



UniCredito Italiano S.p.A.

Securities Prospectus

for

6,333,373,476 existing ordinary shares (the “Existing UniCredit Ordinary Shares”), and up to 4,687,285,862 new ordinary shares from a capital increase against contributions in kind resolved on July 29, 2005 (the “New UniCredit Ordinary Shares”, and together with the Existing UniCredit Ordinary Shares, the “UniCredit Ordinary Shares”), each UniCredit Ordinary Share with a nominal value of €0.50 and full dividend rights as of January 1, 2005

of

**UniCredito Italiano S.p.A.
Genoa**

International Securities Identification Number (ISIN): IT0000064854

all UniCredit Ordinary Shares to be listed on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie SA*), and the New UniCredit Ordinary Shares to be offered in the context of public tender offers in Germany, Austria and Poland, as described in this Securities Prospectus

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1. SUMMARY

The following summary should be read as an introduction to this Prospectus. Any decision to invest in the UniCredit Ordinary Shares should be based on a consideration of this Prospectus as a whole, including the information contained in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations of the UniCredit Group”, as well as in the consolidated financial statements of UniCredito Italiano S.p.A., including the notes thereto. In addition, this information should be read together with the disclosure provided in this Prospectus in relation to Bayerische Hypo- und Vereinsbank AG and documents it has made publicly available. In the event of any doubt, the detailed information mentioned above shall supersede this summary. The following summary is only intended to provide an overview and does not purport to contain all information of importance to investors. Investors are therefore advised to read the entire Prospectus carefully.

Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the European Union Member States, have to bear the costs of translating this Prospectus before legal proceedings are initiated. Civil liability attaches to those persons who have tabled the summary, including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

1.1 Subject Matter of the Prospectus

This Prospectus relates to 6,333,373,476 existing ordinary shares of UniCredito Italiano S.p.A. (the “**Existing UniCredit Ordinary Shares**”) and up to 4,687,285,862 new ordinary shares of UniCredito Italiano S.p.A. (“**UniCredit S.p.A.**” or the “**Company**”, and, together with its affiliated companies, the “**UniCredit Group**”) to be issued by means of a capital increase (the “**New UniCredit Ordinary Shares**” and, together with the Existing UniCredit Ordinary Shares, the “**UniCredit Ordinary Shares**”) against contributions in kind in the form of shares of HypoVereinsbank, Bank Austria Creditanstalt and Bank BPH (each as defined below) to be tendered by the shareholders of HypoVereinsbank, Bank Austria Creditanstalt and Bank BPH in public share-for-share offers.

1.1.1 The UniCredit Ordinary Shares

Like the Existing UniCredit Ordinary Shares, the New UniCredit Ordinary Shares will be issued as registered ordinary shares with a nominal value of €0.50 each and will entitle their holders to full dividend rights as of January 1, 2005. The Existing UniCredit Ordinary Shares are, and the New UniCredit Ordinary Shares will be, traded on a dematerialized basis like all financial instruments traded on regulated Italian markets. The Existing UniCredit Ordinary Shares are, and the New UniCredit Ordinary Shares will be, deposited in book-entry form at Monte Titoli S.p.A.

1.1.2 The Listings

Application will be made to list all UniCredit Ordinary Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie SA*). The listings are expected to occur on or around the respective dates of settlement of the HVB Offer and the Bank BPH Offer (as defined below).

1.1.3 The Offering

HVB Offer

On August 26, 2005 UniCredit S.p.A. published an Offer Document for a public takeover offer to the shareholders of Bayerische Hypo- und Vereinsbank Aktiengesellschaft, Munich, Germany (“**HypoVereinsbank**”) to acquire all of their common shares in HypoVereinsbank (ISIN DE0008022005 — “**HVB Common Shares**”) and all of their preferred shares (ISIN DE0008022039 — “**HVB Preferred Shares**”) (the “**HVB Offer**”) in exchange for UniCredit Ordinary Shares at an exchange ratio of five New UniCredit Ordinary Shares for each share of HypoVereinsbank. On October 8, 2005 UniCredit S.p.A. published an amendment to the HVB Offer (the “**HVB Offer Amendment**”) in which it waived all of (i) the conditions precedent set forth in section 12.1.2 of the Offer Document (“**Merger control clearances**”) except for merger control clearance by the EU Commission (section 12.1.2 (i) of the Offer Document), and (ii) the conditions precedent set forth in section 12.1.3 of the Offer Document (“**Regulatory clearances**”). As a result of the HVB Offer Amendment, the initial acceptance period of the HVB Offer was automatically extended by two weeks and expired on October 24, 2005, at 24:00 hours (Frankfurt am Main local time). Until expiry of the acceptance period, the HVB Offer has been accepted for a total of 647,105,854 HVB Common Shares and 14,553,600 HVB

Preferred Shares. This corresponds to approximately 88.14% of the registered share capital (*Grundkapital*) and the voting rights of HypoVereinsbank. As no preferred dividends were paid on HVB Preferred Shares for the last three financial years, HVB Preferred Shares carry voting rights at present. Therefore, HVB Preferred Shares were taken into account for the purposes of determining the percentage of voting rights shown above. Disregarding the HVB Preferred Shares for the purpose of determining the percentage of voting rights shown above, the share of the HVB Common Shares, for which the Offer has been accepted, would amount to approximately 87.90% of the voting rights.

Pursuant to applicable German Tender Offer Law, all shareholders of HypoVereinsbank who have not accepted the Tender Offer during the acceptance period, were able to accept the HVB Tender Offer during the Additional Acceptance Period which expired on November 11, 2005. On the basis of currently available information, during the Additional Acceptance Period, the HVB Offer has been accepted for an additional 28,884,884 HVB Common Shares. On the basis of currently available information, the total number of HVB Shares tendered during the Acceptance Period and the Additional Acceptance Period therefore amounts to 675,990,738 HVB Shares. This corresponds to approximately 90.05% of the registered share capital (*Grundkapital*) and the voting rights of HypoVereinsbank. For the purpose of the information provided in Section 18.3 of the Securities Prospectus as supplemented by Supplement no. 2, UniCredit S.p.A. has assumed a final acceptance level of 90% of the registered share capital and voting rights of HypoVereinsbank. Any difference between this assumed acceptance level and the final actual acceptance level will not materially affect the financial information provided under Section 18.3.

Following (i) acceptance of the HVB Offer in excess of the minimum acceptance threshold of 65%, (ii) clearance of the proposed acquisition of the shares of HypoVereinsbank by UniCredit S.p.A. by the EU Commission on October 18, 2005, and (iii) issuance of the verification by the independent external expert, on November 9, 2005, that the value of the HVB Shares tendered in the HVB Offer conforms to the expert valuation rendered to the shareholders' meeting of UniCredit S.p.A. on July 29, 2005 resolving on the capital increase, to enable UniCredit S.p.A.'s Board of Directors to liberate the UniCredit Shares offered in exchange for the tendered HVB Shares in accordance with Article 2343 of the Italian Civil Code (*Codice civile*), all conditions precedent set forth in section 12.1.1 ("Minimum acceptance threshold"), section 12.1.2 ("Merger control clearances") and section 12.1.3 ("Regulatory clearances") of the Offer Document have either been fulfilled or waived by UniCredit S.p.A. The UniCredit Board meeting to resolve on the liberation of the New UniCredit Ordinary Shares for the settlement of the HVB Offer is expected to be held on November 18, 2005.

On November 11, 2005, application has been made to admit the Existing UniCredit Ordinary Shares, as well as up to 4,687,285,862 New UniCredit Ordinary Shares, to trading on the Official Market (*Amtlicher Markt*) segment of the Frankfurt Stock Exchange (General Standard). It is currently expected that the listing application will be approved by the Frankfurt Stock Exchange on November 21, 2005, and that trading in UniCredit Ordinary Shares on the Frankfurt Stock Exchange will commence on November 23, 2005.

BA-CA Offer

On August 26, 2005, UniCredit S.p.A. published the Offer Document for a voluntary public takeover offer to the shareholders of Bank Austria Creditanstalt AG, Vienna, Austria ("**BA-CA**") to acquire all no-par value bearer shares (ISIN AT0000995006), and all registered shares (ISIN AT0000995014) of the BA-CA (hereinafter jointly the "**BA-CA Shares**") (the "**BA-CA Offer**"). On October 12, 2005, UniCredit S.p.A. published an extension of the acceptance period until and including October 31, 2005.

Until expiry of this extended acceptance period, the BA-CA Offer has been accepted for a total of 15,643,459 BA-CA Shares. This corresponds to approximately 10.64% of the share capital (*Grundkapital*) and the voting rights of BA-CA. Taking into account HypoVereinsbank's shareholding in BA-CA of approximately 77.53 % in BA-CA, the UniCredit Group would hold, directly and indirectly, a stake in BA-CA of approximately 88.17%.

Pursuant to the Austrian Takeover Act, all shareholders of BA-CA who have not accepted the voluntary public takeover offer during the Acceptance Period for the BA-CA Offer, can accept the BA-CA Offer during the Additional Acceptance Period which started on November 7, 2005 will expire on November 18, 2005.

As a consequence of the waiver and/or fulfillment of the conditions precedent of the HVB Offer as described above, the HVB Offer has become unconditional and, consequently, fulfillment of the condition precedent for the BA-CA Offer set forth in section 2.5.1(i) of the BA-CA Offer Document (acquisition by UniCredit of control over BA-CA within the meaning of the Austrian Takeover Act), is only subject to the transfer of the HVB shares tendered in the HVB Offer to UniCredit S.p.A. Upon such transfer, which is currently expected to occur on November 18, 2005, such condition precedent will be met and the cash alternative of the BA-CA Offer will become unconditional.

With regard to the exchange alternative, the BA-CA Offer will remain subject to the condition precedent of the verification by the independent external expert, that the value of the BA-CA Shares tendered in the BA-CA Exchange Offer conforms to the expert valuation rendered to the shareholders' meeting of UniCredit S.p.A. on July 29, 2005 resolving on the capital increase, to enable UniCredit S.p.A.'s Board of Directors to liberate the UniCredit Shares offered in exchange for the tendered BA-CA Shares in accordance with Article 2343 of the Italian Civil Code (*Codice civile*). The UniCredit Board meeting to resolve on the liberation of the New UniCredit Ordinary Shares for the settlement of the BA-CA Exchange Offer is expected to be held on November 30, 2005.

Bank BPH Offer

An offer for all shares of Bank BPH Spółka Akcyjna, Kraków, Poland ("**Bank BPH**" and, together with its affiliated companies, the "**Bank BPH Group**", and such offer, the "**Bank BPH Offer**") has not been launched yet. The timing of the envisaged Bank BPH Offer will be communicated depending on timing and status of the relevant regulatory authorizations.

As of the date of this supplement, the position of the UniCredit S.p.A. Board of Directors on the envisaged BPH Offer (including its structure) represented by the resolution of the Board of Directors passed on June 12, 2005 and July 29, 2005, has not been amended. UniCredit S.p.A. might, however, reconsider the structure of the Bank BPH Offer depending on the prevailing circumstances at the time of the launch of such offer, and, for example, resolve to launch such offer without offering New UniCredit Ordinary Shares, *i.e.* to launch such offer for consideration in cash only.

The decision about the contemplated listing of the UniCredit Ordinary Shares on the Warsaw Stock Exchange, including the timing thereof, will only be taken once the structure of the Bank BPH Offer has been finally determined.

1.1.4 The Business Combination

The Tender Offers are launched pursuant to an agreement dated June 12, 2005 between the Company and HypoVereinsbank (the "**Business Combination Agreement**") relating to the proposed business combination of the UniCredit Group and the HVB Group (the "**Business Combination**").

1.2 Information on the UniCredit Group

1.2.1 Business Overview

The UniCredit Group is a full-service financial services group engaged in a wide range of banking, financial and related activities throughout Italy and certain Central and Eastern European countries. The UniCredit Group's activities include deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches (*bancassurance*). As of March 31, 2005, the UniCredit Group's multi-channel distribution network comprised 4,455 branches (of which 3,132 were located in Italy), various licensed banks held either directly as subsidiaries or through joint ventures in a number of countries and a network of 2,324 licensed financial consultants (*promotori finanziari*) operating in Italy, as well as internet and telephone banking capabilities.

As of March 31, 2005, the UniCredit Group was the largest banking group in Italy in terms of market capitalization (approximately €28.7 billion) and had 68,300 employees (of which 38,748 were based in Italy). In terms of total assets, as of March 31, 2005, the UniCredit Group was the second largest bank in Italy and controlled the largest commercial banks in Croatia, Bosnia-Herzegovina and Bulgaria, the second largest commercial bank in Poland and had significant operations in Slovakia, the Czech Republic, Romania and Turkey (Source: Bankscope). As of March 31, 2005, the Company believes that it holds, in Italy, a 10.9% market share for loans and 9.3% for direct deposits (Source: internal estimates based on data from the Bank of Italy ("**Banca d'Italia**")), and a market share of 14.7% for mutual funds (Source: internal estimates based on data of the Italian association of asset managers, *Assogestioni — Associazione del Risparmio Gestito*).

1.2.2 History and Formation

The UniCredit Group was established as a result of the October 1998 business combination between Credito Italiano S.p.A., ("**Credito Italiano**") the parent company of a national commercial banking group, and Unicredito S.p.A., the holding company of a group of regional savings banks, which resulted in the creation of

UniCredito Italiano Group with UniCredito Italiano S.p.A. — formerly Credito Italiano S.p.A. — as holding company.

Credito Italiano, founded in 1870 under the name Banca di Genova, grew to become one of Italy’s largest banking institutions with a strong geographic presence throughout Italy and numerous branches abroad. In 1993, the Italian Republic sold its indirect controlling stake in Credito Italiano, making it the first Italian bank to be privatized. Subsequently, in February 1995, Credito Italiano acquired a majority interest in Credito Romagnolo, a leading commercial bank based in Bologna, Italy, which thereafter merged with Carimonte Banca, a leading savings bank, to form Rolo Banca 1473 S.p.A.

The Unicredito group of regional savings banks was formed in 1997 by a three-way merger among Banca Cassa di Risparmio di Torino S.p.A., Cassa di Risparmio di Verona Vicenza Belluno e Ancona Banca S.p.A., which were at the time the second and third largest Italian savings banks, respectively, and Cassamarca — Cassa di Risparmio della Marca Trivigiana S.p.A.

1.2.3 Board of Directors

The Company’s board of directors (the “**Board**”) is currently composed of the following individuals:

<u>Name</u>	<u>Date of Birth</u>	<u>Position</u>	<u>Year First Appointed</u>
Carlo Salvatori	July 7, 1941	Chairman/Member of Executive Committee	2002
Alessandro Profumo	February 17, 1957	Managing Director/Member of Executive Committee/Chief General Manager/Chief Executive Officer	1999
Gianfranco Guty	October 8, 1938	Deputy Chairman/Member of Executive Committee	2005
Franco Bellei	April 24, 1944	Deputy Chairman/Member of Executive Committee	2002
Fabrizio Palenzona	September 1, 1953	Deputy Chairman/Member of Executive Committee	1999
Roberto Bertazzoni	December 10, 1942	Director/Member of Executive Committee	1994
Vincenzo Calandra Buonaura	August 21, 1946	Director	2002
Mario Cattaneo	July 24, 1930	Director	1999
Philippe Citerne	April 14, 1949	Director	1999
Ambrogio Dalla Rovere	January 15, 1940	Director	2002
Giovanni Desiderio	May 4, 1948	Director	2002
Giancarlo Garino	July 31, 1934	Director	2005
Francesco Giacomini	August 2, 1951	Director/Member of Executive Committee	2000
Piero Gnudi	May 17, 1938	Director	2002
Luigi Maramotti	March 12, 1957	Director	2005
Gianfranco Negri-Clementi	June 12, 1931	Director	2002
Carlo Pesenti	March 30, 1963	Director/Member of Executive Committee	2002
Giovanni Vaccarino	April 1, 1941	Director	1999
Paolo Vagnone	December 4, 1963	Director/Member of Executive Committee	2005
Anthony Wyand	November 24, 1943	Director	1999

The Company’s extraordinary shareholders’ meeting of July 29, 2005 has resolved to increase the maximum number of directors to 24 to facilitate the appointment of eight HypoVereinsbank representatives to the Board after the completion of the HVB Offer, as contemplated by the Business Combination Agreement.

1.2.4 Executive Committee

The Board appoints an executive committee of at least five members (the “**Executive Committee**”). The Chairman of the Board, the Deputy Chairmen and the Managing Director are “ex-officio” members of the

Executive Committee. The current members of the Executive Committee are Mr. Salvatori, Mr. Bellei, Mr. Guty, Mr. Palenzona, Mr. Profumo, Mr. Bertazzoni, Mr. Giacomini, Mr. Vagnone and Mr. Pesenti.

1.2.5 Top Management

The Board appoints the top executives who are responsible for managing the Company's day-to-day operations, as directed by the Managing Director/Chief General Manager/CEO.

Alessandro Profumo	Chief Executive Officer and General Manager, and <i>ad interim</i> Head of Corporate and Investment Banking
Paolo Fiorentino	Deputy General Manager and Head of Global Banking Services
Dario Frigerio	Deputy General Manager and Head of Private Banking and Asset Management
Andrea Moneta	Deputy General Manager and Head of New Europe
Roberto Nicastro	Deputy General Manager and Head of Retail

1.2.6 Board of Statutory Auditors

The Company's board of statutory auditors (the "Board of Statutory Auditors") must monitor the management of the Company and its compliance with laws, regulations and the Company's articles of association, and assesses and monitors the adequacy of the Company's organization, internal controls, administrative and accounting systems and its disclosure procedures. The Board of Statutory Auditors must report any irregularities to the Italian Supervisory Authority for Companies and Exchanges (*Commissione Nazionale per le Società e la Borsa* — "CONSOB"), the Banca d'Italia and the shareholders' meeting called to approve the Company's financial statements. The current members of the Board of Statutory Auditors are:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Year First Appointed</u>
Gian Luigi Francardo	73	Chairman	1999
Vincenzo Nicastro	65	Statutory Auditor	2002
Aldo Milanese	60	Statutory Auditor	1999
Giorgio Loli	57	Statutory Auditor	1999
Roberto Timo	43	Statutory Auditor	1999
Giuseppe Armenise	81	Alternate	2002
Marcello Ferrari	47	Alternate	2001

1.2.7 External Auditors

Under Italian law, listed companies may not appoint the same auditors for more than three consecutive three-year terms. At the annual general shareholders' meeting of the Company held on May 4, 2004, KPMG S.p.A. was appointed to act as the Company's external auditor for a period of three years. KPMG S.p.A. succeeds PricewaterhouseCoopers S.p.A., which had previously acted as the external auditor of the Company for three consecutive three-year terms.

1.2.8 Employees

As of March 31, 2005, the UniCredit Group employed a total of 68,300 individuals.

1.2.9 Principal Shareholders

Based on statutory notifications received as of the date hereof, the following table sets forth shareholders holding more than 2% of the UniCredit Ordinary Shares and, pro forma for the Offering, the most significant holders of UniCredit Ordinary Shares as of the date hereof, assuming that all shareholders accept the Exchange Offers except for HypoVereinsbank and Bank Austria Creditanstalt, as regards their stakes in Bank Austria Creditanstalt and Bank BPH, respectively:

<u>Shareholder</u>	<u>% Owned*</u> <u>(Actual)</u>	<u>% Owned*</u> <u>(Pro forma)</u>
Fondazione Cassa di Risparmio di Torino	8.687%	4.992%
Fondazione C.R. Verona, Vicenza, Belluno e Ancona	7.442%	4.277%
Carimonte Holding S.p.A.	7.034%	4.040%
Allianz Group	4.882%	2.806%
AVIVA Group	2.557%	1.469%
Fondazione Cassamarca C.R. della Marca Trivigiana	2.134%	1.226%
Munich Re Group	—	approx. 6.3%

* As a percentage of ordinary share capital. The Company's articles of association set a limitation on voting rights at 5% of voting capital.

As a result of the assumption mentioned above, the shareholders of HypoVereinsbank, Bank Austria Creditanstalt (other than HypoVereinsbank) and Bank BPH (other than Bank Austria Creditanstalt), respectively, would — in aggregate — own approximately 42.5% of the shares of UniCredit S.p.A.

1.2.10 Related Party Transactions

As part of its ordinary course of business, the Company engages in both intra-group transactions and transactions with related parties in Italy and abroad. The Company is required to disclose to the Board of Statutory Auditors relevant details of all transactions with related parties.

1.3 The HVB Group

The HVB Group offers a comprehensive range of banking and financial products and services to a broad range of retail, corporate and public sector customers, mainly in Germany, Austria and Central and Eastern Europe. The HVB Group was formed in 1998 through the merger of Bayerische Vereinsbank AG and Bayerische Hypotheken- und Wechsel-Bank AG. Since December 2000, Bank Austria Aktiengesellschaft, which had acquired Creditanstalt AG in 1997, thereby combining Austria's two largest banks, has been part of the HVB Group. The HVB Group is one of Europe's leading providers of banking and financial services. Based on consolidated assets of €467.4 billion as of December 30, 2004, the HVB Group was the second largest publicly traded bank in Germany.

1.4 The Combined Group

The strategy of the combined UniCredit Group and HVB Group resulting from the Business Combination (the "**Combined Group**") can be summarized as follows:

UniCredit S.p.A. and HypoVereinsbank have agreed that the Business Combination will be built on the presence of the Combined Group in Southern Germany, Austria and Northern Italy as well as the divisionalized structure already in place in certain geographic areas in which the UniCredit Group and the HVB Group operate. The objective of the Business Combination is to create a new force in European banking with leading positions in multiple home markets, leadership in Central and Eastern Europe ("**CEE**") as well as a balanced business portfolio and enhanced growth prospects.

The main strategic goals of the Combined Group are to:

- strengthen its competitive position in its home markets;
- maintain leverage on its leading market positions in key CEE markets;
- optimize and consolidate local entities and operations in CEE markets;
- exploit complementary strengths and critical mass in scale-driven business areas;
- focus on growth in selected regions and business areas;
- maximize revenue and cost synergies by sharing best practice;
- optimize brand portfolios and production capabilities;
- rationalize overlapping and duplicated functions; and
- implement a fully divisionalized business model.

The Combined Group's business and organizational model will be based on:

- divisionalization by client segment;
- global banking services division operating as the Combined Group's execution unit;
- multi-local approach aimed at maintaining the main local legal entities already existing, tailored to the characteristics of each market and leveraging on already recognized brands.

1.5 Risk Factors

Investment in the UniCredit Ordinary Shares involves a number of risks related to (i) the business of each of the UniCredit Group, the HVB Group and, following the consummation of the proposed Business Combination, the Combined Group, (ii) the proposed Business Combination between the UniCredit Group and the HVB Group, and (iii) the Offering and the New UniCredit Ordinary Shares.

1.5.1 Risks Related to the Business and the Business Combination

Interest rate risks. The UniCredit Group, the HVB Group and, ultimately, the Combined Group derive the majority of their revenues from net interest income. Net interest income depends largely on interest margins earned, i.e., the difference between interest earned and interest paid, which in turn is dependent upon the refinancing structure. This exposes the UniCredit Group and the HVB Group and, ultimately, will expose the Combined Group, to the risk of being unable to generate funding and raise capital at attractive rates.

Credit risks. The UniCredit Group and the HVB Group are and, ultimately, the Combined Group will be, exposed to the credit risk of third parties, both with regard to the traditional lending and deposit-taking business as well as with regard to non-traditional businesses such as derivative transactions, securities, futures and commodities trading, owning securities of third parties, and other credit arrangements. This exposes the UniCredit Group and the HVB Group and, ultimately, will expose the Combined Group, to the risk of defaults by their counterparties, which have historically been aggravated during periods of economic downturn.

Loan losses. Both the UniCredit Group and the HVB Group currently are, and the Combined Group will be, major lenders to several large corporate customers that have filed for insolvency, are undergoing restructuring, and/or are in payment default. If current assumptions on the realization value of the collateral underlying loans in default or on the number of future insolvencies and defaults exceed anticipated levels, the Combined Group may require provisions for loan losses and advances or incur loan losses in excess of provisioned amounts.

Strategy. The Combined Group may not be able to achieve all or certain parts of the strategic goals pursued through the Business Combination. As a result, the Combined Group may not be able to fully realize expected synergies from the Business Combination.

Regulatory capital. The proposed Business Combination will lead to a decrease in the Tier 1 capital ratio of the UniCredit Group, unless the UniCredit Group and/or the HVB Group succeed in improving their respective Tier 1 capital ratios prior to the consummation of the Business Combination. Such improvement will require the UniCredit Group and/or the HVB Group to increase their regulatory capital and/or optimize risk-weighted assets. There can be no guarantee that the UniCredit Group or the HVB Group will be successful in doing so. Any failure to improve the respective regulatory capital ratios of the UniCredit Group or the HVB Group may lead to rating downgrades of the Combined Group following consummation of the Business Combination, jeopardize future acquisitions and lead to regulatory intervention. In particular, the Company's status as a "Financial Holding Company" in the United States is dependent on certain levels of capitalization, which could be jeopardized following the Business Combination.

Rating. There can be no assurance that the Business Combination will not result in a further downgrade of the credit ratings of UniCredit S.p.A. and other entities of the Combined Group, which would increase the Combined Group's re-financing costs and limit its access to the financial markets and other sources of liquidity.

Competition. The UniCredit Group and the HVB Group are, and the Combined Group will be, subject to intense competition in its core markets in Italy, Germany, Austria and Central and Eastern Europe by both public and private sector banks. Some of these competitors may be larger and better capitalized and, in the case of public sector banks, benefit from governmental support. This competitive environment may not allow the Combined Group to maintain or raise its interest margins to adequate levels.

International exposure. The international operations of the UniCredit Group and the HVB Group involve, and, ultimately, the international operations of the Combined Group will involve, certain risks and exposures, particularly in Central and Eastern Europe. These risks include different legal systems and political and economic conditions. In particular, the accession of the Central and Eastern European countries to the European Union has led and will continue to lead to significant changes in the regulatory and economic environment in these countries. In addition, legal, fiscal and monetary disciplines of the European Union may restrain economic growth in Central and Eastern Europe during the coming years.

Foreign exchange risk. The business of the UniCredit Group, the HVB Group and, ultimately, the Combined Group in currencies other than the euro, most importantly in Central and Eastern European currencies, as well as U.S. dollars, exposes UniCredit Group and the HVB Group and will expose the Combined Group to currency translation risks. In addition, the Combined Group will be exposed to foreign currency transaction risks.

Volatility of trading income. The trading income of both the UniCredit Group and the HVB Group has historically been volatile and the trading income for the Combined Group is expected also to be volatile and depend on a number of external factors beyond the Combined Group's control, such as market and macroeconomic factors. There can therefore be no guarantee that the Combined Group will be able to sustain historic levels of trading income.

Risk management. The Combined Group's risk management systems and strategies may fail, and the Combined Group may suffer unexpected losses from unidentified or incorrectly evaluated market developments, trends or other circumstances. These risks and the adverse effects resulting from them may be further aggravated by the complex integration of the risk management systems of the UniCredit Group and the HVB Group.

Information technology. The Combined Group's banking activities will be dependent on highly sophisticated information technology systems, which are vulnerable to a number of problems including viruses, hacking and other causes of systems failure. These risks and the adverse effects resulting from them may be further aggravated by the complex integration of the information technology systems of the UniCredit Group and the HVB Group.

Market and economic conditions. Adverse market or economic conditions could result in a decline of commission- and fee-based businesses of the Combined Group.

Regulatory environment. The operations of the Combined Group will be subject to regulation and supervision by central banks and regulatory authorities in each of the countries in which it operates. These regulations require a banking or other financial services license or at least notification of national regulators in each country. This regulatory environment is subject to change in each jurisdiction, and non-compliance with regulatory requirements may result in enforcement measures.

HVB Group. The HVB Group reported a net loss in 2002, 2003 and 2004 and a loss from operating activities in 2002. There can be no guarantee that the HVB Group will be able to improve its results in a sustained manner. In addition, HypoVereinsbank faces certain ongoing liabilities and operational risks resulting from the spin-off of Hypo Real Estate Holding AG in 2003.

Prospectus liability. Entities of both the UniCredit Group and the HVB Group have published and are responsible for, and entities of the Combined Group are expected to continue to publish and be responsible for, prospectuses for a variety of equity and debt securities and other financial instruments.

Acquisitions. The integration of recent acquisitions by the UniCredit Group will involve ongoing integration challenges.

Basel II. Since the rules of the New Basel Capital Accord on capital requirements for financial institutions have not yet been implemented, their effects on the UniCredit Group, the HVB Group and, ultimately, the Combined Group are still subject to uncertainty.

Tax. Changes in tax laws and their interpretations may adversely affect the business of the Combined Group.

Litigation. The UniCredit Group and the HVB Group each faces certain litigation risks, which may adversely affect the Combined Group.

Business Combination. Unforeseen difficulties in connection with the Business Combination, including with regard to achieving synergies, communication with customers and partners, and the potential loss of key employees, may adversely affect the Combined Group. In addition, the Company's control over HypoVereinsbank, Bank Austria Creditanstalt and Bank BPH will be limited by the fact that these companies are likely to remain publicly traded companies with third-party minority shareholders.

1.5.2 Risks Related to the Offering and the New UniCredit Ordinary Shares

The Offering. Because the exchange ratio for the Exchange Offers is fixed, the number of New UniCredit Ordinary Shares that will be received by the shareholders of HypoVereinsbank, Bank Austria Creditanstalt and/or Bank BPH upon settlement of the respective Exchange Offer will not increase if there is a decline in the market price of the UniCredit Ordinary Shares, or an increase in the market price of the shares of HypoVereinsbank, Bank Austria Creditanstalt and/or Bank BPH, between the launch of the respective Exchange Offer and the delivery of the New UniCredit Ordinary Shares. Investors therefore take the risk that the exchange ratio will be less favorable for them upon settlement of the Exchange Offers than at the date of this Prospectus and/or during the Exchange Offers.

The New UniCredit Ordinary Shares. The New UniCredit Ordinary Shares are shares in an Italian stock corporation and have rights and privileges different from those conveyed by shares in a German, Austrian or Polish stock corporation. In addition, under the Company's articles of association, no shareholder may vote more than 5% of the Company's voting share capital. This provision may have the effect of discouraging takeover bids for the Company and, consequently, investors in the New UniCredit Ordinary Shares may be less likely to benefit from such takeover bids. Furthermore, UniCredit S.p.A. has certain savings shares outstanding whose holders are

entitled to preferential dividends that reduce the amount of profits available for distribution to holders of UniCredit Ordinary Shares.

Market conditions. The market price of the UniCredit Ordinary Shares has been and may continue to be volatile. In addition, the future sale of a substantial number of UniCredit Ordinary Shares or shares in significant subsidiaries of the Combined Group could negatively affect the market price of the UniCredit Ordinary Shares.

1.6 Operating Review and Prospects

For the three months ended March 31, 2005, the UniCredit Group reported a net profit of €693 million, an increase of €227 million, or 48.7%, from a net profit of €466 million reported for the three months ended March 31, 2004. The result for the first quarter of 2005 benefited, however, from a capital gain of approximately €200 million from the sale of a 20.3% stake in Autostrada Brescia Verona Vicenza Padova. For the year ended December 31, 2004, the UniCredit Group reported a net profit of €2,131 million.

The slowdown in the U.S. economy as well as oil price increases continue to create uncertainty as to the short-term economic outlook for countries in the euro area, where growth rates are still very low. Against this macroeconomic background, the possibility that the European Central Bank might take restrictive measures in the short term is receding. However, in light of the potential inflationary repercussions of the increase in energy prices, it is equally unlikely that there will be a further drop in reference rates. The continuing weak economic cycle and the impact of market rates on spreads have led to a certain degree of caution in making profit projections for the Italian banking industry. After remaining nearly flat in 2004 (down by 0.3% based on preliminary Banca d'Italia estimates), total revenues should increase slightly, driven primarily by growth in volume, which is projected to be strong in terms of both loans and deposits, and by the anticipated rise in service income due to a moderate growth trend in stock markets projected for the rest of the year. In the environment described above, and in light of results achieved in the first quarter, the UniCredit Group confirms its business and profit growth targets for the current year. Expectations of revenue and volume growth, together with policies to control costs and risks, should make it possible to maintain a strong cost/income ratio and achieve significant growth in the UniCredit Group's operating profit if economic and business trends are in line with projections.

1.7 Selected Financial Data

1.7.1 Selected Consolidated Financial Data for the UniCredit Group

	Three Months Ended March 31,		Year Ended December 31,		
	2005	2004	2004	2003	2002
	(Unaudited)		(€ millions)		
INCOME STATEMENT DATA:					
Total revenues	2,712	2,488	10,375	10,465	10,099
<i>of which: Net interest income</i>	1,299	1,193	5,200	5,088	5,127
<i>Net commissions</i>	871	798	3,289	3,316	3,190
Operating expenses	(1,503)	(1,418)	(5,941)	(5,703)	(5,483)
Net operating income	1,209	1,070	4,434	4,762	4,616
Profit before extraordinary income and taxes	881	798	2,988	3,257	2,924
Group portion of net income for the period	693	466	2,131	1,961	1,801
	As of March 31, 2005		As of December 31,		
	(Unaudited)		2004	2003	2002
			(€ millions)		
BALANCE SHEET DATA:					
Total Assets	276,529		265,855	238,256	213,349
Deposits:					
Due to customers	102,957		103,817	97,976	93,572
Securities in issue	57,177		53,106	37,298	33,173
Total Deposits	198,198		194,625	179,526	158,736
Subordinated debt	6,563		6,541	6,190	7,088
Total Shareholders' Equity	14,797		14,036	13,013	12,261

KEY FINANCIAL RATIOS

	Three Months Ended March 31,		Year Ended December 31,		
	2005	2004	2004	2003	2002
	(Unaudited)				
Profitability ratios					
ROE ⁽¹⁾	21.60%	15.50%	17.90%	17.70%	17.20%
ROE (excluding amortization of goodwill)	23.80%	17.90%	20.20%	20.10%	19.60%
Operating profit/Total assets	1.75%	1.75%	1.67%	1.98%	2.16%
Cost/Income ratio ⁽²⁾	55.40%	57.00%	57.30%	54.50%	54.30%
Risk Ratios					
Net non-performing loans/Loans to customers	1.84%	1.96%	1.87%	1.87%	1.85%
Net doubtful loans/Loans to customers	3.46%	3.88%	3.49%	3.72%	3.66%
Capital Ratios					
Core capital ⁽³⁾ /Total risk-weighted assets	7.10%	6.98%	7.36%	6.96%	9.13%
Capital for regulatory purposes ⁽⁴⁾ /Total risk-weighted assets	11.22%	11.13%	11.64%	11.10%	11.64%
Productivity ratios⁽⁵⁾ (€ thousands)					
Total revenues/Number of employees	159	144	151	152	152
Total assets/Number of employees	4,049	3,544	3,877	3,450	3,206
Payroll Costs/Number of employees	52	49	49	48	47

⁽¹⁾ Defined as the UniCredit Group portion of net income for the period (after preferred share dividends but before dividends on ordinary shares) divided by book value of shareholders' equity (excluding the UniCredit Group portion of net income for the current period) as of the end of the period, expressed as a percentage.

⁽²⁾ Cost to income ratio is defined as the ratio between operating expenses (excluding amortization of goodwill) and total revenues.

⁽³⁾ Core capital is defined as Tier 1 capital less the Company's preferred shares.

⁽⁴⁾ Capital for regulatory purposes is defined as the sum of Tier 1 capital (including preferred shares) plus Tier 2 capital, less deductions, plus Tier 3 instruments.

⁽⁵⁾ The number of employees used to calculate these ratios is that at the end of each period.

	Six months ended June 30,		Year ended December 31,		
	2005	2004	2004	2003	2002
	(reviewed)		(€ millions)		
INCOME STATEMENT DATA:					
Total revenues	5,604	5,203	10,375	10,465	10,099
<i>of which: Net interest income</i>	2,708	2,520	5,200	5,088	5,127
<i>Net commissions</i>	1,799	1,653	3,289	3,316	3,190
Operating expenses	(3,048)	(2,923)	(5,941)	(5,703)	(5,483)
Net operating income	2,556	2,280	4,434	4,762	4,616
Profit before extraordinary income and taxes	1,885	1,663	2,988	3,257	2,924
Group portion of net income for the period	1,301	1,049	2,131	1,961	1,801
	As of June 30, 2005 (reviewed)		As of December 31, 2004 2003 2002		
	(reviewed)		(€ millions)		
BALANCE SHEET DATA:					
Total Assets	287,628	265,855	238,256	213,349	
Deposits:					
Due to customers	99,698	103,817	97,976	93,572	
Securities in issue	62,737	53,106	37,298	33,173	
Total Deposits	<u>201,104</u>	<u>194,625</u>	<u>179,526</u>	<u>158,736</u>	
Subordinated debt	5,878	6,541	6,190	7,088	
Total Shareholders' Equity	<u>14,223</u>	<u>14,036</u>	<u>13,013</u>	<u>12,261</u>	

KEY FINANCIAL RATIOS

	Six months ended June 30,		Year ended December 31,		
	2005	2004	2004	2003	2002
	(reviewed)				
Profitability ratios					
ROE ⁽¹⁾	20.10%	17.50%	17.90%	17.70%	17.20%
ROE (excluding amortization of goodwill)	22.60%	19.90%	20.20%	20.10%	19.60%
Operating profit/Total assets	1.78%	1.87%	1.67%	1.98%	2.16%
Cost/Income ratio ⁽²⁾	54.40%	56.20%	57.30%	54.50%	54.30%
Risk Ratios					
Net non-performing loans/Loans to customers	1.80%	1.91%	1.87%	1.87%	1.85%
Net doubtful loans/Loans to customers	3.46%	3.64%	3.49%	3.72%	3.66%
Capital Ratios					
Core capital ⁽³⁾ /Total risk-weighted assets	7.46%	7.35%	7.36%	6.96%	9.13%
Capital for regulatory purposes ⁽⁴⁾ /Total risk-weighted assets	11.06%	11.43%	11.64%	11.10%	11.64%
Productivity ratios⁽⁵⁾ (€ thousands)					
Total revenues/Number of employees	164	150	151	152	152
Total assets/Number of employees	4,215	3,517	3,877	3,450	3,206
Payroll Costs/Number of employees	52	49	49	48	47

⁽¹⁾ Defined as the UniCredit Group portion of net income for the year (after preferred share dividends but before dividends on ordinary shares) divided by book value of shareholders' equity (excluding the UniCredit Group portion of net income for the current year) as of the end of the year, expressed as a percentage.

⁽²⁾ Cost to income ratio is defined as the ratio between operating expenses (excluding amortization of goodwill) and total revenues.

⁽³⁾ Core capital is defined as Tier 1 capital less the Company's preferred shares.

⁽⁴⁾ Capital for regulatory purposes is defined as the sum of Tier 1 capital (including preferred shares) plus Tier 2 capital, less deductions, plus Tier 3 instruments.

⁽⁵⁾ The number of employees used to calculate these ratios is that at the end of each period.

1.7.2 Selected UniCredit Consolidated Pro Forma Information

	UniCredit Group as of and for the Year Ended December 31, 2004	HVB Group as of and for the Year Ended December 31, 2004	Consolidated Pro-forma as of and for the Year Ended December 31, 2004
		(€ millions)	
Net Interest Income	5,093	5,656	10,691
Total Revenues	9,957	9,219	19,133
Operating Profit	4,398	3,254	7,708
Profit from Ordinary Activities	2,969	(1,781)	1,613
Group portion of Net Profit/(Loss) for the Year	2,131	(2,278)	143
Assets Held For Trading	58,321	91,726	150,048
Due from Banks	36,512	47,479	83,992
Due from Customers	<u>141,091</u>	<u>261,804</u>	<u>402,761</u>
Total Assets	<u>264,698</u>	<u>467,408</u>	<u>738,629</u>
Due to Customers and Securities in Issue	156,746	254,013	410,646
Minorities Portion of Shareholders' Equity	1,129	2,515	1,788
Shareholders' Equity	13,732	11,485	33,298
Consolidated Net Earnings Per Share(€)	0.34	(3.03)	0.01
Consolidated Net Equity Per Share(€)	2.20	15.30	3.04

1.8 Capitalization and Indebtedness

<u>(Pursuant to Italian GAAP)</u>	<u>At October 31, 2005</u> <u>(unless specified</u> <u>otherwise)</u>
	<u>(€ thousands)</u> <u>(unaudited)</u>
Total debt	<u>21,446,447</u>
Total shareholders' equity*	<u>13,864,381</u>
Total Capitalization and Indebtedness	<u>35,310,828</u>

* As at June 30, 2005, net of treasury shares

1.9 Additional Information

As of the date hereof, the share capital of UniCredit S.p.A. amounted to €3,177,540,014.00 and consisted of 6,355,080,028 UniCredit Shares (as defined below), each with a nominal value of €0.50, including 6,333,373,476 Existing UniCredit Ordinary Shares and 21,706,552 UniCredit Savings Shares (as defined below).

As set forth in article 4 of the articles of association of the Company, the corporate purpose of the Company is to engage in the collection of savings and in deposit-taking and lending in its various forms, in Italy and abroad, in accordance with prevailing laws, regulations and practice, and to execute any permitted transactions and services of a banking and financial nature. The Company may, in accordance with applicable laws and regulations, issue debentures and undertake shareholdings both in Italy and abroad.

The following documents (or copies thereof), insofar as they relate to the UniCredit Group, may be inspected through December 31, 2006 during regular business hours at the offices of the Company, Piazza Cordusio, 20123 Milan, Italy:

- articles of association of the Company;
- regulation regarding the ordinary shareholders' meeting, the annual report to the ordinary shareholders' meeting on the corporate governance system and the Company's code of conduct for internal dealing (*Codice di comportamento in materia d'Internal Dealing*);
- consolidated and unconsolidated financial statements of UniCredit S.p.A. as of and for the years ending December 31, 2002, 2003 and 2004, and the interim consolidated financial statements as of and for the three months ended March 31, 2005, the six months ended June 30, 2005, and the nine months ended September 30, 2005;
- report of the board of statutory auditors, and report of the external auditors, each relating to the financial statements of the UniCredit Group for the financial years 2002, 2003 and 2004, and report of the external auditors relating to the interim consolidated financial statements for the six month period ended June 30, 2005; and
- consolidated and unconsolidated financial statements of HypoVereinsbank as of and for the years ending December 31, 2002, 2003 and 2004, and the interim consolidated financial statements as of and for the three months ended March 31, 2005, the six months ended June 30, 2005, and the nine months ended September 30, 2005.

The documents mentioned above (or copies thereof) and all future financial reports of UniCredit S.p.A. and HypoVereinsbank may also be inspected electronically through December 31, 2006 at <http://www.unicredit.it> and <http://www.hvb.de>, respectively, as will be all future financial reports of UniCredit S.p.A. and HypoVereinsbank.