SECOND SUPPLEMENT DATED 7 NOVEMBER 2022

TO THE BASE PROSPECTUS DATED 7 JUNE 2022

UNICREDIT S.p.A.

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

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

This supplement (the **Supplement**) to the base prospectus dated 7 June 2022, as supplemented by the first supplement dated 5 August 2022 (the **Base Prospectus**), constitutes a supplement for the purposes of Article 23(1) of the Prospectus Regulation and is prepared in connection with the €60,000,000,000 Euro Medium Term Note Programme (the **Programme**) established by UniCredit S.p.A. (**UniCredit** or the **Issuer**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement. When used in this Supplement, **Prospectus Regulation** means Regulation (EU) 2017/1129.

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

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

Purpose of the Supplement

The purpose of the submission of this Supplement is to update the following sections of the Base Prospectus: (i) "*Risks Factors*"; (ii) "*Documents Incorporated by Reference*"; (iii) "*Description of UniCredit and the UniCredit Group*"; and (iv) "*General Information*".

Risk Factors

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

- In the subsection "*Risks related to the financial situation of the Issuer and of the Group*", the Risk Factor headed "*Risks associated with the impact of current macroeconomic uncertainties and the effects of the COVID-19 pandemic outbreak and recent geopolitical tensions with Russia*" on pages 20-23 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

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

*The financial markets and the macroeconomic and political environment of the countries in which UniCredit operates has been impacted by Russia-Ukraine conflict and by the viral pneumonia known as "Coronavirus" (**COVID-19**) that could continue to have a negative impact on the performance of the Group. As a matter of fact, the macroeconomic uncertainty has particularly increased as a result of the heightened geopolitical tension between Russian Federation and Ukraine. The Russia-Ukraine crisis has caused a sharp rise in commodities prices and inflationary pressure, further global supply-chain disruption, a tightening of financial conditions, heightened uncertainty, and a sharp drop in consumer confidence. As inflation builds up as a result of the increase in energy price and the supply disruptions, ECB is changing its monetary stance (Deposit Facility rate: -50 bps in June '22, 0 bps in July, 75 bps in September, 150 bps in October) and market is repricing interest rate expectations. The outlook is surrounded by risks, also related to possible gas supply rationing from Russia during the winter at the turn of 2022-23. As a consequence, the expectations regarding the performance of the global economy remain still uncertain in both the short and medium term. In the short term the outlook is characterized by tighterfinancial conditions, surging energy bills in Europe and reduced economic momentum across the US and Europe with potentially a mild-recession in most of the countries. The current environment, characterized by highly uncertain elements as above mentioned could generate a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement. On 9 December 2021 UniCredit presented to the financial community its new Strategic Plan, which included a set of strategic and financial objectives that considered the underlying scenario and resulted from the assessment performed in the previous months.*

The macro assumptions underlying the Strategic Plan exclude unexpected materially adverse developments such as the Russia-Ukraine conflict and worsening of the COVID-19 pandemic, situations that UniCredit is monitoring closely (Macro assumptions in the Strategic Plan consider the recent and still existing impacts of COVID-19 with a gradual normalization over the upcoming years. The scenario does not assume that the current COVID-19 situation will develop in a particularly negative way in the upcoming years).

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

The financial markets and the macroeconomic and political environment of the countries in which UniCredit operates has been impacted by Russia-Ukraine conflict and by the viral pneumonia known as "Coronavirus" (**COVID-19**) that could continue to have a negative impact on the performance of the Group. As a matter of fact, the macroeconomic uncertainty has particularly increased as a result of the heightened geopolitical tension between Russian Federation and Ukraine. The Russia-Ukraine crisis has caused a sharp rise in commodities prices and inflationary pressure, further global supply-chain disruption, a tightening of financial conditions, heightened uncertainty, and a sharp drop in consumer confidence. As inflation builds up as a result of the increase in energy price and the supply disruptions, ECB is changing its monetary stance (Deposit Facility rate: -50 bps in June '22, 0 bps in July, 75 bps

in September, 150 bps in October) and market is repricing interest rate expectations. The outlook is surrounded by risks, also related to possible gas supply rationing from Russia during the winter at the turn of 2022-23. As a consequence, the expectations regarding the performance of the global economy remain therefore still uncertain in both the short and medium term. In the short term the outlook is characterized by tighter financial conditions, surging energy bills in Europe and reduced economic momentum across the US and Europe with potentially a mild-recession in most of the countries.

The current environment characterized by highly uncertain elements as above mentioned could generate a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement.

The adequate operative answer and the prudential management ensured by the Group during 2020 to face the crisis emerging from the COVID-19 pandemic, allowed in 2021 to reach a performance improvement. In fact, the Group recorded a Euro 822 million increase in revenues to Euro 17,954 million for the year ended 31 December 2021 from Euro 17,132 million for the corresponding period of 2020, sustained mainly by higher commissions and trading profit.

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

UniCredit's LLPs, excluding Russia, increased Q/Q and decreased by 25.5 per cent. Y/Y to Euro 220 million in 3Q22. Therefore, the cost of risk, excluding Russia, increased by 10 bps Q/Q and decreased by 8 bps Y/Y to 20 bps in 3Q22.

UniCredit's LLPs in 3Q22 amounted to Euro 84 million. Therefore, the CoR in 3Q22 was equal to 7 bps.

UniCredit's LLPs, excluding Russia, in 9M22 amounted to Euro 381 million decreased by 53.9 per cent. 9M/9M. Therefore the CoR was equal to 11 bps.

UniCredit's LLP in 9M22 amounted to Euro 1.366 million. Therefore the CoR was equal to 40 bps.

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

In 2Q22 revenues stood at Euro 4.5 billion, down 6.8 per cent. Q/Q due to an expected normalisation from record high levels of fee income and trading revenue in previous quarter, up 4.9 per cent. Y/Y driven by net interest income growth thanks to the interest rate environment and strong commercial activity. In 3Q22 Revenues stood at Euro 4.5 billion, up 0.2 per cent. Q/Q and up 4.5 per cent. Y/Y. Net of the TLTRO III negative one-off, total revenues stood at Euro 4.8 billion, up 7.2 per cent. Q/Q and up 11.8 per cent. Y/Y driven by net interest income growth thanks to the interest rate environment and trading income reflecting favorable commercial activity[1].

In details[2]: FY21 NII was down 4 per cent. Y/Y to Euro 9.1 billion, as a result of lower loans volumes and customer rates; fees were at Euro 6.7 billion, up 12.1 per cent. FY/FY, mainly due to investment fees. FY21 trading income was up 16.0 per cent. FY/FY at Euro 1.6 billion, of which Euro 1.3 billion is customer driven, increasing thanks to Valuation adjustments (**XVA**[3]) and Fair Value (**FV**) valuation.

---

[1] 1Q, 2Q and 3Q 22 data excluding Russia.
[2] 1Q and 2Q 22 data excluding Russia.
[3] Valuation adjustments (XVA) include: Debt/Credit Value Adjustment (DVA/CVA), Funding Valuation Adjustments (FuVA) and Hedging desk.

Also dividends were up, +25.2 per cent. FY/FY to Euro 520 m, with a higher contribution from Yapi Kredi (+Euro 18 million FY/FY). In 1Q22[2], NII stood at Euro 2.2 billion, down 4.2 per cent. Q/Q. Adjusted for a positive non-recurring item in Germany in 4Q21 and days effect, NII was up 2 per cent. Q/Q, also supported by recovering demand for credit. Average client loan volumes are up Euro 8 billion Q/Q driven by Austria, Germany and Italy; fees at Euro 1.8 billion in 1Q22, up 9.0 per cent. Q/Q and 7.9 per cent. Y/Y. UniCredit fees are well diversified, and all categories contributed positively, led by transactional and financing fees; trading income was strong at Euro 701 million in 1Q22, of which Euro 388 million client driven, thanks to good results in Fixed Income, Currencies & Commodities in both in Italy and Germany, with positive XVA[3] and good Treasury results contributing to a Q/Q increase. In 2Q22 NII stood at Euro 2.3 billion, up 6.6 per cent. Q/Q and up 11.0 per cent. Y/Y. The Q/Q trend reflects enhanced commercial activity particularly in Italy and increased demand for credit, treasury and market activities as well as the days' effect. The Y/Y trend reflects higher loan volumes and upturn on rates, partially offset by deposits as affected by rate increases as well as contribution from treasury, markets and term funding. Trading income has moderated, as expected, to Euro 360 million in 2Q22, down 48.7 per cent. Q/Q primarily due to non-client driven components such as Euro 141 million from treasury and Euro 174 million from strategic FX Hedging dividends and earnings; and down 7.4 per cent. Y/Y driven by non-client driven components primarily due to Strategic FX Hedging dividends and a decrease in earnings mainly due to ruble hedging, partially offset by client-driven XVA. Fees normalised this quarter as expected, down 6.7 per cent. Q/Q and delivered a sound performance at Euro 1.7 million, up 1.2 per cent. Y/Y, demonstrating benefit diversification of our fee base. In 3Q22 NII was at 2.2 billion down 3.2 per cent. Q/Q as a result of the negative one off effect of the TLTRO III contribution. Net of Euro 0.3 billion TLTRO III one-off, NII trend is up 10.4 per cent. Q/Q in all the divisions due to higher volumes and higher customer rates, reflecting the market interest rates increase; fees were Euro 1.6 billion, down 4.4 per cent. Q/Q affected by seasonality in Italy and down 1.8 per cent. Y/Y due to investment fees, mainly on Asset under Management (AuM) in Italy, partially offset by higher certificates activities and by transactional services in Italy and Germany; trading income reached at Euro 518 million in 3Q22, up 43.8 per cent. Q/Q and up 60.0 per cent. Y/Y driven by the corporate demand for hedging products.

For further information in relation to the net write-downs on loans, please see the consolidated financial statements of UniCredit as at 31 December 2021, the consolidated First Half Financial Report as at 30 June 2022 and the unaudited consolidated Interim Report as at 30 September 2022. As at 30 September 2022, the market environment continues to be affected by a risk of a lower predictivity of the macro-economic projections arising from the outbreak of Russian-Ukrainian geopolitical tensions. Indeed, the outbreak of Russian-Ukrainian conflict followed by the sanctions imposed to Russia, which reacted with counter sanctions, have increased uncertainty about growth prospects, despite in the first nine months of 2022 economic activities have resumed as a result of the lifting by governments of the measures put in place to contain the COVID-19 pandemic.

As recently highlighted also by the International Monetary Fund (**IMF**) risks to the outlook remain unusually large and to the downside. The world is in a volatile and challenge period: economic, geopolitical, and ecological changes all impact the global outlook. Inflation higher than seen in several decades, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Normalization of monetary and fiscal policies that delivered unprecedented support during the pandemic (potentially affecting the sustainability of the sovereign debt of certain countries) is cooling demand as policymakers aim to lower inflation back to target. But a growing share of economies are in a growth slowdown or outright contraction. The global economy's future health rests critically on the successful calibration of monetary policy, the course of the war in Ukraine, and the possibility of further pandemic-related supply-side disruptions, for example, in China.

In this context of persisting uncertainty and volatility as explained above (and impacting also on financial markets and interest rates), UniCredit group has defined different macro-economic scenarios, to be used for the purposes of the evaluation processes of consolidated First Half Financial Report as at 30 June 2022. In particular, in addition to the "Baseline" scenario, which reflects the expectations

considered most likely concerning macro-economic trends, alternative scenarios have been outlined that assume different trends in the main macro-economic parameters. Such updated scenarios were considered for the valuation of credit exposures and deferred tax assets.

With reference to the credit exposures as at 30 June 2022, the macroeconomic scenarios used for calculation of credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default) were updated according to the Group policies, on the basis of the scenarios highlighted above. In light of the persistent level of uncertainty, the overall blended probability was worsened by reducing the positive scenario from 5 per cent. to 0 per cent., and correspondently increasing the Baseline scenario from 55 per cent. to 60 per cent.; eventually, the Adverse scenario was kept at 40 per cent.

With reference to the credit exposures as at 30 September 2022, in light of the evolution of the geopolitical environment as at 30 September 2022, a comparison between the scenarios used in the evaluation process of credit exposures as at 30 June 2022 and the updated macro-economic scenario released in September 2022 by UniCredit Research was performed. Considering the limited decrease in GDP evolution between the periods, the IFRS9 macro-economic scenario was not updated as at 30 September 2022.

With reference to Deferred tax assets (**DTAs**), for the purposes of consolidated First Half Financial Report, the following analyses were performed with reference to the Italian Tax Perimeter (which accounts for the significant majority of the DTAs): (i) evolution of the macroeconomic scenarios highlighted above compared to the scenario underlying the valuation process at 31 December 2021; (ii) comparison between the actual profit before taxes and the budget underlying the test executed in December 2021; (iii) confirmation or updating of the additional methodological assumptions (reference tax legislation, perimeter of companies, volatility of the parameters underlying the model and reversal timeline of non-convertible DTAs) used in the valuation process. Following the above mentioned analysis the DTAs sustainability test was updated at 30 June 2022 maintaining the Profit Before Tax projections used in 31 December test.

With reference to the DTAs as at 30 September 2022 the above mentioned analysis were updated and according to the outcome no material changes that may lead to put in discussion the data, parameters and assumptions adopted for 30 June 2022 sustainability test, were highlighted.

While evaluations have been made on the basis of assumptions deemed to be reasonable as at 30 June 2022, existing uncertainties related to evolution of the geo-political tensions between Russian and Ukraine, the effects of sanctions imposed to Russia, as well as the evolution of the pandemic and the reinstatement of containment measures put in place by governments could further affect the valuation processes.

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

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

The macro assumptions underlying the Strategic Plan exclude unexpected materially adverse developments such as the Russia-Ukraine conflict and worsening of the COVID-19 pandemic, situations that UniCredit is monitoring closely[4].

[4] Macro assumptions in the Strategic Plan consider the recent and still existing impacts of COVID-19 with a gradual normalization over the upcoming years. The scenario does not assume that the current COVID-19 situation will develop in a particularly negative way in the upcoming years.

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

Material adverse effects on the business and profitability of the Group may also result from further developments of the monetary policies and additional events occurring on an extraordinary basis (such as political instability, terrorism and any other similar event occurring in the countries where the Group operates and, as recently experienced, a new pandemic emergency). Furthermore, the economic and geopolitical uncertainty has also introduced a considerable volatility and uncertainty in the financial markets, potentially impacting on credit spreads/cost of funding and therefore on the values the Group can realize from sales of financial assets."

- In the subsection "*Risks related to the financial situation of the Issuer and of the Group*", the Risk Factor headed "*Risks connected with the Strategic Plan 2022 – 2024*", on pages 23-25 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"1.1.2 <u>Risks connected with the Strategic Plan 2022 – 2024</u>

On 9 December 2021, UniCredit presented to the financial community in Milan the 2022-2024 Strategic Plan called "UniCredit Unlocked" (the ***Strategic Plan*** *or* ***Plan****) which contains a number of strategic, capital and financial objectives (the* ***Strategic Objectives****). "UniCredit Unlocked" delivers strategic imperatives and financial ambitions based on six pillars. Such strategic imperatives and financial ambitions regard: (i) the growth in its regions and the development of its client franchise, changing its business model and how its people operate; (ii) the delivery of economies of scale from its footprint of banks, transforming the technology leveraging Digital & Data and embedding sustainability in all that UniCredit does; (iii) driving financial performance via three interconnecting levers. UniCredit's ability to meet the strategic objectives and all forward-looking statements relies on a number of assumptions, expectations, projections and provisional data concerning future events and is subject to a number of uncertainties and other factors, many of which are outside the control of UniCredit. The macro assumptions underlying the Strategic Plan exclude unexpected materially adverse developments such as the Russia-Ukraine conflict and worsening of the COVID-19 pandemic, situations that UniCredit is monitoring closely (Macro assumptions in the Strategic Plan consider the recent and still existing impacts of COVID-19 with a gradual normalization over the upcoming years. The scenario does not assume that the current COVID situation will develop in a particularly negative way in the upcoming years). The six pillars are: (i) optimise, through the improvement of operational and capital efficiency; (ii) invest, with targeted growth initiatives, including ESG; (iii) grow net revenues; (iv) return; (v) strengthen thanks to revised CET1 ratio target and decrease of Gross NPE ratio; and (vi) distribute consistently with organic capital generation. For all these reasons, investors are cautioned against making their investment decisions based exclusively on the forecast data included in the strategic objectives. Any failure to implement the strategic objective or meet the strategic objectives may have a material adverse effect on UniCredit's business, financial condition or results of operations.*

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

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

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

New business model allows for strong organic capital generation[5] with materially increased and growing shareholder distributions[6], consisting in cash dividends and share buybacks, while maintaining a robust CET1 ratio.

Although the Plan is based primarily through management actions, thanks to its geographical positioning UniCredit assumed the following at the time of disclosure of the Plan: (i) a conservative interest rate scenario based on a broadly stable Euribor 3 month rate over the 3 years of the MYP; (ii) the combination of its countries was expected to deliver GDP growth[7] above the eurozone average over the course of the Plan, helped by its Central and Eastern European positioning; (iii) Central and Eastern Europe loan growth was expected at a multiple of GDP due to the relatively low maturity of the market; (iv) UC countries had theoretical access to approximately 50 per cent of the overall fund disbursement of the Recovery and Resilience Fund allocation.

The macro assumptions underlying the Strategic Plan exclude unexpected materially adverse developments such as the Russia-Ukraine conflict and worsening of the COVID-19 pandemic, situations that UniCredit is monitoring closely[4].

The Plan is based on six pillars:

- Optimise: improving operational and capital efficiency, with gross cost savings, considering also Digital & Data, and a contribution to CET1 ratio from active portfolio management; expect RWA to decrease over the course of the Plan as active portfolio management more than offsets impact of organic growth and expected regulatory headwinds;
- Invest: cash investments in Digital & Data, new hires in Business and Digital & Data, targeted growth initiatives including ESG; gross integration costs impact from: Team23 acceleration, technology benefit and simplification & streamlining;
- Grow: increasing net revenues in the period 2021-2024, net of all the optimisation UniCredit is undertaking, with underlying growth substantially higher;
- Return: increasing in 2024;
- Strengthen: thanks to revised CET1 ratio target, decrease in gross NPE ratio and stable net NPE ratio in 2024;
- Distribute: consistently with organic capital generation[5,6] from net profit and RWA evolution.

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

The future financial results could be influenced by the dynamics of the COVID-19 and moreover macroeconomic uncertainty increased as a result of the heightened geopolitical tension between Russian Federation and Ukraine. The Russia-Ukraine crisis has caused a sharp rise in commodities prices and inflationary pressure, further global supply-chain disruption, a tightening of financial conditions, heightened uncertainty, and a sharp drop in consumer confidence. As inflation builds up as a result of the increase in energy price and the supply disruptions, ECB is changing its monetary stance and market

[5] Organic capital generation means CET1 evolution deriving from (i) stated net profit excluding DTA from tax loss carry forward contribution and (ii) RWA dynamic net of regulatory headwind.
[6] Shareholder distribution subject to supervisory & shareholder approvals and inorganic options.
[7] Average of yearly changes.

is repricing interest rate expectations. The outlook is surrounded by risks, also related to a cessation of gas supply from Russia, which were not foreseeable at the date of the Strategic Plan presentation, and which are still uncertain.

UniCredit after having updated the macroeconomic assumptions connected with the determination of LLPs in December 2021 has further updated the macroeconomic assumptions with reference to Russia as at 1Q22 in light of a drop in GDP higher than those expected under the negative scenario considered in December 2021 in accordance with International Financial Reporting Standards 9 (**IFRS9**). In 2Q22 the macroeconomic scenarios used for calculation of credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default) were updated, according to the Group policies, for all the Regions in which UniCredit operates. With reference to the 3Q22 a comparison between the scenarios used in the evaluation process of credit exposures as at 30 June 2022 and the updated macro-economic scenario released in September 2022 by UniCredit Research was performed. Considering the limited decrease in GDP evolution between the periods, the IFRS9 macro-economic scenario was not updated as at 30 September 2022.

For the 3Q22, reflecting UniCredit's historically prudent approach on classification and provisioning, the cost of risk, excluding Russia, is 20 basis points. Cost of risk, excluding Russia, is expected in the 30 to 35 basis points range over the plan period.

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

Given the inherent uncertainty surrounding any future event, both in terms of the event's occurrence as well as eventual timing, the differences between the actual values and the Strategic Objectives could be significant. Any failure by the Group to implement the revised 2022-2024 Strategic Plan or meet the Strategic Objectives may have a material adverse effect on UniCredit's business, financial condition or results of operations. Assumptions by their nature are inherently subjective and the assumptions underlying the Strategic Objectives could turn out to be inaccurate, in whole or in part, which may mean that UniCredit is not able to fulfil the Strategic Plan. If this were to occur, the actual results may differ significantly from those set forth in the Strategic Objectives, which could have a material adverse effect on UniCredit's business, results of operations, financial condition or capital position.

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

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

- In the subsection "*Risks related to the financial situation of the Issuer and of the Group*", the Risk Factor headed "*Credit risk and risk of credit quality deterioration*", on pages 26-28 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"1.1.3 <u>Credit risk and risk of credit quality deterioration</u>

The activity, financial and capital strength and profitability of the UniCredit Group depend, among other things, on the creditworthiness of its customers. In carrying out its credit activities, the Group is exposed to the risk that an unexpected change in the creditworthiness of a counterparty may generate a corresponding change in the value of the associated credit exposure and give rise to the partial or total write-down thereof. The current environment continues to be characterised by highly uncertain

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

*UniCredit's Loan Loss Provisions (**LLPs**), excluding Russia, increased Q/Q and decreased by 25.5 per cent. Y/Y to Euro 220 million in 3Q22. Therefore, the cost of risk, excluding Russia, increased by 10 bps Q/Q and decreased by 8 bps Y/Y to 20 bps in 3Q22. As at 30 September 2022, Group gross NPE ratio, excluding Russia, was equal to 2.8 per cent, stable compared to 30 June 2022 in which the gross NPE ratio was equal to 2.8 per cent. As at 30 September 2022 Group Net NPE ratio, excluding Russia, stable compared to 30 June 2022 and is equal to 1.4 per cent.*

UniCredit's LLPs, excluding Russia, in 9M22 amounted to Euro 381 million decreased by 53.9 per cent. 9M/9M. Therefore the CoR was equal to 11 bps.

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

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

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

The activity, financial and capital strength and profitability of the UniCredit Group depend, among other things, on the creditworthiness of its customers. In carrying out its credit activities, the Group is exposed to the risk that an unexpected change in the creditworthiness of a counterparty may generate a corresponding change in the value of the associated credit exposure and give rise to the partial or total write-down thereof.

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

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

As at 30 September 2022, Group gross NPEs, excluding Russia, were down by 35.9 per cent. Y/Y and 1.0 per cent. Q/Q to Euro 13.0 billion in 3Q22 (while as at 30 June 2022 they were equal to Euro 13.1 billion) with gross NPE ratio of 2.8 per cent. (-1.8 p.p. Y/Y, flat Q/Q).

As at 30 September 2022, Group Net NPEs, excluding Russia, stood at Euro 6.5 billion decreased compared to 30 June 2022 which attested at Euro 6.7 billion (Group Net NPE ratio, excluding Russia, stable compared to 30 June 2022 and is equal to 1.4 per cent.).

As at 30 September 2022, the Group gross NPEs decreased to Euro 13.8 billion (-1.0 p.p. Q/Q, -33.4 p.p. Y/Y) while as at 30 June 2022 they were equal to Euro 13.9 billion, while Group Net NPEs were decreased to Euro 6.8 billion

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

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

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

Starting from the year 2015 the overall reduction of the Group NPE amounted to about Euro 64 billion, moving from Euro 77.8 billion of 2015 to Euro 13.8 billion of 3Q22 (Euro 17.3 billion of 2021). This amount includes the loans disposed of through Project Fino in July 2017 and IFRS 5 positions if any.

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

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

In order to mitigate the negative consequences caused by the restrictive measures adopted to contain the COVID-19 outbreak, several countries in which the Group operates have enacted national provisions to postpone the payment of the instalments upon request of customers or automatically (the so-called "moratoria").

In accordance with ESMA statements of 25 March 2020, which clarified that it is unlikely that the contractual changes resulting from these moratoria can be considered as substantial, the Group has not derecognised credit exposures that were subject to such moratoria, to date largely expired.

UniCredit's Loan Loss Provisions (**LLPs**), excluding Russia, increased Q/Q and decreased by 25.5 per cent. Y/Y to Euro 220 million in 3Q22. Therefore, the cost of risk, excluding Russia, increased by 10 bps Q/Q and decreased by 8 bps Y/Y to 20 bps in 3Q22.

UniCredit's LLPs in 3Q22 amounted to Euro 84 million. Therefore, the CoR in 3Q22 was equal to 7 bps. The Group increased the amount of overlays on performing exposures Q/Q reaching circa Euro 1.3 billion, with new additional overlays for geopolitical risks mainly in Italy and Germany. This substantially reinforces the Group's capacity to absorb any spill-over effects.

UniCredit's LLPs, excluding Russia, in 9M22 amounted to Euro 381 million decreased by 53.9 per cent. 9M/9M. Therefore the CoR was equal to 11 bps.

UniCredit's LLP in 9M22 amounted to Euro 1.366 million. Therefore the CoR was equal to 40 bps.

Moreover, in order to cope with the extraordinary contingency of COVID-19 and the peculiar dynamic of default risk observed in the course of 2021 as a consequence of supporting measures and the potential emerging of a cliff-effect in 2022 when the measures will expire, an upward corrective factor has been applied on both the 2021 default rate and the 2022 forecast underlying the updated calibration of IFRS models for the 31 December 2021 figures and likely postponement of part of default risk in 2022. Always with reference to credit exposures, a geopolitical overlay was recognized in specific geographies in 3Q2022 to reflect the increase in credit risk arising from the soaring in energy price, inflation and increase in interest rate applied. Furthermore in 3Q2022 the existing Supply Chain overlay was reviewed considering the risks stemming from the Russian Gas stoppage and energy crises.

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

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

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

For further information in relation to the net write-downs on loans, please see the consolidated financial statements of UniCredit as at 31 December 2021 and the consolidated First Half Financial Report as at 30 June 2022 and the Unaudited Consolidated Interim Report as at 30 September 2022."

- In the subsection "*Risks related to the financial situation of the Issuer and of the Group*", the Risk Factor headed "*Risks associated with the Group's exposure to sovereign debt*", on pages 28-29 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

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

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

With reference to the Group's sovereign exposures, the book value of sovereign debts securities as at 30 September 2022 amounted to Euro 106,433 million (as at 31 December 2021 it amounted to Euro 114,690 million), of which over the 80 per cent was concentrated in eight countries, including: Italy with Euro 36,784 million (at 31 December 2021 it amounted to Euro 43,121 million), representing about 35 per cent of the total (about 38 per cent at 31 December 2021) and about 4 per cent of the Group total assets (about 5 per cent at 31 December 2021); Spain with Euro 14,700 million; Japan with Euro 11,225

million; Germany with Euro 7,772 million; United States of America with Euro 6,415 million; Austria with Euro 3,538 million; France with Euro 2,672 million and Romania with Euro 2,517 million.

As at 30 September 2022, the remaining 20 per cent of the total sovereign exposures in debt securities, equal to Euro 20,810 million as recorded at the book value, was divided between 35 countries, including: Czech Republic (Euro 2,433 million), Bulgaria (Euro 2,228 million), Portugal (Euro 1,986 million), Croatia (Euro 1,796 million), Hungary (Euro 1,423 million), Russia (Euro 1,293 million), Israel (Euro 1,160 million), Poland (Euro 1,027 million), Ireland (Euro 988 million), Serbia (Euro 938 million) and China (Euro 780 million).

With respect to these exposures, as at 30 September 2022, there were no indications that defaults have occurred and the Group is closely monitoring the evolution of the situation.

With particular reference to the book value of the sovereign debt securities exposure to Russia it should be noted that Euro 1,290 million are held by the Russian controlled bank and almost totally classified in the banking book.

Note that the aforementioned remaining of the sovereign exposures held as at 30 September 2022 also included debt securities relating to supranational organisations, such as the European Union, the European Financial Stability Facility and the European Stability Mechanism, worth Euro 3,082 million (as at 31 December 2021 it amounted to Euro 2,680 million).

In addition to the Group's sovereign exposure in debt securities, there were also loans issued to central and local governments and government bodies, amounting to Euro 24,183 million as at 30 September 2022 (as at 31 December 2021 it amounted to Euro 31,068 million)."

- In the subsection "*Risks related to the business activities and industry of the Issuer and of the Group*", the Risk Factor headed "*Liquidity Risk*", on pages 30-32 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"*1.2.1* *<u>Liquidity Risk</u>*

*The main indicators used by the UniCredit Group to assess its liquidity profile are (i) the Liquidity Coverage Ratio (LCR), which represents an indicator of short-term liquidity subject to a minimum regulatory requirement of 100per cent. from 2018 and which was equal to 165 per cent. in September 2022, whereas at 31 December 2021 was equal to 182 per cent. (calculated as the average of the 12 latest end of month ratios), and (ii) the Net Stable Funding Ratio (NSFR), which represents the indicator of structural liquidity and which in September 2022 was above the internal limit set at 102 per cent. as at 31 December 2021, within the risk appetite framework. Liquidity risk refers to the possibility that the UniCredit Group may find itself unable to meet its current and future, anticipated and unforeseen cash payment and delivery obligations without impairing its day-to-day operations or financial position. The activity of the UniCredit Group is subject in particular to funding liquidity risk, market liquidity risk, mismatch risk and contingency risk. The most relevant risks that the Group may face are: i) an exceptionally high usage of the committed and uncommitted lines granted to corporate customers; ii) an unusual withdrawal of sight deposits by UniCredit's retail and corporate customers; iii) the decline in the market value of the securities in which UniCredit invests its liquidity buffer; iv) the capacity to roll over the expiring wholesale funding and the potential cash or collateral outflows the Group may suffer in case of rating downgrades of both the banks or the sovereign debt in the geographies in which it operates. In addition to this, some risks may arise from the limitations applied to the cross-border lending among banks. Due to the financial market crisis, followed also by the reduced liquidity available to operators in the sector, the ECB has implemented important interventions in monetary policy, such as the "Targeted Longer-Term Refinancing Operation" (**TLTRO**) introduced in 2014 and the TLTRO II introduced in 2016.*

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

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

The most relevant risks that the Group may face are:

(i) an exceptionally high usage of the committed and uncommitted lines granted to corporate customers;

(ii) an unusual withdrawal of sight deposits by UniCredit's retail and corporate customers;

(iii) the decline in the market value of the securities in which UniCredit invests its liquidity buffer;

(iv) the capacity to roll over the expiring wholesale funding and the potential cash or collateral outflows the Group may suffer in case of rating downgrades of both the banks or the sovereign debt in the geographies in which it operates.

In addition to this, some risks may arise from the limitations applied to the cross-border lending among banks.

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

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

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

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

As of September 2022, the LCR of the Group was equal to 165 per cent., whereas at 31 December 2021 was equal to 182 per cent. (calculated as the average of the 12 latest end of month ratios). As of September 2022, the NSFR was above the internal limit of 102 per cent., as at 31 December 2021, set in the risk appetite framework.

The Group's access to liquidity could be damaged by the inability of the Issuer and/or the Group companies to access the debt market, including also the forms of borrowing from retail customers, thus

compromising the compliance with prospective regulatory requirements, with consequent negative effects on the operating results and capital and/or financial position of the Issuer and/or of the Group.

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

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

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

An important mitigating factor to these risks are the contingency management policies in place in the Group system of rules and the measures announced by the ECB, which have granted a higher flexibility in the management of the current liquidity situation by leveraging on the available liquidity buffers. In fact, due to the financial market crisis, followed also by the reduced liquidity available to operators in the sector, the ECB has implemented important interventions in monetary policy, such as the "Targeted Longer-Term Refinancing Operation" (**TLTRO**) introduced in 2014 and the TLTRO II introduced in 2016. It is not possible to predict the extension of the duration and the amounts with which these liquidity support operations can be repeated in the future, with the result that it is not possible to exclude a reduction or even the cancellation of this support. This would result in the need for banks to seek alternative sources of borrowing, without ruling out the difficulties of obtaining such alternative funding as well as the risk that the related costs could be higher. Such a situation could therefore adversely affect UniCredit's business, operating results and the economic and financial position of UniCredit and/or the Group.

As of 31 December 2021, the total debt of the UniCredit Group with the ECB through TLTRO III was Euro 106.8 billion, with a timetable of maturities scheduled for June 2023 and June 2022. In relation to the second one, in March 2022, the bank decided to set the repayment date to the original maturity of March 2024. As of 31 December 2021, the UniCredit Group had other minor refinancing operation in place other than TLTRO III in the subsidiaries in Eastern Europe.

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

TLTRO III

Effect from	**Maturity**	**Amounts (Euro -billion)**
24 June 2020	28 June 2023	94.2

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

- In the subsection “*Risks connected with the legal and regulatory framework*”, the Risk Factor headed “*Basel III and Bank Capital Adequacy*”, on pages 38-41 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

“1.3.1 Basel III and Bank Capital Adequacy

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

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

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

From 1 January 2022, the Issuer shall comply, on a consolidated basis, with an intermediate MREL equal to the 20.73 per cent. of Risk Weighted Assets (**RWA**) - plus the applicable Combined Buffer Requirement (**CBR**) - and 5.90 per cent. of leverage ratio exposures (**LRE**). Similarly, the Issuer has to comply with a subordinated MREL, i.e. to be met with subordinated instruments, equal to 11.79 per cent. RWA - plus the applicable CBR - and 5.68 per cent. LRE. From 1 January 2024, the consolidated MREL will become "fully loaded" and will be equal to 21.83 per cent. of RWA - plus the applicable

CBR - and 5.90[8] per cent. of LRE. The fully loaded MREL subordinated component will be equal to 15.53 per cent. of RWA plus applicable CBR and 5.77[8] per cent. of LRE. Moreover, the Issuer shall comply with a TLAC requirement from 1 January 2022 equal to the maximum between 18 per cent. of RWA – plus the applicable CBR – and 6.75 per cent. of Total Exposure Measure. For more information on the capital adequacy legislation applicable to the Issuer, please see Section headed "*Information about the Issuer*", paragraph 1.1.4 "*The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer*" of this Base Prospectus.

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

In December 2017 the Basel Committee on Banking Supervision (**BCBS**) concluded the review process of the models (for credit risk, counterparty risk, operational risk and market risk, the latter in January 2019) for the calculation of minimum capital requirements, including constraints on the use of internal models and introducing the so-called "output floor" (setting a minimum level of capital requirements calculated on the basis of internal models equal, when fully implemented, to 72.5 per cent. of those calculated on the basis of the standardised methods). The main purpose is to enhance consistency and comparability among banks.

In October 2021, the European Commission published the Banking Package, by way of a regulation (CRR3), implementing the final Basel standards into the EU legislation with new rules for the calculation of risk weighted assets for credit, operational, Credit Valuation Adjustment (CVA) and market risks as well as the introduction of the Output floor. Going beyond Basel by way of a Directive (CRD6), the Commission also made some proposals on Environmental Social and Governance (ESG) Risks, Fit & Proper and Third-Country Branches. While the legislative iter is on-going, once agreed on the final text among the various stakeholders involved in the process (European Commission, European Parliament and EU Council) and once implemented in the Union, these regulatory changes will impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements.

Capital Adequacy requirements

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

In February 2022, UniCredit has been informed by the ECB of its final decision concerning capital requirements following the results of its annual SREP. With its decision the Single Supervisor left

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

unchanged, compared to the SREP decision of 2019[9], the Pillar 2 capital requirement at 175 basis points. The Pillar 2 requirement (P2R) shall be held in the form of 56.25% of CET1 capital and 75% of Tier 1 capital, as a minimum. UniCredit is allowed to partially use Additional Tier 1 or Tier 2 instruments in order to comply with the Pillar 2 Requirements (P2R) instead of Common Equity Tier 1 (CET1) capital, in line with the latest revision of the Capital Requirements Directive (CRD V). As a consequence, UniCredit is required to meet the following overall capital requirements on a consolidated basis as of September 2022[10]:

- Common Equity Tier 1 ratio: 9.06 per cent.;
- Tier 1 ratio: 10.89 per cent.; and
- Total Capital ratio: 13.33 per cent.

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

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

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

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

As of 30 September 2022, the consolidated CET1 Capital, Tier 1 and Total Capital Transitional ratios were equal to, respectively, 16.04 per cent., 17.94 per cent. and 20.76 per cent. Therefore, CET1 Transitional ratio was exceeding the relevant requirement by 698 bps (so called MDA buffer).

[9] In light of the COVID-19 situation, in 2020 the ECB did not issue a formal SREP decision: on 12 May 2020, ECB Banking Supervision announced it had adjusted its SREP approach for 2020 in light of the COVID-19 pandemic. The EBA also published on 23 July Guidelines for competent authorities for the special procedure for the SREP 2020, identifying how flexibility and pragmatism could be exercised in relation to the SREP framework in the context of the pandemic. The 2020 SREP cycle focused on the ability of the supervised entities to handle the challenges of the COVID-19 crisis and its impact on their current and prospective risk profile.
The ECB in fact announced that only in exceptional cases it would have updated the banks' current requirements and that it would not issue SREP decisions for the 2020 SREP cycle. The 2019 SREP decisions therefore would not be superseded or amended and would remain in force (as amended by the March 2020 ECB Decisions changing the P2R compositions). An operational letter from the ECB on 24 November 2020 confirmed this approach for UniCredit and the ECB did not make a formal 2020 SREP decision.
After adjusting its SREP approach for 2020, the ECB Banking Supervision returned to its regular SREP methodology for 2021.
[10] Based on the Countercyclical Capital Buffer equal to the March 2021 value, the requirements were: Common Equity Tier 1 ratio 9.03 per cent.; Tier 1 ratio: 10.86 per cent.; and Total Capital ratio: 13.30 per cent. These requirements remained applicable until 31 March 2022. Based on the Countercyclical Capital Buffer equal to the 30 June 2022 value, the requirements were: Common Equity Tier 1 ratio 9.04%; Tier 1 ratio: 10.87%; and Total Capital ratio: 13.30%. The Countercyclical Capital Buffer (CCyB) depends on the credit exposures of UniCredit to countries where countercyclical capital ratios have been or will be set and on the respective requirements set by the relevant national authorities and therefore may vary on a quarterly basis over the reporting period.

From 30 June 2020 the Group has adopted the so-called transitional phase-in regarding the application of the IFRS9 accounting principle. As of 30 September 2022, the CET1 ratio Fully Loaded, i.e. calculated without considering the benefit arising from IFRS 9 Transitional arrangements, was equal to 15.41 per cent. exceeding by 635 bps CET1 ratio requirements.

As of 30 September 2022, the Transitional Leverage Ratio was 5.56 per cent.

In the first months of 2022 UniCredit participated to the ECB stress test on "Climate Risk" launched on 27 January. Such test represented a learning exercise for banks and supervisors alike, aiming to identify vulnerabilities, best practices and challenges that the banks face when managing climate-related risk. Importantly, this exercise will have no direct implications for banks' capital levels: the outcome will feed into the Supervisory Review and Evaluation Process from a qualitative point of view only, meaning that this stress test may indirectly impact Pillar 2 requirements through the SREP scores but will not directly impact capital through Pillar 2 guidance (P2G). Aggregate results (no individual results) have been published by the ECB in July 2022.

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

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

Furthermore, during the fourth quarter of 2021, EBA performed the annual EU-wide transparency exercise to provide updated information as of September 2020, December 2020, March 2021 and June 2021 on banks' exposures and asset quality to financial operators; EBA published the results on 3 December 2021. Currently a new exercise is underway with information updated as of June 2022; the results will be published by EBA in the beginning of December 2022.

UniCredit, on 9 December 2021, presenting its 2022-2024 Strategic Plan "UniCredit Unlocked", announced the aim to ensure a materially increased and growing remuneration in favor of the

Shareholders over the course of the Plan, also by means of programmes for the purchase of ordinary shares of UniCredit.

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

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

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

Pursuant to the Shareholders' Meeting resolution of 8 April 2022 and the authorisation received from the ECB, UniCredit completed the "First Tranche of the Buy-Back Programme 2021", in the context of which it purchased in aggregate no. 162,185,721 shares, cancelled on 19 July 2022, for a total consideration of Euro 1,579,999,994.85.

In order to enable the prosecution of the activities and objectives envisaged by the "UniCredit Unlocked" strategic plan in terms of shareholder remuneration, UniCredit has submitted the request to the ECB for the approval of the "Second Tranche of Buy-Back Programme 2021" in an amount of euro 1 billion and UniCredit Board of Directors met on 26 July 2022 and resolved, inter alia, to call an Ordinary and Extraordinary Shareholders' Meeting in Milan, in a single call, that was held on 14 September 2022 and resolved on the following:

- Ordinary part: authorisation to purchase treasury shares aimed at remunerating the shareholders - update and integration of the resolution of 8 April 2022. The update and integration are necessary in order to increase the maximum number of UniCredit shares covered by the aforementioned authorisation, considering the evolution of price of UniCredit's share in recent months;

- Extraordinary part: cancellation of treasury shares with no reduction of share capital; consequent amendment to clause 5 of the Articles of Association. Consequent and inherent resolutions

The share buy-back programme has obtained the necessary authorisation from the European Central Bank, afterwards it has been communicated to the market on 21 September 2022 and initiated on the same date, as per the authorisation granted by the Shareholders' Meeting of the Company held on 8

April 2022, as updated and integrated pursuant to the shareholders' resolution of 14 September 2022, (the **Second Tranche of the Buy-Back Programme 2021**).

As of 30 September 2022, since the launch of Second Tranche of the Buy-Back Programme 2021, UniCredit purchased no. 26,039,421 shares, equal to 1.29% of the share capital, for a total consideration of 276,066,909.86 Euro.

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

- In the subsection "*Risks relating to Additional Tier 1 Notes*", the Risk Factor headed "*If the Issuer breaches the combined buffer requirement or the Leverage Ratio buffer requirement, a Maximum Distributable Amount will apply which may restrict the Issuer from making interest payments on the Additional Tier 1 Notes in certain circumstances; Noteholders may not be able to anticipate whether or when the Issuer will cancel such interest payments*", on pages 54-58 of the Base Prospectus, is amended as follows, so that the following paragraphs set out below shall replace the corresponding paragraphs currently included in the Base Prospectus and the paragraphs not set out below shall remain unchanged:

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

(…)

The provisions laid down by the CRDV as to the Pillar 2 Guidance and Pillar 2 Requirements have been transposed into the Italian secondary level legislation, now also providing for the regulator's authority to require additional capital in the presence of excessive leverage risk (i.e. Pillar 2 Guidance Leverage Ratio). As at 5 August 2022, there is still uncertainty as to how (and if) such regulatory measures will be interpreted and implemented and the impact their implementation may have on the Group's capital requirements.

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

The CRRII allows for the "grandfathering", until 28 June 2025 at the latest, of Additional Tier 1 instruments, Tier 2 instruments and Eligible Liabilities issued before 27 June 2021, that do not comply

with certain requirements of the CRRII. This grandfathering framework is in addition to the one provisioned by CRR Articles 484 – 491 ended on 1 January 2022.

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

On 12 March 2020, the ECB, taking into account the economic effects of COVID-19, announced certain measures aimed at ensuring that banks, under its direct supervision, could still be able to provide credit support to the real economy. In such context, the ECB allowed banks to operate temporarily below the capital level defined by the Pillar 2 Guidance, the CCB and the LCR. However, on 10 February 2022, the ECB announced its intention to not allow banks to operate below the level of capital defined by the Pillar 2 Guidance beyond December 2022.

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

Required minimum CET1 Capital ratio			
	As at 31 December 2021	**As at 30 June 2022**	**As at 30 September 2022**
Pillar 1 CET1	4.50%	4.50%	4.50%
Pillar 2 CET1 requirement	0.98%	0.98%	0.98%
Combined capital buffer requirement	3.55%[1]	3.55%[1]	3.58[1]%
OCR level	**9.03%**	**9.04%**	**9.06%**

[1] Including 0.05 per cent. of countercyclical capital buffer as at 31 December 2021, 0.05 per cent. as at 30 June 2022 and 0.08 per cent. as at 30 September 2022 to be calculated on a quarterly basis.

Required Minimum Tier 1 ratio			
	As at 31 December 2021	**As at 30 June 2022**	**As at 30 September 2022**
Pillar 1 CET1	4.50%	4.50%	4.50%
Pillar 1 Additional Tier 1[1]	1.50%	1.50%	1.50%
Pillar 2 Tier 1 requirement	1.31%	1.31%	1.31%
Combined capital buffer requirement	3.55%[2]	3.55%[2]	3.58[2]%

OCR level	10.86%	10.87%	10.89%

[1] May be comprised of Additional Tier 1 or CET1.
[2] Including 0.05 per cent. of countercyclical capital buffer as at 31 December 2021, 0.05 per cent. as at 30 June 2022 and 0.08 per cent. as at 30 September 2022 to be calculated on a quarterly basis.

Required Minimum Total Capital ratio			
	As at 31 December 2021	**As at 30 June 2022**	**As at 30 September 2022**
Pillar 1 CET1	4.50%	4.50%	4.50%
Pillar 1 Additional Tier 1[1]	1.50%	1.50%	1.50%
Pillar 1 Tier 2[2]	2.00%	2.00%	2.00%
Pillar 2 Total Capital requirement	1.75%	1.75%	1.75%
Combined capital buffer requirement	3.55%[3]	3.55%[3]	3.58%[3]
OCR level	**13.30%**	**13.30%**	**13.33%**

[1] May be comprised of Additional Tier 1 or CET1.
[2] May be comprised of Tier 2, Additional Tier 1 or CET1.
[3] Including 0.05 per cent. of countercyclical capital buffer as at 31 December 2021, 0.05 per cent. as at 30 June 2022 and 0.08 per cent. as at 30 September 2022 to be calculated on a quarterly basis.

As at 31 December 2021, 31 December 2020, 30 June 2022 and 30 September 2022, the consolidated capital ratios (CET1 Capital, Tier 1 and Total Capital ratios), are set out in the table below:

Capital ratios	31 December 2021	31 December 2020	30 June 2022	30 September 2022
CET1 Capital ratio	15.82%	15.96%	16.39%	16.04%
Tier 1 ratio	17.94%	18.22%	18.31%	17.94%
Total Capital ratio	20.14%	20.72%	21.09%	20.76%

The transitional leverage ratio stated stood at 5.56 per cent. in 3Q22.

UniCredit is fully compliant with its TLAC requirement which, as of 3Q22, is based on the Leverage Exposure[11], with a TLAC ratio of 8.33 per cent. of Leverage Exposure and of 26.88 per cent. of RWA[12], implying a Leverage Ratio based TLAC buffer of 158 bps over the 6.75 per cent in terms of Leverage

[11] According to the provisions of Article 92a of the CRR2, the minimum TLAC requirement applicable is equal to the maximum between the 18% of the total risk exposure amount to which the Combined Capital Reserve applicable to the Group at the reference date (3.55% as of 30 June 2022) is added and the 6.75% of the overall leverage exposure measure.
[12] Including 3.5 per cent. of RWA senior exemption.

Exposure and of 510 bps in terms of RWA. The buffer calculated on the RWA based TLAC requirement (21.58 per cent. as of 30 June 2022) amounts to 538 bps.

UniCredit is also fully compliant with its MREL requirements[13] with a 3Q22 MREL ratio of 29.36 per cent. of RWA and of 9.10 per cent. of Leverage Exposures (including 3.5 per cent. of RWA senior exemption) implying a buffer of 5.31 bps over the 24.31 per cent. RWA Requirement and a buffer of 320 bps over the 5.90 per cent Leverage Exposures Requirement. Starting from 30 June 2020, CET1 Capital (and as a consequence also the CET1, the Tier 1 and the Total Capital ratios) benefits from the application of the transitional arrangements foreseen by the regulation for IFRS9 provisions adopted by the Group in the quarter. In addition, the new grandfathering framework is applicable, until 2025 and according to the CRR2 Article 494b, to the Additional Tier 1 and Tier 2 instruments issued before 27 June 2019 that do not fully comply with the CRR2 Articles 52 and 63.

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

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

(…)"

- The following Risk Factor shall be added on page 73, after the Risk Factor headed "*The value of Fixed Rate Notes may be adversely affected by movements in market interest rates*":

"*1.8.5* *<u>Risk related to inflation</u>*

The repayment of the nominal amount of the Notes at maturity does not protect investors from the risk of inflation, i.e. it does not guarantee that the purchasing power of the invested capital will not be affected by the increase in the general price level of consumer products. Consequently, the real return

[13] MREL RWA requirement includes the Combined capital Buffer Requirement applicable at the date.

of the Notes, which is the adjusted return taking into account the inflation rate measured during the life of the Notes themselves, could be negative."

Documents Incorporated by Reference

Unaudited consolidated interim financial results of the UniCredit Group in respect of the nine months ended 30 September 2022

On 25 October 2022, the UniCredit Board of Directors approved the unaudited consolidated interim financial results of the UniCredit Group in respect of the nine months ended 30 September 2022 (the **Unaudited Consolidated Interim Report as at 30 September 2022 – Press Release**) which have been published on 26 October 2022 and are available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2022/UniCredit_PR_3Q22_ENG_26102022.pdf .

For comparative purposes, the Issuer wishes also to incorporate by reference the unaudited consolidated financial results of the UniCredit Group in respect of the nine months ended 30 September 2021 (the **Unadited Consolidated Interim Report as at 30 September 2021 – Press Release**) which have been published on 28 October 2021 and are available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2021/UniCredit_PR_3Q21_ENG.pdf.

A copy of the Unaudited Consolidated Interim Report as at 30 September 2022 – Press Release and a copy of the Unaudited Consolidated Interim Report as at 30 September 2021 – Press Release have been filed with the *Commission de Surveillance du Secteur Financier* (**CSSF**). Copies of this Supplement and all the sections identified in the table below incorporated by reference in the Base Prospectus will also be published on the website of UniCredit *www.unicreditgroup.eu*, as well as on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

By virtue of this Supplement, the sections of the Unaudited Consolidated Interim Report as at 30 September 2022 – Press Release and the sections of the Unaudited Consolidated Interim Report as at 30 September 2021 identified in the table below are incorporated by reference in, and form part of, Section "*Documents incorporated by reference*" on page 89 of the Base Prospectus. Any non-incorporated parts of a document referred to in this Supplement are either deemed not relevant for an investor or are otherwise covered elsewhere in this Supplement.

Documents	**Information Incorporated**	**Page Reference**
Unaudited Consolidated Interim Report as at 30 September 2022 – Press Release	UniCredit Group: Reclassified Income Statement	16
	UniCredit Group: Reclassified Balance Sheet	17
	Other UniCredit Group Tables (Ratings, Sovereign Debt Securities – Breakdown by Country/Portfolio, Weighted Duration)	18-20
	Basis of Preparation	21-25
	Declaration by the manager charged with preparing the financial reports	28
	Significant events during and after 3Q22	15

Documents	Information Incorporated	Page Reference
Unaudited Consolidated Interim Report as at 30 September 2021 – Press Release	UniCredit Group: Reclassified Income Statement	14
	UniCredit Group: Reclassified Balance Sheet	15
	Other UniCredit Group Tables (Ratings, Sovereign Debt Securities – Breakdown by Country/Portfolio, Weighted Duration)	16-18
	Basis of Preparation	19-22
	Declaration by the manager charged with preparing the financial reports	22
	Significant events during and after 3Q21	13

Description of UniCredit and the UniCredit Group

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

- The following sub-paragraphs are inserted at the end of the paragraph titled "*Recent Developments*" in the "*History and Development of the Issuer*" section on pages 228-230 of the Base Prospectus:

  - "On 26 October 2022, UniCredit announced that, following the signing of the two share purchase agreements on 27 July 2022, it successfully finalized the two transactions to rationalize the shareholding with CNP Assurances:

    - sale of the entire 49% stake in CNP Vita Assicura S.p.A. for Euro 500 million to CNP Assurances

    - acquisition of 6.5% of CNP UniCredit Vita S.p.A. from CNP Assurances for Euro 70 million, increasing UniCredit's stake from 38.8% to 45.3%, with CNP Assurances keeping a majority shareholding equal to 51%.

  - On 31 October 2022 UniCredit announced the financial effects of the European Central Bank (**ECB**) changes to the terms and conditions of Targeted Longer-Term Refinancing Operations (**TLTRO**) facilities, which generally negatively affect credit institutions with TLTRO borrowings.

    In light of UniCredit's conservative recognition of the TLTRO benefit and factoring in all the economic consequences of the ECB announcement, the full year 2022 Net Interest Income (**NII**) guidance excluding Russia is updated to over Euro 9.7 billion including a full year TLTRO positive contribution to NII of around Euro 0.4 billion. There is no positive effect of TLTRO to UniCredit's financial results from 2023 onwards.

    The disclosure provided in the third quarter 2022 regarding NII for 2023 is unchanged, resulting in an expectation of at least Euro 10.1 billion for the Group excluding Russia. This assumes a Deposit Facility Rate (**DFR**) of 1.5% and can vary depending on future developments in interest rates, volumes, deposit betas and other. UniCredit's NII sensitivity as disclosed with third quarter 2022 financial results remains unchanged at circa Euro 0.5 billion on an annualised basis for a further 100 basis points increase in the DFR.

    The changes announced by the ECB to the remuneration of minimum reserves at the ECB's DFR have no meaningful impact."

- The sub-paragraph "*Credit ratings*", in the "*Description of UniCredit and the UniCredit Group*" section, on pages 244-245 of the Base Prospectus, shall be deleted in its entirety and replaced as follows:

"1.1.6 *Credit ratings*

As at 7 November 2022, UniCredit has been rated as follows:

Rating Agencies	Short Term Counterparty Credit Rating	Long Term Counterparty Credit Rating	Outlook	Last update
Fitch	F2[(1)]	BBB[(2)]	stable[(3)]	17 December 2021
S&P	A-2[(4)]	BBB[(5)]	stable[(6)]	29 July 2022
Moody's	P-2[(7)]	Baa1[(8)]	negative[(9)]	9 August 2022

Fitch Ratings

(1) F2: indicates a good capacity for timely payment of financial commitments relative to other issuers or obligations in the same country or monetary union. However, the margin of safety is not as great as in the case of the higher ratings. (**Source: Fitch**).

(2) BBB: indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity (**Source: Fitch**).

Note: A "+" or "–" may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the AAA rating category, to categories below CCC, or to Short-Term Credit Ratings other than Fl (**Source: Fitch**).

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

S&P

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

(5) BBB: an obligor has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments (**Source: S&P**).

Note: ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories (**Source: S&P**).

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

Moody's

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

(8) Baa: obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics (**Source: Moody's**).

Note: Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category (**Source: Moody's**).

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

During the validity of this Base Prospectus, the updated Issuer's ratings information which could occur, will be available from time to time on the Issuer's website, without prejudice to the obligations arising from Article 23 of the Prospectus Regulation in relation to the drafting of a supplement.

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

- The sub-paragraph "*Description of the expected financing of the Issuer's activities*" in the "*Description of UniCredit and the UniCredit Group*" section on page 245 of the Base Prospectus shall be deleted in its entirety and replaced as follows:

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

As of 30 September 2022, the loans to deposits ratio (**LDR**), a ratio between the customer loans and deposits, including the repo activity, is equal to 86.5%. Such ratio improves compared to 31 December 2021, equal to 89.7%[14], mostly due to the deposits' growth, mainly driven by the repo dynamic.

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

As of 30 June 2022, the liquidity buffer is equal to Euro 199.8 billion (Euro 201.9 billion as of 31 December 2021).

As of 31 December 2021, the TLTRO participations of the Group is equal to Euro 106.8 billion."

- The sub-paragraph "*Information related to the shareholder structure of the Issuer*" of the paragraph titled "*Major Shareholders*" in the "*Description of UniCredit and the UniCredit Group*" section on page 257 of the Base Prospectus is deleted in its entirety and replaced as follows:

"**5.1 Information related to the shareholder structure of the Issuer**

[14] Figures related to December 2021 have been restated in order to follow the reclassification of UniCredit Leasing S.p.A. and its controlled company and of UniCredit Leasing GMBH and its controlled companies from the non-current assets/liabilities held for sale to the loans to customers/deposits from customers.

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

As at 3 November 2022, the major shareholders who have disclosed that they hold, directly or indirectly, a relevant participation in UniCredit, pursuant to Article 120 of the Financial Services Act, were:

Major Shareholders*	**Ordinary Shares**	**% owned**
BlackRock Group	114,907,383	5.682[(1)]
Allianz Group	69,622,203	3.443

(1) non-discretional asset management

* The table shows the information notified by the shareholders pursuant to Article 120 of the Financial Services Act following the update disclosed on the CONSOB website on 2 November 2022.

The percentages here indicated are calculated on the number of shares representing the share capital as of the date of this Supplement, which takes into account the cancellation of treasury shares carried out on 19 July 2022.

It should be noted that, in the cases provided for by the Issuers' Regulations, management companies and qualified entities that have acquired, as part of their management activities, shareholdings less than 5% are not required to make disclosures.

The updated information concerning the major shareholders will be available from time to time on the Issuer's website without prejudice to the obligations arising from Article 23 of the Prospectus Regulation in relation to the drafting of a supplement."

General Information

The "*General Information*" section of the Base Prospectus is amended as follows:

- The paragraph "*Significant or material adverse change*" in the "*General Information*" section on pages 298-299 of the Base Prospectus is deleted in its entirety and replaced as follows:

"*Material adverse change in the prospects of the Issuer and significant change in the financial performance of the Group*

The current market environment is still characterized by uncertainties due to the Russia/Ukraine conflict and related spill-over macroeconomic effects and by the persisting COVID-19 pandemic that could have potential impacts also on the financial markets, the unexpected materially adverse impact of which on the profitability of the Issuer, in particular in terms of operating income and cost of risk, cannot be finally assessed as at the date of this Supplement. Except for the possible impact of the Russia/Ukraine conflict and related spill-over effect and COVID-19 crisis indicated above, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements as at 31 December 2021.

There has been no significant change in the financial performance of the Group since 30 September 2022 to the date of this Supplement.

Significant change in the Issuer's financial position

The current market environment is still characterized by uncertainties due to the Russia/Ukraine conflict and related spill-over effect and by the persisting COVID-19 pandemic that could have potential impacts also on the financial markets, the unexpected materially adverse impact of which on the profitability of the Group, in particular in terms of operating income and cost of risk, cannot be finally assessed as at the date of this Supplement. Except for the possible impact of the Russia/Ukraine conflict and related spill-over effect and COVID-19 crisis indicated above, there has been no significant changes in the financial position of the Group which has occurred since 30 September 2022."

General

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

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

Copies of this Supplement and all documents or sections incorporated by reference in the Base Prospectus will also be published on the website of UniCredit *www.unicreditgroup.eu*, as well as on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

In accordance with Article 23(2a) of the Prospectus Regulation, investors who have agreed to purchase or subscribe for Notes issued under the Programme before this Supplement is published have the right, exercisable before the end of the period of three working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances. This right to withdraw shall expire by close of business on 10 November 2022. Investors can exercise their right to withdraw their acceptances by contacting the person from whom any such investor has agreed to purchase or subscribe for such notes before the above deadline.