rates, the bid rate or offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the bid rates or offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Issuer (or an agent appointed by the Issuer) it is quoting (a) if the Reference Rate is CAD-BA-CDOR, for Canadian Dollar bankers acceptances in an amount representative for a single transaction in the relevant market at the relevant time accepted by those banks as of 10:00 a.m. (Toronto time), or (b) to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus (as appropriate) the Margin (if any), which can be positive or negative, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period). Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

For the purposes of this Condition 6.3(b)(ii), **Reference Banks** means (a) if the Reference Rate is CAD-BA-CDOR, the principal Toronto office of four major Canadian chartered banks listed in Schedule I to the Bank Act (Canada), or (b) if the Reference Rate is EURIBOR, the principal office of five leading banks in the Euro zone inter-bank market or (c) if any other Reference Rate is used, the principal Relevant Financial Centre office of five leading banks in the inter bank market of the Relevant Financial Centre, in each case selected by the Issuer.

(iii) *Screen Rate Determination for Floating Rate Notes which reference SOFR*

Where Screen Rate Determination is specified as being applicable in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is SOFR, the Rate of Interest for each Interest Period (or for each Interest Accrual Period, when Calculation Method is specified as Compounded SOFR with

Payment Delay in the applicable Final Terms), subject as provided below and subject to Condition 6.4 (*Reference Rate Replacement*), will be the Compounded SOFR for such Interest Period (or Interest Accrual Period, as applicable) plus the Margin (if any, as indicated in the applicable Final Terms), which can be positive or negative, as determined by the Calculation Agent.

The Rate of Interest applicable for an Interest Period will be determined on the applicable SOFR Interest Determination Date, provided that, if the Calculation Method is specified as Compounded SOFR with Payment Delay in the applicable Final Terms, the Rate of Interest for an Interest Accrual Period will be determined on the applicable Interest Accrual Period End Date, provided further that, in such case the Rate of Interest for the final Interest Accrual Period shall be determined on the Rate Cut-off Date.

The Interest Amount for each Interest Period will be calculated by the Calculation Agent as set out in Condition 6.3(f) below provided that if the Calculation Method is specified as Compounded SOFR with Payment Delay in the applicable Final Terms, the relevant calculations shall be made in respect of each Interest Accrual Period, rather than each Interest Period.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

For the purposes of this Condition:

Compounded SOFR means:

(a) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded SOFR with Lookback", with respect to an Interest Period, subject as provided below, the rate of return of a daily compound interest investment computed in accordance with the following formula, with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards to .00001:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_{i\text{-}yUSBD}\times n_i}{360}\right)\text{-}1\right]\times\frac{360}{d}$$

where:

d means the number of calendar days in the relevant Interest Period;

d_0, for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

i means a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

$SOFR_{i\text{-}yUSBD}$, for any U.S. Government Securities Business Day "i" in the relevant Interest Period, is equal to SOFR in respect of the U.S. Government Securities Business Day that is "y" (the Lookback Number of U.S. Government Securities Business Days) U.S. Government Securities Business Days prior to that day "i"; and

n_i, for any U.S. Government Securities Business Day "i" in the relevant Interest Period, means the number of calendar days from and including such U.S.

Government Securities Business Day "i" up to but excluding the following U.S. Government Securities Business Day ("i+1").

Lookback Number of U.S. Government Securities Business Days has the meaning specified in the applicable Final Terms and represented in the formula above as "y", and which shall not be less than five U.S. Government Securities Business Days without the prior consent of the Calculation Agent.

(b) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded SOFR with Observation Period Shift", with respect to an Interest Period, subject as provided below, the rate of return of a daily compound interest investment computed in accordance with the following formula, with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards to .00001:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

d means the number of calendar days in the relevant Observation Period.

d_0, for any Observation Period, means the number of U.S. Government Securities Business Days in the relevant Observation Period;

i means a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

$SOFR_i$, for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is equal to SOFR (as defined below) in respect of that day "i"; and

n_i, for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1").

Observation Period means, in respect of each Interest Period, the period from, and including, the date that is the number of U.S. Government Securities Business Days specified in the applicable Final Terms preceding the first date in such Interest Period to, but excluding, the date that is the same number of U.S. Government Securities Business Days so specified and preceding the Interest Payment Date for such Interest Period.

(c) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded SOFR with Payment Delay", with respect to an Interest Accrual Period, subject as provided below, the rate of return of a daily compound interest investment computed in accordance with the following formula, with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards to .00001:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

d means the number of calendar days in the relevant Interest Accrual Period.

d_0, for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

i means a series of whole numbers from one to d_0, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Accrual Period;

$SOFR_i$, for any U.S. Government Securities Business Day "i" in the relevant Interest Accrual Period, is equal to SOFR (as defined below) in respect of that day "i"; and

n_i, for any U.S. Government Securities Business Day "i" in the relevant Interest Accrual Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1").

Interest Accrual Period means each quarterly period, or such other period as specified in the applicable Final Terms, from, and including, an Interest Accrual Period End Date (or, in the case of the first Interest Accrual Period, the Issue Date) to, but excluding, the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the Maturity Date or, if the Issuer elects to redeem the Notes on any earlier redemption date, such redemption date).

Interest Accrual Period End Dates means the dates specified in the applicable Final Terms, ending on the Maturity Date or, if the Issuer elects to redeem the Notes on any earlier redemption date, such redemption date.

Interest Payment Date means the second Business Day, or such other Business Day as specified in the applicable Final Terms, following each Interest Accrual Period End Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Maturity Date or, if the Issuer elects to redeem Notes on any earlier redemption date, the redemption date.

Rate Cut-Off Date means the second U.S. Government Securities Business Day prior to the Maturity Date or redemption date, as applicable. For the purposes of calculating Compounded SOFR with respect to the final Interest Accrual Period, the level of SOFR for each U.S. Government Securities Business Day in the period from and including the Rate Cut-Off Date to but excluding the Maturity Date or any earlier redemption date, as applicable, shall be the level of SOFR in respect of such Rate Cut-Off Date.

(d) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded SOFR Index with Observation Period Shift", with respect to an Interest Period the rate computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point e.g., 9.876541 per cent. (or .09876541) being rounded down to 9.87654 per cent. (or .0987654) and 9.876545 per cent. (or .09876545) being rounded up to 9.87655 per cent. (or .0987655)):

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \frac{360}{d_c}$$

where:

SOFR Index, with respect to any U.S. Government Securities Business Day, means:

(1) the SOFR Index value as published by the SOFR Administrator as such index appears on the New York Fed's Website at 3:00 p.m. (New York time) on such U.S. Government Securities Business Day (the **SOFR Determination Time**); provided that:

(2) if a SOFR Index value does not so appear as specified in (1) above at the SOFR Determination Time, then:

(i) if a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined below) have not occurred with respect to SOFR, Compounded SOFR shall be the rate determined pursuant to the "SOFR Index Unavailable" provisions below; or

(ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, Compounded SOFR shall be the rate determined pursuant to Condition 6.4 (*Reference Rate Replacement*).

SOFR Index$_{Start}$ is the SOFR Index value for the day which is two U.S. Government Securities Business Days, or such other number of U.S. Government Securities Business Days as specified in the applicable Final Terms, preceding the first date of the relevant Interest Period;

SOFR Index$_{End}$ is the SOFR Index value for the day which is two, or such other number of U.S. Government Securities Business Days as specified in the applicable Final Terms, U.S. Government Securities Business Days preceding the Interest Payment Date relating to such Interest Period; and

d_c is the number of calendar days from (and including) SOFR Index$_{Start}$ to (but excluding) SOFR Index$_{End}$.

SOFR Index Unavailable means, if a SOFR Index$_{Start}$ or SOFR Index$_{End}$ is not published on the associated SOFR Interest Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined below) have not occurred with respect to SOFR, **Compounded SOFR** means, for the applicable Interest Period for which such index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and definitions required for such formula, published on the New York Fed's Website at www.newyorkfed.org/markets/treasury-repo-reference-rates-information. For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "Observation Period" and the words "that is, 30-, 90-, or 180- calendar days" shall be removed. If the daily SOFR (**SOFR$_i$**) does not so appear for any day, **i** in the Observation Period, SOFR$_i$ for such day **i** shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the New York Fed's Website.

As used in this Condition 6.3(b)(iii):

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Each calculation of the Rate of Interest and Interest Amount by the Calculation Agent will (in absence of manifest error) be final and binding on the Noteholders and the Issuer.

The Issuer may appoint a different calculation agent from time to time without the consent of the Noteholders and without notifying the Noteholders. If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred under Condition 6.4 (*Reference Rate Replacement*), the Issuer shall then appoint a designee to act as calculation agent unless the Calculation Agent agrees to continue to act as Calcultion Agent, and any determination, decision or election that may be made by the Issuer or its designee in connection with Compounded SOFR shall be subject to the provisions of Condition 6.4(2).

If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Issuer will provide notice to the Noteholders in accordance with Condition 16 and the Agents, as soon as practicable prior to the first date on which the Calculation Agent is to cause notice of the Rate of Interest affected by such Benchmark Transition Event to be published in accordance with the Conditions, of any determination, decision or election made by the Issuer or its designee in connection with the Compounded SOFR, including any determination with respect to a tenor, rate or adjustment.

Subject to Condition 6.4(2), in the case of Floating Rate Notes which reference SOFR, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agent and each stock exchange or listing agent (if any) on which the Notes are then listed no later than 11:00 a.m., New York City time, on the Business Day immediately following each relevant SOFR Interest Determination Date, Interest Accrual Period End Date or Rate Cut-Off Date, as applicable, and notice thereof to be promptly published in accordance with Condition 17 (*Notices*).

Definitions

New York Fed's Website means the website of the SOFR Administrator currently at http://www.newyorkfed.org, or any successor website of the SOFR Administrator.

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

SOFR, with respect to any U.S. Government Securities Business Day, means:

(1) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the New York Fed's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the **SOFR Determination Time**); or

(2) if the rate specified in (1) above does not so appear, unless both a Benchmark Transition Event and its related Benchmark Replacement Date (as each such term is defined below under Condition 6.4 (*Reference Rate Replacement*) have occurred, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the New York Fed's Website; or

(3) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Benchmark Replacement, subject to the provisions described, and as defined, below under Condition 6.4 (*Reference Rate Replacement*) have occurred.

SOFR Administrator means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate); and

SOFR Interest Determination Date for Compounded SOFR with Lookback, Compounded SOFR with Observation Period Shift and Compounded SOFR Index with Observation Period Shift means the day that is the number of U.S. Government Securities Business Days prior to the Interest Payment Date in respect of the relevant Interest Period, as specified in the applicable Final Terms.

(iv) *Screen Rate Determination for Floating Rate Notes which are CMS Linked Interest Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, subject to Condition 6.4 (*Reference Rate Replacement*) below, the Rate of Interest for each Interest Period will be:

(a) where "CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

CMS Rate + Margin

(b) where "Leveraged CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

Leverage x CMS Rate

(c) where "Steepener CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

Either:

(a) where "Steepener CMS Reference Rate: Unleveraged" is specified in the applicable Final Terms:

CMS Rate 1 – CMS Rate 2

or

(b) where "Steepener CMS Reference Rate: Leveraged" is specified in the applicable Final Terms:

Leverage x [(Min (CMS Rate 1; Cap – CMS Rate 2)] + Margin

(d) where "Call Spread CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

Leverage x Min [Max (CMS Rate + Margin; Floor); Cap]

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

For the purposes of this Condition 6.3(b)(iv):

CMS Rate shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, as published on Reuters Page ICESWAP2, Euribor basis, fixed at 11:00 AM CET or the Relevant Screen Page on the relevant Determination Date, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Issuer (or an agent appointed by the Issuer) shall request each of the Reference Banks to provide the Issuer (or an agent appointed by the Issuer) with its quotation for the Relevant Swap Rate at approximately the Specified Time on the Interest Determination Date in question. If at least three of the Reference Banks provide the Issuer (or an agent appointed by the Issuer) with such quotation, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest) as determined by the Calculation Agent. If on any Interest Determination Date less than three or none of the Reference Banks provides the Issuer (or an agent appointed by the Issuer) with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent as at the last preceding Interest Determination Date (though substituting, where a different specified Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the specified Margin relating to the relevant Interest Period in place of the specified Margin relating to that last preceding Interest Period);

CMS Rate 1 and **CMS Rate 2** shall mean the CMS Rate with a particular Designated Maturity as specified in the relevant Final Terms;

Cap means a percentage per annum as specified in the relevant Final Terms;

Floor means a percentage per annum as specified in the relevant Final Terms;

Leverage means a percentage number as specified in the relevant Final Terms;

Margin means a percentage per annum as specified in the relevant Final Terms;

Reference Banks means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London interbank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, (iv) where the Reference Currency is Canadian Dollars, the principal Toronto office of four major Canadian chartered banks listed in Schedule I to the Bank Act (Canada), or (v) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Issuer or one of its affiliates;

Relevant Swap Rate means:

(i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions; and

(ii) where the Reference Currency is any other currency of if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms; and

Representative Amount means an amount that is representative for a single transaction in the relevant market at the relevant time.

(c) Rate of Interest – Inflation Linked Interest Notes

The Rate of Interest payable from time to time in respect of Inflation Linked Interest Notes, for each Interest Period, shall be determined by the Calculation Agent, or other party specified in the Final Terms, on the relevant Determination Date in accordance with the following formula:

Rate of Interest = [[*Index Factor*]**YoY Inflation*] + *Margin*

subject to the Minimum Rate of Interest or the Maximum Rate of Interest if, in either case, designated as applicable in the applicable Final Terms in which case the provisions of Condition 6.3(d) shall apply as appropriate.

The Rate of Interest shall be rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

Definitions

For the purposes of the Conditions:

Index Factor has the meaning given to it in the applicable Final Terms, provided that if Index Factor is specified as "Not Applicable", the Index Factor shall be deemed to be equal to one;

Inflation Index means the relevant inflation index set out in Annex 1 to this Base Prospectus (CPI or HICP) specified in the applicable Final Terms;

Inflation Index (t) means the value of the Inflation Index for the Reference Month in the calendar year in which the relevant Specified Interest Payment Date falls;

Inflation Index (t-1) means the value of the Inflation Index for the Reference Month in the calendar year preceding the calendar year in which the relevant Specified Interest Payment Date falls;

Margin has the meaning given to it in the applicable Final Terms;

Reference Month has the meaning given to it in the applicable Final Terms; and

YoY Inflation (t) means in respect of the Specified Interest Payment Date falling in month (t), the value calculated in accordance with the following formula:

$$\left[\frac{InflationIndex(t)}{InflationIndex(t-1)} - 1\right]$$

(d) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 6.3(a) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 6.3(b) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(e) Change of Interest Basis

If Change of Interest Basis is specified as applicable in the applicable Final Terms, the interest payable in respect of the Notes will be calculated in accordance with Condition 6.1 or this Condition 6.3, each applicable only for the relevant periods specified in the applicable Final Terms.

If Change of Interest Basis is specified as applicable in the applicable Final Terms, and Issuer's Switch Option is also specified as applicable in the applicable Final Terms, the Issuer may, on one or more occasions, as specified in the applicable Final Terms, at its option (any such option, a **Switch Option**), having given notice to the Noteholders in accordance with Condition 17 (*Notices*) on or prior to the relevant Switch Option Expiry Date, change the Interest Basis of the Notes from Fixed Rate to Floating Rate or Floating Rate to Fixed Rate or as otherwise specified in the applicable Final Terms with effect from (and including) the Switch Option Effective Date specified in the applicable Final Terms to (but excluding) the Maturity Date (or, where more than one Switch Option Effective Date is specified in the applicable Final Terms, up to and excluding the next following Switch Option Effective Date), provided that (A) the Switch Option may be exercised only in respect of all the outstanding Notes, (B) upon exercise of a Switch Option, the Interest Basis change will be effective form (and including) the relevant Switch Option Effective Date until the Maturity Date (or, where more than one Switch Option Effective Date is specified as applicable in the applicable Final Terms, up to and excluding the next following Switch Option Effective Date to the extent the related Switch Option is exercised), and (C) where a Switch Option has not been exercised prior to the relevant Switch Option Expiry Date, the Issuer shall no longer be entitled to exercise such Switch Option and the Interest Basis shall not change.

Switch Option Expiry Date and Switch Option Effective Date shall mean any date specified as such in the applicable Final Terms provided that any date specified in the applicable Final Terms as a Switch Option Effective Date shall be deemed as such subject to the exercise of the relevant Switch Option having been notified to the Issuer pursuant to this Condition 6.3 and in accordance with Condition 17 (*Notices*) prior to the relevant Switch Option Expiry Date.

(f) Determination of Rate of Interest and calculation of Interest Amounts

The Calculation Agent will at, or as soon as practicable after, each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Inflation Linked Interest Notes, as appropriate, for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes or Inflation Linked Interest Notes, as appropriate, which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Floating Rate Notes or Inflation Linked Interest Notes, as appropriate, in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or a Inflation Linked Interest Notes, as appropriate, in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Calculation Agent means the entity designated for such purpose as is specified in the applicable Final Terms.

Day Count Fraction means, in respect of the calculation of an amount of interest for any Interest Period:

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

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

(C) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(D) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(E) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2-Y_1)+[30x(M_2-M_1)]+(D_2-D_1)]}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(F) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2-Y_1)+[30x(M_2-M_1)]+(D_2-D_1)]}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(G) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2-Y_1)+[30x(M_2-M_1)]+(D_2-D_1)]}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (I) that day is the last day of February or (II) such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (I) that day is the last day of February but not the Maturity Date or (II) such number would be 31 and in which case D_2 will be 30.

(g) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the CalculationAgent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms or Pricing Supplement if applicable) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms or Pricing Supplement if applicable), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Rate of Interest for such Interest Period shall be calculated as if Linear Interpolation were not applicable.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(h) Notification of Rate of Interest and Interest Amounts

This Condition 6.3(h) does not apply to Notes linked to SOFR.

Subject to Condition 6.4 (*Reference Rate Replacement*), the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Luxembourg Stock Exchange at the latest on the first London Business Day of each Interest Period, the Issuer and any stock exchange (or listing agent as the case may be) on which the relevant Floating Rate Notes or Inflation Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 17 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange (or listing agent as the case may be) on which the relevant Floating Rate Notes or Inflation Linked Interest Notes

are for the time being listed and to the Noteholders in accordance with Condition 17 (*Notices*). For the purposes of this Condition 6.3(h), the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(i) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.3 by the Calculation Agent, shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.4 Reference Rate Replacement

This Condition 6.4 applies only to Floating Rate Notes and Reset Notes.

(1) *Reset Notes and Screen Rate Determination (in the latter case for Notes not linked to SOFR)*

If: (i) Reference Rate Replacement is specified in the relevant Final Terms as being applicable and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined or, in the case of Reset Notes, Reset Reference Rate Replacement is specified in the relevant Final Terms as being applicable; and (ii) notwithstanding the other provisions of Condition 6.3 with respect to Screen Rate Determination and the other provisions of Section 6.2(iii) for Reset Notes, the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply to the relevant Series of Notes (other than to Notes linked to SOFR):

(i) the Issuer shall use reasonable endeavours:(A) to determine a Successor Reference Rate and an Adjustment Spread (if any); or (B) if the Issuer cannot determine a Successor Reference Rate and an Adjustment Spread (if any), appoint an Independent Adviser to determine an Alternative Reference Rate, and an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than five Business Days prior to the Interest Determination Date or Reset Determination Date, as the case may be, relating to the next Interest Period or Reset Period, as applicable (the **IA Determination Cut-off Date**), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period or Reset Period, as applicable, and for all other future Interest Periods or Reset Periods (subject to the subsequent operation of this Condition 6.4 during any other future Interest Period(s));

(ii) if the Issuer is unable to determine a Successor Reference Rate and the Independent Adviser is unable to determine an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine an Alternative Reference Rate and an Adjustment Spread (if any) no later than three Business Days prior to the Interest Determination Date or Reset Determination Date, as the case may be, relating to the next Interest Period or Reset Period, as applicable (the **Issuer Determination Cut-off Date**), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period or Reset Period, as applicable, and for all other future Interest Periods or Reset Periods, as applicable (subject to the subsequent operation of this Condition 6.4 during any other future Interest Period(s) or Reset Period(s), as applicable). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;

(iii) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 6.4:

(A) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall replace the Original Reference Rate for all future Interest Periods or Reset Periods, as applicable (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.4);

(B) if the relevant Independent Adviser or the Issuer (as applicable):

(I) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Interest Periods or Reset Periods, as applicable (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.4); or

(II) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future Interest Periods or Reset Periods, as applicable (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.4); and

(C) the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:

(i) changes to these Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (1) any Additional Business Center(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date or Reset Determination Date as the case may be. Reference Banks, Relevant Financial Centre and/or Relevant Screen Page applicable to the Notes and (2) the method for determining the fallback to the Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and

(ii) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable) (each of the changes described above a **Benchmark Amendment** and, together, the **Benchmark Amendments**),

which changes shall apply to the Notes for all future Interest Periods or Reset Periods, as applicable (subject to the subsequent operation of this Condition 6.4); and

(iv) following the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread, the Issuer shall notify promptly (but in any event no later than the relevant Issuer Determination Cut-off Date) of any changes (and the effective date thereof) pursuant to Condition 6.4(iii)(C) the Calculation Agent, the Principal Paying Agent and the Noteholders in accordance with Condition 17 (*Notices*).

No consent of the Noteholders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) as described in this Condition 6.4 or such other relevant changes pursuant to Condition 6.4(iii)(C), including for the execution of any documents or the taking of other steps by the Issuer.

For the avoidance of doubt, if a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 6.4 prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next Interest Period or Reset Period, as applicable, shall be determined by reference to the fallback provisions of Condition 6.2(iii) or Condition 6.3(b), as applicable.

(2) *Screen Rate Determination for Notes linked to SOFR*

In the case of Notes linked to SOFR, if (i) Reference Rate Replacement is specified in the relevant Final Terms as being applicable and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined; and (ii) notwithstanding the other provisions of Condition 6.3 with respect to Screen Rate Determination, the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Conditions, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(1) will be conclusive and binding absent manifest error on Noteholders and any other party;

(2) will be made in the Issuer's or its designee's sole discretion, as applicable; and

(3) notwithstanding anything to the contrary in these Conditions or the Agency Agreement relating to the Notes, shall become effective without consent from the Noteholders or any other party.

For the purposes of this Condition 6.4(2):

Benchmark means, initially, the Compounded SOFR, determined in accordance with the Calculation Method specified in the applicable Final Terms; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Rate of Interest (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

Benchmark Replacement means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date.

(1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;

(2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(3) the sum of: (a) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment.

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time.

Benchmark Replacement Conforming Changes means, with respect to any replacement rate, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such replacement rate in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the replacement rate exists, in such other manner as the Issuer or its designee determines is reasonably necessary).

Benchmark Replacement Date means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(2) public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

ISDA Fallback Adjustment means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark.

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

Reference Time with respect to any determination of the Benchmark means (1) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (2) if the Benchmark is not Compounded SOFR, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(3) *Disapplication of Reference Rate Replacement*

Notwithstanding any other provision of this Condition 6.4: (i) no Successor Reference Rate or Alternative Reference Rate (as applicable) or any other relevant rate substituting the Original Reference Rate will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 6.4, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as: (A) in the case of Senior Notes or Non-Preferred Senior Notes, satisfying the MREL or TLAC Requirements; (B) in the case of Subordinated Notes, Tier 2 Capital for regulatory capital purposes of the Issuer and/or the Group; and (C) in the case of Additional Tier 1 Notes, Additional Tier 1 Capital for regulatory capital purposes of the Issuer and/or the Group; and/or (ii) in the case of Senior Notes and Non-Preferred Senior Notes only, no Successor Reference Rate or Alternative Reference Rate (as applicable) or any other relevant rate substituting the Original Reference Rate will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 6.4, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Competent Authority or, if applicable, the Relevant Resolution Authority treating an Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date.

For the purposes of Condition 6.4(1) and this Condition 6.4(3):

Adjustment Spread means a spread (which may be positive or negative) or formula or methodology for calculating a spread, in each case to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to the Noteholders as a result of the replacement of the Original Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which: (i) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Original Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or (ii) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or (iii) if no such customary market usage is recognised or acknowledged, the relevant Independent Adviser or the Issuer (as applicable) in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

Alternative Reference Rate means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Periods or Reset Periods, as applicable, or, if such Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Original Reference Rate.

Benchmark Event means, in respect of a Reference Rate or a Reset Reference Rate:

(a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist or being subject to a material change; or

(b) a public statement by the administrator of the Original Reference Rate that it will, by a specified date on or prior to the next Interest Determination Date or Reset Determination Date, as the case may be, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date on or prior to the next Interest Determination Date or Reset Determination Date, as the case may be, be permanently or indefinitely discontinued; or

(d) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of its relevant underlying market; or

(e) a public statement by the supervisor of the administrator of the Original Reference Rate, an insolvency official with jurisdiction over the administrator of the Original Reference Rate, a resolution authority with jurisdiction over the administrator of the Original Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the Original Reference Rate, which states that the administrator of the Original Reference Rate has ceased or will, within a specified period of time, cease to provide the Original Reference Rate permanently or indefinitely, provided that, where applicable, such period of time has lapsed, and provided further that, at the time of cessation, there is no successor administrator that will continue to provide the Original Reference Rate; or

(f) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences either generally, or in respect of the Notes, in each case by a specific date on or prior to the next Interest Determination Date or Reset Determination Date, as the case may be; or

(g) it has become unlawful (including, without limitation, under the EU Benchmark Regulation (Regulation (EU) 2016/1011), as amended from time to time, if applicable) for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

Independent Adviser means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

Original Reference Rate means:

(a) the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes; or

(b) any Successor Reference Rate or Alternative Reference Rate or other rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 6.4 (*Reference Rate Replacement*).

Relevant Nominating Body means, in respect of a reference rate: (i) the central bank for the currency to which such reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the

aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof.

Successor Reference Rate means the rate: (i) that the Issuer determines is a successor to or replacement of the Original Reference Rate and (ii) that is formally recommended by any Relevant Nominating Body.

(4) *Calculation Agent*

In no event shall the Calculation Agent be responsible for determining any Successor Reference Rate, Alternative Reference Rate, Adjustment Spread, Benchmark, Benchmark Event, Benchmark Transition Event, Benchmark Replacement Adjustment or Benchmark Replacement Conforming Changes. The Calculation Agent will be entitled to conclusively rely on any determinations made by the Issuer or the Independent Adviser and will have no liability for such actions taken at the direction of the Issuer or the Independent Adviser.

Notwithstanding any other provision of this Condition 6.4 (*Reference Rate Replacement*), if in the Calculation Agent's opinion there is any uncertainty in making any determination or calculation under this Condition 6.4 (*Reference Rate Replacement*), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

6.5 Inflation Linked Interest Note Provisions

Unless previously redeemed or purchased and cancelled in accordance with this Condition 6.5 or as specified in the applicable Final Terms and subject to this Condition 6.5, each Inflation Linked Interest Note will bear interest in the manner specified in the applicable Final Terms and the Conditions.

The following provisions apply to Inflation Linked Interest Notes:

Additional Disruption Event means any of Change of Law, Hedging Disruption and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms;

Change of Law means that, on or after the Trade Date (as specified in the applicable Final Terms):

(a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or

(b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority),

the Calculation Agent determines in its discretion that (i) it has become illegal to hold, acquire or dispose of any relevant hedging arrangements in respect of the Inflation Index, or (ii) any Hedging Party will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer, any of its Affiliates or any other Hedging Party);

Cut-Off Date means, in respect of a Determination Date, five (5) Business Days prior to any due date for payment under the Notes for which valuation on the relevant Determination Date is relevant, unless otherwise stated in the applicable Final Terms;

Delayed Index Level Event means, in respect of any Determination Date and an Inflation Index, that the relevant Inflation Index Sponsor fails to publish or announce the level of such Inflation Index (the **Relevant Level**) in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Determination Date, at any time on or prior to the Cut-Off Date;

Determination Date means each date specified as such in the applicable Final Terms;

End Date means each date specified as such in the applicable Final Terms;

Fallback Bond means, in respect of an Inflation Index, a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the relevant Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to such Inflation Index, with a maturity date which falls on (a) the End Date specified in the applicable Final Terms, (b) the next longest maturity after the End Date if there is no such bond maturing on the End Date, or (c) the next shortest maturity before the End Date if no bond defined in (a) or (b) above is selected by the Calculation Agent. If the relevant Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems, the Calculation Agent will select a new Fallback Bond on the same basis, but notwithstanding the immediately prior sentence, selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged);

Hedging Disruption means that any Hedging Party is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the relevant price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s), as determined by the Calculation Agent;

Hedging Party means at any relevant time, the Issuer, or any of its Affiliates or any other party providing the Issuer directly or indirectly with hedging arrangements in relation to the Notes as the Issuer may select at such time;

Increased Cost of Hedging means that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

Inflation Index means each inflation index specified in the applicable Final Terms and related expressions shall be construed accordingly;

Inflation Index Sponsor means, in relation to an Inflation Index, the entity that publishes or announces (directly or through an agent) the level of such Inflation Index which, as of the Issue Date, is the Inflation Index Sponsor specified in the applicable Final Terms;

Reference Month means the calendar month for which the level of the Inflation Index is reported as specified in the applicable Final Terms, regardless of when this information is published or announced, except that if the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level is reported;

Related Bond means, in respect of an Inflation Index, the bond specified as such in the applicable Final Terms. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then, for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, there will be no Related Bond. If a bond is specified as the Related Bond in the applicable Final Terms and that bond redeems or matures before the End Date (i) unless "Fallback

Bond: Not Applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination and (ii) if "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, there will be no Related Bond; and

Relevant Level has the meaning set out in the definition of "Delayed Index Level Event" above;

Inflation Index Delay And Disruption Provisions

(a) Delay in Publication

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Determination Date, then the Relevant Level for such Inflation Index with respect to the relevant Reference Month subject to such Delayed Index Level Event (the **Substitute Index Level**) shall be determined by the Calculation Agent as follows:

(i) if "Related Bond" is specified as applicable for such Inflation Index in the relevant Final Terms, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the relevant Related Bond;

(ii) if (I) "Related Bond" is not specified as applicable for such Inflation Index in the relevant Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level under paragraph (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

Substitute Index Level = Base Level x (Latest Level/Reference Level); or

(iii) otherwise in accordance with any formula specified in the relevant Final Terms,

in each case as of such Determination Date,

where:

Base Level means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

Latest Level means, in respect of an Inflation Index, the latest level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor prior to the month in respect of which the Substitute Index Level is being determined.

Reference Level means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

The Issuer shall give notice to Noteholders, in accordance with Condition 17 (*Notices*) of any Substitute Index Level calculated pursuant to this Condition 6.5.

If the Relevant Level (as defined above) is published or announced at any time on or after the relevant Cut-off Date, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Condition 6.5 will be the definitive level for that Reference Month.

(b) Cessation of Publication

If the Calculation Agent determines that the level for the Inflation Index has not been published or announced for two (2) consecutive months, the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index or the Inflation Index Sponsor otherwise cancels the Inflation Index, then the Calculation Agent shall determine a successor inflation index (the **Successor Inflation Index**) (in lieu of any previously applicable Inflation Index) for the purposes of the Inflation Linked Interest Notes by using the following methodology:

(i) if at any time (other than after an early redemption or cancellation event has been designated by the Calculation Agent pursuant to Condition 6.5(b)(v)), a successor inflation index has been designated by the calculation agent (or equivalent) pursuant to the terms and conditions of the Related Bond, such successor inflation index shall be designated a "Successor Inflation Index" notwithstanding that any other Successor Inflation Index may previously have been determined under Condition 6.5(b)(ii), 6.5(b)(iii) or 6.5(b)(iv);

(ii) if a Successor Inflation Index has not been determined pursuant to Condition 6.5(b)(i), and a notice has been given or an announcement has been made by the Inflation Index Sponsor, specifying that the Inflation Index will be superseded by a replacement Inflation Index specified by the Inflation Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, such replacement index shall be the Inflation Index for purposes of the Inflation Linked Interest Notes from the date that such replacement Inflation Index comes into effect;

(iii) if a Successor Inflation Index has not been determined pursuant to Condition 6.5(b)(i) or 6.5(b)(ii), the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be. If four or five responses are received and, of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If three responses are received and two or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If fewer than three responses are received or no Successor Inflation Index is determined pursuant to this Condition 6.5(b)(iii), the Calculation Agent will proceed to Condition 6.5(b)(iv);

(iv) if no replacement index or Successor Inflation Index has been determined under Condition 6.5(b)(i), 6.5(b)(ii) or 6.5(b)(iii) by the next occurring Cut-Off Date, the Calculation Agent, subject as provided below, will determine an appropriate alternative index from such Cut-Off Date, and such index will be deemed a "Successor Inflation Index"; or

(v) if the Calculation Agent determines that there is no appropriate alternative index in relation to Inflation Linked Interest Notes, on giving notice to Noteholders in accordance with Condition 17 (*Notices*), the Issuer shall redeem or cancel, as applicable all but not some only of the Inflation Linked Interest Notes, each Inflation Linked Interest Note being redeemed or cancelled, as applicable by payment of the relevant Early Redemption Amount or, in the case of Additional Tier 1 Notes, at their Prevailing Principal Amount. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 17 (*Notices*).

(c) Rebasing of the Inflation Index

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the **Rebased Index**) will be used for purposes of determining the level of the Inflation Index from the date of such rebasing; provided, however,

that the Calculation Agent shall make adjustments as are made by the calculation agent (or equivalent) pursuant to the terms and conditions of the Related Bond, if "Related Bond" is specified as applicable in the applicable Final Terms, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, or, if "Related Bond" is not specified as applicable in the applicable Final Terms, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased.

(d) Material Modification Prior to Last Occurring Cut-Off

If, on or prior to the last occurring Cut-Off Date, the Inflation Index Sponsor announces that it will make a material change to the Inflation Index then the Calculation Agent shall make any such adjustments, if "Related Bond" is specified as applicable in the applicable Final Terms, consistent with adjustments made to the Related Bond, or, if "Related Bond" is not specified as applicable in the applicable Final Terms, only those adjustments to the Inflation Index necessary for the modified Inflation Index to continue as the Inflation Index.

(e) Manifest Error in Publication

With the exception of any corrections published after the day which is three (3) Business Days prior to the relevant Maturity Date, if, within thirty (30) calendar days of publication, the Calculation Agent determines that the Inflation Index Sponsor has corrected the level of the Inflation Index to remedy a manifest error in its original publication, the Calculation Agent may, in its discretion, make such adjustments to the terms of the Inflation Linked Interest Notes as it determines appropriate to account for the correction and will notify the Noteholders of any such adjustments in accordance with Condition 17 (*Notices*).

(f) Consequences of an Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may at its option:

(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(ii) redeem or cancel, as applicable, all but not some of the Inflation Linked Interest Notes on the date notified by the Calculation Agent to Noteholders in accordance with Condition 17 (*Notices*) by payment of the relevant Early Redemption Amount or, in the case of Additional Tier 1 Notes, at their Prevailing Principal Amount, as at the date of redemption or cancellation, as applicable, taking into account the relevant Additional Disruption Event.

(g) Inflation Index Disclaimer

(i) The Notes are not sponsored, endorsed, sold or promoted by the Inflation Index or the Inflation Index Sponsor and the Inflation Index Sponsor does not make any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Inflation Index and/or the levels at which the Inflation Index stands at any particular time on any particular date or otherwise. Neither the Inflation Index nor the Inflation Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Inflation Index and the Inflation Index Sponsor is under no obligation to advise any person of any error therein. The Inflation Index Sponsor is not making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. The Issuer shall not have liability to the Noteholders for any act or failure to act by the Inflation Index Sponsor in connection with the calculation, adjustment or maintenance of the Inflation Index. Except as disclosed prior to

the Issue Date specified in the applicable Final Terms, neither the Issuer nor its Affiliates has any affiliation with or control over the Inflation Index or the Inflation Index Sponsor or any control over the computation, composition or dissemination of the Inflation Index. Although the Calculation Agent will obtain information concerning the Inflation Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its Affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Inflation Index.

6.6 Exempt Notes

In the case of Exempt Notes which are also Floating Rate Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than EURIBOR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 6.3 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Principal Paying Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

Dual Currency Note

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

7. INTEREST AND INTEREST CANCELLATION IN RESPECT OF ADDITIONAL TIER 1 NOTES

This Condition 7 applies only to Additional Tier 1 Notes. The application of Condition 6 to Additional Tier 1 Notes is subject to this Condition 7.

7.1 Cancellation of Interest Amounts

The Issuer may at any time elect at its full discretion to cancel (in whole or in part) for an unlimited period and on a non-cumulative basis the Interest Amounts otherwise scheduled to be paid on an Interest Payment Date.

Without prejudice to (i) such full discretion of the Issuer to cancel the Interest Amounts and (ii) the prohibition to make payments on the Additional Tier 1 Notes pursuant to any provisions of Italian law implementing Article 141(2) of the CRD IV Directive and, if relevant, in any other similar payment restriction provision(s) under the then applicable Relevant Regulations, before the Maximum Distributable Amount is calculated, payment of Interest Amounts on any Interest Payment Date must be cancelled (in whole or, as the case may be, in part) if and to the extent that such Interest Amounts:

(a) when aggregated together with distributions on all other Own Funds instruments of the Issuer (excluding Tier 2 Capital instruments) paid or scheduled for payment in the then current financial year and any potential write-ups exceed the amount of Distributable Items, excluding any payments already accounted for in determining the Distributable Items; and/or

(b) when aggregated together with other distributions of the Issuer or the UniCredit Group, as applicable, of the kind referred to in Article 141(2) of the CRD IV Directive and, if relevant, in any other similar payment restriction provision(s) under the then applicable Relevant Regulations (or, if different, any provisions of Italian law implementing Article 141(2) of the CRD IV Directive or, if relevant, such other provision(s)) and the amount of any write-up (if applicable), would, if paid, cause the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the UniCredit Group to be exceeded; and/or

(c) are required to be cancelled (in whole or in part) by an order to the Issuer from the Competent Authority.

As set out in Condition 8.1, if a Contingency Event occurs, accrued and unpaid interest to (but excluding) the Write-Down Effective Date shall be cancelled.

Notice of any cancellation of payment of a scheduled Interest Amount must be given to the Noteholders (in accordance with Condition 17 (*Notices*)) and the Principal Paying Agent as soon as possible, but not more than 60 calendar days, prior to the relevant Interest Payment Date. Such notice shall specify the amount of the relevant cancellation. Any failure by the Issuer to give such notice shall not affect the validity of the cancellation and shall not constitute a default for any purpose. In the absence of any notice of cancellation being given, the fact of non-payment (in whole or in part) of the relevant Interest Amount on the relevant Interest Payment Date shall be evidence of the Issuer having elected or being required to cancel such distributions payment in whole or in part, as applicable.

For the avoidance of doubt (i) the cancellation of any Interest Amounts in accordance with this Condition 7.1 or Condition 8.1 shall not constitute a default for any purpose on the part of the Issuer and (ii) interest on the Additional Tier 1 Notes is not cumulative and any Interest Amounts that the Issuer elects not to pay or is prohibited from paying will not accumulate or compound and all rights and claims in respect of such amounts shall be fully and irrevocably forfeited and no payments shall be made nor shall any Noteholder be entitled to any payment or indemnity in respect thereof.

As used in these Conditions **Distributable Items** means, subject as otherwise defined in the Relevant Regulations from time to time:

(a) an amount equal to the Issuer's profits at the end of the financial year immediately preceding the financial year in which the relevant Interest Payment Date falls plus any profits brought forward and reserves available for that purpose before distributions to holders of Own Funds instruments (which, for the avoidance of doubt, excludes any such distributions paid or made on Tier 2 instruments or any such distributions which have already been provided for, by way of deduction, in calculating the amount of Distributable Items); less

(b) an amount equal to any losses brought forward, profits which are non-distributable pursuant to applicable European Union or Italian law or the by-laws of the Issuer from time to time and sums placed to non-distributable reserves in accordance with applicable Italian law or the by-laws of the Issuer from time to time, in each case with respect to the specific category of Own Funds Instruments to which applicable European Union or Italian law or the by-laws of the Issuer relates,

those profits, losses and reserves being determined on the basis of the Issuer's non-consolidated accounts.

7.2 No restriction following cancellation of Interest Amounts

In the event that the Issuer exercises its discretion not to pay interest or is prohibited from paying interest on any Interest Payment Date, it will not give rise to any contractual restriction on the Issuer making distributions or any other payments to the holders of any securities ranking *pari passu* with, or junior to, the Additional Tier 1 Notes (or, for the avoidance of doubt, Tier 2 instruments).

7.3 Calculation of Interest Amount

Subject to Condition 7.1 and Condition 9, the amount of interest payable in respect of an Additional Tier 1 Note for any period shall be calculated by the Principal Paying Agent (in the case of Floating Rate Notes (other than CMS Linked Interest Notes)) or the Calculation Agent (in the case of Inflation Linked Interest Notes or CMS Linked Interest Notes) by:

(a) applying the applicable Rate of Interest to the Prevailing Principal Amount of such Additional Tier 1 Note;

(b) multiplying the product thereof by the Day Count Fraction; and

(c) rounding the resulting figure to the nearest cent (half a cent. being rounded upwards).

7.4 Calculation of Interest Amount in case of Write-Down

Subject to Condition 7.1, in the event that a Write-Down occurs during an Interest Period, any accrued and unpaid interest shall be cancelled pursuant to Condition 8.1(c) and the Interest Amount payable on the Interest Payment Date immediately following such Interest Period shall be calculated in accordance with Condition 6.3(f), provided that the Day Count Fraction shall be determined as if the Interest Period started on, and included, the Write-Down Effective Date.

7.5 Calculation of Interest Amount in case of Write-Up

Subject to Condition 7.1, in the event that a Write-Up occurs during an Interest Period, the Interest Amount payable on the Interest Payment Date immediately following such Interest Period shall be calculated as the sum (rounding the resulting figure to the nearest cent, with half a cent being rounded upwards) of the following:

(a) the product of the applicable Rate of Interest, the Prevailing Principal Amount before such Write-Up, and the Day Count Fraction (determined as if the Interest Period ended on, but excluded, the date of such Write-Up); and

(b) the product of the applicable Rate of Interest, the Prevailing Principal Amount after such Write-Up, and the Day Count Fraction (determined as if the Interest Period started on, and included, the date of such Write-Up).

As used in these Conditions:

Maximum Distributable Amount means any applicable maximum distributable amount relating to the Issuer and/or the UniCredit Group, as the case may be, required to be calculated in accordance with the CRD IV Directive and/or any other Relevant Regulation(s) (or any provision of Italian law transposing or implementing the CRD IV Directive and/or, if relevant, any other Relevant Regulation(s)) if the Issuer and/or the UniCredit Group is failing to meet any applicable requirements or any buffers relating to such requirements (including, without limitation, the maximum distributable amount (MDA) required to be calculated in accordance with Article 141 of the CRD IV Directive, the maximum distributable amount related to the minimum requirement for own funds and eligible liabilities (M-MDA) required to be calculated in accordance with Article 16a of the BRRD and the maximum distributable amount related to the leverage ratio (L-MDA) required to be calculated in accordance with Art. 141b of the CRD IV

Directive), in each case if a corresponding payment restriction provision is applicable to the Issuer or the UniCredit Group (as the case may be) at that point in time;

Maximum Write-Up Amount has the meaning given to it in Condition 8.3;

Own Funds has the meaning given to such term (or any equivalent or successor term) in the Relevant Regulations;

Prevailing Principal Amount in respect of an Additional Tier 1 Note on any date, means the Initial Principal Amount of such Additional Tier 1 Note as reduced from time to time (on one or more occasions) pursuant to a Write-Down and/or reinstated from time to time (on one or more occasions) pursuant to a Write-Up in each case on or prior to such date;

Tier 1 Capital has the meaning given to such term (or any other equivalent or successor term) in the Relevant Regulations;

Tier 2 Capital has the meaning given to such term (or any other equivalent or successor term) in the Relevant Regulations;

Write-Down has the meaning given to such term in Condition 8.1;

Write-Down Amount has the meaning given to such term in Condition 8.1;

Write-Down Effective Date has the meaning given to such term in Condition 8.1;

Write-Up has the meaning given to such term in Conditions 8.3;

Write-Up Notice has the meaning given to such term in Conditions 8.3; and

Written-Down Additional Tier 1 Instrument means an instrument (other than the Additional Tier 1 Notes) issued directly or indirectly by the Issuer or, as applicable, any member of the UniCredit Group, and qualifying as Additional Tier 1 Capital of the Issuer or, as applicable, the UniCredit Group that, as at the time immediately prior to the relevant Write-Up, has a prevailing principal amount lower than the principal amount that it was issued with due to a write-down.

8. LOSS ABSORPTION AND REINSTATEMENT OF PRINCIPAL AMOUNT

This Condition 8 applies only to Additional Tier 1 Notes. The application of Condition 6 to Additional Tier 1 Notes is subject to this Condition 8.

8.1 Loss absorption

If, at any time, the Common Equity Tier 1 Capital Ratio of the Issuer falls below 5.125 per cent. (an **Issuer Contingency Event**) or the Common Equity Tier 1 Capital Ratio of the UniCredit Group falls below 5.125 per cent. (a **Group Contingency Event**) or, in each case, the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations (excluding any guidelines or policies of non-mandatory application) applicable to the Issuer and/or the UniCredit Group (each, a **Contingency Event**), the Issuer shall:

(a) immediately notify the Competent Authority of the occurrence of the relevant Contingency Event;

(b) as soon as reasonably practicable deliver a Loss Absorption Event Notice to Noteholders (in accordance with Condition 17 (*Notices*)), the Principal Paying Agent and the Paying Agents (provided that failure or delay in delivering a Loss Absorption Event Notice shall not constitute

a default for any purpose or in any way impact on the effectiveness of, or otherwise invalidate, any Write-Down);

(c) cancel any accrued and unpaid interest up to (but excluding) the Write-Down Effective Date; and

(d) without delay, and in any event within one month (or such shorter period as the Competent Authority may require) from the determination that the relevant Contingency Event has occurred, reduce the then Prevailing Principal Amount of each Additional Tier 1 Note by the Write-Down Amount (such reduction being referred to as a **Write-Down** and **Written Down** being construed accordingly).

Whether a Contingency Event has occurred at any time shall be determined by the Issuer and the Competent Authority.

For the avoidance of doubt, even if the cancellation of interest pursuant to Condition 8.1(c) would cure the relevant Contingency Event, the relevant Write-Down shall occur in any event and any increase in the CET1 Ratio as a result of such cancellation shall be disregarded for the purpose of calculating the relevant Write-Down Amount in respect of such Contingency Event.

Any Write-Down of an Additional Tier 1 Note will be effected, save as may otherwise be required by the Competent Authority and subject as otherwise provided in these Conditions, *pro rata* with the Write-Down of the other Additional Tier 1 Notes and with the concurrent (or substantially concurrent) write-down (or write-off) or conversion into Ordinary Shares, as the case may be, of any Equal Loss Absorbing Instruments (based on the prevailing amount of the relevant Equal Loss Absorbing Instrument). To the extent possible, the write-down (or write-off) or conversion into Ordinary Shares of any Prior Loss Absorbing Instruments will be taken into account in the calculation of the Write Down Amount, and of the amount of write-down (or write-off) or conversion into Ordinary Shares of any Equal Loss Absorbing Instruments, required to cure the relevant Contingency Event.

A Write-Down may occur on more than one occasion and the Additional Tier 1 Notes may be Written Down on more than one occasion.

Loss Absorption Event Notice means a notice which specifies that a Contingency Event has occurred, the Write-Down Amount (as a percentage of the Initial Principal Amount resulting in a *pro rata* decrease in the Prevailing Principal Amount of each Additional Tier 1 Note), including the method of calculation of the Write-Down Amount, and the date on which the Write-Down will take effect (the **Write-Down Effective Date**). Any Loss Absorption Event Notice delivered to the Principal Paying Agent must be accompanied by a certificate signed by the Authorised Signatories stating that the Contingency Event has occurred and setting out the method of calculation of the relevant Write-Down Amount. The Principal Paying Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this provision are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications are inaccurate or incorrect.

Write-Down Amount means the amount by which the then Prevailing Principal Amount of each outstanding Additional Tier 1 Note is to be Written Down with effect as of the Write-Down Effective Date on a *pro rata* basis pursuant to a Write-Down, being:

(i) the amount that (together with (a) the concurrent Write-Down on a *pro rata* basis of the other Additional Tier 1 Notes and (b) the concurrent or substantially concurrent write-down (or write-off) or conversion on a *pro rata* basis to the extent possible of any Loss Absorbing Instruments) would be sufficient to cure the Contingency Event; or

(ii) if that Write-Down (together with (a) the concurrent Write-Down on a *pro rata* basis of the other Additional Tier 1 Notes and (b) the concurrent or substantially concurrent write-down (or write-off) or conversion on a *pro rata* basis to the extent possible of any Loss Absorbing Instruments) would be insufficient to cure the Contingency Event, or the Contingency Event is not capable of being cured, the amount necessary to reduce the Prevailing Principal Amount to the sub-unit of the Specified Currency.

In respect of any Write-Down, to the extent the write-down (or write-off) or conversion into Ordinary Shares of any Loss Absorbing Instrument is not, or within one month (or such shorter period as the Competent Authority may require) from the determination that the relevant Contingency Event has occurred will not be, effective for any reason (i) the ineffectiveness of any such write-down (or write-off) or conversion into Ordinary Shares shall not prejudice the requirement to effect the Write-Down of the Additional Tier 1 Notes pursuant to this Condition 8.1; and (ii) such write-down (or write-off) or conversion into Ordinary Shares shall not be taken into account in calculating the Write Down Amount in respect of such Write-Down. For the avoidance of doubt, the write-down (or write-off) or conversion into Ordinary Shares of any Loss Absorbing Instrument will only be taken into account in the calculation of the Write-Down Amount to the extent (and in the amount, if any) that such Loss Absorbing Instrument can actually be written-down (or written-off) or converted into Ordinary Shares in the relevant circumstances within one month (or such shorter period as the Competent Authority may require) from the determination that the relevant Contingency Event has occurred.

If, in connection with a Write-Down or the calculation of a Write-Down Amount, there are outstanding any Loss Absorbing Instruments the terms of which provide that they shall be written-down (or written-off) or converted into Ordinary Shares in full and not in part only (**Full Loss Absorbing Instruments**) then:

(A) the requirement that a Write-Down of the Additional Tier 1 Notes shall be effected *pro rata* with the write-down (or write-off) or conversion into Ordinary Shares, as the case may be, of any such Loss Absorbing Instruments shall not be construed as requiring the Additional Tier 1 Notes to be Written-Down in full (or in full save for the sub-unit floor) simply by virtue of the fact that such Full Loss Absorbing Instruments will be written-down (or written-off) or converted in full; and

(B) for the purposes of calculating the Write-Down Amount, the Full Loss Absorbing Instruments will be treated (for the purposes only of determining the write-down (or write-off) of principal or conversion into Ordinary Shares, as the case may be, among the Additional Tier 1 Notes and such other Loss Absorbing Instruments on a *pro rata* basis) as if their terms permitted partial write-down (or write-off) or conversion into Ordinary Shares, such that the write-down (or write-off) or conversion into Ordinary Shares of such Full Loss Absorbing Instruments shall be deemed to occur in two concurrent stages: (a) first, the principal amount of such Full Loss Absorbing Instruments shall be written-down (or written-off) or converted into Ordinary Shares *pro rata* with the Additional Tier 1 Notes and all other Loss Absorbing Instruments (in each case subject to and as provided in the preceding paragraph) to the extent necessary to cure the relevant Contingency Event; and (b) secondly, the balance (if any) of the principal amount of such Full Loss Absorbing Instruments remaining following (a) shall be written-down (or written-off) or converted into Ordinary Shares, as the case may be, with the effect of increasing the Issuer's and/or the UniCredit Group's, as the case may be, CET1 Ratio above the minimum required level under (a) above.

8.2 Consequences of loss absorption

Following the giving of a Loss Absorption Event Notice which specifies a Write-Down of the Additional Tier 1 Notes, the Issuer shall procure that:

(a) a similar notice is, or has been, given in respect of each Loss Absorbing Instrument (in accordance with, and to the extent required by, its terms); and

(b) the prevailing principal amount of each Loss Absorbing Instrument outstanding (other than the Additional Tier 1 Notes) (if any) is written down (or written-off) or converted, as appropriate, in accordance with its terms prior to or, as appropriate, as soon as reasonably practicable following the giving of such Loss Absorption Event Notice.

8.3 Reinstatement of principal amount

If both a positive Net Income and a positive Consolidated Net Income are recorded at any time while the Prevailing Principal Amount of the Additional Tier 1 Notes is less than their Initial Principal Amount, the Issuer may, at its full discretion and subject to the Maximum Distributable Amount (if any) (when the amount of the Write-Up is aggregated together with other distributions of the Issuer or the UniCredit Group, as applicable, of the kind referred to in Article 141(2) of the CRD IV Directive and, if relevant, in any other similar payment restriction provision(s) under the Relevant Regulations (or, if different, any provision of Italian law implementing Article 141(2) of the CRD IV Directive or, if relevant, such other provision(s))) not being exceeded thereby, increase the Prevailing Principal Amount of each Additional Tier 1 Note (a **Write-Up**) up to a maximum of the Initial Principal Amount, on a *pro rata* basis with the other Additional Tier 1 Notes and with any Written-Down Additional Tier 1 Instruments that have terms permitting a principal write-up to occur on a basis similar to that set out in this Condition 8.3 in the circumstances existing on the date of the relevant Write-Up (based on their Initial Principal Amounts), provided that the sum of:

(i) the aggregate amount of the relevant Write-Up on all the Additional Tier 1 Notes (aggregated with the aggregate amounts of any other Write-Ups out of the same Relevant Net Income);

(ii) the aggregate amount of any interest payments on the Additional Tier 1 Notes that were paid on the basis of a Prevailing Principal Amount lower than the Initial Principal Amount at any time after the end of the previous financial year,

(iii) the aggregate amount of the increase in principal amount of each such Written-Down Additional Tier 1 Instrument at the time of the relevant Write-Up; and

(iv) the aggregate amount of any interest payments on each such Written-Down Additional Tier 1 Instrument that were calculated or paid on the basis of a prevailing principal amount that is lower than the principal amount it was issued with at any time after the end of the previous financial year,

does not exceed the Maximum Write-Up Amount.

The **Maximum Write-Up Amount** means:

(a) if the Relevant Net Income for the relevant Write-Up is equal to the Consolidated Net Income, the Consolidated Net Income multiplied by the sum of the aggregate Initial Principal Amount of the Additional Tier 1 Notes and the aggregate initial principal amount of all Written-Down Additional Tier 1 Instruments of the UniCredit Group, and divided by the total Tier 1 Capital of the UniCredit Group as at the date of the relevant Write-Up; or

(b) if the Relevant Net Income for the relevant Write-Up is equal to the Net Income, the Net Income multiplied by the sum of the aggregate Initial Principal Amount of the Additional Tier 1 Notes and the aggregate initial principal amount of all Written-Down Additional Tier 1 Instruments of the Issuer, and divided by the total Tier 1 Capital of the Issuer as at the date of the relevant Write-Up.

The Issuer will not reinstate the principal amount of any Written-Down Additional Tier 1 Instruments of the Issuer that have terms permitting a principal write-up to occur on a similar basis to that set out in this Condition 8.3 unless it does so on a *pro rata* basis with a Write-Up on the Additional Tier 1 Notes.

A Write-Up may be made on one or more occasions in accordance with this Condition 8.3 until the Prevailing Principal Amount of the Additional Tier 1 Notes has been reinstated to the Initial Principal Amount. No Write-Up shall be operated (i) whilst a Contingency Event has occurred and is continuing, or (ii) where any such Write-Up (together with the write-up of all other Written-Down Additional Tier 1 Instruments) would cause a Contingency Event to occur.

Any decision by the Issuer to effect or not to effect any Write-Up pursuant to this Condition 8.3 on any occasion shall not preclude it from effecting or not effecting any Write-Up on any other occasion pursuant to this Condition 8.3.

If the Issuer decides to Write-Up the Additional Tier 1 Notes pursuant to this Condition 8.3, it shall deliver a notice (a **Write-Up Notice**) specifying the amount of any Write-Up (as a percentage of the Initial Principal Amount of an Additional Tier 1 Note resulting in a *pro rata* increase in the Prevailing Principal Amount of each Additional Tier 1 Note) and the date on which such Write-Up shall take effect shall be given to Noteholders in accordance with Condition 17 (*Notices*) and to the Principal Paying Agent. Such Write-Up Notice shall be given at least ten Business Days prior to the date on which the relevant Write-Up becomes effective.

As used in these Conditions:

Common Equity Tier 1 Capital, at any time, has the meaning given to such term (or any other equivalent or successor term) in the Relevant Regulations taking into account any applicable transitional provisions under the Relevant Regulations;

Common Equity Tier 1 Capital Ratio means, at any time, the ratio of the Common Equity Tier 1 Capital of the Issuer or the UniCredit Group, as the case may be, divided by the Risk Weighted Assets of the Issuer or the UniCredit Group (as applicable) at such time, calculated by the Issuer or the Competent Authority in accordance with the Relevant Regulations taking into account any applicable transitional provisions under the Relevant Regulations;

Consolidated Net Income means the consolidated net income of the UniCredit Group, as calculated and set out in the most recent published audited annual consolidated accounts of the UniCredit Group, as approved by the Issuer;

Equal Loss Absorbing Instrument means:

(a) in respect of an Issuer Contingency Event, at any time, any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Additional Tier 1 Notes) issued directly or indirectly by the Issuer (other than the Additional Tier 1 Notes) which contains provisions relating to a write-down (or write-off) (whether on a permanent or temporary basis) or conversion into Ordinary Shares of the principal amount of such instrument (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of the Issuer falling below a level that is equal to 5.125 per cent. or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations applicable to the Issuer; and

(b) in respect of a Group Contingency Event, at any time, any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or Tier 2 Capital of the Issuer or the UniCredit

Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Additional Tier 1 Notes) issued directly or indirectly by the Issuer or a Group Entity which contains provisions relating to a write-down (or write-off) (whether on a permanent or temporary basis) or conversion of the principal amount of such instrument (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of the UniCredit Group falling below a level that is equal to 5.125 per cent. or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations applicable to the UniCredit Group,

and, in each case, in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied;

Group Contingency Event has the meaning given to such term in Condition 8.1;

Initial Principal Amount means, in respect of an Additional Tier 1 Note, or as the case may be, a Written-Down Additional Tier 1 Instrument, the principal amount of such Additional Tier 1 Note or Written-Down Additional Tier 1 Instrument, as at the Issue Date or the issue date of the Written-Down Additional Tier 1 Instrument, as applicable;

Issuer Contingency Event has the meaning given to such term in Condition 8.1;

Loss Absorbing Instrument means an Equal Loss Absorbing Instrument and/or a Prior Loss Absorbing Instrument, as applicable.

Loss Absorption Event Notice has the meaning given to such term in Condition 8.1;

Net Income means the non-consolidated net income of the Issuer as calculated and set out in the last audited annual accounts of the Issuer, as approved by the Issuer;

Ordinary Shares means the ordinary shares of the Issuer;

Prior Loss Absorbing Instrument means;

(a) in respect of an Issuer Contingency Event, at any time, any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Additional Tier 1 Notes) issued directly or indirectly by the Issuer which contains provisions relating to a write-down (or write-off) (whether on a permanent or temporary basis) or conversion into Ordinary Shares of the principal amount of such instrument (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of the Issuer falling below a level that is higher than 5.125 per cent. or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations applicable to the Issuer; and

(b) in respect of a Group Contingency Event, at any time: (i) any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Additional Tier 1 Notes) issued directly or indirectly by the Issuer or any Group Entity which contains provisions relating to a write-down (or write-off) (whether on a permanent or temporary basis) or conversion of the principal amount of such instrument (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result,

of the Common Equity Tier 1 Capital Ratio of the UniCredit Group falling below a level that is higher than 5.125 per cent. or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations applicable to the UniCredit Group; and (ii) any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Additional Tier 1 Notes) issued directly or indirectly by any Group Entity which contains provisions relating to a write-down (or write-off) or conversion of the principal amount of such instrument on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of that Group Entity, or of a group within the prudential consolidation of such Group Entity pursuant to Chapter 2 of Title II of Part One of the CRD IV Regulation other than the UniCredit Group, falling below the level specified in such instrument at the date on which the relevant Group Contingency Event first occurred,

and, in each case, in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied;

Relevant Net Income means the lowest of the Net Income and the Consolidated Net Income;

Risk Weighted Assets means, at any time, the aggregate amount of the risk weighted assets of the Issuer or the UniCredit Group, as the case may be, at such time calculated by the Issuer in accordance with the Relevant Regulations taking into account any applicable transitional provisions under the Relevant Regulations.

9. PAYMENTS

9.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and

(c) payments in Renminbi will be made by credit or transfer to an account denominated in Renminbi and maintained by the payee with a bank in the relevant RMB Settlement Centre(s) in accordance with applicable laws, rules and regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to settlement in Renminbi in the relevant RMB Settlement Centre(s).

9.2 Payments Subject to Fiscal and Other Laws

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

9.3 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 9.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below) and save as provided in Condition 9.5) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 11 in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 12) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

9.4 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of the Principal Paying Agent. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Principal Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

9.5 Specific provisions in relation to payments in respect of certain types of Exempt Notes

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 9.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 9.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph.

Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

9.6 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition 9.6, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

9.7 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 12) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

(i) in the case of Notes in definitive form only, in the relevant place of presentation; and

(ii) in any Additional Financial Centre specified in the applicable Final Terms (if any); and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which, if the Specified Currency is Australian dollars New Zealand dollars or Renminbi, shall be Sydney, Auckland and the

relevant RMB Settlement Centre(s), respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

9.8 RMB Currency Event

If "RMB Currency Event" is specified in the applicable Final Terms or Pricing Supplement, as the case may be, and if by reason of a RMB Currency Event, as determined by the Issuer acting in good faith and in a commercially reasonable manner, the Issuer is not able to pay any amount in respect of any Note, Receipt or Coupon, the Issuer's obligation to make a payment in RMB under the terms of the Notes shall be replaced by an obligation to pay such amount in the Relevant Currency converted using the Spot Rate for the relevant Determination Date.

The Issuer shall give not less than 10 nor more than 60 days' notice (prior to the date of payment) to the Noteholders in accordance with Condition 17 (*Notices*) stating the occurrence of the RMB Currency Event, giving details thereof.

For the purpose of this Condition 9 and unless stated otherwise in the applicable Final Terms or Pricing Supplement, as the case may be:

Determination Business Day means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant RMB Settlement Centre(s), London and foreign exchange markets settle payments and the principal financial centre of the country of the Relevant Currency;

Determination Date means the day which is two Determination Business Days before the due date of the relevant payment under the Notes;

Governmental Authority means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the relevant RMB Settlement Centre(s);

Mainland China means the People's Republic of China (excluding Hong Kong, Macau and Taiwan);

Relevant Currency means U.S. dollars or such other currency as may be specified in the applicable Final Terms or Pricing Supplement, as the case may be;

Relevant Currency Valuation Time means the time specified as such in the applicable Final Terms or Pricing Supplement, as the case may be;

RMB Currency Events means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

RMB Illiquidity means the general Renminbi exchange market in the relevant RMB Settlement Centre(s) becomes illiquid and, as a result of which, the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay any amount in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the RMB exchange market in the relevant RMB Settlement Centre(s);

RMB Inconvertibility means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into RMB on any payment date at the general RMB exchange market in the relevant RMB Settlement Centre(s), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

RMB Non-Transferability means the occurrence of any event that makes it impossible for the Issuer to deliver RMB, (A) between accounts inside the relevant RMB Settlement Centre(s), (B) from an account

inside the relevant RMB Settlement Centre(s) to an account outside the relevant RMB Settlement Centre(s) and outside Mainland China (including where the RMB clearing and settlement system for participating banks in the relevant RMB Settlement Centre(s) is disrupted or suspended), (C) from an account outside the relevant RMB Settlement Centre(s) and outside Mainland China to an account inside the relevant RMB Settlement Centre(s), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and

Spot Rate means the spot CNY/Relevant Currency exchange rate for the purchase of the Relevant Currency with Renminbi in the over-the-counter Renminbi exchange market in the relevant RMB Settlement Centre(s) for settlement in two Determination Business Days, as determined by the Calculation Agent at or around the Relevant Valuation Time on the Determination Date by reference to the Relevant Spot Rate Screen Page. If such rate is not available, the Issuer shall determine the rate taking into consideration all available information which the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in the relevant RMB Settlement Centre(s) or elsewhere and the CNY/Relevant Currency exchange rate in the PRC domestic foreign exchange market. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this by the Calculation Agent or the Issuer (as applicable), will (in the absence of manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all holders of the Notes.

9.9 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 11;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 10.7); and

(g) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 11. Any reference in these Conditions to payment of any sums in respect of the Notes (including, in respect of Index Linked Notes and other structured Notes) shall be deemed to include, as applicable, delivery of any relevant Reference Asset (as defined in Condition 10.13 if so provided in the applicable Pricing Supplement and references to "paid" and "payable" shall be construed accordingly.

10. REDEMPTION AND PURCHASE

10.1 Redemption at maturity

This Condition 10.1 applies only to Notes specified in the applicable Final Terms as being Senior Notes, Non-Preferred Senior Notes and Subordinated Notes.

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer on the Maturity Date specified in the applicable Final Terms or Pricing Supplement (i) at

par in case of Fixed Rate Notes, Floating Rate Notes, Reset Notes, Zero Coupon Notes, Inflation Linked Interest Notes and CMS Linked Interest Notes as indicated in the applicable Final Terms in the relevant Specified Currency or (ii) at its Final Redemption Amount, in case of Exempt Notes, which is such amount as may be specified in the applicable Pricing Supplement in the relevant Specified Currency.

10.2 No fixed redemption for the Additional Tier 1 Notes

This Condition 10.2 applies only to Notes specified in the applicable Final Terms as being Additional Tier 1 Notes.

The Additional Tier 1 Notes may not be redeemed otherwise than in accordance with this Condition 10.2.

Unless previously redeemed or purchased and cancelled as provided below, the Additional Tier 1 Notes will mature on the date on which voluntary or involuntary winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) proceedings are instituted in respect of the Issuer, in accordance with (a) a resolution of the shareholders' meeting of the Issuer, (b) any provision of the by-laws of the Issuer (currently, the maturity of the Issuer is set in its by-laws at 31 December 2100), or (c) any applicable legal provision, or any decision of any jurisdictional or administrative authority. Upon maturity, the Additional Tier 1 Notes will become due and payable at an amount equal to their Prevailing Principal Amount, together with any accrued but unpaid interest (to the extent not cancelled in accordance with Condition 7.1) up to, but excluding the date fixed for redemption, and any additional amounts due pursuant to Condition 11.

10.3 Redemption for tax reasons

Subject to Condition 10.7, the Notes may be redeemed at the option of the Issuer (but subject, in the case of Subordinated Notes and Additional Tier 1 Notes, to the provisions of Condition 10.15 and, in the case of Senior Notes and Non-Preferred Senior Notes, to the provisions of Condition 10.16) in whole or in part (to the extent permitted by the then applicable Relevant Regulations), at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Principal Paying Agent and, in accordance with Condition 17 (*Notices*), the Noteholders (which notice shall be irrevocable), if a Tax Event has occurred provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 10.3, the Issuer shall deliver or procure that there is delivered to the Principal Paying Agent to make available at its specified office to the Noteholders a certificate signed by two authorised signatories of the Issuer stating that the said circumstances prevail and describe the facts leading thereto.

Upon the expiry of any such notice as is referred to in this Condition 10.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 10.3. Notes redeemed pursuant to this Condition 10.3 will be redeemed at their Early Redemption Amount referred to in Condition 10.7 or, in the case of Additional Tier 1 Notes, at their Prevailing Principal Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Tax Event means:

(a) In the case of Additional Tier 1 Notes only, the part of the interest payable by the Issuer under the Notes that is tax-deductible by the Issuer for the Tax Jurisdiction purposes is reduced, or the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to the laws, regulations or rulings of, or applicable in, a Tax Jurisdiction (as defined in Condition 11), or any political subdivision or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation or administration of such laws, regulations or rulings:

(i) which change or amendment:

(A) becomes effective after the Issue Date;

(B) in the event of any redemption upon the occurrence of a Tax Event prior to the fifth anniversary of the Issue Date, if and to the extent required by the then applicable Relevant Regulations, the Issuer demonstrates to the satisfaction of the Competent Authority is material and was not reasonably foreseeable by the Issuer as at the Issue Date;

(C) is evidenced by the delivery by the Issuer to the Principal Paying Agent of a certificate signed by two Authorised Signatories of the Issuer stating that interest payable by the Issuer in respect of the Additional Tier 1 Notes is no longer, or will no longer be, deductible for income tax purposes of the Tax Jurisdiction or such deductibility is materially reduced, or that the Issuer has or will become obliged to pay such additional amounts, as the case may be, and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail; and

(ii) which obligation cannot be avoided by the Issuer taking reasonable measures available to it;

(b) in the case of any Note other than Additional Tier 1 Notes (i) on the occasion of the next payment due under the Notes (in the case of Subordinated Notes, in respect of payments of interest only), the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11, in each case as a result of any change in, or amendment to, the laws or regulations of, or applicable in, a Tax Jurisdiction (as defined in Condition 11) or any political subdivision of, or any authority in, or of, a Tax Jurisdiction having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after the date on which agreement is reached to issue the first Tranche of the Notes, provided that in the case of any redemption of Subordinated Notes proposed to be made prior to the fifth anniversary of the Issue Date, if and to the extent then required under the then applicable Relevant Regulations, any such change or amendment is, to the satisfaction of the relevant Competent Authority, material and was not reasonably foreseeable by the Issuer as at the date of the issue of the relevant Subordinated Notes; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

The Principal Paying Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this Condition 10.3 are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications are inaccurate or incorrect.

10.4 Redemption for regulatory reasons (Regulatory Call)

This Condition 10.4 applies only to Notes specified in the applicable Final Terms as being Subordinated Notes and Additional Tier 1 Notes.

If Regulatory Call is specified in the applicable Final Terms, the Notes may be redeemed at the option of the Issuer (subject to the provisions of Condition 10.15), in whole, but not in part, at any time (if the Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if the Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 15 nor more than 30 days' notice to the Principal Paying Agent and, in accordance with Condition 17 (*Notices*), the Noteholders (which notice shall be irrevocable), if (a) a Regulatory Event occurs in respect of the Subordinated Notes, or (b) a Capital Event occurs in respect of the Additional Tier 1 Notes.

Prior to the publication of any notice of redemption pursuant to this Condition 10.4, the Issuer shall deliver or procure that there is delivered to the Principal Paying Agent a certificate signed by two

authorised signatories of the Issuer stating that the said circumstances prevail and describe the facts leading thereto.

The Principal Paying Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this Condition 10.4 are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications are inaccurate or incorrect.

Upon the expiry of any such notice as is referred to in this Condition 10.4, the Issuer shall be bound to redeem the Notes in accordance with this Condition 10.4. Notes redeemed pursuant to this Condition 10.4 will be redeemed at their Early Redemption Amount referred to in Condition 10.7, or in the case of the Additional Tier 1, at their Prevailing Principal Amount, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

As used in these Conditions:

A **Capital Event** is deemed to have occurred if there is a change in the regulatory classification of the Additional Tier 1 Notes under the Relevant Regulations that would be likely to result in their exclusion, in whole or, to the extent permitted by the Relevant Regulations, in part, from Additional Tier 1 Capital of the UniCredit Group or the Issuer (other than as of a consequence of write-down or conversion, where applicable) and, in the event of any redemption upon the occurrence of a Capital Event prior to the fifth anniversary of the Issue Date, if and to the extent then required by the Relevant Regulations, both of the following conditions are met: (i) the Competent Authority considers such a change to be sufficiently certain; and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in regulatory classification of the Additional Tier 1 Notes was not reasonably foreseeable as at the Issue Date of the relevant Additional Tier 1 Notes; and

A **Regulatory Event** is deemed to have occurred if there is a change in the regulatory classification of the Subordinated Notes under the Relevant Regulations that would be likely to result in their exclusion, in whole or, to the extent permitted by the Relevant Regulations, in part, from Tier 2 Capital of the UniCredit Group or the Issuer and, in the event of any redemption upon the occurrence of a Regulatory Event prior to the fifth anniversary of the Issue Date, if and to the extent then required by the Relevant Regulations, both of the following conditions are met: (i) the Competent Authority considers such a change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Subordinated Notes was not reasonably foreseeable by the Issuer as at the date of the issue of the relevant Subordinated Notes.

10.5 Redemption at the option of the Issuer (Issuer Call)

This Condition 10.5 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons or for regulatory reasons), such option being referred to as an Issuer Call. The applicable Final Terms contain provisions applicable to any Issuer Call and must be read in conjunction with this Condition 10.5 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may (subject to, in the case of Subordinated Notes, the provisions of Condition 10.15 and, in the case of Senior Notes and Non-Preferred Senior Notes, Condition 10.16), having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms or, in the case of the Additional Tier 1, at their Prevailing Principal Amount, together, if appropriate, with

interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or, if a Make-whole Amount is specified in the applicable Final Terms, will be an amount calculated by the Issuer (or an agent appointed by the Issuer at the time) equal to the higher of:

(a) 100 per cent. of the nominal amount of the Notes to be redeemed; or

(b) the sum of the present values of the nominal amount of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) 366) at the Reference Bond Rate (as defined below), plus the specified Redemption Margin,

plus in each case, for the avoidance of doubt, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

In the Conditions:

FA Selected Bond means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

Financial Adviser means an independent and internationally recognised financial adviser selected by the Issuer;

Redemption Margin shall be as set out in the applicable Final Terms;

Reference Bond shall be as set out in the applicable Final Terms or the FA Selected Bond;

Reference Bond Price means, with respect to the Optional Redemption Date, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Issuer (or an agent appointed by the Issuer) obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

Reference Bond Rate means, with respect to the Optional Redemption Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Optional Redemption Date;

Reference Government Bond Dealer means each of five banks selected by the Issuer, or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and the Optional Redemption Date, the arithmetic average, as determined by the Issuer (or an agent appointed by the Issuer), of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Issuer (or an agent appointed by the Issuer) by such Reference Government Bond Dealer; and

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the Optional Redemption Date.

All notifications, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 10.5 by the Issuer (or an agent appointed by the Issuer at the time), shall (in the absence of negligence, wilful default or fraud) be binding on the Issuer, Agents and all Noteholders and Couponholders.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will, subject to compliance with applicable law, be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 17 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 10.5 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 17 (*Notices*) at least five days prior to the Selection Date.

10.6 Issuer Call Due to MREL or TLAC Disqualification Event

This Condition 10.6 applies only to Notes specified in the applicable Final Terms as being Senior Notes or Non-Preferred Senior Notes.

If Issuer Call due to MREL or TLAC Disqualification Event is specified as being applicable in the applicable Final Terms, then any Series of Senior Notes or of Non-Preferred Senior Notes may (subject to the provisions of Condition 10.16) on or after the date specified in a notice published on the Issuer's website be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Note is neither a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note) or on any Interest Payment Date (if the Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note) on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Principal Paying Agent and, in accordance with Condition 17 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer determines that a MREL or TLAC Disqualification Event has occurred and is continuing.

Upon the expiry of any such notice as is referred to in this Condition 10.6, the Issuer shall be bound to redeem the Notes in accordance with this Condition 10.6. Notes redeemed pursuant to this Condition 10.6 will be redeemed at their Early Redemption Amount referred to in Condition 10.7 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

As used in these Conditions:

Bail-in Power means any statutory write-down, transfer and/or conversion power existing from time to time under any laws, regulations, rules or requirements, whether relating to the resolution or independent of any resolution action, of credit institutions, investment firms and/or Group Entities incorporated in the relevant Member State in effect and applicable in the relevant Member State to the Issuer or other Group Entities, including (but not limited to) any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a relevant Member State resolution regime or otherwise, pursuant to which liabilities of a credit institution, investment firm and/or any Group Entities can be reduced, cancelled and/or converted into shares or obligations of the obligor or any other person;

BRRD means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time (including by the BRRD II);

BRRD II means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC;

CRD IV means, taken together (i) the CRD IV Directive, (ii) the CRD IV Regulation, and (iii) the Future Capital Instruments Regulations;

CRD IV Directive means Directive 2013/36/EU of the European Parliament and of the Council of June 26, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended or replaced from time to time (including by the CRD V Directive);

CRD IV Regulation means Regulation (EU) No. 2013/575 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended or replaced from time to time (including by the CRD V Regulation);

CRD V Directive means the Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, as amended or replaced from time to time;

CRD V Regulation means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) 648/2012;

Future Capital Instruments Regulations means any regulatory capital rules or regulations introduced after the Issue Date by the Competent Authority or which are otherwise applicable to the Issuer (on a solo or, if relevant, consolidated basis), which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the Own Funds of the Issuer (on a consolidated basis) to the extent required by (i) the CRD IV Regulation or (ii) the CRD IV Directive;

Group and **UniCredit Group** means the UniCredit Banking Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Italian Banking Act, under number 02008.1;

Group Entity means UniCredit or any legal person that is part of the UniCredit Group;

MREL or **TLAC Disqualification Event** means that, at any time, all or part of the aggregate outstanding nominal amount of such Series of Notes is or will be excluded fully or partially from eligible liabilities available to meet the MREL or TLAC Requirements, provided that: (a) the exclusion of a Series of Senior Notes or of Non-Preferred Senior Notes from the MREL or TLAC Requirements due to the remaining maturity of such Notes being less than any period prescribed thereunder, does not constitute a MREL or TLAC Disqualification Event; (b) the exclusion of all or some of a Series of Senior Notes from the MREL or TLAC Requirements due to there being insufficient headroom for such Senior Notes within a prescribed exception to the otherwise applicable general requirements for eligible liabilities does not constitute a MREL or TLAC Disqualification Event; and (c) the exclusion of all or some of a Series of Senior Notes or of Non-Preferred Senior Notes from the MREL or TLAC Requirements as a result of such Notes being purchased by or on behalf of the Issuer or as a result of a purchase which is funded directly or indirectly by the Issuer, does not constitute a MREL or TLAC Disqualification Event;

MREL or **TLAC Requirements** means the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for Own Funds and eligible liabilities and/or loss-

absorbing capacity instruments applicable to the Issuer and/or the Group, from time to time (including any applicable transitional provisions), including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for Own Funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the Republic of Italy, a relevant Competent Authority, a Relevant Resolution Authority or the European Banking Authority from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer and/or the Group), as any of the preceding laws, regulations, requirements, guidelines, rules, standards, policies or interpretations may be amended, supplemented, superseded or replaced from time to time;

Relevant Regulations means any requirements contained in the regulations, rules, guidelines and policies of the Competent Authority or the Relevant Resolution Authority, or of the European Parliament and Council then in effect in the Republic of Italy, relating to capital adequacy and applicable to the Issuer and/or the Group from time to time (including any applicable transitional provisions), including, but not limited to, as at the Issue Date of the relevant Series of Notes, the rules contained in, or implementing, CRD IV and the BRRD, delegated or implementing acts adopted by the European Commission and guidelines issued by the European Banking Authority;

Relevant Resolution Authority means the Italian resolution authority, the Single Resolution Board (SRB) established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of any Bail-in Power from time to time;

SRM Regulation means Regulation (EU) No 806/2014 of the European Parliament and Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended or replaced from time to time (including by the SRM II Regulation); and

SRM II Regulation means Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms.

10.7 Early Redemption Amounts

For the purpose of Condition 10.3 (*Redemption for tax reasons*), Condition 10.4 (*Redemption for regulatory reasons*), Condition 10.6 (*Issuer Call Due to MREL or TLAC Disqualification Event*) and Condition 13 (*Events of Default*), the Early Redemption Amount shall be set:

(a) in the case of a Note (other than a Zero Coupon Note), at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(b) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = RP(1 + AY)^{y}$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360- day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of

days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

10.8 Extendible Notes

Notes may be issued with an initial maturity date (the **Initial Maturity Date**) which may be extended from time to time upon the election of the Noteholders on specified dates (each, an **Election Date**) up to a final maturity date (the **Final Maturity Date**) as set forth in the applicable Final Terms (or Pricing Supplement if applicable) (**Extendible Notes**). To make an election effective on any Election Date, the Noteholder must deliver a notice of election in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Notice of Election**), during the Notice Period for that Election Date specified in the Final Terms (or Pricing Supplement if applicable) in accordance with Condition 17 (*Notices*). Any Notice of Election so given by a Noteholder pursuant to this Condition 10.8 will be irrevocable and binding upon that Noteholder. The Final Terms (or Pricing Supplement if applicable) relating to each issue of Extendible Notes will specify the Initial Maturity Date, the Final Maturity Date, the Election Date(s) and the applicable Notice Period.

10.9 Specific redemption provisions applicable to certain types of Exempt Notes

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 10.2, Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 10 and the applicable Pricing Supplement.

10.10 Purchases

Subject to Condition 10.16 in respect of Senior Notes and Non-Preferred Senior Notes and Condition 10.15 in respect of Subordinated Notes and Additional Tier 1 Notes, the Issuer or any subsidiary of the Issuer may purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith), including for market making purposes, at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the purchaser, surrendered to any Paying Agent for cancellation.

10.11 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased by the Issuer or any subsidiary of the Issuer and surrendered to any Paying Agent for cancellation pursuant to Condition 10.10 (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

10.12 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 10.1, 10.3, 10.4, 10.5 or 10.6 or upon its becoming due and repayable as provided in Condition 13 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 10.7(a) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 17 (*Notices*).

10.13 Index Linked Notes and other Structured Notes

The Issuer may, as indicated in the applicable Pricing Supplement, be entitled to redeem Index Linked Notes or other structured Notes, including where the amount of principal and/or interest in respect of such Notes is based on the price, value, performance or some other factor relating to an asset or other property (**Reference Asset**), by physical delivery of all or part of the Reference Asset or of some other asset or property (**Physically-Settled Notes**).

10.14 Italian Civil Code

The Notes are not subject to Article 1186 of the Italian Civil Code nor, to the extent applicable, to Article 1819 of the Italian Civil Code.

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

Any redemption or purchase of Subordinated Notes or Additional Tier 1 Notes in accordance with Conditions 10.2, 10.3, 10.4, 10.5 or 10.10 or Condition 18 (including, for the avoidance of doubt, any modification or variation in accordance with Condition 18) is subject to compliance with the then applicable Relevant Regulations, including, as relevant, for the avoidance of doubt:

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

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

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

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

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

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

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

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

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

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

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

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

10.16 Conditions to Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes

Any redemption or purchase in accordance with Condition 10.2, 10.5, 10.6 or 10.10 or Condition 18 (including, for the avoidance of doubt, any modification or variation in accordance with Condition 18) of Senior Notes and Non-Preferred Senior Notes qualifying as eligible liabilities instruments according to the MREL or TLAC Requirements is subject to compliance by the Issuer with any conditions to such redemption or repurchase prescribed by the MREL or TLAC Requirements at the relevant time, including, as relevant, the condition that the Issuer has obtained the prior permission of the Relevant Resolution Authority in accordance with Article 78a of the CRD IV Regulation, where one of the following conditions is met:

(a) on or before such call, redemption, repayment or repurchase (as applicable), the Issuer replaces the relevant Notes with Own Funds instruments or eligible liabilities instruments of equal or higher quality at terms that are sustainable for its income capacity; or

(b) the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that its Own Funds and eligible liabilities would, following such call, redemption, repayment or repurchase, exceed the requirements for Own Funds and eligible liabilities laid down in the Relevant Regulations by a margin that the Relevant Resolution Authority, in agreement with the Competent Authority, considers necessary; or

(c) the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that the partial or full replacement of the relevant Notes with Own Funds instruments is necessary to ensure compliance with the Own Funds requirements laid down in the Relevant Regulations for continuing authorisation,

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

The Relevant Resolution Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) Senior Notes or Non-Preferred Senior Notes, in the limit of a predetermined amount, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out in sub-paragraphs (a) or (b) of the preceding paragraph.

11. TAXATION

All payments of interest (including any Arrear of Interest and Default Interest) in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed or levied by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the amounts of interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, except that:

(a) (in respect of payments by the Issuer) no such additional amounts shall be payable with respect to any Note, Receipt or Coupon for or on account of *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Italian Legislative Decree No. 239 of 1 April 1996 or Italian Legislative Decree No. 461 of 21 November 1997 (as any of the same may be amended or supplemented) or any related implementing regulations; and

(b) no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(i) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of such Note; or

(ii) presented for payment by, or on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of such Note, Receipt or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or

(iii) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day (assuming such day to have been a Payment Day as defined in Condition 9.7; or

(iv) presented for payment in the Republic of Italy; or

(v) presented for payment (in respect of payments by the Issuer) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or

(vi) presented for payment (in respect of payments by the Issuer) in all circumstances in which the procedures set forth in Legislative Decree No. 239 of 1 April 1996, as amended, have not been met or complied with, except where such requirements and procedures have not been met or complied with due to the actions or omissions of UniCredit or its agents; or

(vii) in respect of Notes that are not qualified as bonds or similar securities where such withholding or deduction is required pursuant to Law Decree No. 512 of

30 September 1983, as amended, supplemented and/or re-enacted from time to time; or

(viii) where the holder who would have been able to lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements; or

(ix) where such withholding or deduction is imposed on a payment pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof or any law implementing an intergovernmental approach thereto.

As used herein:

(a) **Tax Jurisdiction** means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of interest on the Notes, Receipts and Coupons; and

(b) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 17 (*Notices*).

Any reference in these Conditions to interest shall be deemed to include any additional amounts in respect of interest which may be payable under this Condition 11 or under any obligation undertaken in addition thereto or in substitution therefor pursuant to the Agency Agreement.

12. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 11) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 12 or Condition 9.3 or any Talon which would be void pursuant to Condition 9.3.

13. EVENTS OF DEFAULT

13.1 Events of Default relating to Senior Notes and Non-Preferred Senior Notes

This Condition 13.1 applies only to Notes specified in the applicable Final Terms as Senior Notes and Non-Preferred Senior Notes.

With respect to any Senior Note or Non-Preferred Senior Notes, if the Issuer shall become subject to *Liquidazione Coatta Amministrativa* as defined in Legislative Decree No. 385 of September 1, 1993 of the Republic of Italy, as amended from time to time (the **Event of Default for the Senior Notes and Non-Preferred Senior Notes**), then any holder of a Senior Note or Non-Preferred Senior Notes may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Senior Notes or Non-Preferred Senior Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind. No Event of Default for the Senior Notes and Non-Preferred Senior Notes shall occur other than in the context of an insolvency proceeding in respect of the Issuer (and, for the avoidance of doubt, resolution proceeding(s) or moratoria imposed by a resolution authority in respect of the Issuer shall not constitute an Event of Default for the Senior Notes and Non-Preferred Senior Notes for any purpose).

13.2 Events of Default relating to Subordinated Notes and Additional Tier 1 Notes

This Condition 13.2 applies only to Notes specified in the applicable Final Terms as being Subordinated Notes and Additional Tier 1 Notes.

With respect to any Subordinated Note and Additional Tier 1 Note, if the Issuer shall become subject to *Liquidazione Coatta Amministrativa* as defined in Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy, as amended from time to time (the **Event of Default for the Subordinated Notes and Additional Tier 1 Notes**), then any holder of a Subordinated Note or Additional Tier 1 Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Subordinated Notes or Additional Tier 1 Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable as its Early Redemption Amount or, in the case of Additional Tier 1 Notes, at their Prevailing Principal Amount, together with accrued interest (in the case of Additional Tier 1 Notes, to the extent that such interest is not cancelled in accordance with these Conditions) (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind. No Event of Default for the Subordinated Notes and Additional Tier 1 Notes shall occur other than in the context of an insolvency proceeding in respect of the Issuer (and, for the avoidance of doubt, resolution proceeding(s) or moratoria imposed by a resolution authority in respect of the Issuer shall not constitute an Event of Default for the Subordinated Notes and Additional Tier 1 Notes for any purpose).

14. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent or any Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. AGENTS

The initial Agents are set out above. If any additional Agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Paying Agent (which may be the Principal Paying Agent), having a specified office in a Member State of the European Union other than the jurisdiction in which the Issuer is incorporated; and

(b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange, the competent authority or other relevant authority.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 9.6. Except as provided in the Agency Agreement, any variation, termination, appointment or change shall only take effect after not less than 30 nor more than 45 days' prior notice thereof shall have been given to Noteholders in accordance with Condition 17 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Receiptholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

16. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 12.

17. NOTICES

All notices regarding the Notes will be deemed to be validly given if published (if and for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange and for so long as the rules of the Luxembourg Stock Exchange so require) either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper of general circulation in Luxembourg. It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* or the *Tageblatt*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any other stock exchange or other relevant authority on which the Issuer has made application for the Notes to be listed or admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for publication as provided above, the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes, and (if and for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange) publication on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper of general circulation in Luxembourg. It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* or the *Tageblatt*. In addition, for so long as any Notes are listed on any other stock exchange (where the Issuer has made application) or are admitted to trading by another relevant authority (on which the Issuer has made application) and the rules of that stock exchange or relevant authority so require, such notice will be published as may be required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

18. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

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

except as provided by the Conditions), or (iii) altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

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

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

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

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

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

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

In these Conditions:

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

(a) other than in respect of the effectiveness and enforceability of Condition 21, have terms not materially less favourable to a Holder of the Non-Preferred Senior Notes (as reasonably determined by the Issuer) than the terms of the Non-Preferred Senior Notes, and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the UniCredit Group's (as applicable) minimum requirements for Own Funds and eligible liabilities under the then applicable MREL or TLAC Requirements; (B) include a ranking at least equal to that of the Non-Preferred Senior Notes; (C) have at least

the same interest rate and the same Interest Payment Dates as those from time to time applying to the Non-Preferred Senior Notes; (D) have the same redemption rights as the Non-Preferred Senior Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Non-Preferred Senior Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21; and

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

"**Qualifying Senior Notes**" means securities issued by the Issuer that:

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

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

"**Qualifying Subordinated Notes**" means securities issued by the Issuer that:

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

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

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

(a) other than in respect of the effectiveness and enforceability of Condition 21, have terms not materially less favourable to a Holder of the Additional Tier 1 Notes (as reasonably determined by the Issuer) than the terms of the Additional Tier 1 Notes, and they shall also (A) contain terms such that they comply with the then-current minimum requirements under the Relevant Regulations for inclusion in the Tier 1 Capital of the Issuer and/or the UniCredit Group (as applicable); (B) provide for a ranking at least equal to that of the Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Notes; (D) have the same redemption rights as the Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest (which has not been cancelled) in respect of

the period from (and including) the Interest Payment Date immediately preceding the date of variation (but subject always to the right or obligation of the Issuer subsequently to cancel any such accrued interest in accordance with the terms of the Notes); and (F) are assigned (or maintain) the same solicited credit ratings as were assigned to the Notes by credit agencies solicited by the Issuer immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21; and

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

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

For avoidance of doubt, any modification or variation pursuant to this Condition 18 is subject to the provisions of Condition 10.15 (in respect of Subordinated Notes and Additional Tier 1 Notes) and Condition 10.16 (in respect of Senior Notes and Non-Preferred Senior Notes).

19. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

20. GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 Governing law

The Agency Agreement, the Terms and Conditions of the Notes and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, Italian law.

20.2 Submission to jurisdiction

The Issuer agrees, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of Milan are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with them), and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with them) may be brought in such courts.

Each party hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum, and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the courts of Milan with regard to the Notes, the Receipts and the Coupons shall be conclusive and binding upon each party and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

20.3 Waiver of trial by jury

Without prejudice to Condition 20.2, each party waives any right it may have to a jury trial of any claim or cause of action in connection with the Agency Agreement, the Notes, the Receipts and the Coupons. These Conditions may be filed as a written consent to a bench trial.

20.4 Non-exclusivity

The submission to the jurisdiction of the courts of Milan shall not (and shall not be construed so as to) limit the right of any Noteholder, Receiptholder or Couponholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

21. CONTRACTUAL RECOGNITION OF STATUTORY BAIL-IN POWERS

By the acquisition of the Notes, each Noteholder acknowledges and agrees to be bound by the exercise of any Bail-in Power by the Relevant Resolution Authority that may result in the write-down or cancellation of all or a portion of the principal amount of, or distributions on, the Notes and/or the conversion of all or a portion of the principal amount of, or distributions on, the Notes into ordinary shares or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes to give effect to the exercise by the Relevant Resolution Authority of such Bail-in Power. Each Noteholder further agrees that the rights of the Noteholders are subject to, and will be varied if necessary so as to give effect to, the exercise of any Bail-in Power by the Relevant Resolution Authority.

For the avoidance of doubt, the potential write-down or cancellation of all or a portion of the principal amount of, or distributions on, the Additional Tier 1 Notes or the conversion of the Additional Tier 1 Notes into Ordinary Shares or other obligations in connection with the exercise of any Bail-in Power by the Competent Authority is separate and distinct from a Write-Down following a Contingency Event although these events may occur consecutively.

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of the date from which the Bail-in Power is effective with respect to the Notes, the Issuer shall notify the Noteholders without delay. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described in this Condition 21.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default for the Senior Notes and Non-Preferred Senior Notes or an Event of Default for the Subordinated Notes and Additional Tier 1 Notes, as applicable, and the terms and conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes subject to any modification of the amount of distributions payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or Group Entities incorporated in the relevant Member State.

Each Noteholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Bail-in Power to the Notes.

Use of Proceeds

The net proceeds from each issue of Notes will be applied by the Issuer, as indicated in the applicable Final Terms or in the applicable Pricing Supplement relating to the relevant Tranche of Notes, either:

a. for its general corporate purposes, which include making a profit; or

b. as otherwise indicated in the relevant Final Terms or in the applicable Pricing Supplement relating to the issuance, including to be applied towards Eligible Projects/Green Projects (**Green Bonds**), Eligible Projects/Social Projects (**Social Bonds**) or a financing or re-financing of any combination of each of the Eligible Projects/Green Projects or Eligible Projects/Social Projects (**Sustainability Bonds**).

In accordance with the ICMA Green Bond Principles, the ICMA Social Bond Principles and the ICMA Sustainability Bond Guidelines, only Notes financing or refinancing Eligible Projects/Green Projects or Eligible Projects/Social Projects, as the case may be, and complying with the relevant eligibility criteria and any other criteria set out in the Issuer's Sustainability Bond Framework (as defined below) and which, prior to the relevant Issue Date, will be available in the investor relations section of the Issuer's website at *https://www.unicreditgroup.eu* (the **Issuer's Sustainability Bond Framework**) will be classified as Green Bonds, Social Bonds or, as the case may be, Sustainability Bonds.

For the purposes of this section:

Eligible Projects/Green Projects means projects identified as such in the Issuer's Sustainability Bond Framework.

Eligible Projects/Social Projects means projects identified as such in the Issuer's Sustainability Bond Framework.

For the avoidance of doubt, the Issuer's Sustainability Bond Framework is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus.

Description of UniCredit and the UniCredit Group

1. INFORMATION ABOUT THE ISSUER

1.1 History and development of the Issuer

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

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

Such expansion has been characterised, in particular:

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

- by the business combination with Capitalia S.p.A. (**Capitalia**), the holding company of the Capitalia banking group (the **Capitalia Group**), realised through a merger by way of incorporation of Capitalia into UniCredit effective as of 1 October 2007.

In 2008 the squeeze outs[49] of the ordinary BA and HVB shares held by minority shareholders were completed.

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

UniCredit S.p.A. ordinary shares are listed on the Milan, Frankfurt and Warsaw regulated markets, respectively on the Borsa Italiana S.p.A. (Euronext Milan), on the Frankfurt Stock Exchange, segment General Standard, and on the Warsaw Stock Exchange. In this regard, it should be noted that, further to the disposal of the controlling equity interest in Bank Pekao in 2017, UniCredit has initiated the procedure aimed at obtaining the delisting of the UniCredit shares from the trading on the Warsaw Stock Exchange

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

(so called "delisting"). According to the local Law and after discussions with the relevant Authorities, the UniCredit Shareholders' Meeting held on 11 April 2019 authorized the Board of Directors to purchase and dispose of a maximum number of UniCredit ordinary shares to be carried out within 18 months from the date of the Shareholders' resolution. On 11 October 2020 such authorisation lapsed. UniCredit confirmed its intention to delist from Warsaw Stock Exchange; timing of the procedure will be defined also based on macro-economic and market conditions and a new authorisation to the Board of Directors to purchase and dispose of a maximum number of UniCredit ordinary shares to be carried out within 18 months from the date of the Shareholders' resolution, has been resolved by the 15 April 2021 Shareholders'Meeting.

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Recent Developments

- On 21 April 2022, with reference to the "€500,000,000 non-cumulative temporary write-down deeply subordinated fixed rate resettable notes" (the **Notes**) ISIN XS1539597499, issued on 21 December 2016, UniCredit announced, in accordance with the relevant Terms and Conditions of the Notes, that it will exercise its option to early redeem in whole the Notes on 3 June 2022 (the **First Call Date**). The early redemption of the Notes will be at par, together with accrued and unpaid interests. The interests shall cease to accrue on the First Call Date.

- On 27 April 2022, the Rating Agency S&P Global Ratings (**S&P**) has affirmed UniCredit S.p.A.'s 'BBB' long- and 'A-2' short-term Issuer Credit Ratings. The outlook remained at 'positive'. The instrument ratings have been affirmed as well. For further details please see S&P's corresponding press release on the rating agency website www.capitaliq.com.

- On 5 May 2022, following the communication received by the Single Resolution Board (**SRB**) and Banca d'Italia, UniCredit announced the following Minimum Requirements for Own Funds and Eligible Liabilities (**MREL**) apply to UniCredit SpA on a consolidated basis.

  The intermediate binding MREL is confirmed equal to:

  - 20.73 per cent of Risk Weighted Assets (**RWA**) plus the applicable Combined Buffer Requirement (**CBR**);
  - 5.90 per cent of Leverage Ratio Exposures (**LRE**).

  The intermediate binding MREL subordinated component, i.e. to be met with subordinated instruments, is confirmed equal to:

  - 11.79 per cent of RWA plus the applicable CBR;
  - 5.68 per cent of LRE.

  From 1 January 2024 the fully loaded MREL will be equal to:

  - 21.83 per cent. of RWA plus the applicable CBR;
  - 5.90 per cent. of LRE[11].

  The fully loaded MREL subordinated component will be equal to:

  - 15.53 per cent. of RWA plus the applicable CBR;
  - 5.77 per cent. of LRE[11].

  The above subordination requirements take into account the "senior allowance" benefit, which allows to meet part of the subordinated requirement with senior (non-subordinated) instruments.

  As of 1Q22, UniCredit is well above these requirements, with MREL eligible liabilities equal to:

  - 26.85 per cent. of RWA;
  - 8.46 per cent. of LRE.

The MREL subordinated eligible liabilities are equal to:

- 21.28 per cent. of RWA;
- 6.71 per cent. of LRE.

- On May 5, 2022, UniCredit announced that the Board of Statutory Auditors carried out, in compliance with the applicable provisions, the assessment of the Board of Statutory Auditors' suitability, verifying the requirements of the members (permanent and substitute Statutory Auditors), appointed by the Shareholders' Meeting on April 8, 2022. The assessment specifically involved: Mr. Marco Rigotti, Ms. Antonella Bientinesi, Mr. Claudio Cacciamani, Ms. Benedetta Navarra, Mr. Guido Paolucci (permanent Statutory Auditors), and Ms. Raffaella Pagani, Ms. Paola Manes, Mr. Vittorio Dell'Atti, Ms. Enrica Rimoldi (substitute Statutory Auditors).

  The Board of Statutory Auditors then assessed:

  - the correspondence between the qualitative-quantitative composition of the appointed Body and its theoretical qualitative-quantitative profile made available, in due time, to the Shareholders within the documents of the Shareholders' Meeting, so that they can take it into account while choosing the candidates

  - the suitability of the Body's collective composition
  - the compliance with limits on number of offices.

  With reference to the independence requirements, the Board of Statutory Auditors assessed and confirmed that the corporate officers possess the requirements declared, before their appointment, on the basis of the statements they made, and of the information available to UniCredit. All the permanent and substitute members of the Board of Statutory Auditors are independent pursuant to the Legislative Decree no. 58/1998 ("Italian Consolidated Law on Finance"), the Decree issued by the Ministry of Economics and Finance no. 169/2020 ("Decree") and the Italian Corporate Governance Code.

  With specific reference to the independence requirements laid down by the Italian Corporate Governance Code, information was taken into account relating to the existence of direct or indirect relationships (credit relationships, business/professional relationships, and employee relationships, as well as significant offices held) that the Statutory Auditors, and their connected subjects, may have with UniCredit and Group Companies.

  In order to assess the potential significance of these relationships, the Board of Statutory Auditors, in compliance with the criteria already adopted by the Board of Directors, decided not to proceed with the sole identification of pre-defined economic targets, which - if exceeded - could "automatically" indicate that their independence was compromised. To guarantee an objective and subjective assessment of aspects, the following criteria were taken into account: (i) the nature and characteristics of the relationship; (ii) the total amount, in absolute and relative terms, of the transactions; and (iii) the subjective profile of the relationship.

  More specifically, for the purposes of assessing the significance of such relationship, the following information, where available, is considered by the Board of Statutory Auditors:

  - credit relations: the amount in absolute value of the credit granted, its weighting in relation to the system and, where appropriate, the economic and financial situation of the borrower;

  - professional/commercial relations: the characteristics of the transaction/relationship, the amount of the consideration and, where appropriate, the economic and financial situation of the counterparty; and

  - offices held in Group Companies: the total amount of any additional remunerations.

  Following the above assessment, no relationships emerged affecting the independence of permanent and substitute Statutory Auditors.

- On 10 May 2022, UniCredit S.p.A. announced, as per the authorisation granted by the Shareholders' Meeting of the Company held on 8 April 2022 and as per the 1Q22 Group results' press release dated 5 May 2022, that it has defined the measures for the execution of the first tranche of the share buy-back programme for a maximum amount of Euro 1,580,000,000.00 and for a number of UniCredit ordinary shares not exceeding 215,000,000 (the **First Tranche of the Buy-Back Programme 2021**).

  As disclosed on 5 May 2022, the First Tranche of the Buy-Back Programme 2021 has been authorised by the ECB. For the purpose of executing the First Tranche of the Buy-Back Programme 2021, UniCredit engaged Goldman Sachs International as qualified third-party broker (the **Broker**) which will decide on the stock purchases in full independence, also in relation to the timing of the transactions and in compliance with the daily price and volume limits and the terms of the programme (so-called "riskless principal" or "matched principal").

  The transactions completed will be disclosed to the market in accordance with the terms and conditions set out in the laws and regulations in force. Any subsequent changes to the First Tranche of the Buy-Back Programme 2021 will be promptly disclosed to the public in the manners and terms provided for by the laws and regulations in force. The ordinary UniCredit shares that will be acquired as part of the First Tranche of the Buy-Back Programme 2021 will be cancelled in execution of the resolution of the abovementioned Shareholders' Meeting.

  For further details, please refer to the authorisation resolution approved by the Shareholders' Meeting and the related report by the Board of Directors, available in the "Governance" section of the Company's website (www.unicreditgroup.eu) and on the eMarket STORAGE (www.emarketstorage.com).

1.1.1. The legal and commercial name of the Issuer

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

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

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

The Legal Entity Identifier (LEI) is 549300TRUWO2CD2G5692.

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

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

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 activities, is subject to both the Italian provisions (e.g. to the provisions on anti-money laundering, transparency and fairness in customer relations, usury, consumer protection, labour law, safety at the workplace and privacy laws) and European provisions as well as to the supervision of various Authorities, each for their respective areas of competence. In particular, UniCredit

is subject to the provisions contained in the Supervisory Regulations issued by the Bank of Italy and, as a significant bank, to the direct prudential supervision of the European Central Bank.

BRRD and SRMR

With regard to the regulatory framework applicable to the Issuer, it is noted the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014 implemented in Italy with the Legislative Decree 180 and 181 of 16 November 2015 (BRRD) as amended by the Directive (EU) 2019/879, the (**BRRD II**) and implemented in Italy by Legislative Decree No. 193 of 8 November 2021 (published in the *Gazzetta Ufficiale* on 30 November 2021). The Issuer is also subject to the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 (**Single Resolution Mechanism Regulation** or **SRM Regulation** as amended by Regulation (EU) 2019/877 of 20 May 2019, published in the Official Journal of the European Union on 7 June 2019 (**SRMR II**) and applying from 28 December 2020) which sets out uniform rules and procedures for the resolution of credit institutions and certain investment firms under the Single Resolution Mechanism (**SRM**) and the Single Resolution Fund. The SRM and BRRD enable a range of resolution tools and powers to be used in relation to credit institutions and investment firms considered to be at risk of failing.

Such instruments and powers include the possibility of applying the "bail-in", *i.e.* the power to reduce, with the possibility of cancellation, the nominal value of shares and the write-down of receivables due from the bank with their conversion into shares. The aim of the bail-in is to absorb losses and recapitalize the failing bank in order to ensure the continuity of its critical economic functions, protecting financial stability and minimizing losses to the taxpayer, while still ensuring that no creditor suffers greater losses than if the bank had been liquidated under normal insolvency proceedings.

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

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

In the framework of the SRMR and BRRD, the centralized decision-making power for resolution is entrusted to the Single Resolution Board (**SRB**), 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. In such a context, it is worth to mention the process to review - started by the European Commission – the Crisis Management and Deposit Insurance (**CMDI**) framework. Following this revision, new and different legal and regulatory requirements may apply to the Group, in particular the activity of the European legislator is aimed at amending the BRRD, the SRMR and the Deposit Guarantee Schemes Directive (**DGSD**).

The BRRD also introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities (the Minimum Requirement for Own Funds and Eligible Liabilities, **MREL**). From 1 January 2022, the Issuer has to comply on a consolidated basis with a first binding intermediate target for MREL (including a subordinated component i.e. to be met with subordinated instruments) received from the Single Resolution Board and the Bank of Italy. From 1 January 2024, the consolidated MREL will become "fully loaded". The Issuer also has to comply with the standard on total loss absorbing capacity (**TLAC**).

CRR and CRD

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

Directive (EU) No. 2019/878 (the Banking Reform Package with CRR II and CRD V). According to Article 92 of the CRR, institutions shall at all times satisfy the following Own Funds requirements: (i) a CET1 Capital ratio of 4.5 per cent.; (ii) a Tier 1 Capital ratio of 6 per cent.; (iii) a Total Capital ratio of 8 per cent. and (iv) a Leverage Ratio of 3 per cent. According to Articles from 129 to 134 of the CRD, these minimum ratios are complemented by the following capital buffers to be met with CET1 Capital: *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 Directive**) amending the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The revisions better align the current regulatory framework to international developments in order to promote consistency and comparability among jurisdictions.

Such measures entered into force on 27 June 2019, while a) the CRR II is applicable from 28 June 2021, excluding some provisions with a different date of application (early or subsequent), b) the CRD V was to be implemented into national law by 28 December 2020 excluding some provisions which will be applicable subsequently. CRD V Directive has been implemented in Italy by the Legislative Decree No. 182/2021. Directive 2019/879 (**BRRD II**) has been implemented in Italy by the Legislative Decree No. 193/2021, which provides for, among other measures:

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

    1. Euro 200,000 for subordinated bonds and other subordinated securities;
    2. Euro 150,000 for Senior Non Preferred debt instruments ("*strumenti di debito chirografario di secondo livello*");

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

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

Moreover, it is worth mentioning that the Basel Committee on Banking Supervision (**BCBS**) concluded the review process of the models (for credit risk, counterparty risk, operational risk and market risk) for the calculation of minimum capital requirements, including constraints on the use of internal models and introducing the so-called "output floor" (setting a minimum level of capital requirements calculated on the basis of internal models equal, when fully implemented, to 72.5% of those calculated on the basis of the standardised methods). The main purpose is to enhance consistency and comparability among banks. The new framework was finalised for market risk in 2016 and finally revised in January 2019. The new framework for credit risk and operational risk was completed in December 2017. Prior to becoming

binding on the European banking system, the European Commission, which conducted a public consultation (closed on 5 January 2020), assessed the potential impacts on the European economy.

Furthermore, in August 2020 the Commission required the EBA to update its assessment in the light of COVID-19, which was published in December 2020. The legislative proposal (**CRR III/CRD VI**), which incorporates these new standards into EU legislation as well as foresees some new provisions in relations to Environmental, Social and Governance (**ESG**) Risks has been published by the European Commission on 27 October 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 EBA, published in December 2019 upon request of the European Commission, shows that the adoption of the new Basel III criteria would require banks to increase minimum capital requirements (**MCR**) by 23.6%, resulting in a capital deficit of Euro 124 billion. The above-mentioned updated analysis by EBA published in December 2020, show an increase of MCR of 18.5% and a capital deficit of over Euro 52 billion (the December 2019 outcome for a comparable sample would have been respectively 24.1% and Euro 109.5 billion).

The impact assessment that accompanied instead the European Commission's proposal published at the end of October 2021, states the expectation of a weighted average increase in institutions' minimum capital requirements of 6.4% to 8.4% in the long term (by 2030), after the envisaged transitional period. The Commission's proposal foresees that most of the provisions in the CRR III shall apply from 1 January 2025. The Member States shall adopt and publish the CRD VI by 18 months from the date of entry into force of the amending Directive and they shall apply those provisions from one day after its transposition date.

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

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

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

Regulatory and supervisory framework on non-performing exposures

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

Guidance to banks on non-performing loans published by ECB on 20 March 2017 and Addendum to the Guidance to banks on non-performing loans published by ECB on 15 March 2018: the NPL guidance contains recommendations and lays out the bank's approach, processes and objectives regarding the effective management of the exposures. The guidance addresses all NPEs, as well as foreclosed assets, and also touches on performing exposures with an elevated risk of turning non-performing, such as "watch-list" exposures and performing forborne exposures. According to the guidance, the banks need to establish a strategy to optimize their management of NPLs based on a 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 supervisory review and evaluation process (**SREP**) letters and the ECB will discuss any divergences from these prudential provisioning expectations with institutions as part of future SREP exercises.

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

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

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

- NPEs originated before 26 April 2019 (Pillar II – ECB Flows): 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100%; and

- NPEs originated on or after 26 April 2019 (Pillar I – CRR Flows): 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100%.

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%, EBA asked to introduce strategies, in order to achieve a reduction of NPEs, and governance and operational requirements to support them.

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

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

Directive on credit servicers, credit purchasers and the recovery of collateral (**COM/2018/0135**): On 20 October, the European Parliament's plenary approved the final text of the Directive aimed at achieving the development of secondary markets for NPLs in the EU's markets standardizing the regulatory regime for credit servicers and credit purchasers. The second part of the Directive aimed at a better management

of NPLs by increasing the efficiency of debt recovery procedures through the availability of a distinct common accelerated extrajudicial collateral enforcement procedure (AECE) is still put on hold.

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

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

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

Measures to counter the impact of "COVID-19"

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 the COVID-19 outbreak. The capital portion of loan repayment instalments may be requested to be suspended for up to one year, later extended until 30 June 2021. 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 four recommendations in 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 pro-cyclical way via an increase in the asset purchase programme (**APP**).

With regard to the above, on 17 December 2021, the ECB published its decision not to extend beyond December 2021 the liquidity relief measure that allowed banks to operate with a liquidity coverage ratio below 100%.

Furthermore, on 10 February 2022 the ECB issued the decision that it will not extend capital and leverage relief for banks beyond, respectively, December 2022 and March 2022. Although there is still some uncertainty regarding the impact of the pandemic, the ECB considers banks under its direct supervision to have ample headroom above their capital requirements and above the leverage ratio requirement and sees no need to allow banks to operate below the level of capital defined by their Pillar 2 Guidance (**P2G**) beyond December 2022, nor to extend beyond March 2022 the supervisory measure that allows them to exclude central bank exposures from their leverage ratios.

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 Euro-system'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. The Governing Council intends to reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2024. In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary policy stance.

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

On 20 March 2020, the ECB announced additional measures (on top of those already undertaken on 12 March 2020 on temporary capital and operational relief for banks) to ensure that its directly supervised banks could continue to fulfil their role to fund households and corporations amid the COVID-19-related economic shock to the global economy. In particular, the ECB recommended 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; and

- 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; and

(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; and

- 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; this recommendation was then extended to January 2021 on 28 July 2020.

On 15 December 2020, the ECB recommended that banks exercise extreme prudence on dividends and share buy-backs (**SBB**). To this end, the ECB asked all banks to consider not distributing any cash dividends or conducting share buy-backs, or to limit such distributions, until 30 September 2021. Given the persisting uncertainty over the economic impact of COVID-19 pandemic, the ECB expects dividends and SBB to remain below 15% of the cumulated profit for 2019-2020 and not higher than 20 basis points of the CET1 ratio. Banks that intend to pay dividends or buy back shares need to be profitable and have

robust capital trajectories. They are expected to contact their Joint Supervisory Team to discuss whether the level of intended distribution is prudent. The recommendation is related to the current exceptional circumstances and will remain valid until the end of September 2021; at that time, in the absence of materially adverse developments, the ECB intends to repeal the recommendation and return to assessing banks' capital and distribution plans based on the outcome of the normal supervisory cycle.

On 23 July 2021 the ECB has published a statement with its decision to not extend beyond September 2021 its recommendation that all banks limit dividends. Instead, the capital and distribution plans of each bank will be assessed by supervisors as part of the regular supervisory process. At the same time the ECB has emphasized that banks should remain prudent and not underestimate risks when deciding on dividends and share buy-backs while carefully considering the sustainability of their business model.

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

On 18 June 2020, EBA has extended the deadline for the application of its Guidelines on payment moratoria to 30 September 2020, after which they expired. Adjusted Guidelines have been reactivated on 2 December 2020, though restricting the scope of application to a maximum of 9 months from the granting of the moratoriums, a limit which however does not apply to those agreed before of 31 September 2020 which continue to benefit from the flexibility granted by the guidelines until their expiry, even if it exceeds 9 months.

On 29 January 2021, the EBA published the "Report on the implementation of selected COVID-19 policies", which contains a series of clarifications in the form of questions and answers (Q&A) on the interpretation of the EBA Guidelines, in particular with regard to the overall duration of the deferred payment to fall within the scope of the EBA Guidelines on moratoriums. However, the clarifications did not concern the hypothesis in which the moratorium pursuant to law, even if granted before 31 September, was extended for more than 9 months due to a subsequent law.

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 have been applicable until 31 December 2020 and extended until 30 June 2022 by Budget Law 2022 (formerly 31 December 2021 – see below).

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 COVID-19-related developments and they 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 provisioning applied to positions with government guarantees with the calendar provisioning applied to credits guaranteed by Export Credit Agencies;

- early application of certain measures provided for in CRR II: 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;

- 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; and

- 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 26 June 2020 and has entered into force the following day (27 June 2020).

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 caused by COVID-19.

Such decree has been signed in the Law No. 77/2020. It introduced some provisions (valid until 31 December 2020) which are aimed at strengthening SME's capital, thus preventing their insolvency risk. Particular reference is made to two public tools: "Patrimonio PMI" fund, which is aimed at subscribing new bonds issued by SME corporates with Euro 10 million turnover, which have been impacted by COVID-19 a turnover reduction of 33% in April and May 2020 (two tax credits are granted to other investors <20% of the investment> in such corporates, and to the corporates above indicated which have suffered losses <50% of the losses which exceed the 10% of the Net worth, but in the limit of the 30% of the capital increase>); and the so called "Patrimonio rilancio" (Dedicated assets within CDP) which is aimed at subscribing new bonds (mainly convertible bonds) and shares in order to support real economy.

In August 2020 the Government approved the Law Decree "August" (Law Decree 14 August 2020, No. 104, converted into Law 13 October 2020, No. 126) containing several urgent measures in support of health, work and economy, linked to the COVID-19 emergency. The measures introduced by the Law regard the extension of the moratorium for SME until 31 December 2021 (formerly 30 January 2021). Such prorogation operates automatically, unless expressly waived by the beneficiary company. They also provide technical changes to the possibility (Article 55, Law Decree Cura Italia No. 18/2020) to convert the DTAs into tax credits (application to special regimes, such as consolidated and transparency). The decree above mentioned also widens the scope of the public guarantee, too, extending the FCG guarantee scope to companies which already got a prorogation of the guarantee due to temporary difficulties of the beneficiary and including financial intermediation and holding financial assets activities in the 30k guaranteed loans. It also extends SACE guarantee scope also to companies admitted to the arrangement procedure with business continuity (or certified plans and restructuring agreements) if their exposures are not classifiable as non-performing exposures (at the date of submission of the application), they don't present amounts in arrears and the lender can reasonably assume the full repayment of the exposure at maturity.

In October and November 2020, the Council of Ministers approved the "Relieves" Law Decree (Law Decree 28 October 2020, No. 137) and the "Relieves 2" law decree (Law Decree 9 November 2020, No. 149) which provides further urgent measure regarding health protection, support to workers and production sectors, justice and safety linked to COVID-19 epidemic. Main measures introduced by the Law are a non refundable aid for enterprises whose sectors have been restricted and the prorogation of "rental" Tax credit to October-December period and extension to enterprises with turnover exceeding Euro 5 million and which have had a 50% reduction of turnover.

The Law 30 December 2020, No. 178 (the **2021 Budget Law**) extended the "SACE Guarantee" until 30 June 2021 and provided for Mid Cap (companies with a number of employees not exceeding 499) to access the SACE Guarantee from 1 March 2021 to 30 June 2021 at the same favorable conditions offered to these companies by the Guarantee Fund for SMEs. The extraordinary measures relating to the Guarantee Fund for SMEs and the extraordinary moratorium for micro-enterprises and SMEs (Art. 56 Cura Italia Decree) have also been extended until 30 June 2021. Finally, the operation of the "Patrimonio PMI" fund was extended until 30 June 2021 (Art. 26 *Decreto Rilancio*).

In March 2021, the Council of Ministers approved the "Support" Law Decree (Law Decree 22 March 2021, No. 41) which provides further urgent measure regarding health protection, support to workers and production sectors linked to COVID-19 pandemic. Such decree introduces a new non refundable aid for enterprises and professionals which have had a 30 per cent. reduction of turnover.

The Law Decree 25 May 2021, No. 73 (the **Sostegni-bis Decree Law**, converted into law by Law 23 July 2021 No. 106) further extended the extraordinary public guarantees issued by SACE and the Guarantee Fund for SMEs until 31 December 2021 (including the possibility for Mid Cap to access the SACE Guarantee under the same conditions offered by the Guarantee Fund for SMEs). The possibility of extending the duration of the loan against the payment of a commission has also been provided for operations with SACE guarantee, while for operations with guarantee issued by the Guarantee Fund for SMEs, the extension is possible against a reduction of the guarantee percentages.

The extraordinary moratorium for micro-enterprises and SMEs was also extended until 31 December 2021, limited to the principal amount. The additional measures contained in the decree: the strengthening of the ACE for 2021 by applying the percentage rate of 15% and the extension of the temporal effectiveness of the measures on the transformation of DTAs into tax credits in the event of business combinations.

The Law 30 December 2021 n. 234 (the **Budget Law 2022**) further extended the extraordinary public guarantees issued by SACE and the Guarantee Fund for SMEs (FCG) until 30 June 2022 (including the possibility for Mid Cap to access the SACE Guarantee under the same conditions offered by the Guarantee Fund for SMEs). From 1 April 2022 the FCG Guarantee has been granted against payment of a fee.

The extraordinary regulation ends on 30 June 2022. From 1 July 2022 to 31 December 2022, some specific measures continue to apply, such as: the maximum amount guaranteed by the FCG Fund per company is equal to Euro 5 million and the guarantee is granted by applying the Fund's valuation model.

Finally, among the measures adopted in response to the COVID-19 emergency, the Capital Markets Recovery Package (so-called "Quick Fix") can also be recalled; it included targeted amendments to the MiFID, the Prospectus Regulation as well as the Securitization Regulation. The package aimed to provide European economies with some relief to face the crisis emerging from the COVID-19 pandemic. As to MiFID2, the proposal included targeted amendments in particular in the field of investor protection. As to the Prospectus Regulation, a new type of short-form prospectus to facilitate the raising of capital in public markets was introduced. As to the Securitisation Regulation, in addition to a review of the regulatory constraints to the securitisation of NPEs, the amendments also extended the preferential treatment to all synthetic on-balance sheet securitisation that fulfil the simple, standardised and transparent (**STS**) criteria. Amendments to the Prospectus Regulations entered into force in March 2021; the MiFID amendments, as being part of a Directive, needed to be transposed into national laws by November 2021. Amendments to the securitisation Regime entered into force on 9 April 2021.

SUSTAINABLE FINANCE

Finally, it is worth mentioning the developments in the Sustainable Finance area. The banking system needs to be able to collect high quality data on companies' sustainable activities and projects to contribute to the radical transformation towards climate neutrality and sustainability, which are the basis for green finance decision-making and necessary to ensure that the banks shall comply with the regulations on the disclosure of financial and non-financial information.

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

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

The level II timeline to determine the specific technical screening criteria is progressing with criteria for the first two environmental objectives (climate change mitigation and adaptation) now adopted and applicable from 1 January 2022. The remaining four objectives – sustainable use and protection of water and marine resources, transition to circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems – are be adopted in spring 2022 and will enter into force on 1 January 2023.

On 2 February 2022, the Commission formally adopted the Taxonomy Complementary Delegated Act covering gas and nuclear related activities which is now subject to scrutiny by the European Parliament and the Council which will have four months (extendable by two additional months) to object to it. If not objected, the Delegated Act will be applicable from 1 January 2023.

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

Furthermore, the Platform on Sustainable Finance published its final report and annex (containing the list of activities) with recommendations on technical screening criteria (**TSC**) for the four remaining environmental objectives under the EU Taxonomy. The four objectives are: sustainable use of water and marine resources; protecting and restoring biodiversity and ecosystems, transitioning to a circular economy, preventing and controlling pollution. The EC will review the report and put forward a legislative proposal for a second Taxonomy Delegated Act by the end of the year. The Delegated Act on four remaining objectives should be applicable from 1 January 2023.

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

The Corporate Sustainable Reporting Directive (CSRD), published by the Commission on 21 April 2021, and currently under negotiations by the Co-Legislators, will review the existing Non-Financial Reporting Directive (**NFRD**) to reinforce disclosure obligations through mandatory reporting standards while broadening the application scope. Particularly the proposed Directive includes:

- an extension of scope to additional firms including all large and all listed companies (including firms not established in the EU but listed on EU regulated markets) except for listed micro-undertakings).
- The requirement to specify in greater detail the information that companies should report (e.g., information about their strategy, targets, the role of the board and management, principal adverse impacts of the undertaking, intangibles)
- The requirement to report against mandatory EU sustainability reporting standards.
- The requirement for an EU-wide audit (assurance) requirement for reported sustainability information.
- The requirement to ensure all information is published as part of the firm's management report and is disclosed in a digital, machine-readable format.

According to the Commission's proposal the CSRD's new sustainability reporting obligations will apply to financial years starting with 1 January 2023. The timeline is currently being discussed both at EU Council and European Parliament level.

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

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

Green Bond Standard. The Commission published its proposal for an EU Green Bond Standard (**EU GBS**) on 6 July 2021. The Regulation lays down the foundation for a common framework of rules regarding the use and designation of EU GBS for bonds that pursue environmentally sustainable objectives within the meaning of Taxonomy Regulation. The Regulation is mainly aimed at issuers who wish to use the voluntary EU GB standard. The Regulation also sets up a system for registering and supervising companies that act as external reviewers for green bonds aligned with this framework. The negotiations are ongoing both in the European Parliament and in the Council. It is expected that the Regulation will be finalized by the end of 2022. On 6 July 2021, the European Commission adopted the Delegated Act on Article 8 under the EU Taxonomy Regulation which requires entities covered by the EU Non-Financial Reporting Directive (**NFRD**) to publish information on how and to what extent their activities are associated with economic activities that quality as "environmentally sustainable" under the EU Taxonomy Regulation. The application of the delegated act for financial institutions is limited in

2022 and 2023 to certain elements, while the remaining provision will apply from 1 January 2024 (e.g, the Green Asset Ratio). The disclosure of the information related with banks' trading book exposures and fees and commissions for other commercial services will apply from 1 January 2026.

On 25 November 2021, as part of the CMU Action Plan, the Commission published the legislative proposal for the establishment of the European Single Access Point (**ESAP**), aimed to ensure public and free access to financial and sustainability-related information across the single market with a view to meet investors' demand. The scope of data accessible via the ESAP will include information published by entities under existing EU financial services legislation, with a phased approach from 2024 till 2026. The ESAP will enable any entity, in particular SMEs, to file relevant information voluntarily. Entities are expected to file the information only once to a collection body (for instance the Officially Appointed Mechanisms or an existing authority, at national or at European level). All the collection points will enable the ESAP to access that information via application programming interfaces (**APIs**). The European Securities and Markets Authority (**ESMA**) will be in charge of building, operating and governing the ESAP. The information will be available for free and in data extraction format, with an increasing amount of information made machine-readable in the long run. The ESAP proposal will undergo the legislative process in the course of 2022.

On 24 January 2022, the EBA published their final drafts on the implementing technical standards (**ITS**) on Pillar 3 disclosures of ESG risks in accordance with Article 449a of the CRR. In defining the ITS, the EBA took into consideration the sequential approach followed by the European Commission (**EC**) for the disclosure obligations requested by Article 8 of the EU Taxonomy and proposed the disclosure of a Green Asset Ratio (**GAR**) for the exposures related to the NFRD companies starting from 2024, while it introduced a transition period until June 2024 for the disclosure of the Banking Book Taxonomy alignment Ratio (BTAR - dedicated to exposures towards SMEs and non-EU counterparties) and for the banks' scope 3 emissions. EBA confirmed that will review the disclosure requirements in 2024 to extend them to the other four environmental objectives and to the trading book. The EC has four months within which must decide whether to adopt the ITS and publish them in the Official Journal in order to enter into force by 28 June 2022 as requested by CRR.

DIGITAL FINANCE

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

1. Removing fragmentation in the Digital Single Market: in June 2021, the Commission proposed to harmonise rules on customer onboarding building on the review of the e-IDAS (electronic IDentification Authentication and Signature) Regulationto implement an interoperable cross-border framework for digital identities.

2. Adapting the EU regulatory framework to facilitate digital innovation: in September 2020, the Commission proposed for the first time new legislation on crypto-assets, the so called "Markets in Crypto Assets" (**MiCA**) regulation to ensure clarity and legal certainty for issuers and providers of crypto assets that are not currently covered by current EU legislation. Safeguards include capital requirements. Issuers of significant crypto-assets (the so-called global "stablecoins") will be subject to stricter requirements (e.g. in terms of capital, investor rights and supervision). The Commission also proposed a pilot regime, which allows temporary derogations from existing rules, for market infrastructures interested in trade and settle transactions in financial instruments in crypto-asset form. In April 2021, to facilitate digital innovation, the Commission also presented a proposal for a regulatory framework on Artificial Intelligence (**AI**) aimed both at promoting its development but also at managing its potential risks.

3. Promoting data-driven innovation in finance: In coordination with the PSD2's review and building on initiatives in the data strategy (Data Governance, Data Act and the Digital Markets Act as well the Digital Services Act), the EC will likely present a legislative proposal for a broader open finance framework by mid-2022 (date to be confirmed).

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

OTHER RECENT SECURITIES MARKETS RELATED REGULATIONS

On November 25, 2021, the Commission presented its official proposal for a Markets and Financial Instruments Regulation (MiFIR) review as part of a Capital Market Package including other legislative proposals (i.e., the creation of the European Single Access Point (ESAP) – see above - and a review of the European Long-Term Investment Funds (ELTIFs) Regulation). The EC MiFIR review aims at improving transparency and making the EU market infrastructure more competitive. The review is mainly focused on the establishment of an EU Consolidated Tape (CT) – a centralized database meant to provide a comprehensive view of market data - namely prices and volumes of traded securities across trading venues in the EU. With an ordinary legislative procedure, the proposal will be now discussed by the EU Parliament and EU Council likely over 2022/2023.

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

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

1.1.6 Credit ratings

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

Rating Agencies	Short Term Counterparty Credit Rating	Long Term Counterparty Credit Rating	Outlook	Last update
Fitch	F2(1)	BBB(2)	stable(3)	17 December 2021
S&P	A-2(4)	BBB(5)	positive(6)	27 April 2022
Moody's	P-2(7)	Baa1(8)	stable(9)	12 May 2021

Fitch Ratings

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

(2) BBB: indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity (**Source: Fitch**).

Note: A "+" or "–" may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the AAA rating category, to categories below CCC, or to Short-Term Credit Ratings other than F1 (**Source: Fitch**).

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

S&P

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

(5) BBB: an obligor has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments (**Source: S&P**).

Note: ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories (**Source: S&P**).

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

Moody's

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

(8) Baa: obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics (**Source: Moody's**).

Note: Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category (**Source: Moody's**).

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

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

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

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

There are no material changes in the Issuer's borrowing and funding structure since the last financial year ended on 31 December 2021.

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

As at 31 December 2021, the loans to deposits ratio (**LDR**), a ratio between the customer loans and deposits, including the repo activity, is equal to 87.4 per cent. Such ratio improves compared to 31 December 2020, equal to 90.4 per cent, mostly due to the loans'reduction, mainly driven by the reverse repo dynamic.

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

As at 31 December 2021, the liquidity buffer is equal to Euro 201.8 billion (Euro 167.4 billion at 31 December 2020).

As at 31 December 2021, the TLTRO participations of the Group is equal to Euro 106.8 billion (compared to Euro 94.3 billion at the end of 2020).

2. BUSINESS OVERVIEW

2.1 Principal activities

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

UniCredit is a pan-European Commercial Bank with a unique service offering in Italy, Germany, Central and Eastern Europe. UniCredit's purpose is to empower communities to progress, delivering high quality services, unlocking the potential of its clients and its people across Europe. UniCredit serves over 15 million customers worldwide. UniCredit is organized in four core regions and two product factories, Corporate and Individual Solutions. This allows the Bank to be close to its clients and use the scale of the entire Group for developing and offering the best products across all its markets.

UniCredit is one of the leading banks in Italy and in many of the CE and EE countries in which it operates in terms of total assets.

As of the date of this Base Prospectus, the Group in structured by geographic area as follows, according to organizational changes announced during May 2021:

- Italy as a standalone geography reflecting the critical importance of the country;
- Germany still focused on developing and growing business in the country;
- Central Europe (including Austria, Czech Republic and Slovakia, Hungary, Slovenia);
- Eastern Europe (including Bosnia and Herzegovina, Bulgaria, Croatia, Romania, Serbia, Russia).

This organization ensures Country and local Banks autonomy on specific activities granting proximity to the customers (for all client segment, Retail and Corporate) and efficient decisional processes. All standalone geographies of the Group have dedicated support functions such as: People and Culture, Finance, Digital & Information Office, and Operations. In addition, Compliance, Legal and Risk have established specific regional departments.

Alongside the new 4 business division there are:

- a Group Corporate Centre with the objective to lead, control and support the management of the assets and related risks of the Group as a whole and of the single Group companies in their respective areas of competence; it also includes the Group's Legal Entities that are going to be dismissed; and
- the Non-Core segment, including non-strategic Italian assets and those with a poor fit to the Group's risk-adjusted return framework; it is reported until full year 2021, date of its complete runoff.

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

No precise data about Issuer's competitive position are included in this Base Prospectus.

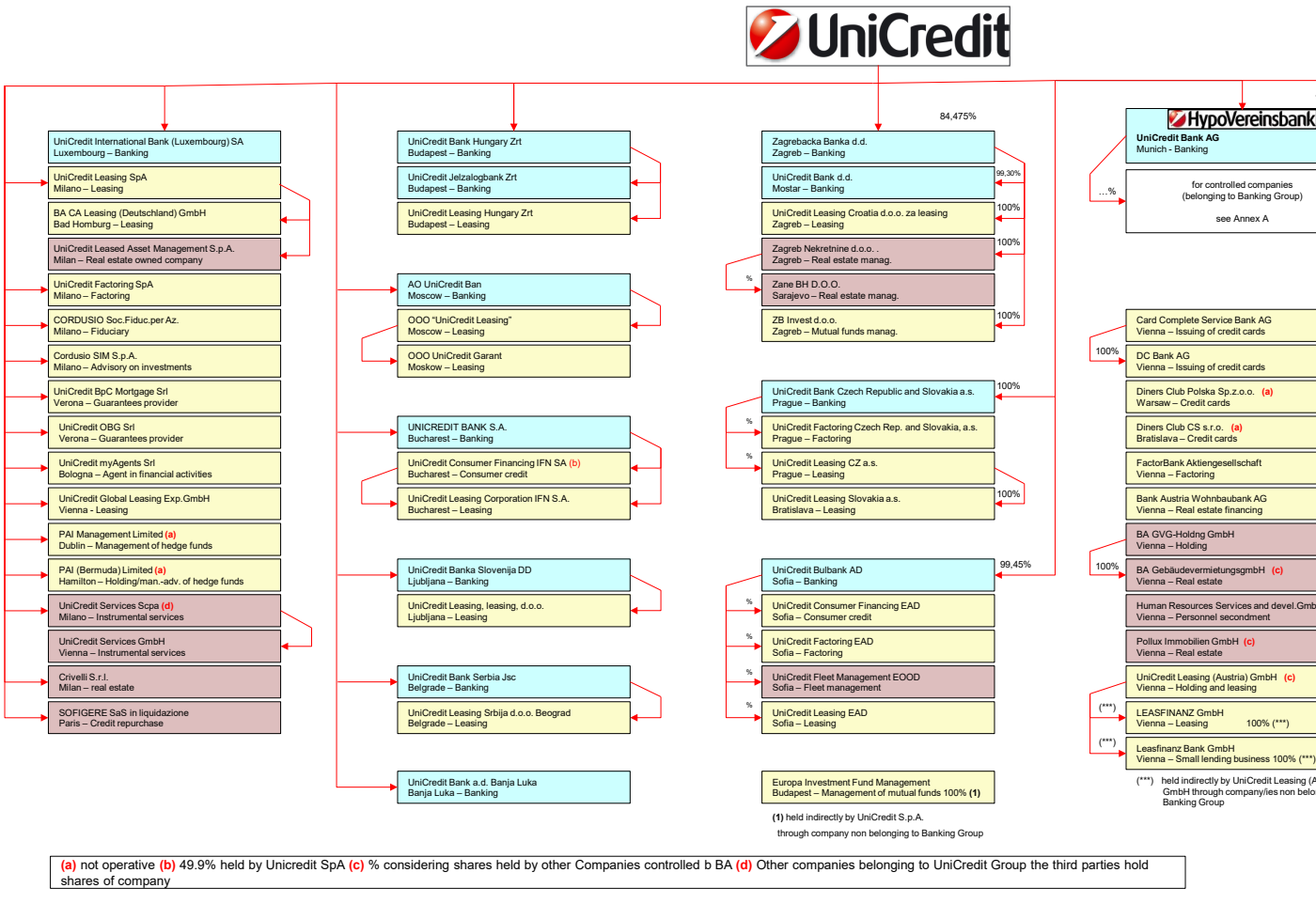
3. ORGANISATIONAL STRUCTURE

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

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

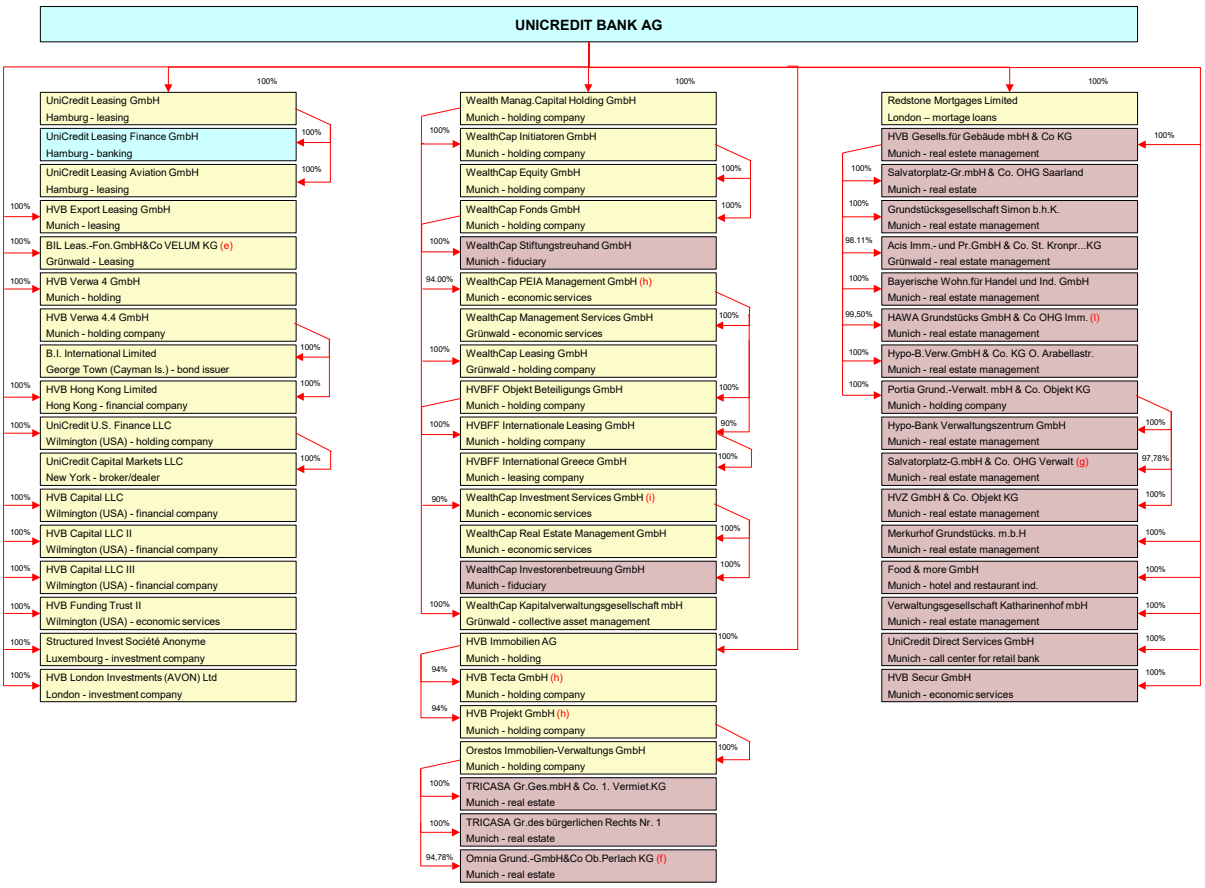
UniCredit, as a bank which undertakes management and co-ordination activities for the UniCredit Group, pursuant to Article 61 of the Italian Banking Act issues, when exercising the management and co-ordination activities, instructions to the other members of the banking group in respect of the fulfilment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

The following diagram illustrates the banking group companies as at 1 January 2022:



(a) not operative **(b)** 49.9% held by Unicredit SpA **(c)** % considering shares held by other Companies controlled b BA **(d)** Other companies belonging to UniCredit Group the third parties hold shares of company

Annex A



(e) voting rights held by UCB AG (33,33%) and by BIL Leasing-Fonds Verwaltungs GmbH (33,33%) **(f)** 5,22% held by WealthCap Leasing GmbH **(g)** 2,22% held by Tivoli Grundstücks-Aktiengesellschaft **(h)** 6% held by UniCredit Bank AG **(i)** 10% held by UniCredit Bank AG **(l)** 0,50% held by Tivoli Grundstücks-Aktiengesellschaft

3.2 Dependence upon other entities within the Group

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

4. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

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

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

The Board of Directors currently in office was appointed by the UniCredit Ordinary Shareholders' Meeting on 15 April 2021 for a term of three financial years and is composed of 13 members. The term in office of the current members of the Board will expire on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2023. The members of the Board of Directors have been appointed on the basis of a proportional representation mechanism ("*voto di lista*") and in compliance with the provisions on gender balance.

The following table sets forth the current members of UniCredit's Board of Directors as at the date of this Base Prospectus.

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

Notes:

(1) Director that meets the independence requirements pursuant to Section 148 of the Financial Services Act.

(2) Director that meets the independence requirements pursuant to section 13 of the Treasury Decree no. 169 dated November 23, 2020.

(3) Director that meets the independence requirements pursuant to Section 2, recommendation 7, of the Italian Corporate Governance Code.

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

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

The business address for each of the foregoing Directors is in Milan, 20154, Piazza Gae Aulenti 3, Tower A.

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

Pietro Carlo Padoan

- Member of the Board of Directors and the Executive Committee of ABI – Italian Banking Association
- Chairman of the Capital Markets Union technical Committee of ABI - Italian Banking Association
- Chairman of the High Level Groups on EU Policy Innovation
- Member of the European Financial Roundtable (EFR)
- Member of the European Banking Group (EBG)
- Member of the Executive Committee of FeBAF (Italian Banking, Insurance and Finance Federation)
- Member of the Executive Committee of Assonime
- Member of the Committee of Market Operators and Investors (COMI)
- Member of the Governing Council of the School for Economic and Social Politics (AISES)
- Member of the "Comitato Scientifico Osservatorio Banca Impresa 2030"
- Member of the Board of Directors of International Monetary Conference
- Member of the Board of "Istituto Luigi Einaudi per gli Studi bancari, finanziari e assicurativi"
- Member of the Corporate Governance Committee of Borsa Italiana
- Member of the Board of the Institute of International Finance (IIF)
- Vice Chairman of IAI – Istituto Affari Internazionali
- Senior Fellow and member of the Scientific Council of SEP – School of European Political Economy, LUISS University
- Honorary Board Member of Scope Foundation

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

Andrea Orcel

- Non-executive Director of EIS Group Ltd

Vincenzo Cariello

- Founding and Name Partner Studio Legale Professor Cariello
- Member of the Board of Directors of A2A S.p.A.

Elena Carletti

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

Jayne-Anne Gadhia

- Founder and Executive Chair of Snoop
- Chair of HMRC (Non-Commercial role)
- Non-Executive Chair (Advisory) of Goldacre
- Senior Independent Director/Chair of Audit Committee and Finance and Operations Committee (Non-Commercial role) of Tate Board of Trustees
- Member of Lloyds Culture Advisory Group
- Mayor of London - Member of Business Advisory Board
- Member of Financial Inclusion Policy Forum

Jeffrey Alan Hedberg

- Member of the Board of Directors of Wind Tre S.p.A.

- Member of the Board of Directors of Wind Tre Italia S.p.A.
- Member of the Board of Directors of 3lettronica Industriale S.p.A.
- Chairman and CEO of Wind Tre Retail S.r.l.
- Vice Chairman of ASSTEL
- Advisory Board Member of SDA Bocconi

Beatriz Lara Bartolomé

- Sole Administrator of AHAOW
- Innovation & Digital Transformation Board at PROSEGUR
- Seed Investor & Strategic Advisor at ZELEROS Hyperloop
- Financial Investor & Senior Advisor at OPINNO
- Mentor at Startup Lab, International MBA, IE Business School

Luca Molinari

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

Maria Pierdicchi

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

Francesca Tondi

- Member of the Advisory Board of Angel Academe
- Member of the Selection Committee, Mentor of Fintech Circle
- Member of "Women supporting Women" of "Princess Trust" Foundation

Renate Wagner

- Member of the Board of Management Allianz SE
- Member of the Board of Management Allianz Deutschland AG

Alexander Wolfgring

- Member of the Board of Directors (Executive Director) of Privatstiftung zur Verwaltung von Anteilsrechten
- Member of the Board of Directors of AVZ GmbH
- Chairman of the Supervisory Board, Österreichisches Verkehrsbüro AG

- Member of the Board of Directors of AVB Holding GmbH
- Member of the Board of Directors of API Besitz, GmbH
- Member of the Board of Directors of Mischek Privatstiftung

Board of Statutory Auditors

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

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

The term in office of the current members of the Board of Statutory Auditors will expire on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2024. The members of the Board of Statutory Auditors have been appointed on the basis of a proportional representation mechanism ("*voto di lista*") and in compliance with the provisions on gender balance.

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

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

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

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

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

Marco Rigotti

- Chairman of the Board of Directors of Alisarda S.p.A.

Claudio Cacciamani

- Chairman of the Board of Statutory Auditors of Confidi Parma S.C.p.A.
- Non-executive Director of Alicanto Capital SGR S.p.A.

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

Benedetta Navarra

- Chairwoman of Audit Committee of UniCredit Bulbank A.D.
- Chairwoman of the Board of Directors of Italgas S.p.A.
- Member of the Board of Directors of A.S. Roma S.p.A.
- Statutory Auditor of Italo S.p.A.
- Statutory Auditor of Aeroporti di Roma S.p.A.
- Chairwoman of the Supervisory Body pursuant to Legislative Decree 231/2001 of Equitalia Giustizia S.p.A.
- Member of the Supervisory Body pursuant to Legislative Decree 231/2001 of Confcommercio imprese per l'Italia Provincia di Roma Capitale

Guido Paolucci

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

Antonella Bientinesi

- Chairwoman of the Board of Statutory Auditors of Cerved Group S.p.A.
- Chairwoman of the Board of Statutory Auditors of Anas S.p.A.
- Statutory Auditor of ACER Sede S.p.A.
- Statutory Auditor of Enel Energia S.p.A.

- Statutory Auditor of Enel Green Power Solar Metehara S.p.A.
- Statutory Auditor of Enel Green Power Solar Ngonye S.p.A.
- Statutory Auditor of CESI S.p.A
- Sole Auditor of Enel Geen Power Matimba Newco 1 S.r.l.
- Statutory Auditor of Fondo Ambiente Italiano – FAI

4.2 Conflicts of Interest

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

- Article 53 paragraph 4, of the Italian Banking Act, without prejudice to the obligations envisaged by paragraph 1 of Article 2391 of the Italian Civil Code, hereinafter quoted, sets forth the duty to abstain from voting for the Directors having a conflicting interest, on their own behalf or on behalf of a third party;
- Article 136 of the Italian Banking Act, which requires a special authorisation procedure (a unanimous decision by the supervisory body with the exclusion of the concerned officers' vote and the favourable vote of all members of the controlling body) should a bank enter into obligations of any kind or enter, directly or indirectly, into purchase or sale agreements with its corporate officers;
- Article 2391 of the Italian Civil Code, which obliges directors to notify fellow directors and the Board of Statutory Auditors of any interest, on their own behalf or on behalf of a third party, that they may have, in a specific company transaction, with the concerned member of the Board of Directors having to abstain from carrying out the transaction if he/she is also the CEO; and
- Article 2391-*bis* of the Italian Civil Code, CONSOB Regulation No. 17221 dated 12 March 2010 (and subsequent updates) concerning transactions with related parties and the relevant communication no. 10078683 dated 24 September 2010, as well as the provisions of the Bank of Italy Circular no 285 dated 17 December 2013 (Part III - Chapter 11) concerning risk activities and conflicts of interest of banks and banking groups with associated persons (Supervisory Regulations for the banks).

In accordance with the said latest provisions, UniCredit has adopted specific policies and procedures in order to ensure, between the others, the transparency and the material and procedural correctness of the transactions with related parties or with associated persons, directly or through controlled companies. For information on related-party transactions, please see Part H of the Notes to the consolidated financial statements of UniCredit as at 31 December 2021, incorporated by reference herein.

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

5. MAJOR SHAREHOLDERS

5.1 Information related to the shareholder structure of the Issuer

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

As at 16 May 2022, the major shareholders who have disclosed that they hold, directly or indirectly, a relevant participation in UniCredit, pursuant to Article 120 of the Financial Services Act, were:

Major Shareholders	Ordinary Shares	% owned
BlackRock Group	114,907,383	5.260(1)
Parvus Asset Management Europe Limited	110,507,621	5.059(1)
Allianz Group	69,622,203	3.187

(1) non-discretional asset management

* The table shows the information notified by the shareholders pursuant to Article 120 of the Financial Services Act and published on the CONSOB website in the "Shareholders" section updated on the basis of the communications processed until 15 May 2022. The percentages indicated are calculated on the number of shares representing the share capital as of 16 May 2022.

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

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

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

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

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 and each of the involved Subsidiaries (the **Companies**).

As at 31 December 2021, the Companies were named as defendants in about 55,900 legal proceedings, of which approximately 8,500 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).

To provide for possible liabilities and costs that may result from pending legal proceedings (excluding labour law and tax cases), as of 31 December 2021, the UniCredit Group set aside a provision for risks and charges of Euro 688.4 million, of which Euro 428.1 million for the parent company UniCredit S.p.A. As of 31 December 2021, the total amount of claimed damages relating to judicial proceedings other than labour, tax and debt collections proceedings was Euro 9.8 billion, of which approximately Euro 6.4 billion for the proceedings involving the parent company UniCredit S.p.A.. This figure is affected by

both the heterogeneous nature of the pending proceedings and the number of involved jurisdictions and their corresponding characteristics in which UniCredit Group companies are named as defendants.

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 31 December 2021, there were several pending civil proceedings against UniCredit Bank Austria AG (**UCB Austria**) for the total claimed damages amount of Euro 5 million. While a large majority of the judgments have been favourable 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.

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

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

In 2008, approximately 300 former minority shareholders of UCB AG filed a request before the District Court of Munich to have a review of the price paid to them by the parent company UniCredit S.p.A., equal to 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. In parallel, five contentious proceedings in which plaintiffs claim damages have been initiated, involving however only insignificant amounts in dispute.

Financial sanctions matters

Following the settlement in April 2019, the U.S. and New York Authorities require an annual external review regarding the evolution of the process implementation. In light of the request, in 2020 the Group

appointed an external independent consultant. Following the interaction with the independent consultant and also considering the mandatory commitments towards the Authorities, the parent company UniCredit S.p.A., UCB AG and UCB Austria AG have implemented additional requirements and controls, about which the banks make periodic reports to the 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 extended to certain periods from 2007 to 2011 and included activities by UCB AG between September and November 2011. The European Commission concluded its investigation by issuance of its decision on 20 May 2021. The decision provides for the imposition of a fine of Euro 69.4 million on the parent company UniCredit S.p.A and UCB AG. UniCredit S.p.A. and UCB AG contest the European Commission's findings and brought an action for the annulment of its decision before the General Court of the European Union on 30 July 2021.

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. 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 filed their fourth amended class action complaint on 9 February 2021, repleading their claim against UCB AG and UniCredit Capital Markets LLC and other financial institutions. Like earlier pleadings, the fourth amended class action complaint does not include a quantification of damages claimed. Exchange of correspondence concerning motions to dismiss the fourth amended complaint has been completed, and in June 2021 defendants have requested a pre-motion conference with the court.

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. In this context, criminal investigations have been conducted against current or former employees of UCB AG and UCB AG itself as an ancillary party by the Prosecutors in Frankfurt am Main, Cologne and Munich. With respect to UCB AG, all proceedings originally initiated by the aforesaid prosecution offices were finally closed with payment of a fine or the payment of a forfeiture.

In December 2018, in connection with an ongoing investigation against other financial institutions and former bank employees, the Cologne prosecutor informed UCB AG of the initiation of a new 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.

On 28 July 2021, the Federal Criminal Court (**BGH**) rendered a decision through which the principle criminal liability of cum/ex structures had been determined the first time. UCB AG is monitoring the development.

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 transactions in equities around the dividend record date (so called cum/cum transactions). 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 cum/cum transactions. 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. In this context, UCB AG is considering the latest view of the German Tax Authorities.

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 31 December 2021 (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 1.1 billion, 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 692 million, mediations included) and the German market (for which the claimed amount against UCB AG was Euro 28 million); and (iii) proceedings relating to foreign currency loans, mainly affecting the CE&EE countries (for which the claimed amount was around Euro 162 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 CE&EE 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. The Government of the Republic of Croatia reached an agreement with six local banks, including ZABA

and UCB Austria, as a result of which on 30 June 2021 the parties have jointly requested the arbitral tribunal to discontinue the proceedings.

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 March 2020, the Supreme Court ruled that agreements entered into following the Conversion Amendments whereby customers converted their CHF mortgages and/or loans into Euro are valid and accordingly no additional payments are due. In October 2020 the Supreme Court, as well as one additional lower court, approached the European Court of Justice with a request for preliminary ruling asking for an interpretation on the applicability of the Directive on unfair terms in consumer contracts and consequently whether a consumer who converted its loan in accordance with the terms of the of the Conversion Amendments is entitled to additional payments. The Supreme Court withdrew its request, while the other case is still pending. In March 2021 the Constitutional Court rejected Zaba's application related to the invalidity of the Swiss franc currency clause. In light of the above, provisions have been booked which are deemed appropriate.

VIP 4 Medienfonds

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

Claims in relation to a syndicated loan

UCB AG, together with several other financial institutions, has been named as a defendant in complaints filed by the judicial administrator and foreign representative of a Brazilian oil and gas conglomerate in July 2021 in the United States before the District of New York court claiming damages in connection with the repayment of a syndicated loan for two oil drilling rigs UCB AG participated in that defendants are alleged to have unlawfully obtained.

Vanderbilt related litigations

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

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

The settlement is contingent on the Court's approval, but that process was temporarily delayed pending the determination by the New Mexico Supreme Court of a legal matter in a separate lawsuit brought against a different set of defendants in other proceedings. The New Mexico Supreme Court issued its ruling on the awaited legal matter in June 2015 and in December 2015 the Defendants and the State of New Mexico renewed their request for Court approval of the settlement. The Court held a hearing in

April 2016 and in June 2017 approved the settlement and directed that the claims against VCA and the Defendants be dismissed. A judgment to that effect was entered in September 2017 and a motion by the former State employee seeking to set aside that judgment was denied by the Court in October 2017. Appeals from the judgment and the subsequent order were taken in October and November 2017 and in June 2020, the New Mexico Court of Appeals affirmed that judgment. A motion for rehearing was subsequently denied. In October 2020 the New Mexico Supreme Court declined to hear a further appeal, but the former State employee subsequently petitioned for rehearing, and that motion remains pending. The settlement cannot be effectuated while the appeal remains pending. If the judgment continues to be upheld on appeal, the escrowed amount will be paid over to the State of New Mexico and the Defendants, including UniCredit S.p.A., will all be released from all the claims that were or could have been brought by or on behalf of the State or any of its agencies or funds.

Alpine Holding GmbH

Legal proceedings against UCB Austria arose from bondholders' claims commenced in June/July 2013. The claims stemmed from the insolvency of Alpine Holding GmbH, as UCB Austria acted as joint lead manager, together with another bank, for the undertaking of Alpine Holding GmbH bond issues in 2010 and 2011. Bondholders' claims are mainly referred to prospectus liability of the joint lead manager, whereas a minority of the cases is based on misselling due to allegedly unlawful investment advice. The damage claims amount to Euro 20.21 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, as did the issuing banks. The processing of the supplementary questions is pending at the date of this Base Prospectus. Therefore, the final outcome of the expert report cannot be assessed as of the date of this Base Prospectus.

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, at the moment it is impossible 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. UCB Austria has been informed by the Paris Commercial Court that the case was removed from the Court's register on June 17, 2021, at Valauret's request. Valauret's claim is likely time-barred.

Bitminer Litigation in the Republic of Srpska, Bosnia and Herzegovina

In 2019, a local customer, Bitminer Factory d.o.o. Gradiška (**Bitminer**), filed a lawsuit before the District Commercial Court in Banja Luka claiming damages for unjustified termination of its current bank accounts by UniCredit Bank a.d. Banja Luka (**UCBL**), a subsidiary of the parent company UniCredit S.p.A. in Bosnia and Herzegovina, Republic of Srpska. Bitminer alleged that termination of the accounts obstructed its initial coin offering (ICO) relating to a start-up renewable-energy-powered cryptocurrency mining project in Bosnia and Herzegovina.

On 30 December 2021, the first instance court adopted most of Bitminer's claims and ordered UCBL to pay damages in the amount of BAM 256,326,152 (approximately Euro 131.2 million). The appeal was filed in January 2022. The first instance court decision is not final, biding and enforceable. The ultimate

liability of UCBL, if any, will be determined only after all ordinary legal remedies have been exhausted, and in any case not before the final and binding decision of the appellate court.

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. The two proceedings still pending were consolidated and in September 2021 the Court of Appeal of Bari reversed the judgment in the case commenced by Divania in 2007 – ordering the latter to return the sum awarded by the first-instance Court plus costs (for a total of Euro 9.3 million) to UniCredit – and confirmed the judgment in the case commenced in 2009 by Divania (which had ordered UniCredit to pay an amount of Euro 13.3 million). The judgment of the Court of Appeal became final between UniCredit and Divania; however, Divania's guarantor may still appeal to the Supreme Court.

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 – two of which were settled – 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 and the case has been settled; (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 in July 2020 the bankruptcy trustee and the parent company UniCredit S.p.A. reached a settlement agreement by which the bankruptcy trustee waived its claims against the Bank; the case will continue between the parent company UniCredit S.p.A., on one side, and the former statutory auditors and guarantors of the plaintiff, on the other, in light of the contribution claims raised by the latter against UniCredit S.p.A. in the context of the same proceedings; and (iv) the fourth case is in its conclusive phase. The settlement of the first two cases led to a reduction of the overall claimed amount to Euro 13.5 million.

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. The Court ruled in favour of UniCredit. The appeal filed by the other party is pending.

Mazza

In 2005 the parent company UniCredit S.p.A. filed a criminal complaint against a Notary, Mr. Mazza, representatives of certain companies and disloyal employees of the parent company UniCredit S.p.A. in relation to unlawful lending transactions in favour of certain clients for approximately 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 a further appeal, while stating that some accusations were time-barred, the Supreme Court confirmed the court of Appeal's findings on the civil law requests raised by the Bank.

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) was won by the Bank at first-instance and the judgment is now final; (ii) in the second (commenced by Como S.r.l. and Mr. Colella with a claimed amount of approximately Euro 379 million) case the Court of Rome ruled in favour of the parent company UniCredit S.p.A. and the plaintiffs have appealed. 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 and the civil judgment by the Court 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.DeCo., a wholly owned subsidiary of Ludoil, filed a lawsuit in the Court of Rome against its former directors, NCP, the parent company UniCredit S.p.A. (in its capacity as holding company of NCP) and the external auditors (PricewaterhouseCoopers S.p.A. and Deloitte & Touche S.p.A.) claiming damages of approximately 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. The appeal is pending. 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 Article. 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

UniCredit S.p.A. is party to a number of employment law disputes. In general, all employment law disputes are supported by provisions made to meet any disbursements incurred and, in any case, UniCredit does not believe that any liabilities related to the outcome of the pending proceedings could have a significant impact on its economic and/or financial condition.

Lawsuits filed against UniCredit S.p.A. by members of the former Cassa di Risparmio di Roma Fund

Lawsuits have been brought against UniCredit S.p.A. by members of the former Cassa di Risparmio di Roma Fund. These lawsuits are now pending before the Italian Supreme Court (*Corte di Cassazione*) after two degree decisions favourable to UniCredit S.p.A.. The main claim is a request that the funding levels of the former Cassa di Risparmio di Roma Fund be restored and that the individual social security accounts of each member be assessed and quantified. With reference to the main claim, the relief sought is estimated at Euro 384 million.

No provisions were made as these actions are considered to be unfounded.

Diamond offer

Over the years, within the diversification of investments to which the available assets are addressed and also considering in this context those investments with the characteristics of the so-called "safe haven" with a long-term horizon, several UniCredit S.p.A.'s customers have historically invested in diamonds through a specialised intermediary company, with which the Bank has stipulated, since 1998, a collaboration agreement as "Introducer", in order to regulate the "reporting" methods of the offer of diamonds by the same company to UniCredit customers.

Since the end of 2016, the liquidity available on the market to meet the requests of customers who intended to divest their diamond assets has contracted to a certain extent until it became nil, with the suspension of the service by the brokerage company.

In 2017 UniCredit started a "customer care" initiative which envisaged the availability of the Bank to intervene for the acknowledgement towards the customer of the original cost incurred for the purchase of precious items and the consequent withdrawal of the stones, upon certain conditions.

The initiative has been adopted assessing the absence of responsibility for its role as "Introducer"; nevertheless, the AGCM ascertained UniCredit's responsibility for unfair commercial practice (confirmed in appeal by the Administrative Regional Court in the second half of 2018), imposing, in 2017, a fine of Euro 4 million paid in the same year. Following the appeal filed by UniCredit against such ruling, the Administrative Tribunal in second instance reduced the fine imposed on UniCredit to Euro 2.8 million.

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 31 December 2021, UniCredit received reimbursement requests for a total amount of about Euro 409 million (cost originally incurred by the Clients) from No.12,233 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 above (Euro 409 million), reimbursed No.11,076 customers for about Euro387 million (equivalent value of original purchases), equal to about 95 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 Provision for risks and charges 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, in line with a strategy that envisages its disposal in the short term, the gems purchased are recognised for about Euro 52 million in item “120. 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 Article No. 25-*octies* of Legislative Decree No. 231/2001 are pending against UniCredit for the crime of self-laundering.

On 2 October 2019, the Bank and certain individuals received the notice of conclusion of the investigations pursuant to Article 415-*bis* of the Italian Code of criminal procedure. The notice confirmed the involvement of certain current and former employees for the offence of aggravated fraud and self-laundering. With regard to the latter, self-laundering serves as a predicate crime for the administrative liability of the Bank under Legislative Decree No. 231/2001.

In September 2020, a new notice pursuant to Article 415-*bis* of the Italian Code of Criminal Procedure was served on certain individuals already involved in the proceedings. The allegations against the UniCredit individuals only pertain to the offence of fraud. Such new allegations do not modify the overall investigative framework as per the notice served in the autumn of 2019. In June 2021 the public prosecutor issued the formal request of indictment against certain current and former employees and the preliminary hearing has commenced.

Proceeedings related to Tax matters

Pending cases arising during the period

In June 2021 UniCredit S.p.A. (as incorporating entity of UniCredit Banca di Roma S.p.A.) filed claims with the Civil Court of Milan (competent for the matter), challenging the payment injunctions for COSAP (fee for the occupation of public areas) notified by the Municipality of Milan with reference to the fiscal years 2009, 2010 to 2012 and 2014. By means of that claims the bank objected that the requests made by the Tax Authority for the years subject to assessment became time-barred. Total contested amount Euro 0.12 million.

In March 2021, UniCredit S.p.A. challenged before the first-degree Tax Court No.4 payment notices and penalty assessment notices issued by the Salerno Customs Office, notified in February 2021 to UniCredit S.p.A., in its capacity as alleged domiciliary in Italy of a German bank for EU transit of goods and jointly liable party, concerning excise duties and related VAT for the fiscal year 2018, plus interest and penalties for a total amount of Euro 1.24 million. An application was recently submitted to combine these proceedings with other proceedings already started by UniCredit S.p.A., regarding similar payment notices served at the end of 2019, for a total value of Euro 0.10 million.

With regard to two notices of assessment for mortgage tax and stamp duty on renewal of mortgages issued by Istituto Neurotraumatologico Italiano S.p.A. (**INI S.p.A.**) in favour of UniCredit S.p.A. (formerly Banca di Roma S.p.A.) on two building complexes securing INI S.p.A.'s overall debt to Banca di Roma, both notices were appealed by UniCredit S.p.A. to the first-degree Tax Court. On a preliminary basis, the bank claimed that the deeds are null and void as the Tax Authority's assessment powers have

expired, and, subsequently, that the payment request is illegitimate. At present, the judgment is pending. Total contested value Euro 0.28 million.

As of 30 June 2021, UniCredit S.p.A. raised the following litigation: filed a claim, in September 2020, against a partial denial of an IRES tax refund for the years 2007, 2008 and 2009 following a partial refund in July 2020. The amount of the litigation is Euro 1.9 million, equal to the amount of the credit registered in the accounting books of the bank. The claim aims at receiving the repayment of a share of principal and higher interests accrued on the principal already paid as well as on the share of principal still to be paid. The dispute ended the first-degree Tax Court with an unfavourable decision. UniCredit will appeal the decision in terms of law.

Updates on pending disputes and tax audits

With reference to the year ended 31 December 2021, the following information is reported.

- With regard to the dispute brought by former Banco di Sicilia S.p.A. for denial of a refund request for IRPEG 1984 credit, total value Euro 56.72 million, of which Euro 21.13 million for taxes, receivables accounted in the financial statements for the same amount, in April 2021, the second-degree Tax Court, as the referring Court, following the ruling of the Supreme Court No. 18412/2017, that had overturned the appealed decision with referral to the second-degree Tax Court ("*cassazione con rinvio*"), issued decision No. 3401/12/2021 which rejects the Bank's appeal and confirms the first instance judgement stating the denial of the tax refund request. In June 2021 the Bank appealed the latter judgement to the Supreme Court. As requested by IAS37 and taking into account the ruling of the second-degree Tax Court the virtual certainty of the receivables related to refund request for IRPEG 1984 of former Banco di Sicilia S.p.A. was re-assessed leading to their entire derecognition. At the same time, also considering other recent sentences by the Supreme Court about specific and similar topics, an overall re-assessment of main active and passive tax claims was conducted with no material impact on income statement;

- With regard to a set of litigations brought by former Banca Popolare del Molise, regarding a denial of a refund request for IRPEG - ILOR credits, fiscal years 1983, 1985, 1986, 1987 and 1988, as a result of the proceedings brought by UniCredit S.p.A. before the Supreme Court against five decisions of the second-degree Tax Court that upheld the Tax Authority's appeal, the Supreme Court acknowledged that the limitation period for the bank's claim had not expired at the time of the refund request and, consequently, overturned the appealed decisions and referred the case back to the second-degree Tax Court. The proceedings will be brought before the second-degree Tax Court within the time period provided by law. Total contested amount Euro 1.86 million;

- With regard to the dispute started by UniCredit S.p.A. for the denial of a refund request for IRES fiscal years 2007, 2008 and 2009 ended the first-degree Tax Court with an unfavourable decision. UniCredit will appeal the decision in terms of law. Total contested amount Euro 1.9 million;

- With regard to the dispute started by former Cassa di Risparmio di Torino against the reject of a refund request for IRPEG and ILOR fiscal year 1984, the Supreme Court with a decision dated 5 November 2021, accepted the appeal by Avvocatura dello Stato providing the referral of the dispute at the second-degree Tax Court in Turin; Total contested amount Euro 3.4 million;

- With regard to the dispute concerning a notice of assessment for VAT (former UniCredit Banca S.p.A.) related to operating costs of business conventions was discussed in the second-degree Tax Court Emilia Romagna; UniCredit is waiting for the issue of decision. Total contested amount Euro 2,3 million;

- With regard to the dispute started by former Banco di Sicilia S.p.A. against the rejection of a refund request for further interest - compared to what refunded by the Tax Authority – for ILOR tax credit year 1993 (capital quote was refunded), the second-degree Tax Court in Palermo, who reassumed the litigation after the statement of the Supreme Court, with a decision dated 6 December 2021 postponed the case; Total contested amount Euro 3.5 million;

- With regard to the dispute started by former Gruppo Bancario Credito Romagnolo S.p.A. against the reject on refund request for IRPEG and ILOR tax years 1979 concluded with the Supreme Court final decision without referral dated 13 December 2021, upheld the appeal by Avvocatura dello Stato setting the extinction of the case and the foreclosure for UniCredit S.p.A. to obtain the refund. Total amount Euro 1.8 million;

- With regard to the dispute against the silent-reject Tax Authority Agrigento for tax credit from 770 tax form for year 1986 former Cassa Rurale di Palma di Montechiaro, it concluded with the Supreme Court definitive decision dated 9 December 2021 rejecting the appeal by Avvocatura dello Stato and confirming definitely the UniCredit's refund right. Total amount Euro 0.11 million.

With reference to the settlement of tax litigations, the following information is reported:

- as to a notice of assessment, served to UniCredit S.p.A. (as incorporating entity of Capitalia S.p.A.), for the registration tax allegedly due at a proportional rate on a civil judgement, the Supreme Court, with the definitive decision No. 16783/2021, overturned the appealed decision without referral to the second-degree Tax Court, upholding the claim of the bank and acknowledging as due the registration tax on a fixed basis. The decision was notified to the Tax Authority in order to achieve the refund of the improperly paid tax. Total contested amount Euro 1.68 million;

- the Supreme Court, with the definitive decision No. 16204/21, rejected, without referral to the second degree Tax Court, the appeal of the Tax Authority against a decision of the second-degree Tax Court that had declared null and void a notice of assessment requesting the registration tax at a proportional rate on several deeds entered into between UniCredit and SocGen, through its subsidiary SGSS, that have been requalified by the Tax Authority, jointly, according to art. 20, D.P.R. No. 131/1986, in terms of transfer of a business unit. The decision of the Supreme Court will be notified to the Tax Authority in order to achieve the refund of the tax paid and no longer due following the cancellation of the tax assessment. Total contested amount: Euro 4.88 million;

- UniCredit S.p.A. filed claims with the first-degree Tax Court against No.4 notices of assessment served in December 2020 by the Municipality of Palermo for municipal property tax (**IMU**), fiscal years 2015-2018, challenging that the higher tax requested is unlawful, total contested amount Euro 1.74 million, of which Euro 1.32 million for taxes. The litigations, for all the contested fiscal years, have been settled out-of-court on May 25, 2021, by the payment of the lower total amount of Euro 0.19 million, of which Euro 0.15 million referred to taxes;

- with regard to a notice of assessment by which the Tax Authority requested the registration tax on an agreement entered into between UniCredit Private Banking S.p.A. and UniCredito Italiano S.p.A. in 2003 relating to the compulsory minimum reserves for credit institutions, provided for at regulatory level by the ECB, the Supreme Court, with the definitive decision No. 17486/21, rejected without referral the claim raised by the Tax Authority against the decision of the second-degree Tax Court that had found that the registration tax was not due on the grounds of lack of taxable income. Total contested amount Euro 0.13 million;

- as to a set of litigations pertaining 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", that have been mentioned in the financial statements of previous years, a dispute for a total value of Euro 4.09 million is now definitive following a decision of the Supreme Court in favour of the position of the bank, according to which the guarantees mentioned in the civil judgement, on which the registration tax is levied, are free from the latter tax (as provided for by Art.15 of D.P.R. No. 601/1973) and rejected without referral the appeal of the Tax Authority.

With regard to a set of No. 6 litigations concerning tax refund claims filed by Banca Farmafactoring S.p.A. and referred to UniCredit S.p.A. following the exercise by Banca Farmafactoring of the right to transfer back the receivables previously transferred to it by UniCredit S.p.A., the following is reported:

- denial of refund request for IRPEG 1989 submitted by former Cassa di Risparmio Reggio Emilia, for an amount of Euro 1.89 million for IRPEG tax and Euro 1.82 for interests: the second-degree Tax Court with a decision issued on 3 January 2022 rejected the Tax Authority appeal confirming the right of UniCredit to obtain Euro 1.9 million refund. The terms of law for appealing the sentence by Tax Authority at the Supreme Court are ongoing;

- denial of refund request for IRPEG 1997 submitted by former Banca di Roma, for a total amount of Euro 43.5 million (the receivables accounted in the financial statements are equal to Euro 25.30 million), that was mentioned in the financial statements as at 31 December 2020: at present, the proceeding before the second-degree Tax Court is ongoing;

- denial of refund IRPEG tax credit years 1994-1997 and ILOR year 1996 former Banca Mediterranea – total value Euro 31 million: the second-degree Tax Court Basilicata during the hearing on 21 October 2021 ordered the Tax Authority to deposit the reports on the basis of which the assessment was notified and related to the disputing tax period, and postponed the case;

- denial of higher interests refund request for an amount equal to Euro 0.31 million accrued on the IRPEG 1990 credit of former Cassa di Risparmio di Reggio Emilia, in April 2021, the first-degree Tax Court issued a decision that declared the bank's claim not admissible, arguing that the appealed deed is not challengeable. Given that the Tax Court did not issue a decision specifically on the bank's right to be refunded, the bank decided not to appeal said decision; before the second-degree Tax Court as the time period provided by law for submitting a renewal of the refund request is still pending.

With regard to the other disputes concerning the same matter, UniCredit S.p.A. became a party in the proceedings and, at the same time, requested the exclusion of Banca Farmafactoring according to art. 111, Code of Civil Procedure.

In relation to the tax audit carried out by the Italian Tax Police ("*Guardia di Finanza*") on UniCredit Leasing S.p.A. for VAT for the fiscal years from 2014 to 2017, that has been mentioned in the financial statements as at 31 December 2020, with specific reference to the fiscal year 2016, in March 2021, the company was served with a tax audit report. The remarks raised concern alleged VAT infringements in relation to nautical leasing contracts while, for IRES purposes, any violation was found. At present, the company has not been notified with a notice of assessment. As to the fiscal year 2017, the tax audit is ongoing.

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" (Article 166, paragraph 6, of Legislative Decree 196/03) the Bank has presented its statement of defence on the matter and requested a hearing with the Authority to explain its arguments, held in the end of September 2020. It is currently not possible to define the timeline and outcome of the proceedings.

7. ADDITIONAL INFORMATION

7.1 Share Capital

As at the date of this Base Prospectus, UniCredit's share capital, fully subscribed and paid up, amounted to Euro 21,220,169,840.48, comprising 2,184,404,611 ordinary shares without nominal value.

7.2 Memorandum and Articles of Association

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

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

The current Articles of Association was registered with the Company Register of Milano-Monza-Brianza-Lodi on 27 April 2022.

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

8. MATERIAL CONTRACTS

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

Taxation

The statements herein regarding taxation are based on the laws in force as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.

The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

***The tax legislation of the Noteholder's Member State and of the Issuer's country of incorporation may have an impact on the income received from the Notes**.*

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

TAXATION IN THE REPUBLIC OF ITALY

Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), issued, *inter alia*, by Italian banks.

The tax regime set forth by Decree 239 also applies to interest, premium and other income from regulatory capital financial instruments complying with EU and Italian regulatory principles, issued by, *inter alia*, Italian banks, other than shares and assimilated instruments, as set out by Article 2, paragraph 22, of Law Decree No. 138 of 13 August 2011, as converted with amendments by Law No. 148 of 14 September 2011 and as further amended and clarified by Law No. 147 of 27 December 2013, and by Article 9 of Law Decree No. 34 of 30 April 2019, converted into Law No. 58 of 28 June 2019.

Italian resident Noteholders

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected; (b) a non-commercial partnership (with the exception of general partnership, limited partnership and similar entities); (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation (unless the Noteholders has opted for the application of the *risparmio gestito* regime – see "*Capital gains tax*" below), interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a substitute tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent. In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity to which the Notes are connected or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on productive activities (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 (**Decree 351**), and Article 9, par. 1, Legislative Decree No. 44 of 4 March 2014, payments of interest, premiums or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 (the **Financial Services Act**) or pursuant to Article 14-bis of Law No. 86 of 25 January 1994, and Italian real estate investment companies with fixed capital (the **Real Estate SICAFs** and, together with the Italian resident real estate investment funds, the **Real Estate Funds**) are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent.; subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate Fund is subject to taxation in the hands of the unitholder or shareholder regardless of distribution.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (an investment company with fixed capital other than a Real Estate SICAF) or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the **Fund**), and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will not be subject to *imposta sostitutiva* nor to any other income tax in the hands of the Fund, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent. (the **Collective Investment Fund Withholding Tax**).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, Italian investment companies (*società di intermediazione mobiliare*) (**SIM**s), fiduciary companies, Italian asset management companies (*società di gestione del risparmio*) (**SGR**s), stockbrokers and other entities identified by a decree of the Ministry of Finance (each an **Intermediary**).

An Intermediary (a) must (i) be resident in Italy or (ii) be a permanent establishment in Italy of a non-Italian resident financial intermediary or (iii) an entity or company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree 239; and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident Noteholder is either (a) the beneficial owner of interest, premium and other income relating to the Notes and is resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended according to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No.147 of 14 September 2015) (the **White List**); or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor which is established in a country included in the White List, even if it does not possess the status of taxpayer therein.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy.

In order to ensure gross payment, non-Italian resident Noteholders mentioned above must (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

Failure of a non-Italian resident holder of the Notes to comply in due time with the procedures set forth in Decree 239 and in the relevant implementing rules will result in the application of *imposta sostitutiva* on interests payments to such non resident holder of the Notes.

Non-Italian resident holders of the Notes who are subject to *imposta sostitutiva* may, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of tax residence of the relevant holder of the Notes, provided all conditions for its application are met.

Atypical securities

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 26 per cent. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to the Notes not falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Where the Noteholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected; (b) an Italian company or a similar Italian commercial entity; (c) a permanent establishment in Italy of a foreign entity; (d) an Italian commercial partnership; or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases, including when the Noteholder is a non-Italian resident, the withholding tax is a final withholding tax. For non-Italian resident Noteholders, the withholding tax rate may be reduced by any applicable tax treaty to the extent that the conditions for its application are met.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution,

any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Noteholders may set off losses with gains.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

In respect of the application of *imposta sostitutiva*, taxpayers may choose one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Noteholders under (i) to (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the investor in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. The relevant Noteholder must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident Noteholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of foreign intermediaries) and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains realised by Italian resident Noteholders under (i) to (iii) above who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a substitute tax at a rate of 26 per cent., to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains realised by a Noteholder who is a Real Estate Fund will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the Real Estate Fund, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent.; subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate Fund is subject to taxation in the hands of the unitholder or the shareholder regardless of distribution.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders of shareholders may be subject to the Collective Investment Fund Withholding Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains relating to the Notes

may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets may in certain circumstances be taxable in Italy if the Notes are held in Italy. However, a non-Italian resident beneficial owner of the capital gains relating to the Notes without a permanent establishment in Italy to which the Notes are effectively connected is not subject to the *imposta sostitutiva* on capital gains realised upon sale or redemption of the Notes, provided that the Noteholder: (a) qualifies as the beneficial owner of the capital gain and is resident in a country which allows for a satisfactory exchange of information with Italy, as listed in the White List; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is established in a country included in the White List even if it does not possess the status of taxpayer therein. In such cases, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the *risparmio gestito* regime or are subject to the so-called *risparmio amministrato* regime according to Article 6 of Italian Legislative Decree No. 461 of 21 November 1997, may be required to produce in due time to the Italian authorised financial intermediary an appropriate self-declaration stating that they meet the subjective requirements indicated above. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

(i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

(ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and

(iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in paragraphs (i), (ii) and (iii) on the value exceeding, for each beneficiary, €1,500,000. Under certain conditions the *mortis causa* transfer of financial instruments included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law are exempt from inheritance taxes.

Transfer tax

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at a rate of €200.00; (ii) private deeds (*scritture private non autenticate*) are subject to registration tax only in the case of voluntary registration, explicit reference (*enunciazione*) or case of use (*caso d'uso*).

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (**Decree 201**), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited in Italy. The stamp duty applies at a rate of 0.20 per cent.; and cannot exceed €14,000 for taxpayers other than individuals; this stamp duty is determined on the basis of the market value or, if no market value figure is available, the nominal value or redemption amount or in the case the nominal or redemption values cannot be determined, on the purchase value of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) and Article 18-bis of Decree 201, Italian resident individuals, Italian non-commercial private or public institutions or Italian non-commercial partnerships, holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent (**IVAFE**). For taxpayers other than individuals, IVAFE cannot exceed Euro 14,000 per year.

This tax is calculated on the market value of the Notes at the end of the relevant year or, if no market value figure is available, the nominal value or the redemption value or in the case the nominal or redemption values cannot be determined, on the purchase value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

TAXATION IN LUXEMBOURG

The following information is of a general nature and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(a) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(b) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the **Relibi Law**), as amended, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law would be subject to a withholding tax of 20 per cent.

Automatic Exchange of Information

The Issuer may be required to report certain information about its holders of Notes and, as the case may be, about individuals controlling holders of Notes that are entities, on an automatic and annual basis to the Luxembourg direct tax administration (*Administration des contributions directes*) in accordance with, and subject to, the Luxembourg law of 24 July 2015 concerning FATCA, and/or the Luxembourg law of 18 December 2015 implementing Council Directive 2014/107/EU and the standard for automatic exchange of financial account information in tax matters developed by the OECD with the G20 countries (commonly referred to as the "Common Reporting Standard"), each as amended from time to time (each an **AEOI Law** and collectively the **AEOI Laws**). Such information, which may include personal data (including, without limitation, the name, address, country(ies) of tax residence, date and place of birth and tax identification number(s) of any reportable individual) and certain financial data about the relevant Notes (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg direct tax administration to the competent authorities of the relevant foreign jurisdictions in accordance with, and subject to, the relevant Luxembourg legislation and international agreements.

Investors should consult their professional tax advisers.

TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the tax laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

As each Series or Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Notes as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment. Tax consequences that may arise if an investor combines certain series of Notes so that he or she derives a certain return are not discussed herein.

The law as currently in effect provides for a reduced tax rate for certain investment income. There is an on-going discussion in Germany whether the reduced tax rate should be increased or abolished altogether so that investment income would be taxed at regular rates. It is still unclear, whether, how and when the current discussion may result in any legislative changes.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country in which they are resident or whose tax laws apply to them for other reasons.

German Tax Residents

This section "*German Tax Residents*" refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Withholding tax on on-going payments and capital gains

On-going payments received by a non-business Noteholder will be subject to German withholding tax if the Notes are kept or administered in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a **Disbursing Agent**, *auszahlende Stelle*). The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). For individual Noteholders who are subject to church tax an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the Noteholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the Noteholder will be assessed to church tax.

The same treatment applies to capital gains (i.e. the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by a non-business Noteholder provided the Notes have been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition. If similar Notes kept or administered in the same custodial account were acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where Notes are acquired and/or sold or redeemed in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively with the result that any currency gains or losses are part of the capital gains. If the principal debtor of the Notes is substituted, this substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the new principal debtor. Such a substitution could result in the recognition of a taxable gain or loss for the respective investors. If Coupons or interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposal are subject to withholding tax. The same applies to proceeds from the payment of Coupons or interest claims if the Notes have been disposed of separately.

To the extent the Notes have not been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge, plus church tax, if applicable) on 30 per cent. of the disposal proceeds (plus interest accrued on the Notes (**Accrued Interest**, *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution from another Member State of the European Union or the European Economic Area or from certain other countries (e.g. Switzerland or Andorra).

Pursuant to administrative guidance losses incurred by a Noteholder from bad debt (*Forderungsausfall*) or a waiver of a receivable (*Forderungsverzicht*) are generally not tax-deductible. Despite conflicting case law of the Federal Tax Court (*Bundesfinanzhof*) in this regard and deviating provisions for the tax levied by assessment (see below) the Disbursing Agent has to follow the view of the tax authorities expressed in the administrative guidance when computing the tax to be withheld. It is not yet clear if and to what extent the tax authorities will reflect the recent developments in their interpretation of the law. The same rules should apply if the Notes expire worthless. In computing any German tax to be withheld, the Disbursing Agent generally deducts from the basis of the withholding tax negative investment income realised by a non-business Noteholder via the Disbursing Agent (e.g. losses from the sale of other securities with the exception of shares) subject to certain requirements. The Disbursing Agent also deducts Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security by a non-business Noteholder via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent credits foreign withholding taxes levied on investment income in a given year regarding securities held by a non-business Noteholder in the custodial account with the Disbursing Agent.

Non-business Noteholders are entitled to an annual allowance (*Sparer-Pauschbetrag*) of €801 (€1,602 for couples and partners filing jointly) for all investment income received in a given year. Upon the non-business Noteholder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation while on-going payments, such as interest payments, are subject to withholding tax

(irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Notes form part of a trade or business, subject to further requirements being met.

Taxation of current income and capital gains

The personal income tax liability of a non-business Noteholder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad, or if no Disbursing Agent is involved in the payment process, the non-business Noteholder must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable). If the withholding tax on a disposal, redemption, repayment or assignment has been calculated from 30 per cent. of the disposal proceeds (rather than from the actual gain), a non-business Noteholder may and in case the actual gain is higher than 30 per cent. of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, a non-business Noteholder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted.

Losses incurred with respect to the Notes can, in certain cases subject to certain limitations, only be off-set against investment income of the non-business Noteholder realised in the same or the following years. Losses from capital claims of private investors may be offset against income derived from capital investments up to an amount of EUR 20,000.00 p.a. Losses exceeding that threshold can be carried forward.

Where Notes form part of a trade or business the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. Where Notes qualify as Zero Coupon Notes and form part of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount attributable to such year must be taken into account. The respective Noteholder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Noteholder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Noteholder.

Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax. Where according to an applicable accounting standard Notes include an embedded derivative the Noteholder may have to account for a receivable and a derivative. The deduction of losses from derivatives may be ring-fenced as discussed below.

Non-German Tax Residents

Interest and capital gains are not subject to German taxation, unless (a) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Noteholder or (b) the income otherwise constitutes German-source income. In cases (a) and (b) a tax regime similar to that explained above in the subsection "*German Tax Residents*" applies. In addition, payments by a German guarantor to a Noteholder resident in a so called non-cooperative jurisdiction as set out in the Act to Avert Tax Evasion and Unfair Tax Competition (G*esetz zur Abwehr von Steuervermeidung und unfairem Steuerwettbewerb*) are subject to German withholding tax.

Non residents of Germany are, in general, exempt from German withholding tax on interest and capital gains. However, where the income is subject to German taxation as set forth in the preceding paragraph and the Notes are kept or administered in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Note or a Coupon are paid by a Disbursing Agent to a non-resident upon delivery of the Note or the Coupon, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Solidarity surcharge

The solidarity surcharge has been partially abolished as of the assessment period 2021 for certain individuals. The solidarity surcharge continues to apply to investment income and, thus, on withholding taxes levied. In case the individual income tax burden for a non-business Noteholder tax resident in Germany is lower than 25 per cent.

such Noteholder can apply for his/her investment income being assessed at his/her individual tariff-based income tax rate in which case solidarity surcharge would be refunded (see above).

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer)* is not levied in Germany.

TAXATION IN AUSTRIA

*This section on taxation contains a brief overview of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Notes in Austria. This overview does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This overview is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Notes consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Notes. Tax risks resulting from the Notes (in particular from a potential qualification as a foreign investment fund within the meaning of sec. 188 of the Austrian Investment Funds Act 2011 (*Investmentfondsgesetz 2011*) or as equity for tax purposes instead of debt) shall in any case be borne by the investor. For the purposes of the following it is assumed that the Notes are legally and factually offered to an indefinite number of persons in the sense of sec. 27a(2)(2) of the Austrian Income Tax Act (Einkommensteuergesetz).*

General remarks

Individuals having a domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*), both as defined in sec. 26 of the Austrian Federal Fiscal Procedures Act (*Bundesabgabenordnung*), in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*), both as defined in sec. 27 of the Austrian Federal Fiscal Procedures Act, in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

Income taxation

Austrian statutory law does not contain specific provisions on the qualification of Additional Tier 1 instruments for Austrian (corporate) income tax purposes. However, pursuant to § 8(3)(1) item 2 of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*), which is typically applied for purposes of qualifying hybrid instruments either as equity or as debt for Austrian (corporate) income tax purposes, jouissance rights and other

financial instruments (*Genussrechte und sonstige Finanzierungsinstrumente*) granting a right to participate in both the current profits and the liquidation profits of the issuer are to be qualified as equity instruments. In contrast thereto, jouissance rights and other financial instruments granting a right to participate either in the current profits or in the liquidation profits of the issuer or in neither of the two categories are to be qualified as debt instruments. In addition, reference has to be made to jurisprudence of the Austrian Supreme Administrative Court (*Verwaltungsgerichthof*). Pursuant thereto, in order that hybrid instruments, such as jouissance rights, qualify as equity, it is indispensable that they grant a right to participate in both the current profits and the liquidation profits of an issuer; in addition, typical equity-like criteria have to outweigh typical debt-like criteria from a quantitative and qualitative perspective, thereby taking into account the instrument's term, the profit dependency of distributions, the participation in the issuer's substance/liquidation gain, the granting of securities, a potential subordination and the lack of typical shareholder control and voting rights. The Austrian Ministry of Finance (*Bundesministerium für Finanzen*) states the following in the Austrian Corporate Income Tax Guidelines (*Körperschaftsteuerrichtlinien*): Instruments qualify as equity-type jouissance rights and other financial instruments in the meaning of § 8(3)(1) item 2 of the Austrian Corporate Income Tax Act if they grant a right to participate in the current profits and the liquidation profits of a corporation. Both prerequisites mentioned in the statute must be fulfilled. In case no participation in the current profits, in the liquidation profits, or in both types of profits exists, an instrument qualifies as a debt-type jouissance right (*i.e.,* as debt); consequently, payments under such an instrument are tax deductible. Jouissance rights and other financial instruments fulfilling the prerequisites of § 8(3)(1) item 2 of the Austrian Corporate Income Tax Act are to be qualified as equity for income tax purposes; all kinds of distributions under such instruments qualify as tax-neutral use of income. Additional Tier 1 instruments and Tier 2 instruments in the meaning of arts. 51 and 62 CRR are qualified as equity or debt for tax purposes in line with the criteria outlined in § 8(3)(1) item 2 of the Austrian Corporate Income Tax Act; usually such instruments will qualify as debt for tax purposes. For purposes of the following, the Issuer assumes that the Notes qualify as debt for Austrian (corporate) income tax purposes. In case of a qualification of the Notes as equity, the tax consequences would substantially differ from those described below.

Pursuant to sec. 27(1) of the Austrian Income Tax Act, the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

(a) income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest; the tax basis is the amount of the earnings received (sec. 27a(3)(1) of the Austrian Income Tax Act);

(b) income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital (including zero coupon bonds); the tax basis amounts to the sales proceeds or the redemption amount minus the acquisition costs, in each case including accrued interest (sec. 27a(3)(2)(a) of the Austrian Income Tax Act);

(c) income from derivatives (*Einkünfte aus Derivaten*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates (the mere exercise of an option does not trigger tax liability); e.g., in the case of index certificates, the tax basis amounts to the sales proceeds or the redemption amount minus the acquisition costs (sec. 27a(3)(3)(c) of the Austrian Income Tax Act); and

(d) income from crypto currencies (*Einkünfte aus Kryptowährungen*) pursuant to sec. 27(4a) of the Austrian Income Tax Act.

Also the withdrawal of the Notes from a securities account (*Depotentnahme*) and circumstances leading to a restriction of Austria's taxation right regarding the Notes *vis-à-vis* other countries, *e.g.* a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* sec. 27(6)(1) and (2) of the Austrian Income Tax Act). The tax basis amounts to the fair market value minus the acquisition costs (sec. 27a(3)(2)(b) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Notes as non-business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. Investment income from the Notes with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), is subject to withholding tax (*Kapitalertragsteuer*) at a flat

rate of 27.5 per cent.; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). Investment income from the Notes without an Austrian nexus must be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5 per cent. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). The acquisition costs must not include ancillary acquisition costs (*Anschaffungsnebenkosten*; sec. 27a(4)(2) of the Austrian Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (sec. 20(2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Sec. 27(8) of the Austrian Income Tax Act, *inter alia,* provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may be neither offset against interest from bank accounts and other non-securitized monetary claims *vis-à-vis* credit institutions (except for cash settlements and lending fees) nor against income from private foundations, foreign private law foundations and other comparable legal estates (*Privatstiftungen, ausländische Stiftungen oder sonstige Vermögensmassen, die mit einer Privatstiftung vergleichbar sind*); income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income. The Austrian custodian agent has to effect the offsetting of losses by taking into account all of a taxpayer's securities accounts with the custodian agent, in line with sec. 93(6) of the Austrian Income Tax Act, and to issue a written confirmation to the taxpayer to this effect.

Individuals subject to unlimited income tax liability in Austria holding the Notes as business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. Investment income from the Notes with an Austrian nexus is subject to withholding tax at a flat rate of 27.5 per cent. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless income tax at the flat rate of 27.5 per cent.). Investment income from the Notes without an Austrian nexus must always be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5 per cent. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). The flat tax rate does not apply to income from realised increases in value, income from derivatives and income from crypto currencies if realizing these types of income constitutes a key area of the respective investor's business activity (sec. 27a(6) of the Austrian Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (sec. 20(2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets, derivatives and crypto currencies in the sense of sec. 27(3) to (4a) of the Austrian Income Tax Act, which are subject to income tax at the flat rate of 27.5 per cent., are primarily to be offset against income from realised increases in value of such financial assets, derivatives and crypto currencies and with appreciations in value of such assets within the same business unit (*Wirtschaftsgüter desselben Betriebes*); only 55 per cent. of the remaining negative difference may be offset against other types of income.

Pursuant to sec. 7(2) of the Austrian Corporate Income Tax Act, corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on income in the sense of sec. 27(1) of the Austrian Income Tax Act from the Notes at a rate of currently 25 per cent. (2023: 24 per cent.; from 2024: 23 per cent.). Income in the sense of sec. 27(1) of the Austrian Income Tax Act from the Notes with an Austrian nexus is generally subject to withholding tax at a flat rate of 27.5 per cent. However, pursuant to sec. 93(1a) of the Austrian Income Tax Act, the withholding agent may apply a rate of currently 25 per cent. (2023: 24 per cent.; from 2024: 23 per cent.) if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the corporate income tax liability. Under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Losses from the alienation of the Notes can be offset against other income.

Pursuant to sec. 13(3)(1) in connection with sec. 22(2) of the Austrian Corporate Income Tax Act, private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act and holding the Notes as non-business assets are subject to interim taxation at a rate of currently 25 per cent. (2023: 24 per cent.; from 2024: 23 per cent.), *inter alia*, on interest income, income from realised increases

in value and income from derivatives (*inter alia,* if the latter are in the form of securities). Pursuant to the Austrian tax authorities' view, the acquisition costs must not include ancillary acquisition costs. Expenses such as bank charges and custody fees must not be deducted (sec. 12(2) of the Austrian Corporate Income Tax Act). Interim tax is generally not triggered insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. Investment income from the Notes with an Austrian nexus is in general subject to withholding tax at a flat rate of 27.5 per cent. However, pursuant to sec. 93(1a) of the Austrian Income Tax Act, the withholding agent may apply a rate of currently 25 per cent. (2023: 24 per cent.; from 2024: 23 per cent.) if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the tax triggered. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on income from the Notes if they have a permanent establishment (*Betriebsstätte*) in Austria and the Notes are attributable to such permanent establishment (*cf.* sec. 98(1)(3) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act). In addition, individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of sec. 27(2)(2) of the Austrian Income Tax Act and accrued interest (including from zero coupon bonds) in the sense of sec. 27(6)(5) of the Austrian Income Tax Act from the Notes if the (accrued) interest has an Austrian nexus and if withholding tax is levied on such (accrued) interest. This does not apply to an individual being resident in a state with which automatic exchange of information exists, if the individual provides a certificate of residence to the withholding agent. Interest with an Austrian nexus is interest the debtor of which has its place of management and/or its legal seat in Austria or is an Austrian branch of a non-Austrian credit institution; accrued interest with an Austrian nexus is accrued interest from securities issued by an Austrian issuer (sec. 98(1)(5)(b) of the Austrian Income Tax Act). The Issuer understands that no taxation applies in the case at hand.

Pursuant to sec. 188 of the Austrian Investment Funds Act 2011, the term "foreign investment fund" comprises (i) undertakings for collective investment in transferable securities the member state of origin of which is not Austria; (ii) alternative investment funds pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternative Investmentfonds Manager-Gesetz*) the state of origin of which is not Austria; and (iii) secondarily, undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organized in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the undertaking's articles or of customary exercise, if one of the following conditions is fulfilled: (a) the undertaking is factually, directly or indirectly, not subject to a corporate income tax in its state of residence that is comparable to Austrian corporate income tax; (b) the profits of the undertaking are in its state of residence subject to corporate income tax that is comparable to Austrian corporate income tax, at a rate of less than 15 per cent.; or (c) the undertaking is subject to a comprehensive personal or material tax exemption in its state of residence. Certain collective investment vehicles investing in real estate are exempted. In case of a qualification as a foreign investment fund, the tax consequences would substantially differ from those described above: A special type of transparency principle would be applied, pursuant to which generally both distributed income as well as deemed income would be subject to Austrian (corporate) income tax.

Inheritance and gift taxation

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat and/or their place of management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate generally is 2.5 per cent., with higher rates applying in special cases.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee have a domicile, their habitual abode, their legal seat and/or their place of management in Austria.

Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10 per cent. of the fair market value of the assets transferred.

Further, gratuitous transfers of the Notes may trigger income tax at the level of the transferor pursuant to sec. 27(6)(1) and (2) of the Austrian Income Tax Act (see above).

Stamp duty

The assignment of receivables and other rights (and, under certain circumstances, the transfer of a contractual position) triggers Austrian stamp duty (*Rechtsgeschäftsgebühr*) pursuant to the Austrian Stamp Duty Act (*Gebührengesetz*) if (i) a written deed (*Urkunde*) pursuant to sec. 15 of the Austrian Stamp Duty Act is set up and (ii) an Austrian nexus in the sense of sec. 16 of the Austrian Stamp Duty Act exists. Such stamp duty generally amounts to 0.8 per cent. of the consideration.

THE EUROPEAN PROPOSED FINANCIAL TRANSACTIONS TAX (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**) as well as Estonia. However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Therefore, it is currently uncertain whether and when the proposed FTT will be enacted by the participating EU Member States and when it will take effect with regard to dealings in the Notes.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as **FATCA**, a "foreign financial institution" may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Italy) have entered into, or have agreed in substance to, intergovernmental agreements wth the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdiction. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru

payments" are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under Condition 19 (*Further Issues*) of the Terms and Conditions of the Notes) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

TAXATION IN SINGAPORE

*The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority of Singapore (the **IRAS**) and the Monetary Authority of Singapore (MAS) in force as at the date of this Base Prospectus and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts will agree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Base Prospectus are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes (particularly structured Notes) and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant financial sector incentive(s)) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. The statements also do not consider any specific facts or circumstances that may apply to any particular purchaser. Noteholders and prospective Noteholders are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject.*

It is emphasised that neither the Issuer nor any Dealer nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, or purchase, holding or disposal of the Notes.

The descriptions below are not intended to apply to any Notes issued by, or issued for the purposes of funding, the Singapore Branch of the Issuer.

Qualifying Debt Securities Scheme

If more than half of any tranche of Notes issued under the Programme on or after the date of this Base Prospectus and on or before 31 December 2023 are distributed by financial sector incentive (bond market) companies or financial sector incentive (capital market) companies or financial sector incentive (standard tier) companies for the purposes of the Income Tax Act 1947 of Singapore (**ITA**), that tranche of Notes (**Relevant Notes**) would be "qualifying debt securities" for the purposes of the ITA and, subject to certain conditions having been fulfilled (including the furnishing of a return on debt securitiesto the MAS in respect of the Relevant Notes within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, **Qualifying Income**) from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent (except for holders of the relevant financial sector incentive(s) who may be taxed at different rates).

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Relevant Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the ITA shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person

whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

However, notwithstanding the foregoing:

(a) if during the primary launch of any Relevant Notes, the Relevant Notes are issued to fewer than 4-four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as "qualifying debt securities"; and

(b) even though Relevant Notes are "qualifying debt securities", if, at any time during the tenure of such Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Notes derived by:

    (i) any related party of the Issuer; or

    (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the concessionary rate of tax of 10 per cent. as described above.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

break cost means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

prepayment fee means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

redemption premium means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore taxation section have the same meaning as defined in the ITA.

The term related party, in relation to a person (**A**), means any other person who, directly or indirectly, controls A, or is controlled, directly or indirectly, by A, or where A and that other person, directly or indirectly, are under the control of a common person.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard 39 (**FRS 39**), Financial Reporting Standard 109 - Financial Instruments (**FRS 109**) or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) (**SFRS(I) 9**) (as the case may be) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see "*Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes*"below.

Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes

Section 34A of the ITA requires taxpayers who adopt or are required to adopt FRS 39 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 39, subject to certain exceptions provided in that section and certain "opt-out" provisions. The IRAS has also issued an e-Tax guide entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement" to provide guidance on the Singapore income tax treatment of financial instruments.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who adopt or who are required to adopt FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions provided in that section. The IRAS has also issued an e-Tax guide entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments (Second Edition)".

Holders of the Notes who may be subject to the tax treatment under the FRS 39 tax regime, FRS 109 tax regime or the SFRS(I) 9 tax regime should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

HONG KONG TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretations thereof in effect as at the date of this Base Prospectus, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction are advised to consult their own professional advisers.

Withholding tax

No withholding tax in Hong Kong is payable on payments of principal, premium on redemption of the Notes or interest with respect to the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the **Inland Revenue Ordinance**) as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(a) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(b) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong; or

(c) interest on the Notes is derived from Hong Kong and is received by or accrues to a person (other than a corporation) carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business; or

(d) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of the Notes will be subject to profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, from the carrying on of a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. Sums received by or accrued to a corporation (other than a financial institution) by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (as defined in section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

Stamp duty

Stamp duty may be payable on the issue of Bearer Notes if they are issued in Hong Kong. Stamp duty will not be payable on the issue of Bearer Notes provided either:

(i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong)).

If stamp duty is payable it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer Notes.

Subscription and Sale and Selling Restrictions

The Issuer has represented, warranted and undertaken and each Dealer appointed under the Programme will be required to warrant and undertake that it will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor.

The Dealers have, in the Twentieth Amended and Restated Programme Agreement dated 7 June 2022 (such programme agreement as amended and/or supplemented and/or restated from time to time, the **Programme Agreement**), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act or any securities laws of any state or other jurisdiction of the United States and may not be offered or sold directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act or any securities laws of any state or other jurisdiction of the United States. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (the **Resale Restriction Termination Date**), within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes prior to the Resale Restriction Termination Date a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each issuance of Exempt Notes which are also Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Prohibition of Sales to EEA Retail Investors

Unless the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the applicable Final Terms (or applicable Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

  (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**); and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) if the applicable Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a **Non-exempt Offer**) following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Prohibition of Sales to UK Retail Investors

Unless the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as amended, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not apply to the Issuer if it was not an authorised person; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

Unless specified in the relevant Final Terms that a Non-exempt Offer may be made in Italy, the offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa (**CONSOB**) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017, as amended (the **Prospectus Regulation**) and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and/or Italian CONSOB regulations; or

(b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (a) or (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time), Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Act**), and any other applicable laws and regulations; and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Investors should also note that, in connection with the subsequent distribution of the Notes (with a minimum denomination lower than €100,000 or its equivalent in another currency) in the Republic of Italy, in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under paragraph (a) or (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Prospectus Regulation and the applicable Italian laws and regulation. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by investors.

France

Each of the Dealers and the Issuer has represented and agreed that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Notes and the distribution in France of the Base Prospectus or any other offering material relating to the Notes.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and accordingly each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

The Federal Republic of Germany

The Notes may only be offered or sold in the Federal Republic of Germany in compliance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and any other laws applicable in the Federal Republic of Germany governing the issue, sale, offering and distribution of the Notes.

Austria

In addition to the restrictions described in the sections *"Prohibition of Sales to EEA Retail Investors"* and *"Prohibition of Sales to UK Retail Investors*" above, the Notes may be offered for the first time in Austria only once a notification to the issue calendar (*Emissionkalender*) maintained by the Austrian Control Bank (*Oesterreichische Kontrollbank Aktiengesellschaft*) as notification office (*Meldestelle*), all as prescribed by the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*), as amended, has been filed as soon as possible prior to the commencement of the relevant offer of the Notes.

Singapore

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

I. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

II. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

I. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

II. where no consideration is or will be given for the transfer;

III. where the transfer is by operation of law;

IV. as specified in Section 276(7) of the SFA; or

V. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Certain Restrictions applicable to Notes issued in Singapore dollars:

Notes issued in Singapore dollars by a person carrying on a deposit-taking business (whether in Singapore or elsewhere) with a maturity period of less than 12 months and a denomination of less than S$200,000 would be treated as deposits for the purposes of the Banking Act 1970 of Singapore (the **Singapore Banking Act**), unless the Notes are issued to certain persons, including either:

(a) an individual whose total net personal assets exceed in value S$2 million (or its equivalent in foreign currency) at the time of subscription, whose financial assets (net of any related liabilities) exceed in value S$1 million (or equivalent in foreign currency) at the time of subscription, or whose income in the 12 months preceding the time of subscription is not less than S$300,000 (or its equivalent in foreign currency); or

(b) a company whose total net assets (as determined by the last audited-balance sheet of the company) exceeds S$10 million (or its equivalent in foreign currency) at the time of subscription.

In determining the value of an individual's total net personal assets for the purposes of paragraph (a) above, the value of the individual's primary residence is taken to be the lower of the following:

(i) the value calculated by deducting any outstanding amounts in respect of any credit facility that is secured by the residence from the estimated fair market value of the residence; and

(ii) S$1 million.

Where any Notes are issued by the Issuer (other than through its Singapore Branch) in Singapore dollars and with a denomination of less than S$200,000, then even if the Notes are not deposits, the following information is required to be provided pursuant to Regulation 6 of the Banking Regulations made under the Singapore Banking Act:

(A) (i.e. the head office or branch of the Issuer through which the Notes are issued) (the **Issuing Branch**) is not Singapore;

(B) the Issuing Branch is not regulated or authorised by the Monetary Authority of Singapore; and

(C) repayment under the Notes is not secured by any means.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that: (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) other than (a) to "**professional investors**" as defined in the SFO

and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **CWUMPO**) or which do not constitute an offer to the public within the meaning of CWUMPO; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the SFO and any rules made under the SFO.

People's Republic of China

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, by it or any of its affiliates in the People's Republic of China (**PRC**) (for such purposes, not including the Hong Kong and Macau Special Administrative Regions of the PRC and Taiwan) or to residents of the PRC as part of the initial distribution of the Notes, except as permitted by applicable laws and regulations and approved by the competent authorities of the PRC.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (Corporations Act)) in relation to the Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission (**ASIC**). Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it:

(i) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(ii) has not distributed or published, and will not distribute or publish, any prospectus, advertisement or other offering material relating to the Notes in Australia,

unless,

(1) the aggregate consideration payable by each offeree or invitee is at least AUD 500,000 (or its equivalent in other currencies, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act,

(2) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act,

(3) such action complies with all applicable laws, regulations and directives, and

(4) such action does not require any document to be lodged with ASIC.

Taiwan

The Notes issued under the Programme have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan pursuant to relevant securities laws and regulations. Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes issued under the Programme may not be and will not be offered or sold in Taiwan through a public offering or in circumstance which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires the registration, filing with or approval of the Financial Supervisory Commission of Taiwan. Each Dealer has also acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that no person or entity in Taiwan has been authorised or will be authorised to offer or sell the Notes issued under the Programme in Taiwan.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

General Information

AUTHORISATION

The establishment of the Programme has been duly authorised by the resolutions of the Board of Directors of UniCredit dated 2 May 2000. The update of the Programme was duly authorised by the resolutions of the Board of Directors of UniCredit dated 8 December 2021.

APPROVAL, LISTING AND ADMISSION TO TRADING

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended.

However, Notes may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

SELLING CONCESSION OR OTHER CONCESSIONS

A selling concession or other concession may be charged as set out in the Final Terms.

DOCUMENTS AVAILABLE

For so long as the Notes issued under the Programme will be listed in Luxembourg, copies of the following documents will, when published, be available, in electronic format on the website of the Issuer www.unicreditgroup.eu:

(a) the Memorandum and Articles of Association (with an English translation where applicable) of the Issuer;

(b) the audited consolidated financial statements of the UniCredit Group and the audited financial statements of UniCredit S.p.A. as at and for the financial year ended 31 December 2020 (with an English translation thereof) (the **2020 UniCredit Annual Report and Accounts**);

(c) the audited consolidated financial statements of the UniCredit Group and the audited financial statements of UniCredit S.p.A. as at and for the financial year ended 31 December 2021 (with an English translation thereof) (the **2021 UniCredit Annual Report and Accounts**);

(d) the unaudited consolidated interim financial information of UniCredit as at and for the three months ended 31 March 2021 (the **UniCredit Unaudited Consolidated Interim Report as at 31 March 2021 – Press Release**) (with an English translation thereof);

(e) the unaudited consolidated interim financial information of UniCredit as at and for the three months ended 31 March 2022 (the **UniCredit Unaudited Consolidated Interim Report as at 31 March 2022 – Press Release**) (with an English translation thereof);

(f) the latest unaudited consolidated interim accounts of UniCredit (with an English translation thereof).

(g) the Sustainability Bond Framework of the Issuer, together with any opinion on each such framework issued by a second party consultant as well as any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of any issue of Green Bonds, Social Bonds and Sustainability Bonds, from time to time published by the Issuer, will be available in the investor relations section on the website of the Issuer at *https://www.unicreditgroup.eu*. For the avoidance of doubt, neither the Issuer's Sustainability Bond Framework nor any second party opinion or public reporting are incorporated in and/or form part of this Prospectus.

UniCredit currently prepares audited consolidated and non-consolidated financial statements on an annual basis and unaudited consolidated financial statements on a quarterly and semi-annual basis.

(h) a copy of this Base Prospectus;

(i) any future prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation will be available for inspection or collection from the offices of the Issuer and of the Paying Agent by a holder of such Note or may be delivered to such holder via email and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (*www.bourse.lu*).

The information on the abovementioned websites does not form part of this Base Prospectus unless information contained therein is expressly incorporated by reference into this Base Prospectus.

A copy of this Base Prospectus will remain publicly available in electronic form for at least ten years after its publication on the websites referred to in paragraphs 2 and 6 of Article 21 of the Prospectus Regulation.

CLEARING SYSTEMS

The Notes in bearer form have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

CONDITIONS FOR DETERMINING PRICE

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

YIELD

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

SIGNIFICANT OR MATERIAL ADVERSE CHANGE

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

The current market environment is still characterized by uncertainties due to the Russia/Ukraine conflict and related spill-over macroeconomic effects and by the persisting COVID-19 pandemic that could have potential impacts also on the financial markets, the unexpected materially adverse impact of which on the profitability of the Issuer, in particular in terms of operating income and cost of risk, cannot be finally assessed as at the date of this Base Prospectus. Except for the possible impact of the Russia/Ukraine conflict and related spill-over effect and 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 2021.

There has been no significant change in the financial performance of the Group since 31 March 2022 to the date of this Base Prospectus..

Significant change in the Issuer's financial position

The current market environment is still characterized by uncertainties due to the Russia/Ukraine conflict and related spill-over effect and by the persisting COVID-19 pandemic that could have potential impacts also on the financial markets, the unexpected materially adverse impact of which on the profitability of the Group, in particular in terms of operating income and cost of risk, cannot be finally assessed as at the date of this Base Prospectus. Except for the possible impact of the Russia/Ukraine conflict and related spill-over effect and COVID-19 crisis indicated above, there has been no significant changes in the financial position of the Group which has occurred since 31 March 2022.

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 still characterized by uncertainties due to the Russia/Ukraine conflict and related spill-over effects and by the persisting COVID-19 pandemic that could have potential impacts also on the financial markets, whose unexpected materially adverse 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 2022-2024, 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.

PROFIT FORECASTS OR ESTIMATES

This Base Prospectus does not include any profit forecasts or estimates.

LITIGATION

Except as disclosed in this Base Prospectus from page 257 to page 269 (*Legal and arbitration proceedings* and *Proceedings connected with Supervisory Authority Measures*), in the 2021 UniCredit Annual Report and Accounts from page 425 to page 432, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which, according to the information available at present, may have or have had in such period a significant effect on the financial position or profitability of the Issuer or the Group.

EXTERNAL AUDITORS

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 – incorporated by reference in this Base Prospectus – on the consolidated financial statements of the UniCredit Group and on the financial statements of the Issuer for the year ended on 31 December 2021 and 31 December 2020.

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 2021 and 31 December 2020 and in the interim consolidated financial statements ended on 30 June 2021, 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 2020 and 2021.

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.

DEALERS' INTERESTS

Certain of the Dealers and their affiliates may have engaged, and/or may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business and may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer’s affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. UniCredit Bank AG, the Arranger and Dealer, is part of the UniCredit Group. The relevant Final Terms will specify any other interests of natural and legal persons involved in each issue or offer of Notes under the Programme.

Annex 1 - Further Information Related to Index Linked Notes and Inflation Linked Interest Notes

FURTHER INFORMATION RELATED TO INDEX LINKED NOTES AND INFLATION LINKED INTEREST NOTES

The Issuer can issue Notes which are linked to an index (the **Index Linked Notes**) pursuant to the Programme, where the underlying index is either (i) the Italy CPI (the **Italy CPI Linked Notes**), or (ii) the HICP or the Non revised index of Consumer Prices excluding tobacco, measuring the rate of inflation in the European Monetary Union excluding tobacco published by Eurostat (HICP) (the **HICP Linked Notes**). The following information provides a clear and comprehensive explanation to prospective investors about how the value of Index Linked Notes is affected by the value of the underlying index.

Italy CPI or **ITL – Inflation for Blue Collar Workers and Employees - Excluding Tobacco Consumer Price Index Unrevised** means, subject to the Terms and Conditions, the "*Indice dei prezzi al consumo per famiglie di operai e impiegati (FOI), senza tabacchi*" as calculated on a monthly basis by the ISTAT - *Istituto Nazionale di Statistica* (the Italian National Institute of Statistics) (the **ISTAT**) which appears on Bloomberg Page ITCPI (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying the level of such index), provided that for the purposes of the calculation of the Rate of Interest and the Final Redemption Amount, the first publication or announcement of a level of the Index (excluding estimates) by the ISTAT for a given month shall be final and conclusive and later revisions of the level for such month will not be used in any calculations.

Measuring inflation consists of monthly compilation of price changes of a pre-determined group of goods and services (known as **basket**). In Italy, the Consumer price index for blue- and white-collar worker households (FOI), generally used for monetary revaluations, is calculated by the ISTAT.
For the Italy CPI, in 2015, the calculation of price change concerns a basket of 1,441 items (from pasta to passenger air transport, from bread to personal computers, or from petrol to coffee at a bar, etc.) representing the universe of products purchased by households.

These products go to make up the so-called basket, which is divided into 12 expenditure divisions, each with its own weight: Food and non-alcoholic beverages; Alcoholic beverages, tobacco; Clothing and footwear; Housing, water, electricity, gas and other fuels; Furnishings, household equipment and routine household maintenance; Health; Transport; Communication; Recreation and culture; Education; Restaurants and hotels; Miscellaneous goods and services. Within each division, each type of goods or services contributes to the compilation of the index with a weight equal to its importance on the total household consumption expenditure. For example, bread weighs 1.0 per cent. in the basket while pasta weighs only 0.5 per cent., hotel room weighs 2.1 per cent. and holiday farms 0.1 per cent.

The products in the basket and the weight attributed to them are defined according to household consumption expenditure, in order to represent the structure of population's consumption. Each year a sample is specified, made up of the products whose price dynamic is representative of that of a wider range: for example, to calculate the variation in prices of the "Small electrical appliances" consumption segment, we follow the prices of plugs, electric batteries, energy saving light bulbs and adapter plugs. The identification of major household expenditure aggregates and the estimation of their weights are carried out using as main source National Accounts data on household final consumptions. These major expenditure aggregates, up to the selection of single products and the estimation of their weights, are detailed using several sources available both inside (Household Budget Survey which involves approximately 28,000 Italian households every year; Foreign Trade, Industrial Production and Tourism Flow Surveys) and outside ISTAT (figures from ACNielsen, SIAE, etc.) in order to ensure an accurate coverage.

The basket is updated each year to represent the actual household purchasing behaviour and to take into account any changes in this behaviour and in the range of products offered on the market. Each year either the goods and services in the basket or their weights are updated. For example, some new items in the 2015 basket reflect the change in household consumption behaviour (such as gluten-free biscuit and gluten-free pasta, non-alcoholic beer, car sharing and bike sharing, beverages dispensed by automatic vending machine, ginseng coffee at the café and fiscal counsel for dwelling taxes computation). Other updating of the basket can be done in order to improve the

coverage of some household expenditure aggregates (such as the addition of pizza - bakery product, bed, hire of wheelchair for disabled people and spare parts for shavers).

Reference base year for Italy CPI

The FOI indices are expressed with 2015=100 as a reference base year.

More information on Italy CPI, including past and current levels, can be found at: http://www.istat.it.

HICP means the EUROSTAT Eurozone HICP (excluding Tobacco) Unrevised Series NSA Index which mirrors the weighted average of the harmonized indices of consumer prices in the Euro-Zone, excluding tobacco (non-revised series) published by the Index Sponsor on Bloomberg under "CPTFEMU". The first publication or announcement of a level of the HICP for the relevant period or time of valuation of the HICP shall be final and conclusive and later revisions to the level for the relevant period or time of valuation will not be used in any calculations. The composition and calculation of the HICP by the Index Sponsor might change to reflect the addition of any new Member States of the European Union to the Euro-Zone without any effect to the references to the HICP in these Terms and Conditions. More detailed information on the HICP (including the historical Index values) are available on the following website: http://epp.eurostat.ec.europa.eu and on Bloomberg page: CPTFEMU Index <GO>.Eurostat Eurozone Harmonised Indices of Consumer Prices excluding Tobacco Unrevised Series Non Seasonal Adjusted

The Eurozone Harmonised Index of Consumer Prices excluding Tobacco (HICP), as calculated and published by EUROSTAT and the national statistical institutes in accordance with harmonised statistical methods (the **HICP**) is an economic indicator constructed to measure the changes over time in the prices of consumer goods and services acquired by households in the Eurozone. Following the Maastricht Treaty, the HICPs have been used as convergence criteria and the main measure for monitoring price stability by the ECB in the Euro area, as well as for use on international comparison.

HICP is the aggregate of the Member States' individual harmonised index of consumer prices excluding tobacco (**Individual HICP**). Each country first publishes its Individual HICP in conjunction with its consumer price index. Thereafter, Eurostat aggregates the Individual HICPs and publishes an HICP for the Eurozone, as well as a breakdown by item and by country. In any specific year, each country's weight in the HICP for the Eurozone equals the share that such country's final household consumption constitutes within that of the Eurozone as a whole for the year that is prior to that specified year. These weights are re-estimated every year in the January publication of the HICP.

HICP is said to be harmonised because the methodology and nomenclatures for the index of prices are the same for all of the countries in the Eurozone and the European Union. This makes it possible to compare inflation among different Member States of the European Union. Emphasis is placed on the quality and comparability of the various countries' indices.

HICP is calculated as an annual chain-index, which makes it possible to change the weights every year. This also makes it possible to integrate new entrants, as in the case of Greece in January 2001. If a new entrant is integrated in a specific year, it is included in the Eurozone HICP starting from January of that year. The new Member State's weight is included in the annual revaluation of the HICP.

HICP is published every month on Eurostat's internet site, according to a pre-determined official timetable. Publication generally occurs around the 14th – 16th day of the following month. If a revision is made, it is published with the HICP of the following month.

Base Year Change

In Europe, the national statistics institutes change the base year of their price indices every 5 to 10 years. This procedure is necessary to ensure that the index follows changes in the consumption pattern through a new consumer spending nomenclature. The resetting of the base generally accompanies changes in the definition of household consumption that occur when the national accounting system is modified. Since 2006, the index reference period has been set to 2005 = 100. In order to obtain a common price reference period, too, the weights for each year are "price updated" to December of the previous year. Starting with the release of January 2016 data on 25 February 2016, the reference year of the Harmonised Index of Consumer Prices (HICP) series has changed to 2015=100.

More information on the HICP, including past and current levels, can be found at: *http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/introduction.*

HICP Linked Notes

A HICP Linked Note is a type of Note where the interest payable and the nominal amount of the Note are both adjusted in line with the HICP. This means that both the interest amounts paid periodically and the principal required to be paid on redemption of the HICP Linked Note are adjusted to take account of changes in the HICP since the specified reference date for calculating the HICP (i.e. the index fixing date, as described below).

To calculate the HICP adjustment, two HICP 'fixing' figures are required – one that relates to the start of the Note's life (the **Base HICP**) and one that relates to the relevant payment date. The real rate of interest offered on HICP Linked Notes (i.e. the rate before taking inflation into account) is fixed when the HICP Linked Notes are issued.

Interest on HICP Linked Notes

The interest amount due on each interest payment date of a HICP Linked Note will be adjusted to take into account the change in inflation between the Base HICP figure and the HICP figure relating to the relevant interest payment date, and is calculated using the following simple formula:

Specified Denomination x Real Rate of Interest x Day Count Fraction x (HICP relating to the relevant interest payment date/ Base HICP)

Redemption of HICP Linked Notes

Assuming that the Issuer is able to pay its debts in full and the HICP Linked Notes are not otherwise redeemed or purchased and cancelled in accordance with the Conditions, HICP Linked Notes will be repaid on their maturity date at their nominal amount, plus/less an additional amount reflecting any increase/decrease in the HICP between the Base HICP figure and the HICP figure relevant to the payment date. The redemption amount is calculated at a specified time prior to the maturity date, unless a maximum or minimum redemption amount is otherwise specified. Where the HICP figure relevant to the payment date is lower than the Base HICP, investors will receive less than the nominal amount of the HICP Linked Notes on the maturity date if no minimum redemption amount is specified, or if the minimum redemption amount is specified at an amount lower than the nominal amount.

The redemption amount due will be calculated as follows, unless a maximum or minimum redemption amount is specified:

Nominal Amount x [HICP figure relating to the maturity date / Base HICP]

THE ISSUER

UniCredit S.p.A.
Piazza Gae Aulenti, 3 Tower A
20154 Milan
Italy

PRINCIPAL PAYING AGENT

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

AUDITORS

Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milan
Italy

LUXEMBOURG LISTING AGENT

Banque Internationale à Luxembourg S.A.
69 route d'Esch
L-2953 Luxembourg
Grand Duchy of Luxembourg

ARRANGER AND DEALER

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
Germany

LEGAL ADVISERS

To the Issuer as to English and Italian law
Allen & Overy
Corso Vittorio Emanuele II 284
00186 Rome
Italy

Via Ansperto 5
20123 Milan
Italy

To the Dealers as to English and Italian law
Clifford Chance Studio Legale Associato
Via Broletto 16
20121 Milan
Italy