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

Summary 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 4 of European Commission Regulation (EC) no. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as later amended and supplemented

UniCredit S.p.A.

Registered office – 16 Via Alessandro Specchi, Rome

Head Office –3 Piazza Gae Aulenti 3 – 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: €20,846,893,436.94

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

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

The publication of the Summary 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 Summary Note should be read in conjunction with the 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 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 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 Summary Note, the Securities 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.

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DEFINITIONS

The terms defined in the Summary Note have the same meanings as those attributed in the Registration Document and in the Securities Note. A list of the most common additional definitions and terms used in the Summary Note is provided below. Unless specified otherwise, the meaning of these definitions and terms is the one indicated below. The additional terms used in the Summary Note have the meaning attributed and indicated in the text.

Rights Issue or Share Capital Increase	The increase in share capital of up to a maximum of €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 Italian Civil Code, as approved by the Issuer's Extraordinary Shareholders' Meeting of 12 January 2017, under the Offering.
Date of the Summary Note	The date of the approval of the Summary Note (as defined below) by CONSOB.
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 S.p.A., as well as on their website www.UniCreditgroup.eu.
Group or UniCredit Group	UniCredit and its subsidiaries within the meaning of Article 2359 of the Italian Civil Code and Article 93 of the TUF (Consolidated Financial Act).
Summary Note	This summary note.
Securities Note	The securities note on financial instruments published in conjunction with the Summary Note. The Securities Note 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 S.p.A., as well as on their website www.UniCreditgroup.eu.
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.
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.

SUMMARY NOTE

The Summary Note summarises the risks and essential features associated with the Issuer and the Group to which it pertains, the business sector in which the Issuer and the Group operate, as well as the New Shares which are the subject of the Offering. In order to evaluate the investment correctly, Offering recipients are invited to assess the information in this Summary Note together with the risk factors and the remaining information in the Registration Document and the Securities Note. Specifically, to evaluate whether the New Shares which are the subject of the Offering are compatible with their investment goals, Offering recipients are invited to take into account, among other things, that the New Shares which are the subject of the Offering contain elements of risk typical of an investment in listed equity securities. The summary notes are made up of a series of information called "Elements". These Elements are numbered in the Sections from A to E (A.1 – E.7). The Summary Note contains all the Elements required in relation to the characteristics of the financial instruments offered and the Issuer. Since no indication is required in the summary note of the Elements relating to the schemes not used for the preparation of the Prospectus, there may be gaps in the numerical sequence of the Elements. Although some Elements need to be included in relation to the type of financial instruments offered and the Issuer, where no information is available in this regard, there is a brief description of the Element saying "not applicable".

The terms starting in capital letters are defined in the sections "Definitions" and "Glossary" of the Registration Document, the Securities Note and the Summary Note.

Section A – Introduction and warnings

A.1	**Warning** The following warnings are expressly given: - this Summary Note should be read as an introduction and together with the Registration Document and the Securities Note; - any decision, by investors, to invest in the New Shares that are the subject of the Offering, should be based on an examination by investors of the Summary Note, the Securities Note and the Registration Document; - if an action is lodged before the judicial authorities with regard to the information contained in the Summary Note, the Securities Note and/or the Registration Document, the investor may be bound, according to national legislation of the Member States, to pay for the cost of translating the Summary Note, the Securities Note and/or the Registration Document before the start of the proceedings; and - civil responsibility is incumbent on the persons who have presented the Summary Note, including any translation, only if the Summary Note is misleading, inaccurate or inconsistent if read together with the Securities Note and the Registration Document or does not offer, if read together with the Securities Note and the Registration Document, the key information to aid investors at the time of evaluating the opportunity to invest in the New Shares that are the subject of the Offer.
A.2	**Consent to use the Summary Note, the Registration Document and the Securities Note for the later resale of the New Shares** The Issuer is not permitted to use the Summary Note, the Registration Document and the Securities Note for the later resale or final placement of the New Shares by financial intermediaries.

Section B – Issuer

B.1	**Legal name and trade name of the Issuer** The name of the Issuer is "UniCredit, società per azioni" and, in shortened form, "UniCredit S.p.A.".
B.2	**Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation** The Issuer is a joint stock company incorporated in Italy and regulated and operating under Italian law. The Issuer has its registered office in Rome, Via A. Specchi 16, and Head Office in Milan, Piazza Gae Aulenti 3 – Tower A.
B.3	**Description of the nature of the Issuers' current operations and its main activities, and related key factors, with a list of the main categories of products sold and/or services provided and identification of the main markets in which the Issuer competes** <u>Main activities</u> UniCredit is a commercial bank, operating, together with its subsidiaries, in 17 European countries, with 137,505 employees (of which 122,990 are full time equivalent) and 6,592 branches as at 30 September 2016. Specifically, the UniCredit Group offers banking, financial and investment services and connected and instrumental activities on a global scale, in Italy, Germany, Austria, Poland and various Central and Eastern European countries. As at 30 September 2016, the main activities of the Group were broken down into the following business segments: (i) ***Commercial Banking Italy***, mainly composed of the Issuer's commercial network, limited to core customers; (ii) ***Commercial Banking Germany***, composed of the commercial network servicing German customers; (iii) ***Commercial Banking Austria,*** composed of the commercial network servicing Austrian customers; (iv) ***Poland,*** composed of the activities carried out within the group whose parent company is Bank Pekao in Poland; (v) ***Corporate & Investment Banking***, composed of the activities aimed at multinational and large corporate customers; (vi) ***Asset Management***, composed of the activities carried out by the group whose parent company is PGAM, specialised in the management of customer investments; (vii) ***Central Eastern Europe***, composed of the activities carried out in Central Eastern European countries; (viii) ***Asset Gathering***, composed of collection activities mainly in the retail customer segment; (ix) ***Group Corporate Center***, the sector that is responsible for guidance, coordination and control of assets and risk relating to both the UniCredit Group as a whole and the individual group companies in their respective areas of responsibility; and (x) ***Non-Core***, a business segment set up

in the first quarter of 2014 composed of non-strategic segments and/or segments with a risk/yield profile deemed to be inadequate, for which the primary objective is the reduction of the overall exposure.

On 12 December 2016 the Issuer approved the 2016-2019 Strategic Plan which includes, *inter alia*, actions designed to have an impact on the perimeter of the Group and the business segments in which it operates. These actions specifically include the sale of Bank Pekao and the sale of almost all of the assets of PGAM, which, as at 30 September 2016, were part of the "Poland" business segment and the "Asset Management" business segment. In consideration of the above, from the consolidated financial statements of the year ended 31 December 2016, the UniCredit Group's assets will be divided into the following business segments: (i) *Commercial Banking Italy*; (ii) *Commercial Banking Germany*; (iii) *Commercial Banking Austria*; (iv) *Corporate & Investment Banking*; (v) *Central Eastern Europe*; (vi) *Asset Gathering*; (vii) *Group Corporate Center*; and (viii) *Non-Core*.

Main markets and competitive positioning

The UniCredit Group constitutes a leading global financial group, established at the Date of the Summary Note, in 17 European countries, with a presence through representative offices and branches. As far as competitive positioning is concerned, the Group boasts a leading position in Italy, as well as a consolidated presence in some of the richest geographical areas of Western Europe (such as Germany and Austria), positioned, in each of these countries, among the top three banking groups operating in the market (in Italy, in terms of total assets, as at 30 September 2016, the Group was second only to the Intesa Sanpaolo Group, with a market share for total loans of 12.4%; in Germany, the Group is the third largest private bank after Deutsche Bank and Commerzbank, with a market share of 2.5% as at 30 September 2016, while in Austria it has a leadership position, with a share, as at 30 September 2016, of 14.2% of total credits together with the Erste Group), and has gained major standing in terms of total assets managed in many of the Central Eastern European countries in which it operates.

B.4a **Description of the main recent trends involving the Issuer and the sectors in which it operates**

With the exception of what is in the Consolidated Interim Report as at 30 September 2016, at the Date of the Summary Note the Issuer is not aware of any trends, uncertainties, requirements, obligations or known facts that could reasonably have material repercussions on the Issuer's or Group's outlook, at least for the current financial year, except as indicated below.

After the end of the quarter, in the fourth quarter of 2016 and until the Date of the Summary Note, volumes of loans to customers recorded an improvement, supported by the commercial divisions, mainly in Germany and in Eastern Central European countries.

With regard to direct deposits from customers, the positive development of stock continued in this period, specifically the component which refers to deposits from commercial customers.

The interest margin continued to feature the reduction in interest income on loans to customers, offset by the fall in the average cost of deposits from commercial customers and the maintenance of other non-commercial components. The spread is falling in all geographical areas.

As far as net commissions are concerned, in the fourth quarter of 2016 and until the Date of the Summary Note, the contribution from the sale of services, especially transactional services, grew.

Costs - net of one-off phenomena - in the period after 30 September 2016 and until the Date of the Summary Note rose, both for the personnel costs item, after the one-off disbursements which took place in the previous quarter, and in the administration item linked to consultancy expenses.

Without prejudice to the above, at the Date of the Summary Note, the following are expected (i) one-off negative impacts on the net result for the fourth quarter of 2016 equal to Euro 12.2 billion in total, as projected in the Strategic Plan; as well as (ii) further one-off negative entries equal to approximately Euro 1 billion in total, as identified by the Board of Directors in the meeting o 30 January 2017.

B.5 **Description of the group to which the Issuer belongs and the position it occupies**

The Issuer is the parent company of the UniCredit Banking Group and, as the parent company, in addition to banking activity, it carries out, pursuant to Article 61, paragraph four of the TUB (Consolidated Banking Act), management and coordination functions as well as having unitary control over the banking, financial and instrumental subsidiary companies that make up the UniCredit Banking Group.

The Issuer, under the scope of its management and coordination powers, issues provisions to the members of the UniCredit Banking Group, and this is also for the fulfilment of the instructions given by the Supervisory Authority and in the interest of the stability of the same Group. The Issuer also exercises management and coordination activities pursuant to Article 2497 et.seq. of the Italian Civil Code with regard to Italian companies belonging to the UniCredit Group and controlled directly or indirectly by the Issuer.

B.6 **Persons who, directly or indirectly, own a stake in the share capital or voting rights of the Issuer who are subject to notification; indication of a controlling party pursuant to Article 93 of the TUF**

According to the communications received pursuant to the regulations in force and other information available to the Issuer, shareholders who at the Date of the Summary Note directly or indirectly own ordinary shares representing more than 3% of the UniCredit share capital and do not come under the cases of exemption set out in Article 119-*bis* of the Issuers' Regulation, are listed below:

Shareholders	Ordinary Shares	Shareholding of ordinary share capital(1)
Capital Research and Management Company	41,545,109	6.725%(2)
- of which on behalf of EuroPacific Growth Fund	31,706,715	*5.132%*
Aabar Luxembourg S.à r.l.(3)	31,150,331	5.042%

(1) Number of post-regrouping intervened on 23 January 2017

(2) By way of asset management.

(3) Subsidiary of Mubadala Investment Company.

At the Date of the Summary Note, no party exercises control over the Issuer pursuant to Article 93 of the TUF.

B.7 Key financial information on the Issuer

Selected fundamental financial information on the Group relating to the periods ended 30 September 2016 and 2015 and the years ended 31 December 2015, 2014 and 2013 is given below.

The tables below contain summaries of:

- the main restated consolidated income statement data for the period ended 30 September 2016 compared with the same period of the 2015 financial year and with the financial years ended 31 December 2015, 2014 and 2013.
- the main restated consolidated balance sheet and cash flow data of the Group as at 30 September 2016 and as at 31 December 2015, 2014 and 2013.

MAIN CONSOLIDATED INCOME STATEMENT DATA

The tables below show restated economic data relating to the nine-month periods ended 30 September 2016 and 30 September 2015.

RESTATED ECONOMIC DATA	**As at 30 September**		**% Change**
(in millions of Euros)	**2016**	**2015**	**2016 compared with 2015**
Net interest	8,644	8,887	*-2.7%*
Dividends and other income from equity investments	700	579	*20.9%*
Net fees and commissions	5,736	5,914	*-3.0%*
Net trading, hedging and fair value income	1,820	1,342	*35.6%*
Net non-interest income	170	94	*80.9%*
OPERATING INCOME	**17,070**	**16,816**	***1.5%***
Personnel costs	(6,013)	(6,287)	*4.4%*
Other administrative expenses	(3,628)	(3,869)	*6.2%*
Recovery of expenses	562	599	*-6.2%*
Adjustments in value of tangible and intangible assets	(728)	(678)	*7.4%*
Operating costs	(9,807)	(10,235)	*4.2%*
OPERATING PROFIT (LOSS)	**7,263**	**6,581**	***10.4%***
Other charges and provisions	(1,231)	(777)	*58.4%*
Integration costs	(398)	(12)	*n.s.*
Net impairment losses on loans and provisions for guarantees and commitments	(2,677)	(2,898)	*7.6%*
Net profits from investments	(24)	33	*-172.7%*
GROSS PROFIT ON CONTINUING OPERATIONS	**2,933**	**2,926**	***0.2%***
Income tax for the period	(821)	(778)	*5.5%*
Profit (Loss) after tax from discontinued operations	13	(152)	*-108.6%*
PROFIT (LOSS) FOR THE PERIOD	**2,125**	**1,996**	***6.5%***
Minorities	(343)	(280)	*22.5%*
NET PROFIT ATTRIBUTABLE TO THE GROUP BEFORE PPA	**1,781**	**1,716**	***3.8%***
Purchase Price Allocation effect	(13)	(174)	*-92.5%*
Impairment of goodwill	-	-	-
NET PROFIT ATTRIBUTABLE TO THE GROUP	**1,768**	**1,541**	***14.7%***

The tables below show restated economic data as at 31 December 2015, 31 December 2014 and 31 December 2013.

RESTATED ECONOMIC DATA	**As at 31 December**					**% Change**	
(in millions of Euros)	**2015**	**2014 (restated)**	**2014**	**2013 (restated)**	**2013**	**2015 compared with 2014 (restated)**	**2014 compared with 2013 (restated)**
Net interest	11,916	12,442	12,442	12,303	12,990	*-4.2%*	*1.1%*
Dividends and other income from equity investments	829	794	794	964	324	*4.4%*	*-17.6%*
Net fees and commissions	7,848	7,593	7,572	7,361	7,728	*3.4%*	*2.9%*
Net trading, hedging and fair value income	1,644	1,536	1,557	2,505	2,657	*7.0%*	*-37.8%*
Net non-interest income	**166**	**188**	**149**	**203**	**273**	***-11.7%***	***-26.6%***
OPERATING INCOME	**22,405**	**22,552**	**22,513**	**23,335**	**23,973**	***-0.7%***	***-3.5%***
Personnel costs	(8,339)	-8,201	(8,201)	(8,375)	(8,649)	*1.7%*	*-2.1%*
Other administrative expenses	(5,159)	-5,244	(5,575)	(5,357)	(5,559)	*-1.6%*	*4.1%*
Recovery of expenses	808	834	834	716	715	*-3.1%*	*16.5%*
Adjustments in value of tangible and intangible assets	(929)	(896)	(896)	(1,238)	(1,307)	*3.7%*	*-27.6%*
Operating costs	**(13,618)**	**(13,507)**	**(13,838)**	**(14,253)**	**(14,801)**	***0.8%***	***-2.9%***
OPERATING PROFIT (LOSS)	**8,787**	**9,045**	**8,675**	**9,082**	**9,172**	***-2.9%***	***-4.5%***
Other charges and provisions	(1,585)	(728)	(358)	(984)	(996)	*117.7%*	*-63.6%*
Integration costs	(410)	(20)	(20)	(727)	(727)	*1950.0%*	*-97.2%*
Net impairment losses on loans and provisions for guarantees and commitments	(4,114)	(4,292)	(4,292)	(13,481)	(13,658)	*-4.1%*	*-68.2%*
Net profits from investments	(6)	87	87	890	1,322	*-106.9%*	*-90.2%*
GROSS PROFIT ON CONTINUING OPERATIONS	**2,671**	**4,091**	**4,091**	**(5,220)**	**(4,888)**	***-34.7%***	***-178.4%***
Income tax for the period	(137)	(1,297)	(1,297)	1,716	1,607	*-89.4%*	*-175.6%*
Profit (Loss) after tax from discontinued operations	(295)	(124)	(124)	(639)	(639)	*137.9%*	*-80.6%*
PROFIT (LOSS) FOR THE PERIOD	**2,239**	**2,669**	**2,669**	**(4,143)**	**(3,920)**	***-16.1%***	***-164.4%***
Minorities	(352)	(380)	(380)	(382)	(382)	*-7.4%*	*-0.5%*
NET PROFIT ATTRIBUTABLE TO THE GROUP BEFORE PPA	**1,887**	**2,289**	**2,289**	**(4,524)**	**(4,302)**	***-17.6%***	***-150.6%***
Purchase Price Allocation effect	(193)	(281)	(281)	(1,673)	(1,673)	*-31.3%*	*-83.2%*
Impairment of goodwill	-	-	-	(7,767)	(7,990)	*-*	*n.s.*
NET PROFIT ATTRIBUTABLE TO THE GROUP	**1,694**	**2,008**	**2,008**	**(13,965)**	**(13,965)**	***-15.6%***	***-114.4%***

Notes:

The comparative values as at 31 December 2014 differ from the figures disclosed with reference to the consolidated financial statements on that date as the result of:

- the reclassification of the income arising from the placement fees of Debt Capital Markets “best effort” transactions (i.e. placement of financial instruments without underwriting risks) from “Gains and losses on financial assets and liabilities held for trading” to “Fee and commission income”;
- the reclassification of the margins arising from currency trading with customers of a subsidiary from “Net Fee and Commission income” to “Gains and losses on financial assets and liabilities held for trading”;
- the reclassification of costs relating to bank levies and contributions relating to pre-existing deposit guarantee schemes and local resolution funds from the items “other administrative expenses” and “other management income/expense” to the item “other expenses and provisions” (previously called “provision for risks and charges”).

The comparative values as at 31 December 2013 were restated, compared with those disclosed with reference to that date for the reasons given below.

From the first quarter of 2014, in order to represent the individual income statement items better, the result of purely banking activities and the economic results of fully consolidated industrial companies are expressed in a single item (Balance of other income/expense). The comparison period was consistently restated.

Also note that the impact on the income statement of equity investments consolidated through the equity method following the adoption of IFRS 10 -11 which were originally owned as a result of debt-to-equity transactions, is reported under the item “Net profit (loss) from investments” rather than “dividends and other income from equity investments”, in order not to influence the representation of the operating results and to make them similar to write-downs on equity investments. The comparison period was consistently restated.

In addition to the above-mentioned effects, the comparative values as at 31 December 2013 have been restated:

- as a result of the introduction of accounting principles IFRS 10 and IFRS 11;
- as a result of the reclassification of the contribution to the FITD (Italian Bank Deposit Guarantee Fund) relating to the interventions already approved, from the item “balance of other income/expense” to the item “provision for risks and charges”.

BALANCE SHEET DATA AS AT 30 SEPTEMBER 2016 AND AS AT 31 DECEMBER 2015, 2014 and 2013

The tables below show the restated balance sheet data for the nine-month period ended 30 September 2016 and for the financial year ended 31 December 2015.

RESTATED BALANCE SHEET DATA	**As at**		**% Change**
(in millions of Euros)	**30 September 2016**	**31 December 2015**	**30 September 2016 compared with 31 December 2015**
Total assets	874,527	860,433	*1.6%*
Loans and receivables with customers	480,926	473,999	*1.5%*
Deposits from customers and debt securities in issue	**590,099**	**584,268**	*1.0%*
of which deposits from customers	470,296	449,790	*4.6%*
of which securities in issue	119,803	134,478	*-10.9%*
Deposits from banks	114,983	111,373	*3.2%*
Loans and receivables with banks	76,750	80,073	*-4.1%*
Net interbank balance	**38,233**	**31,300**	*22.2%*
Group portion of shareholders' equity	**51,237**	**50,087**	*2.3%*

The tables below show the restated balance sheet data as at 31 December 2015, 31 December 2014 and 31 December 2013.

RESTATED BALANCE SHEET DATA	**As at 31 December**				**% Change**	
(in millions of Euros)	**2015**	**2014**	**2013 (restated)**	**2013**	**2015 compared with 2014**	**2014 compared with 2013 (restated)**
Total assets	860,433	844,217	825,919	845,838	*1.9%*	*2.2%*
Loans and receivables with customers	473,999	470,569	483,684	503,142	*0.7%*	*-2.7%*
Deposits from customers and debt securities in issue	**584,268**	**560,688**	**557,379**	**571,024**	***4.2%***	***0.6%***
of which deposits from customers	449,790	410,412	393,113	410,930	*9.6%*	*4.4%*
of which securities in issue	134,478	150,276	164,266	160,094	*-10.5%*	*-8.5%*
Deposits from banks	111,373	106,037	107,830	110,222	*5.0%*	*-1.7%*
Loans and receivables with banks	80,073	68,730	63,310	61,119	*16.5%*	*8.6%*
Net interbank balance	**31,300**	**37,307**	**44,520**	**49,103**	***-16.1%***	***-16.2%***
Group portion of shareholders' equity	**50,087**	**49,390**	**46,722**	**46,841**	***1.4%***	***5.7%***

The comparative values as at 31 December 2013 have been restated:

- as a result of the introduction of accounting principles IFRS 10 and IFRS 11;
- as a result of the reclassification of the contribution to the FITD (Italian Bank Deposit Guarantee Fund) relating to the interventions already approved, from the item "provision for risks and charges" to the item "other balance sheet liabilities";
- as a result of the offsetting of deferred tax assets, the item "tax assets for balance sheets assets", with the related deferred tax liabilities, the item "deferred tax liabilities for balance sheet liabilities";
- as a result of the change in the sector to which a counterparty belongs from the items "loans and receivables from and deposits from customers" to the item "loans and receivables with/deposits from banks".

MAIN CONSOLIDATED DATA IN THE CASH FLOW STATEMENTS

The tables below show consolidated data of the cash flow statements for the nine month periods ended 30 September 2016 and 30 September 2015.

FINANCIAL DATA	**As at 30 September**		**% Change**
(in millions of Euros)	**2016**	**2015**	**2016 compared with 2015**
Net liquidity generated/absorbed by operating activities	7,258	3,786	*91.7%*
Net liquidity generated/absorbed by investment activities	(788)	86	*n.s.*
Net liquidity generated/absorbed by funding activities	(702)	(749)	*-6.3%*
Net liquidity generated/absorbed during the period	**5,768**	**3,123**	***84.7%***

MAIN PERFORMANCE INDICATORS

The tables below show the main performance indicators for the nine-month periods ended 30 September 2016 and 30 September 2015.

PERFORMANCE INDICATORS	**As at**		**Change**
	30 September 2016	**30 September 2015**	**30 September 2016 compared with 30 September 2015**
Earnings per share (EPS)	0.28	0.25	*0.03*
Cost/income ratio[1]	57.5%	60.9%	*-340 bps*

[1] Cost/income ratio
The cost/income ratio is the ratio between operating costs and revenues from the income statement (brokerage margin).

B.8 **Selected fundamental pro-forma financial information**

The financial statements relating to the pro-forma consolidated balance sheet, income statement and cash flow statement of the Group for the nine-month period ending 30 September 2016 and for the financial year ending 31 December 2015 (the "**Pro-forma Consolidated Statements**") are given below. The Pro-forma Consolidated Statements have been prepared solely to retroactively reflect the significant effects of the Transactions set out in the Strategic Plan on the historical data of the UniCredit Group in conformity with Consob Communication DEM/1052803 of 5 July 2001 and with the Annex 2 of the Regulation (CE) N. 809/2004, as if they had been enacted, respectively, as at 31 December 2015 and 30 September 2016 and, as far as the pro-forma consolidated income statement and the pro-forma cash flow statement are concerned, as if they had been enacted, respectively, as at 1 January 2016 and 1 January 2015.

The Pro-forma Consolidated Statements have been prepared solely to retroactively reflect the significant effects of the Transactions described above, concluded after the closing dates of the 2015 Reports and Consolidated Financial Statements and the Consolidated Interim Report as at 30 September 2016, in conformity with Consob Communication DEM/1052803 of 5 July 2001 and with the Annex 2 of the Regulation (CE) N. 809/2004, as if they had been enacted, respectively, as at 30 September 2016 and 31 December 2015 and, as far as the pro-forma consolidated income statement and the pro-forma cash flow statement are concerned, as if they had been enacted, respectively, as at 1 January 2015 and 1 January 2016. The Transactions presented in the Pro-forma Consolidated Statements, are part of a unique project for strengthening the capital structure and improving the quality of the capital assets of the UniCredit Group, among other things, at the basis of the 2016-2019 Strategic Plan and are represented in the Pro-forma Consolidated Statements based on what occurred at the date of the Summary Note (although in some cases the agreements and contracts relating to the operations and actions mentioned above are subject to conditions of effectiveness not yet occurred at the date of the Summary Note) and on the basis of what is expected to be achieved by the actual Strategic Plan, without this wishing to represent that any of the effects relating to these transactions would have been correctly reflected at these dates and that these effects would have necessarily been reflected in later periods. The underlying assumptions represent a conventional element: if the transactions described had actually taken place at the dates considered, the effects presented in the Pro-forma Consolidated Statements may not necessarily have been obtained.

The Pro-forma restated consolidated balance sheet of the UniCredit Group at 30 September 2016 taking into account the provisions in the introduction, includes:

- in the "30 September 2016 historical" column, the Consolidated Interim Report at 30 September 2016;
- in the "Adjustments" column, the adjustment entries for the above-mentioned transactions;
- in the "30 September 2016 pro-forma" column, the pro-forma consolidated values at 30 September 2016, resulting from the sum of the previous columns.

Assets	**30**				**Adjustments**						**30**
(in millions of Euros)	**September 2016 historical**	**1. Bank Pekao**	**2. Pioneer**	**3. Fineco Bank**	**4. PJSC Ukrsots bank**	**5. Immo Holding**	**6. FINO**	**7. PORTO**	**8. AuC**	**9. Other**	**September 2016 pro-forma**
Cash and cash equivalents	16,153	2,215	4,000	545	-	450		-	12,500	-	35,863-
Financial assets held for trading	94,110	(677)	-	-	-	-	-	-	-	139	93,572
Loans and receivables with banks	76,750	(919)	(359)	-	(125)	-	-	-	-	255	75,602
Loans and receivables with customers	480,926	(28,077)	-	-	-	-	(3,600)	(4,500)	-	238	444,987
Financial investments	155,336	(6,331)	(147)	-	362	-	-	-	-	-	149,220
Hedging instruments	8,094	(78)	-	-	-	-	-	-	-	-	8,016
Property, plant and equipment	9,555	(329)	(6)	-	-	-	-	-	-	-	9,220
Goodwill	3,591	(1,014)	(832)	-	-	-	-	-	-	-	1,745
Other intangible assets	2,087	(182)	(20)	-	-	-	-	-	-	-	1,885
Tax assets	15,469	(249)	147	-	-	-	-	-	-	-	15,367
Non-current assets classified as held for sale	3,369	145	(618)	-	(1,688)	(1,002)	-	-	-	1,130	1,336
Other assets	9,087	(234)	(294)	-	-	-	-	-	-	(497)	8,062
Total assets	**874,527**	**(35,730)**	**1,871**	**545**	**(1,451)**	**(552)**	**(3,600)**	**(4,500)**	**12,500**	**1,265**	**844,875**

Liabilities and Shareholders' Equity *(in millions of Euros)*	**30 September 2016 historical**	**Adjustments** 1. Bank Pekao	**2. Pioneer**	**3. Fineco Bank**	**4. PJSC Ukrsots bank**	**5. Immo Holding**	**6. FINO**	**7. PORTO**	**8. AuC**	**9. Other**	**30 September 2016 pro-forma**
Deposits from banks	114,983	(1,144)	-	-	-	-	-	-	-	238	114,077
Direct deposits	590,099	(29,640)	-	-	-	-	-	-	-	674	561,133
Financial liabilities held for trading	68,387	(586)	-	-	-	-	-	-	-	8	67,809
Financial liabilities at fair value through profit or loss	1,509	-	-	-	-	-	-	-	-	-	1,509
Hedging instruments	11,797	(253)	-	-	-	-	-	-	-	-	11,544
Provision for risks and charges	9,849	(73)	(42)	-	-	-	-	-	-	1	9,735
Tax liabilities	1,495	(31)	(86)	-	-	-	-	-	-	4	1,382
Liabilities included in disposal groups classified as held for sale	2,651	-	-	-	(1,451)	(614)	-	-	-	621	1,207
Other liabilities	18,614	(501)	(410)	-	-	-	-	-	-	(281)	17,422
Minorities	3,906	(3,143)	(3)	112	-	-	-	-	-	-	872
Group portion of shareholders' equity	51,237	(359)	2,412	433	-	62	(3,600)	(4,500)	12,500	-	58,185
Total liabilities and Shareholders' Equity	**874,527**	**(35,730)**	**1,871**	**545**	**(1,451)**	**(552)**	**(3,600)**	**(4,500)**	**12,500**	**1,265**	**844,875**

The pro-forma consolidated restated income statement at 30 September 2016 includes:

- in the "30 September 2016 historical" column, the Consolidated Interim Report at 30 September 2016;
- in the "Adjustments" column, the adjustment entries for the above-mentioned transactions;
- in the "30 September 2016 pro-forma" column, the pro-forma consolidated values at 30 September 2016, resulting from the sum of the previous columns.

Income Statement *(in millions of Euros)*	**30 September 2016 historical**	**ADJUSTMENTS**									**30 September 2016 pro-forma**
		1. Bank Pekao	**2. Pioneer**	**3. Fineco Bank**	**4. PJSC Ukrsots bank**	**5. Immo Holding**	**6. FINO**	**7. PORTO**	**8. AuC**	**9. Other**	
Net interest	8,644	(751)	(1)	-	3	4	-	-	-	-	7,899
Dividends and other income from equity investments	700	(4)	-	-	-	-	-	-	-	-	696
Net commissions	5,736	(338)	(636)	-	-	3	-	-	-	-	4,765
Gains (losses) on financial assets and liabilities held for trading	1,820	(146)	-	-	-	-	-	-	-	-	1,674
Balance of other income/expense	170	(4)	7	-	8	(6)	-	-	-	1	176
BROKERAGE MARGIN	**17,070**	**(1,243)**	**(630)**	**-**	**11**	**1**	**-**	**-**	**-**	**1**	**15,210**
Personnel costs	(6,013)	326	229	-	-	-	-	-	-	-	(5,458)
Other administrative expenses	(3,628)	171	121	-	(2)	-	-	-	-	-	(3,338)
Recovery of expenses	562	-	-	-	-	-	-	-	-	-	562
Adjustments in value of tangible and intangible assets	(728)	59	8	-	-	-	-	-	-	-	(661)
Operating costs	(9,807)	556	358	-	(2)	-	-	-	-	-	(8,895)
OPERATING PROFIT (LOSS)	**7,263**	**(687)**	**(272)**	**-**	**9**	**1**	**-**	**-**	**-**	**1**	**6,315**
Net adjustments to credits and provisions for guarantees and commitments	(2,677)	56	-	-	-	-	(3,600)	(4,500)	-	-	(10,721)
NET MANAGEMENT RESULT	**4,586**	**(631)**	**(272)**	**-**	**9**	**1**	**(3,600)**	**(4,500)**	**-**	**1**	**(4,406)**
Other charges and provisions	(1,231)	121	6	-	-	-	-	-	-	-	(1,104)
Integration costs	(398)	-	37	-	-	-	-	-	-	-	(361)
Net profits from investments	(24)	(1)	-	-	-	(2)	-	-	-	-	(27)
PROFIT (LOSS) BEFORE TAX	**2,933**	**(511)**	**(229)**	**-**	**9**	**(1)**	**(3,600)**	**(4,500)**	**-**	**1**	**(5,898)**
Income tax for the period	(821)	107	84	-	-	-	-	-	-	-	(630)
NET PROFIT (LOSS)	**2,112**	**(404)**	**(145)**	**-**	**9**	**(1)**	**(3,600)**	**(4,500)**	**-**	**1**	**(6,528)**
Profit (Loss) after tax from discontinued operations	13	(638)	2,410	-	(745)	44	-	-	-	-	1,084
RESULT FOR THE PERIOD	**2,125**	**(1,042)**	**2,265**	**-**	(736)	**43**	**(3,600)**	**(4,500)**	**-**	**1**	**(5,444)**
Minorities	(344)	207	4	(44)	-	-	-	-	-	-	(177)
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**1,781**	**(835)**	**2,269**	**(44)**	(736)	**43**	**(3,600)**	**(4,500)**	**-**	**1**	**(5,621)**
Purchase Price Allocation effect	(13)	10	-	-	-	-	-	-	-	-	(3)
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-	-
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**1,768**	**(825)**	**2,269)**	**(44)**	(736)	**43**	**(3,600)**	**(4,500)**	**-**	**1**	**(5.624)**

The pro-forma consolidated statement of cash flows of the UniCredit Group as at 30 September 2016 taking into account the provisions in the introduction, includes:

- in the “30 September 2016 historical” column, the Consolidated Interim Report at 30 September 2016;
- in the “Adjustments” column, the adjustment entries for the above-mentioned transactions;
- in the “30 September 2016 pro-forma” column, the pro-forma consolidated values at 30 September 2016, resulting from the sum of the previous columns.

Cash Flow Statement *(in millions of Euros)*	**30 September 2016 historical**	**Adjustments**									**30 September 2016 pro-forma**
		1. Bank Pekao	**2. Pioneer**	**3. Fineco Bank**	**4. PJSC Ukrsots bank**	**5. Immo Holding**	**6. FINO**	**7. PORTO**	**8. AuC**	**9. Other**	
A. Operating activities											
Net liquidity generated/absorbed by operating activities	7,258	120									7,378
B. Investment activities											
Net liquidity generated/absorbed by investment activities	(788)	2,095	4,000			450					5,757
C. Funding activities											
Net liquidity generated/absorbed by funding activities	(702)			545					12,500		12,343
Net Liquidity Generated/Absorbed during the Year	**5,768**	**2,215**	**4,000**	**545**	**-**	**450**		**-**	**12,500**	**-**	**25,478**

Reconciliation *(in millions of Euros)*	**30 September 2016 historical**	**Adjustments**									**30 September 2016 pro-forma**
		1. Bank Pekao	**2. Pioneer**	**3. Fineco Bank**	**4. PJSC Ukrsots bank**	**5. Immo Holding**	**6. FINO**	**7. PORTO**	**8. AuC**	**9. Other**	
Cash and cash equivalents at the beginning of the year	**10,303**										**10,303**
Total liquidity generated/absorbed during the year	5,768	2,215	4,000	545	-	450		-	12,500	-	25,478
Cash and cash equivalents: effect of change in exchange rates	82										82
Cash and cash equivalents at the end of the year	**16,153**	**2,215**	**4,000**	**545**	**-**	**450**		**-**	**12,500**	**-**	**35,863**

The Pro-forma restated consolidated balance sheet of the UniCredit Group at 31 December 2015 taking into account the provisions in the introduction, includes:

- in the "31 December 2015 historical" column, the values in the Reports and Consolidated Financial Statements at 31 December 2015;
- in the "Adjustments" column, the adjustment entries for the above-mentioned transactions;
- in the "31 December 2015 pro-forma" column, the pro-forma consolidated values at 31 December 2015, resulting from the sum of the previous columns.

Assets *(in millions of Euros)*	**31 December 2015 historical**	**Adjustments**									**31 December 2015 pro-forma**
		1. Bank Pekao	**Pioneer**	**3. Fineco Bank**	**4. PJSC Ukrsots bank**	**5. Immo Holding**	**6. FINO**	**7. PORTO**	**8. AuC**	**9. Other**	
Cash and cash equivalents	10,303	2,841	4,000	871	-	596		-	12,500	-	31,111
Financial assets held for trading	90,997	(1,002)	-	-	-	-	-	-	-	155	90,150
Loans and receivables with banks	80,073	(2,403)	(233)	-	(447)	-	-	-	-	601	77,591
Loans and receivables with customers	473,999	(28,617)	-	-	-	-	(3.600)	(4,500)	-	237	437,519
Financial investments	152,845	(4,968)	(244)	-	437	-		-	-	-	148,070
Hedging instruments	8,010	(98)	-	-	-	-	-	-	-	-	7,912
Property, plant and equipment	10,031	(350)	(8)	-	-	-	-	-	-	-	9,673
Goodwill	3,618	(1,030)	(844)	-	-	-	-	-	-	-	1,744
Other intangible assets	2,140	(209)	(24)	-	-	-	-	-	-	-	1,907
Tax assets	15,726	(252)	141	-	-	-	-	-	-	1,767	17,382
Non-current assets classified as held for sale	2,820	182	(603)	-	(2,029)	(1,179)	-	-	-	1,236	427
Other assets	9,871	(606)	(318)	-	-	-	-	-	-	(633)	8,314
Total assets	**860,433**	**(36,512)**	**1,867**	**871**	**(2,039)**	**(583)**	**(3,600)**	**(4,500)**	**12,500**	**3,363**	**831,800**

Liabilities and Shareholders' Equity *(in millions of Euros)*	**31 December 2015 historical**	**Adjustments**									**31 December 2015 pro-forma**
		1. Bank Pekao	**2. Pioneer**	**3. Fineco Bank**	**4. PJSC Ukrsotsbank**	**5. Immo Holding**	**6. FINO**	**7. PORTO**	**8. AuC**	**9. Other**	
Deposits from banks	111,373	(1,039)	(1)	-	-	-	-	-	-	469	110,802
Direct deposits	584,268	(30,785)	-	-	-	-	-	-	-	876	554,359
Financial liabilities held for trading	68,919	(889)	-	-	-	-	-	-	-	14	68,044
Financial liabilities at fair value through profit or loss	455	-	-	-	-	-	-	-	-	-	455
Hedging instruments	11,254	(250)	-	-	-	-	-	-	-	-	11,004
Provision for risks and charges	9,855	(72)	(63)	-	-	-	-	-	-	1	9,721
Tax liabilities	1,529	(33)	(11)	11	-	-	(1,188)	(1,485)	-	1,779	602
Liabilities included in disposal groups classified as held for sale	1,880	-	-	-	(2,039)	(645)	-	-	-	810	6
Other liabilities	17,414	(472)	(430)	-	-	-	-	-	-	(586)	15,926
Minorities	3,399	(2,722)	(3)	162	-	-	-	-	-	-	836
Group portion of shareholders' equity	50,087	(250)	2,375	698	-	62	(2,412)	(3,015)	12,500	-	60,045
Total liabilities and Shareholders' Equity	**860,433**	**(36,512)**	**1,867**	**871**	**(2,039)**	**(583)**	**(3,600)**	**(4,500)**	**12,500**	**3,363**	**831,800**

The pro-forma restated consolidated income statement at 31 December 2015 includes:

- in the "31 December 2015 historical" column, the values in the Reports and Consolidated Financial Statements at 31 December 2015;
- in the "Adjustments" column, the adjustment entries for the above-mentioned transactions;
- in the "31 December 2015 pro-forma" column, the pro-forma consolidated values at 31 December 2015, resulting from the sum of the previous columns.

Income Statement *(in millions of Euros)*	**31 December 2015 historical**	**ADJUSTMENTS**									**31 December 2015 pro-forma**
		1. Bank Pekao	**2. Pioneer**	**3. Fineco Bank**	**4. PJSC Ukrsotsbank**	**5. Immo Holding**	**6. FINO**	**7. PORTO**	**8. AuC**	**9. Other**	
Net interest	11,916	(997)	(2)	-	19	8	-	-	-	-	10,944
Dividends and other income from equity investments	829	(4)	(3)	-	-	(2)	-	-	-	-	820
Net commissions	7,849	(486)	(863)	-	3	2	-	-	-	-	6,505
Gains (losses) on financial assets and liabilities held for trading	1,644	(159)	(1)	-	-	-	-	-	-	-	1,484
Balance of other income/expense	167	(33)	(7)	-	5	(2)	-	-	-	-	130
BROKERAGE MARGIN	**22,405**	**(1,679)**	**(876)**	**-**	**27**	**6**	**-**	**-**	**-**	**-**	**19,883**
Personnel costs	(8,339)	459	413	-	-	-	-	-	-	-	(7,467)
Other administrative expenses	(5,159)	234	178	-	(1)	-	-	-	-	(1)	(4,749)
Recovery of expenses	808	(1)	(1)	-	-	-	-	-	-	-	806
Adjustments in value of tangible and intangible assets	(929)	79	12	-	-	-	-	-	-	1	(837)
Operating costs	(13,619)	771	602	-	(1)	-	-	-	-	-	(12,247)
OPERATING PROFIT (LOSS)	**8,786**	**(908)**	**(274)**	**-**	**26**	**6**	**-**	**-**	**-**	**-**	**7,636**
Net adjustments to credits and provisions for guarantees and commitments	(4,114)	124	-	-	-	-	(3,600)	(4,500)	-	-	(12,090)
NET MANAGEMENT RESULT	**4,672**	**(784)**	**(274)**	**-**	**26**	**6**	**(3,600)**	**(4,500)**	**-**	**-**	**(4,454)**
Other charges and provisions	(1,585)	135	3	-	-	-	-	-	-	-	(1,447)
Integration costs	(410)	-	24	-	-	-	-	-	-	-	(386)
Net profits from investments	(6)	(18)	(3)	-	-	-	-	-	-	-	(27)
PROFIT (LOSS) BEFORE TAX	**2,671**	**(667)**	**(250)**	**-**	**26**	**6**	**(3,600)**	**(4,500)**	**-**	**-**	**(6,314)**
Income tax for the period	(137)	128	64	-	-	-	1,188	1,485	-	-	2,728
NET PROFIT (LOSS)	**2,534**	**(539)**	**(186)**	**-**	**26**	**6**	**(2,412)**	**(3,015)**	**-**	**-**	**(3,586)**
Profit (Loss) after tax from discontinued operations	(295)	(499)	2,394	-	(301)	(42)	-	-	-	(1)	1,256
RESULT FOR THE PERIOD	**2,239**	**(1,038)**	**2,208**	**-**	**(275)**	**(36)**	**(2,412)**	**(3,015)**	**-**	**(1)**	**(2,330)**
Minorities	(352)	261	5	(58)	-	-	-	-	-	-	(144)
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**1,887**	**(777)**	**2,213**	**(58)**	**(275)**	**(36)**	**(2,412)**	**(3,015)**	**-**	**(1)**	**(2,474)**
Purchase Price Allocation effect	(193)	14	-	-	-	-	-	-	-	-	(179)
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-	-
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**1,694**	**(763)**	**2,213**	**(58)**	**(275)**	**(36)**	**(2,412)**	**(3,015)**	**-**	**(1)**	**(2,653)**

The pro-forma consolidated statement of cash flows of the UniCredit Group as at 31 December 2015 taking into account the provisions in the introduction, includes:

- in the "31 December 2015 historical" column, the values in the Reports and Consolidated Financial Statements at 31 December 2015;
- in the "Adjustments" column, the adjustment entries for the above-mentioned transactions;
- in the "31 December 2015 pro-forma" column, the pro-forma consolidated values at 31 December 2015, resulting from the sum of the previous columns.

Cash Flow Statement (in millions of Euros)	31 December 2015 historical	Adjustments									31 December 2015 pro-forma
		1. Bank Pekao	2. Pioneer	3. Fineco Bank	4. PJSC Ukrsots bank	5. Immo Holding	6. FINO	7. PORTO	8. AuC	9. Other	
A. Operating activities											
Net liquidity generated/absorbed by operating activities	3,279	104									5,395
B. Investment activities											
Net liquidity generated/absorbed by investment activities	(158)	2,737	4,000		-	596					7,175
C. Funding activities											
Net liquidity generated/absorbed by funding activities	(842)			871					12,500		12,529
Net Liquidity Generated/Absorbed during the Year	**2,279**	**2,841**	**4,000**	**871**	**-**	**596**		**-**	**12,500**	**-**	**23,087**

Reconciliation (in millions of Euros)	31 December 2015 historical	Adjustments									31 December 2015 pro-forma
		1. Bank Pekao	2. Pioneer	3. Fineco Bank	4. PJSC Ukrsots bank	5. Immo Holding	6. FINO	7. PORTO	8. AuC	9. Other	
Cash and cash equivalents at the beginning of the year	**8,051**										**8,051**
Total liquidity generated/absorbed during the year	2,279	2,841	4,000	871	-	596		-	12,500	-	23,087
Cash and cash equivalents: effect of change in exchange rates	(27)										(27)
Cash and cash equivalents at the end of the year	**10,303**	**2,841**	**4,000**	**871**	**-**	**596**		**-**	**12,500**	**-**	**31,111**

The table below illustrates the item loans with customers as at 30 September 2016 according to their classification by administrative status, gross and net of adjustments in value, compared with the pro-forma financial information at the same date.

	As at 30 September 2016			As at 30 September 2016 "pro-forma"		
(in millions of Euros)	Loans and receivables gross	Adjustments in value	Loans and receivables net	Loans and receivables gross	Adjustments in value	Loans and receivables net
Non-performing	51,310	31,753	19,557	50,088	37,338	12,750
Unlikely to pay	23,373	8,022	15,351	22,679	9,246	13,433
Non-performing/past-due exposures	2,100	592	1,508	2,062	582	1,480
Impaired Loans	**76,784**	**40,367**	**36,417**	**74,829**	**47,166**	**27,663**
Non-impaired loans	**446,643**	**2,133**	**444,510**	**419,354**	**2,030**	**417,324**
Total	**523,427**	**42,500**	**480,926**	**494,183**	**49,196**	**444,987**

B.9

Projections or estimates of profits

On 12 December 2016 the Board of Directors of UniCredit approved the 2016-2019 Strategic Plan containing the Group's strategic guidelines and operating, financial and capital targets from 2017 to 2019. The 2016-2019 Strategic Plan includes projections for certain operating and capital indicators (hereinafter also "**Projected Data**" or "**Plan Targets**"). On 13 December 2016 the 2016-2019 Strategic Plan was also presented to the financial community, and the related presentation documents are available for reference on the website www.UniCreditgroup.eu. The 2016-2019 Strategic Plan was completed in a process involving the management of the parent company UniCredit and companies belonging to the Group which prepared their proposals based on strategic guidelines established by the management of the parent company UniCredit.

The development of the 2016-2019 Strategic Plan is based, among other things, on:

i. assumptions of a general and hypothetical nature relating to future events and actions which may not necessarily come to fruition and which essentially depend on variables that are out of the control of the Issuer or other Group companies (the "**General and Hypothetical Assumptions**") and
ii. assumptions of a discretionary nature relating to future events which the Issuer can influence in full or in part (the "**Discretionary Assumptions**" and, together with the General and Hypothetical Assumptions, the "**Assumptions**").

Note that as a result of the precariousness associated with the realisation of any future event both as far as the event taking place is concerned and as far as the measurement and timing of its manifestation is concerned, the differences between the actual values and the projected values could be significant, even if the Assumptions were to occur. The Projected Data related to 2017 and 2019 under the scope of the Plan is given below. The estimates are based on average income taxes of 23.5% and 23.8% respectively in 2017 and 2019.

Data of an accounting nature				
(€ billions, %)	**Pro-forma data**		**Estimated**	
	2015	**9m 2016**	**2017**	**2015**
Brokerage margin	19.9	15.2	n.s.	20.4
Operating costs	-12.2	-8.9	-11.7	-10.6
Net Result	-2.7	-5.6	n.s.	4.7

Accounting derived data not defined by the reference accounting standards				
(€ billions, %)	**Pro-forma data**		**Estimated**	
	2015	**9m 2016**	**2017**	**2019**
C/I (%)(1)	61.6	n.s.	n.s.	< 52
Cost of risk (basis points) (2)	270	254	65	49
RoTE(3)	-5%	n.s.	n.s.	> 9%
Group NPE Coverage ratio(4)	61.2%	63.0%	> 54%	> 54%
Group Bad loan Coverage ratio	73.7%	74.5%	> 65%	> 63%
Group UTP Coverage ratio(6)	40.3%	40.8%	> 38%	> 38%
Non-Core Net NPE	17.5bn	15.8bn	11.4 bn	8.1 bn
Non-core NPE Coverage ratio(8)	66.3%	68.2%	56.5%	> 57%
Core Net NPE(9)	12.7bn	11.9bn	n.s.	12.1bn
Core Net NPE ratio(10)	3.1%	2.8%	n.s.	2.5%
Group Gross NPE(11)	77.8bn	74.8bn	n.s.	44.3bn
Group Gross NPE ratio(12)	16.0%	15.1%	n.s.	8.4%
Group Net NPE(13)	30.2bn	27.7bn	n.s.	20.2bn
Group Net NPE ratio(14)	6.9%	6.2%	n.s.	4.0%

Data of a management / regulatory nature				
(€ billions, %)	**Pro-forma data**		**Estimated**	
	2015	**9m 2016**	**2017**	**2019**
Common Equity Tier 1 FL ratio	13.46%	13.71%	12.0%	> 12.5%
RWA	361	362	389	404

(1) Cost/Income: the ratio between operating costs and the brokerage income.

(2) Cost of risk: the ratio between net adjustments on loans and receivables from customers.

(3) RoTE (Return on Tangible Equity): the ratio between annualised net earnings and tangible average equity (excluding AT1). Tangible average equity is calculated from net equity excluding intangible assets (i.e. goodwill and other intangible assets) and AT1.

(4) Group NPE Coverage ratio: indicates the ratio between the amount of the adjustments relating to the non-performing exposures portfolio (including impaired financial assets broken down into non-performing categories, of likely defaults and past due and / or impaired overdue, as defined by the "Implementing Technical Standards on Supervisory reporting on forbearance and non-performing exposures" (ITS) approved by the European Commission on 9 January 2015) and the gross exposure of this portfolio at group level.

(5) Group Bad loan Coverage ratio indicates the ratio between the amount of value adjustments related to the non-performing loans portfolio and the overall gross exposure of this portfolio at group level.

(6) Group UTP Coverage ratio indicates the ratio between the amount of the adjustments relating to the portfolio of likely defaults ("unlikely to pay", which represent exposures for which there is an unlikelihood evaluation that the debtor is able to fully meet to its credit obligations) and the gross exposure of this portfolio at group level.

(7) Non-Core Net NPE: indicates credit exposures at the net of impairment losses on non-performing exposures related to the "non-core" portfolio.

(8) Non-Core NPE coverage ratio indicates, with regard to the "non-core" loan portfolio, the relationship between amount of value adjustments on non-performing exposures and gross exposure of the portfolio.

(9) Core Net NPE: indicates credit exposures at the net of impairment losses on non-performing exposures related to the "core" portfolio.

(10) Core Net NPE ratio: indicates, with regard to the "core" loan portfolio, the relationship between the amount of non-performing exposures, net of value adjustments relating to them and the overall exposure of the portfolio at the net of adjustments value.

11) Group Gross NPE: indicates the total amount, at the gross of write-downs, non-performing exposures related to the loan portfolio of the group customers.

(12) Group Gross NPE ratio It indicates the ratio of the amount of non-performing exposures, before value adjustments, and the total exposure of the loan portfolio to Group customers, before value adjustments.

(13) Group Net NPE: It indicates the net credit exposures of value adjustments on non-performing exposures.

(14) Group Net NPE ratio: It indicates the ratio of the amount of non-performing exposures, at the net of value adjustments, and the total exposure of the loan portfolio to Group customers, before value adjustments.

MAIN DIVISION PROJECTED DATA

	Data of an accounting nature															
Euro billions, %	**CBK ITA**		**CBK GER**		**CBK AT**		**CEE**		**CIB**		**NON CORE**		**AGH**		**GCC**	
	2015	2019	2015	2019	2015	2019	2015	2019	2015	2019	2015	2019	2015	2019	2015	2019
Brokerage margin	7.7	7.6	2.7	2.4	1.7	1.6	4	4.4	4	3.8	0	-0.2	0.5	0.6	-0/7	0.1
Operating costs	-4.6	-4	-2	-1.7	-1.3	-1	-1.5	-1.6	-1.8	-1/6	-0.2	-0.1	-0.2	-0.3	-0.6	-0.3

Euro billions, basis points	Accounting derived data not defined by the reference accounting standards															
	CBK ITA		CBK GER		CBK AT		CEE		CIB		NON CORE		AGH		GCC	
	2015	2019	2015	2019	2015	2019	2015	2019	2015	2019	2015	2019	2015	2019	2015	2019
Cost of credit (basis points)	152	53	6	15	3	23	174	110	12	19	2,183	365	81	44	nm	nm
NPE Coverage	54.3%	>52%	43.1%	>46%	61.3%	>59%	52.9%	>58%	41.9%	>43%	66.3%	>57%	80.6%	>85%	nm	nm
Bad loan Coverage	79.0%	>68%	46.3%	>54%	87.3%	>80%	72.1%	>72%	47.0%	>51%	76.5%	>63%	84.0%	>87%	nm	nm
UTP Coverage	40.3%	>38%	34.0%	>29%	42.3%	>37%	36.6%	>47%	39.9%	>34%	41.2%	>38%	63.6%	>79%	nm	nm

Euro billions	Data of a management / regulatory nature															
	CBK ITA		CBK GER		CBK AT		CEE		CIB		NON CORE		AGH		GCC	
	2015	2019	2015	2019	2015	2019	2015	2019	2015	2019	2015	2019	2015	2019	2015	2019
RWA (€bn)[3]	77	91	34	37	25	24	91	108	71	88	31	18	2	3	30	35

(1) CBK ITA: Commercial Banking Italy

(2) CBK GER: Commercial Banking Germany

(3) CBK AT: Commercial Banking Austria

(4) CEE: CEE Division

(5) CIB: Corporate and Investment Banking Division

(6) AGH: Asset Gathering

(7) GCC: Group Corporate Centre

Without prejudice to the above, also note that on 30 January 2017, the Issuer's Board of Directors examined the draft consolidated results for the year ended 31 December 2016. These results were negatively influenced by non-recurring items of which approximately Euro 12.2 billion were disclosed on 13 December 2016 during the presentation of the 2016-2019 Strategic Plan to the market and from one-off negative entries equal to approximately Euro 1 billion in total, that will be recorded in the year 2016.

These one-off entries are mainly as a result of: (i) a larger write-down of the stake in the Atlante Fund, as a result of the valuation of the actual Fund based on internal models; (ii) the write-down of several equity investments as a result of new findings on the prospects of the underlying companies; (iii) the write-down on deferred tax assets (DTA) following the verification of their recoverability based on the availability of analytical information. (iv) one-off contributions to the National Resolution Fund, in respect of which they have been carried out further investigations that have been subject of discussion by the Board of Directors of 30 January 2017.

Consequently, based on the estimated net consolidated results for the year ended 31 December 2016, the Issuer will post a loss of approximately Euro 11.8 billion, against a final profit for the first nine months of 2016.

The consolidated net result, not taking these one-off entries into account, would have been positive and equal to Euro 1.3 billion (taking into consideration the effect of rounding off), down compared with the profit of Euro 1.7 billion recorded by the UniCredit Group in the year ended 31 December 2015. This fall is essentially due to the greater net provisions for loans (linked to specific large positions for which provisions were set aside during the fourth quarter of 2016) and to greater taxes (resulting from the negative net result of companies under the Italian tax scope of consolidation, for which deferred tax assets were not recorded). It should be stressed that the operating profit gross of the above one-off entries would, according to estimates, have increased in 2016 compared with 2015. The 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 were calculated in accordance with the accounting principles applied by the Group for the preparation of the consolidated financial statements as at 31 December 2015.

Compared with the 2017-2019 Strategic Plan, with the same scope of consolidation, the estimated consolidated net loss of the Group for 2016 approved in the Board Meeting of 30 January 2017 is more than 1.1 billion compared with what was considered under the scope of the Strategic Plan, as a result of the above-mentioned additional one-off entries of approximately Euro 1.0 billion, and as a result of the greater net provision for loans related to specific large positions.

Also note that the above-mentioned additional one-off negative entries did not have a negative impact on the capital buffers at 31 December 2016 and are applicable from 1 January 2017, because: (a) part of the further negative adjustments that the Board of Directors has considered for the purpose of the estimates are neutral for the purpose of calculating the capital ratios; (b) the negative impact of the remaining adjustments is offset by new positive effects on the capital (resulting mainly from lower risk-weighted assets and greater capital reserves compared with the theories in the Strategic Plan).

Taking the above into account, with reference to the consolidated capital ratios of the Issuer, it is estimated that, in line with what is indicated in the Registration Document, there will be deficits in relation to the minimum applicable regulatory requirements, equal, respectively, to: (i) 2 percentage points in terms of the CET1 capital ratio (compared with the minimum requirements applicable as at 31 December 2016, as well as compared with the "OCR Requirements + Pillar 2 capital guidance" applicable from 1 January 2017); (ii) 1.5 percentage points in terms of the Tier 1 capital ratio (compared with the "OCR Requirements" applicable from 1 January 2017); and (iii) 1 percentage point in terms of the Total capital ratio (compared with the "OCR Requirements" applicable from 1 January 2017), (see Chapter 13, Paragraph 13.1.5 of the Registration Document). In this regard, note that, also taking into account the further one-off entries which the Board of Directors took into account at its meeting on 30 January 2017 for the purpose of examining the Estimates, in the opinion of the Issuer, the Share Capital Increase is suitable on its own to restore compliance with the above-mentioned capital requirements.

Also note that, also taking into account the further one-off entries, the Projected Data of the Strategic Plan remains unchanged (including the projected CET1 ratio of over 12.5% in 2019).

	It should also be noted, that on 9 February 2017, the Issuer will approve the preliminary results for the year ended on 31December 2016 (the "**Preliminary 2016 Data**") also in order to perform the statistical supervisory reports harmonized consolidated in the European Union framework (known as Financial reporting - FINREP) in accordance with the applicable technical standards binding implementation (ITS).The Preliminary 2016 Data will be included in a supplement to the prospectus to be prepared in accordance with art. 94, paragraph 7 of the TUF and which will be published during the Subscription Period, after CONSOB's approval.
B.10	**Description of the nature of any findings in the auditors' report relating to financial information about previous financial years** Not applicable.
B.11	**Declaration relating to the Issuer's 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 Summary 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 Summary Note.

Section C – Financial Instruments

C.1	**Description of the type and class of the New Shares** The Offering involves a maximum of 1,606,876,817 New 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, the regulated market of the Frankfurt Stock Exchange (General Standard segment) and 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.
C.2	**Issue currency of the New Shares** The New Shares will be denominated in Euro.
C.3	**Subscribed and paid-up share capital** At the Date of the Summary Note, the share capital of the Issuer, fully subscribed and paid-up totalled Euro 20,846,893,436.94, divided into (i) 617,781,817 ordinary shares with no par value; and (ii) 252,489 savings shares with no par value, taking into account the grouping operation approved by the Extraordinary Shareholders' Meeting of 12 January 2017 and executed on 23 January 2017. As at 31 December 2015, the Issuer's issued and fully paid-up share capital totalled €20,257,667,511.62, divided into (i) 5,967,177,811 ordinary shares with no par value; and (ii) 2,480,677 savings shares with no par value.
C.4	**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, the regulated market of the Frankfurt Stock Exchange (General Standard segment) and the main market of the Warsaw Stock Exchange, on the date they are issued. Each New Share will confer the right to one vote. Pursuant to Article 5 of the UniCredit Corporate By-Laws, no one having voting rights can exercise them, for an amount of Company shares of more than 5% of the share capital with voting rights. For the purpose of calculating this threshold, the total shareholding pertaining to the parent company, individual – legal entity or company – to all the direct or indirect subsidiaries and to the associated companies should be taken into account, as well as shares held through trustees and/or nominees and/or those for which the voting rights are allocated to any party other than the holder; on the other hand, it is not necessary to take into account shareholdings included in the mutual investment funds portfolio managed by subsidiaries or associated companies. Savings shares issued by the Company do not confer any voting rights.
C.5	**Description of any 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.
C.6	**Any applications for authorisation for trading on a regulated market** 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 are traded at the issue date. For the purpose of obtaining authorisation for the trading of New Shares on the regulated market of the Frankfurt Stock Exchange (General Standard segment) and on the Warsaw Stock Exchange, the main market, UniCredit will present an appropriate application to the Frankfurt Stock Exchange and to the Warsaw Stock Exchange, respectively, pursuant to regulations currently in effect.

	Trading of the New Shares on the regulated market of the Frankfurt Stock Exchange (General Standard segment) and on the main market of the Warsaw Stock Exchange will only begin following admission on the respective markets.
C.7	**Description of the dividends policy** Pursuant to Article 32 of the Issuers' Corporate By-Laws, net income from the financial statements is destined as follows: (a) to the reserve, a share of not less than 10%, provided that the amount of the reserve is equal to the legal maximum, the profit is allocated, as a priority, to the savings shares to the extent set out in letter (b) below; (b) an amount up to five per cent of €63 per share is assigned to the savings shares; when a dividend of less than five per cent of €63per share has been allocated in a year, the difference is calculated as an increase in the preferred dividend in the next two financial years; the earnings remaining, after the allocation of the dividend to the savings shares, are distributed among all the shares so that an increased total dividend is applied to the savings shares, compared with the ordinary shares, to an extent equal to three per cent of the €63 per share; (c) without prejudice to the above, regarding the increased total dividend attached to the savings shares, an amount up to 5% of €63per share is allocated to the ordinary shares. If the capital transactions change the ratio between the amount of share capital and shares issued, the amount set per share pursuant to letters (b) and (c) of this paragraph can be changed as follows; (d) the earnings which remain and which the Shareholders' Meeting resolves to distribute are shared between all the shares in addition to the allocations in (b) and (c) above; (e) the Shareholders' Meeting decides on the destination of the earnings not distributed following the proposal of the Board of Directors. Based on the Board of Director's proposal, the Shareholders' Meeting may grant to ordinary and savings shareholders the option to request that payment of the dividends indicated in items (b), (c) and (d) above, is to be settled, in full or in part, in cash or through the delivery of ordinary and/or savings shares (scrip dividend), with the same characteristics as ordinary shares outstanding on the assignment date. If the above option is granted, the Shareholders' Meeting shall, based on the Board of Director's proposal, determine the methods for calculating and assigning ordinary shares and establish the methods for settling payment of the dividend if the above option is not exercised by shareholders. It is understood that the priority on dividends provided on savings shares pursuant to item b) above is to be paid in cash unless otherwise instructed by the shareholder. The Shareholders' Meeting, at the proposal of the Board of Directors, can also approve the creation and increase of extraordinary and special reserves to be also be taken from net profit prior to the distributions in letters (c), (d) and (e) above. The Shareholders' Meeting, at the proposal of the Board of Directors, can allocate a share of the net profit for the period to corporate, welfare or cultural initiatives, to be developed according to the judgement of the Board of Directors itself. The Issuer can also decide on the distribution of interim dividends where applicable, through the methods and limits permitted by existing legislation. Also note that, in determining the distribution of the dividends, the Issuer is bound to comply with the "maximum distributable amount" laid down by the prudential regulations applicable and, specifically, by Article 141 of the CRD IV ("Limits to distributions"). Also, the ECB, through the Recommendation of 13 December 2016, required all banks to adopt dividend distribution policies that are based on conservative and prudent assumptions that allow them to maintain - at individual and consolidated level - conditions of capital adequacy consistent with the combination of risks assumed, suitable for facilitating alignment to the prudential requirements established by CRD IV and by the CRR and for guaranteeing the coverage of the internal capital levels calculated under the scope of the SREP. Pursuant to the Recommendation of 13 December 2016 (as referred to by the Regulatory Authority in the communication of 15 December 2016 addressed to UniCredit), in defining its dividends policy the Issuer should also take into account compliance with the fully phased capital ratios. With reference to the financial year ended at 31 December 2016, under the scope of the UniCredit Group rationalisation process the business unit for the Central and Eastern European area ("CEE") of UCB Austria was transferred to the Issuer. The transaction was completed with legal effect from 1 October 2016 and with accounting and tax effects backdated to 1 January 2016. Through the accounting of this transaction in the above way it is possible that if the consolidated values of the assets of the subsidiary business do not have sufficient capacity to absorb the cancellation difference in the previous paragraph, there could be a negative effect, possibly significant, on the separate shareholders' equity of the Issuer to cover other types of reserves and that could affect the capacity of the latter to distribute dividends. Lastly, note that the 2016-2019 Strategic Plan involves no dividend being paid out for the year ended 31 December 2016, while an implicit pay-out of 20% is planned over the timeframe of the plan and a cash dividend policy with a dividend pay-out ratio of between 20% and 50%, without prejudice to the need for the necessary approval by the Ordinary Shareholders' Meetings.

Section D – Risks

	The risk factors relating to the activities of the Issuer, the sector in which it operates and the financial instruments offered are listed below.
D.1	**Key information on the main risks that are specific and peculiar to the Issuer or its sector** **Risks connected with the Strategic Plan** On 12 December 2016, the Issuer's Board of Directors approved the 2016-2019 Strategic Plan which includes, among other things, a review of the business model. The actions set out in the Strategic Plan - specifically the Share Capital Increase and the measures aimed at improving the quality of the balance sheet assets - were prepared independently by the Issuer and were not part of a specific request by any Regulatory Authority. Note that under the scope of the 2016 SREP, the ECB highlighted, among other things, the Issuers' low capital buffers compared with competitors and the G-SIB status, as well as the continuation of a weak level of profitability, due to both

macro-economic factors and specific ("idiosyncratic") 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. In this regard, 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, however at the Date of the Summary Note there is the risk that the effects of the Strategic Plan measures are not capable of adequately dealing with the weaknesses identified by the ECB. Note that with regard to this the ECB will evaluate all the actions undertaken by the Group to execute the Strategic Plan together with the further evaluations under the scope of this process.

The Strategic Plan also involves risks that could impact on the effectiveness of the planned strategic initiatives, specifically as far as the growth of profitability is concerned. The main risk factors connected to and/or resulting from the 2016-2019 Strategic Plan are described below.

Risks connected to the impacts of the action plans on capital requirements

The 2016-2019 Strategic Plan includes, *inter alia*, actions aimed at strengthening and optimising the capital structure of the UniCredit Group and includes capital objectives until 2019, drawn up assuming a particular macroeconomic scenario, as well as the implementation of dedicated actions, including the M&A Asset Sale Transactions and the Share Capital Increase. The Share Capital Increase, specifically, constitutes one of the main measures of 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.

Specifically, note that from the implementation of the several of the Strategic Plan measures the following are expected (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". 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 execution at the Date of the Summary 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, at the latest, 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 be complied with. 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). In spite of the fact that capital strengthening measures set out in the Strategic Plan are suitable, in the opinion of the Issuer, to restore the capital requirement levels demanded by applicable regulations, the capital plan with remain subject to the evaluations and the approval of 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 (in this regard, note that the Strategic Plan already anticipates that no dividends will be distributed for the financial year ending 31 December 2016) as well as no variable remuneration for UniCredit Group employees. It is also anticipated, among other things, that the Asset Sales Transactions in the process of being Executed will not, on their own, be sufficient to allow the restoration of the applicable prudential limits, so 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. In such an event, UniCredit could also be subject of interventions, even invasive, by the Supervisory Authority, in its management, such as the imposition of restrictions or limitations of the activity and/or the disposal of assets that may have excessive risks for the solidity of the Issuer. Finally, there is a risk that the Issuer may not able to meet the applicable capital requirements, even resorting to extraordinary measures other than those laid down in the Strategic Plan, it may be necessary to apply the resolution instruments referred to in L.D. No. 180 of 16 November 2015 which transposes the BRRD.

In the Strategic Plan, the compliance by the UniCredit Group with the minimum capital ratio levels applicable on the basis of prudential regulations in force and/or imposed by the Supervisory Authority from time to time (for example under the scope of the SREP) and the achievement of regulatory Projected Data mentioned herein depend, among other things, on the implementation of the strategic actions planned to have a positive impact on the capital ratios (including, specifically, the Share Capital Increase and M&A Asset Sale Transactions). Therefore, if the Share Capital Increase and/or the Asset Sales Transactions were not realised, in full or in part, or if different and/or less benefits were derived from them than anticipated in the 2016-2019 Strategic Plan, this could lead to differences, including significant ones, from the Plan Objectives, as well as having negative impacts on the capacity of the UniCredit Group to comply with the constraints set by the prudential regulations and/or identified by the Regulatory Authorities and on the operating results, capital and financial position of the Group. Also note that, even if the Strategic Plan is implemented in full and the Plan Objectives therein are achieved, at the Date of the Summary Note there is the risk that at the end of the Plan period the Issuer could have capital buffers that are not in line with those recorded by its main competitors in the same period.

Risks connected with the new perimeter of the UniCredit Group

The 2016-2019 Strategic Plan was developed on the basis of a UniCredit Group perimeter that was different from the one at the Date of the Summary Note, anticipating the effects of several one-off transactions, some of which have already been completed at the Date of the Summary Note (“**Completed M&A Asset Sale Transactions**”), while others are still in the process of being executed (the “**M&A Asset Sale Transactions in the process of being Executed**” and, together with the Completed M&A Asset Sale Transactions, the “**M&A Asset Sale Transactions**”).

The M&A Asset Sale Transactions in the process of being Executed present execution risks typical of one-off transactions and, specifically, the risk of being realised in time and/or through methods that differ significantly from those anticipated by the Issuer at the Date of the Summary Note, or the risk that the effects of the M&A Transactions in the process of being Executed differ significantly from those projected by the Issuer.

The completion of the M&A Asset Sales Transactions in the process of being Executed is subject, among other things, to fulfilment of the commitments and obligations of the contracting parties, as well as the verification of various conditions precedent, some of which are outside of the Issuer’s control. Note, specifically, that these conditions include obtaining authorisation from the Regulatory Authorities involved (including the antitrust authorities). If the M&A Asset Sale Transactions in the process of being Executed are not completed, in full or in part, or if they are completed in a manner that is partly or totally different from that projected by the Issuer, this could have negative impacts on the activities of the Group and/or on its capacity to achieve the Plan Objectives, with consequent significant negative effects on the operating results and capital and financial position of the Issuer and/or the Group.

The agreements which regulate M&A Asset Sale Transactions, like agreements relating to further extraordinary transactions, include certain declarations and guarantees released by the Issuer and/or by other UniCredit Group companies on behalf of their contractual counterparties, as well as certain indemnity and/or compensation liabilities pertaining to UniCredit and/or certain UniCredit Group companies. The occurrence of violations, alleged or confirmed, by the Issuer and/or UniCredit Group companies, of the declarations and guarantees issued or the occurrence of events that cause the activation of the compensation clauses, could result in UniCredit and/or certain UniCredit Group companies being obliged to make payments, possibly of a substantial size, with consequent negative effects, possibly significant ones, on the assets and the operations, balance sheet and/or income statement of the Issuer and/or the Group.

Lastly, note that on the completion of the 2016 SREP the ECB stressed the need for the Issuer to strengthen its leadership and coordination activities, as parent company, with regard to the other Group entities, taking into consideration the size and complexity of the actual Group.

Risks associated with the Assumptions at the base of the Plan Objectives

The 2016-2019 Strategic Plan contains the Plan Objectives to be reached, respectively, by 2017 and 2019, based on assumptions of both a general nature and a discretionary nature which include, among other things, hypothetical assumptions of various nature, relating to future events and actions that may not necessarily occur, and events, actions and other assumptions - including the performance of the main capital and economic parameters or other factors which influence development - over which the directors and management cannot, or can only partly, have any influence.

The assumptions at the base of the Plan Objectives could turn out to be inaccurate and/or such circumstances could not 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 significant negative effects on the assets and the operations, balance sheet and/or income statement of the Issuer and/or the Group. Specifically, it is not possible to ensure that the Issuer and/or respective Group companies involved manage to implement the measures in the 2016-2019 Strategic Plan (including the actions which are a continuation of the previous business plan announced in November 2015). The failure or partial realisation of one or more of the plan measures 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 on the assets and the operations, balance sheet and/or income statement of the Issuer and/or the Group.

Risks connected with the inclusion of pro-forma data

The Registration Document contains the pro-forma consolidated balance sheet, as at 30 September 2016 and as at 31 December 2015, the pro-forma consolidated income statement and cash flow statement for the financial position for the period ended 30 September 2016 and for the financial year ended 31 December 2015 (the “Pro-Forma Consolidated Statements”), and the relevant explanatory notes, prepared solely for the purposes of retroactively reflecting the significant effects of the: (i) M&A Asset Sale Transactions; (ii) actions aimed at improving the quality of assets; and (iii) management actions aimed at capital strengthening, as if they had taken place during the period to which the aforementioned pro-forma data relate. 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 date and is provided purely for illustrative purposes. 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. Lastly, taking into consideration the different purpose of the pro-forma data compared with the historical financial statements and the different calculation methods with reference to the consolidated balance sheet, income statement and cash flow statement, the pro-forma statements should be read and interpreted separately from the historical data, without seeking accounting connections with this data and they could differ, even significantly, from the representation of the transactions in the UniCredit consolidated financial statements as at 31 December 2016 and in those which refer to subsequent periods.

Credit risk and risk of credit quality deterioration

The activity, financial and capital strength and profitability of the UniCredit Group depend on the creditworthiness of its customers, amongst other things. In the course of its credit business activities the Group is exposed to the risk that an unexpected change in a counterparty's creditworthiness may generate a corresponding unexpected change in the market value of the associated credit exposure and may thus result in a partial or full write-off. This risk is always inherent in traditional lending operations regardless of the form of the credit facility (whether cash or credit commitments, secured or unsecured, etc.). Under the scope of lending operations this risk involves the possibility that its contractual counterparties may not fulfil their payment obligations, as well as the possibility that Group companies may, based on incomplete, untrue or incorrect information, grant credit that otherwise would not have been granted or that would have been granted under different conditions.

The table below illustrates the item loans with customers as at 30 September 2016 according to their classification by administrative status, gross and net of adjustments in value, compared with the data as at 31 December 2015.

	As at 30 September 2016			**As at 31 December 2015**		
(in millions of Euros)	**Loans and receivables gross**	**Adjustments in value**	**Loans and receivables net**	**Loans and receivables gross**	**Adjustments in value**	**Loans and receivables net**
Non-performing	51,310	31,753	19,557	51,089	31,165	19,924
Unlikely to pay	23,373	8,022	15,351	26,054	8,968	17,086
Non-performing/past-due exposures	2,100	592	1,508	2,617	707	1,910
Impaired Loans	**76,784**	**40,367**	**36,417**	**79,760**	**40,840**	**38,920**
Non-impaired loans	**446,643**	**2,133**	**444,510**	**437,495**	**2,417**	**435,079**
Total	**523,426**	**42,500**	**480,926**	**517,255**	**43,257**	**473,999**

As at 30 September 2016, the impaired loans portfolio coverage ratio stood at 52.6%.

Lastly, under the scope of the 2016 SREP the ECB notified the Issuer of vulnerable areas relating to credit risk. Specifically, with regard to the high level of non-performing exposures in Italy, higher than the average level of non-performing loans (NPL) of other European Union banking institutions, the ECB, while acknowledging the effectiveness of the actions undertaken by the Issuer to reduce the level of impaired loans, stressed how they represent a risk to the Issuer's capacity to generate profits, to the business model and to the capital position. In addition, the ECB noted the lack of a detailed strategic and operating plan to actively reduce the gross and net non-performing loan level.

<u>*Loss Given Default (LGD)*</u>

As far as the Loss Given Default (LGD) parameter is concerned, note that the Strategic Plan 2016-2016 assumes that for the purpose of estimating the weighted-assets for the 2017-19 period, part of the impact associated with the non-performing loans portfolio generated before 2009 (e.g. the "Aspra and Legacy Portfolio") is subject to an adjustment in the treatment in the calculation of LGD.

The Aspra and Legacy Portfolio is a portfolio of bad loans that mainly includes the notes issued by a securitisation vehicle, wholly-owned by the Issuer. The gross value of the Aspra and Legacy portfolio loans at 30 September 2016 stood at approximately €7.2 billion and the net value at the same date was approximately €1.2 billion.

The Aspra and Legacy Portfolio has exceptional characteristics in relation to the Issuer's loan portfolio as it originated from and is classified under "bad loans" mainly before 2009 from various banks which, at the time, belonged to the UniCredit Group (a significant number of banks under the perimeter of the former Capitalia), based on the underwriting, monitoring and recovery policies which were different from those later adopted by the UniCredit Group. For these reasons, and consistent with the characteristics of the portfolio, under the scope of the 2016-2019 Strategic Plan the adjustment of the treatment in the calculations from the calculation of the LGD was considered for the Aspra and Legacy Portfolio in its entirety, not only for the component relating to the "Fino Project" amounting to €4.9 billion.

The adjustment of the treatment of all the components of the Aspra and Legacy Portfolio as described above from the calculation of the LGD requires the approval of the ECB. At the Date of the Summary Note discussions in this regard are ongoing. It is therefore not possible to guarantee that the ECB will allow the adjustment of the treatment of the Aspra and Legacy Portfolio for the calculation of the LGD. Failure to adjustment of the treatment of all components of the Aspra Portfolio for the calculations of the LGD, or even some of them, would have a negative impact – *inter alia* – on the future capital ratios of the Issuer, with consequent negative effects on the operating results and the capital and/or financial position of the Issuer and/or the UniCredit Group.

<u>*Guidelines for estimating the PD and the LGD and for dealing with exposures at default*</u>

In November 2016, the EBA published a consultation paper with regard to the revision of the methods for estimating Probability of Default (PD) and Loss Given Default (LGD) indicators, as well as the handling of impaired loans. At the Date of the Summary Note this consultation is still in progress and the provisions of the final text are expected to apply from 1 January 2021 or sooner if the competent Supervisory Authority decides that this should be the case.

At the Date of the Summary Note, in consideration of the complexity and extent of the amendment proposals drawn up in the EBA *consultation paper* and the differences between the various jurisdictions, it is not possible to accurately estimate the impacts resulting from the implementation of the guidelines described in the UniCredit Group consultation document (also taking into account the amendments that could be made to the final text of the guidelines). In this regard note that in preparing the 2016-2019 Strategic Plan and the Projected Data, the Issuer partly included several of the amendments subject to consultation under the scope of the activities for the revision and updating of the models. The possible impact in 2021 will not depend exclusively on the final text of the guidelines, but also on the projected economic development until 2020 which should be incorporated in the parameters of the revised model. Lastly, this impact should be felt beyond the time span of the Strategic Plan and, therefore, it has not been indicated in it.

Risks connected with the sale of non-performing loans

The deterioration of the quality of loans and the growing focus both at regulatory level and in the financial community with regard to a reduction in the amount of non-performing loans recorded in the financial statements of banks suggests an opportunity for the Issuer to implement the sale of non-performing loans. In this context, from 2014 the UniCredit Group began structured sales activity for the sale of non-performing loans to the market in order to reduce its problem loans in its financial statements at the same time seeking to maximise its profitability and strengthen its capital structure. The Issuer intends to continue with its strategy of disposing of non-performing loans. Specifically, the Issuer has identified the capital risk reduction and the improvement of the quality of new loans as a strategic action under the scope of the 2016-2019 Strategic Plan to be achieved through increasing the coverage ratio of non-performing loans and selling impaired loans. The completion of the sales could involve recording the greater write-downs of loans in the income statement for a significant amount as a result of the differential between the value at which non-performing loans (and in particular impaired loans) are recorded in the financial statements of the Group and the consideration that market operators specialised in the management of distressed assets are prepared to offer for their purchase. In this regard note that the potential impacts of these transactions (i.e. the debiting to the income statement of greater write-downs of loans) depend on various factors, including, specifically, the different return expected by specialist market operators compared with that of the Issuer and the recovery costs that are discounted in the purchase prices. From this perspective, to the extent the new transactions are completed (especially if they involve low quality loans, in terms of coverage level and/or asset class, compared with transactions already carried out) or if the conditions existed to change the recovery forecasts of non-performing loans identified for probable disposal in the future, it may be necessary to debit further write-downs for them with consequent negative impacts, including significant ones, on the operations, balance sheet and/or income statement of the Issuer and/or the Group.

Also note that, the actions aimed at improving the quality of balance sheet assets included the execution of the "Fino Project", which involves the sale of various impaired loan portfolios totalling €17.7 billion gross, as calculated at 30 June 2016. At the Date of the Summary Note, with regard to the "Fino Project" the Issuer signed two separate framework agreements (the "**Framework Agreements**"), respectively with FIG LLC, a company affiliated to the Fortress Investment Group LLC (later, FIG LLC, replacing Fortress Italian NPL Opportunities Series Fund LLC, Series 6 in contractual relations resulting from the Framework Agreement) and LVS III SPE I LP, a subsidiary of PIMCO BRAVO Fund III, L.P.

Pursuant to each Framework Agreement it is agreed that "Fino Project" consists of 2 phases: one of the objectives of "phase 1" of the "Fino Project" is obtaining the accounting derecognition of the loans sold. According to IAS 39, the loans sold will be subject to accounting derecognition from the financial statements of the Issuer (i) once essentially all loan-related risks and associated benefits are transferred to independent third parties or (ii) once a sufficient part of the risks and benefits is transferred provided that the control of the credit components of said portfolios is not maintained. At the Date of the Summary Note, the Issuer is conducting the necessary qualitative-quantitative analyses, to prospectively support the verification of the existence of the above-mentioned conditions and the verification of the significant risk transfer as well as the regulatory treatments of the "Fino Project".

The analysis will be completed on the completion of the contractual documentation and could highlight the absence of the conditions set out by the reference accounting principle for the derecognition of the portfolio. If the analysis were to identify the absence of the conditions set out in the reference accounting principle for the accounting derecognition of the portfolio of if the planned sale of the portfolio to each SPV and the related securitization transactions are not completed, including for reasons outside of the control of the Issuer, such as - for example - failure of the respective contractual counterparties to comply with the Framework Agreement and the other connected and associated agreements, the Issuer would not be able to pursue the objective accounting derecognition of the entire portfolio that is the subject of the "Fino Project". This situation could highlight the inappropriateness of the use of the sale price for the purpose of evaluating the portfolio and would also not allow the reduction of the impaired loans with negative impacts on achieving the objectives of the 2016-2019 Strategic Plan, as well as on the ratings assigned to the Issuer. This situation could therefore have negative impacts both of a reputational nature and on the operating results and capital and financial position of the Issuer and/or the Group.

The uncertainties and the consequent risks of the failure to realise the securitizations and the "Fino Project" associated with the conditions precedent in the Framework Agreement could involve the risk for the Issuer of initiating new sell-out procedures for these portfolios (including through the launch of a new competitive auction) which could, as a result, involve a postponement of the transaction, in addition to the risk related to the need to further increase the adjustments to the portfolios in question if, following the new sell-out procedures, the changed market conditions lead to a lower price. In addition, these uncertainties and the consequent risk of the failure to execute the "Fino Project" could also lead to changes in the strategic and operating plan to deal with the high level of NPLs taking into account the results of the 2016 SREP conducted by the ECB with regard to the UniCredit Group's income-generating capacity.

There may be capital impacts, including negative ones, from the implementation of the "Fino Project" from maintaining the Notes pertaining to UniCredit: (i) from the capital absorption of the percentage of connected credit risk-weighted assets for the purpose of determining the regulatory capital ratios; (ii) from the possible future write-downs resulting from the portion of risk retained. The residual portion of Notes kept in future by the Issuer will be considered on a par with a short-term loan with regard to the calculation of future short and medium-/long-term liquidity buffers of the Issuer.

Risks connected with capital adequacy

The rules on capital adequacy for banks define the minimum prudential capital requirements, the quality of capital resources and the risk mitigation instruments.

The table below contains the indicators for Capital and the regulatory capital buffers of the Issuer, on a consolidated basis, as at 30 September 2016 (phase in), as at 31 December 2015 (phase in), as at 31 December 2014 (phase in) and as at 31 December

2013 (phase in). The parameters include the transitional adjustments in accordance with the regulatory percentages applicable at any given time.

(in millions of Euros; percent)	As at 30 September 2016	31 December 2015	31 December 2014	31 December 2013(2)
Common Equity Tier 1 capital (CET1 capital)	42,980	41,375	41,998	n.a.
Additional Tier 1 capital	3,172	3,545	3,502	n.a.
Tier 1 Capital	46,152	44,920	45,500	42,737
Tier 2 capital	10,515	10,659	9,357	14,914
Total Capital	56,667	55,579	54,857	57,651
Total risk-weighted assets (RWA)	390,901	390,599	409,192	423,739
Common Equity Tier 1 capital / risk-weighted assets (CET1 capital ratio)	11.00%	10.59%	10.26%	n.a.
Tier 1 capital / risk-weighted assets (Tier 1 capital ratio)	11.81%	11.50%	11.12%	10.09%
Total capital / risk-weighted assets (Total capital ratio)	14.50%	14.23%	13.41%	13.61%
Total risk-weight assets out of total assets(1)	43.39%	44.01%	46.90%	50.10%

(1) "Total assets" are the amounts in the Financial Reporting at the respective reference dates.

(2) The parameters as at 31 December 2013 are calculated through the regulatory forecasts in force at that date and are only reported for the totals required by these regulatory provisions.

Note that at the respective reference dates indicated in the previous table, the minimum regulatory requirements (including the buffers applicable at any given time) were higher than the minimum regulatory requirements.

The evaluation of the level of capital adequacy is influenced by a series of possible variables including the need to deal with the impacts resulting from new and more demanding requirements from a regulatory perspective and/or the evaluation of market scenarios which are predicted to be particularly challenging and which require the availability of adequate capital resources to support the Group's level of activities and investments. Also in the light of the above, it is possible that the UniCredit Group may find itself facing a reduction in its capital buffers compared with the current situation. Therefore, there is the risk that in the future the Issuer could find itself, following unforeseen outside factors and events outside of the control of the Group and/or following further requests by the Regulatory Authority, needing to adopt a capital conversation plan, as well as resorting to capital strengthening measures to reach the capital adequacy standards set by the applicable interim prudential regulations.

The capital ratio of the UniCredit Group also affects the capacity of the Issuer to distribute dividends, the possibility of the Group to pay the coupons relating to the additional tier 1 instruments, as well as other hybrid capital instruments involving "coupon stopper" mechanisms related to UniCredit Group capital ratios. If the Issuer were not able to pay the coupons for these hybrid capital instruments, this could create difficulties for it and/or for other UniCredit Group companies in accessing the capital market, with a consequent increase, possibly significant, in the cost of funding and with possible negative effects on the assets and on the operating results and capital and financial position of the Issuer and/or the Group.

It is also not possible to rule out that, following future supervisory review and evaluation processes, the Regulatory Authority could require the Group, *inter alia*, to maintain higher capital adequacy standards than those applicable at the Date of the Summary Note. In these circumstances, the Issuer could find itself needing to seek recourse to other capital strengthening measures in order to reach these standards and/or having to undergo measures, including invasive ones, in the management of same, 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.

Risks connected with changes in the income results of the Group for the financial years ended 31 December 2015, 2014 and 2013 as well as for the interim period ended 30 September 2016 and with the non-comparability limits of future results after the latest period

At the Date of the Summary the situation regarding the improvement of the macro economic situation in general in uncertain and, therefore the financial results of the Issuer could be negatively affected in the future by the continuation of the economic and financial crisis and, in general, by the persisting uncertainty with regard to the economic recovery, with possible negative effects on the assets and on the operating results and capital and financial position of the Issuer and/or the Group. In addition to the above, note that there could be further negative effects on the Issuer from: (i) the results of the consultation process regarding the review of the methods for estimating the Probability of Default (PD) and Loss Given Default (LGD) indicators, as well as the treatment of impaired loans, launched by the EBA in November 2016; (ii) the development of the regulatory framework or interpretive guidelines, which could involve implementation and/or adjustment costs or impacts on the operations of the Issuer and/or the Group (LGD).

In addition, as well as the Asset Sales Transactions Completed, at the Date of the Summary Note the agreements relating to the Asset Sales Transactions in the process of Execution which - once concluded and together with the Asset Sales Transactions Completed - will lead to a significant change in the scope of consolidation of the Group, have been concluded. Taking this into consideration, note that the Consolidated Financial Statements and the 2016 Condensed Interim Consolidated Financial Statements will only be partly comparable with the future financial statements of the Group, therefore investors are invited to take this into account when making investment decisions.

Note that the data in the consolidated financial statements as at 31 December 2016 will record considerable discontinuity, compared with the data as at 30 September 2016 (because a significant loss is anticipated for 2016 compared with the actual profit for the first nine months of 2016) indicated in the Condensed Interim Consolidated Financial Statements as at 30 September 2016, also as a result of the negative one-off impacts on the net result for the fourth quarter of 2016 of €13.2 billion, as estimated by the Issuer's Board of Directors on January 30, 2017. Therefore, the Issuer expects to record a loss of approximately €11.8 billion, compared with an actual profit for the first nine months of 2016.

Risks connected with the distribution of dividends

The capacity of the Issuer to distribute dividends depends, *inter alia,* on the compliance of the provisions relating to the Maximum Distributable Amount (MDA), as defined on the basis of Article 141 of CRD IV, therefore, albeit in the presence of distributable profits pursuant to its statutory financial statements, the Issuer could not pay dividends in the case of failure to comply with these prudential regulatory provisions.

The Issuer could also, albeit in the presence of distributable operating profit for the period, decide not to proceed with the distribution or distribute fewer dividends than the maximum distributable in conformity with the applicable legal and statutory provisions. In addition, if in the presence of profits for the period the Issuer were to decide to distribute dividends in the form of scrip dividends (i.e. through handing over ordinary and/or savings shares with the same characteristics as the outstanding shares at the grant date), this transaction would involve dilutive effects for the Issuer's shareholders who do not avail themselves of this right or, depending on the scrip dividend allocation methods, for those who do not express a preference in this regard.

Risks connected with the participation of the Issuer in the Atlante Fund and the Atlante II Fund

At the Date of the Summary Note, UniCredit is one of the main subscribers of the Atlante Fund and the Atlante II Fund, closed-end alternative investment funds aimed at supporting the recapitalisation of Italian banks and promoting the liquidation of impaired loans.

The Atlante Fund units were initially recognised at their subscription value, believed to be the expression of the fair value of the investment at the initial valuation date. This value was also maintained for the quarter ended at 30 September 2016 given its consistency with the figure provided by the assessor appointed by Quaestio SGR. Moreover, it is not possible to rule out that after 30 September 2016, the analysis of the valuation elements consistent with the provisions of International Accounting Standards (and, specifically, IFRS 13 "fair value measurement") in determining an "exit price" could lead to the need for a reduction, even a significant one, in the value of the investment, with possible negative effects on the operating results and capital and financial position of the Issuer and/or the Group.

If the value of the assets in which the Atlante Funds have invested and/or will invest were to decrease, among other things, as a result of write-downs or their sale at a price lower than the purchase price, or if they are replaced with assets that have a higher risk profile or feature a greater degree of capital absorption (e.g. the acquisition of impaired loans), there is the risk that in these circumstances the need could arise to write down the Atlante Fund units with possible impacts on the capital ratios of the UniCredit Group and with possible negative effects on the operating results and the capital and financial position of the Issuer and/or the Group.

Risks associated with the Group's exposure to sovereign debt

The UniCredit Group is exposed with regard to governments or other public sector entities in major European countries as well as countries outside the Eurozone therefore being subject to changes in government bonds in general and, specifically, Italian, German and Spanish public debt securities. A possible downgrading of the ratings of the countries to which the UniCredit Group is exposed could lead to negative effects, including significant ones, on the assets and on the operating results and capital and financial position of the Issuer and/or the Group.

As at 30 September 2016 the book value of the Groups' sovereign exposures represented by "debt securities" totalled Euro 134,972 million, of which as at 30 September 2016, 89.5% was concentrated in eight countries, including Italy, which, on the same date, represented a share of 41.8% of the overall total.

Liquidity risk

Liquidity risk is defined as the risk that the UniCredit Group may find itself unable to fulfil its expected or unexpected payment obligations (by cash or delivery), current and future, without jeopardising its day-to day operations or its financial condition. The UniCredit Group's activity is particularly subject to liquidity risk in the areas of funding liquidity risk, market liquidity risk, mismatch risk and contingency risk.

Lastly, under the scope of the 2016 SREP the ECB notified the Issuer of vulnerable areas relating to liquidity risk.

Risks connected with Related-Party relations

During the last three financial years and in the interim period ended 30 September 2016 the Group had relations with Related Parties. Although the Issuer has adopted procedures to ensure the oversight of matters relating to Related-Party transactions pursuant to the framework governing listed companies (Related-Parties Regulation), as well as with Associated Persons pursuant to the New Prudential Supervisory Provisions and with banking representatives pursuant to Article 136 of the TUB, these transactions involve the typical risks associated with transactions that take place between parties belonging to or close to the Issuer and/or its decision-making structures which could compromise the objectivity and impartiality of the decisions relating to these transactions. These situations could: (i) involve inefficiencies in the process of allocating resources, (ii) expose the Issuer to risks that are not adequately measured or safeguarded; as well as (iii) causing potential damage to the actual Issuer or its various stakeholders.

Risks related to intra-group exposure

The UniCredit Group companies have historically financed other Group companies, in line with the practices of other banking groups operating in multiple territories, by transferring excess liquidity from one Group company to another.

In the past, one of the most significant intra-group exposures involved UCB AG and the Issuer. On account of the overall level of UCB AG's intra-group exposure, the Issuer and UCB AG made a commitment to reduce the net intra-group exposure of the latter, also providing appropriate guarantees which include, among other things, the establishment of pledges on financial instruments owned by UniCredit. In addition to the exposure with regard to UCB AG, the Issuer has a significant debt exposure to several Group banks with regard to which it constitutes the direct liquidity reference bank.

The adoption of the principle of self-sufficiency by Group companies has led to the adoption of very strict policies with regard to the reduction of the funding gap, not only in Italy, but also in all subsidiaries. The combined action of these policies could produce a deterioration, perceived or actual, of the credit risk profile (particularly the Italian one) and have a significant negative effect on the cost of funding and, as a result, on the operating and financial results of the Issuer and the Group.

Market risks

Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Group's portfolio, including the assets held both in the trading book, as well as those posted in the banking book, both on the operations characteristically involved in commercial banking and in the choice of strategic investments. The risk that the value of a financial instrument (an asset or a liability, cash or derivative) changes over time is determined by the following five standard market risk factors: (i) credit risk; (ii) equity risk; (iii) interest rate risk; (iv) exchange rate risk; and (v) risk of the price of raw materials.

The following are the main risks that affect the market risk of the banking portfolio of the UniCredit Group:

Risks connected with interest rate fluctuations

The Group's activities are affected by fluctuations in interest rates in Europe and the other markets in which the UniCredit Group operates. Interest rate trends are, in turn, affected by various factors outside the Group's control, such as the monetary policies, macroeconomic context and political conditions of the countries in question. These events, as well as the protracted, ongoing situation with interest rates at historically low levels, in some cases, even negative, could lead to continued pressure to reduce interest margins as well as having effects on the value of the assets and liabilities held by the Group.

The UniCredit Group implements a policy to hedge the risks connected with interest rate fluctuations. Such hedges are based on estimates of behavioural models and interest rate scenarios, and an unexpected trend in the latter may have major negative effects on the activity, operating results and capital and financial position of the Group. A significant change in interest rates may also have a major negative impact on the value of the assets and liabilities held by the Group and, consequently, on the operating results and capital and/or financial position of the Issuer and/or the Group.

Lastly, under the scope of the 2016 SREP the ECB notified the Issuer of vulnerable areas relating to interest rate risk in the banking book.

Risks connected with exchange rates

A significant portion of the business of the UniCredit Group is done in currencies other than the Euro, predominantly in Polish zloty, Turkish lira, US dollars, Swiss francs and Japanese yen. This means that the effects of exchange rate trends could have a significant influence on the assets and the operations, balance sheet and/or income statement of the Issuer and/or the Group. Although the Group implements an economic hedging policy for dividends from its subsidiaries outside the Eurozone, any negative change in exchange rates and/or a hedging policy that turns out to be insufficient to hedge the related risk could have major negative effects on the activity, operating results and capital and financial position of the Issuer and/or the Group.

The significance of the level of exposures denominated in currencies other than the euro is also indicated by the ECB as an area of vulnerability, uncertainty and potential risk, in terms of the deterioration of the credit quality of assets at the conclusion of the 2016 SREP.

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

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

In spite of the geographical diversity of the UniCredit Group's activities, at the Date of the Summary Note Italy was the main market in which the Group operates and, as a result, its activities are closely connected to the Italian macroeconomic context. Should these adverse economic conditions persist in Italy, or a lasting situation of political and economic uncertainty continue and/or the economic recovery prove to be slower than in other OECD countries, this could have a further significant negative impact on the assets and the operations, balance sheet and/or income statement of the Issuer and/or the Group.

The UniCredit Group also has a significant presence in Austria and Germany, as well as Central and Eastern European countries including, among others, Poland, Turkey, Russia, Croatia, the Czech Republic, Bulgaria and Hungary. The risks and uncertainties to which the UniCredit Group is exposed are of a different nature and magnitude depending on the country, and whether or not the country belongs to the European Union is only one of the major factors to take into consideration when evaluating these risks and uncertainties.

In this regard, note that, under the 2016 SREP as areas of vulnerability, uncertainty and potential risk, in terms of the deterioration of the credit quality of assets, the ECB reported the Groups' operations in Russia and Turkey on account of possible macro-economic and political developments in these countries.

Risks associated with borrowings and evaluation methods of the Issuer's assets and liabilities

In conformity with the framework dictated by International Accounting Standards, the Issuer should formulate evaluations, estimates and theories that affect the application of accounting standards and the amounts of assets, liabilities, costs and revenues reported in the financial statements, as well as information relating to contingent assets and liabilities. Specifically, the Issuer adopts estimation processes and methodologies in support of the book value of some of the most important entries in the financial statements. If the Group were forced to review the assumptions and valuation methods adopted for assets and liabilities, it could be compelled to make write-downs, including significant ones, with possible negative effects on the assets and the operations, balance sheet and/or income statement of the Issuer and/or the Group.

Risks relating to deferred taxes

Deferred tax assets and liabilities are recorded in the financial statements in accordance with IAS 12. In regard to the convertible intangible assets ("**DTAs**"), note that where, for any reason, there are significant changes to current tax regulations, which cannot presently be foreseen, or the updating of income statement estimates with the latest official projections available were to give rise to lower future taxable income than that estimated in the sustainability test as at 30 September 2016, and therefore not sufficient to guarantee the reabsorption of the DTAs in question, there could be negative effects, including significant ones, on the assets and on the operating results and capital and financial position of the Issuer and/or the Group. Specifically, it is reasonable to expect that the planned deconsolidation of impaired loans and the change in the tax regime for adjustments to loans to customers (which currently involves their full deductibility in the financial year in which they are recorded) will together lengthen the recovery time horizon of deferred tax assets, with possible consequent effects for the purpose of the evaluation of the non-convertible DTAs recorded previously and the recording in Italy of DTAs associated with tax losses in the making as at 31 December 2016, without prejudice to the fact that the current IRES tax framework involves the recovery, without time limits, of any tax losses that may subsequently occur. In the same way it is reasonable to expect that the introduction of the next sustainability tests for the 2016 actual results and the new income statement projections for the years 2017, 2018 and 2019 from the new Strategic Plan could cause a revision of the future estimated tax bases underlying the sustainability tests of DTAs in Italy. In this regard, note that the underlying theories of the new Strategic Plan do not include the possibility of recording DTAs under tax losses.

Risks connected with interests in the capital of the Bank of Italy

From the third quarter of 2015, the Issuer started disposing of the stake held in Banca d'Italia, whose effective completion is a significant factor in the sustainability of the book value in the immediate near future. The stake already held by the Issuer was revalued following the Banca d'Italia share increase transaction which took place in 2013, where in order to promote the reallocation of the actual equity investments, a holding limit of 3% was introduced, which meant that, after a maximum adjustment period of 36 months from December 2013, the rights to dividends in excess of this limit, among other things, will cease to be due. If the Issuer was unsuccessful in completing the disposal process, according to the planned procedure, the value of the interest in the share capital of Banca d'Italia could suffer potentially significant impairment, with possible negative effects on the assets and the operations, balance sheet and/or income statement of the Issuer and/or the Group. In addition, the Issuer may not manage to dispose of its stakeholding in the share capital of Banca d'Italia at financial conditions in line with those anticipated, with consequent negative effects on the assets and the operations, balance sheet and/or income statement of the Issuer and/or the Group.

Counterparty risk in derivative and repo transactions

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

The counterparty risk associated with derivatives operations and/or and repos transactions is monitored by the Group via guidelines and policies aimed at managing, measuring and controlling such risk. The risk, however, exists that failure by the counterparties to fulfil the obligations they assumed pursuant to the derivative contracts stipulated with the Issuer or one of the Group companies and/or the realisation or liquidation of the related collateral guarantees, where present, at insufficient values may have major negative effects on the activity, operating results and capital and financial position of the Issuer and/or the Group.

Under the scope of its operations the Group also concludes derivative contracts with central governments and banks. Any changes in applicable regulations or in case-law guidelines, as well as the introduction of restrictions or limitations to such transactions, may have impacts (including potentially retroactive impacts) on the Group's operations with said counterparties, with possible negative effects on the activity, operating results and capital and financial position of the Issuer and/or Group. In this regard it should be noted that at the Summary Note Date, the Court of Auditors is conducting investigations into transactions in derivative contracts between the Public Administration and certain counterparties (not including the UniCredit Group), the outcome of which remains uncertain at the Summary Note Date. However, it cannot be excluded that, as a result of such proceedings and their findings, guidelines capable of causing negative consequences for the UniCredit Group may become consolidated.

Risks connected with exercising the Goodwill Impairment Test and losses in value relating to goodwill

The parameters and information used to verify the sustainability of the goodwill were greatly influenced by the macroeconomic and market context, which could have repercussions at the Date of the Summary Note on the future results of impairment tests, with consequent possible further adjustments in value to goodwill and impacts, including significant ones, on the operations, balance sheet and/or income statement of the Issuer and/or the Group.

Risks connected with existing alliances and joint ventures

At the Date of the Summary Note, the UniCredit Group has several alliance agreements, as well as several shareholders' agreements stipulated by the Group and other parties under the scope of co-investment agreements (e.g. agreements for the establishment of joint ventures). These agreements, as per market practice, include investment protective clauses, with mechanisms that require purchase and/or sale. If these assumptions were to occur and UniCredit and/or one or more of the UniCredit Group companies were to be compelled, if the contractually laid down events occurred, to buy the investments pertaining to one or more contractual counterparties, they may have to cope with possibly significant outlays in order to fulfil their obligations which may have negative effects on the operations, balance sheet and/or income statement of the Issuer and/or the Group.

Risks connected with the collection, storage and processing of personal data

The activity conducted by the UniCredit Group is subject to the regulations governing the protection, collection and processing of personal data in the jurisdictions in which it operates. Although the UniCredit Group has adapted its internal procedures to the various applicable regulations and has adopted the necessary technical arrangements to conform to the legal provisions in force, the Group, however, remains exposed to the risk that the data could be damaged or lost, or removed, disclosed or processed for purposes other than those authorised by the customer, also by unauthorised parties (either third-parties or employees of the UniCredit Group). The possible occurrence of these situations would have a negative impact on the activity of the UniCredit Group, in reputation terms too, and could lead to the competent body imposing fines, with consequent negative effects on the operations, balance sheet and/or income statement of the Issuer and/or the Group.

Risks connected with operations conducted through structured credit products

The UniCredit Group operates in structured credit products, acting as originator, sponsor, investor or funder, depending on the circumstances. The nature of structured credit products implies very complicated management where failure to comply could lead, in addition to reputational damage, to the restriction or interruption in the use of the instruments with consequent impacts on the Issuer's liquidity position and possible negative effects on the operations, balance sheet and/or income statement of the Issuer and/or the UniCredit Group. In addition, in view of the current market situation, the fair value of some of the securities that the Group has acquired from third parties has been reduced significantly compared with their carrying amount. Therefore, the disposal of such positions based on an economic value that is lower than their carrying amount, or – with regard to the instruments belonging to the banking book –- the write-down to be recorded if the relevant conditions are met pursuant to International Accounting Standards could have major negative effects on the capital and financial position of the UniCredit Group, the extent of which will vary in proportion to the difference between the carrying amount and the market value/economic value.

Risks connected with the performance of the property market

The UniCredit Group is exposed to the risks of the property market, both as a result of investments held directly in properties owned (both in Italy and abroad), and as a result of loans granted to companies operating in the property sector. Any downturn in the property market could result in, among other things: (i) with reference to property investments it owns, the Group having to make impairments; (ii) with regard to property transactions, a decrease in volumes and margins; (iii) as far as loans granted to customers are concerned, a reduction in the value of the guarantees that could be realised in the case of enforcement; (iv) with reference to granting loans to individuals where the collateral is property, the need for the Group to make value adjustments to the loans supplied to companies operating in the sector and/or to private individuals and/or to loans guaranteed by properties, with consequent negative effects, including significant ones, on the operations, balance sheet and/or income statement of the Issuer and/or the Group.

Risks connected with pensions

The UniCredit Group is exposed to actuarial risk and investment risk resulting from commitments to pay pension benefits to employees following the termination of their employment. Specifically, with regard to pension schemes which guarantee employees a series of benefits that depend on factors such as age, years of service and compensation requirements, the Group is exposed to the risk that the assumed liability could be lower than the amount of benefits to be paid over time, with consequent negative effects, including significant ones, on the operating results and capital and financial position of the UniCredit Group.

Also note that under the scope of the activities connected to the restructuring of UCB Austria, UCB Austria and the Workers' Council signed an agreement that involves the definitive move of its employees in the state pension system (the employees of UCB Austria, on the other hand, already retired at this date will not be involved). The Austrian parliament approved a new law which intervenes on the framework governing the transfer of pension obligations relating to UCB Austria employees from the company to the national pension system, however, there is the risk that pensioners who oppose the agreement reached by UCB Austria and the Workers' Council, will challenge the transfer to the state pension system, with possible negative consequences, including of a reputational nature, on the assets and operating results and capital and financial position of the Issuer and/or the Group.

Risks connected with risk monitoring methods and the validation of such methods

The UniCredit Group has an organisational structure, corporate processes, human resources and expertise that it uses to identify, monitor, control and manage the various risks that characterise its operations, and develops specific policies and procedures for this purpose. Specifically, the Group uses internal models for measuring both credit risk and market and operating risk. It is not, however, possible to rule out: (i) that these methods and strategies could prove to inadequate; (ii) the valuations and assumptions underpinning these policies and procedures could turn out to be incorrect; (iii) the occurrence of certain events, which cannot currently be budgeted for or assessed; (iv) the incapacity of the Group's structures and human resources to include elements of risk in carrying out certain activities; and (v) the possibility that, following investigations or checks carried out by the Regulatory Authorities, the internal models are evaluated as no longer fully adequate. Where one of these situations occurs, UniCredit and/or the Group could suffer losses, even significant ones, with possible negative effects on the operations, balance sheet and/or income statement of the Issuer and/or the Group. Note that under the scope of the 2016 SREP, the ECB notified the Issuer of vulnerable areas relating to the risk culture and the overall governance of the risk of internal models.

Lastly, in the light of the regulatory developments involving the adoption of internal models, it will probably be necessary to revise some models to ensure that they conform in full to the new regulatory requirements. For the specific segments currently managed through internal models it may also be necessary to impose the adoption of the standardised approach, also being reviewed at the Date of the Summary Note. The new regulatory features, which involve the entire banking system, could therefore involve changes to capital measures, but they will, however, come into force after the time horizon of the 2016-2019 Strategic Plan.

Operating risks

The UniCredit Group is exposed to operating risk, i.e. the risk of loss due to errors, infringements, interruptions, damages caused by internal processes or personnel, or strikes, or systems or caused by external events. Although the Group has an operating risk management system, the measures adopted could prove to be insufficient to deal with all the types of risk that could arise, and that one or more of these risks could occur in future, because of unpredictable events that are fully or partially outside the UniCredit Group's control. The realisation of one or more of these risks could have significant negative effects on the activity, operating results and capital and financial position of the Issuer and/or the Group.

As far as operating risk is concerned, note that under the scope of the 2016 SREP the ECB highlighted areas of vulnerability, stressing the need to closely monitor the risk resulting from judicial proceedings in progress or potential ones and organisational and procedural weaknesses in the compliance function which expose the Issuer to risks in that area that are far from negligible. The ECB also highlighted that where the provisions in Croatia and Hungary for the forced conversion of exposures denominated in currency and the giving in payment law in Romania were to be classified as operating risk events, this could have a negative impact on the capital requirements of the Issuer. Lastly, the ECB recalled the findings from the latest IT inspection which refer to insufficient uniformity and comprehensiveness of the processes implemented within the Group.

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Under the scope of its operations, the UniCredit Group also outsources certain services to third parties including, among other things, banking and financial activities. The outsourced services are governed by dedicated service level agreements stipulated with the respective outsourcers. Failure by these parties to comply with the minimum service levels laid down in these agreements could have prejudicial effects on Group operations. The continuity of the level of service could be adversely affected by the occurrence of events having a negative impact on suppliers, such as, for example, their declaration of insolvency or some of them being subject to insolvency proceedings. In addition, if existing agreements with outsourcers were terminated or ceased to have effect, it is not possible to guarantee that the Issuer would be capable of quickly stipulating new agreements or that it would be able to stipulate new agreements at terms and conditions that were not worse than the existing agreements at the Date of the Summary Note.

Risks relating to IT system management

The UniCredit Group's operations depend on, among other things, the correct and adequate operation of the IT systems that the Group uses as well as their continuous maintenance and constant updating. The main risks in this area are related to the reliability of the system (disaster recovery), the quality and integrity of the data managed and the threats to which IT systems are subject (including access by unauthorised parties and the introduction of viruses), as well as physiological risks related the management of software changes (change management), which could have negative effects on the operations of the UniCredit Group, as well as on the capital and financial position of the Issuer and/or the Group.

Risks connected with non-banking activities

In addition to the traditional banking activities of collecting deposits and granting loans, the UniCredit Group also carries out activities (such as trading in financial instruments, futures contracts, holding financial instruments pertaining to third parties and granting credit via various methods) that may expose the UniCredit Group to a higher level of credit and/or counterparty risk. Furthermore, following the enforcement of guarantees and/or the signing of debt restructuring agreements, the Group holds and could in future acquire controlling or minority equity investments in companies operating in sectors other than those in which the Group operates. These sectors require specific knowledge and management expertise that the Group does not have. However, during the course of any disposal operations, the Group may have to manage such companies and possibly include them, depending on the extent of the stake acquired, in its consolidated financial statements. This exposes the Group to both risks relating to the activities carried out by the individual subsidiaries or affiliates and risks arising from inefficient management of such equity investments, with possible major negative effects on the operating results and capital and financial position of the Issuer and/or the Group.

Risks connected with legal proceedings in progress and regulatory authority measures

Risks connected with legal proceedings in progress

At the Date of the Summary 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 €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 €11,839 million. This figure equally reflects the inconsistent nature of the pending disputes and the large number of different jurisdictions, as well as the specific circumstances in which the UniCredit Group is involved in counterclaims. As far as disputes relating to employment law are concerned, the total amount claimed as at 30 September 2016 stood at €481 million and the related risk provision, at that date, stood at €18 million.

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 - this provision may not, in the future, 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. In addition, any unfavourable outcomes for the UniCredit Group in the disputes in which it is involved - specifically those with a greater media impact - or the emergence of new disputes could have reputational impacts, including significant ones, on the UniCredit Group, with possible consequent negative effects on the assets and the operations, balance sheet and/or income statement of same.

Risks connected with Regulatory Authority measures

During the course of its normal activities, the UniCredit Group is subject to an articulated regulation and supervision by the various regulatory authorities, each for their respective aspects of competence. In the exercise of supervisory powers, the ECB, the Bank of Italy, CONSOB and the other supervisory authorities submit, even on a periodic basis, the UniCredit Group to inspections, 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 economic and financial situation of the Group. The entity of these effects could determine 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.

Risks related to international sanctions with regard to sanctioned countries and to investigations and/or proceedings by the U.S. authorities

The Issuer and, in general, the UniCredit Group, are obliged to comply with numerous sanction regimes which are complex and subject to change, which cannot be predicted. Although, at the Date of the Summary Note, the Issuer and/or the Group are not involved in disciplinary proceedings and/or subject to international sanctions, such sanctions may limit the ability of the Issuer and/or of the Group to continue to transact with clients or to maintain commercial relations with sanctioned counterparties and/or those located in sanctioned countries.

Also note that, at the Date of the Summary Note, the Issuer and the UniCredit Group are subject to certain investigations in the United States of America. These investigations and/or proceedings with regard to Group companies could result in the Issuer being subject to large civil or criminal penalties. In addition, the investigation costs, remediation and/or payments and other legal costs in relation to the above-mentioned inspections, could result in liquidity outgoings and could have negative consequences on the shareholders' equity and net profits of the Issuer and on one or more of its subsidiaries. Specifically, such an adverse outcome to one or more of the UniCredit Group entities subject to investigations could have a material adverse effect, also from a reputational point of view and impact the business, results of operations or financial condition of the Group as well as its capacity to comply with capital requirements.

Risks arising from tax disputes

At the Date of the Summary Note, there are various tax-related proceedings pending with regard to the Issuer and other companies belonging to the UniCredit Group, as well as tax inspections by the competent authorities in the various countries in which the Group operates. Specifically, as at 30 September 2016 there were 734 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.

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

Risks connected with the ratings assigned to the Issuer and to the UniCredit Group

The credit ratings assigned to the Issuer are the assessment by the ratings agencies of the Group's capacity to meet its financial commitments. If the Issuer and/or one of the subsidiaries to which a rating is assigned does not maintain one or more of these indicators at adequate levels, the ratings agencies could downgrade the rating assigned, with consequent negative effects on the operating results and capital and financial position of the Issuer and/or the UniCredit Group. Similar effects could also be felt where there is a worsening of the sovereign rating of Italy and/or the other countries where the Group is present. In light of the above, a possible worsening of the sovereign rating of Italy and/or the other countries where the Group is present (including, specifically, Germany, Austria and Poland) could have negative effects on the operating results and capital and financial position of the Issuer and/or the Group.

Risks connected with the Group's capacity to retain or attract key people

The Group's results and the future success of its activities depend, to a large extent, on its capacity to attract, retain and motivate skilled personnel, at all levels, with considerable experience in the sectors in which the Group operates, with special reference to the banking sector. In the future, the loss of one or more key people and/or the inability to attract and retain skilled personnel with sound experience in the management of banking companies could result in a reduction of the Group's competitive capacity and affect its ability to achieve its objectives, with possible negative effects on the operating results and capital and financial position of the Issuer and/or the Group.

Note that following the results of the 2016 SREP the ECB also identified - within a governance framework judged adequate - in the composition and operation of the Board of Directors an area of improvement for the Issuer, taking into consideration, specifically, the limited number of directors with practical experience in banking and in discussions with the management of the Issuer where there is room for improvement, suggesting as a risk mitigation measure an *ad hoc* induction plan, which has already been approved by the Board of Directors and is in the operational development stage.

Risks connected with the organisational and management model pursuant to Legislative Decree 231/2001 and the accounting administrative model pursuant to Law 262/2005

In May 2004 the Issuer adopted the organisational and management model set out in Legislative Decree 231/2001. It is not, however, possible to rule out: (i) that this model could be considered inadequate by the judiciary authority that may be called upon to verify the cases under these regulations; and (ii) that in future there may be the need to subject processes which are not mapped out at the Date of the Summary Note, which could imply shortcomings in the process and control system, which cannot be foreseen at the Date of the Summary Note and whose impact cannot be estimated.

For the purpose of the analysis and definition of the Administrative Accounting Model for the application of Law 262/2005, the Issuer also relied on the framework defined by the Committee of Sponsoring Organization of the Treadway Commission (COSO) and the Control Objective for IT and Related Technologies (COBIT), which represent the benchmark standards for the evaluation of the internal control system and for financial reporting in particular, generally accepted at international level. This internal control system is constantly updated. It is therefore not possible to rule out that in the future there may be the need to subject processes which are not mapped at the Date of the Summary Note to controls and certification, which could imply shortcomings in the process and control system which cannot be foreseen at the Date of the Summary Note and whose impact cannot be estimated, with possible negative effects on the Issuer's reputation and/or the UniCredit Group.

Risks connected with the limits on voting rights set out in the Corporate By-Laws of the Issuer

As per Article 5 of the Corporate By-Laws, no one entitled to vote may vote, for any reason whatsoever, for a number of the Issuer's shares exceeding 5% of the share capital bearing voting rights.

Risks connected with key statements and information on the outlook of the reference market and the Group's competitive position

The Registration Document contains several key statements regarding the activity of the Issuer and the UniCredit Group and its position in the reference market as well as forecasts about the future of the market in which the Group operates, formulated by the Issuer based on its specific knowledge of the sector, the available data and its experience. There is the risk of changes in the competitive position and performance of the Group in its sectors of activity and/or in the various geographical areas compared with the projections.

Risks connected with Alternative Performance Indicators (APIs)

In order to facilitate the understanding of the Group's economic and financial performance, the Issuer has identified several Alternative Performance Indicators ("**API**"). These indicators also represent the instruments that help the Issuer identify operating trends and take decisions surrounding investments, the allocation of resources and other operating decisions.

With regard to the interpretation of these APIs, note the explanations given below: (i) these indicators are constructed exclusively from UniCredit Group historical data and are not indicative of the Group's future performance; (ii) the APIs are not provided for by international accounting standards ("**IFRS**") and, although derived from the Consolidated Financial Statements, they are not subject to auditing; (iii) APIs should not be seen as replacing the indicators laid down by International Accounting Standards; (iv) APIs should be read together with the Group's financial information taken from the Consolidated Financial Statements and from the Condensed Interim Consolidated Financial Statements; (v) as the definitions of the indicators used by the UniCredit Group do not come from International Accounting Standards, they may not be standardised with those adopted by other companies/groups and therefore not comparable with them; and (vi) the APIs used by the Group are continuously processed with standardised definitions and representations for all periods for which financial information is included in the Registration Document.

Risks connected with the disciplinary proceedings against company representatives of the Issuer

Note that, at the Date of the Summary Note, several members of the Board of Directors of the Issuer are involved or have been involved in criminal proceedings or disciplinary proceedings in relation to the offices held in companies other than the Issuer or the Group. These proceedings, as well as any future proceedings, investigations, inquiries and/or inspections involving company representatives of the Issuer and/or the Group, could have negative effects on the reputation, assets and/or the operating results and capital and financial position of the Issuer and/or the Group.

Risks associated with the impact of the current macroeconomic uncertainties on the UniCredit Group's performance

The UniCredit Group's performance is affected by the financial markets and the macroeconomic context of the countries in which it operates. Expectations regarding the performance of the global economy remain uncertain both from a short-term and a medium-term perspective. Added to these factors of uncertainty are those relating to the geopolitical context and the volatility of the markets. The economic slowdown in the countries where the Group operates has had (and may continue to have) a negative effect on the Group's activities and the cost of borrowing, as well as on the value of its assets, and could result in further costs related to write-downs and impairment losses. Adverse changes in the expectations and confidence of investors, the liquidity of financial markets, the availability and cost of borrowing on capital markets, could create increases for the UniCredit Group in the cost of funding, as well as cause the partial or incomplete realisation of the Group funding plan, with a potential negative impact on the financial situation and the short and long-term liquidity of the Issuer and/or the Group.

Risks connected with operations in the banking and financial sector

The Issuer and the companies belonging to the UniCredit Group are subject to the risks arising from competition in their respective sectors of activity, both in Italy and abroad. If the Group were unable to meet this growing competitive pressure by, for example, offering innovative and rewarding products and services that can meet customers' needs, it could lose market share in various sectors, with consequent significant negative effects on the operating results and capital and financial position of the Issuer and/or the Group.

In addition, the banking and financial sector is influenced by the uncertainties surrounding the stability and overall situation of the financial markets. In spite of the various measures adopted at European level, international financial markets continue to record high levels of volatility and a general reduction in the depth of the market. Therefore a further worsening of the economic situation or a return to tensions over the European sovereign debt could have a significant impact on both the recoverability and measurement of debt securities held and the liquidity of the Group's customers which are holders of these instruments, resulting in major negative effects on the operating results and capital and financial position of the Issuer and/or the Group. Should the current situation with low interest rates in the Eurozone persist, this could have a negative impact on the profitability of the banking sector and, as a result, the UniCredit Group.

Risks connected with the outlook for regulation of the banking and financial sector and other rules applicable to the Group

The UniCredit Group is subject to structured regulations and the supervision of various regulatory authorities in all the countries in which it operates. Although the UniCredit Group has internal procedures and policies in place aimed at complying correctly with the regulatory requirements in force at any given time, it is not possible to rule out violations (also resulting from the incorrect interpretation of the regulations) with possible negative effects on the operating results and capital and financial position of the Issuer and/or the Group. In addition, the strengthening of capital requirements, the provision of new rules on liquidity and the raising of coefficients applicable to the Group based on the new Basel 3 provisions, as well as laws and/or regulations that will be adopted in the future, could have an impact on the assets, the financial position, the cash flow and the operating results of the Group and, therefore, directly or indirectly, on the possibility of distributing dividends to shareholders. One of the new regulatory features, *inter alia*, is the introduction of the bail-in which could involve greater collection expenses.

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

Following the crisis that affected many financial institutions from 2008, various systems have been introduced, both at European level and in individual member countries, aimed at curbing the risk of banking crises. Their implementation involves outlays, even significant ones, by the credit institutions to the banking system as a whole. Specifically, from 2015 credit institutions were obliged to provide the financial resources necessary for funding the Deposit Guarantee Scheme and the Single Resolution Fund. These contribution obligations contribute to reducing profitability and have a negative impact on the Group's capital resources. It is also not possible to rule out that the level of contributions required from the Group banks will increase in the future in relation to the development of the amount related to protected deposits and/or the risk relating to Group banks compared with the total number of banks committed to pay said contributions. This would involve the need to record further expenses with impacts, including significant ones, on the capital and financial position of the Issuer and/or the Group.

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

The UniCredit Group is exposed, like other parties operating in the banking sector, to the effects of the entry into force and subsequent application of new accounting principles or standards and regulations and/or changes to them. Specifically, in future the UniCredit Group may need to revise the accounting and regulatory treatment of some existing assets and liabilities and transactions (and related income and expense), with possible negative effects, including significant ones, on the estimates in financial plans for future years and this could lead the Group to having to restate financial data published previously.

In this regard, an important change is expected from 2018 when IFRS 9 "Financial Instruments" comes into force, which inter alia, (i) introduces significant changes to the rules for the classification and measurement of financial assets; (ii) introduces a new impairment accounting model based on an expected losses rather than an incurred losses approach (iii) involves hedge accounting; and (iv) also changes the accounting of own credit, in other words the changes in the fair value of liabilities designated under the fair value option due to fluctuations in credit worthiness. It is also expected at the first application date that the main impacts on the UniCredit Group could come from the application of the new impairment accounting model based on an expected losses approach, which would cause an increase in the write-downs made to unimpaired assets (specifically receivables from customers), as well as the application of the new rules for the transfer of positions between the different classification stages under the new standard. Specifically, it is expected that greater volatility may be generated in the financial results between the different accounting periods, due to the dynamic change between the different stages of financial assets recorded in the financial statements. On 10 November 2016, the EBA published a report that summarises the main results of the analysis of the impact on a sample of 50 European banks (including the Issuer). The report also pointed out how the change to the impairment model would lead, in the sample of banks examined, to average growth of the IAS 39 provisions (of approximately 18%) as well as having an impact on common equity tier 1 and on the total capital of 59 and 45 basis points, respectively. For the sake of completeness, also note that the IASB issued, respectively on 28 May 2014 and 13 January 2016, the final versions of IFRS 15 "Revenues from contracts with customers" and IFRS 16 "Leases".

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

Risks connected with the uncertainty of the results of future stress tests or further asset quality reviews

On 4 November 2014 the Single Supervisory Mechanism came into operation. It is responsible for the prudential supervision of all credit institutions in participating member states. Under the scope of this supervisory mechanism, the ECB has the specific task of the prudential supervision of credit institutions which involves, *inter alia*, the possibility of carrying out stress tests and the right to impose specific obligations on the credit institutions with regard to their additional own funds, specific information and liquidity requirements, as well as other measures. The results of these stress tests are, by their very nature, uncertain and only partly predictable by the financial institutions involved. If the ECB were to implement new comprehensive assessments (or stress tests or asset quality reviews), it is not possible to ensure that the Issuer would satisfy the minimum parameters set under the scope of these exercises and that, therefore, if it fails to pass them, it would be subject to provisions by the ECB with possible major negative effects on the operating results and capital and financial position of the Issuer and/or the Group.

Risks connected with support measures for system liquidity

The financial markets crisis has meant that governmental authorities and national central banks the world over have had to take action to support short-term liquidity needs. These forms of financing were made technically possible where supported by the provision of securities in guarantee considered suitable by the various central institutions. It is not possible to predict the duration and intensity with which these liquidity support operations can be repeated in the future, with the result that there

	is a risk of a reduction, or even the cancellation of this support. This would result in the need for banks to seek alternative sources of borrowing, without ruling out the difficulties of this search as well as the risk that the related costs could be higher. The situation described could therefore have a negative impact on the assets, operating results and capital and financial position of the Issuer and/or the Group. Moreover, in spite of the positive impacts of these operations to support liquidity in the macro-economic context, there is a risk that an expansionary monetary policy (including, specifically, quantitative easing) would have an effect on keeping interest rates, currently already negative for short and medium-term due dates, at minimum levels for all major due dates, with consequent negative effects on the profitability of the Bank, as well as on the operating results and capital and financial position of the Bank and/or the Group. **Risks connected with the political and economic decisions of European Union and Eurozone countries and the United Kingdom leaving the European Union (Brexit)** On 23 June 2016, the United Kingdom voted, in a referendum, to leave the European Union ("Brexit"). The result of this referendum created significant uncertainties with regard to the political and economic prospects of the United Kingdom and the European Union. The possibility of the United Kingdom leaving the European Union and the possibility of other countries in the European Union also holding a similar referendum or one on adopting an alternative currency could have significant negative impacts on international markets including, further falls in the stock market indices, a fall in the value of the sterling, an increase in exchange rates between the sterling and the Euro and/or greater volatility in the markets, in general, due to situations of greater uncertainty, with possible negative consequences on the operating results and the capital and financial position of the Issuer and/or the Group. A break-up of the Eurozone could be accompanied by a deterioration of the economic and financial context of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in granting sovereign loans and loans to businesses and involving considerable changes to financial activities both at market and retail level. This situation could therefore have a significant negative impact on the operating results and capital and financial position of the Issuer and/or the Group.
D.3	**RISK FACTORS RELATING TO THE OFFER AND TO THE FINANCIAL INSTRUMENTS OFFERED** **Risks associated with the estimates for the 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, contains some estimates of the preliminary consolidated results of the Group for the year ended 31 December 2016, examined by the Board of Directors of the Issuer on 30 January 2017, which have not been audited. The Estimates show, in particular, a net loss of approximately Euro 11.8 billion, which is expected to be recorded at 31 December 2016, compared with a net profit expected for the first nine months of 2016. The financial information that will be recorded in the consolidated financial statements of the UniCredit Group as at 31 December 2016 may be subject to changes on the Estimates, in particular as a result of (i) events that occurred before 31 December 2016, but reported after the approval of the Estimates; or (ii) events that occurred after 31 December 2016 and after the approval of the Estimates, which must be reported for the purposes of preparation of the consolidated financial statements as at 31 December 2016 in accordance with the provisions of International Accounting Principles. The estimates cannot be taken as a reference of indication for the future performances of the Issuer and/or the UniCredit Group. Investors are therefore invited, when formulating their investment strategies, not to rely unduly on the Estimates when making any investment decisions. Also note that at the date of the Summary Note, on 9 February 2017 the Issuer will approve 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, after CONSOB's approval.. Also note that at the Date of the Summary Note, there are plans for the separate 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. **Risks associated with the liquidity and volatility of the New Shares** The New Shares carry the typical risks attached to any such investment in listed equity securities. 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 since the sales proposals may not immediately find willing counterparties for their purchase. Also note how numerous factors could generate 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. **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 Subscription Period for the New Shares will start on 6 February 2017 in Italy and Germany and on 8 February 2017 in Poland and it will end on 23 February 2017 inclusive. in Italy and Germany, while it is foreseen to start on 8 February 2017 and end on 22 February 2017, with both dates included, in Poland. In the event of failure to sell the Subscription Rights on the market within the term of negotiation of the same (i.e., by 17 February 2017) and/or failure to exercise them by the end of the relevant Subscription Period (i.e., by 23 February 2017 in Italy and Germany and by 22 February 2017 in Poland), the Issuer's shareholder will forfeit the right to exercise and/or sell all Subscription Rights that remain unexercised and/or unsold on the market at that date, without receiving any compensation, refund of expenses or economic benefit of any kind.

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

On 1 February 2017 the issuer and the Underwriters have signed the Underwriting Contract. The Underwriting Contract, regulated by 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 €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. If an event 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 Offer, the Share Capital Increase is not subscribed or only partially subscribed, the Issuer would not be able to comply with the capital requirements set forth by prudential regulations, which could have a negative impact on the financial and capital position of the Issuer and/or the Group.

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 Issuers' shareholders in proportion to the number of shares owned, 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 Offer 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 who 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%.

Risks connected with the recovery and resolution of crises in credit institutions mechanisms

The subscription of UniCredit's 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.

Risks associated with markets in which the Offering is not authorised

The Offering is reserved solely for 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.

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

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. However, consideration should be taken of the fact that, due to the different registration methods for the New Shares applicable at the systems for the centralised transfer of shares in Germany and Poland, in these countries the New Shares could be made available to the entitled parties later than the above-mentioned times.

Risks associated with potential conflicts of interest

Several relations 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, 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 relations, secured or unsecured, with UniCredit, companies which are part of and/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 could stipulate with UniCredit, with companies that are part of the UniCredit Group and/or with the shareholders of the latter, distribution agreements for the financial instruments issued, established 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 (viii) 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 these services, agreements and transactions. Also note that the Underwriters, their subsidiaries or associate companies, when carrying out their ordinary activities may grant loans, stipulate financial agreements, including margin loans and hedging activities, or enter into financial agreements involving derivatives and/or

	collars with one or more parties interested in participating in the Rights Issue, including UniCredit shareholders who intend to subscribe the New Shares and, in connection with these transactions, may also request the provision of guarantees in relation to UniCredit shares. Also, UniCredit Bank AG, Milan Branch, is a company that is part of the UniCredit Group which could present conflicts of interest because (i) under the scope of the services provided to UniCredit and/or to companies which are part of the UniCredit Group. Also note that, at the Date of the Summary Note, UniCredit is a shareholder of Mediobanca – Banca di Credito Finanziario S.p.A. ("**Mediobanca**"). UniCredit is also a party to the Mediobanca shareholders' agreement which runs until 31 December 2017. **Risks connected with collections at source to be paid by parties not resident for tax purposes in Italy** In certain conditions, Italian tax regulations involve the application of a collection at source in relation to certain income (dividends and capital gains) received by parties non-resident for tax purposes; this collection can be reduced through certain Italian rules, as well as through the application of international treaties on double taxation concluded by Italy. Because of the effects of Italian regulations or the above-mentioned treaties, this collection, when only reduced and not cancelled, could create double taxation situations pertaining to parties non-resident in Italy for tax purposes; specifically, the situations in question could result, in the respective countries of tax residency, when the Italian tax applied at source could not be credited, or could only partly be credited, to reduce the tax due in the country of residency for tax purposes based on locally applicable regulations. Therefore investors are invited to take these circumstances into account when making an investment in the shares of the Issuer and to consult their advisors about the correct applicable tax regime.

Section E - Offer

E.1	**Net total proceeds and estimate of total expenses related to Offering** The net proceeds from the Rights Issue are estimated to be about €12.5 billion. The total amount of expenses may be up to about €500 million including consulting expenses, out-of-pocket expenses and underwriting fees calculated at the highest level.
E.2a	**Reasons for the Offering and use of the proceeds** The Capital Increase is one of the core actions of the 2016-2019 Strategic Plan. The Rights Issue, with several other actions included in the 2016-2019 Strategic Plan, is designed to allow the maintenance of the capital requirements of the Group following the implementation of actions of the Strategic Plan and to align 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. The Share Capital Increase is aimed at enabling UniCredit to withstand the negative impacts of some of the actions in the Strategic Plan, specifically: (a) 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 €8.1 billion; (b) absorbing the accounting of integration costs for a total amount of approximately €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 (c) dealing with several write-downs on balance sheet asset items for a total estimated amount equal to €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 it 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 in terms of the CET1 ratio from the "Fino Project" and the "Porto Project" (from which there is a decrease of 223 basis 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). It is hereby specified that, even with the additional non-recurrent write-downs that the Issuer's Board of Director held on 30 January 2017, took under consideration when drafting the consolidated results for 2016, the Strategic Plan Previsional Data remain unchanged (including the CET1 ratio target indicated in the previous paragraphs), because the majority of the impacts of the one-off entries mentioned were already included in the Projected Data. 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. In the medium-terms, this permanent source of funding will also partly be used to support the anticipated development of commercial activities.
E.3	**Terms and conditions of the Offer** *Characteristics and amount of the Offer* The subject of the Offering, for a total maximum value of €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	€8.09
Total value of the Share Capital Increase	€12,999,633,449.53
Number of outstanding shares of the Issuer at the Date of the Summary 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	2,224,911,123
of which:	
- ordinary shares	2,224,658,634
- savings shares	252,489
Post-Issue Amount of UniCredit Ordinary Share Capital	€20,860,594,619.09
Post-Issue Amount of UniCredit Share Capital	€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%

Calendar of the Offer and recipients

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

Within the month following the expiry of the Subscription Period in Italy and Germany, the Issuer will offer any unexercised Subscription Rights on the MTA for at least five days that the market is open (unless the Subscription Rights have already been sold in full) - pursuant to Article 2441, paragraph 3 of the Civil Code. 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.

Applications to the Offering will take place through subscribing to special forms prepared by the intermediary authorities belonging, directly or indirectly, to the centralised management system of Monte Titoli, Clearstream Frankfurt and NDS

The intermediaries shall be required to give the relevant instructions to Monte Titoli by 14.00 (Italian time) 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. Participations in the Offer in Poland must take place within the Subscription Period in Poland and subsequently announced to Monte Titoli by 14:00 hours (Italian time) on the last day of the Subscription Period in Italy and Germany.

In the event of failure to sell and/or exercise the Subscription Rights on the market by, respectively, the end of the negotiation period and the end of the Subscription Period in Italy and Germany or the Subscription Period in Poland, the Issuer's shareholder shall forfeit the right to sell and/or exercise any Subscription Right which has not been sold on the market and/or exercised as at those dates, without being entitled to any compensation, reimbursement of expenses or financial advantage of any nature.

E.4	**Significant interests of individuals and legal entities participating in the Offering, including any conflicts of interest**
	Several relations 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, 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 relations, 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 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 could stipulate with UniCredit, companies that are part of the UniCredit Group and/or with the shareholders of the latter, distribution agreements for the financial instruments issued,

	established 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 (viii) hold or could hold collateral against UniCredit's obligations and/or are able to offset the value of such 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, stipulate financial agreements, including margin loans and hedging activities, or enter into financial agreements involving derivatives and collars with one or more parties interested in participating in the Rights Issue, including UniCredit shareholders who intend to subscribe the New Shares and, in connection with these transactions, may also request the provision of guarantees in relation to UniCredit shares. UniCredit Bank AG, Milan Branch, a company that is part of the UniCredit Group which acts together with Morgan Stanley & Co. International plc and UBS Limited as a Structuring Advisor and as Joint Global Coordinator, could present conflicts of interest because within the scope of its capacity in the context of the Offering: (i)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 could stipulate with UniCredit, companies that are part of the UniCredit Group and/or with the shareholders of the latter, distribution agreements for the financial instruments issued, established 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, the conclusion of such agreements and transactions. Also note that, at the Date of the Summary Note, UniCredit is a shareholder of Mediobanca with a stake of 8.54% of its share capital. UniCredit is also a party to the Mediobanca shareholders' agreement which runs until 31 December 2017, aimed at ensuring the stability of the shareholding structure of Mediobanca and which, in conformity with applicable internal and external regulations, defines the methods through which members of the agreement express the lists of candidates for Mediobanca boards of management. 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 Summary 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 Related Party of UniCredit.
E.5	**Placement agents and subscription agreements / Lock-up agreements** There are no vendor shareholders under the scope of the Offering. The New Shares are offered directly by the Issuer. 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 Summary 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.
E.6	**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 Offer to the extent to which they are entitled to. If the Subscription Rights are not exercised in full and the Rights Issue is fully subscribed, the shareholders who 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 holders of savings shares, the allocation of the right to subscribe for ordinary shares generates a dilutive effect on the holdings of holders of ordinary shares, which, moreover, in light of the small quantity of savings shares existing at the Date of the Summary Note, will not be significant. 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%.

E.7	**Estimated expenses charge to the investor by the Issuer** The Issuer has not stipulated any charge or incidental expense to be paid by those participating in the Offering.