THIS DOCUMENT IS A TRANSLATION OF THE ITALIAN VERSION OF THE SECURITIES NOTE APPROVED BY CONSOB AS COMPETENT HOME MEMBER STATE AUTHORITY AND IS MADE UNDER THE SOLE RESPONSIBILITY OF UNICREDIT S.P.A.

Securities Note

prepared in accordance with the regulations adopted by CONSOB through Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented, and through Article 6 of European Commission Regulation (EC) no. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as later amended and supplemented

relating to the shares offered as an option to shareholders and
the admission to listing on the MTA (electronic share market) organised and managed by Borsa Italiana S.p.A., the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) and the Warsaw Stock Exchange (*rynek podstawowy Gieldy Papierów Wartościowych w Warszawie SA*) of UniCredit S.p.A. ordinary shares

UniCredit S.p.A.

Registered office – 16 Via Alessandro Specchi, Rome

Head Office –3 Piazza Gae Aulenti – Tower A, Milan

Entered in the Register of Banks and Parent Company of the UniCredit Banking Group, entered in the Register of Banking Groups under no. 02008.1

Rome Trade and Companies Register, Tax Code and VAT No. 00348170101

Share capital subscribed and fully paid-up: Euro 20,846,893,436.94

Member of the Interbank Deposit Protection Fund and the National Deposit Guarantee Fund

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Securities Note filed with CONSOB on 3 February 2017, pursuant to the notice of approval in a memorandum dated 3 February 2017, file no. 0016471/17.

The publication of the Securities Note does not represent any opinion of CONSOB on the investment opportunity proposed or on the merit of the data and information contained therein.

The Securities Note must be read in conjunction with the UniCredit S.p.A. Registration Document filed with CONSOB on 30 January 2017, pursuant to the notice of approval in a memorandum dated 27 January 2017, file no. 0013115/17 and the Summary Note filed with CONSOB on 3 February 2017, pursuant to the notice of approval in a memorandum dated 3 February 2017, file no. 0016471/71.

The Registration Document, the Securities Note and the Summary Note jointly comprise the Prospectus for the offering and admission to listing of ordinary shares of UniCredit S.p.A.

The Securities Note, the Summary Note and the Registration Document are available to the public, on the publication date and for the entire period of validity, at the Registered Office and at the Head Office of UniCredit S.p.A., as well as on their website www.unicreditgroup.eu.

WARNINGS FOR THE INVESTOR

*To correctly evaluate the investment, the recipients of the Offering – and investors in general – are urged to carefully assess the following as a whole: (i) the information contained in the Registration Document, the Securities Note and the Summary Note (together the "**Prospectus**"); the specific risk factors relating to the Issuer, the UniCredit Group, and the business sector in which it operates, as shown in Chapter 4 ("Risk Factors") of the Registration Document; and the specific risk factors relating to the financial instruments offered, shown in Chapter 2 ("Risk Factors") of the Securities Note.*

* * *

The recipients of the Offering and, more generally, the investors are hereby warned as follows:

1. Securities Note: (i) refers to the option offer ("**Option Offer**"), pursuant to art. 2441, subsections 1, 2 and 3 of the Civil Code, shares resulting from the capital increase - approved by the Extraordinary Meeting of Shareholders of 12 January 2017 ("**Capital Increase**") – with payment for a total maximal amount of Euro 13 billion, including the share premium accounts to be performed in one or more instalments and in a divisible form. The Option Offer represents a public offering in Italy, as well as following the co-called "passport" procedure (described in articles 11, subsection 1, and 58 of the Consob regulation no. 11971/99 with subsequent modifications), a public offering in Germany and Poland; and (ii) includes an update of the information contained in the Registration Document published on 30 January 2017, pursuant to art. 94, subsection 7 of L.D. no. 58/98, following the examination by the Board of Directors of UniCredit S.p.A. Performed on 30 January 2017. ("**Issuer**" or "**Company**"), estimates of the preliminary consolidated results for the financial year 2016 (on this point see Chapter 11 of the Securities Note).

   Note that the Share Capital Increase is one of the main measures of the UniCredit Group 2016-2019 Strategic Plan (the "**Strategic Plan**") and is aimed at enabling the Group's capital requirements to be maintained following the implementation of the measures in the Strategic Plan, as well as aligning these requirements with those of the major European competitors. The main actions of the Strategic Plan include, among other things: (i) the completion of certain one-off transactions to sell assets (including, specifically, the sale of the Pioneer Investments Group and Bank Pekao) in addition to the sales transactions already completed at the Date of the Securities Note; (ii) the improvement of the quality of the assets ("Fino Project" and "Porto Project"); and (iii) the significant reduction of the number of employees and consequently personnel expenses and other operating expenses.

   Taking into account that for the execution of the Strategic Plan actions are in the process of being implemented at the Date of the Securities Note which involve a significant absorption of capital, the failed subscription or the partial subscription of the Share Capital Increase will - in the absence of further adequate capital strengthening measures to deal with the capital absorptions created by the Strategic Plan actions - have significant negative impacts on the operating results, capital and financial position of the Group as far as compromising the conditions for business continuity. In such an event, UniCredit could also be subject to measures, including invasive ones, by the Regulatory Authorities involving its management, such as, for example, the imposing of restrictions or limits on assets and/or the sale of assets that present excessive risks for the solidity of the Issuer. Lastly, there is the risk that if the Issuer were not able to restore the applicable capital requirements, even through recourse to other extraordinary measures than those set out in the

Strategic Plan, it could be necessary to apply the resolution tools pursuant to Decree-Law 180 of 16 November 2015, which transposes Directive 2014/59/EU ("*Bank Recovery and Resolution Directive*", "**BRRD**").

On 1 February 2017 the Issuer has signed with the financial institutions that act as guarantors (the "Guarantors") the guarantee contract (the "**Underwriting Agreement**"), under which the Guarantors are committed to subscribe, separately between them and without the bond of solidarity, any shares resulting from the share capital increase not opted for at the end of the Stock Exchange offer up to the maximum overall amount of EUR 13 billion. The Underwriting Agreement provides for certain conditions of effectiveness, as well as the right of the Guarantors to withdraw from the commitment to subscribe upon the occurrence of certain circumstances. If upon occurrence of one of the events described in the Underwriting Agreement, the Guarantors exercise their right to withdraw from the agreement and as a result of the Stock Exchange Offer the Capital Increase is not subscribed or is subscribed only partially, the Issuer would not be able to meet the capital requirements laid down by the prudential regulation, and this would have the negative consequences described above (see Chapter 2, Paragraph 2.1.4 of the Note). The total amount of the expenditure of the Offer - including, inter alia, guarantee commissions calculated to the maximum extent - is estimated at about a maximum of Euro 500 million.

At the Date of the Securities Note there is the risk that, even if the actions of the Strategic Plan are implemented in full and the Plan Objectives are achieved, at the end of the Plan period the Issuer could have capital buffers and/or a level of impaired loans that are not in line with those recorded by their major competitors in that period.

On 9 February 2017 the Issuer's Board of Directors is planning to meet and they have been delegated to approve the preliminary data of the UniCredit Group for the financial year ending 31 December 2016. Those figures will form the information for the market and a supplement to the Registration Document, which will be submitted for approval by CONSOB.

The recapitalisation operation constitutes one of the main actions underpinning the Strategic Plan and is aimed, among other things, at strengthening the capital structure, improving the level of impaired loans, as well as supporting profitability. The actions of the Strategic Plan aimed at achieving the above include several transactions designed to improve the quality of the capital assets, such as the "Fino Project" (involving the reduction through a market transaction of the non-core loans portfolio classified as non-performing) and the "Porto Project" (namely to increase the degree of coverage for non-performing and unlikely-to-pay loans of the Italian loans portfolio), as well as several capital asset sales transactions (the "**Asset Sales Transactions**") some of them completed at the Date of the Securities Note and others in the process of being executed at that date. Note that the European Central Bank ("**ECB**") will evaluate all the actions undertaken by the Group to execute the Strategic Plan together with the further evaluations under the scope of the next Supervisory Review and Evaluation Process ("**SREP**").

The amount established as the target of the Share Capital Increase (Euro 13 billion) was set following an evaluation of the impact on the UniCredit Group's capital buffers resulting from the implementation of the Strategic Plan measures.

Specifically, the implementation of the some of the Strategic Plan measures is expected to have (i) negative impacts on the capital buffers (Common equity tier 1 ratio, Tier 1 ratio and Total capital ratio) and (ii) one-off negative impacts on the net result for the fourth quarter of 2016 for the UniCredit Group, equal to Euro 12.2 billion in total, due, to a great extent, to the increase in the degree of cover on the portfolio of loans subject to sale under the scope of the "Fino Project" and the impaired loans of the "Porto Project" (in this regard, note that during the meeting of the 1 February 2017 the Board of Directors approved the "Fino Project").

Taking into consideration the timings of the Strategic Plan measures it is expected that the negative impacts on the capital buffers will be recorded during the fourth quarter of 2016 while the Share Capital Increase and the completion of the Asset Sales Transactions in the process of being executed (the "**Asset Sales Transactions in the process of Executed** ") will be implemented in 2017.

Therefore, in the execution of the Strategic Plan, as a result of the time lag between the above negative impacts and the execution of the Share Capital Increase as well as the completion of the Asset Sales Transactions in the process of being Executed, the Issuer anticipates that with the approval of the preliminary data for the financial year ending 31 December 2016 the prudential limits of the Issuer applicable both at 31 December 2016 and from 1 January 2017, pursuant to the 2016 SREP will not be complied with (OCR Requirements, see Chapter 4, Paragraph 4.1.5 of the Registration Document). These figures are expected to be approved by 9 February 2017, the date on which the Financial Reporting – FinRep. will be sent to the ECB.

Following the confirmation of the failure to comply with the capital requirements at 31 December 2016, the Issuer will also be bound to proceed, pursuant with applicable regulations, with reporting this situation to the ECB and sending the Regulatory Authority a capital strengthening plan (capital plan), which should include the capital strengthening measures of the Strategic Plan which the market and the Regulatory Authority have already been notified of (specifically, the Share Capital Increase and the Asset Sales Transactions). The adequacy of the capital plan will be assessed by the ECB.

Taking into consideration the failure to comply with the capital requirements applicable from 1 January 2017, it will not be possible for the Issuer to proceed - until these capital requirements are met - with the distribution of dividends and the payment of coupons for the Additional tier 1 instruments and the variable remuneration of the Issuers' employees. Therefore, as failure to comply with the prudential limits is due to the time lag, if the Share Capital Increase is not subscribed or partly subscribed, the Issuer would not be able to pay the coupon relating to the Additional tier 1 instruments due in March 2017 and this would involve limitations on the dividend distribution policy as well as on the variable remuneration for UniCredit Group employees. The Issuer will need to seek recourse to other capital strengthening measures to reach the above prudential limits, with - in the case of failure - significant negative impacts on the operating results, capital and financial position of the Group as far as compromising the conditions for business continuity.

2. The subscription of New Shares and the investment in shares of the Issuer implies the assumption of typical risks associated with an investment in risk capital. These risks include the (integral) risk of the loss of the capital invested where the Issuer is subject to insolvency proceedings or finds itself failing or at risk of failure which involves the application of "resolution" instruments. In this regard the BRRD makes provision

for the possibility pertaining to Banca d'Italia (in its capacity as National Resolution Authority) to undertake "resolution" measures for banks that are failing or at risk of failing, as an alternative to compulsory liquidation proceedings. These resolution measures include bail-in, which consists of a reduction of the rights of shareholders and creditors or the conversion of the rights of the latter into capital and could also result in the zeroing of the par value of the shares and the write-down of receivables due to the bank with their conversion into shares (see Chapter 2, Paragraph 2.1.6 of the Securities Note).

3. In 2016 the UniCredit Group was subject to a SREP conducted by the Supervisory Authority. Following this process, the result of which UniCredit was informed on 12 December 2016, the ECB notified the Issuer, among other things, of the quantitative prudential requirements to comply with on a consolidated basis and the qualitative measures to implement.

   The results of the 2016 SREP, which led to the calculation of the prudential requirements, highlighted vulnerable areas identified by the ECB. These areas mainly related to: (i) the need to strengthen the leadership and coordination activities of UniCredit as the parent company (see Chapter 4, Paragraph 4.1.1 of the Registration Document); (ii) the low level of capital buffers compared with competitors and the G-SIB (Global Systemically Important Bank) status of the Issuer and the continued low profitability (see Chapter 4, Paragraph 4.1.1 of the Registration Document); (iii) the credit risk and, specifically, the high level of non-performing exposures (see Chapter 4, Paragraph 4.1.3 of the Registration Document); (iv) the liquidity risk, compared with that of the ECB indicated certain qualitative measures (see Chapter 4, Paragraph 4.1.10 of the Registration Document); (v) the interest rate risk in the investment portfolio (see Chapter 4, Paragraph 4.1.13 of the Registration Document); (vi) the risk resulting from the significant level of exposures denominated in a currency other than the euro (see Chapter 4, Paragraph 4.1.13 of the Registration Document); (vii) the risk associated with operations in Russia and Turkey (see Chapter 4, Paragraph 4.1.14 of the Registration Document); (viii) the culture of risk and overall governance of the risk of the internal models, with reference to which the ECB asked the Issuer to improve the ICAAP information (Internal Capital Adequacy Assessment Process) (see Chapter 4, Paragraph 4.1.25 of the Registration Document); (ix) operational and reputational risk (also with regard to judicial proceedings in progress or potential ones) (see Chapter 4, Paragraphs 4.1.26, 4.1.29.1, 4.1.30 and 4.1.31 of the Registration Document) and (x) the composition and operation of the Board of Directors (see Chapter 4, Paragraph 4.1.33 of the Registration Document).

   Specifically, with regard to profitability, under the scope of the 2016 SREP, the ECB highlighted the continuation of a weak level of profitability, due to both macro economic factors and peculiar features of the Issuer's business, represented by low interest rates and slow economic recovery in key countries, a high level of net adjustments on loans in Italy and high operating costs in Austria and Germany, creating a structural weakness in the profitability of the commercial bank business model in Western European countries (see Chapter 4, Paragraph 4.1.1 of the Registration Document).

   The ECB also asked the Issuer to present a strategy, by 28 February 2017, on the subject of impaired loans, supported by an operating plan to tackle the subject of the high level of impaired loans.

   Although the actions underpinning the Strategic Plan are aimed, among other things, at mitigating the weaknesses of the UniCredit Group, also highlighted by the ECB at the end of the 2016 SREP, at the Date

of the Securities Note there is the risk that the Strategic Plan measures are not capable of adequately dealing with the weaknesses identified by the ECB.

4. The income performance of the UniCredit Group featured, among other things, variable income margins in the three-year period 2013-2015 and a fall in net commissions (relating to core activities) in the first nine months of 2016 compared with the corresponding period of the previous year.

   Investors should focus their attention on the situation in which the execution of the Asset Sales Transactions (both those completed in the last quarter of 2016 and those in the process of being executed at the Date of the Securities Note) will lead, in the accounts following 30 September 2016, to a negative impact on the Groups' income margins. In this regard, note that from the pro-forma representation of the effects associated with the Asset Sales Transactions in the first nine months of 2016, there appears to be a negative impact due to the adjustment of the contributions to the consolidated income statement of the companies/groups that are the subject of the Asset Sales Transactions. Specifically, taking one-off economic items only into consideration, the effect on the brokerage margin and on the operating profit of the UniCredit Group is equal, respectively, to Euro -1,860 million and Euro -948 million (compared with a brokerage margin for the first nine months of 2016 of Euro 17,070 million and an operating profit for the first nine months of 2016 of Euro 7,263 million), which mainly refer to the sale of the Pioneer Investments Group, as well as the sale of the holding in Bank Pekao.

   Based on the strategic actions of the Plan, developed taking into account the change in the scope of consolidation as a result of the Asset Sales Transactions, the brokerage margin is expected to increase to a very limited extend in the period 2015-2019 (CAGR of 0.6%) through the combined effect of an interest margin and "other revenues" anticipated to be essentially stable and growth in net commissions. Supporting the brokerage margin will depend, among other things, on the effects of the Distribution Agreements to be signed under the partnership with Amundi S.A. (expected from the agreements involving the sale of the Pioneer Investments Group) as well as from further measures set out in the Plan.

   In addition, support for operating profitability will also depend on the successful outcome of the actions aimed at transforming the Group operating model into a lower cost, sustainable structure with a greater reduction in terms of personnel expenses.

   Taking into consideration that at the Date of the Securities Note there is no certainty that the above-mentioned actions will be realised in full, in the absence of the anticipated benefits from the actions designed to support profitability (and, specifically, the anticipated impacts from the Distribution Agreements or, if they cease to exist, the anticipated impacts from other agreements with more or less similar economic conditions) or if the above-mentioned Group operating model transformation actions are not completed in full, it is possible to the forecasts in the Projected Data may not be achieved and, as a result, there could be negative impacts, including significant ones, on the operating results and capital and financial position of the Issuer and/or the Group.

   That having been stated, investors are asked to focus on the situation where the Strategic Plan is based on numerous assumptions and circumstances, some of which are outside of the control of the Issuer (such as, among other things, projections relating to the macroeconomic scenario and the development of the regulatory context) as well as hypothetical assumptions related to the impact of specific actions and

concerning future events over which the Issuer has only partial influence (including, specifically, the completion of the Share Capital Increase, the Asset Sales Transactions and the preparatory activities for improving the quality of capital assets). In this regard, note that the actions aimed at improving the quality of capital assets includes the realisation of the "Fino Project", with regard to which, at the Date of the Securities Note, the necessary qualitative-quantitative analyses are in progress in order to verify the existence of the necessary conditions for the derecognition of the loan portfolio subject to sale.

The analysis will be completed on the completion of the contractual documentation and could lead to the conclusion that the conditions set out by the reference accounting principle for the derecognition of the portfolio do not exist. In this event, without prejudice to the actions aimed at increasing the cover of the impaired loans, it could become necessary to revise the assumptions and the Objectives of the Strategic Plan (see Chapter 4, Paragraph 4.1.4 of the Registration Document).

The assumptions at the base of the Plan Objectives could turn out not to be fulfilled, or could be fulfilled only in part or in a different way, or could change during the course of the reference period of the Strategic Plan. The failure or partial occurrence of the assumptions or the positive effects anticipated as a result could lead to differences, including significant ones, compared with the forecasts in the Projected Data and mean they cannot be achieved, with consequent negative effects, including significant ones, on the assets and the operations, balance sheet and/or income statement of the Issuer and/or the Group (see Chapter 4, Paragraph 4.1.1.2 of the Registration Document).

5. The 2016-2019 Strategic Plan was developed based on a perimeter for the UniCredit Group that is significantly different from the one in existence at 30 September 2016, the date of the latest accounting report of the Group. Specifically, this Plan reflects the effects of the Asset Sales Transactions, some of which have already been completed at the Date of the Securities Note, while others are in the process of being executed at that date.

   As has been stated, the Strategic Plan involves one-off negative impacts on the net financial result for the fourth quarter of 2016 of the UniCredit Group of approximately Euro 12.2 billion, which mainly refers to actions designed to improve the quality of capital assets; as a result, the net financial result of the UniCredit Group for 2016, reflecting the above-mentioned negative impacts, will feature discontinuity compared with that of the first nine months of 2016 because a significant loss for 2016 is expected compared with an actual profit for the first nine months of 2016.

   In this respect it should be noted that, on 30 January 2017, the Board of Directors - in the discussion of the estimates of the preliminary consolidated results for the financial year ended 31 December 2016 - took into account a series of further one-off entries of negative income items amounting to about Euro 1 billion (for details see Chapter 11 of the Securities Note), which are expected to be accounted for in the year 2016 (from which there are not expected to be negative impacts on the capital buffers). Taking into account the one-off negative income items, equal, in total, to Euro 13,2 billion, the Issuer estimates to record a consolidated net loss for the year 2016 amounting to about Euro 11.8 billion. In addition, considering only the recurring income components, the Issuer estimates to record a consolidated net profit which, although positive, is expected to decline compared to that of 2015.

In consideration of the above, the attention of investors should be drawn to the fact that there are significant limitations to being able to compare the historical financial information of the UniCredit Group with forecast information, as well as with the financial information that will be in the UniCredit Group accounts after 30 September 2016 (see Chapter 4, Paragraph 4.1.6 of the Registration Document).

6. The Registration Document contains the Pro-Forma Consolidated Statements as at 30 September 2016 and 31 December 2015. The pro-forma data in the Pro-Forma Consolidated Statements were prepared to retroactively reflect the significant effects of the Asset Sales Transactions, the increase in the degree of cover on impaired loans under the "Fino Project" and the "Porto Project", as well as the Share Capital Increase, as if these transactions had taken place in the period in which the above pro-forma data refer to.

   The information contained in the Pro-Forma Consolidated Statements represents a simulation of the possible effects that could have arisen if the aforementioned transactions had taken place at the above-mentioned dates and is provided purely for illustrative purposes. Specifically, since the Pro-Forma Consolidated Statements are produced to retroactively reflect the significant effects of later transactions, in spite of compliance with generally-accepted rules and the use of reasonable assumptions, there are limits connected with the actual nature of the pro-forma information. Therefore there is the risk that, if the aforementioned transactions were actually carried out on the dates used as a reference for the preparation of the Pro-Forma Consolidated Statements, the same results that are represented in the Pro-Forma Consolidated Financial Statements would not necessarily have been obtained.

   Note that: (i) the effects of certain pro-forma transactions (such as, the Asset Sales Transactions in the process of being Executed and the Share Capital Increase) will not be reflected in the Issuer's consolidated financial statements for the year ended 31 December 2016, taking into consideration the fact that these transactions were not completed before 31 December 2016 (at the Date of the Securities Note the Asset Sales Transactions in the process of being Executed also remain subject to the verification of the respective conditions precedent and the Share Capital Increase has not yet been carried out); (ii) at the Date of the Securities Note the definition of the agreements relating to the "Fino Project", to implement the Framework Agreements, is still in progress. That having been stated, investor's attention should be drawn to the fact that the representation of the transactions pursuant to points (i) and (ii) in UniCredit's consolidated financial statements as at 31 December 2016 (and those referring to later periods) could differ significantly from the pro-forma representation of same in the Registration Document.

   Also note that the pro-forma CET1 ratio indices were not examined by the External Auditors (see Chapter 4, Paragraph 4.1.2 of the Registration Document).

   Any significant new fact, material error or imprecision relating to the pro-forma financial information in the Registration Document, that may influence the evaluation of the financial products and which occurs or is identified between the time the Registration Document is approved and the time the offer to the public is definitively closed will be mentioned in a supplement to the Prospectus pursuant to Article 94, paragraph 7 of the TUF.

7. In exercising their supervisory powers, the Regulatory Authorities submit the UniCredit Group to inspections on a regular basis, which could lead to requests for organisational measures to strengthen the safeguards aimed at remedying any shortcomings that may be discovered, with possible negative effects on

the operating results and capital and financial position of the Group. The extent of any shortcomings could also result in the launching of disciplinary proceedings against representatives of the company and/or Group companies, with possible negative effects on the operating results and capital and financial position of the Group.

Specifically, at the Date of the Securities Note the UniCredit Group is subject to four inspections by the ECB (relating, respectively, to the "IRB management and risk control system", "Governance and business processes in UCB AG foreign branches", Governance and Risk Appetite Framework" and "Business Model and Profitability - funding transfer price") and is expecting to receive the results of an inspection conducted by the ECB relating to "Market Risk" (see Chapter 4, Paragraph 4.1.29.2 of the Registration Document).

8. At the Date of the Securities Note, there are numerous legal proceedings pending in relation to the Issuer and other companies belonging to the UniCredit Group.

   As at 30 September 2016, the UniCredit Group had around Euro 601 million of provisions for risks and charges to cover the liabilities that may arise from the pending cases in which it is a defendant (not including labour law, tax or debt recovery cases). As at 30 September 2016, the total amount claimed with reference to various legal proceedings excluding labour law, tax cases and credit recovery actions was approximately Euro 11,839 million (see Chapter 4, Paragraph 4.1.29.1 of the Registration Document).

   Specifically, with reference to the risks relating to employment law involving counterclaims in progress at the Date of the Securities Notewith regard to the Issuer, the total amount of the claims as at 30 September 2016 stood at Euro 481 million and the related risk provision, at that date, stood at Euro 18 million (see Chapter 4, Paragraph 4.1.29.1 of the Registration Document).

   Lastly, as at 30 September 2016 there were also a significant number of tax disputes involving counterclaims pending with regard to the Issuer and other companies belonging to the UniCredit Group "Italian" perimeter, net of disputes settled, for a total value of Euro 480.4 million (see Chapter 4, Paragraph 4.1.31 of the Registration Document).

   Although the Group has set aside a provision for any liabilities and costs that could result from the judicial proceedings that are pending, it is not possible to rule out that - as a result of the significant underlying legal items involved in the decisions - in future, this provision may not be sufficient to entirely meet the legal costs and the fines and penalties that may result from pending legal actions and/or that the Group could, in the future, be obliged to deal with expenses from claims for compensation and refunds not covered by the provisions, with possible negative effects, including significant ones, on the operating results and capital and financial position of the Issuer and/or the Group. Chapter 4, Paragraphs 4.1.29.1 and 4.1.31 of the Registration Document).

The Warnings for Investors in the Registration Document were amended as follows (the changes are highlighted in bold, underlined and in strikethrough):

"*WARNINGS FOR INVESTORS*

*In order to carry out a proper appreciation of the investment**, the recipients of the Offer and, more generally***, *the investors are invited to evaluate carefully in their entirety, ~~(i)~~ the information contained in the Registration Document ~~and those that will be contained in the Securities Note on financial instruments (the "**Securities Note**") and in the Summary Note(the "**Summary Note**" and, together with the Securities Note, the "**Notes**") – with both Notes to be published, after the approval by CONSOB – relative to the option offer to shareholders related to the shares resulting from the Capital Increase, as well as (ii)~~**, in the Securities Note and Summary Note (taken together, the "***Prospectus***"), as well as** *the specific risk factors related to financial instruments of the Issuer, the UniCredit Group and the business sector in which it operated reported in Chapter 4 ("Risk factors") of the Registration Document ~~(iii)~~and the specific risk factors related to financial instruments offered ~~that will be~~ reported in Chapter 2 ("Risk Factors") of the Securities Note.*

The recipients of the Offering and, more generally, the investors are hereby warned as follows:

1. ~~On 12 January 2017 the Meeting~~ **Securities Note: (i) has for object the Option Offer ("Option Offer"), pursuant to art. 2441, subsections 1, 2 and 3 of the Civil Code, of the shares resulting from the capital increase approved by the extraordinary meeting of the shareholders on 12 January 2017 ("**Capital Increase**") - paid** for a maximum overall amount of Euro 13 billion, including ~~any~~ share premium accounts, to be performed ~~by 30 June 2017,~~ even in one or more tranches or in separable form ~~by the issue of ordinary shares, having regular entitlement, to be offered as an option to holders of ordinary shares and holders of savings shares of the Company~~**. The Option Offer represents a public offering in Italy, as well as following the co-called "passport" procedure (described in articles 11, subsection 1, and 58 of the Consob regulation no. 11971/99 with subsequent modifications), a public offering in Germany and Poland; and (ii) includes an update of the information contained in the Registration Document published on 30 January 2017, pursuant to art. 94, subsection 7 of L.D. no. 58/98, following the examination by the Board of Directors** of UniCredit **S.p.A. Performed on 30 January 2017.** ("**Issuer**" or "**Company**") ~~decided to implement an increased of share capital to be released by conferment in cash~~**, estimates of the preliminary consolidated results for the financial year 2016 (on this point see Chapter 11 of the Securities Note).**

   Note that the Share Capital Increase is one of the main measures of the UniCredit Group 2016-2019 Strategic Plan (the "**Strategic Plan**") and is aimed at enabling the Group's capital requirements to be maintained following the implementation of the measures in the Strategic Plan, as well as aligning these requirements with those of the major European competitors. The main actions of the Strategic Plan include, among other things: (i) the completion of certain one-off transactions to sell assets (including, specifically, the sale of the Pioneer Investments Group and Bank Pekao) in addition to the sales transactions already completed at the Date of ~~Registration Document~~ **the Securities Note**; (ii) the improvement of the quality of the assets ("Fino Project" and "Porto Project"); and (iii) the significant reduction of the number of employees and consequently personnel expenses and other operating expenses.

Taking into account that for the execution of the Strategic Plan actions are in the process of being implemented at the Date of ~~Registration Document~~ **the Securities Note** which involve a significant absorption of capital, the failed subscription or the partial subscription of the Share Capital Increase will - in the absence of further adequate capital strengthening measures to deal with the capital absorptions created by the Strategic Plan actions - have significant negative impacts on the operating results, capital and financial position of the Group as far as compromising the conditions for business continuity. In such an event, UniCredit could also be subject to measures, including invasive ones, by the Regulatory Authorities involving its management, such as, for example, the imposing of restrictions or limits on assets and/or the sale of assets that present excessive risks for the solidity of the Issuer. Lastly, there is the risk that if the Issuer were not able to restore the applicable capital requirements, even through recourse to other extraordinary measures than those set out in the Strategic Plan, it could be necessary to apply the resolution tools pursuant to Decree-Law 180 of 16 November 2015, which transposes Directive 2014/59/EU ("Bank Recovery and Resolution Directive", "BRRD").

On 1 February 2017 the Issuer, with the financial institutions acting as underwriters (the "Underwriters"**) signed the underwriting agreement (the "**Underwriting Agreement**") pursuant to which the Underwriters have a commitment to subscribe, separately and without joint and several liability, the shares from the Share Capital Increase which have not been taken up at the end of the Market Offering, up to a total of Euro 13 billion. The Underwriting Agreement includes certain conditions precedent (relating, in line with market practice for similar transactions, to the Underwriters obtaining the comfort package from the Company and the consultants involved), as well as the right of the Underwriters to withdraw from the subscription commitment if certain situations occur. If and event referred to in the Underwriting Agreement takes place and the Underwriters exercise their right to withdraw from the agreement and, at the end of the Offering, the Share Capital Increase is not fully subscribed or only partly subscribed, the Issuer would not be able to comply with the capital requirements laid down by the prudential regulations and this would result in the negative consequences described above (see Chapter 2, Paragraph 2.1.4 of the Securities Note). The total amount of the expenditure of the Offer - including, inter alia, guarantee commissions calculated to the maximum extent - is estimated at about a maximum of Euro 500 million.**

At the Date of ~~Registration Document~~ **the Securities Note** there is the risk that, even if the actions of the Strategic Plan are implemented in full and the Plan Objectives are achieved, at the end of the Plan period the Issuer could have capital buffers and/or a level of impaired loans that are not in line with those recorded by their major competitors in that period.

~~Within~~ **On** 9 February 2017 the Issuer's Board of Directors is planning to meet and they have been delegated to approve the preliminary data of the UniCredit Group for the financial year ending 31 December 2016. The above-mentioned data will form the information for the market and a supplement to the Registration Document, which will be submitted for the approval of CONSOB.

The recapitalisation transaction constitutes one of the main actions underpinning the Strategic Plan aimed, among other things, at strengthening the capital structure, improving the level of impaired loans, as well as supporting profitability. The actions in the Strategic Plan aimed at the above-mentioned purpose include several transactions designed to improve the quality of the capital assets, such as the "Fino Project" (involving the reduction of the non-core loans portfolio classified as non-performing through a market

transactions) and the "Porto Project" (namely the increase in the degree of cover for non-performing and unlikely-to-pay loans of the Italian loans portfolio), as well as several capital asset sales transactions (the "**Asset Sales Transactions**") some of them completed at the Date ~~Registration Document~~ **the Securities Note** and others in the process of being executed at that date. Note that the European Central Bank ("**ECB**") will evaluate all the actions undertaken by the Group to execute the Strategic Plan together with the further evaluations under the scope of the next Supervisory Review and Evaluation Process ("**SREP**").

The amount established as the target of the Share Capital Increase (Euro 13 billion) was set following an evaluation of the impact on the UniCredit Group's capital buffers resulting from the implementation of the Strategic Plan measures.

Specifically, note that from the implementation of the some of the Strategic Plan measures the following are expected to have (i) negative impacts on the capital buffers (Common equity tier 1 ratio, Tier1 ratio and Total capital ratio) and (ii) one-off negative impacts on the net financial result for the fourth quarter of 2016 for the UniCredit Group, equal to Euro 12.2 billion in total, due, to a great extent, to the increase in the degree of cover on the portfolio of loans subject to sale under the scope of the "Fino Project" and the impaired loans of the "Porto Project" (in this regard, note that the meeting of **1 February 2017** the Board of Directors ~~is mandated to~~ **approved** the execution of the "Fino Project". ~~will take place before the approval of the preliminary data for the financial year ending 31 December 2016).~~

Taking into consideration the timings of the Strategic Plan measures it is expected that the negative impacts on the capital buffers will be recorded during the fourth quarter of 2016 while the Share Capital Increase and the completion of the Asset Sales Transactions in the process of being executed (the "**Asset Sales Transactions in the process of being Executed**") at the Date ~~Registration Document~~ of **the Securities Note** will be implemented in 2017.

Therefore, in the execution of the Strategic Plan, as a result of the time lag between the above negative impacts and the execution of the Share Capital Increase as well as the completion of the Asset Sales Transactions in the process of being Executed, the Issuer anticipates that with the approval of the preliminary data for the financial year ending 31 December 2016 the prudential limits of the Issuer applicable both at 31 December 2016 and from 1 January 2017, pursuant to the 2016 SREP will not be complied with (OCR Requirements, see Chapter 4, Paragraph 4.1.5 of the Registration Document). These figures are expected to be approved by 9 February 2017, the date on which the Financial Reporting – FinRep. will be sent to the ECB.

Following the confirmation of the failure to comply with the capital requirements at 31 December 2016, the Issuer will also be bound to proceed, pursuant with applicable regulations, with reporting this situation to the ECB and sending the Regulatory Authority a capital strengthening plan (capital plan), which should include the capital strengthening measures of the Strategic Plan which the market and the Regulatory Authority have already been notified of (specifically, the Share Capital Increase and the Asset Sales Transactions). The adequacy of the capital plan will be assessed by the ECB.

Taking into consideration the failure to comply with the capital requirements applicable from 1 January 2017, it will not be possible for the Issuer to proceed - until these capital requirements are met - with the distribution of dividends and the payment of coupons for the *Additional tier 1* instruments and the variable

remuneration of the Issuers' employees. Therefore, as failure to comply with the prudential limits is due to the time lag, if the Share Capital Increase is not subscribed or partly subscribed, the Issuer would not be able to pay the coupon relating to the *Additional tier 1* instruments due in March 2017 and this would involve limitations on the dividend distribution policy as well as on the variable remuneration for UniCredit Group employees. The Issuer will need to seek recourse to other capital strengthening measures to reach the above prudential limits, with - in the case of failure - significant negative impacts on the operating results, capital and financial position of the Group as far as compromising the conditions for business continuity.

~~During the period of the Strategic Plan, the respect on the part of UniCredit Group of minimum levels of capital ratios applicable on the basis of prudential rules in force and/or those imposed by the Supervisory Authorities (for example in the context of the SREP) and the achievement of the Forecasts of an asset nature indicated therein strictly depends, inter alia, from the implementation of strategic actions, which may have a positive impact on the capital ratios (including, in particular, the Capital Increase and the M&A Operations). Therefore, if the Capital Increase and/or the Operations of Disposal of Assets under Execution are not be carried out in whole or in part, or if the same should result in benefits different and/or lower than those envisaged in the Strategic Plan, which - in absence of further actions means to produce equivalent positive impact on asset ratios - could result in deviations, even significant, with respect to the Plan Objectives, as well as producing negative impacts on the ability of the UniCredit Group to meet the constraints provided by the prudential rules applicable and/or identified by the Supervisory Authorities and the economic situation, the financial assets of the group itself (see Chapter 4, Paragraph 4.1.1.1 and 4.1.5 of the Registration Document).~~

2. **The subscription of New Shares and the investment in shares of the Issuer implies the assumption of typical risks associated with an investment in risk capital. These risks include the (integral) risk of the loss of the capital invested where the Issuer is subject to insolvency proceedings or finds itself failing or at risk of failure which involves the application of "resolution" instruments. In this regard the BRRD makes provision for the possibility pertaining to Banca d'Italia (in its capacity as National Resolution Authority) to undertake "resolution" measures for banks that are failing or at risk of failing, as an alternative to compulsory liquidation proceedings. These resolution measures include *bail-in*, which consists of a reduction of the rights of shareholders and creditors or the conversion of the rights of the latter into capital and could also result in the zeroing of the par value of the shares and the write-down of receivables due to the bank with their conversion into shares (see Chapter 2, Paragraph 2.1.6 of the Securities Note).**

3. In 2016 the UniCredit Group was subject to a SREP conducted by the Supervisory Authority. Following this process, the result of which UniCredit was informed on 12 December 2016, the ECB notified the Issuer, among other things, of the quantitative prudential requirements to comply with on a consolidated basis and the qualitative measures to implement.

   The results of the 2016 SREP, which led to the calculation of the prudential requirements, highlighted vulnerable areas identified by the ECB. These areas mainly related to: (i) the need to strengthen the leadership and coordination activities of UniCredit as the parent company (see Chapter 4, Paragraph 4.1.1 of the Registration Document); (ii) the low level of capital buffers compared with competitors and the G-SIB (Global Systemically Important Bank) status of the Issuer and the continued low profitability (see

Chapter 4, Paragraph 4.1.1 of the Registration Document); (iii) the credit risk and, specifically, the high level of non-performing exposures (see Chapter 4, Paragraph 4.1.3 of the Registration Document); (iv) the liquidity risk, compared with that of the ECB indicated certain qualitative measures (see Chapter 4, Paragraph 4.1.10 of the Registration Document); (v) the interest rate risk in the investment portfolio (see Chapter 4, Paragraph 4.1.13 of the Registration Document); (vi) the risk resulting from the significant level of exposures denominated in a currency other than the euro (see Chapter 4, Paragraph 4.1.13 of the Registration Document); (vii) the risk associated with operations in Russia and Turkey (see Chapter 4, Paragraph 4.1.14 of the Registration Document); (viii) the culture of risk and overall governance of the risk of the internal models, with reference to which the ECB asked the Issuer to improve the ICAAP information (Internal Capital Adequacy Assessment Process) (see Chapter 4, Paragraph 4.1.25 of the Registration Document); (ix) operational and reputational risk (also with regard to judicial proceedings in progress or potential ones) (see Chapter 4, Paragraphs 4.1.26, 4.1.29.1, 4.1.30 and 4.1.31 of the Registration Document) and (x) the composition and operation of the Board of Directors (see Chapter 4, Paragraph 4.1.33 of the Registration Document).

Specifically, with regard to profitability, under the scope of the 2016 SREP, the ECB highlighted the continuation of a weak level of profitability, due to both macro economic factors and peculiar features of the Issuer's business, represented by low interest rates and slow economic recovery in key countries, a high level of net adjustments on loans in Italy and high operating costs in Austria and Germany, creating a structural weakness in the profitability of the commercial bank business model in Western European countries (see Chapter 4, Paragraph 4.1.1 of the Registration Document).

The ECB also asked the Issuer to present a strategy, by 28 February 2017, on the subject of impaired loans, supported by an operating plan to tackle the subject of the high level of impaired loans.

Although the actions underpinning the Strategic Plan are aimed, among other things, at mitigating the weaknesses of the UniCredit Group, also highlighted by the ECB at the end of the 2016 SREP, at the Date of ~~Registration Document~~ **the Securities Note** there is the risk that the Strategic Plan measures are not capable of adequately dealing with the weaknesses identified by the ECB.

4. The income performance of the UniCredit Group featured, among other things, variable income margins in the three-year period 2013-2015 and a fall in net commissions (relating to core activities) in the first nine months of 2016 compared with the corresponding period of the previous year.

   Investors should focus their attention on the situation in which the execution of the Asset Sales Transactions (both those completed in the last quarter of 2016 and those in the process of being executed at the Date of ~~Registration Document~~ **the Securities Note**) will lead, in the accounts following 30 September 2016, to a negative impact on the Groups' income margins. In this regard, note that from the pro-forma representation of the effects associated with the Asset Sales Transactions in the first nine months of 2016, there appears to be a negative impact due to the adjustment of the contributions to the consolidated income statement of the companies/groups that are the subject of the Asset Sales Transactions. Specifically, taking one-off economic items only into consideration, the effect on the brokerage margin and on the operating profit of the UniCredit Group is equal, respectively, to Euro -1,860 million and Euro -948 million (compared with a brokerage margin for the first nine months of 2016 of Euro 17,070 million and an operating profit for the

first nine months of 2016 of Euro 7,263 million), which mainly refer to the sale of the Pioneer Investments Group, as well as the sale of the holding in Bank Pekao.

Based on the strategic actions of the Plan, developed taking into account the change in the scope of consolidation as a result of the Asset Sales Transactions, the brokerage margin is expected to increase to a very limited extend in the period 2015-2019 (CAGR of 0.6%) through the combined effect of an interest margin and "other revenues" anticipated to be essentially stable and growth in net commissions. Supporting the brokerage margin will depend, among other things, on the effects of the Distribution Agreements to be signed under the partnership with Amundi S.A. (expected from the agreements involving the sale of the Pioneer Investments Group) as well as from further measures set out in the Plan.

In addition, support for operating profitability will also depend on the successful outcome of the actions aimed at transforming the Group operating model into a lower cost, sustainable structure with a greater reduction in terms of personnel expenses.

Taking into consideration that at the Date of ~~Registration Document~~ **the Securities Note** there is no certainty that the above-mentioned actions will be realised in full, in the absence of the anticipated benefits from the actions designed to support profitability (and, specifically, the anticipated impacts from the Distribution Agreements or, if they cease to exist, the anticipated impacts from other agreements with more or less similar economic conditions) or if the above-mentioned Group operating model transformation actions are not completed in full, it is possible to the forecasts in the Projected Data may not be achieved and, as a result, there could be negative impacts, including significant ones, on the operating results and capital and financial position of the Issuer and/or the Group.

That having been stated, investors are asked to focus on the situation where the Strategic Plan is based on numerous assumptions and circumstances, some of which are outside of the control of the Issuer (such as, among other things, projections relating to the macroeconomic scenario and the development of the regulatory context) as well as hypothetical assumptions related to the impact of specific actions and concerning future events over which the Issuer has only partial influence (including, specifically, the completion of the Share Capital Increase, the Asset Sales Transactions and the preparatory activities for improving the quality of capital assets). In this regard, note that the actions aimed at improving the quality of capital assets includes the realisation of the "Fino Project", with regard to which, at the Date of ~~Registration Document~~ **the Securities Note**, the necessary qualitative-quantitative analyses are in progress in order to verify the existence of the necessary conditions for the derecognition of the loan portfolio subject to sale.

The analysis will be completed on the completion of the contractual documentation and could lead to the conclusion that the conditions set out by the reference accounting principle for the derecognition of the portfolio do not exist. In this event, without prejudice to the actions aimed at increasing the cover of the impaired loans, it could become necessary to revise the assumptions and the Objectives of the Strategic Plan (see Chapter 4, Paragraph 4.1.4 of the Registration Document).

The assumptions at the base of the Plan Objectives could turn out not to be fulfilled, or could be fulfilled only in part or in a different way, or could change during the course of the reference period of the Strategic Plan. The failure or partial occurrence of the assumptions or the positive effects anticipated as a result could

lead to differences, including significant ones, compared with the forecasts in the Projected Data and mean they cannot be achieved, with consequent negative effects, including significant ones, on the assets and the operations, balance sheet and/or income statement of the Issuer and/or the Group (see Chapter 4, Paragraph 4.1.1.2 of the Registration Document).

5. The 2016-2019 Strategic Plan was developed based on a perimeter for the UniCredit Group that is significantly different from the one in existence at 30 September 2016, the date of the latest accounting report of the Group. Specifically, this Plan reflects the effects of the Asset Sales Transactions, some of which have already been completed at the Date ~~of Registration Document~~ **the Securities Note**, while others are in the process of being executed at that date.

   As has been stated, the Strategic Plan involves one-off negative impacts on the net financial result for the fourth quarter of 2016 of the UniCredit Group of approximately Euro 12.2 billion, which mainly refers to actions designed to improve the quality of capital assets; as a result, the net financial result of the UniCredit Group for 2016, reflecting the above-mentioned negative impacts, will feature discontinuity compared with that of the first nine months of 2016 because a significant loss for 2016 is expected compared with an actual profit for the first nine months of 2016.

   In this respect it should be noted that, on 30 January 2017, the Board of Directors - in the discussion of the estimates of the preliminary consolidated results for the financial year ended 31 December 2016 - took into account a series of further one-off entries of negative income items amounting to about Euro 1 billion (for details see Chapter 11 of the Securities Note), which are expected to be accounted for in the year 2016 (from which there are not expected to be negative impacts on the capital buffers). Taking into account the one-off negative income items, equal, in total, to Euro 13.2 billion, the Issuer estimates to record a consolidated net loss for the year 2016 amounting to about Euro 11.8 billion. In addition, considering only the recurring income components, the Issuer estimates to record a consolidated net profit which, although positive, is expected to decline compared to that of 2015.

   In consideration of the above, the attention of investors should be drawn to the fact that there are significant limitations to being able to compare the historical financial information of the UniCredit Group with forecast information, as well as with the financial information that will be in the UniCredit Group accounts after 30 September 2016 (see Chapter 4, Paragraph 4.1.6 of the Registration Document).

6. The Registration Document contains the Pro-Forma Consolidated Statements as at 30 September 2016 and 31 December 2015. The pro-forma data in the Pro-Forma Consolidated Statements were prepared to retroactively reflect the significant effects of the Asset Sales Transactions, the increase in the degree of cover on impaired loans under the "Fino Project" and the "Porto Project", as well as the Share Capital Increase, as if these transactions had taken place in the period in which the above pro-forma data refer to.

   The information contained in the Pro-Forma Consolidated Statements represents a simulation of the possible effects that could have arisen if the aforementioned transactions had taken place at the above-mentioned dates and is provided purely for illustrative purposes. Specifically, since the Pro-Forma Consolidated Statements are produced to retroactively reflect the significant effects of later transactions, in spite of compliance with generally-accepted rules and the use of reasonable assumptions, there are limits

connected with the actual nature of the pro-forma information. Therefore there is the risk that, if the aforementioned transactions were actually carried out on the dates used as a reference for the preparation of the Pro-Forma Consolidated Statements, the same results that are represented in the Pro-Forma Consolidated Financial Statements would not necessarily have been obtained.

Note that: (i) the effects of certain pro-forma transactions (such as, the Asset Sales Transactions in the process of being Executed and the Share Capital Increase) will not be reflected in the Issuer's consolidated financial statements for the year ended 31 December 2016, taking into consideration the fact that these transactions were not completed before 31 December 2016 (at the Date of ~~Registration Document~~ **the Securities Note** the Asset Sales Transactions in the process of being Executed also remain subject to the verification of the respective conditions precedent and the Share Capital Increase has not yet been carried out); (ii) at the Date of ~~Registration Document~~ **the Securities Note** the definition of the agreements relating to the "Fino Project", to implement the Framework Agreements, is still in progress. That having been stated, investor's attention should be drawn to the fact that the representation of the transactions pursuant to points (i) and (ii) in UniCredit's consolidated financial statements as at 31 December 2016 (and those referring to later periods) could differ significantly from the pro-forma representation of same in the Registration Document.

Also note that the pro-forma CET1 ratio indices were not examined by the External Auditors (see Chapter 4, Paragraph 4.1.2 of the Registration Document).

Any significant new fact, material error or imprecision relating to the pro-forma financial information in the Registration Document, that may influence the evaluation of the financial products and which occurs or is identified between the time the Registration Document is approved and the time the offer to the public is definitively closed will be mentioned in a supplement to this ~~Registration Document~~ **Prospectus** pursuant to Article 94, paragraph 7 of the TUF.

7. In exercising their supervisory powers, the Regulatory Authorities submit the UniCredit Group to inspections on a regular basis, which could lead to requests for organisational measures to strengthen the safeguards aimed at remedying any shortcomings that may be discovered, with possible negative effects on the operating results and capital and financial position of the Group. The extent of any shortcomings could also result in the launching of disciplinary proceedings against representatives of the company and/or Group companies, with possible negative effects on the operating results and capital and financial position of the Group.

   Specifically, at the Date of the **the Securities Note** the UniCredit Group is subject to four inspections by the ECB (relating, respectively, to the "IRB management and risk control system", "Governance and business processes in UCB AG foreign branches", Governance and Risk Appetite Framework" and "Business Model and Profitability - funding transfer price") and is expecting to receive the results of an inspection conducted by the ECB relating to "Market Risk" (see Chapter 4, Paragraph 4.1.29.2 of the Registration Document).

8. At the Date of ~~Registration Document~~ **the Securities Note** there are legal proceedings pending in relation to the Issuer and other companies belonging to the UniCredit Group.

As at 30 September 2016, the UniCredit Group had around Euro 601 million of provisions for risks and charges to cover the liabilities that may arise from the pending cases in which it is a defendant (not including labour law, tax or debt recovery cases). As at 30 September 2016, the total amount claimed with reference to various legal proceedings excluding labour law, tax cases and credit recovery actions was approximately Euro 11,839 million (see Chapter 4, Paragraph 4.1.29.1 of the Registration Document).

Specifically, with reference to the risks relating to employment law involving counterclaims in progress at the Date **of** ~~Registration Document~~ **the Securities Note** with regard to the Issuer, the total amount of the claims as at 30 September 2016 stood at Euro 481 million and the related risk provision, at that date, stood at Euro 18 million (see Chapter 4, Paragraph 4.1.29.1 of the Registration Document).

Lastly, as at 30 September 2016 there were also a significant number of tax disputes involving counterclaims pending with regard to the Issuer and other companies belonging to the UniCredit Group "Italian" perimeter, net of disputes settled, for a total value of Euro 480.4 million (see Chapter 4, Paragraph 4.1.31 of the Registration Document).

Although the Group has set aside a provision for any liabilities and costs that could result from the judicial proceedings that are pending, it is not possible to rule out that - as a result of the significant underlying legal items involved in the decisions - in future, this provision may not be sufficient to entirely meet the legal costs and the fines and penalties that may result from pending legal actions and/or that the Group could, in the future, be obliged to deal with expenses from claims for compensation and refunds not covered by the provisions, with possible negative effects, including significant ones, on the operating results and capital and financial position of the Issuer and/or the Group (see Chapter 4, Paragraphs 4.1.29.1 and 4.1.31 of the Registration Document).

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DEFINITIONS

The terms starting with a capital letter in the Securities Note, unless clearly defined otherwise in other provisions laid down in the actual Securities Note, have the same meanings as those attributed in the Registration Document.

A list of the most common definitions and terms used most frequently in other provisions laid down in the Securities Note is provided below. Unless specified otherwise, these definitions and terms (stated in singular or plural form) have the meanings indicated below.

Rights Issue or **Share Capital Increase**	The increase in share capital of up to a maximum of Euro 13 billion including any issue premium, to be carried out in one or more tranches, in divisible form, through the issue of ordinary shares with no par value, with standard dividend rights, to be offered to existing holders of ordinary shares and savings shares of the Company, pursuant to Article 2441, paragraphs one, two and three of the Civil Code, as approved by the Issuer's Extraordinary Shareholders' Meeting of 12 January 2017, under the Offering.
Borsa Italiana (Italian Stock Exchange)	Borsa Italiana S.p.A., having its registered office at 6 Piazza degli Affari, Milan.
Post-Issue Amount of UniCredit Ordinary Share Capital	The share capital of the Issuer represented by ordinary shares following the transaction if the Rights Issue is fully subscribed.
Post-Issue Amount of UniCredit Share Capital	The share capital of the Issuer represented by ordinary shares and savings shares following the transaction if the Rights Issue is fully subscribed.
Clearstream Frankfurt	Clearstream Banking Aktiengesellschaft, with registered office in Frankfurt (Germany), Mergenthalerallee 61, 65760 Frankfurt am Main.
Co-Global Coordinators	The financial institutions which, together with the Joint Global Coordinators, take on the coordination tasks under the scope of the Offering: Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International and HSBC Bank plc.
Pre-Underwriting Agreement (GC)	The pre-underwriting agreement signed on 12 December 2016 by the Issuer, of the one part, and the Underwriting Joint Global Coordinators and Co-Global Coordinators, of the other part. Under this agreement, the Underwriting Joint Global Coordinators and the Co-Global Coordinators have committed to signing the Underwriting Agreement according to conditions in line with market practice for similar transactions.

Pre-Underwriting Agreement (Non-GC)	The pre-underwriting agreement signed on 22 December 2016 by the Issuer, of the one part, and by Banca IMI S.p.A., Banco Bilbao Vizcaya Argentaria S.A., Banco Santander S.A., Barclays Bank PLC, BNP Paribas S.A., Commerzbank AG, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale, in the capacity of joint bookrunners, of the other part. Under this agreement, the aforesaid joint bookrunners have committed to signing the Underwriting Agreement according to conditions in line with market practice for similar transactions.
Underwriting Agreement	The underwriting agreement signed on 1 February 2017 by the Issuer, of the one part, and by the Underwriters, of the other part, pursuant to which the latter have committed to subscribe any New Shares not taken up at the end of the auction for rights not taken up, up to a maximum amount equal to the value of the Share Capital Increase.
Date of the Securities Note	The date this securities note is approved by CONSOB.
Subscription Rights	Subscription rights valid for subscription of 13 New Shares for every 5 ordinary and/or savings share held.
Registration Document	The registration document relating to the Issuer, filed with CONSOB on 30 January 2017, pursuant to the notice of approval in a memorandum dated 27 January 2017, file no. 0013115/17. The Registration Document is available to the public, on the publication date and for the entire period of validity, at the Registered Office (16 Via A. Specchi, Rome) and at the Head Office (3 Piazza Gae Aulenti – Tower A, Milan) of UniCredit, as well as on their website www.unicreditgroup.eu.
Underwriters	The financial institutions that have signed the Underwriting Agreement as underwriting joint global coordinators, co-global coordinators, joint bookrunners, co-bookrunners, co-lead managers and co-managers, specifically: Morgan Stanley & Co. International plc, UBS Limited, Merrill Lynch International, J.P. Morgan Securities plc, Mediobanca – Banca di Credito Finanziario S.p.A., Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, Banca IMI S.p.A., Banco Bilbao Vizcaya Argentaria S.A., Banco Santander S.A., Barclays Bank PLC, BNP Paribas S.A., Commerzbank AG, Crédit Agricole Corporate Investment Bank, Natixis and Société Générale, ABN AMRO Bank N.V., Banca Akros S.p.A., Banco BPM S.p.A., Danske Bank A/S, Macquarie Capital (Europe) Limited, CaixaBank, S.A., Equita SIM S.p.A., Haitong Bank SA, Jefferies International Limited, RBC Europe Limited, SMBC Nikko Capital Markets Limited, and Stifel Nicolaus Europe Limited (trade name Keefe, Bruyette & Woods).

Group or UniCredit Group	UniCredit and its subsidiaries pursuant to Article 2359 of the Civil Code and Article 93 of the TUF (Consolidated Financial Act).
Joint Bookrunners	The financial institutions have a senior role under the scope of the underwriting consortium for the Share Capital Increase: Morgan Stanley & Co. International plc, UBS Limited, Merrill Lynch International, J.P. Morgan Securities plc and Mediobanca – Banca di Credito Finanziario S.p.A., Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International and HSBC Bank plc, Banca IMI S.p.A., Banco Bilbao Vizcaya Argentaria S.A., Banco Santander S.A., Barclays Bank PLC, BNP Paribas S.A., Commerzbank AG, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale.
Joint Global Coordinators	The financial institutions that take on the coordination tasks under the scope of the Offering: UniCredit Bank AG, Milan Branch, Morgan Stanley & Co. International plc, UBS Limited, Merrill Lynch International, J.P. Morgan Securities plc and Mediobanca – Banca di Credito Finanziario S.p.A.
Monte Titoli	Monte Titoli S.p.A., having its registered office in 6 Piazza degli Affari, Milan.
MTA or **Electronic Share Market**	The Electronic Share Market organised and managed by Borsa Italiana.
NDS	The Polish National Depositary for Securities (Krajowy Depozyt Papierów Wartościowych S.A.), with registered office at Książęca 4, 00-498, Warsaw.
Summary Note	The Summary Note published jointly with the Securities Note. The Summary Note is available to the public, on the publication date and for the entire period of validity, at the Registered Office and at the Head Office of UniCredit S.p.A. as well as on their website www.unicreditgroup.eu.
Securities Note	This securities note on the financial instruments.
New Shares	The maximum number 1,606,876,817 of new ordinary shares with no par value, with regular entitlement, issued by the Company in the Offering.
Offering	The offering of 1,606,876,817 New Shares to shareholders of UniCredit in the ratio of 13 New Shares for every 5 UniCredit ordinary and/or savings share already held.
Market Offering	The market offering pursuant to Article 2441, paragraph 3 of the Civil Code, of the unexercised Subscription Rights at the end of the Subscription Period.

Subscription Period	Jointly the Subscription Period in Italy and Germany and the Subscription Period in Poland.
Subscription Period in Italy and Germany	The take-up period for the Offering in Italy and Germany, which runs from 6 February 2017 to 23 February 2017 inclusive.
Subscription Period in Poland	The take-up period for the Offering in Poland which runs from 8 February 2017 to 22 February 2017, inclusive.
Offer Price	The price at which each New Share is offered under the scope of the Offering, namely Euro 8.09, of which Euro 8.08 is the premium.
Prospectus	Jointly the Registration Document, the Securities Note and the Summary Note.
Stock Market Regulations	The regulations governing the markets organised and managed by Borsa Italiana, in force on the Date of the Securities Note.
Market Regulations	The regulations governing markets adopted by CONSOB through resolution no. 16191 of 29 October 2007, as later amended and supplemented.
Consolidated Law on Income Tax	Presidential Decree 917 of 22 December 1986 (known as the Testo Unico delle Imposte sui Redditi, or TUIR), as amended and supplemented.
Underwriting Joint Global Coordinators	Morgan Stanley & Co. International plc, UBS Limited, Merrill Lynch International, J.P. Morgan Securities plc and Mediobanca – Banca di Credito Finanziario S.p.A..
UniCredit or the Company or the Issuer	UniCredit S.p.A. having its registered office in Rome, Via A. Specchi 16, and Head Office in Milan, Piazza Gae Aulenti 3 – Tower A.

GLOSSARY

Please see the glossary contained in the Registration Document.

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1. PERSONS RESPONSIBLE

1.1 PERSONS RESPONSIBLE FOR INFORMATION

UniCredit S.p.A., having its registered office at 16 Via A. Specchi, Rome, and its Head Office at 3 Piazza Gae Aulenti – Tower A, Milan, assumes responsibility for the completeness of the data and information contained in the Securities Note.

1.2 DECLARATION OF RESPONSIBILITY

UniCredit declares that, having exercised all reasonable diligence to this end, the information contained in the Securities Note is, to the best of its knowledge, in conformity with the facts and does not contain any omissions that might alter its meaning.

2. RISK FACTORS

This Chapter of the Securities Note describes the typical risk factors related to an investment in listed equity securities. In order to make a proper assessment of the investment, investors are advised to evaluate the specific risk factors relating to the financial instruments available in the Offering as well as the specific risk factors relating to the Company, the companies in its Group and the sectors of activity in which the Group operates, which are described in Chapter 4 of the Registration Document.

The description of the risk factors set out below should be read in conjunction with the other information contained in the Securities Note and in the Registration Document itself.

Unless specified otherwise, references to Chapters and Paragraphs relate to chapters and paragraphs of the Securities Note.

2.1 RISK FACTORS CONNECTED WITH THE OFFERING AND LISTING OF THE SHARES WHICH ARE THE SUBJECT OF THE OFFERING

2.1.1 Risks associated with estimates of the profit/loss for the financial year ended 31 December 2016, the publication of the 2016 preliminary data and the absence of financial information subject to audit for the financial year 2016

The Registration Document, as supplemented by the information pursuant to Chapter 11 of the Securities Note, contains several estimates for the consolidated preliminary results of the Group for the financial year ended 31 December 2016, examined by the Issuer's Board of Directors on 30 January 2017 (the "**Estimates**"). Specifically, the Estimates highlight a net loss of approximately Euro 11.8 billion which is expected to be recorded as at 31 December 2016 compared with a profit finalised for the first nine months of 2016.

The Estimates have not been audited. The External Auditors issued a report on 2 February 2017 pursuant to item 13.2 of Annex I to Regulation (EC) 809/2004, concerning the preparation of Estimates according to the basis stated by the Issuer and the consistency of the basis used with the accounting policies adopted by the UniCredit Group for the preparation of the consolidated financial statements at 31 December 2015.

The Estimates could be altered upon preparation of the consolidated financial statements of the UniCredit Group at the 31 December 2016 may be subject to significant variations with respect to the forecasts, including as a result of (i) events that occurred before 31 December 2016 but were verified after the date of approval of the Estimates, or (ii) events that occurred after 31 December 2016 and after the approval of the Estimates, which need to be included for the purposes of preparing the consolidated financial statements at 31 December 2016, in accordance with international accounting standards. In addition, it cannot be excluded that such actions may also be caused by unknown risks, uncertainties and other factors referenced, *inter alia*, in Chapter 4 of the Registration Document or Chapter 2 of the Securities Note.

Furthermore, the Estimates must not be seen as an indication of the future performance of the Issuer and/or the UniCredit Group.

In developing their own investment strategies, investors are therefore urged not to make undue reliance on the Estimates as they take their own investment decisions, in consideration of the uncertainty surrounding the same.

Also note that at the Date of the Securities Note it is expected that the Issuer will approve on 9 February 2017, the preliminary data for the year ended 31 December 2016 (the "**2016 Preliminary Data**") also for the purpose of European Union harmonised, consolidated regulatory reporting (*FINancial REPorting – FINREP*) pursuant to the applicable (ITS) binding implementation technical standards.

The 2016 Preliminary Data will be included in a supplement to the Prospectus to be prepared pursuant to Article 94, paragraph 7 of the TUF and it will be published during the Subscription Period.

For further information, see Chapter 11, Paragraphs 11.2 and 11.3 of the Securities Note.

Also note that at the Date of the Securities Note, there are plans for the draft financial statements of UniCredit and the consolidated financial statements of the UniCredit Group for 2016 which will be audited by the External Auditors to only be approved by the Board of Directors after the closing of the Share Capital Increase.

2.1.2 Risks associated with the liquidity and volatility of the New Shares

The Offering includes New Shares equivalent to ordinary shares of the Issuer outstanding on the Date of the Securities Note, which will be listed on the MTA, as well as on the market regulated by the Frankfurt Stock Exchange (General Standard segment) and on the main market of the Warsaw Stock Exchange.

The New Shares carry the typical risks attached to any such investment in listed equity securities of the same type. The holders of New Shares have the option to liquidate their investment by selling the shares on the relevant markets. However, the shares may be affected by problems of liquidity unrelated to the Issuer or the quantity of New Shares, as the requests for sale may not find a sufficient number of counterparties in a timely manner, and could be subject to price fluctuations, which may be significant.

Factors such as a change concerning the operating results, financial position, capital and/or profitability of UniCredit or its competitors, changes in the overall environment of the sector in which the Issuer operates, or in the general economy or financial markets, and changes in laws and regulations, as well as the disclosure by media outlets of information relating to the Issuer, could give rise to significant fluctuations in the price of UniCredit shares.

Furthermore, in recent years, price trends and trading volumes on the equity markets have been somewhat volatile. The resulting fluctuations have had, and could have in the future, a negative impact on the market price of UniCredit shares, which may also affect the Subscription Rights, irrespective of the actual values that the UniCredit Group is capable of achieving in terms of its operating results and capital and financial position.

For more information about the activities carried out by the Issuer and the sectors in which it and the Group operate, please refer to Chapter 6 of the Registration Document. In addition, for more information about the risks to which the Issuer and/or the Group may be exposed as a result of the macroeconomic context and market volatility, please refer to Chapter 4, Paragraph 4.2.1 of the Registration Document.

For more information about the characteristics of the New Shares, see Chapter 4 of the Securities Note and Chapter 4 of the Registration Document.

2.1.3 Risks associated with the performance of the Subscription Rights market

The Subscription Rights for the New Shares which are the subject of the Offering can be traded: (i) from 6 February 2017 to 17 February 2017 inclusive on the MTA; and (ii) from 8 February 2017 to 17 February 2017 inclusive on the Warsaw Stock Exchange. However, the Subscription Rights may be affected by problems of liquidity unrelated to the Issuer or the number of these rights, as the requests for sale may not find a sufficient number of counterparties in a timely manner. The price at which the Subscription Rights may trade could be subject to significant fluctuations, depending, *inter alia*, on UniCredit share price trends, and it could be subject to greater volatility than the UniCredit share market price.

In addition, any sale of Subscription Rights by certain shareholders of the Company who decide not to exercise, in full or in part, the rights pertaining to them, could have a negative impact on the trend and volatility relating to the market price for the Subscription Rights and/or the ordinary shares of the Issuer.

The Subscription Period for the New Shares is planned to start on 6 February 2017 in Italy and Germany and on 8 February 2017 in Poland and will end on 23 February 2017 inclusive. If the Subscription Rights are not exercised before the end of the Subscription Period (i.e. 23 February 2017) and/or sold on the market by the end of their trading (i.e. by 17 February 2017), the Issuer's shareholder will forfeit the right to exercise and/or sell all Option Rights that remain unexercised and/or unsold on the market at those dates, without receiving any compensation, refund of expenses or economic benefit of any kind.

For more information see Chapter 5 of the Securities Note.

2.1.4 Risks associated with subscription and underwriting commitments and the partial execution of the Share Capital Increase

On 12 December 2016, Morgan Stanley & Co. International plc and UBS Limited, in the capacity of structuring advisors and together with Merrill Lynch International, J.P. Morgan Securities plc and Mediobanca – Banca di Credito Finanziario S.p.A., as underwriting joint global coordinators and joint bookrunners, and Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International and HSBC Bank plc, as co-global coordinators and joint bookrunners, signed a Pre-Underwriting Agreement (GC) with the Issuer, pursuant to which they are obliged to sign - at conditions in line with market practice for similar transactions - the Underwriting Agreement for the subscription of the New Shares that are not taken up at the end of the auction for rights not taken up for a maximum amount equal to the value of the Share Capital Increase.

In addition, on 22 December 2016, Banca IMI S.p.A., Banco Bilbao Vizcaya Argentaria S.A., Banco Santander S.A., Barclays Bank PLC, BNP Paribas S.A., Commerzbank AG, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale, as joint bookrunners, signed the (Non-GC) Pre-Underwriting Agreement with the Issuer, in line with what was already signed by the Underwriting Joint Global Coordinators and Co-Global Coordinators, pursuant to which they are committed - at conditions in line with market practice for similar transactions - to sign the Underwriting Agreement for the subscription of the New Shares, which may

not have been taken up at the end of the auction for unexercised rights up to a maximum amount equal, together with the undertaking pursuant to the (GC) Pre-Underwriting Agreement, to the value of the Share Capital Increase. If the (GC) Pre-Underwriting Agreement is terminated, the commitments pursuant to the (Non-GC) Pre-Underwriting Agreement will also cease to have effect.

The Pre-Underwriting Agreements have ceased to have effect with the conclusion of the Underwriting Agreements, which took place on 1 February 2017.

The contract of Underwriting, subject to Italian law, contains, inter alia, the commitment of the Guarantors to subscribe, separately between them and without the bond of solidarity, any new shares remaining not opted for at the end of the Offer on the Stock Exchange up to the maximum overall amount of Euro 13 billion, as well as (i) the usual clauses which affect the effectiveness of the guarantee commitments (relating, in line with the market practice in similar operations, to obtaining by the Guarantors of certain certifications on the part of Company and of the consultants involved); and (ii) the usual clauses that attribute the faculty to withdraw from the agreement to the *Underwriting Joint Global Coordinators*.

In particular, the Underwriting Agreement contains rights to withdraw from the commitment to subscribe of the Guarantors, in the following circumstances:

(a) the occurrence of events which, in the reasonable judgement and good faith of the majority of the Underwriting Joint Global Coordinators – following consultation with the Issuer and UniCredit Bank AG, Milan Branch - constitute a material adverse change in the financial situation, operating results and/or profits of the UniCredit Group and which, in the reasonable judgement and good faith of the majority of the Underwriting Joint Global Coordinators – following consultation with the Issuer and UniCredit Bank AG, Milan Branch - could significantly adversely affect the completion of the Rights Issue;

(b) the occurrence of material adverse changes nationally or internationally in the currency, political, financial or economic conditions, in financial markets, exchange rates or regulations involving the monitoring of foreign capital in Italy, the United Kingdom and the United States of America or the European Union, the effects of which according to the good faith judgement of the majority of the Underwriting Joint Global Coordinators – following consultation with the Issuer and UniCredit Bank AG, Milan Branch - could significantly adversely affect the completion of the Rights Issue;

(c) the suspension from, or a serious restriction to the trading on UniCredit ordinary shares on the MTA due to an excessive drop in prices for at least two consecutive days or in the cases in Article 2.5.1 of the Stock Exchange Regulations, provided that this suspension or serious restriction is due to reasons other than the announcement of the Rights Issue;

(d) the general suspension of or restriction to trading on the New York Stock Exchange, the MTA or the London Stock Exchange;

(e) the declaration, by the competent authorities in Italy, the United Kingdom or the United States of America of general moratoria on banking activities or significant distortions in the banking, clearance or settlement systems for financial instruments in those countries, which, in the good faith judgement of the majority

of the Underwriting Joint Global Coordinators – following consultation with the Issuer and UniCredit Bank AG, Milan Branch - could significantly adversely affect the completion of the Rights Issue;

(f) the outbreak or intensification of hostilities and/or acts of terrorism or other disasters which, in the good faith judgement of the majority of the Underwriting Joint Global Coordinators – following consultation with the Issuer and UniCredit Bank AG, Milan Branch - could significantly adversely affect the completion of the Rights Issue;

(g) a serious non-compliance by the Issuer with the commitments undertaken pursuant to the Underwriting Agreement;

(h) the inaccuracy or incorrectness of the declarations and guarantees given by the Issuer in the Underwriting Agreement; and

(i) the publication of a supplement to the Prospectus if (A) the publication became necessary because of the occurrence of facts and/or events which could have a negative impact on UniCredit and/or on UniCredit Group, and (B) the amount of withdrawals by subscribers to the Rights Issue or the negative impact of subscription requests during the Market Offering has had, in the good faith judgement of the majority of the Underwriting Joint Global Coordinators – following consultation with the Issuer and UniCredit Bank AG, Milan branch - a significant negative impact on the success of the Rights Issue, without prejudice to the fact that the right of withdrawal from the Underwriting Agreement will not apply to the publication of the supplement to the Prospectus for the 2016 Preliminary Data and on condition that this 2016 Preliminary Data does not differ significantly from the Estimates (in relation to the Estimates, see Chapter 11, Paragraph 11.4 of the Securities Note).

If one of the events referred to in the Underwriting Agreement takes place, the Underwriting Joint Global Coordinators exercise their right, including on behalf of the other Underwriters, to withdraw from the agreement and, upon the outcome of the Offering, the Share Capital Increase is not subscribed or is only partially subscribed, the Issuer would not be able to comply with the capital requirements set forth by the prudential regulations, which could have a negative impact on the financial and capital position of the Issuer and/or the Group.

Specifically, taking into account that, in execution of the Strategic Plan, actions that give rise to significant absorption of the capital are in the process of implementation at the Date of the Securities Note, the failed subscription of the partial subscription of the Share Capital Increase will - in the absence of further adequate capital strengthening measures to deal with the capital absorptions created by the Strategic Plan actions - have significant negative impacts on the operating results, capital and financial position of the Group as far as compromising the conditions for business continuity. In such an event, UniCredit could also be subject to measures, including invasive ones, by the Regulatory Authorities involving its management, such as, for example, the imposing of restrictions or limits on assets and/or the sale of assets that present excessive risks for the solidity of the Issuer. Lastly, there is the risk that if the Issuer were not able to restore the applicable capital requirements, even through recourse to other extraordinary measures than those set out in the Strategic Plan, application may be necessary of the resolution tools pursuant to Decree-Law 180 of 16 November 2015 which transposes the BRRD.

In the circumstances described above, in view of the failure to comply with the capital requirements applicable from 1 January 2017, it will not be possible for the Issuer to proceed - until the unmet capital requirements are restored - to the distribution of dividends and the payment of the coupons of Additional tier 1 instruments and variable compensation of Issuer's employees.

For the risks associated with the impacts of the plan actions on the UniCredit Group capital requirements, see Chapter 4, Paragraph 4.1.1.1 of the Registration Document and Chapter 4, Paragraph 4.1.5 for the risks associated with capital adequacy.

For more information on subscription and underwriting commitments, see Chapter 5, Paragraph 5.4.3 of the Securities Note.

At the Date of the Securities Note, as far as the Issuer is aware, there are no subscription commitments for the New Shares.

2.1.5 Risks associated with the dilutive effects of the Share Capital Increase on the Issuers' shareholders

Taking into consideration that the New Shares are offered as an option to the Issuer's shareholders in proportion to the number of shares held, there are no dilutive effects resulting from the Share Capital Increase in terms of percentage holdings in the overall share capital with regard to the shareholders of the Issuer who decide to fully subscribe the Offering to the extent to which they are entitled to.

If the Subscription Rights are not exercised in full and the Share Capital Increase is fully subscribed, the shareholders which do not subscribe for the entire portion pertaining to the shares they already own will be subject to dilution of their holdings, as a percentage of the share capital, of a maximum of 72.22%.

With regard to savings shareholders, the allocation of subscription rights to the latter to subscribe ordinary shares will result in the dilution of equity investments held by shareholders that own ordinary shares, which, however, in light of the limited quantity of savings shares in existence at the Date of the Securities Note, is negligible. Specifically, if the savings shareholders of the New Shares that shareholders are entitled to are fully subscribed, the holdings of ordinary shareholders will be subject to a maximum dilution, in percentage terms of the ordinary capital, of 0.03%.

For more information, see Chapter 9, Paragraph 9.1 of the Securities Note.

2.1.6 Risks connected to the crisis restructuring and resolution mechanisms for credit institutions

The subscription of New Shares implies the assumption of typical risks associated with an investment in risk capital. Investment in New Shares involves the (integral) risk of the loss of the capital invested where the Issuer is subject to insolvency proceedings or finds itself failing or at risk of failure which involves the application of "resolution" instruments, including bail-in.

In this regard, also note that Directive 2014/59/EU of 15 May 2014 (*Bank Recovery and Resolution Directive* – BRRD) on crisis resolution or other crisis management procedures, implemented in Italy through Legislative Decrees 180 and 181 of 16 November 2015, published in the Official Gazette of 16 November 2015, concerns

the establishment of a crisis restructuring and resolution framework for credit institutions and investment companies includes, *inter alia*, the possibility pertaining to Banca d'Italia (in its capacity as National Resolution Authority), of undertaking "resolution" instruments for failing banks or banks at risk of failure, as an alternative to compulsory liquidation proceedings. These instruments include, also combined with one another: 1) the sale of business assets or shares of the entity subject to resolution; 2) the establishment of a bridging organisation; 3) the separation of the unimpaired assets of the failing organisation from those which are deteriorated or impaired; 4) a bail-in, through which the liabilities of the failing organisation are written-down and/or converted with consequent losses for the shareholders and for some categories of creditors (including unsubordinated bondholders).

The decrees implementing the BRRD came into force on 16 November 2015 with the exception of the provisions relating to the bail-in which are expected to apply from 1 January 2016. Specifically, based on the above-mentioned implementing decrees, there has been a shift from a crisis resolution system also based on public resources (bail-out) to a system in which losses are transferred to shareholders, holders of subordinated debt securities, holders of unsubordinated and unguaranteed debt securities, and, lastly depositors for the excess part of the guaranteed share, in other words the part exceeding €100,000.00 (bail-in).

Therefore, through the application of the bail-in instrument, subscribers of the New Shares may suffer a reduction, with the possibility of the nominal value being zeroed, even if there is no formal declaration of insolvency by the Issuer. If a crisis situation should occur, as a result of which the Issuer were subjected to resolution procedures, the New Shares, like the other ordinary shares of the Issuer, could be written-down and/or receivables due to the Issuer could be cancelled or substantially reduced, even if there is no formal declaration of insolvency by the Issuer.

In addition, subscribers of the New Shares could see their stakeholding considerably diluted if other liabilities are converted into shares at conversion rates that are particularly unfavourable for them.

Lastly, note that the public financial support for a bank in crisis can only be granted after the resolution instruments described above have been applied and provided that there is a contribution for the absorption of losses and recapitalisation for an amount of not less than 8% of the total liabilities, including own funds, of the entity calculated at the time of the resolution measure and this is subject to final approval pursuant to European state-aid regulations.

For more information on credit institution crisis restructuring and resolution mechanisms, see Chapter 6, Paragraph 6.1.8 of the Registration Document.

2.1.7 Risks associated with markets in which the Offering is not authorised

The Offering is promoted solely for Italy, Germany and Poland.

The Securities Note constitutes an offer of financial instruments in Italy, Germany and Poland.

The Registration Document, the Securities Note and the Summary Note (which jointly constitute the Prospectus for the Offering) are valid in Italy and, following the procedure in Article 11, paragraph 1 of the Issuer's Regulations, in Germany and Poland. For the purposes of the procedure in Article 11, paragraph 1, of the Issuer's Regulations, the Registration Document and the Securities Note have been translated into English

and the Summary Note into English, German and Polish. With the exception of the above, the Registration Document, the Securities Note and the Summary Note do not constitute an offer of financial instruments in the United States of America, in Canada, Japan or Australia, except for waivers, or in any other country in which this offer is not authorised without the approval of the competent authorities, or without exemption from the applicable laws and regulations (together with the United States of America, Canada, Japan and Australia, these are "**Excluded Countries**").

The New Shares and related Subscription Rights have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or under the corresponding regulations of Canada, Japan, Australia, or any other Excluded Countries, and cannot therefore be offered or sold in, or in any event delivered to, directly or indirectly, the United States of America, Canada, Japan, Australia or any other Excluded Countries.

No financial instrument can be offered or traded in the United States of America, Canada, Japan, Australia or any other Excluded Countries without specific registration in compliance with the provisions of the laws applicable in those countries, or without exemption from those provisions.

The Offering will therefore not be promoted in the United States of America, Canada, Japan or Australia or to residents thereof, nor in any of the other Excluded Countries in which the Offering has not been authorised, without the specific approval of the competent authorities.

Any take-up of the Offering, either directly or indirectly, which is in breach of the above-mentioned restrictions, will be considered invalid.

Shareholders of UniCredit that are not resident in Italy, Germany or Poland, should therefore obtain specific legal advice before taking any steps in relation to the Offering.

UniCredit has also prepared an information memorandum in English (the "International Offering Circular") in relation to the offering to institutional investors intended for: (i) the United States of America, "qualified institutional buyers", as defined by Rule 144A adopted pursuant to the Securities Act ("**QIBs**"), through private placements under Section 4(a)(2) of the Securities Act; and (ii) outside the United States of America, institutional investors in accordance with the provisions of "Regulation S" issued pursuant to the Securities Act.

For more information, see Chapter 5, Paragraph 5.2.1 of the Securities Note.

2.1.8 Risks connected with the delivery date of the New Shares in Germany and Poland

New Shares subscribed by the end of the Subscription Period will be credited to the accounts of the authorised intermediaries belonging to the centralised Monte Titoli management system at the end of the accounting day of the last day of the Subscription Period in Italy and Germany and will therefore be available from the next settlement date.

However, due to the different methods of registering the New Shares at the centralised management systems operating in Germany and in Poland, in these countries the New Shares may be made available to the parties entitled after the above-mentioned deadlines.

For more information about the methods and deadlines for the delivery of the New Shares, see Chapter 5, Paragraph 5.1.8 of the Securities Note.

2.1.9 Risks associated with potential conflicts of interest

Certain relationships between UniCredit and the Underwriters could present conflicts of interest with regard to subscription commitments for any New Shares not taken up – at the end of the auction for rights not taken up – and commitments undertaken under the scope of the Pre-Underwriting Agreements, on the basis of which the Underwriting Joint Global Coordinators, the Co-Global Coordinators and the other Joint Bookrunners will receive the fees. In addition, with regard to the commitments pursuant to the Underwriting Agreement, the Underwriters will receive fees as a percentage of the number of New Shares.

Note that the Underwriters, their subsidiaries or associate companies (i) claim or could claim credit relationships, secured or unsecured, with UniCredit, companies which are part of or sponsored by the UniCredit Group and/or with the shareholders of the latter, (ii) provide, have provided or could provide consulting or investment banking services to UniCredit, UniCredit Group companies and/or shareholders of the latter, (iii) hold or could hold, on their own account or on behalf of their clients, stakeholdings in the share capital or other securities of UniCredit, UniCredit Group companies and/or shareholders of the latter, (iv) are or could be issuers of financial instruments connected with UniCredit or other financial instruments issued by UniCredit, (v) have stipulated or can stipulate with UniCredit, companies that are part of the UniCredit Group and/or with the shareholders of the latter, distribution agreements for financial instruments issued, developed or managed by them, (vi) are or could be counterparties of UniCredit with regard to derivative financial instruments, repos, securities lending, trade finance transaction, clearing agreements or, in general, a series of financial transactions which create or could create a credit or financial exposure to UniCredit or vice versa and (vii) in the context of the transactions in point (vii) hold or could hold collateral guaranteeing UniCredit bonds and/or have the possibility of offsetting the value of these guarantees ("*collateral*") against the sums due from UniCredit when these transactions are cancelled. The Underwriters, their subsidiaries or associate companies, have received, are receiving or will be able to receive commission and/or fees with regard to the provision of these services, the conclusion of such agreements and transactions. Also note that the Underwriters, their subsidiaries or associate companies, when carrying out their ordinary activities may grant loans, enter into financial agreements including margin loans and hedging activities, or enter into financial agreements concerning derivatives and/or collars with one or more finance parties interested in participating in the Rights Issue, including the UniCredit shareholders who intend to subscribe the New Shares (which in the face of such operations could possibly also require the constitution of guarantees involving shares of UniCredit).

UniCredit Bank AG, Milan Branch, a company that is part of the UniCredit Group which together with Morgan Stanley & Co. International plc and UBS Limited acts as a Structuring Advisor and as Joint Global Coordinator, could present conflicts of interest because under the scope of the roles performed in the context of the Offering: (i) it will receive fees, (ii) it provides, has provided or may provide consulting or investment banking services to UniCredit and/or to companies which are part of the UniCredit Group and/or shareholders of the latter, with regard to which it has received, is receiving or may receive fees and/or (iii) has stipulated or can stipulate with UniCredit, with the companies that are part of the UniCredit Group and/or with the shareholders of the latter, distribution agreements for financial instruments issued, developed or managed by them and/or (iv) it could be the issuer of financial instruments connected with UniCredit. UniCredit Bank AG, Milan Branch, has

received, is receiving or may receive commission and/or fees with regard to the provision these services, as well as the conclusion of such agreements and transactions.

Also note that, at the Date of the Securities Note, UniCredit is a shareholder of Mediobanca – Banca di Credito Finanziario S.p.A. ("**Mediobanca**"), holding a stake of 8.54% of its share capital. UniCredit is also a party to the shareholders' agreement of Mediobanca shares which expires on 31 December 2017, and is intended to ensure that the shareholder base of Mediobanca remains stable and has already been entirely used for other income from private investments of the individual shareholder. Finally it is noted that by way of the agreements signed under the scope of the issue of the CASHES which can be converted into UniCredit shares, at the Date of the Securities Note, Mediobanca holds the bare ownership of 9,675,640 UniCredit ordinary shares with UniCredit holding the right of usufruct, which is pledged to Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A., the fiduciary bank acting on behalf of the owners. Mediobanca is also a UniCredit Related-Party.

2.1.10 Risks related to deductions at source for subjects fiscally not resident in Italy

In certain conditions, the Italian fiscal legislation envisages the application of a withholding tax, ordinarily 26%, in relation to certain types of income (dividends and capital gains) perceived by subjects fiscally not resident in Italy; said deduction is reducible as an effect of certain Italian rules, as well as by reason of the application of international treaties against double taxation concluded by Italy (see. Chapter 4, Paragraph 4.11 of the Securities Note).

This deduction, only when it is small and not cancelled, due to the effect of Italian legislation or of the said treaties, could determine the phenomena of economic double taxation for earner subjects fiscally not resident in Italy; in particular, the phenomena in question would take place in their respective countries of residence for tax purposes, if the Italian tax deducted source were not accredited, or were accredited only partially, as the reduction of the tax payable in the country of residence for tax purposes in accordance with the rules applicable locally.

Therefore, Investors are invited to take account of this fact in making an investment in shares of the Issuer and to consult their advisers regarding the correctly applicable tax regime.

For more information on the tax regime for purchasing, holding and selling the Issuer's Shares in Italy, Germany and Poland, see Chapter 4, Paragraphs 4.11.1., 4.11.2 and 4.11.3, respectively, of the Securities Note.

3. KEY INFORMATION

3.1 Declaration relating to working capital

Pursuant to (EC) Regulation 809/2004 and on the basis of the definition of "working capital" - the means through which the UniCredit Group obtains the necessary liquid resources to satisfy the maturing bonds - in ESMA Recommendation 2013/319, the Issuer believes that, at the Date of the Securities Note, the UniCredit Group has a suitable amount of working capital to satisfy its current requirements for a period of at least 12 months from the Date of the Securities Note.

For further information, see Chapters 3, 9 and 10 of the Registration Document.

3.2 Own funds and debt

The following table shows direct deposits, the net interbank balance and the Group's shareholders' net equity as at 30 September 2016.

(in millions of Euros)	
Direct deposits	**590,099**
Deposits from customers	470,296
Debt securities in issue	119,803
Net interbank position	**38,233**
Deposits from banks	114,983
Loans and receivables with banks	76,750
Group shareholders' equity	
Share capital	**20,847**
Issue premiums	14,385
Capital instruments	1,888
Reserves	17,296
Revaluation reserve	(4,944)
Treasury shares	(5)
Profit for the period	1,768
Total	**51,235**

The Issuer declares that, at the date of 30 November 2016: (i) there have not been any significant changes in the data relating to the net assets of the Group and to the debt compared to the values shown in the table above; and (ii) there have not been any significant changes in the direct collection and in the net interbank with respect to the values shown in the table above.

For more information on the own funds and debt of the UniCredit Group, see Chapters 3, 9 and 10 of the Registration Document.

3.3 Material interests of individuals and legal entities participating in the Offering, including any conflicting interests

Several relationships between UniCredit and the Underwriters could present conflicts of interest with regard to the subscription commitments for any New Shares not taken up at the end of the auction for rights not taken up and, with regard to the commitments undertaken under the scope of the Pre-Underwriting Agreements, the Underwriting Joint Global Coordinators, the Co-Global Coordinators and the other Joint Bookrunners will receive the fees. In addition, with regard to the commitments pursuant to the Underwriting Agreement, on the basis of which the Underwriters will receive fees as a percentage of the number of New Shares.

Note that the Underwriters, their subsidiaries or associate companies (i) claim or could claim credit relations, secured or unsecured, with UniCredit, with the companies which are part of or sponsored by the UniCredit Group and/or with the shareholders of the latter, (ii) provide, have provided or could provide consulting or investment banking services to UniCredit, the companies belonging to the UniCredit Group and/or the shareholders of the latter, (iii) hold or may hold, on their own account or on account of their clients, stakes in the share capital and/or other securities of UniCredit, UniCredit Group companies and/or shareholders of the latter, (iv) are or could be issuers of financial instruments connected with UniCredit or other financial instruments issued by UniCredit, (v) have stipulated or can stipulate with UniCredit, companies that are part of the UniCredit Group and/or shareholders of the latter, distribution agreements for financial instruments issued, developed or managed by them, (vi) are or could be counterparties of UniCredit with regard to derivative financial instruments, repos, securities lending, trade finance transactions, clearing agreements or, in general, a series of financial transactions which create or could create a credit or financial exposure to UniCredit or vice versa and (vii) in the context of the transactions in point (vi) hold or could hold collateral against the obligations of UniCredit and/or are able to offset the value of said collateral against the sums due from UniCredit when these transactions are cancelled. The Underwriters, their subsidiaries or associate companies, have received, are receiving or will be able to receive commission and/or fees with regard to these services, agreements and transactions. Also note that the Underwriters, their subsidiaries or associate companies, when carrying out their ordinary activities may grant loans, enter into financial agreements including margin loans and hedging activities, or enter into financial agreements concerning derivatives and/or collars with one or more finance parties interested in participating in the Rights Issue, including the UniCredit shareholders who intend to subscribe the New Shares, (which in the face of such operations could possibly also require the constitution of guarantees involving shares of UniCredit).

UniCredit Bank AG, Milan Branch, a company that is part of the UniCredit Group which together with Morgan Stanley & Co. International plc and UBS Limited acts as a Structuring Advisor and as Joint Global Coordinator, could present conflicts of interest because under the scope of the roles performed in the context of the Offering: (i) it will receive fees, (ii) it provides, has provided or may provide consulting or investment banking services to UniCredit and/or to companies which are part of the UniCredit Group and/or shareholders of the latter, with regard to which it has received, is receiving or may receive fees, (iii) has stipulated or can stipulate with UniCredit, companies that are part of the UniCredit Group and/or with the shareholders of the latter, distribution agreements for financial instruments issued, developed or managed by them, and/or (iv) it could be the issuer of financial instruments connected with UniCredit. UniCredit Bank AG, Milan Branch, has received, is receiving or may receive commission and/or fees with regard to the provision of these services, as well as the conclusion of said agreements and transactions.

Also note that, at the Date of the Securities Note, UniCredit is a shareholder of Mediobanca – Banca di Credito Finanziario S.p.A. ("**Mediobanca**"), owing a stake of 8.54% of the share capital. UniCredit is also a party to the shareholders' agreement of Mediobanca shares which expires on 31 December 2017, and is intended to ensure that the shareholder base of Mediobanca remains stable and has already been entirely used for other income from private investments of the individual shareholder. Finally it is noted that by way of the agreements signed under the scope of the issue of the CASHES which can be converted into UniCredit shares, at the Date of the Securities Note, Mediobanca holds the bare ownership of 9,675,640 UniCredit ordinary shares with UniCredit holding the right of usufruct, which is pledged to Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A., the fiduciary bank acting on behalf of the owners (for more information, see Chapter 21, Paragraph 21.1.3 of the Registration Document). Mediobanca is also a UniCredit Related-Party.

3.4 Reasons for the Offering and use of the funds generated

The Share Capital Increase is one of the main actions of the 2016-2019 Strategic Plan. The Rights Issue, together with some other measures as part of the 2016-2019 Strategic Plan, is aimed at enabling the Group's capital requirements to be maintained following the implementation of the measures in the Strategic Plan, as well as aligning these requirements with those of the best Global Systemically Important European Institutions - "G-SII Europe", where the average (fully loaded) CET1 ratio was 13.1% based on the published quarterly data as at 30 September 2016[1].

The Share Capital Increase is aimed at enabling UniCredit to withstand the negative impacts of some of the actions in the Strategic Plan and at strengthening the capital ratios, specifically:

- dealing with a proactive reduction of the risk of balance sheet assets, specifically connected to the Italian loan portfolio (including credit underwriting activity going back to the years before the financial crisis), through the accounting of net adjustments on receivables from the change in approach concerning the new management strategy for impaired loans and the anticipated sale of a portfolio of impaired loans through a securitisation transaction, estimated at Euro 8.1 billion;

- absorbing the accounting of integration costs for a total amount of approximately Euro 1.7 billion net of tax effects, aimed at funding the exit from the Group of approximately 5,600 employees through a combination of early retirement and incentivised departure plans; and

- dealing with several write-downs on balance sheet asset items for a total estimated amount equal to Euro 1.4 billion.

In addition, according to the Strategic Plan, the Group intends to strengthen its capital ratios, including the (fully loaded) Common equity tier 1 ratio, which, as at 30 September 2016, stood at 10.8% bringing this figure to over 12.5% in 2019.

In this regard note that the contribution of the Share Capital Increase in terms of the CET1 ratio was estimated at 345 basis points at 30 September 2016 and is aimed, among other things, at offsetting the negative impacts

[1] Source: calculation of the Issuer based on published financial statements.

in terms of the CET1 ratio from the "Fino Project" and "Porto Project" (resulting in an overall reduction of 223 base points).

In consideration of the above, the pro-forma CET1 ratio as at 30 September 2016 was 13.71%, taking into consideration - in addition to the impacts described in the previous paragraphs - the positive effects as a result of the following transactions: (i) the sale of Bank Pekao (+58 basis points); (ii) the sale of almost all the assets of PGAM (+91 basis points); (iii) the accelerated bookbuilding of FinecoBank (+12 basis points); (iv) the transfer of PJSC Ukrsotsbank (+6 basis points); and (v) the sale of Immo Holding (+2 basis points).

In this regard, note that, also taking into account the other one-off write-downs which the Issuer's Board of Directors of the 30 January 2017 took into account for the purpose of examining the estimates of the consolidated preliminary results for 2016 (see Chapter 13, Paragraph 13.1.6 of the Registration Document, as supplemented pursuant to Chapter 11, Paragraph 11.3 of the Securities Note), the financial objectives of the Strategic Plan remain unchanged (including the *CET1 ratio* objective specified in the previous paragraph), insofar as most of the impacts of the said one-off entries were already included in the Projected Data (see Chapter 13, Paragraph 13.1.3 of the Registration Document).

The liquidity from the Share Capital Increase, aimed at strengthening and optimising the capital structure of the Group increasing the regulatory capital buffers in particular, will, in the short-term, be used, on the one side to reduce net deposits in repos made by the Issuer on the market and, on the other side, it will be used in money market instruments.

From a medium-term perspective, this permanent source of funding will also partly be used to support the anticipated development of commercial activities.

For further information, see Chapter 13 and Chapter 20, Paragraph 20.2 of the Registration Document.

For the net income from the Share Capital Increase, see Chapter 8, Paragraph 8.1 of the Securities Note.

4. INFORMATION ON THE FINANCIAL INSTRUMENTS IN THE OFFERING

4.1 Description of the New Shares

The Offering involves a maximum of 1,606,876,817New Shares with no par value, equivalent to 72.23% of the Post-Issue Amount of UniCredit Ordinary Share Capital and 72.22% of the Post-Issue Amount of UniCredit Share Capital.

The New Shares will have standard dividend rights, and will therefore be equivalent to ordinary shares of UniCredit traded on the MTA, on the market regulated by the Frankfurt Stock Exchange (General Standard segment) and on the main market of the Warsaw Stock Exchange, on the date of issue.

Consequently, the New Shares will have coupon no. 2 onwards, and the ISIN code will be IT0005239360.

The Subscription Rights for subscription of the New Shares have been allocated ISIN code IT0005239311; the Subscription Rights are represented by coupon no. 1 for both the ordinary shares and savings shares.

4.2 Legislation under which the New Shares will be issued

The New Shares will be issued under Italian law and will be governed by this legislation.

4.3 Characteristics of the New Shares

The New Shares will be indivisible, freely transferable, registered shares issued in dematerialised form.

The New Shares will be entered on the centralised Monte Titoli management system for dematerialised financial instruments pursuant to the TUF (Consolidated Financial Act) and related implementing provisions.

The New Shares which are subscribed in Germany and in Poland will also be issued in dematerialised form and entered on the centralised Monte Titoli management system for dematerialised financial instruments, and they will subsequently be registered in the accounts that the German and Polish central securities depositories, Clearstream Frankfurt and NDS respectively, hold directly or indirectly with Monte Titoli. These New Shares will then be entered on the centralised management systems of Clearstream Frankfurt and NDS.

4.4 Issue currency of the New Shares

The New Shares will be denominated in Euro.

4.5 Description of the rights attached to the New Shares

The New Shares will have the same characteristics and will confer the same rights as ordinary shares of UniCredit traded on the MTA, on the market regulated by the Frankfurt Stock Exchange (General Standard segment) and on the main market of the Warsaw Stock Exchange, on the date they are issued.

Each New Share will confer the right to one vote.

For the restrictions imposed by the Corporate By-Laws on the exercise of voting rights and the other rights attached to the New Shares, see Chapter 21 of the Registration Document.

4.6 Resolutions, authorisations and approvals under which the New Shares will be issued

On 12 January 2017, the extraordinary Shareholders' Meeting of UniCredit, on the proposal of the Board of Directors of 12 December 2016, approved the Rights Issue under which the New Shares will be issued.

Specifically, the extraordinary Shareholders' Meeting of 12 January 2017 resolved, among other things, to:

1) approve a share capital increase to be paid through a contribution in cash of up to a maximum of Euro 13 billion, including any issue premium, to be carried out in one or more tranches, in divisible form, by 30 June 2017, through the issue of ordinary shares with no par value, with standard dividend rights, to be offered to existing holders of ordinary shares and savings shares of the Company, pursuant to Article 2441, paragraphs one, two and three of the Civil Code;

2) confer the widest-ranging powers on the Board of Directors to execute the rights issue and, among other things, to:

   (i) set the definitive amount of the Share Capital Increase close to the launch of the offering;

   (ii) determine, also as a result of the provisions of (i), the subscription price of the shares, the portion to be allocated to the share capital and that to be allocated to the share premium reserve, the effective terms of the subscriptions, the number of shares to issue and the option ratio applicable to ordinary and savings shares; and

   (iii) decide the timeframe for the execution of the share capital increase resolution, specifically for the launch of the offering of subscription rights, as well as the later offering on the stock exchange of any rights that have not been taken up at the end of the subscription period, in relation to the final deadline of 30 June 2017, it being understood that, if the share capital increase has not been fully subscribed by this deadline, the share capital will be understood as having increased by an amount equal to the subscriptions received;

3) confer on the Chairman of the Board of Directors and on the CEO, also severally, under the limits of the law, all, wide-ranging powers and rights to do whatever is necessary and appropriate for the implementation, in full and involving all individual parts, of the resolutions adopted for the successful outcome of the transaction, including, for example and not limited to, the power to prepare and present every document required for the purpose of executing the approved share capital increase, as well as complying with the necessary formalities for proceeding with the offering and admission to listing of the newly issued ordinary shares on the significant markets, including the power to prepare all claims, applications, documents or prospectuses to the competent authorities, which are necessary or appropriate, as well as to comply with the necessary formalities so that all the resolutions adopted by the actual Shareholders' Meeting obtain the necessary legal approval and, in general, everything needed for the full execution of the actual resolutions, with all and every power necessary or appropriate for this purpose, with no exclusions or exceptions, including the power to make changes to the inherent by-laws and those resulting from the approval of the Board of Directors pursuant to the previous point 2), as well as the

power to make changes of a non-essential nature to the resolutions adopted by the actual Shareholders' Meeting deemed necessary and/or appropriate for annotation in the Companies Register and/or in relation to any advertising requirement with regard to the results of the execution of the share capital increase decided above.

On 1 February 2017, the Board of Directors of the Company finalised the conditions of the Rights Issue.

For the purpose of calculating the New Shares in the Common equity tier 1, UniCredit also submitted a special application to the ECB, pursuant to Article 26, paragraph 3 of the CRR; the ECB issued its provision on 10 January 2017.

For more information, see Chapter 5 of the Securities Note.

4.7 Date scheduled for the issue of New Shares

The New Shares subscribed by the end of the Subscription Period will be credited to the accounts of authorised intermediaries belonging to the centralised Monte Titoli management system at the end of the accounting day of the last day of the Subscription Period in Italy and Germany and will therefore be available from the next settlement date.

New Shares subscribed by the end of the Market Offering will be credited to the accounts of intermediaries belonging to the centralised Monte Titoli management system at the end of the accounting day of the last day to exercise Subscription Rights, and will therefore be available from the next settlement date.

Due to the different methods of registering New Shares at Clearstream Frankfurt and NDS, in Germany and Poland it is possible that New Shares may not be made available to the parties entitled under the terms indicated above (with regard to the notification concerning the completed allocation see Chapter 5, Paragraph 5.2.4 of the Securities Note).

4.8 Restrictions on the free transferability of the New Shares

There are no restrictions on the free transferability of the New Shares pursuant to the law, by-laws or resulting from the conditions of issue. For information on the restrictions imposed by the Corporate By-Laws on the exercise of voting rights, see Chapter 21, Paragraph 21.2.3 of the Registration Document.

4.9 Existence of regulations, if applicable, on the obligation to make a public tender offer and/or sell-out obligations and squeeze-out rights in relation to the New Shares

The New Shares will be subject to the regulations set out in the TUF and the related implementing regulations, including the Issuer Regulations, with particular reference to the rules on mandatory public tender offers (Article 106 of the TUF) and on sell-out obligations (Article 108 of the TUF) and squeeze-out rights (Article 111 of the TUF).

4.10 Public tender offers made by third parties in respect of the shares of the Company during the previous or current financial year

There have been no public tender offers made by third parties in respect of the ordinary and savings shares of UniCredit during the previous or current financial year.

4.11 Tax regime

4.11.1 Italy

The following is a general summary of certain tax consequences of acquiring, holding and disposing of the New Shares for certain investors. It does not purport to be a complete analysis of all tax consequences of acquiring, holding and disposing of the New Shares.

The tax regime described below is based upon the Italian tax laws in force at the Date of the Securities Note, subject to any changes in law occurring after such date, which could be made on a retroactive basis. In particular, such changes may result in amendments to the withholding tax rates on investment income and other financial income, or to the substitute tax rates levied on such income. As a result, the approval of any amendments to the current rules might affect the tax regime of the New Shares as described in these paragraphs. In such cases, UniCredit will not update this section to reflect the changes in the law, even in the case, should any such change occur, that the information in this summary is superseded.

Decree-Law 66 of 24 April 2014 (hereinafter "**D.L 66/2014**"), as amended by Law 89 of 23 June 2014, provides for the withholding taxes and substitute taxes on capital income referred to in Article 44 of Presidential Decree 917 of 22 December 1986 (hereinafter "**Presidential Decree 917/1986**") and on other income referred to in Article 67, paragraph 1, c-*bis* to c-*quinques,* of Presidential Decree 917/1986 to be applied at a rate of 26%, with some exceptions, for which the previous rates shall be maintained.

More specifically, pursuant to Decree-Law 66/2014, the rate of 26% applies to the withholding taxes and substitute taxes on profits and similar revenues, as well as on other income, generated as of 1 July 2014.

Investors should consult their advisers as to the overall tax consequences of acquiring, holding and disposing of New Shares.

Definitions

For the purposes of this Paragraph, the terms defined below will have the following meanings:

- "New Shares": the ordinary shares of UniCredit subject of the Offering;
- "Qualified Shareholding": a shareholding in a company listed on a regulated market, constituted by any shares (except for savings shares), rights or securities through which the shares may be acquired, representing a total shareholding exceeding 2% of the total number of shares with voting rights in the Ordinary Shareholders' Meeting, or 5% of the share capital;

- "Non-Qualified Shareholding": a shareholding in a company listed on a regulated market other than a Qualified Shareholding;

- "Sale of a Qualified Shareholding": any sale of shares under consideration (except for savings shares), rights or securities through which the shares may be acquired, exceeding the limits of a Qualified Shareholding in any 12-month period. The 12-month period commences when a shareholding exceeding the applicable limit is acquired. With respect to the rights and securities through which the shares may be acquired, the percentages of voting rights and share capital potentially deriving from such shares are taken into account;

- "Sale of a Non-Qualified Shareholding": any sale of shares under consideration (except for savings shares), rights or securities through which the shares may be acquired, except from a Sale of a Qualified Shareholding.

Dividends paid to parties residing in Italy

Dividends paid on the New Shares are subject to the ordinary tax regime applicable to dividends paid by companies residing in Italy for tax purposes. In particular, such dividends are subject to the following different tax regimes, depending on the nature of the beneficiary:

Individual shareholders

Dividends paid to individual shareholders resident in Italy on shares owned outside of a business activity and as part of a Non-Qualified Shareholding are subject to a 26% withholding tax pursuant to Article 27, paragraph 1 of Presidential Decree 600/1973 to be charged back to the recipient, and which the shareholders are not obliged to report in the tax return.

However, dividends paid in relation to shares held in the centralised Monte Titoli deposit system, such as the New Shares, are not subject to such withholding tax but to a final substitute tax, levied at the same rate of 26% pursuant to Article 27-*ter* of Presidential Decree 600/73), from the resident or non-resident intermediaries with whom the securities are deposited, belonging to the centralised Monte Titoli management system or via the foreign centralised systems belonging to the Monte Titoli system. Non-resident intermediaries appoint a fiscal representative in Italy, such as a bank, an Italian brokerage company, a permanent establishment in Italy of non-resident banks and brokerage companies, or an authorised investment management company pursuant to Article 80 of the TUF.

If a shareholding is included in a portfolio of financial assets managed by a qualified intermediary, and the shareholder has opted for the discretionary investment portfolio regime, dividends paid on such shareholding are not subject to the tax regime described above, and are included in the computation of the increase in value of the managed assets accrued annually, which is subject to a 26% substitute tax (see the Paragraph below on taxation of capital gains made by individuals resident in Italy "Sale of Non-Qualified Shareholdings").

Dividends received by individuals who are resident in Italy for tax purposes on shares held in connection with a business activity, i.e. a Qualified Shareholding, are not subject to any withholding tax or substitute tax, provided that the individual shareholders, at the time of the dividend payments, make a declaration to that effect.

Such dividends are partially included in the individual shareholders' taxable income. Following the enactment of Article 1, paragraph 38, of Law 244 of 24 December 2007 (the "**2008 Budget Law**"), by Ministerial Decree of 2 April 2008, the Ministry of Economy and Finance increased the taxable part of such dividends from 40% to 49.72% of the related amount, to be subject to personal income tax ("**IRPEF**"). The new taxable percentage applies to dividends paid out of profits realised in any tax year following the tax year to 31 December 2007, while dividends paid out of profits realised up to the tax year to 31 December 2007 are still subject to tax in the amount of 40%. Therefore, as of the distribution which follows the distribution of profits realised in the tax year to 31 December 2007, profits realised by the company until this date will be deemed to have been distributed first. Law no. 208 of 28 December 2015 (the 2016 Stability Law) makes provision in Article 1, paragraph 64, for the percentages contributing to taxable income pursuant to Articles 47, paragraph 1, 58, paragraph 2, 59 and 68, paragraph 3 of the TUIR and Article 4, paragraph 1, letter q) of Legislative Decree 344/2003 to be recalculated according to the reduction of the IRES rate to 24% provided for through Article 1, paragraph 61 of Law no. 208 of 28 December 2015 with effect from the tax year after the one to 31 December 2016 (2016 Stability Law).

Partnerships, corporations, and commercial entities

Dividends received by general partnerships, limited partnerships and similar entities (excluding non-commercial partnerships) listed under Article 5 of Presidential Decree 917/1986, and by entities subject to corporation tax ("**IRES**") listed under Article 73, paragraph 1, letters a) and b) of Presidential Decree 917/1986, such as joint stock companies, partnerships limited by shares, limited liability companies, public and private entities whose sole or principal purpose is to carry out a business activity, which are resident in Italy for tax purposes, are not subject to any withholding tax or substitute tax.

In particular, dividends received by:

- partnerships (for example, general partnerships and limited partnerships), are partially included in the recipient's total taxable income for 49.72% of the dividend amount, with respect to dividends paid out of profits realised in the tax year following the tax year underway at 31 December 2007; Law no. 208 of 28 December 2015 (the 2016 Stability Law) makes provision in Article 1, paragraph 64, for the percentages contributing to taxable income pursuant to Articles 47, paragraph 1, 58, paragraph 2, 59 and 68, paragraph 3 of the TUIR and Article 4, paragraph 1, letter q) of Legislative Decree 344/2003 to be recalculated according to the reduction of the IRES rate to 24% provided for through Article 1, paragraph 61 of Law no. 208 of 28 December 2015 with effect from the tax year after the one to 31 December 2016 (2016 Stability Law);
- entities subject to IRES (e.g. joint stock companies and limited liability companies), are included in the entity's total taxable income up to 5% of their amount, which is subject to tax at the ordinary rate, currently 24% following the tax year to 31 December 2016. Dividends received on shareholdings held for trading purposes by companies who apply the international accounting standards to their financial statements are included in the recipient's taxable income for the entire amount.

For certain types of companies and entities, under specific conditions, dividends are to be included in the net value of production subject to IRAP (Regional Tax on Productive Activities).

Non-commercial entities

Dividends received by entities listed under Article 73, paragraph 1, letter c) of Presidential Decree 917/1986, such as public and private entities other than companies not having the sole or principal purpose of carrying out a business activity, are not subject to any withholding tax or substitute tax and are included in the entities' total taxable income subject to IRES in the amount of 77.74%. Law no. 208 of 28 December 2015 (the 2016 Stability Law) makes provision in Article 1, paragraph 64, for the percentages contributing to taxable income pursuant to Articles 47, paragraph 1, 58, paragraph 2, 59 and 68, paragraph 3 of the TUIR and Article 4, paragraph 1, letter q) of Legislative Decree 344/2003 to be recalculated according to the reduction of the IRES rate to 24% provided for through Article 1, paragraph 61 of Law no. 208 of 28 December 2015 with effect from the tax year following the one to 31 December 2016 (2016 Stability Law).

Tax-exempt and excluded entities

Dividends received by entities resident in Italy and exempt from IRES are subject to a withholding tax in the amount of 26% pursuant to Article 27, paragraph 5 of Presidential Decree 600/73. However, dividends distributed on profits from shares held in the centralised Monte Titoli deposit system, such as the New Shares, are not subject to such withholding tax but to a final substitute tax, levied at the same rate of 26% pursuant to Article 27-*ter* of Presidential Decree 600/73). Dividends paid to entities excluded from IRES, pursuant to Article 74 of Presidential Decree no. 917/1986 (i.e. government bodies and authorities, including those which are organised autonomously, even if they have legal personality, municipalities, consortia made up of local entities, associations and government departments that manage state-owned property, mountain communities, provinces and regions) are not subject to withholding tax or substitute tax.

Real estate investment funds

Pursuant to Decree Law no. 351 of 25 September 2001, converted into Law no. 410 of 23 November 2001 and later amendments and supplements, dividends received by real estate investment funds established pursuant to Article 37 of the TUF, or Article 14-bis of Law no. 86 of 25 January 1994, are not subject to withholding or substitute tax.

Pension funds and Italian UCIs

Dividends received by pension funds established pursuant to Legislative Decree no. 252 of 5 December 2005 are not subject to any withholding tax or substitute tax and are included in the annual net accrued profit of such funds, which is subject to a substitute tax of 20%.

Dividends received by Italian Undertakings for Collective Investment ("**UCIs**") other than real estate funds and Luxembourg-registered investment funds which are already authorised for placement in Italy pursuant to Article 11-*bis* of Decree-Law 512 of 30 September 1983, converted by Law 649 of 25 November 1983 ("Luxembourg historical funds"), are not subject to withholding tax or substitute tax.

Dividends paid to non-resident shareholders

Dividends received by shareholders who are not resident in Italy for tax purposes, and who do not have a permanent establishment in Italy where the relevant shareholding is held, are subject to a 26% withholding tax

at source pursuant to Article 27, paragraph 3 of Presidential Decree 600/73. However, dividends paid in connection with New Shares held in the centralised Monte Titoli deposit system are not subject to the withholding tax but to a substitute tax levied at the same rate of 26%. On this substitute tax, see the Paragraph relating to the taxation of dividends received by resident individual shareholders, above. Dividends received by a non-resident shareholder which has a permanent establishment in Italy where the shareholding is held, are not subject to any withholding tax and are included in the permanent establishment's taxable income in the amount of 5% of the dividend amount, or for the entire amount if relating to securities held for trading by entities applying the international accounting standards. In some cases, dividends are to be included in the net value of production subject to IRAP. The withholding tax and the substitute tax are reduced to 1.20% on dividends paid as of 1 January 2017 to companies and entities (i) fiscally residing in an EU Member State, or a State which is part of the European Economic Area and is included in the list to be approved by the Ministry of Economy and Finance Ministerial Decree pursuant to Article 168-*bis* of Presidential Decree 917/1986; and (ii) subject to tax in their country of residence. Until the aforementioned decree is issued by the Ministry of Economy and Finance, it is necessary to refer to the decree issued by the Finance Minister on 4 September 1996, as subsequently amended, which contains a list of the States with which information can be exchanged pursuant to double income taxation treaties in force with Italy.

For the purposes of applying the rate of 1.20%, non-resident beneficiaries must make a specific application to the issuer or custodian of the shares which is required to levy the substitute tax, accompanied by a suitable certificate of residency and fiscal status issued by the competent authorities in the State of residence.

Dividends received by pension funds established in an EU Member State or a European Economic Area State and included in the list to be prepared by decree of the Ministry of Economy and Finance pursuant to the aforementioned Article 168-*bis*, are subject to withholding or substitute tax in the amount of 11%.

Pursuant to Article 27-*bis* of Presidential Decree 600/1973, in the event that dividends are received by a beneficiary company that (a) has one of the forms provided for in the Annex to Directive 435/90/EEC; (b) is resident for tax purposes in an EU Member State without being considered, for the purposes of a double income taxation treaty with another State, resident outside of the European Union; (c) is subject, in the State of residence, without benefiting from any options or exemptions that are not limited in terms of geography or time, to one of the taxes indicated in the aforementioned Directive; and (d) holds a direct shareholding of at least 10% in share capital of the Issuer, for an uninterrupted period of at least one year; such company is entitled to request that the Italian tax authorities reimburse it for the withholding tax or substitute tax applied to the dividends received by the company. To this end, the non-resident company must produce a certificate issued by the competent tax authorities in the foreign State, confirming that the company meets the requirements set out in points (a), (b) and (c), together with suitable documentation proving the existence of the conditions set out in point (d). Furthermore, based on the provisions of Article 27-*bis* of Presidential Decree 600/1973 and in light of the information provided by the Italian tax authorities, if the aforementioned conditions are met, as an alternative to applying for reimbursement after the dividend has been distributed, and provided that the shareholding has already been held for one year when the dividend is distributed, the non-resident company may directly ask the issuer or custodian of the New Shares not to apply the withholding tax or substitute tax, subject to timely presentation of the aforementioned documentation. In relation to non-resident companies which are directly or indirectly controlled by companies not resident in an EU Member State, the aforementioned regime can be used only if the companies in question prove that they do not hold their shareholding for the sole or principal purpose of benefiting from said regime.

Neither withholding tax nor substitute tax is applicable to dividends pertaining to international entities or organisations that are exempt from taxation in Italy by law or pursuant to international treaties enforceable in Italy.

Holders of shares who are non-resident in Italy for tax purposes, other than savings shares, as well as the companies and entities listed in the previous paragraph, can claim a refund of up to eleven-twenty sixths pursuant to Article 27, paragraph 3 of Presidential Decree 600/73 of the withholding tax levied in Italy, if the shareholder provides a certification of the foreign tax authority evidencing that that amount of tax has been paid in his or her State of residence.

As an alternative to this refund, a reduced tax rate may apply pursuant to any applicable international convention against double taxation. Such international conventions generally provide non-resident shareholders with the right to apply for a refund of that part of the withholding tax applied in excess of the maximum rate applicable in Italy under the convention. However, with respect to shares held in the centralised Monte Titoli deposit system, such as the New Shares, the substitute tax can be directly applied by the depository, or by its fiscal representative, if the depository is not a resident entity, at the lower conventional rate, provided that the relevant participant in the Monte Titoli system promptly receives:

- a declaration from the non-resident beneficiary indicating their personal information, confirming that the treaty conditions are satisfied, and indicating any elements necessary to determine the applicable treaty tax rate; and
- certification from the tax authorities of the beneficiary's State of residence stating that the beneficiary is a resident of that State for treaty purposes (this certification is effective until 31 March of the year subsequent to that in which it is submitted).

Distribution from Capital Reserves

Special rules apply to the distribution of certain capital reserves, including reserves or funds created with issue premiums, adjusted interest paid by subscribers, capital contributions or capital account payments made by shareholders and with tax-exempt monetary revaluation funds. Under certain circumstances, such distribution may trigger taxable income in the hands of the recipient depending on the existence of current profits or outstanding reserves registered in the financial statements of the company at the time of the distribution and on the actual nature of the reserves so distributed. The application of such provisions may also have an impact on the tax basis in the New Shares or on the characterisation of the taxable income received and the tax regime applicable to it. Non-resident shareholders may be subject to tax in Italy as a result of the distribution of such reserves.

Investors should consult their advisers in case any distribution of reserves occurs.

Capital gains on the sale of shares

Shareholders resident in Italy

Individual shareholders

Capital gains made by individuals resident in Italy for tax purposes through the disposal of New Shares for consideration and/or the rights through which the shares may be acquired, contrary to those in connection with a business, are subject to a different tax regime depending on whether such sale is a Sale of Qualified Shareholdings or a Sale of Non-Qualified Shareholdings.

(a) Sale of Non-Qualified Shareholdings

Capital gains, net of capital losses, from the Sale of Non-Qualified Shareholdings are subject to substitute tax on the share capital gains at a rate of 26% pursuant to Article 5 of Legislative Decree 461/1997, according to one of the following regimes:

- so-called tax return regime: this regime automatically applies if one of the other two regimes described below is not chosen; the shareholder must report on his or her annual income tax return the overall capital gains made in the tax year, and pay the substitute tax according to the terms and conditions with the income tax due for the same tax year. Capital losses exceeding such capital gains may be carried forward against similar capital gains made in the next years up to the fourth tax year;
- so-called non-discretionary investment portfolio regime: this regime is applicable only if the shareholder's New Shares are deposited for safekeeping or in administration on behalf of an authorised intermediary, and the taxpayer makes a decision in writing to opt for this regime. The intermediary with whom the shares are deposited pays the substitute tax on the capital gains made after each sale of New Shares, with a deduction levied on the amount paid out to the shareholder. Where a sale results in a net capital loss, the intermediary is entitled to deduct such capital loss from similar capital gains subsequently made on assets held by the shareholder on the same deposit account in the same tax year or the four subsequent years;
- so-called discretionary investment portfolio regime: this regime applies if the shares are included in a portfolio managed by a duly authorised financial intermediary. Under this regime, at the end of each tax period, a 26% substitute tax is levied by the financial intermediary on the increase accrued in the portfolio value, even if not yet cashed, net of any income subject to withholding tax and tax-exempt income and income to be included in the beneficiary's overall taxable income. Under the discretionary investment portfolio scheme, capital gains made from the Sale of Non-Qualified Shareholdings are included in the net annual results accrued under the portfolio management in the relevant tax year, subject to a 26% substitute tax. Any investment portfolio losses accrued during the tax year may be carried forward and netted against net profits accrued in the four years following the tax year in which the loss is accrued.

Under the second and third regimes described above, the investor is not required to report the capital gains on his or her annual income tax return.

Regardless of the applicable tax regime, Decree-Law 66/2014 states that, as of 1 July 2014, other income derived from the bonds and other securities referred to in Article 31 of Presidential Decree 601 of 29 September 1973 and similar securities, and from the bonds issued by countries included in the list referred to in the decree

issued pursuant to Article 168-*bis* of Presidential Decree 9171986, is calculated at a rate of 48.08% of the amount generated.

It also states that, with regard to the tax regime of offsetting capital losses, losses and negative differences generated after 31 December 2011 and until 30 June 2014 with the capital gains and other income referred to in Article 67, paragraph 1, c-*bis* to c-*quinques* of Presidential Decree 917/1986 generated after the latter date, the offsetting will be applicable to an amount equal to 76.92% of the same, maintaining the time limit for deduction provided in the year the amounts are generated and the four subsequent years.

For individual portfolio management pursuant to Article 7 of Legislative Decree 461/1997, there is provision that any losses generated between 1 January 2012 and 30 June 2014 be deducted from future profits generated, for an amount equal to 76.92% of the same, maintaining the time limit for deduction provided in the year the amounts are generated and the four subsequent years.

(b) Sale of Qualified Shareholdings

Capital gains made by individual shareholders resident in Italy for tax purposes on the Sale of Qualified Shareholdings, contrary to those in connection with a business, net of any similar capital loss, are partially included in the shareholder's taxable income subject to IRPEF. In implementation of the 2008 Budget Law, the Ministry of Economy and Finance, by Ministerial Decree of 2 April 2008, increased the amount of such capital gains subject to tax from 40% to 49.72%, with respect to capital gains made as of 1 January 2009. The previous percentage of 40% still applies to capital gains made before 1 January 2009 but which are fully or partly cashed from that date onwards. Law no. 208 of 28 December 2015 (the 2016 Stability Law) makes provision in Article 1, paragraph 64, for the percentages contributing to taxable income pursuant to Articles 47, paragraph 1, 58, paragraph 2, 59 and 68, paragraph 3 of the TUIR and Article 4, paragraph 1, letter q) of Legislative Decree 344/2003 to be recalculated according to the reduction of the IRES rate to 24% provided for by Article 1, paragraph 61 of Law no. 208 of 28 December 2015 with effect from the tax year after the one to 31 December 2016 (2016 Stability Law).

Capital gains made on the Sale of Qualified Shareholdings must be included in the recipients' tax returns.

Capital losses are deducted from taxable income, and capital losses in excess can be carried forward and offset against capital gains made in the following four tax years.

Individual shareholders that hold shares in connection with a business and partnerships

Capital gains made by individuals resident in Italy for tax purposes on the disposal of New Shares for consideration held in connection with a business, and by partnerships listed under Article 5 of Presidential Decree 917/1986, excluding non-commercial partnerships, are included in the recipients' overall taxable income for the entire amount, subject to income tax in Italy at ordinary rates. However, if the conditions indicated in the following paragraph are satisfied, such capital gains shall be subject to tax in the amount of 49.72% of the capital gains made from 1 January 2009 onwards (see the previous paragraph on taxation of capital gains made by individuals resident in Italy, "Sale of Qualified Shareholdings"). Law no. 208 of 28 December 2015 (the 2016 Stability Law) makes provision in Article 1, paragraph 64, for the percentages contributing to taxable income pursuant to Articles 47, paragraph 1, 58, paragraph 2, 59 and 68, paragraph 3 of the TUIR and Article 4, paragraph 1, letter q) of Legislative Decree 344/2003 to be recalculated according

to the reduction of the IRES rate to 24% provided for through Article 1, paragraph 61 of Law no. 208 of 28 December 2015 with effect from the tax year after the one to 31 December 2016 (2016 Stability Law).

Corporations and commercial entities

Capital gains made on the sale or disposal of New Shares for consideration by Italian resident companies and public and private entities whose sole or principal purpose is to carry out a business activity are included in their taxable income and are subject to tax in their full amount according to the ordinary rules. If the New Shares are held and accounted for as fixed financial assets in the three-year period preceding the disposal, the shareholder may opt to spread any realised gain on a straight-line basis across the five-year period commencing in the tax year in which the gain is realised. Capital losses arising from the sale of the shares are deductible excluding an amount equal to the non-taxable dividends (or interim dividends) received in the 36 months preceding the sale, with respect to New Shares acquired in the 36 months preceding the sale, except in the event that the seller applies international accounting standards.

Capital gains arising from the disposal of shares for consideration in an Italian resident company listed on a regulated market, such as the New Shares, are exempt from IRES in the amount of 95% of such capital gain, whereas the remaining 5% is included in the shareholders' taxable business income, which is subject to IRES, provided that the following conditions are met:

(a) the shareholding must be held, without interruption, from the first day of the twelfth month prior to the month in which the sale occurs (the most recently purchased shares being deemed to have been sold first);

(b) the shareholding must be recorded in the balance sheet of the shareholder as a fixed financial asset in the first year of the holding period. For entities which prepare their financial statements based on international accounting standards, financial instruments other than those held for trading are considered fixed financial assets.

The relative capital losses, however, are disallowed for tax purposes if the shareholding has been held, without interruption, from the first day of the twelfth month prior to the month in which the sale occurs. In any other cases, capital losses in excess of Euro 50,000 must be reported to the Italian Revenue Agency together with information about the transactions in the tax return. Under certain conditions, capital gains on disposals of shares realised by certain companies and commercial entities (e.g. banks and insurance companies) are also to be included in the net value of production subject to Regional Tax on Productive Activities ("**IRAP**").

Non-commercial entities

Capital gains made by Italian resident non-commercial entities are subject to the tax regime described in connection with capital gains made by individuals on holdings, rather than in connection with a business.

Pension funds and UCIs

Capital gains made by pension funds resident in Italy for tax purposes and UCITS, other than real estate funds, are subject to the same tax regime described under the paragraph relating to the taxation regime of dividends received by such funds.

Real estate investment funds

Capital gains made by real estate investment funds established pursuant to Article 37 of the TUF and Article 14-*bis* of Law 86 of 25 January 1994 are subject to the same tax regime described under the paragraph relating to the taxation of dividends received by such funds.

Shareholders resident outside of Italy

Capital gains made by persons not resident in Italy for tax purposes, without a permanent establishment in Italy through which the relevant shareholding is held, from:

- sales of Non-Qualified Shareholdings in Italian companies listed on a regulated market, such as UniCredit, are not subject to taxation in Italy, even if they are held there. In order to benefit from this exemption, non-Italian resident shareholders may need to file a certificate evidencing their residence outside of Italy for tax purposes;

- sales of Qualified Shareholdings are included in the shareholder's taxable income for an amount equal to 49.72% of the capital gains, in connection with capital gains made as from 1 January 2009 (see the previous paragraph on taxation of capital gains made by individuals resident in Italy, "Sale of Qualified Shareholdings").

However, the tax regime described above will not prevent the application of any exemption regime applicable in Italy pursuant to any international double income taxation treaties in force.

Capital gains made by non-resident shareholders holding the shareholding through a permanent establishment in Italy are included in the permanent establishment's overall tax basis pursuant to the tax regime indicated for capital gains made by corporations resident in Italy for tax purposes.

Transfer tax

Decree Law 248 of 31 December 2007, converted by Law 31 of 28 February 2008, repealed the Italian transfer tax enacted with Royal Decree 3278 of 30 December 1923, as amended by Article 1 of Legislative Decree 435 of 21 November 1997.

Following the repeal of the transfer tax, share transfers made by public deed or certified private agreement are subject to registration tax for a fixed amount of Euro 200; transfers made by non-certified private agreement are subject to the same tax, for a fixed amount of Euro 200, in case of use.

Stamp duty on communications about financial products and instruments

Substitute stamp duty pursuant to Article 13, paragraph 2-*ter,* Tariff, section one, attached to Presidential Decree 642/72 applies at a rate of 0.2 per mille per year on periodic communications sent by banks and other financial intermediaries to customers about financial instruments deposited (such as the New Shares) as well as financial instruments and products not subject to statutory filing. The statement or account is, in any event, sent once a year even if there is no obligation to do so.

The tax applies to the total market value (or, if this is not available, to the nominal or repayment value and, if this is not available either, to the book or purchase value) of the financial instruments deposited at the closing date of the statement. If the statement is for a period of less than one year, the tax is proportional to the reporting period. Only for customers other than physical persons, the tax cannot be more than Euro 14,000 per year.

Stamp duty applies both to resident and non-resident investors provided that the financial products or instruments are held at an intermediary with offices in Italy.

Tax on foreign financial assets ("IVAFE")

Financial assets of resident physical persons which are held abroad, and which are not managed by Italian financial intermediaries, are subject to a wealth tax, pursuant to Article 19, paragraph 18 of Legislative Decree 201/2011("IVAFE").

The tax is calculated in the tax return and applies at a rate of 0.2 per mille per year calculated on the market value (or, if this is not available, on the nominal or repayment value and, if this is not available either, on the book or purchase value) of the financial assets at the end of each calendar year and it is proportional to the period of ownership.

A tax credit, equal to any wealth tax paid to the government of the foreign country in which the financial assets are held can be subtracted from the tax calculated up to the amount.

Tax on financial transactions

Transfers of ownership for consideration of shares issued by companies residing in Italy are subject to the tax on financial transactions pursuant to Article 1, paragraphs 491 *et seq.*, Law no. 228 of 24 December 2012 ("Tobin Tax" or "FTT").

The purchaser pays the tax and the rate is 0.10% for deals concluded on regulated markets or multilateral trading systems and 0.20% in other cases.

The tax does not apply to the purchase or subscription of new issue shares, also as a result of the conversion, exchange or repayment of bonds or the exercising of a right due to a shareholder or constituting a means of regulating transactions such as derivative contracts, warrants, etc. Purchases of shares issued by listed companies on regulated market or multilateral trading systems with stock exchange capitalization of less than Euro 500 million are also not subject to this tax.

They are subject to the tax on financial transactions at a flat rate by the type of financial instrument or contract and by value bands for transactions in derivatives where the underlying assets are represented mainly by shares of Italian companies or transferable securities whose value mainly depends on their performance. Transactions subject to this tax include deals in subscription rights of shareholders in the case of share capital increases. The tax is due from both parties of the contract.

Inheritance and donation tax

Decree Law 262 of 3 October 2006, converted into law, with amendments, by Law 286 of 24 November 2006, reinstated the inheritance and gift tax on transfers of assets and rights by reason of death, donation or other transfer without consideration and on the creation of encumbrances or other restrictions on the use of assets. Where provisions governing the inheritance and gift tax are not given in paragraphs 47 to 49 and 51 to 54 of the appendix to Law 286 of 24 November 2006, the provisions of Decree-Law 346 of 31 October 1990, as in force on 24 October 2001, are applicable where compatible.

The inheritance and gift tax is levied at the following rates on the total net value of the assets in question:

- For transfers to a spouse or direct descendants or ancestors, the rate is 4% with an exemption of Euro 1,000,000 per each beneficiary;
- transfers between relatives up to the fourth degree, and direct or indirect relatives by affinity up to the third degree, are taxed at a rate of 6% on the value of the shares (transfers between siblings up to a maximum value of Euro 100,000 for each beneficiary are exempt from inheritance and gift tax);
- transfers of shares by reason of gift or death to persons other than those described above will be taxed at a rate of 8% on the value of the shares (with no exemption).

If the beneficiary of any such transfer is a disabled individual pursuant to Law 104 of 5 February 1992, the tax is applied only on the value of the assets received in excess of Euro 1,500,000, regardless of the type of relationship between the deceased or donor and the beneficiary.

4.11.2 Germany

*The following section contains a short summary of certain material German tax principles which are or may become relevant with respect to the acquisition, holding, or transfer of New Shares or Subscription Rights by shareholders or holders of Subscription Rights tax resident in Germany. This summary does not purport to be a comprehensive or complete description of all German tax considerations which may be relevant to shareholders or holders of Subscription Rights being tax resident in Germany. The summary is based upon domestic German tax law in force as of the Date of the Securities Note and upon the double taxation treaty currently in force between Italy and Germany (the "***Treaty against double taxation between Italy and Germany***"). It should be emphasised that the laws or treaties may change, and that such changes may also have retroactive effect. The same applies with respect to the rules governing the refund of any withholding tax (Kapitalertragsteuer) withheld.*

The tax information presented in the Securities Note is not a substitute for individual tax advice. Prospective purchasers of the New Shares or sellers of Subscription Rights offered hereby are advised to consult their tax advisors as to the tax consequences of the acquisition, holding and transfer of New Shares or Subscription Rights.

The specific tax situation of each shareholder or holder of Subscription Rights can only be adequately addressed by individual tax advice.

Taxation of shareholders or holders of Subscription Rights tax resident in Germany

Shareholders tax resident in Germany are principally taxed in connection with the holding of New Shares (taxation of dividends), the sale of New Shares or Subscription Rights (taxation of capital gains) and the gratuitous transfer of New Shares or Subscription Rights (inheritance and gift tax).

German withholding tax on dividends and capital gains.

The payment of dividends on New Shares and capital gains derived from the sale of New Shares are generally subject to withholding tax at a rate of 25% plus a solidarity surcharge at a rate of 5.5% (i.e. a total of 26.375%), and church tax, where applicable, if the shareholder is subject to tax in Germany and a German financial institution, German financial services provider, German branch of a foreign financial institution or foreign financial services provider, German securities trading enterprise or a German securities trading bank (a "**German Disbursing Agent**") has custody of or administers the New Shares or conducts the sale of New Shares and disburses or credits the dividends or, as the case may be, the proceeds of the sale. Withholding tax is not withheld by a German Disbursing Agent with respect to the dividend payments and capital gains from New Shares if the New Shares are either beneficially owned by a German financial institution, a German financial services provider, a German branch of a foreign financial institution or foreign financial services provider or by a German investment management company. Dividends and capital gains from a transfer of New Shares held by corporate shareholders are not subject to German withholding tax. Subject to further requirements the same applies for capital gains from a transfer of New Shares which are held as business assets by a non-corporate shareholder. Shareholders who have submitted a valid non-assessment certificate (*Nichtveranlagungs-Bescheinigung*) from the competent tax office to their custodian bank will receive dividends or proceeds from a sale of New Shares without deduction of withholding tax. The same applies to individual shareholders who have submitted a saver's-allowance instruction (*Freistellungsauftrag*) to their custodian bank, insofar as the amount shown on the instruction is sufficient and has not already been utilised by other private investment income of the shareholder. Withholding tax on any dividends distributed in Italy that is not refundable under the double taxation Treaty between Italy and Germany may be credited against the flat-rate tax paid in Germany by the individual shareholder, in accordance with current laws on income tax in Germany.

Taxation of dividends

New Shares held as private assets

If an individual holding New Shares as private assets is a tax resident of Germany (i.e. persons whose residence or habitual abode is located in Germany), all dividends distributed are generally subject to a special flat tax of 25% plus a 5.5% solidarity surcharge (in total 26.375%) (*Abgeltungsteuer*), plus church tax, where applicable. Without prejudice to specific formal requirements, dividends are generally not subject to income tax if and to the extent that the dividends are distributed from the tax deposit account (*steuerliches Einlagekonto*) ("Tax Deposit Account") in accordance with section 27 paragraph 8 of the German law on Corporate income tax (*Körperschaftsteuergesetz*).

As a rule, the flat tax will be levied by way of tax withholding from dividends which are paid out by a German Disbursing Agent. The withholding tax of 25% plus a 5.5% solidarity surcharge (in total 26.375%) is withheld

for the account of the shareholder and remitted to the German tax authority. Church tax, where applicable, is also withheld by the German Disbursing Agent unless the shareholder has submitted a request for exemption (*Sperrvermerk*) to the German Federal Tax Agency (*Bundeszentralamt für Steuern*), in which case the shareholder will be assessed for church tax. The basis for the withholding tax is the dividend approved for distribution by the Company's general Shareholders' Meeting. The shareholder's income tax liability on the dividends is deemed satisfied by the tax withholding and the shareholder is not required to include the dividend income in the annual tax return – save for certain exceptions. As a general rule, the German Disbursing Agent is supposed to credit any foreign taxes levied on the dividends against the German withholding tax up to the amount of the German withholding tax rate of 25% and to apply, upon application, a saver's allowance (*Sparer-Pauschbetrag*) for all investment income in the amount of Euro 801.00 (Euro 1,602 for verified investors who file jointly) per calendar year. Further details apply.

Dividends not paid out by a German Disbursing Agent or not having been subject to German withholding tax must be included in the annual tax return. Furthermore, even if the dividends have been subject to German withholding tax the shareholder may nonetheless apply in his or her annual tax return to include them in the formal tax assessment procedure in order to claim, for example, the saver's allowance (*Sparer-Pauschbetrag*), to use a loss-carry forward, or to claim foreign tax credits not accounted for by the German Disbursing Agent. Under these circumstances the dividends are taxed in the formal assessment procedure, however, still at the rate of the flat tax (plus a 5.5% solidarity surcharge and church tax, where applicable) but not at the individual progressive income tax rate of the shareholder. A deduction of the actual income-related expenses is excluded.

The shareholder may also apply to submit the dividend income to his or her individual progressive income tax rate rather than the flat tax if the resulting income tax burden is lower (*Günstigerprüfung*). Furthermore, upon application by the shareholder, the flat tax does not apply to dividends distributed by the Company if the shareholder is either (i) directly or indirectly holding at least a 25% interest in the Company or (ii) directly or indirectly holding an interest of at least 1% in the company and is employed with the company. Further details apply for the applications. Of such dividends, 60% is subject to tax (partial-income method, *Teileinkünfteverfahren*) at the shareholders' individual progressive income tax rate (tax rate up to 45%) plus a 5.5% solidarity surcharge (resulting in a combined tax rate of up to 47.5% in case of a maximum individual tax rate of 45%) plus church tax, if applicable. Expenses relating to such dividend income may only be deducted by 60%. The saver's allowance (*Sparer-Pauschbetrag*) for investment income is not granted in addition.

New Shares held as business assets

If New Shares are held as business assets, taxation depends upon whether the shareholder is a corporation, a sole proprietor or a commercial partnership (*Mitunternehmerschaft*). The flat tax regime is not applicable.

Corporate shareholders

Subject to certain exceptions for companies in the finance and insurance sector, generally 95% of dividends received by corporations tax resident in Germany (i.e., entities whose registered seat or place of effective management and control is located in Germany) are exempt from corporate income tax and solidarity surcharge as long as the corporate shareholder holds at least 10% of the Company's share capital at the beginning of the calendar year in which the dividends are distributed. Acquisitions of shareholdings of at least 10% of the share

capital will be deemed effective at the beginning of the calendar year. 5% of the dividends received are deemed non-deductible business expenses and, therefore, are subject to corporate income taxation at a rate of 15% plus a 5.5% solidarity surcharge (in total 15.825%). Interests in the share capital of a Company of a corporate shareholder are attributable to such corporation only on a proportional basis, taking into account the interest the corporation holds in the capital of the associated commercial partnership. Generally, dividends are not subject – with the exception of certain formalities – to corporate income tax, if and in the amount dividends are distributed from the Fiscal deposit account, in accordance with section 27, Paragraph 8 of the German law on corporate income tax (*Körperschaftsteuergesetz*).

The full amount of any dividends remaining after the deduction of business expenses relating to the dividends is subject to trade tax, unless the corporation held 10% or more of the company's registered share capital as of the beginning of the relevant tax assessment period. In this case, only 5% of dividends are generally subject to trade tax.

Tax withheld from dividends in Italy, if distributed, and which is not refundable according to the Treaty against double taxation between Italy and Germany or according to Directive 90/435/EEC of the Council, dated 23 July 1990, as amended, may not in general be offset against corporate income tax due in Germany by a corporate shareholder.

However, the deduction can be applied to the sum relating to the dividends distributed for equity investments in the portfolio or if the dividends distributed are not subject to tax exemption for other reasons.

Even if the New Shares are held in a custody account with the German Disbursing Agent, no German withholding tax will be applicable to the dividends distributed by the company.

Sole proprietors

If New Shares are held as business assets of a sole proprietor, 60% of dividends are subject to income tax, at the progressive rate of income tax of the shareholder (up to 45%), plus the aforesaid solidarity surcharge of 5.5% (resulting in a combined rate of up to 47.5% in the case of the maximum individual rate of 45%) plus church tax, where applicable. Only 60% of business expenses economically relating to such dividends are tax-deductible. Generally, dividends are not subject – with the exception of certain formalities – to corporate income tax, if and in the amount dividends are distributed from the Fiscal deposit account, in accordance with section 27, Paragraph 8 of the German law on corporate income tax (*Körperschaftsteuergesetz*). If New Shares are held as assets of a trade or business, dividends furthermore are fully subject to trade tax, unless the taxpayer held 10% or more of the Company's registered share capital as of the beginning of the relevant tax assessment period. In this case, the net amount of the dividends, i.e. after deduction of business expenses directly relating to the dividends, is generally exempt from trade tax. Trade tax is generally credited against the shareholder's personal income tax liability in accordance with a lump sum tax credit method. Tax withheld from dividends in Italy, if distributed, and which is not refundable according to the Treaty against double taxation between Italy and Germany should generally be creditable against the German personal income tax liability. If the New Shares are held in a custody account with a German Disbursing Agent, no German withholding tax will be applicable to the dividends distributed by the Company, provided the shareholder certifies to the German Disbursing Agent in an official form that the dividends constitute business income of a German business.

Commercial partnerships

If the shareholder is a commercial partnership, personal income tax or corporate income tax will be assessed only at the level of the respective partners. Income tax or corporate income tax applicable to each partner depends on whether it is a physical person or a corporation. If the partner is a corporation, the dividend portion of its profit will be taxed in accordance with the standards applicable to corporations (see above "Corporate Shareholders"). If the partner is an individual and the shares are held as business assets, the dividend proportion of profits will be taxed according to the standards applicable to sole proprietors (see above "Sole Proprietors").

In principle, the total amount of the dividends is subject to trade tax at the level of the partnership if New Shares are held as assets of a trade or business, irrespective of whether the partners are individuals or corporations. If the partnership has held at least 10% of the registered share capital of the Company at the beginning of the relevant tax assessment period, only 5% of the dividends are subject to trade tax to the extent the partners are corporations; the net amount of the remainder, i.e., after deduction of business expenses directly relating to the dividends, is generally fully exempt from trade tax. For individuals as partners, trade tax paid by the partnership is credited against such partner's personal income tax liability in accordance with a lump sum tax credit method.

The deductibility of tax deducted in Italy from German income tax on physical persons or companies will depend on whether the taxpayer is an individual enterprise or a company or a corporation. If the shareholder is a corporation, the above-mentioned rules for corporation shareholders will apply (see paragraph on "*Corporation shareholders*" above).. If the shareholder is an individual enterprise, the above-mentioned rules on individual enterprises will apply (see paragraph on "*Individual enterprise shareholders*" above).

If the New Shares are held in a custody account with a German Disbursing Agent, no German withholding tax will be applicable to the dividends distributed by the Company, provided the shareholder certifies to the German Disbursing Agent in an official form that the dividends constitute business income of a German company.

Taxation of capital gains from a disposal of New Shares

New Shares held as private assets

Capital gains from a disposal of New Shares are subject to income tax plus a solidarity surcharge and church tax, if applicable, irrespective of any holding period or participation threshold. Also repayment, redemption, assignment or contribution of New Shares are deemed to be a disposal.

As a rule, taxation will occur by tax withholding at the rate of the flat tax (25% plus 5.5% solidarity surcharge, i.e. 26.375%, plus church tax, if applicable). The flat tax must be withheld by any German Disbursing Agent, for example if New Shares are deposited with a German bank, from the proceeds of the disposal. The amount of tax withheld is generally based on the difference between the proceeds from the sale, after deduction of business expenses directly relating to the disposal and the acquisition cost. Under certain circumstances, the withholding tax may be applied instead to 30% of the proceeds from the sale if New Shares were not acquired from the German Disbursing Agent and held in custody or administered by it on a continuous basis since acquisition. This is the case, for example, when the respective securities account has been moved from a disbursing agent not situated in an EU or EEA Member State.

Losses from private investment income can in principle be set off only against other private investment income (including the dividends). Losses from the disposal of New Shares may be set off only against capital gains from a disposal of shares but may not be set off against other capital investment income, such as dividends, and may also not be set off against any other sources of income. Unutilised losses may only be carried forward to subsequent assessment periods but not carried back to previous assessment periods.

Capital gains are not subject to the flat tax if the individual or, in the event of a gratuitous transfer, the individual's legal predecessor or, in the event of several gratuitous transfers, any legal predecessor of the individual has, at any point in time during the five years immediately preceding the transfer, held a direct or indirect interest in the Company of 1% or more (a "**Substantial Holding**"). 60% of such capital gains are subject to tax (partial income method, *Teileinkünfteverfahren*) at the shareholder's individual progressive income tax rate (tax rate up to 45%) plus 5.5% solidarity surcharge (resulting in a combined tax rate of up to 47.5% in case of a maximum individual tax rate of 45%) plus church tax, if applicable. Only 60% of any expenses economically relating to such capital gains may be deducted.

New Shares held as business assets

If New Shares are held as business assets, taxation depends upon whether the shareholder is a corporation, a sole proprietor or a commercial partnership (*Mitunternehmerschaft*).

The flat tax regime is not applicable. Taxes withheld by a German Disbursing Agent and paid to the tax authorities will be offset against (corporate) income tax liabilities of the respective shareholder (and church tax liabilities, where applicable) within the framework of the formal verification procedure or reimbursed in the amount of any excess paid. The same mechanism applies to solidarity surcharges. Even if the New Shares are held in a custody account by a German Disbursing Agent, no German tax withholding will apply, generally (i) to a shareholder in the form of a corporation, or (ii) if the shareholder holds the New Shares as assets of a German business, with formal certification of this situation on the official form, modified to the German Disbursing Agent. Should however a German Disbursing Agent have withheld taxes on capital gains, the amount withheld and paid (including solidarity surcharge and the church tax, where applicable) will be offset against the amounts payable for individual or corporate income tax and any amount paid in excess will be reimbursed.

Corporate shareholders

Subject to certain exceptions for companies in the finance and insurance sector, generally 95% of capital gains made by corporations tax based in Germany (i.e. entities whose registered office or place of effective management and control is located in Germany) are exempt from corporate income tax and solidarity surcharge as well as trade tax. 5% of capital gains are deemed non-deductible business expenses and, therefore, are subject to corporate income taxation at a rate of 15% plus 5.5% solidarity surcharge (in total 15.825%) and trade tax. No minimum shareholding threshold or minimum holding period applies. The full amount of business expenses economically relating to the capital gains may be deducted, whereas losses from the disposal of or otherwise relating to New Shares may not be deducted at all for tax purposes. It should be emphasised that discussions are opened periodically on the opportunity for taxation applicable to Portfolio Holdings, as described above under "Taxation of dividends – New Shares held as business assets –Corporate shareholders" to also apply for capital gains from such shareholdings.

Sole proprietors

The amount of 5.5% of capital gains made from a disposal of the New Shares held as business assets by a sole proprietor being tax resident in Germany are subject to the progressive rate of income tax (up to 45%) plus solidarity surcharge, resulting in a combined rate of up to 47.5% if the maximum individual rate of 45% applies, plus church tax, if applicable, and if the New Shares are held as assets of a trade or business, they are also subject to trade tax.

In case of a disposal of New Shares, 60% of the capital gains are subject to tax and 60% of losses and/or business expenses economically relating to the disposal of New Shares are principally deductible. Taxation occurs at the shareholder's individual progressive income tax rate.

Trade tax is generally credited against the shareholder's personal income tax liability in accordance with a lump sum tax credit method.

Commercial Partnerships

If the shareholder is a commercial partnership, personal income tax or corporate income tax will be assessed only at the level of the respective partners. If the partner is a corporation tax resident in Germany, the rules for corporate shareholders holding New Shares directly apply (see "Corporate Shareholders"). If the partner is an individual who is tax resident in Germany, the rules for individual shareholders holding New Shares directly apply (see "Sole Proprietors").

The capital gain is also subject to trade tax if New Shares are held as assets of a trade or business of the commercial partnership. 60% of the capital gains are subject to trade tax to the extent the capital gain is allocable to an individual as partner. Only 5% of the capital gains are subject to trade tax to the extent the capital gain is allocable to a corporation as partner. Capital losses and business expenses relating to the disposal of New Shares may not be deducted for trade tax purposes to the extent they are allocable to a corporation as partner. 60% of such losses and expenses are deductible to the extent they are allocable to an individual as partner. Trade tax paid by the partnership is – to the extent allocable to an individual as partner – in general credited against such partner's personal income tax liability in accordance with a lump sum tax credit method.

Taxation of capital gains from a disposal of Subscription Rights

The German tax authorities take the view that rights are considered to have been acquired at the same time as the underlying shares. The taxation of capital gains from the disposal of Subscription Rights relating to shares held as private assets principally follows the taxation of capital gains from such shares. The Subscription Rights do not count in addition to the shares for assessing whether the shareholder holds a Substantial Holding. For the taxation of capital gains from a disposal of Subscription Rights relating to shares, which are held as private assets and (i) were acquired after 31 December 2008 or (ii) form a Substantial Holding, see "*Taxation of capital gains from a disposal of New Shares*" and "*New Shares held as private assets*", above. To determine any capital gain made on a disposal of Subscription Rights the acquisition costs of shareholders are considered to be nil for the purposes of German income tax. The total value method (*Gesamtwertmethode*) applies to a Substantial Holding.

Capital gains from a disposal of Subscription Rights relating to shares which are held as private assets, acquired before 1 January 2009 and do not form a Substantial Holding are tax exempt.

Capital gains made from a disposal of Subscription Rights relating to shares held as business assets in general follow the taxation of capital gains from such shares (see "*Taxation of capital gains from a disposal of New Shares – New Shares held as business assets*"). However, if a corporation holds Subscription Rights, the capital gain is fully subject to corporate income tax, solidarity surcharge and trade tax at the applicable rates. Losses from the disposal of Subscription Rights by a corporation as well as business expenses directly relating thereto may be fully deductible. As a result, if Subscription Rights are disposed of by a commercial partnership, the capital gain allocable to a corporate partner is also fully subject to tax, including any applicable trade tax.

Special rules for companies active in the financial and insurance sectors (financial institutions, financial services providers, financial enterprises, life insurance companies, health insurance companies and pension funds)

If financial institutions or financial services providers hold or sell New Shares which are allocable to their trading portfolio (*Handelsbestand*), neither dividends nor capital gains are subject to the partial income method or the 95% exemption from corporate income tax and any applicable trade tax. Thus, dividend income and capital gains are fully taxable and business expenses relating thereto fully deductible. The same applies to New Shares acquired by a financial enterprise pursuant to the German Banking Act, whose shares are held indirectly or directly by financial institutions or financial services providers in an amount greater than 50% and which are to be shown as "current assets" (*Umlaufvermögen)*, at the time of their acquisition.

The 95% exemption from corporate income tax and any applicable trade tax does not generally apply to dividends from New Shares held as investments by life insurance and health insurance companies, and to capital gains from the sale of such New Shares or which are held by pension funds.

The 95% exemption from corporate income tax and any applicable trade tax does however apply to dividends distributed to aforementioned companies if such dividends qualify for the exemption under the EU Parent-Subsidiary Directive.

Inheritance and Gift Tax

The transfer of New Shares or Subscription Rights to another person by gift or inheritance is generally subject to German inheritance or gift tax only if:

(i) the decedent, donor, heir, beneficiary or any other transferee maintains a residence or has his or her habitual abode in Germany or maintains its place of management or registered office in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years outside Germany without maintaining a residence in Germany, or

(ii) New Shares or Subscription Rights are held by the decedent or donor as part of business assets for which a permanent business establishment is maintained in Germany or for which a permanent representative in Germany has been appointed.

The few German inheritance and gift tax treaties currently in force usually provide that German inheritance or gift tax may be assessed only in cases (i) above and, with certain restrictions, (ii) above. Negotiations are currently in progress between Germany and Italy for the conclusion of a treaty against double taxation on inheritance and gift tax.

Special rules apply to certain German citizens who maintain neither a residence nor their habitual abode in Germany and to former German citizens.

Other taxes

No German transfer tax, value-added tax, stamp duty or similar taxes are levied on the purchase, sale or other transfer of shares. Under certain circumstances, the Company and entrepreneurs may, however, opt for the payment of value-added tax on transactions which are otherwise tax-exempt. No net wealth tax (*Vermögensteuer*) is currently levied in Germany.

The European Commission and some member states of the European Union (including Germany) intend to introduce a financial transactions tax ("**FTT**") (presumably on secondary market transactions and financial transactions involving at least one financial intermediary). It is not currently certain if and when the proposed FTT will be adopted by participating EU member states.

4.11.4 Poland

The following summary describes the material Polish tax consequences related to the acquisition, holding and trading in UniCredit shares and Subscription Rights as of the Date of the Securities Note. This summary is of general nature and is not intended to constitute a comprehensive or complete analysis of all Polish tax considerations which may be relevant to shareholders being tax residents in Poland.

The tax information presented in the Securities Note does not constitute individual tax advice. In particular, it should not constitute the sole grounds for assessing the domestic tax consequences of making any investment decisions. In order to obtain more detailed information, investors are strongly recommended to consult their own tax and legal advisers in order to confirm all applicable tax consequences related to the acquisition, holding and trading in UniCredit shares and/or Subscription Rights. The information presented below has been prepared based on provisions of the Polish law in force, effective as of the Date of the Securities Note. Please note that the provisions of law described herein are subject to modifications, which may directly or indirectly influence the description below.

Taxation of income related to the holding of shares

Income from UniCredit shares held by individuals subject to unlimited tax liability in Poland

Pursuant to the Personal Income Tax ("**PIT**") Law, dated 26 July 1991 (unified text published in Journal of Laws of 2016, item 2032 as amended), an individual is subject to unlimited tax liability in Poland (i.e. is taxable on his or her worldwide income) provided that such individual is domiciled in Poland, i.e. he or she has the centre of his or her personal and/or business interests in Poland (centre of vital interests) and/or the stay of such individual in Poland in the tax year exceeds 183 days.

The above-mentioned rules should be applied subject to the relevant double tax treaties to which the Republic of Poland is a part (Article 4a of the PIT Law). Dividends and other income (revenue) actually earned on UniCredit shares held by these individuals are taxed at a rate of 19%. The tax is applied without any decrease for tax-deductible expenses.

The above income is not subject to accumulation with other income earned during a tax year, taxable pursuant to general PIT rules, i.e. at the progressive tax rates set forth in the PIT Law (i.e. 18% and 32% depending on thresholds).

As a rule, the tax on dividend income applied pursuant to the foregoing rules is collected by a tax remitter, i.e. person liable to withhold tax who operates security accounts for taxpayers if the income (revenue) has been earned in the territory of the Republic of Poland and is connected with securities registered in said accounts, and the payment to the taxpayer is made through said entities. The remitter is required to file an annual tax return to the relevant tax office by the end of January in the year following the tax year. The remitter is not required to send individual notices to Polish taxpayers informing them of the amount of income (revenues). Taxpayers are not required to disclose the flat tax withheld by the remitter in their annual tax return. Polish regulations do not impose any obligation on UniCredit to withhold Polish tax as a tax remitter. Once the tax is not withheld and transferred by the tax remitter, the flat rate income tax should be calculated and paid by the taxpayers themselves (by the prescribed deadlines).

The Agreement between Polish People's Republic and the Government of the Republic of Italy for the avoidance of double taxation with respect to taxes on income and the prevention of fiscal evasion, dated 21 June 1985 (published in Journal of Laws of 1989, No 62, item 374, the "**Double Taxation Treaty between Poland and Italy**") provides that dividends payable by a company with its registered office in Italy to an individual domiciled in Poland, being the beneficial owner of the dividend, may be taxed in Italy, although such tax cannot exceed 10% of the gross amount of the dividends (provided that the given income is not connected with the beneficiary's "permanent establishment" in Italy).

With respect to income (revenue) from dividends and other revenues on account of participating in profits of legal persons transferred to taxpayers holding rights attached to securities registered in omnibus accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments ("**Act on Trading in Financial Instruments**"), dated 29 July 2005 (unified text published in Journal of Laws of 2016, item 1636 as amended), a 19% flat-rate tax is withheld by the tax remitter from the aggregate income (revenue) released for the benefit of all such taxpayers through the omnibus account holder. Annual tax returns regarding this income are filed by the tax remitter (i.e. by the entities keeping the omnibus accounts) with the tax office relevant for taxation of foreign persons. Taxpayers are required to disclose the amount of dividend in the annual tax return if securities were registered in an omnibus account and the taxpayer's identity was not revealed to the tax remitter. As far as such taxpayers are concerned, the remitter is not required to prepare or to send any individual information regarding the value of the income.

In order to avoid the double taxation of such income the Double Taxation Treaty between Poland and Italy provides for a tax credit method. Namely, where a Polish tax resident individual derives income such as dividend, which may be taxed in Italy, he or she is allowed to deduct from the domestic tax on his or her income of the amount equal to the tax paid (withheld) in Italy. Such deduction shall not, however, exceed that part of the tax as computed before the deduction is given, which is appropriate to such income derived in Italy.

Income from UniCredit shares held by corporate entities subject to unlimited tax liability in Poland

Pursuant to the Corporate Income Tax ("**CIT**") Law, dated 15 February 1992 (unified text published in Journal of Laws of 2016, item 1888, as amended), corporate income tax is paid by legal persons, companies in organization and organizational entities that have no legal personality (except for companies that have no legal personality) CIT Law applies also to the limited joint stock partnerships having their registered office or management board within the territory of the Republic of Poland). Under conditions stipulated in the CIT Law, investment funds and pension funds, including funds located in the EEA, may be exempt from corporate income tax. In accordance with Article 3, section 1 of the CIT Law, taxpayers having their registered office or management board within the territory of the Republic of Poland are required to pay tax on all of their income, irrespective of the location of the source of revenues (unlimited tax liability).

Polish partnerships, with the exception of a limited joint-stock partnership (*spółka-komandytowo akcyjna*), are transparent for tax purposes; their partners are taxed individually on their share of the profits. Foreign partnerships are treated as taxable legal entities subject to corporate income tax in Poland if they are treated as legal entities subject to an unlimited tax liability in their country of residence.

Dividends and other income (revenue) actually earned on shares held by corporate entities and companies in the course of their formation, as well as other unincorporated entities (except partnerships) with their registered office and/or place of management in Poland, are subject to taxation on the terms set forth in the CIT Law. The tax rate is 19%. In case of dividends, the taxable (gross amount) base is the entire amount of the dividends without any decrease for tax-deductible expenses.

Pursuant to Article 20, section 3 of the CIT Law, income (revenues) from dividends and other revenues from participation in profits generated by legal persons, are tax exempt in Poland if all of the following conditions are satisfied jointly: (i) the payer of dividends and other revenue from share in the profits of legal persons is a company whose entire income, irrespective of where it is earned, is subject to income tax in a Member State of the European Union or another Member State of the European Economic Area other than the Republic of Poland; (ii) the recipient of income (revenue) from dividends and other revenue from share in the profits of legal persons as referred to in section (i), is a company that is an income taxpayer and has its registered office or management in the territory of the Republic of Poland; (iii) a company as referred to in section (ii) directly holds no less than 10% of shares in the equity of a company as referred to in section (i); (iv) a company as referred to in section (ii) does not enjoy exemption from income tax on its entire income, irrespective of the sources from which the income is earned.

The exemption referred to above applies if the company gaining income (revenues) from dividends and other revenues from participation in profits generated by legal persons having their registered seat or management board within the territory of Poland has at least 10% shareholding in the company paying out dividends uninterruptedly for two years. The exemption also applies if the two year period of uninterrupted holding of shares in the required amount by a company generating income (revenues) from participation in profits generated by a legal person having its registered seat or management board within the territory of the Republic of Poland, ends after the date of obtaining such income (revenues). In the case of failure to satisfy the condition of holding shares in the required amount uninterruptedly for two years, the taxpayer shall be required to pay tax, including default interest, on the income (revenues) at 19% of income (revenues) by the 20th day of the

month following the month in which it was deprived of the right of exemption. Interest is calculated as of the day following the day on which the taxpayer had first exercised the right to exemption.

In accordance with Article 20 section 15 of the CIT Law the exemption referred to above applies: (i) if the shareholding is based on a title of ownership; (ii) with respect to income earned from shares held on the basis of a title of ownership or other than a title of ownership, provided exemption would apply to such income (revenue), if the shares were not transferred.

Moreover, the exemption shall not be applied to dividends and other income (revenues) derived from shares in profit of legal persons, to the extent in which in the country of the company paying the dividend the amounts paid due to that are subject in any form to inclusion in tax-deductible expenses, deduction from income, taxable base, or tax of the company paying them.

The exemption does not apply if dividends or other amounts due on account of a share in the profits of legal persons are paid as a result of the paying company's liquidation.

According to Article 22b of the CIT Law, the above-referenced exemption under Article 20, section 3 of the CIT Law applies on the condition that there are legal grounds therefore under a double tax treaty or another ratified international agreement to which the Republic of Poland is a party, for the tax authority to obtain tax information from a tax authority of a state other than the Republic of Poland where the taxpayer has its registered seat or where the income was generated.

Pursuant to the Article 22c, section 1 of the CIT Law, Article 20, section 3 of the CIT Law does not apply, if income (revenue) from dividends and other revenues from the participation in profits of legal persons is earned in connection with the conclusion of an agreement or performance of another legal act or many related legal acts whose main objective or one of the main objectives was to obtain an income tax exemption under Article 20, section 3 of the CIT Law, and obtaining such exemption does not result only in the elimination of double taxation of such income (revenue), and the acts referred to in above are not real. For the purposes of Article 22c, section 1 of the CIT Law an agreement or other legal act is not real to the extent in which it is not performed for justified economic reasons. In particular, this refers to the situation where by the actions referred to in Article 22c, section 1 of the CIT Law, the ownership of shares in a company distributing dividends is transferred or the company earns revenue (income) which is then paid in the form of a dividend or in the form of other revenue from the participation in the profits of legal persons.

As a rule, pursuant to the CIT Law, the tax on dividends and other income (revenue) actually earned on the UniCredit shares is collected by a tax remitter, i.e. an entity liable to withhold tax who operates security accounts for taxpayers. The remitter is required to send an annual tax return to the relevant tax office by the end of January following the tax year. With respect to the UniCredit shares, similarly as in the case of individuals, no such obligation may be imposed on a foreign entity, thus tax should be calculated and paid by the corporate taxpayers themselves (by the prescribed deadlines).

The Double Taxation Treaty between Poland and Italy provides that dividends payable by a company with its registered office in Italy to a corporation with its registered office in Poland as beneficiary of the dividends may be taxed in Italy, although such tax cannot exceed 10% of the gross amount of the dividends (provided that the given income is not connected with the beneficiary's "permanent establishment" in Italy).

In order to eliminate the double taxation of such income, the Double Taxation Treaty between Poland and Italy provides for a tax credit method. Where the Polish corporation derives income such as dividends, which may be taxed in Italy, the latter is allowed to deduct from the domestic tax on its income the amount equal to the tax paid (withheld) in Italy. Such deduction shall not however exceed that part of the tax as computed before the deduction is given, which is appropriate to such income derived in Italy.

Income from UniCredit shares held by individuals subject to limited tax liability in Poland

Pursuant to Article 30a section 2 of the PIT Law, the application of tax exemption or lower tax rate resulting from the appropriate double tax treaty is possible, provided that the taxpayer proves his place of residence for tax purposes with a relevant certificate of tax residence.

From 1 January 2017, pursuant to Article 3 section 2b of the PIT Law, income (revenue) earned in the territory of the Republic of Poland, means, *inter alia*, income (revenue) from: (i) securities and financial derivatives which are admitted to public trading on the territory of the Republic of Poland on the regulated exchange market, including income (revenue) generated from the disposal of such securities, and the exercise of the rights arising from any of the above; (ii) the transfer of the ownership of shares in a company, all rights and obligations in a company that is not a legal person, shares in investment funds or mutual fund institutions where property located on the territory of the Republic of Poland or rights to such property, directly or indirectly, constitute at least 50% of their assets.

In the case of limited tax liability taxpayers, the tax remitter shall send to the taxable person and to the tax office competent for taxation of foreign persons, information by the end of February of the year following the fiscal year. Furthermore, the tax remitters shall do that also, at the written request of a taxpayer, within 14 days from the date of filing such request.

However, if the incomes (revenues) earned on dividends or other revenues were earned on capital gains from a share in the profits of legal persons paid to taxpayers holding shares registered in omnibus accounts, the identity of whom has not been disclosed to the person liable to pay tax under the procedure prescribed in the Act on Trading in Financial Instruments, the tax remitter with respect to such taxpayers is not liable to prepare and send the income personal information.

Income from UniCredit shares held by corporate entities subject to limited tax liability in Poland

In accordance with the rules that applied from 1 January 2017, income (revenue) earned in the territory of the Republic of Poland, in particular, means*, inter alia*, income (revenue) from: (i) securities and financial derivatives which are admitted to public trading on the territory of the Republic of Poland on the regulated exchange market, including income (revenue) generated from the disposal of such securities, and the exercise of the rights arising from any of the above; (ii) the transfer of the ownership of shares in a company, all rights and obligations in a company that is not a legal person, shares in investment funds or mutual fund institutions where property located on the territory of the Republic of Poland or rights to such property, directly or indirectly, constitute at least 50% of their assets.

Foreign partnerships are treated as taxable legal entities subject to corporate income tax in Poland if they are treated as legal entities subject to an unlimited tax liability in their country of residence.

An application of tax exemption or lower tax rate resulting from the appropriate double tax treaty is possible, provided that the taxpayer proves his place of residence for tax purposes with a relevant certificate of tax residence.

Taxation of income related to the trading in shares

Income from trading in shares held by individuals subject to unlimited tax liability in Poland

As a rule, the PIT Law provides for the flat tax rate of 19% to income from the disposal of securities against consideration. However, this flat tax rate shall not apply if UniCredit shares are disposed of by an individual within the framework of the individual taxpayer's business activity (in the latter case they are taxed with other business income on terms applicable for taxation of such business income chosen by such individual, i.e. either at 19% or with progressive rates).

With regard to individuals, income (revenues) on disposal of the UniCredit shares for consideration is defined as the selling price of the UniCredit shares. However, it should be noted that if the price specified in the share sales agreement for consideration is not determined at arm's length, i.e. it differs materially, without a legitimate reason, from the market value of the UniCredit shares, it may be challenged by the tax authorities. With respect to disposal against consideration, the expenditures incurred to acquire the UniCredit shares constitute tax-deductible expenses of such disposal, reducing the taxable base.

Pursuant to the PIT Law, if it is not possible to identify the UniCredit shares being sold, it is assumed that they are the earliest acquired UniCredit shares (the FIFO rule). This principle is applied separately to each securities account in which the UniCredit shares are held.

At the end of a tax year, the taxpayer is obliged to disclose, in a separate tax return, income earned during the given year from the disposal of shares for consideration (the income on the sale of UniCredit shares is the income due, even if not actually obtained, which affects the cut-off date for income classification), and calculate the income tax due. This tax return must be filed by 30 April of the year following the given tax year (this also being the deadline for paying the tax so calculated).

The remitter is required – by the end of February in the year following the tax year – to send notices to the relevant tax office and individual taxpayers informing them of the amount of income (revenues). With respect to income on disposal of UniCredit shares for consideration, there is no obligation for the tax remitter to collect and remit tax advances during the tax year.

Pursuant to the PIT Law, losses sustained during a tax year on account of the disposal of shares for consideration can be deducted from the income derived from that source (such source of income includes, in particular, income from the transfer of shares and other securities for consideration) over the five subsequent tax years, provided that the amount of the deduction does not exceed 50% of the amount of the loss in any single year within the five-year period.

Income from trading in shares held by corporate entities subject to unlimited tax liability in Poland

Income on the disposal of shares for consideration earned by corporate taxpayers is subject to taxation in accordance with the general rules under the CIT Law. Such income is taxed at the rate of 19% (with exceptions

to so called "small taxpayers" where tax rate is reduced to 15%), together with other income earned during the given fiscal year.

With respect to corporate taxpayers, income (revenues) on disposal of the UniCredit shares for consideration is defined as the selling price of the UniCredit shares. However, it should be noted that if the price specified in the share sales agreement for consideration is not determined at arm's length, i.e. it differs materially, without a legitimate reason, from the market value of the UniCredit shares, it may be challenged by the tax authorities. With respect to disposal against consideration, the expenditures incurred to acquire the UniCredit shares constitute tax-deductible expenses of such disposal, reducing the taxable base.

In the case of a tax loss generated on the disposal of securities in a given tax year, such loss may decrease the income generated from such source (i.e. from the disposal of securities) for the next five (5) consecutive tax years; however, the amount of such decrease in any particular year cannot exceed 50% of the loss. A tax loss generated on the disposal of securities cannot be combined with tax losses generated by the taxpayer from other titles (sources of revenues).

Under certain conditions indicated in the CIT Law, investment funds and pension funds, including funds located in the EEA, may be exempt from corporate income tax.

In the case of income from the disposal of securities for consideration, taxpayers are required to settle the tax themselves as the tax is not collected by the entity that pays for the securities. Taxpayers are required to make prepayments during the tax year and settle the income tax in an annual income tax return. The deadline for filing such tax return ends at the end of the third (3rd) month following the tax year. The same deadline applies to the taxpayers' obligation to pay the due tax.

Income from trading in shares held by foreign entities (individuals and corporate) subject to limited tax liability in Poland

Foreign persons (i.e. entities whose registered office and/or place of management is not in Poland and individuals who are not domiciled in Poland) holding shares in a Polish company are subject to taxation on the disposal of such shares for consideration only with respect to income (revenues) earned in Poland.

In accordance with the PIT and CIT Act rules effective from 1 January 2017, income (revenue) earned in the territory of the Republic of Poland, in particular, means, *inter alia*, income (revenue) from: (i) securities and financial derivatives which are admitted to public trading on the territory of the Republic of Poland on the regulated exchange market, including income (revenue) generated from the disposal of such securities, and the exercise of the rights arising from any of the above; (ii) the transfer of the ownership of shares in a company, all rights and obligations in a company that is not a legal person, shares in investment funds or mutual fund institutions where property located on the territory of the Republic of Poland or rights to such property, directly or indirectly, constitute at least 50% of their assets.

As a rule, income earned by foreign persons is taxed according to the same terms as that of Polish persons. However, foreign partnerships will be taxed pursuant to the regulations applicable to corporate entities if they are treated as corporate entities in the jurisdiction where they have their registered office and/or place of management and their entire income is taxed in such jurisdiction, irrespective of the place in which it is earned.

Under conditions indicated in the CIT Law investment funds and pension funds located in the European Economic Area may be exempt from corporate income tax.

However, in addition to the above Polish regulations, the taxation principles regarding foreign shareholders will be based on the relevant double tax treaties signed by Poland as well as applicable foreign laws and regulations. In general, double taxation treaties provide that income on the sale of securities may only be taxed in the country in which the seller has its registered office and/or place of management or is domiciled. This does not apply to foreign persons who have a facility (permanent establishment) in Poland, within the meaning of the relevant double taxation treaty, and the income on the disposal of the shares for consideration is attributable to that facility. In such event, the income will be taxed in Poland, according to the same terms as the income of Polish persons.

Taxation of income related to the holding and trading in Subscription Rights

Granting of the Subscription Rights

Vesting the investor (either an individual or a corporation) with the Subscription Rights, in proportion to the UniCredit shares already owned by such investor, in general, shall not as such result in the rise of any tax obligation in Poland. Vesting with the Subscription Rights should be viewed as neutral for Polish taxation purposes.

Holding Subscription Rights by individual and/or corporate investors

To the extent the Subscription Rights are not connected with any payments from the company nor any income is generated in reference to holding these Subscription Rights, no tax liability should arise in Poland.

Exercising the Subscription Rights

Once the given investor exercises fully or partially the Subscription Rights vested to it by UniCredit, by acquiring the UniCredit shares, in general, the tax consequences of holding and disposing those shares described above shall apply. Any expenses incurred in reference with exercising the Subscription Rights shall not be regarded as tax-deductible expenses at the moment they are incurred.

Trading in Subscription Rights

(a) Individual investors

In general, the rules of taxation of income (revenue) earned on trading in subscription rights will be analogous to those described in "– Taxation of Income Related to the Trading in Shares – Income from Trading in Shares Held by Individuals Subject to Unlimited Tax Liability in Poland", with respect to trading in our shares. The income (revenue) on disposal of the subscription rights for consideration will be defined as the selling price thereof. However, it should be noted that if the price specified in the sales agreement for consideration is not determined at arm's length, i.e. differs materially, without a legitimate reason, from the market value of the subscription rights, it may be challenged by the tax authorities. With respect to disposal against consideration, the expenditures (if any) incurred to acquire the subscription rights constitute tax-deductible expenses of such disposal, reducing the taxable base.

(b) Corporate investors

In general, with respect to corporate entities, rules of establishing and taxing the income (revenue) on disposal of the subscription rights for consideration should be analogous as in the case of trading in our shares. Therefore, the tax regime described above in "–Taxation of Income Related to the Trading in Shares – Income from Trading in Shares Held by Corporate Entities Subject to Unlimited Tax Liability in Poland" shall apply.

(c) Foreign investors

In general, similarly to trading in the shares, income (revenue) from the sale of the subscription rights on the Warsaw Stock Exchange will be considered an income earned in Poland. The rules of taxation with respect to trading in subscription rights shall be analogous as in the case of our shares, as described in "–Taxation of Income Related to the Trading in Shares – Income of Foreign Persons from Trading in Shares Held by Foreign Entities (Individuals and Corporate) Subject to Limited Tax Liability in Poland".

Civil Law Transactions Tax

The civil law transactions tax ("**CLTT**") (i.e. the tax levied by virtue of the Law on tax on civil law transactions dated September 9, 2000; unified text published in Journal of Laws of 2016, No. 223, as amended;) applies, among others, to agreements for the sale or exchange of the property rights, provided that these rights are exercised in Poland or, if exercised abroad, the transferee is a Polish tax resident and the transaction is carried out in Poland.

In principle, shares in a foreign (non-Polish) company are considered as rights exercisable outside of Poland.

CLTT is levied on agreements providing for the sale or exchange of rights, provided that these rights are exercised in Poland or, if exercised abroad, the transferee is a Polish tax resident and the transaction is carried out in Poland.

The rate of CLTT on the sale of the shares and/or subscription rights is 1% on their market value and the applicable CLTT should be paid within 14 days of the date on which the tax obligation arose, i.e. the date on which the transaction was completed. In the case of a purchase agreement, the purchaser is liable for paying CLTT due on civil law transactions. In the case of an exchange of the shares and/or subscription rights, the parties to the transactions are jointly and severally liable to settle CLTT.

Under the relevant regulations of the CLTT Act, sale of shares is CLTT exempt if the shares are sold:

a) to investment firms or foreign investment firms;

b) with the intermediation of investment firms or foreign investment firms;

c) as part of organised trading;

d) outside organised trading by investment firms and foreign investment firms, if the shares were acquired by such firms as part of organised trading

- within the meaning of the provisions of the Act of 29 July 2005 on Trading in Financial Instruments.

If none of the indicated above CLTT exemptions apply, the sale of shares issued by the Polish company would be subject to 1% CLTT.

Inheritance and donation tax

The inheritance and donation tax (i.e. the tax levied by virtue of the Law of 28 July 1983 on inheritance and donation tax (unified text published in Journal of Laws of 2015, item 86, as amended) in Poland applies only to individuals. The recipient of the donation or inheritance is obliged to pay the tax. The taxpayer is obliged to provide the relevant tax office with tax return and appropriate documents within one month from the receipt of donation or the acceptance of inheritance. The tax, if due, is payable within 14 days of the date the relevant decision on the amount of tax liability received from the head of the relevant tax office. If a notary is involved in the transaction, he or she is obliged to withhold the tax due and submit relevant tax returns. In principle, the rate of inheritance and donation tax depends on the degree and kind of kinship or relationship or other personal ties between the decedent and the heir or the donor and the beneficiary. The tax rates increase progressively from 3% to 20% of the taxable base, depending on the tax group in which the transferee belongs. The tax is levied on the net market value of all property received by the beneficiary/donee. The property rights acquired by the closest relatives (a spouse, descendants, ascendants, stepchildren, siblings, stepfather and stepmother) are tax-exempt subject to filing an appropriate notice with a head of the relevant tax office in due time. The aforementioned exemption applies if, at the time of acquisition, the acquirer was a citizen of Poland, another European Union Member State, a European Free Trade Association Member State being party to the European Economic Area Agreement or was a resident of Poland or such state.

Tax remitter's liability

In accordance with the Article 30 paragraph 1 of the Tax Ordinance Act, a paying agent who fails to perform the obligations, i.e. to calculate, collect from a taxpayer and pay tax to a tax authority is liable for uncollected tax or for collected but unpaid tax. The above provision is not applied if otherwise provided in separate provisions or if tax was not collected due to the taxable person's fault. If this is the case, the tax authority shall issue a decision on the taxable person's responsibility. The taxable person's responsibility may be declared in a decision defining the amount of the tax liability.

5. CONDITIONS OF THE OFFERING

5.1 Conditions, Offering-related statistics, projected schedule and method for subscribing the Offering

5.1.1 Conditions to which the Offering is subject

The Offering is not subject to any conditions.

5.1.2 Total amount of the Offering

The subject of the Offering, for a total maximum value of Euro 12,999,633,449.53, is a maximum of 1,606,876,817 New Shares from the Share Capital Increase.

The New Shares will be offered as an option to shareholders of the Issuer, at the Offer Price, based on the option ratio of 13 New Shares for every 5 ordinary and/or savings shares held.

The table below summarises the important information relating to the Offering.

Important information relating to the Offering	
Number of New Shares offered as an option	maximum of 1,606,876,817 New Shares
Option ratio	13 New Shares for every 5 UniCredit ordinary and/or savings shares held
Offer Price	Euro 8.09
Total value of the Share Capital Increase	Euro 12,999,633,449.53
Number of outstanding shares of the Issuer at the Date of the Securities Note	n. 618,034,306
of which:	
- ordinary shares	n. 617,781,817
- savings shares	n. 252,489
Number of shares of the Issuer if the Rights Issue is fully subscribed	n. 2,224,911,123
of which:	
- ordinary shares	n. 2,224,658,634
- savings shares	n. 252,489
Post-Issue Amount of UniCredit Ordinary Share Capital	Euro 20,860,594,619.09
Post-Issue Amount of UniCredit Share Capital	Euro 20,862,962,205.11
Percentage of New Shares out of the total shares issued by the Issuer if the Rights Issue is fully subscribed	72.22%

5.1.3 Offering validity period, possible revisions and subscription procedures

In Italy and Germany, to ensure their validity, Subscription Rights must be exercised during the Subscription Period in Italy and Germany, namely from 06 February 2017 to 23 February 2017 inclusive, by submitting the appropriate application to authorised intermediaries that are members of the centralised Monte Titoli management system and Clearstream Frankfurt.

In Poland, to ensure their validity, Subscription Rights must be exercised during the Subscription Period in Poland from 08 February 2017 to 22 February 2017 inclusive, by submitting the appropriate application to the authorised intermediaries which are members of the NDS centralised management system where the

Subscription Rights are deposited. If the owners of the Subscription Rights hold their Subscription Rights in a deposit opened with a custodian bank, the subscription form must be sent to the intermediary, which will execute the instructions of the custodian bank's customers.

The intermediaries shall be required to give the relevant instructions to Monte Titoli by 14.00 (Italian time zone) on the last day of the Subscription Period in Italy and Germany. Each subscriber must therefore submit their subscription application subject to the conditions and timeframe communicated to them by their intermediary, to ensure compliance with the above deadline. To this end, subscribers may need to submit their subscription applications sufficiently in advance of the above deadline. Applications for the Offering in Poland must be made by the end of the Subscription Period in Poland and should then be notified to Monte Titoli by 14.00 of the last day of the Subscription Period in Italy and Germany.

Subscription Rights will be negotiable on the MTA from 6 February 2017 to 17 February 2017, inclusive, and on the Warsaw Stock Exchange from 8 February 2017 to 17 February 2017, inclusive.

The table below shows the timetable for the Offering.

Timetable	**Inclusive dates**
Subscription Period in Italy and Germany	From 6 February 2017 to 23 February 2017
Subscription Period in Poland	From 8 February 2017 to 22 February 2017
Subscription Rights trading period in Italy	From 6 February 2017 to 17 February 2017
Subscription Rights trading period in Poland	From 8 February 2017 to 17 February 2017
Communication of results of the Offering	Within 5 working days of the end of the Subscription Period in Italy and Germany

By the end of the month following the expiration of the Subscription Period in Italy and Germany, the Issuer will offer for at least five market trading days on the MTA any unexercised Subscription Rights pursuant to paragraph 3, Article 2441 of the Civil Code.

It should be noted that the schedule for the transaction is approximate and could be modified upon the occurrence of events and situations beyond the Issuer's control, including specific conditions of volatility in financial markets, which could impair the success of the Offering. Any changes in the Subscription Period must be advised to the public in a notice to be published in the same manner as the Securities Note is distributed. However, it is understood that the Offering will begin by and no later than one month from the issuance date of CONSOB's measure to approve the Securities Note. It should also be noted that the schedule for the Offering in Poland could be subject to potential revisions due to different offering procedures currently in effect in Italy and Poland. In particular, holders of shares deposited with authorised intermediaries which are members of the NDS centralised management system are informed that the Issuer could provide additional information in Poland concerning the method and deadlines of the Offering and subscription including a facsimile of the subscription form through the publication of appropriate disclosure documents (current report). To this end, subscribers may need to submit their subscription applications sufficiently in advance of the end of the Subscription Period in Poland.

Applications for the Offering will be made by compiling special forms prepared by the intermediary authorities belonging, directly or indirectly, to the centralised management system of, respectively, Monte Titoli,

Clearstream Frankfurt and NDS, which will at least contain the identification elements of the Offering and the following information reproduced in a way that it is easy to read:

- the warning that the applicant may receive a copy of the Registration Document, the Securities Note and the Summary Note in the Italian or English version and, limited to the Summary Note in the Italian, English, German or Polish version, free of charge; and

- reference to the "Risk Factors" contained in Chapter 4 of the Registration Document and in Chapter 2 of the Securities Note.

A facsimile of the subscription form in Italian, English and Polish will also be available at the registered office of the Issuer and the Central Management Office for intermediaries which request it.

For further details about the methods and times for exercising Subscription Rights, UniCredit shareholders and holders of German or Polish Subscription Rights deposited in Germany and Poland are invited to contact their own bank, intermediary or financial adviser. Specifically, in Poland, the purpose and the form of the documents required for exercising Subscription Rights and the principles of acting through a representative should comply with the procedures for authorised intermediaries who accept the subscription form.

The Issuer shall not be responsible for any delays caused by authorised intermediaries in the execution of the provisions set forth by applicants in relation to participation in the Offering. The correctness and accuracy of participation procedures that take place via authorised intermediaries shall be checked by the latter.

5.1.4 Revocation and suspension of Offering

The Offering will become irrevocable on the date the corresponding notice is filed with the Rome Company Register pursuant to paragraph 2, Article 2441 of the Civil Code.

If this filing is not carried out, and thus, if the Offering is not executed by the deadlines established in the Securities Note, notice of such facts must be provided to the market and CONSOB by means of a notification pursuant to Article 114 of the TUF and the related implementation provisions indicated in the Issuers' Regulations by the market trading day prior to the date specified for the beginning of the Subscription Period, as well as by means of an appropriate notice published in at least one newspaper with national distribution, and at the same time transmitted to CONSOB.

5.1.5 Reduction of subscription and redemption methods

There is no provision allowing subscribers to reduce their subscription in whole or in part, nor provision for any reimbursement of the amount paid for that purpose.

5.1.6 Minimum and/or maximum amount of subscriptions

The Offering is intended for all ordinary and/or savings shareholders of UniCredit in the ratio of 13 New Shares for every 5 ordinary and/or savings shares of UniCredit held.

No maximum or minimum subscription amounts are expected.

5.1.7 Ability to withdraw from the subscription

Acceptance of the Offering is irrevocable except upon the occurrence of the scenario that is indicated in the combined provisions of Article 94, paragraph 7 and Article 95-*bis*, paragraph 2 of the TUF that call for the publication of a supplement to the pending prospectus for the Offering (pursuant to Article 9 of the Issuer Regulations).

In this case, subscribers who have already agreed to subscribe the New Shares before the publication of the supplement may exercise the right to withdraw their acceptance by the deadline to be established in the supplement, which, in any case, must not be less than two business days after such publication.

5.1.8 Methods and deadlines for payment and delivery of New Shares

Full payment for the New Shares must be made at the time of subscription, to the authorised intermediary who has put forward the subscription request; the Issuer does not plan to levy any charges or incidental expenses on the applicant.

It should be noted that in Poland authorised intermediaries can request payment for expenses and fees, also as a result of the subscription currency of the New Shares (the Euro), which is different from the currency presently in circulation in Poland (the Zloty).

The New Shares subscribed by the end of the Subscription Period will be credited to the accounts of intermediaries belonging to the centralised Monte Titoli management system at the end of the accounting day of the last day of the Subscription Period in Italy and Germany and will therefore be available from the next settlement date.

New Shares subscribed by the end of the Subscription Period will be credited to the accounts of intermediaries belonging to the centralised Monte Titoli management system at the end of the accounting day of the last day to exercise Subscription Rights, and will therefore be available from the next settlement date.

Due to the different methods of registering New Shares at Clearstream Frankfurt and NDS, in Germany and Poland it is possible that New Shares may not be made available to the parties entitled under the terms indicated above (with regard to the notification concerning the completed allocation see Chapter 5, Paragraph 5.2.4 of the Securities Note).

5.1.9 Timing and methods for publishing results of the Offering

Since this is an Offering in the form of an Option, the entity required to communicate the results of the solicitation to the public and CONSOB is the Issuer.

The Issuer must publish results of the Offering within five business days of the conclusion of the Subscription Period in Italy and Germany in an appropriate announcement.

By the end of the month following the expiration of the Subscription Period in Italy and Germany, the Issuer will offer on the MTA any unexercised Subscription Rights pursuant to paragraph 3, Article 2441 of the Civil Code. By the end of the day preceding the beginning of the Market Offering, a notice is to be published in at

least one newspaper with national distribution indicating the number of unexercised Subscription Rights to be offered on the MTA pursuant to paragraph 3, Article 2441 of the Civil Code and the dates of the meetings at which the Market Offering will take place.

When proceeding to the Market Offering, proper notice of the final results of the Offering is to be given within 5 business days of the conclusion of the offering of unexercised Subscription Rights pursuant to paragraph 3, Article 2441 of the Civil Code.

5.1.10 Procedure for exercising any right of first refusal, for trading Subscription Rights and for the treatment of unexercised Subscription Rights

In Italy and Germany, Subscription Rights should be exercised, subject to forfeiture, during the Subscription Period in Italy and Germany, from 6 February 2017 to 23 February 2017, inclusive.

In Poland, Subscription Rights should be exercised, subject to forfeiture, during the Subscription Period in Poland, from 8 February 2017 to 22 February 2017, inclusive.

Subscription Rights will be negotiable on the MTA from 6 February 2017 to 17 February 2017, inclusive, and on the Warsaw Stock Exchange from 8 February 2017 to 17 February 2017, inclusive.

The intermediaries shall be required to give the relevant instructions to Monte Titoli by 14.00 (Italian time zone) on the last day of the Subscription Period. Each subscriber must therefore submit their subscription application subject to the conditions and timeframe communicated to them by their intermediary, to ensure compliance with the above deadline. To this end, subscribers may need to submit their subscription applications sufficiently in advance of the above deadline. Applications for the Offering in Poland must be made by the end of the Subscription Period in Poland and should then be notified to Monte Titoli by 14.00 of the last day of the Subscription Period in Italy and Germany.

If the Subscription Rights are not exercised and/or sold on the market, respectively, by the end of the trading period or the end of the Subscription Period in Italy and Germany or the Subscription Period in Poland, the shareholder will forfeit the right to sell and/or exercise all Option Rights that remain unexercised and/or unsold on the market at those dates, without receiving any compensation, refund of expenses or economic benefit of any kind.

Subscription Rights not exercised by the end of the Subscription Period will be offered on the MTA by the Issuer, pursuant to Article 2441, paragraph 3 of the Civil Code.

5.2 Distribution and allocation plan

5.2.1 Offering recipients and markets

The New Shares will be offered as an option to all holders of ordinary and savings shares of the Company.

The Registration Document, the Securities Note and the Summary Note (which jointly constitute the Prospectus for the Offering) are valid in Italy and, following the procedure in Article 11, paragraph 1 of the Issuer's Regulations, in Germany and Poland. For the purposes of the procedure in Article 11, paragraph 1, of

the Issuer's Regulations, the Registration Document and the Securities Note have been translated into English and the Summary Note into English, German and Polish. The Offering is therefore promoted exclusively in the Italian, German and Polish markets based on the Registration Document, Securities Note and the Summary Note, and subject to the provisions below for the offering to certain investors abroad. The Offering is directed, indiscriminately and all things being equal, to all UniCredit shareholders without limitation or exclusion of the subscription rights, but is not and will not be promoted, directly or indirectly, to investors resident in the United States of America, Canada, Japan and Australia or in any of the other Excluded Countries, save circumstances for exemptions. Similarly, any applications coming directly or indirectly from the United States of America, Canada, Japan and Australia, or from Excluded Countries, where these applications are in violation of local regulations, will not be accepted.

The Offering is not and will not be promoted or announced, directly or indirectly, and cannot be accepted, directly or indirectly, in or from the Excluded Countries by any means, either through the postal services or any other means of communication of a national or international means (including, by way of example, the postal system, fax, telex, e-mail, telephone and the internet) of the Excluded Countries, or through any of the national regulated markets of the Excluded Countries, or any other method. Applications for the Offering made, directly or indirectly, in violation of the above limitations will be considered invalid and will not be accepted. Shareholders resident in the United States of America, Canada, Japan and Australia or in the Excluded Countries therefore cannot exercise and/or sell Subscription Rights pursuant to the applicable regulations. These persons should therefore take specific legal advice on the subject before undertaking any action. The Issuer reserves the right to not allow these persons to exercise and/or sell the aforementioned Subscription Rights if it finds that they are in violation of the laws and/or regulations applicable in other Countries.

The New Shares and related Subscription Rights have not been and will not be registered pursuant to the Securities Act or pursuant to corresponding regulations in force in other Excluded Countries.

UniCredit has also prepared an information memorandum in English (the "International Offering Circular") in relation to the offering to institutional investors intended for: (i) in the United States of America, QIBs, through private placements under Section 4(a)(2) of the Securities Act; and (ii) outside the United States of America, institutional investors in accordance with the provisions of "Regulation S" issued pursuant to the Securities Act.

5.2.2 Commitments to subscribe New Shares

At the Date of the Securities Note, as far as the Issuer is aware, none of the major shareholders (understood as shareholders with stakes equal to or more than 3% of the ordinary share capital of the Issuer), nor the members of the Board of Directors or Board of Statutory Auditors or Key Managers have expressed any decision concerning the subscription of New Shares due to them as an option in relation to the ordinary and/or savings shares of UniCredit held by them.

At the Date of the Securities Note, the Issuer is not aware of parties that intend to subscribe a percentage of the Offering of more than 5%.

As far as the commitments of the Underwriters are concerned, see Chapter 5, Paragraph 5.4.3 of the Securities Note.

5.2.3 Information to be communicated prior to allocation

In view of the nature of the Offering, no communications to subscribers are required before the allocation of New Shares.

5.2.4 Procedure for notifying subscribers of the amount allocated

The notification of the completed allocation of New Shares will be made to respective customers by the authorised intermediaries that are members of the centralised management system managed by Monte Titoli, Clearstream Frankfurt or NDS.

5.2.5 Over allotment and Greenshoe

Not applicable to the Offering.

5.3 Price setting

5.3.1 Offer Price

The Offer Price, equal to Euro 8.09 per New Share of which Euro 8.08 is the premium, was calculated by the UniCredit Board of Directors on 1 February 2017. The Offer Price represents a discount on the theoretical ex right price (calculated on the basis of the official price of 1 February 2017), equal to 38%.

The Issuer has not stipulated any charge or incidental expense to be paid by the applicant.

5.3.2 Limitations of subscription right

The New Shares are offered as an option to ordinary and savings shareholders pursuant to paragraphs 1, 2 and 3 of Article 2441 of the Civil Code, and no limitations have been stipulated for the Subscription Rights due to entitled shareholders.

5.3.3 Any difference between the issuance price of the New Shares and the price for shares paid during the previous year, or to be paid by members of the Board of Directors, members of the Board of Statutory Auditors and Key Managers

As far as the Issuer is aware, with the exception of purchases made and communicated to the market in accordance with current regulations, during the previous year, members of administrative, management and control bodies and Key Managers or persons closely related to them did not purchase shares of the Issuer at a price which differed substantially from the Offer Price.

For information on instruments which provide the right to purchase shares of the Issuer, see Chapter 17, Paragraph 17.2 of the Registration Document.

5.4 Placement and subscription

5.4.1 Indication of lead managers of the Offering and dealers

Since this is an offering as an option pursuant to paragraphs 1, 2 and 3 of Article 2441 of the Civil Code, there is no lead manager.

5.4.2 Name and address of entities charged with financial services and custodian agents in each country

Applications to subscribe New Shares must be forwarded through authorised intermediaries which are members of the centralised management system of Monte Titoli, Clearstream Frankfurt or NDS.

5.4.3 Subscription commitments and guarantee

On 12 December 2016, Morgan Stanley & Co. International plc and UBS Limited, in the capacity of structuring advisors and together with Merrill Lynch International, J.P. Morgan Securities plc and Mediobanca – Banca di Credito Finanziario S.p.A., as underwriting joint global coordinators and joint bookrunners, and Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International and HSBC Bank plc, as co-global coordinators and joint bookrunners, signed a Pre-Underwriting Agreement (GC) with the Issuer, pursuant to which they are obliged to sign - at conditions in line with market practice for similar transactions - the Underwriting Agreement for the subscription of the New Shares that are not taken up at the end of the auction for rights not taken up for a maximum amount equal to the value of the Share Capital Increase.

In addition, on 22 December 2016, Banca IMI S.p.A., Banco Bilbao Vizcaya Argentaria S.A., Banco Santander S.A., Barclays Bank PLC, BNP Paribas S.A., Commerzbank AG, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale, in the capacity of joint bookrunners, signed a Pre-Underwriting Agreement (Non-GC) with the Issuer in line with the one already signed by the Underwriting Joint Global Coordinators and Co-Global Coordinators pursuant to which they are obliged to sign - at conditions in line with market practice for similar transactions - the Underwriting Agreement for the subscription of the New Shares that are not taken up at the end of the auction for rights not taken up for a maximum amount equal (together with the commitment pursuant to the Pre-Underwriting Agreement (GC)) to the value of the Share Capital Increase.

The Pre-Underwriting Agreements ceased to be effective at the signing of the Underwriting Agreement, which took place on 1 February 2017.

The Underwriting Agreement, subject to Italian law, contains, among other things, the commitment to subscribe separately and without joint and several liability any New Shares which have not been exercised at the end of the Market Offering, up to a total of Euro 13 billion, as well as the usual clauses which condition the effectiveness of the agreement obligations (relating, in line with market practice in similar transactions, to the Underwriters obtaining the comfort package from the Company and the consultants involved) or give the Underwriting Joint Global Coordinators the right of withdrawal from the agreement, also on behalf of the other

Underwriters. Specifically, the Underwriting Agreement contains rights of withdrawal for the Underwriters from the underwriting commitments, in the following circumstances:

(a) the occurrence of events which, in the reasonable judgement and good faith of the majority of the Underwriting Joint Global Coordinators – following consultation with the Issuer and UniCredit Bank AG, Milan Branch - constitute a material adverse change in the financial situation, operating results and/or profits of the UniCredit Group and which, in the reasonable judgement and good faith of the majority of the Underwriting Joint Global Coordinators – following consultation with the Issuer and UniCredit Bank AG, Milan Branch - could significantly adversely affect the completion of the Rights Issue;

(b) the occurrence of material adverse changes nationally or internationally in the currency, political, financial or economic conditions, in financial markets, exchange rates or regulations involving the monitoring of foreign capital in Italy, the United Kingdom and the United States of America or the European Union, the effects of which according to the good faith judgement of the majority of the Underwriting Joint Global Coordinators – following consultation with the Issuer and UniCredit Bank AG, Milan Branch - could significantly adversely affect the completion of the Rights Issue;

(c) the suspension from, or a serious restriction to the trading on UniCredit ordinary shares on the MTA due to an excessive drop in prices for at least two consecutive days or in the cases in Article 2.5.1 of the Stock Exchange Regulations provided that this suspension or serious restriction is due to reasons other than the announcement of the Rights Issue;

(d) the general suspension of or restriction to trading on the New York Stock Exchange, the MTA or the London Stock Exchange;

(e) the declaration, by the competent authorities in Italy, the United Kingdom or the United States of America of general moratoria on banking activities or significant distortions in the banking, clearance or settlement systems for financial instruments in those countries, which, in the good faith judgement of the majority of the Underwriting Joint Global Coordinators – following consultation with the Issuer and UniCredit Bank AG, Milan Branch - could significantly adversely affect the completion of the Rights Issue;

(f) the outbreak or intensification of hostilities and/or acts of terrorism or other disasters which, in the good faith judgement of the majority of the Underwriting Joint Global Coordinators – following consultation with the Issuer and UniCredit Bank AG, Milan Branch - could significantly adversely affect the completion of the Rights Issue;

(g) serious non-compliance by the Issuer with the commitments undertaken pursuant to the Underwriting Agreement;

(h) the inaccuracy or incorrectness of the declarations and guarantees given by the Issuer in the Underwriting Agreement; and

(i) the publication of a supplement to the Prospectus if (A) the publication became necessary because of the occurrence of facts and/or events which could have a negative impact on UniCredit and or the UniCredit Group, and (B) the amount of withdrawals by subscribers to the Rights Issue or the negative impact of subscription requests during the Market Offering has had, in the good faith judgement of the majority of

the Underwriting Joint Global Coordinators – following consultation with the Issuer and UniCredit Bank AG, Milan branch - a significant negative impact on the success of the Rights Issue, without prejudice to the fact that this right of withdrawal from the Underwriting Agreement will not apply to the publication of supplement to the Prospectus for the 2016 Preliminary Data in the event whereby said supplement contains solely the 2016 Preliminary Data and provided that such figures do not differ significantly from the Estimates (with regard to the "Estimates", see Chapter 11, Paragraph 11.4 of the Securities Note).

The Rights Issue is divisible and, therefore, if not fully subscribed, it will be carried out and understood as limited to the amount of subscriptions made.

5.4.4 Date of entry for subscription and Underwriting Agreements

The commitments of the Underwriters indicated in Chapter 5, Paragraph 5.4.3 of the Securities Note were assumed on a date preceding the Date of the Securities Note.

6. AUTHORISATION FOR TRADING AND TRADING METHODS

6.1 Application for authorisation for trading

The New Shares will be authorised for trading on the MTA, in the same way as the outstanding UniCredit ordinary shares.

The Rights Issue calls for the issuance of up to 1,606,876,817 New Shares which represent a maximum percentage of over 10% of the number of the Company's shares in the same class which have already been authorised for trading.

Therefore, pursuant to Article 57, paragraph 1, letter a) of the Issuers' Regulations, the Registration Document, Securities Note and Summary Note also constitute a Prospectus for the purposes of listing the New Shares resulting from the Rights Issue.

The New Shares will be traded on Borsa Italiana, automatically, in accordance with the provisions of Article 2.4.1 of the Stock Exchange Regulations, on the same market that the UniCredit ordinary shares, i.e. on MTA.

For the purposes of obtaining authorisation for the trading of New Shares on the market regulated by the Frankfurt Stock Exchange (General Standard segment) and on the Warsaw Stock Exchange, the main market, UniCredit will present appropriate applications to the Frankfurt Stock Exchange and the Warsaw Stock Exchange respectively, pursuant to regulations currently in effect.

Trading of the New Shares on the market regulated by the Frankfurt Stock Exchange (General Standard segment) and on the main market of the Warsaw Stock Exchange will begin only following the admission on the respective markets.

6.2 Other regulated markets

At the Date of the Securities Note, the Issuer's shares are traded on the MTA, on the market regulated by the Frankfurt Stock Exchange (General Standard segment) and on the main market of the Warsaw Stock Exchange.

6.3 Other

No other transactions involving the subscription or private placement of UniCredit's ordinary or savings shares are planned near the time of the Offering, besides what is indicated in the Securities Note.

6.4 Intermediaries in secondary market transactions

Not applicable to the Offering.

6.5 Stabilisation

There is no requirement for the Issuer or any parties hired by it to perform any stabilisation activities.

7. HOLDERS OF FINANCIAL INSTRUMENTS THAT PROCEED TO A SALE

7.1 Vendor shareholders

There are no vendor shareholders under the scope of the Offering.

The New Shares are offered directly by the Issuer, and therefore for all information regarding the Company and Group see the data and information already provided in the Registration Document.

7.2 Financial instruments offered for sale by each of the vendor shareholders

Not applicable to the Offering.

7.3 Lock-up agreements

Under the scope of the Underwriting Agreement, in line with what was agreed in the Pre-Underwriting Agreements, also on behalf of subsidiaries and associate companies, UniCredit has undertaken the commitment with regard to the Joint Global Coordinators, also on behalf of the other Underwriters, from the signing of the Underwriting Agreement and until the 180th day from the closing date of the Rights Issue, not to carry out the following, without the prior written consent of the majority (in terms of numbers) of the Joint Global Coordinators, which cannot be reasonably withheld: (i) directly or indirectly, transactions involving the issuing, offering or sale, deeds of settlement, granting of pledges, liens or other collateral, granting or options or transactions involving the allocation or transfer to third-parties, in any way or in any form, of the Company's shares (including the public announcement of the above-mentioned transactions); (ii) swap agreements or other derivative contracts (both cash and physically settled), which have the same effects, even only economic ones, for the transactions listed below; and (iii) share capital increases or the issuing of convertible bonds, which are exchangeable or other instruments which are convertible or exchangeable into shares of the Issuer.

The above commitments do not apply to issues of the Issuers' shares resulting from: (i) the Rights Issue, (ii) existing management and employee incentive plans or those which will be approved; (iii) the conversion of convertible or exchangeable instruments already issued at the Date of the Securities Note pursuant to the Issuers' By-Laws or from the transactions in the Strategic Plan, including any issues of additional tier 1 instruments or other instruments which are calculated under own funds; (iv) any nominal increase in the share capital; and (v) any transaction carried out at the request of any competent authority or in order to adapt to the requirements laid down by applicable regulations. The commitments in the previous paragraph also exclude ordinary transactions involving UniCredit shares implemented by the Issuer or by other UniCredit Group companies on behalf of their customers.

8. EXPENSES RELATED TO THE OFFERING

8.1 Net total proceeds and estimate of total expenses related to Offering

The net proceeds from the Rights Issue, if fully subscribed, are estimated to be about Euro 12.5 billion.

The total amount of expenses may be up to about Euro 500 million including consulting expenses, out-of-pocket expenses and underwriting fees calculated at the highest level.

9. DILUTION

9.1 Immediate dilution of the Offering

The New Shares are offered as an option to the Issuers' shareholders, therefore there are no dilutive effects resulting from the Share Capital Increase in terms of percentage holdings in the overall share capital with regard to the shareholders of the Issuer who decide to fully subscribe the Offering to the extent to which they are entitled.

If the Subscription Rights are not exercised in full and the Rights Issue not being fully subscribed, the shareholders which do not subscribe for the portion pertaining to the shares they already own will be subject to dilution of their holdings, as a percentage of the share capital, of a maximum of 72.22%.

With regard to savings shareholders, the allocation of subscription rights to the latter to subscribe ordinary shares will result in the dilution of equity investments held by shareholders that own ordinary shares, which, however, in light of the limited quantity of savings shares in existence at the Date of the Securities Note, is negligible. Specifically, if the savings shares of the New Shares that shareholders are entitled to are fully subscribed, the holdings of ordinary shareholders will be subject to a maximum dilution, in percentage terms of the ordinary share capital, of 0.03%.

10. ADDITIONAL INFORMATION

10.1 Consultants

The Securities Note makes no mention of consultants related to the Offering.

10.2 Indication of other information contained in the Securities Note which was subject to a full or limited audit by official auditors

The Securities Note contains no information in addition to that contained in the Registration Document.

10.3 Expert opinions or reports

The Securities Note contains no expert opinions or reports.

10.4 Third-party information

The Securities Note contains no information from third parties.

11. INTEGRATIONS TO THE REGISTRATION DOCUMENT

11.1 Additions to Chapter 4, Paragraph 4.1.4 of the Registration Document

Chapter 4, Paragraph 4.1.4 of the Registration Document is integrated as shown below (strike-through text deleted and bold and underlined text added).

"**4.1.4 Risks associated with forbearance on non-performing loans**

[…*OMISSIS*…]

For further information on the Framework Agreements, see Chapter 22, Paragraph 22.1, of the Registration Document; It is noted that **at** the meeting of **1 February 2017 the** Board of Directors **has approved** ~~decided to approve~~ the execution of the 'Fino Project' ~~will be held before the approval of preliminary data relative to the year ended 31 December 2016~~.

[…*OMISSIS*…]

11.2 Additions to Chapter 4, Paragraph 4.1.6 of the Registration Document

Chapter 4, Paragraph 4.1.6 of the Registration Document is integrated as shown below (strike-through text deleted and bold and underlined text added).

"**4.1.6 Risks related to the variability of the income results of the Group for the years ending 31 December 2015, 2014 and 2013 as well as for the infra-annual period closed on 30 September 2016 and the limits to the non-comparability of future results after this last period**

[…*OMISSIS*…]

It should also be noted that the data in the consolidated balance sheet closed at 31 December 2016 will present a discontinuity with respect to the data to 30 September 2016 indicated in the Abbreviated Intermediate Consolidated Financial Statements of 30 September 2016 (as it is waiting for a significant loss for 2016 compared with a profit estimated for the first nine months of 2016), also as a function of the one-off negative impacts on the net result of the fourth quarter of 2016 to Euro 12.2 billion, as set out in the Strategic Plan ~~(see Chapter 12, Paragraph 12.2 and Chapter 13, Paragraph 13.1.6 of the Registration Document),~~ though not including the totality of the impacts of the operations of the disposal of assets in the course of execution, whose improvement Is expected in the course of 2017; therefore we invite investors to take due account of this fact in making investment decisions.

In this respect it should be noted that on 30 January 2017, the Board of Directors of the Issuer has examined the estimates of the preliminary consolidated results for the financial year ended 31 December 2016. These results are negatively affected by the negative impacts of one-off entries cited above and also by further negative one-off entries equal to approximately Euro 1 billion, which is expected to be accounted for in the financial year 2016 and of which the Board of Directors has taken into account in the definition of the estimates. Therefore, in the estimate of net consolidated results for the financial year ended 31 December 2016, taking into account the one-off negative income items , equal, in total, to Euro

13.2 billion the Issuer expects to record a loss of approximately Euro 11.8 billion compared to an estimated profit for the first nine months of 2016 (see. Chapter 13, Paragraph 13.1.6 as integrated within the meaning of Chapter 11, paragraph 11.3 of the Securities Note).

For more information on the income results of the Group, *see* Chapter 20 of the Registration Document. For information on the perimeter for the definition of the 2016-2019 Strategic Plan see Chapter 13, Paragraph 13.1.2 of the Registration Document.

11.3 Additions to Chapter 12, Paragraph 12.2 of the Registration Document

Chapter 12, Paragraph 12.2 of the Registration Document is integrated as shown below (strike-through text deleted and bold and underlined text added).

"Furthermore, as of the Date of the Registration Document, data relating to the net result of the Group for the period 1 January 2016 - 31 December 2016 that the Issuer expects to be attributed to 2016 do not show deviations from the corresponding forecast given in the Strategic Plan for 2016, net of the effects arising from different areas of consolidation and accounting principles applied (it should be noted in fact that the forecasts were drawn up taking the deconsolidation of the companies subject to operations of disposal of assets, while the profit and loss account summary 2016 will be defined by presenting the company subject to operations of the disposal of assets in accordance with the principle IFRS 5, therefore the positions of the income statement other than the net result will not be directly comparable), such as to have a significant impact on projected underlying the overall objective of the Strategic Plan 2016-2019 for subsequent years.

Based on the actions set out in the 2016-2019 Strategic Plan, there are also expected to be non-recurring negative impacts on the net result for the fourth quarter of 2016 totalling €12.2 billion. These impacts (net of tax effects) are due to the estimated combined effect of the following phenomena:

(i) €-8.1 billion of net adjustments on loans;

(ii) €-1.7 billion of integration costs;

(iii) €-1.4 billion of other write-downs on balance sheet asset items;

(iv) €+0.4 billion of profits on the sale of credit card processing activities;

(v) €-0.7 billion negative impact resulting from the cancellation of the exchange rate reserve connected to the sale of PJSC Ukrstotsbank;

(vi) €-0.3 billion resulting from the reclassification of Bank Pekao in accordance with IFRS 5;

(vii) Euro -0.5 billion impairment of goodwill and other intangible assets.

The last three phenomena described above are not expected to have an impact on the regulatory capital (see Chapter 13 of the Registration Document).

Furthermore, on 30 January 2017, the Board of Directors - in the discussion of the estimates of the preliminary consolidated results for the financial year ended 31 December 2016 - took into account a

series of further negative one-off entries amounting to about Euro 1 billion, which is expected to be accounted for in the year 2016 (see chapter 13, Paragraph 13.1.6 of the Registration Document), as integrated within the meaning of Chapter 11, paragraph 11.3 of the Securities Note)".

11.4 Additions to Chapter 13, Paragraph 13.1.6 of the Registration Document

Chapter 13, Paragraph 13.1.6 ("*Estimate of the 2016 Result*") of the Registration Document is integrated as shown below (strike-through text deleted and bold and underlined text added).

"**13.1.6 Estimate of the 2016 Result**

Based on the defined actions of the plan, one-off negative impacts on the net profit in the fourth quarter of 2016 are estimated at a total of €12.2 billion, of which: (i) €8.1 billion of additional net adjustments to loans; (ii) €1.7 billion of integration costs; (iii) €1.4 billion of other write-downs on balance sheet asset items and provisions for risks; (iv) €0.4 billion of profits on the sale of credit card processing activities; (v) €1.4 billion negative impact resulting mainly from the cancellation of the exchange rate reserve connected with the sale of PJSC Ukrstotsbank and goodwill and other intangible assets that did not have an impact on *Common Equity Tier 1 capital*.

By reason of the impacts of one-off entries described above, the net result of the Issuer of the financial year 2016 will be determined, assuming the present Group perimeter and considering the economic effects of the one-off transactions reported in the books in the year 2016, in accordance with the accounting principles applied by UniCredit in the preparation of the Consolidated Financial Statements at 31 December 2015 and in coherence with the hypothetical scenario for 2016 (in terms of trends in market volumes and rates), and in coherence with the industrial actions of the Strategic Plan (in terms of actions for the maximization of the value of the commercial bank and the transformation of the operational model), taking into account the results sheets of nine months 2016 and of expected trends for the fourth quarter of 2016.

This net result will be characterized by a discontinuity with respect to that of the first nine months of 2016 because a significant loss is expected for 2016 compared with a profit estimated for the first nine months of 2016. On the other hand, no significant impacts arising from the Operations of the Disposal of Assets in the course of Execution on the net profit or loss for the financial year 2016 are expected, apart from the impacts of the presentation of such operations according to the principle IFRS 5. Because of the expected timing of the Operations of Disposal of Assets, no changes to the scope of consolidation of the Group as of 31 December 2016 are expected, except for participation in PJSC Ukrsotsbank as a consequence of the conferral of the same to the Luxembourg Holding ABH HOLDINGS S.A..

In this respect it should be noted that on 30 January 2017, the Board of Directors of the Issuer has examined the estimates of the preliminary consolidated results for the financial year ended 31 December 2016. These results are negatively affected by one-off entries, of which approximately Euro 12.2 billion were communicated on 13 December 2016, in the context of the presentation to the market of the Strategic Plan 2016-2019 and indicated in the Registration Document (see Chapter 12, Paragraph 12.2 and Chapter 13, Paragraph 13.1.5 of the Registration Document).

In the processing of the estimates the UniCredit Group has taken into account a series of further negative one-off entries amounting to about Euro 1 billion, which are expected to be accounted for in the year 2016. These negative one-off entries mainly derive from:

- **Greater devaluation of the share in the Atlante Fund, consequent to the evaluation of the Fund on the basis of internal models (*see* Chapter 5, Paragraph 5.1.6 of the Registration Document).**

- **The devaluation of certain holdings, consequent to new evidence on the prospects of the underlying companies;**

- **The devaluation of deferred tax assets (DTA) as a result of the verification of the recoverability of the same carried out on the basis of the availability of analytical information elements;**

- **The detection of extraordinary contributions to the National Resolution Fund (*see* Chapter 12, paragraph 12.2 of the Registration Document), upon completion of a study outcome of studies that has been the subject of discussion by the Board of Directors of 30 January 2017.**

Therefore, in the estimate of net consolidated results for the financial year ended 31 December 2016, the Issuer expects to record a loss of approximately Euro 11.8 billion compared to an estimated profit for the first nine months of 2016.

The estimate of the net consolidated loss for 2016 (Euro 11.8 billion), includes negative one-off entries equal to Euro -13.2 billion. The consolidated net result, without considering these one-off entries, would be positive and equal to Euro 1.3 billion (whereas the effect of rounding-off), a drop in relation to Euro 1.7 billion profit recorded by the UniCredit Group in the year ended 31 December 2015. This decrease is mainly due to higher net provisions on loans (linked to specific positions of large dimensions, on which provisions have been made in the course of the fourth quarter of 2016) and higher taxes (arising from negative net result of the companies forming part of the Italian consolidated tax perimeter, on which not active deferred taxes have not been posted). It must be result of operations gross of these one-off entries, according to the estimates, would increase in 2016 compared to 2015. he estimate of the consolidated net result, the estimate of the consolidated net result gross of one-off entries and the estimate of the operating profit gross of the one-off entries, are listed below, jointly, as the "Estimates" and they were determined according to the accounting policies applied by the Group in preparing the consolidated financial statements at 31 December 2015.

In relation to the Strategic Plan 2017-2019, with the same perimeter of consolidation, the estimate of the net consolidated loss of the Group for 2016 approved at the Board Meeting of 30 January 2017 is more than 1.1 billion with respect to what is considered in the context of the Strategic Plan, as the result of the said additional one-off entries of approximately Euro 1.0 billion, and consequently higher net provisions on loans linked to specific positions of large dimensions.

It should also be noted that the above-mentioned additional one-off negative entries do not have negative net impact on capital ratios at 31 December 2016 and applicable from 1 January 2017 because: (a) a part of the further negative adjustments that the Board of Directors has considered for the purposes of the estimates are neutral for the purposes of the calculation of the capital ratios; (b) the negative impact

of the remaining corrections is compensated by new positive effects on capital (deriving mainly from lower risk-weighted assets and by higher capital reserves than assumed in the hypothesis of the Strategic Plan). These negative impacts and the above-mentioned positive new effects have been identified by the Board of Directors on 30 January 2017 during the scrutiny of the Estimates.

Taking account of the above, with reference to the consolidated asset ratios of the Issuer, it is estimated that they are in line with what is stated in the Registration Document, and below the applicable regulatory minimum, respectively equal to: (i) 2 percentage points in terms of *CET1 capital ratio* (with respect to the minimum requirements applicable at 31 December 2016, and with respect to "OCR Requirements + '*Pillar 2 capital guidance*'" applicable as of 1 January 2017); (ii) 1.5 percentage points in terms of *Tier 1 capital ratio* (with respect to the "OCR *Requirements*" applicable as of 1 January 2017); and (iii) 1 percentage points in terms of *Total capital ratio* (with respect to the "OCR *Requirements*" applicable as of 1 January 2017); (on this point, *see* Chapter 13, Paragraph 13.1.5 of the Registration Document).

In this respect it should be noted that, even taking into account the further negative one-off entries that the Board of Directors held on 30 January 2017 has taken into account for the purposes of the examination of the estimates, in the opinion of the Issuer, the capital increase is suitable in itself to restore compliance with the above-mentioned capital requirements (see Chapter 13, Paragraph 13.1.5 of the Registration Document).

It should also be specified that, even taking into account further negative one-off entries, the forecasts of the Strategic Plan will remain unchanged (including the *CET1 ratio* objective estimated above 12.5% in 2019).

Finally, it is reported that on 9 February 2017, the Issuer will approve the preliminary data for the financial year ended 31 December 2016 (the "2016 Preliminary Data**") also in order to carry out the harmonized consolidated statistical surveillance within the framework of the European Union (so-called FINancial REPorting – FINREP) within the meaning of the applicable binding technical implementation norms (ITS).**

Preliminary data for 2016 will be included in a supplement to the prospectus to be placed within the meaning of art. 94, paragraph 7, of the TUF, and which will be published in the course of the period of option, after approval by the CONSOB".

11.5 Additions to Chapter 13, Paragraph 13.2 of the Registration Document

In Chapter 13, Paragraph 13.2 ("*Auditor's Report*") of the Registration Document, the following paragraph has been inserted after the External Auditor's Report on the Projected Data:

"*On 2 February 2017 the Auditing firm has issued a report on the review of the estimates of the Group listed in the previous paragraph 13.1.6 of the Registration Document, as integrated within the meaning of Chapter 11, paragraph 11.3 of the Securities Note. A copy of the report is given in the appendix to the Securities Notice.*".

11.6 Additions to Chapter 22, Paragraph 22.1 of the Registration Document

Chapter 22, Paragraph 22.1 of the Registration Document is integrated as shown below (strike-through text deleted and bold and underlined text added).

"**22.1 Agreements relating to the "Fino Project"**

[…*OMISSIS*…]

Moreover, under agreements with investors it is expected (i) that 40% of the price of Notes subscribed by each investor is paid in cash as of the date of issuance of the Notes and (ii) a mechanism for the payment of the remaining 60% within the date that falls not over, respectively, 36 months for the Fortress and 42 months for PIMCO after the date of issuance of the Notes (the "**Pricing Mechanism of Deferred Subscription**"). The completion of "phase 1" is expected to take place by 31 July 2017 and it is subject to certain conditions precedent being satisfied by 31 March 2017. These conditions precedent are, among other things:

- with regard to the Framework Agreement with PIMCO, among others: (i) the satisfying of all the conditions precedent and the assumptions indicated in the offer letter sent by PIMCO to UniCredit on 12 December 2016 referring to the portfolio which is the subject of the Framework Agreement (and, i.e., among other things: a guarantee from UniCredit for at least €100 million in collections by the sale date (or, if this is not realised, UniCredit would have to pay to the respective SPV an amount equal to the difference between Euro 100 million and receipts actually made); deferred payment of a portion of the Notes subscription price; conclusion of the transaction by 31 July 2017; all securitisation agreements in a satisfactory format for PIMCO (including the agreements relating to the Deferred Subscription Price Mechanism); costs relating to the establishment of the SPV paid for by UniCredit; agreement on the portfolio servicing mechanisms between the valuation date and the sale date - without prejudice to the offer letter as expressly provided for in the Framework Agreement should be understood as superseded by the last agreement); (iii) the definition of the above-mentioned agreements relating to the securitisation transaction and the agreements relating to the Deferred Subscription Price Mechanism that reflects the commercial agreements in form and substance satisfactory for the parties as relevant and (iv) UniCredit obtaining the necessary authorisation from the competent corporate bodies (~~including~~ **in this respect it is specified that the the meeting of 1 February 2017** the Board of Directors **approved the execution of the 'Fino Project');**

- with regard to the Framework Agreement with PIMCO, among others: (i) the definition of contracts relating to the securitisation operation and agreements relating to the Deferred Subscription Price Mechanism that reflects the trade agreements in form and substance satisfactory to the parties from time to time relevant and (ii) the obtaining by UniCredit of the necessary authorizations from the part of the competent corporate bodies (~~including~~ **in this respect it is specified that the the meeting of 1 February 2017 the the Board of Directors approved the execution of the 'Fino Project')**;

[…*OMISSIS*…]

ANNEX

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
ON THE PRELIMINARY CONSOLIDATED RESULTS ESTIMATE
FOR THE YEAR 2016 OF UNICREDIT S.P.A. AND ITS SUBSIDIARIES

To the Board of Directors of
UniCredit S.p.A.

We have examined the preliminary consolidated results estimate (estimate of the consolidated net result, estimate of the consolidated net result gross of one-off entries and estimate of the operating profit gross of one-off entries) of UniCredit S.p.A. and its subsidiaries (the "UniCredit Group") for the year 2016 (the "Results Estimate") included in paragraph 11.4 of the Securities Note which completes paragraph 13.1.6 of the registration document (the "Registration Document") prepared within the offering of ordinary shares of UniCredit S.p.A. (the "Bank" or "UniCredit") newly issued in favour of holders of ordinary shares of the Bank. The Results Estimate has been prepared for inclusion in the Securities Note) prepared pursuant to Regulation (CE) n. 809/2004 of April 29, 2004 as amended (the "European Regulation").

Directors' Responsibility

The Directors are responsible for the preparation of the Results Estimate on the basis of the criteria indicated in the disclosure included in the paragraph 11.4 of the Securities Note and in accordance with the European Regulation and ESMA recommendation "ESMA update of the CESR's recommendations for the consistent implementation of European Commission's Regulation on Prospectuses n. 809/2004". The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Results Estimate that is free from material misstatement, whether due to fraud or error.

The Results Estimate has been prepared based on the criteria described in the paragraph 11.4 of the Securities Note and represents a Results estimate for the period ended as at December 31, 2016. The preparation of the consolidated financial statements of the UniCredit Group for the year 2016 is still in the process of being completed, therefore it may not be excluded that, upon completion of this process, the financial information included in the consolidated financial statements may be materially different from that included in the Results Estimate, also for changes in accounting estimates, events after the reporting period currently unpredictable or for errors in the historical financial information used to prepare the Results Estimate.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Deloitte.

Auditor's Responsibility

Our responsibility is to express an opinion on the Results Estimate based on the procedures we have performed. We conducted our reasonable assurance engagement in accordance with *International Standards on Assurance Engagements - Assurance Engagements other than Audits or Reviews of Historical Information* ("ISAE 3000 revised") issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the Results Estimate. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the Results Estimate, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Results Estimate in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The procedures that we have performed do not constitute an audit of the Results Estimate and of the historical financial information used to prepare it.

We do not accept responsibility for updating this report to reflect events or circumstances that might arise after this date.

Opinion

In our opinion, the Results Estimate has been properly prepared based on the criteria described in the paragraph 11.4 of the Securities Note and the basis of accounting is consistent with the accounting policies used by UniCredit S.p.A. for preparing the consolidated financial statements as at December 31, 2015.

Restriction on Use

This report has been prepared solely for the purposes of the European Regulation with reference to the Securities Note and the Registration Document. It cannot be used in, in whole or in part, for other purposes.

DELOITTE & TOUCHE S.p.A.

Signed by
Riccardo Motta
Partner

Milan, February 2, 2017

This report has been translated into the English language solely for the convenience of international readers.