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

# Supplement to the Prospectus

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

**and**

composed of the Registration Document filed at CONSOB on 30 January 2017 pursuant to the notice of approval in a memorandum dated 27 January 2017, file no. 0013115/17, the Securities Note filed with CONSOB on 3 February 2017, pursuant to the notice of approval in a memorandum dated 3 February, file no. 0016471/17 and the Summary Note filed with CONSOB on 3 February 2017, pursuant to the notice of approval in a memorandum dated 3 February, file no. 0016471/17.

## UniCredit S.p.A.

Registered office – Via Alessandro Specchi 16, Rome

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

Registered in the Bank Register and Parent Company of the "UniCredit Group"

banking group in the Banking Groups Register at number 02008.1

Rome Companies Register, Tax Code and VAT Registration Number 00348170101

Share capital subscribed and fully paid-in €20,864,893,436.94

Member of the Italian Bank Deposit Guarantee Fund and the National Compensation Fund

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Supplement filed with CONSOB on 15 February 2017, pursuant to the notice of approval in a memorandum dated 15 February 2017, file no. 0021527/17.

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

The Supplement should be read together with the Registration Document filed at CONSOB on 30 January 2017 pursuant to the notice of approval in a memorandum dated 27 January 2017, file no. 0013115/17, the Securities Note filed with CONSOB on 3 February 2017, pursuant to the notice of approval in a memorandum dated 3 February, file no. 0016471/17 and the Summary Note filed with CONSOB on 3 February 2017, pursuant to the notice of approval in a memorandum dated 3 February, file no. 0016471/17.

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

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

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## NOTICE TO INVESTORS

*In order to carry out a proper appreciation of the investment, the recipients of the offer and, more generally, investors, are invited to assess carefully: (i) in their entirety, the information contained in the Prospectus - as integrated and updated with the information contained in the Supplement - constituted by the Registration Document (already integrated with the information referred to in Chapter 11 of the Notice), in the Notice and in the Summary Note, (ii) the specific risk factors related to the Issuer, the UniCredit Group and the business sector in which it operates, reported in Chapter 4 ("Risk Factors") of the Registration Document (as integrated with the information Referred to in Chapter 11 of the Note and with the information contained in the Supplement) and the specific risk factors related to financial instruments offered reported in Chapter 2 ("Risk Factors") of the Note (as integrated with the information contained in the Supplement).*

*In particular, the recipients of the Offer and, more generally, investors, are informed about the following facts:*

1. The Supplement was prepared by UniCredit S.p.A. (The "**Issuer**" or the "**Company**"), within the meaning of Articles 94, paragraph 7 and 113, paragraph 2 of the Legislative Decree No. 58/1998 ("**TUF**"), in order to supplement the information provided in the Prospectus below: (i) The resolution of the Board of Directors of the Issuer of 9 February 2017, with which the Board has inter alia approved the preliminary data for the financial year ended 31 December 2016 of the UniCredit Group (the "**2016 Preliminary Data**"), also in order to carry out the consolidated statistical monitoring harmonized within the framework of the European Union (so-called FINancial REPorting - FINREP) within the meaning of the applicable binding technical implementation rules (ITS); and (ii) The signing of the agreement with the trade unions on 4 February 2017, concerning redundancies envisaged in Italy by the 2016-2019 Strategic Plan of the UniCredit Group (the "**Strategic Plan**").

   Those who have joined the Option Offer can exercise - within the meaning of art. 95-bis, paragraph 2, of the TUF - the right of withdrawal of their subscription within two working days of the publication of the Supplement.

2. Note that the share capital increase approved by the Extraordinary Shareholders' Meeting on 12 January 2017 for a maximum total amount of €13 billion (the "**Share Capital Increase**") is one of the main measures of the Strategic Plan and is aimed at enabling the Group's capital requirements to be maintained following the implementation of the measures in the Strategic Plan, as well as aligning these requirements with those of the major European competitors. The main actions of the Strategic Plan include, among other things: (i) the completion of certain one-off transactions to sell assets (including, specifically, the sale of the Pioneer Investments Group and Bank Pekao) in addition to the sales transactions already completed at the Date of the Supplement; (ii) the improvement of the quality of the assets ("Fino Project" and "Porto Project"); and (iii) the significant reduction of the number of employees and consequently personnel expenses and other operating expenses.

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

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

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

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

Specifically, note that resulting from the implementation of some of the Strategic Plan measures, the (i) negative impacts on the capital buffers (Common equity tier 1 ratio, Tier1 ratio and Total capital ratio) and (ii) one-off negative impacts on the net financial result for the fourth quarter of 2016 for the UniCredit Group, equal to €12.2 billion in total, due, to a great extent, to the increase in the degree of cover on the portfolio of loans subject to sale under the scope of the "Fino Project" and the impaired loans of the "Porto Project" (in this regard, note that at the meeting of 1 February 2017 the Board of Directors approved the execution of the "Fino Project").

In consideration of the timings of the Strategic Plan measures, the negative impacts on the capital buffers are recorded during the fourth quarter of 2016 while the Share Capital Increase and the completion of the M&A Asset Sale Transactions in the process of execution at the Date of the Supplement (the "**M&A Asset Sale Transactions in the process of being Executed**") will be implemented in 2017.

Therefore, in the execution of the Strategic Plan, as a result of the time lag between the above negative impacts and the execution of the Share Capital Increase as well as the completion of the M&A Asset Sales Transactions in the process of being Executed, the Issuer - as confirmed during the approval of the 2016

Preliminary Data on 9 February 2017 (see Chapter 3, Paragraph 3.14 of the Supplement) – does not comply with prudential requirements applicable both at 31 December 2016 (in terms of CET1 capital ratio) and from 1 January 2017, pursuant to the 2016 SREP (OCR Requirements, see Chapter 4, Paragraph 4.1.5 of the Registration Document).

On 1 February 2017, the Issuer, with the financial institutions acting as underwriters (the "**Underwriters**") signed the underwriting agreement (the "**Underwriting Agreement**") pursuant to which the Underwriters have a commitment to subscribe, separately and without joint and several liability, the shares from the Share Capital Increase which have not been taken up at the end of the Market Offering, up to a total of €13 billion. The Underwriting Agreement includes certain conditions precedent, as well as the right of the Underwriters to withdraw from the subscription commitment if certain circumstances occur. If an event referred to in the Underwriting Agreement takes place and the Underwriters exercise their right to withdraw from the agreement and, at the end of the Market Offering, the Share Capital Increase is not fully subscribed or only partly subscribed, the Issuer would not be able to comply with the capital requirements laid down by the prudential regulations and this would result in the negative consequences described above (see Chapter 2, Paragraph 2.1.4 of the Securities Note). The overall amount of the Offering expenses - including, among other things, the underwriting fees calculated at the highest level - is estimated at a total amount of around €500 million.

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

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

3. The subscription of New Shares and the investment in shares of the Issuer implies the assumption of typical risks associated with an investment in risk capital. These risks include the (integral) risk of the loss of the capital invested where the Issuer is subject to insolvency proceedings or finds itself failing or at risk of failure which involves the application of "resolution" instruments. In this regard the BRRD makes provision for the possibility pertaining to Banca d'Italia (in its capacity as National Resolution Authority) to undertake "resolution" measures for banks that are failing or at risk of failing, as an alternative to compulsory liquidation proceedings. These resolution measures include bail-in, which consists of a reduction of the

rights of shareholders and creditors or the conversion of the rights of the latter into capital and could also result in the zeroing of the par value of the shares and the write-down of receivables due to the bank with their conversion into shares (see Chapter 2, Paragraph 2.1.6 of the Securities Note).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   In this respect, it should be noted that, on 30 January 2017, the Board of Directors - in the discussion of the estimates of the preliminary consolidated results for the financial year ended 31 December 2016 - and, subsequently, on 9 February 2017 – at the time of the approval of the 2016 Preliminary Data - took into account a series of further one-off entries of negative income items amounting to about €1 billion (for details see Chapter 11 of the Securities Note), accounted for in financial year 2016. Taking the additional one-off negative income items into account (which do not result in net negative impacts on the capital buffers). Taking into account the one-off components of negative income amounting to EUR 13.1 billion for 2016, the 2016 Preliminary Data (not subject to audit activities) show a net consolidated loss for 2016 of approximately €11.8 billion. In addition, considering only the recurring income components, the Issuer estimates to record a consolidated net profit which, although positive, is expected to decline compared to that of 2015.

   As regards the business operations, the 2016 Preliminary Data shows a reduction of the consolidated result of operations with respect to the corresponding value of 2015 determined on a comparable basis (for more information, see Chapter 3, paragraph 3.14 of the Supplement), this will be following a drop in income, in addition to an increase in operating costs.

In the light of the foregoing, investor's attention is drawn to the fact that there are significant limitations to the comparability of historical financial information of the UniCredit Group with the information of preliminary nature, as well as with the financial information which will be contained in accounting of UniCredit Group subsequent to that of 30 September 2016 (see Chapter 4, Paragraph 4.1.6 of the Registration Document).

7. The Registration Document contains the Pro-Forma Consolidated Statements as at 30 September 2016 and 31 December 2015. The pro-forma data in the Pro-Forma Consolidated Statements were prepared to retroactively reflect the significant effects of the Asset Sales Transactions, the increase in the degree of cover on impaired loans under the "Fino Project" and the "Porto Project", as well as the Share Capital Increase, as if these transactions had taken place in the period in which the above pro-forma data refer to. The Supplement contains an update of the pro-forma data contained in the Pro-Forma Consolidated Prospectuses in order to reflect the status of implementation of union agreements relating to redundancies envisaged in the Strategic Plan.

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

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

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

   Any significant new fact, material error or imprecision relating to the pro-forma financial information in the Registration Document (as integrated with the information referred to in Chapter 11 of the Summary

Note and the one of the Supplement), that may influence the evaluation of the financial products and which occurs or is identified between the time the Supplement is approved and the time the offer to the public is definitively closed will be mentioned in an additional supplement to the Prospectus pursuant to Article 94, paragraph 7 of the TUF.

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

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

9. As at the Date of the Supplement, there are numerous legal proceedings pending in relation to the Issuer and other companies belonging to the UniCredit Group.

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

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

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

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

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

## “WARNINGS FOR INVESTORS

*In order to carry out a proper appreciation of the investment, the recipients of the offer and, more generally, investors, are invited to assess carefully:* ***(i)***~~-~~ *in their entirety, the information contained in the* ***Prospectus - as integrated and updated with the information contained in the Supplement - constituted by*** *the Registration Document* ***(already integrated with the information referred to in Chapter 11 of the Notice),*** ~~*in*~~ ***in the*** *Notice and* ~~*in*~~ ***in the*** *Summary Note****,*** ~~*(together, the “Prospectus”), and*~~ ***(ii)*** *the specific risk factors related to the Issuer, the UniCredit Group and the business sector in which it operates, reported in Chapter 4 (“Risk Factors”) of the Registration Document* ***(as integrated with the information Referred to in Chapter 11 of the Note and with the information contained in the Supplement)*** *and the specific risk factors related to financial instruments offered reported in Chapter 2 (“Risk Factors”) of the Note* ***(as integrated with the information contained in the Supplement)****.*

*In particular, the recipients of the Offer and, more generally, investors, are informed about the following facts:*

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

1. **The Supplement was prepared by UniCredit S.p.A. (The “Issuer” or the “Company”), within the meaning of Articles 94, paragraph 7 and 113, paragraph 2 of the Legislative Decree No. 58/1998 (“TUF”), in order to supplement the information provided in the Prospectus below: (i) The resolution of the Board of Directors of the Issuer of 9 February 2017, with which the Board has inter alia approved the preliminary data for the financial year ended 31 December 2016 of the UniCredit Group (the “2016 Preliminary Data”), also in order to carry out the consolidated statistical monitoring harmonized within the framework of the European Union (so-called FINancial REPorting - FINREP) within the meaning of the applicable binding technical implementation rules (ITS); and (ii) The signing of the agreement with the trade unions on 4 February 2017, concerning redundancies envisaged in Italy by the 2016-2019 Strategic Plan of the UniCredit Group (the “**Strategic Plan**”).**

   **Those who have joined the Option Offer can exercise - within the meaning of art. 95-bis, paragraph 2, of the TUF - the right of withdrawal of their subscription within two working days of the publication of the Supplement**

2. It is pointed out that the **capital increase approved by the extraordinary meeting of the shareholders on 12 January 2017 for a maximum overall amount of Euro 13 billion (the "Capital Increase")** constitutes one of the main actions of the Strategic Plan ~~for 2016-2019 of the UniCredit Group (the "**Strategic Plan**")~~ and is intended to allow the maintenance of the capital requirements of the Group as a result of the implementation of actions of the Strategic Plan and to align these requirements to those of the main European competitors. The main actions of the Strategic Plan include, inter alia: (i) the completion of certain extraordinary operations of disposal of assets (including, in particular, the sale of the Group Pioneer Investments and Bank Pekao) in addition to the transfer operations already completed on the Date ~~of the Note~~ **of the Supplement**; (ii) the asset quality improvement ("Fino Project" and "Porto Project"); and (iii) a significant reduction in the number of employees and consequently of personnel costs and other operating costs.

   Taking into account that in the implementation of the Strategic Plan, there are action in course of implementation at the date ~~of the Notice~~ **of the Supplement**, involving a significant absorption of capital, the failure of subscription or a partial subscription of the Capital Increase - in the absence of further interventions for strengthening the equity structure adequate to cope with the absorptions of capital generated by the actions of the Strategic Plan - would have significant negative impacts on the economic and financial situation of the Group, to the point of compromising the existence of conditions for business continuity. In such an event, UniCredit could also be subject of interventions, even invasive, by the Supervisory Authority, in its management, such as the imposition of restrictions or limitations of the activity and/or the disposal of assets that may have excessive risks for the solidity of the Issuer. Finally, there is a risk that the Issuer may not able to meet the applicable capital requirements, even resorting to extraordinary measures other than those laid down in the Strategic Plan, it may be necessary to apply the resolution instruments referred to in L.D. 16 November 2015, no. 180, of transposition of Directive 2014/59/EU (so-called "*Bank Recovery and Resolution Directive*", "**BRRD**").

   As of the Date ~~of the Note~~ **of the Supplement** there is a risk that even in the case of integral implementation of actions in the Strategic Plan at the end of the Plan period the Issuer's capital ratios and/or a level of impaired loans may be not in line with those recorded by the main competitors in the same period.

   ~~On 9 February 2017 a meeting of the Board of Directors of the Issuer is expected to be held to approve the preliminary data of the UniCredit Group relating to the financial year ended 31 December 2016. This data will be subject to disclosure to the market and a supplement to the Registration Document, which will be submitted for the approval of the CONSOB.~~

   The recapitalisation constitutes one of the major actions placed at the base of the Strategic Plan aimed, inter alia, to the strengthening of the capital structure, to the improvement of the level of impaired loans as well as to support profitability Among the actions covered by the Strategic Plan, oriented towards the aforesaid goal, there are some operations aimed at improving the quality of the assets, such as the "Fino Project" (having as its object the reduction in the portfolio of non-core loans classified as impaired through a market operation) and the "Porto Project" (i.e. the increase in the degree of coverage of impaired loans and probable defaults of the Italian credit portfolio), as well as some asset disposal operations ( "**Asset Disposal Operations**"), some of which are completed as of the Date of the ~~Note~~ **Supplement** and other in course of execution as of the above-mentioned date. It is noted that the European Central Bank ("**BCE**"), for the purposes of the next *Supervisory Review and Evaluation Process* ("**SREP**"), will assess all the actions undertaken by the Group in the implementation of the Strategic Plan together with the additional aspects assessed within the framework of this process.

The amount established as an objective of the Capital Increase (EUR 13 billion) was fixed as the result of an assessment of the impact on the capital ratios of the UniCredit Group resulting from the implementation of the Strategic Plan actions.

In particular we note the circumstance that the implementation of some actions of the Strategic Plan expected (i) negative impacts on capital ratios (Common equity tier 1 ratio, Tier1 ratio and total capital ratio) and (ii) the negative impacts not applicants on the economic result of net fourth quarter 2016 of the UniCredit Group, amounting to Euro 12.2 billion, largely due to the increase of the degree of coverage on the portfolio of credits transferred in the context of the “Fino Project” and for impaired loans subject of the “Porto Project” (in this respect it should be noted that at the meeting of 1 February 2017 the Board of Directors has approved the execution of the “Fino Project”).

In consideration of the timing of the actions of the Strategic Plan, ~~it is envisaged that~~ the negative impacts on the capital ratios ~~will be registered~~ **occurred** in the course of the fourth quarter 2016, while it is envisaged that the capital increase and the completion of the sale of assets in the course of execution at the Date of the ~~Note~~ **Supplement** (the “**Operations for the disposal of assets in the course of execution**”) will take place in 2017.

Therefore, in the execution of the Strategic Plan, as a result of the time lag between the above negative impacts and the execution of the Share Capital Increase as well as the completion of the M&A Asset Sales Transactions in the process of being Executed, the Issuer ~~anticipates that with the approval of the preliminary data for the financial year ending 31 December 2016 will not comply with the prudential limits of the Issuer~~ **- as confirmed during the approval of the 2016 Preliminary Data on 9 February 2017 (see Chapter 3, Paragraph 3.14 of the Supplement) – does not comply with prudential requirements** applicable both at 31 December 2016 **(in terms of CET1 capital ratio)** and from 1 January 2017, pursuant to the 2016 SREP (OCR Requirements, see Chapter 4, Paragraph 4.1.5 of the Registration Document). ~~These figures are expected to be approved by 9 February 2017, the date on which the Financial Reporting – FinRep. will be sent to the ECB.~~

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

As a result of the discovery of the failure to comply with the capital requirements on 31 December 2016, the Issuer ~~will also be obliged to proceed~~ **proceeded on 9 February 2017**, pursuant to the applicable norms, with reporting of this circumstance to the ECB and sent an asset strengthening plan to that Supervisory Authority (so-called *capital plan*), which ~~will include~~ **includes** the asset strengthening measures of the Strategic Plan already communicated to the market and to the Supervisory Authority (in particular, the Capital Increase and Asset Transfer Operations). The adequacy of the capital plan will be subject to evaluation by the ECB.

In view of the failure to comply with the capital requirements applicable from 1 January 2017, it will not be possible for the Issuer to proceed - until the unmet capital requirements are restored - to the distribution of dividends and the payment of the coupons of Additional tier 1 instruments and variable compensation of Issuer's employees. Therefore, due to the failure to comply with the prudential limits due to the time difference, in case the Capital Increase is not subscribed or is subscribed only partially, the Issuer may not pay the coupons on the Additional tier 1 instruments due in March 2017 and would have limitations in dividend distribution policy as well as on the variable remuneration of employees of the UniCredit Group. The Issuer, in fact, would have to resort to further capital strengthening interventions for the purposes of the achievement of these prudential limits, with consequent significant negative impacts on the economic and financial situation of the Group, even compromising the existence of conditions for business continuity - in the event they are not restored.

3. The subscription of New Shares and the investment in shares of the Issuer imply the assumption of typical risks linked to an investment in risk capital. They include the risk of loss, even a total loss, of invested capital, in case the Issuer is subjected to insolvency procedures or would be placed in a situation of bankruptcy or risk of collapse which involves the application "resolution" tools. In this regard the BRRD envisages the possibility that Banca d'Italia (in its quality of National Authority Resolution) may resort to "resolution" instruments applicable to banks in bankruptcy or at risk of bankruptcy as an alternative to compulsory liquidation. The resolution measures include the so-called bail-in, which consists in the reduction of the rights of shareholders and creditors or in the conversion of their rights in capital, and may also determine nullifying of the nominal value of the shares and the devaluation of credits toward the bank with their conversion into shares (see chapter 2, Paragraph 2.1.6 of the Securities Note).

4. In 2016 the UniCredit Group underwent a SREP process conducted by the Supervisory Authority. As a result of this process, the outcome of which was communicated to UniCredit on 12 December 2016, the ECB has communicated to the Issuer, inter alia, the prudential requirements of a quantitative nature to be respected on a consolidated basis and the qualitative measures be put in place.

   The findings of the SREP process 2016, the outcome of which has led to the determination of such prudential requirements, have highlighted areas of weakness detected by the ECB. These areas are mainly related to: (i) the need to strengthen the activities of guidance and coordination of UniCredit as parent company (see Chapter 4, Paragraph 4.1.1 of the Registration Document); (ii) low capital coefficient levels compared to its competitors and the status of a Global Systemically Important Bank (G-SIB) granted to the Issuer and the persistence of a low profitability (see Chapter 4, Paragraph 4.1.1 of the Registration Document); (iii) the credit risk and, in particular, the high level of impaired loans (see Chapter 4, Paragraph 4.1.3 of the Registration Document); (iv) the liquidity risk, with respect to which the ECB has indicated certain qualitative measures (see Chapter 4, paragraph 4.1.10 of the Registration Document); (v) the interest rate risk in the investment portfolio (see Chapter 4, paragraph 4.1.13 of the Registration Document); (vi) the risk arising from the significant level of exposures denominated in currencies other than the Euro (see Chapter 4, paragraph 4.1.13 of the Registration Document); (vii) the risk linked to operations in Russia and Turkey (see chapter 4, paragraph 4.1.14 of the Registration Document); (viii) the culture of risk and the overall governance of the risk of internal models, with reference to which the ECB has prompted the Issuer to improve the information supporting the process of evaluation of the capital adequacy (Internal Capital Adequacy Assessment Process - ICAAP) (see Chapter 4, paragraph 4.1.25 of the Registration Document); (ix) operational risk and the risk to reputation (also in relation to the ongoing or potential legal proceedings) (see Chapter 4, paragraphs 4.1.26, 4.1.29.1, 4.1.30 and 4.1.31 of the Registration Document); and (x) the composition and functioning of the Board of Directors (see Chapter 4, paragraph 4.1.33 of the Registration Document).

In particular, with reference to profitability, within the framework of the process SREP 2016 the ECB has highlighted the persistence of a low profitability level, due both to macroeconomic factors and to specific factors of the Issuer, represented by low interest rates and an slow economic upturn in key countries, a high level of net write-downs of loans in Italy and a high level of operating costs in Austria and Germany, causing a structural weakness of the profitability of the business model of commercial bank in Western Europe countries (see Chapter 4, Paragraph 4.1.1 of the Registration Document).

The ECB has also requested that before 28 February 2017 the Issuer submit a strategy of impaired loans, supported by an operational plan for addressing the issue of the high level of impaired loans.

Although the actions placed at the base of the Strategic Plan are aimed, inter alia, to mitigate the weaknesses of the UniCredit Group, also highlighted by the ECB at the outcome of SREP 2016, as of the Date of the ~~Note~~ **Supplement** there is a risk that the Strategic Plan actions may not be capable of addressing adequately the weakness identified by the ECB.

5. The income trend of the UniCredit Group has been characterized, inter alia, by a variability of profit margins in the three-year period 2013-2015 and by a reduction in net commissions (relatively to the core activities) in the first nine months of 2016 compared to the corresponding period of the previous year.

   Investor's attention is drawn to the fact that the execution of the Asset Disposal Operations (both those completed in the last quarter of 2016 and those in progress as of the Date of the ~~Note~~ **Supplement**) will result in a negative impact on the profit margins of the Group in accounting documents issued after 30 September 2016. In this respect it is noted that from the pro-forma representation of the effects linked to the Asset Disposal Operations in the first nine months of 2016 showed a negative impact due to the rectification of the contributions to consolidated profit and loss account of the company/groups subject to Asset Disposal Operations. In particular, considering only the recurrent economic components, the effect on the intermediation margin and the result of operations of the UniCredit Group is respectively equal to Euro -1,860 million and Euros -948 million (compared with a margin for the first nine months of 2016 to Euro 17,070 million and an operating profit for the first nine months of 2016 of Euro 7,263 million), mainly in relation to the transfer of the Pioneer Investments Group, as well as to the sale of the shareholding in Bank Pekao.

On the basis of strategic actions of the Plan, drawn up taking into account the change in the scope of consolidation as a result of the Asset Disposal Operations, the intermediation margin is expected to rise very slightly over the period 2015-2019 (CAGR 0.6%) as a combined effect of a margin of interest and "other revenues" expected to be substantially stable and growing net commissions. The support of the intermediation margin will depend, inter alia, on the effects of the Distribution Agreements to be signed in the framework of the partnership with Amundi S.A. (provided for by the agreements having as their object the sale of the Pioneer Investments Group), and by further actions provided for in the Plan.

In addition, support to operational profitability will also depend on the success of the actions aimed at transforming the operating model of the Group toward a lower cost, sustainable structure, with a greater reduction in terms of personnel costs.

Considered that as of the Date of the ~~Note~~ **Supplement** there is no certainty that the above actions will be executed completely, in the absence of the expected benefits of the planned actions in support of profitability (and, in particular, of the impacts expected from Distribution Agreements, or, in the case of termination of the same, impacts expected from other agreements with similar economic conditions) or if the above-mentioned operations of transformation of the operational model of the Group should not be fully completed, the previsions formulated in the Provisional Data may not be achieved, and consequently there may be negative impacts, even significant, on the economic situation, equity and/or financial position of the Issuer and/or Group.

Consequently, the investor's attention is drawn to the fact that the Strategic Plan is based on a number of assumptions and circumstances, some of which are outside the control of the Issuer (such as, inter alia, assumptions relating to the macroeconomic scenario and to the evolution of the regulatory environment), as well as hypothetical assumptions relating to the effects of specific actions or concerning future events, which the Issuer may only partially influence (including, in particular, completion of the Capital Increase, the operations of the disposal of assets in the course of execution and activities meant to improve the quality of the assets). In this respect it is noted that the actions aimed at improving the quality of the assets include the completion of the "Fino Project", in relation to which, at the date of the ~~Not~~ **Supplement**, the necessary qualitative-quantitative actions are in progress for the verification of presence of the necessary conditions for the purposes of accounting cancellation (derecognition) of the portfolio of credits being transferred.

The analysis will be completed upon completion of the contractual documentation and could conclude the absence of conditions laid down by the accounting principle of reference for the accounting cancellation (derecognition) of the portfolio. In this hypothesis, without prejudice to the measures designed to increase the coverage of impaired loans, it may be necessary to revise the assumptions and the objectives of the Strategic Plan (see Chapter 4, Paragraph 4.1.4 of the Registration Document).

The assumptions at the basis of the Plan Objectives could turn out to be inaccurate and/or could not be fulfilled, or could be fulfilled only in part or in a different way, or could change during the course of the reference period of the Strategic Plan. The failure or partial occurrence of the assumptions or of the positive effects to be expected from the same might result in deviations, even significant, from the estimates formulated in the Provisional Data and not allow to reaching them, with consequent negative effects, even significant, on its activities and on the economic and financial situation of the Issuer and/or Group Chapter 4, Paragraph 4.1.1.2 of the Registration Document).

6. The 2016-2019 Strategic Plan was drawn up on the basis of a perimeter of the UniCredit Group significantly different than that existing at 30 September 2016, the date of the last accounting statement of the Group. In particular the Plan reflects the effects of the Asset Disposal Operations, some of which are already finalised at the Date of the ~~Note~~ **Supplement**, while other are still in the course of execution on that date.

   As said, the Strategic Plan provides for one-off negative impacts on the economic result of net fourth quarter of 2016 of the UniCredit Group for about Euro 12.2 billion, mainly in relation to actions aimed at improving the quality of the assets and consequently the net economic result of the UniCredit Group for the year 2016, reflecting the above negative impacts, will be characterized by a discontinuity with respect to that of the first nine months of 2016 because a significant loss is expected for 2016 compared with a profit estimated for the first nine months of 2016.

   In this respect it should be noted that, on 30 January 2017, the Board of Directors - in the discussion of the estimates of the preliminary consolidated results for the financial year ended 31 December **2016 - and then, on 9 February 2017, at the approval of the 2016 Preliminary Data,** took into account a series of further one-off entries of negative income items amounting to about Euro 1 billion (for details see Chapter 11 of the Securities Note), which ~~are expected to be~~ will be accounted for in the year 2016. **Taking into account these additional one-off components of negative income** (which ~~are not expected to lead to~~ **do not lead** to negative net impacts on asset coefficients). Taking into account the one-off components of negative income amounting to **EUR 13.1 billion in the year 2016**, ~~EUR 13.2 billion the Issuer estimates to register~~ **the 2016 Preliminary Data (not subject to audit activities) show** a consolidated net loss for 2016 of approx. Euro 11.8 billion. In addition, considering only the recurring income components, the Issuer estimates to record a consolidated net profit which, although positive, is expected to decline compared to that of 2015.

   **As regards the evolution of operations, the Preliminary Data for 2016 show a reduction of the result of consolidated result of operations with respect to the corresponding value of 2015 determined on a comparable basis (for more information see Chapter 3, paragraph 3.14 of the Supplement), and in addition to an increase in operating costs.**

   In the light of the foregoing, investor's attention is drawn to the fact that there are significant limitations to the comparability of historical financial information of the UniCredit Group with the information of preliminary nature, as well as with the financial information which will be contained in accounting of UniCredit Group subsequent to that of 30 September 2016 (see Chapter 4, Paragraph 4.1.6 of the Registration Document).

7. The Registration Document contains Consolidated Pro-Forma Prospectuses at 30 September 2016 and 31 December 2015. The pro-forma data contained in those Consolidated Pro-Forma Prospectuses was arranged to reflect retroactively the significant effects of the operations of the disposal of assets, of the increase in the degree of coverage for impaired loans subject of the "Fino Project" and "Porto Project", as well as of the Capital Increase, as if these transactions were carried out during the period, to which the aforesaid pro-forma data relates. **The Supplement contains an update of the pro-forma data contained in the Pro-Forma Consolidated Prospectuses in order to reflect the status of implementation of union agreements relating to redundancies envisaged in the Strategic Plan.**

The information contained in the Pro-Forma Consolidated Financial Statements represents a simulation of the possible effects that could have arisen if the aforementioned operations had been carried out as at the aforementioned dates, and is provided purely for illustrative purposes. Specifically, since the Pro-Forma Consolidated Financial Statements are prepared in order to retroactively reflect the significant effects of subsequent operations, despite compliance with the commonly accepted rules and the use of reasonable assumptions, there are limits related to the nature of the pro-forma data. Therefore, the risk remains that, if the aforementioned operations were actually carried out on the dates used as a reference for the preparation of the Pro-Forma Consolidated Financial Statements, the same results that are represented in the Pro-Forma Consolidated Financial Statements would not necessarily have been obtained.

It is represented that: (i) The effects of certain transactions subject to pro-forma representation (such as the Asset Disposal Operations in the course of execution and the Increase of Capital) will not be reflected in the consolidated financial statements of the Issuer for the financial year ended 31 December 2016, in consideration of the fact that such operations are not finalised before 31 December 2016 (as of the date of the ~~Note~~ **Supplement** the Asset Disposal Operations in the course of execution are also subject to the occurrence of the respective conditions precedent and the Capital Increase has not yet been executed); (ii) as of the Date of the ~~Note~~ **Supplement** the definition of contracts relative to the "Fino Project", in accordance with the Framework Agreements, is still in progress. Consequently, investor's attention is drawn to the circumstance that the representation of the operations referred to in points (i) and (ii) in the consolidated financial statements of UniCredit at 31 December 2016 (and those relating to subsequent periods) may differ significantly from their pro-forma representation contained in the Registration Document.

It is also noted that the pro-forma CET1 ratio indices were not subjected to examination by the Auditing Company (see Chapter 4, Paragraph 4.1.2 of the Registration Document).

Every significant new factor, material mistake or inaccuracy relating to financial information pro-forma contained in the Registration Document **(as integrated with the information referred to in Chapter 11 of the Note and with the information contained in the Supplement)**, that can affect the assessment of financial products and which arises or is noted between the time, at which the ~~Registration Document~~ **Supplement** is approved and the time when the public offering is closed, will be mentioned in a **further** supplement to the Prospectus pursuant to Art. 94, comma 7 of TUF.

8. In the exercise of its supervisory powers, the Supervisory Authorities subject the UniCredit Group, even on a periodic basis, to investigations which may lead to requests for organizational and strengthening interventions of aimed to fill any deficiencies that may be detected, with possible negative effects on the economic, equity and/or financial situation of the Group. The extent of any shortcomings could also cause the launch of disciplinary proceedings against company representatives and/or related Group companies, with possible adverse effects on the operating results, capital and/or financial position of the Group.

   In particular, as of the Date of the ~~Note~~ **Supplement** the UniCredit Group is subject to four investigations by the ECB (relating respectively to "Systems of management and control of interest rate risk", "Governance processes and business in foreign subsidiaries of UCB AG", "Governance and Risk Appetite Framework" and "Business model and profitability - internal rate of transfer") and is waiting to receive the results of inspection in relation to an audit carried out by the ECB on "Market Risk" (see Chapter 4, paragraph 4.1.29.2 of the Registration Document).

9. As of the Date of the ~~Note~~ **Supplement**, there are legal proceedings pending in relation to the Company and other companies belonging to the UniCredit Group.

   As at 30 September 2016, the UniCredit Group had around €601 million of provisions for risks and charges to cover the liabilities that may arise from the pending cases in which it is a defendant (not including labour law, tax or debt recovery cases). At 30 September 2016, the overall petitum reported to judicial procedures different from those labour law disputed, fiscal disputes and those relating to the recovery of credit was equal to Euro 11,839 million (see Chapter 4, Paragraph 4.1.29.1 of the Registration Document).

   With reference to risks relative to passive labour law disputed in progress as of the Date of the ~~Note~~ **Supplement** and involving the Issuer, the overall amount of the petitum on 30 September 2016 was equal to Euro 481 million and the related risks, on the same date, were equal to Euro 18 million (see Chapter 4, Paragraph 4.1.29.1 of the Registration Document).

   Finally, at 30 September 2016 there was a significant number of pending outstanding tax liability disputed in respect of the Issuer and of the other companies belonging to the UniCredit Group, for the Italian perimeter, net of disputes defined by administrative settlement, for a total value of Euro 480.4 million (see Chapter 4, Paragraph 4.1.31 of the Registration Document).

   Although the Group has made provisions for any liabilities and costs that could result from the pending court proceedings cannot be ruled out that in view of the significant elements of uncertainty of the related determination, in the future these provisions may prove insufficient to cope entirely with the charges, costs, penalties and requests of compensation and restitution related to pending cases, and/or that the Group may nevertheless in future be obliged to cope with the charges and obligations to pay compensation or restitution not covered by provisions, with possible negative effects, even significant, on the economic situation, equity and/or financial position of the Issuer and/or Group (see Chapter 4, Paragraphs 4.1.29.1 and 4.1.31 of the Registration Document)."

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## TABLE OF CONTENTS

## DEFINITIONS

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

| | |
|---|---|
| **Date of the Supplement** | The date of approval of this supplement to the Prospectus by CONSOB. |
| **Registration Document** | The Registration document relating to the Issuer, filed with CONSOB on 30 January 2017, pursuant to the notice of approval in a memorandum dated 27 January 2017, file no. 0013115/17. The Registration Document is available to the public, on the publication date and for the entire period of validity, at the Registered Office (16 Via A. Specchi, Rome) and at the Head Office (3 Piazza Gae Aulenti – Tower A, Milan) of UniCredit S.p.A., as well as on their website www.unicreditgroup.eu. |
| **Group or UniCredit Group** | UniCredit and its subsidiaries pursuant to Article 2359 of the Civil Code and Article 93 of the TUF (Consolidated Financial Act). |
| **Summary Note** | Summary note filed with CONSOB on 3 February 2017, pursuant to the notice of approval in a memorandum dated 3 February 2017, file no. 0016471/17. The Summary Note is available to the public, on the publication date and for the entire period of validity, at the Registered Office (16 Via A. Specchi, Rome) and at the Head Office (3 Piazza Gae Aulenti – Tower A, Milan) of UniCredit S.p.A., as well as on their website www.unicreditgroup.eu. |
| **Securities Note** | The Securities Note on the financial instruments filed with CONSOB on 3 February 2017, pursuant to the notice of approval in a memorandum dated 3 February 2017, file no. 0016471/17. The Securities Note is available to the public, on the publication date and for the entire period of validity, at the Registered Office (16 Via A. Specchi, Rome) and at the Head Office (3 Piazza Gae Aulenti – Tower A, Milan) of UniCredit S.p.A., as well as on their website www.unicreditgroup.eu. |
| **Prospectus** | Jointly the Registration Document, the Securities Note and the Summary Note. |
| **Supplement** | This supplement to the Prospectus. |

| | |
|---|---|
| **UniCredit or the Company or the Issuer** | UniCredit S.p.A. having its registered office in Rome, Via A. Specchi 16, and Head Office in Milan, Piazza Gae Aulenti 3 – Tower A. |

# GLOSSARY

Please see the glossary contained in the Registration Document.

# 1. PERSONS RESPONSIBLE

## 1.1 PERSONS RESPONSIBLE FOR INFORMATION

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

## 1.2 DECLARATION OF RESPONSIBILITY

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

## 2. REASONS FOR THE SUPPLEMENT AND RIGHT OF WITHDRAWAL

The Supplement was prepared by UniCredit S.p.A., pursuant to Articles 94, paragraph 7 and 113, paragraph 2 of Legislative Decree 58/1998 and the related implementation provisions pursuant to CONSOB Regulation 11971/1999, in order to supplement the information in the Prospectus following approval by the Issuer's Board of Directors on 9 February 2017, through which the Board approved the preliminary data for the financial year ended 31 December 2016 (the "**2016 Preliminary Data**") also for the purpose of European Union harmonised consolidated regulatory reporting (*FINancial REPorting – FINREP*) pursuant to the applicable (ITS) binding implementation technical standards.; and (ii) to the subscription, on 4 February 2017, of the agreement with the trade union for the redundancies planned in Italy by the 2016-2019 UniCredit Group Strategic Plan (the "**Strategic Plan**").

* * *

**PURSUANT TO ARTICLE 95-BIS, PARAGRAPH 2, OF THE TUF, INVESTORS WHO HAVE ~~PURCHASED SUBSCRIPTION RIGHTS AND/OR WHO HAVE~~ SUBSCRIBED THE NEW SHARES OFFERED UNDER THE SCOPE OF THE OFFERING ~~THAT THEY~~ HAVE THE RIGHT TO WITHDRAW FROM THEIR ~~PURCHASE AN/OR~~ SUBSCRIPTION WITHIN TWO WORKING DAYS FOLLOWING THE PUBLICATION OF THE SUPPLEMENT.**

## 3. ADDITIONS TO THE REGISTRATION DOCUMENT

For the reasons indicated in Chapter 2 of the Supplement, the Registration Document has been changed, as already supplemented pursuant to Chapter 11 of the Securities Note, is further amended and/or supplemented as indicated below.

### 3.1 Additions to the title page of the Registration Document

The title page of the Registration Document was supplemented as described below (text in bold and underlined added).

“

## Registration Document

prepared pursuant to the regulation adopted by CONSOB through resolution 11971 on 14 May 1999,
as later amended and supplemented and Article 4 of Regulation (EC) No 809/2004 of the European Commission of 29 April 2004 containing the application methods of Directive 2003/71/EC,
as later amended and supplemented

UniCredit

**UniCredit S.p.A.**

Registered office – Via Alessandro Specchi 16, Rome

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

Registered in the Bank Register and Parent Company of the “UniCredit Group”

banking group in the Banking Groups Register at number 02008.1

Rome Companies Register, Tax Code and VAT Registration Number 00348170101

Share capital subscribed and fully paid-in €20,864,893,436.94

Member of the Italian Bank Deposit Guarantee Fund and the National Compensation Fund

Registration Document filed at CONSOB on 30 January 2017, following notification of approval through the note on 27 January 2017 ref. no 0013115/17**, as later supplemented pursuant to Chapter 11 of the Securities Note filed with CONSOB on 3 February 2017, pursuant to the notice of approval in a memorandum dated 3 February 2017, file no. 0016471/17 and by the Supplement filed on 15 February 2017, pursuant to the notice of approval in a memorandum dated 15 February 2017, file no. 0021527/17.**

Compliance with the publication of the Registration Document does not involve any judgement by CONSOB regarding the proposed investment opportunity or the virtue of the related data or information.

The Registration Document is available to the public, from its publication date and for the entire period it is valid, at the Registered Office and the Head Office of UniCredit S.p.A. as well as on the website www.unicreditgroup.eu.

”

## 3.2 Additions to Chapter 4, Paragraph 4.1.1.1 of the Registration Document

Chapter 4, Paragraph 4.1.1.1 of the Registration Document was supplemented as described below (strikethrough text removed and text in bold and underlined added).

"*4.1.1.1 Risks connected to the impacts of the action plans on capital requirements*

[…*OMISSIS*…]

The table below summarises the development of the RWAs and the Common Equity Tier 1 ratio (fully loaded), on a consolidated basis, as at 31 December 2015, 30 September 2016, 31 December 2017 and 31 December 2019. This balance sheet data has been restated (or calculated) on the basis of the new UniCredit Group perimeter, as illustrated in Chapter 13, Paragraph 13.1.2 of the Registration Document.

| | **As at** | | | |
|---|---|---|---|---|
| *(in billions of Euros; percent)* | **31 December 2015 (pro-forma)** | **30 September 2016 (pro-forma)** | **31 December 2017 (estimated)** | **31 December 2019 (estimated)** |
| Total risk-weighted assets (RWAs) | 361 | 362 | 389 | 404 |
| Common Equity Tier 1 capital/risk-weighted assets (CET1 capital ratio) | ~~13.46~~**12.96**% | ~~13.71~~**13.21**% | 12.0% | >12.5% |

[…*OMISSIS*…]

**As shown by the preliminary data for the financial year ended 31 December 2016 approved on 9 February 2017 by the Board of Directors of the Issuer (the "**2016 Preliminary Data**"), in the financial year ending on 31 December 2016 it is expected that the UniCredit Group** ~~has~~ **will record**~~ed~~ **one-off negative components for Euro 13.1 billion (which are the result of the total non-recurring negative items totalling Euro 13.2 billion in QIV 2016 and the net positive non-recurring items of Euro 0.1 billion posted in the first nine months of 2016) on the net result manly arising from the effect of specific shares included in the Strategic Plan. In this regard** the ~~The~~ completion of the "Fino Project" and of the further actions indicated in the Strategic Plan results in non-recurrent negative impacts on the net result of the fourth quarter of 2016 amounting to Euro 12.2 billion. These impacts (net of tax effects) are due to the estimated combined effect of the following phenomena:

(i) Euro -8.1 billion net write-downs on loans, resulting from the increase in the *coverage ratio* on the portfolio subject to divestiture within the scope of "Fino Project", as well as by the increase in the *coverage ratio* for non-performing loans and on probable breaches in the rest of the non-core portfolio and of the Italian credit portfolio;

(ii) Euro -1.7 billion integration costs, net of tax impacts, aimed at financing the output of about 5,600 FTE;

(iii) Euro -1.4 billion of other write-downs on assets and provisions for risks;

(iv) Euro +0.4 billion profit on the sale of the assets of credit card processing;

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

(vi) Euro -0.3 billion resulting from the conclusion of the contract of sale of Bank Pekao and consequent classification as discontinued operations (IFRS5);

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

**For definition of the capital ratios, on 9 February 2017 the Board of Directors also took into account additional non-recurring negative items, as had already been discussed in the Board meeting of 30 January 2017, totalling approximately Euro 1 billion.**

As a result of these operations, the Issuer is not expected to be in the conditions referred to in art. 2446 of the Civil Code.

**As shown last at the time the Preliminary Data 2016 were approved, regarding the aforementioned non-recurring items totalling Euro 13.1 billion expected or the year ended 31 December 2016** ~~We expect that~~ only the phenomena under points (i), (ii), (iii) and (iv) above ~~will have negative impacts~~ **will negatively affect** CET1, ~~estimate at~~ **by** approximately 3% (see Chapter 12 and Chapter 13 of the Registration Document regarding this point). In view of the time scales envisaged in the Strategic Plan, **as approved by the Board of Directors on 9 February 2017 approving the 2016 Preliminary Data 2016,** ~~it is expected that~~ such negative impacts **occurred on capital requirements** ~~would occur~~ during the fourth quarter of 2016, while the operations of capital strengthening (i.e. the Capital Increase), and the completion of certain Asset Disposal Operations will be performed in the course of 2017.

Therefore, as a result of the time lag between these negative impacts and the execution of the Share Capital Increase and the Asset Sales Transactions in process of being Executed, the Issuers' (phase in) capital buffers as at 31 December 2016 ~~are expected~~ **stand, according to the resolution of the Board of Directors on 9 February 2017 during the approval of the results for the fourth quarter for the year ended 31 December 2016,** ~~at approximately 8%~~ **at 8.15%** for the CET1 *capital ratio*, ~~9%~~ **9.04%** for the *tier1 capital ratio* and ~~11.5%~~ **11.66%** for the *Total capital ratio*.

In this regard, as at 31 December 2016, only the capital buffer relating to the CET1 *capital ratio*[1] ***(phase in)*** ~~will not be~~ **is not therefore** complied with (see Chapter 4, Paragraph 4.1.5 of the Registration Document) by around 2 percentage points[2]. **For the sake of completeness it should be noted that the CET 1 capital ratio**

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[1] The "SREP Requirements including the Countercyclical and G-SII buffers" equal to 10.005%.

[2] This negative difference is entirely attributable to the non-compliance of the Combined buffer (Capital conservation, Countercyclical capital and G-SII) of 2.755%.

**(fully loaded), according to 2016 Preliminary Data, is at 7.54% at 31 December 2016, which is lower by approximately 2.5 percentage points.**[3]

**Based on the 2016 Preliminary Data, with** ~~With~~ reference, on the other hand, to the capital requirements based on the 2016 Preliminary Data applicable from 1 January 2017 (see Chapter 4, Paragraph 4.1.5 of the Registration Document), ~~it is expected that the following will not temporarily be complied with~~ **the following patrimonial requirements (*phase in*) are not** temporarily complied with:

- The “OCR Requirements”[4]:
  - the CET1 capital ratio (equal to 8.755%) by around 1 percentage point;
  - the Tier1 capital ratio (equal to 10.255%) by around 1.~~5~~**2** percentage points;
  - the Total capital ratio (equal to 12.255%) by around 1 percentage point;
- relating to the “OCR Requirements + ‘Pillar 2 capital guidance’” (applicable only with reference to the CET1 capital ratio):
  - the CET1 ratio (equal to 10.005%) by around 2 percentage points[5].

[…*OMISSIS*…]

Following the confirmation of the failure to comply with the capital requirements at 31 December 2016, the Issuer ~~will proceed~~ **proceeded on 9 February 2017**, pursuant with applicable regulations, with reporting this situation to the ECB and sending the Regulatory Authority a capital strengthening plan (capital plan), which ~~will~~ include**s** the capital strengthening measures of the Strategic Plan which the market and the Regulatory Authority have already been notified of (specifically, the Share Capital Increase and the M&A Asset Sale Transactions). The adequacy of the capital plan will be assessed by the ECB.

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

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[3] **It is specified that the difference of 2.5 percentage points is the result of comparison between the *CET1 ratio* (*fully loaded*) and the regulatory minimum (*phase in*) applicable at 31 December 2016. The regulatory minimum for the *CET1 ratio* (*fully loaded*) is equal to 10.50% assuming that the second pillar requirement applicable in 2017 and the *Countercyclical Capital Buffer* applicable as of 31 December 2016 will be constant. However, this level will be applicable only as of 2019 and could vary depending on the result of future years of SREP and to take into account any modifications of the applicable norms.**

[4] The negative differences mentioned are entirely attributable to the non-compliance of the Combined buffer (Capital conservation, Countercyclical capital and G-SII) of 1.755%.

[5] This negative difference is attributable by around 1 percentage point to the non-compliance of the Pillar 2 capital guidance (which is equal to 1.25%) and by around 1 percentage point to the non-compliance of the Combined buffer *(*Capital conservation, Countercyclical capital and GSII) which is equal to 1.755%.

Notwithstanding the above, it should be noted that the completion of the Capital Increase (whose estimated impact on the CET1 ratio is positive and **respectively** equal to approx. ~~3.5%[6]~~ **3.34% of the *CET1 ratio* (*phase in*)and to 3.61% of the *CET1 ratio* (*fully loaded*) calculated on the basis of 2016 Preliminary Data**, see Chapter 13, Paragraph 13.1.5 of the Registration Document) is suitable in itself to ensure compliance with all the requirements mentioned above, while the Asset Disposal Operations in the course of Execution (whose estimated impact on the CET1 ratio**, calculated on the basis of the 2016 Preliminary Data,** is positive and equal approx. 1.5%~~[7]~~, see Chapter 13, Paragraph 13.1.5 of the Registration Document) are not sufficient to restore the requirements of "OCR Requirements + 'Pillar 2 capital guidance'" for the CET1 capital ratio ***(phase in)*** whose negative difference with respect to the requirement, mentioned previously, is approximately 2 percentage points and (ii) may not be alone sufficient to restore the OCR requirement applicable from 1 January 2017 for the tier 1 capital ratio, whose negative difference with respect to the requirements mentioned previously is about 1,~~5~~**2** percentage points (while they would be sufficient to restore the OCR requirement for the CET1 capital ratio and the total capital ratio[8], whose negative displacement with respect to the requirements is about 1 percentage point).

[…*OMISSIS*…]

It is specified that, with regard to the Share Capital Increase, the Issuer has signed ~~*Pre-Underwriting Agreements*~~ **the Underwriting Agreement** with a syndicate of leading national and international financial institutions **(for the risks connected with the subscription and underwriting commitments and the partial execution of the Share Capital Increase, see Chapter 2, Paragraph 2.1.4 of the Securities Note)**~~, pursuant to which the latter are obliged to sign - at conditions in line with market practice for similar transactions - the Underwriting Agreement for the subscription of the New Shares that are not taken up at the end of the auction for rights not taken up for a maximum amount equal to the value of the Share Capital Increase. If the Underwriting Agreement is not signed and the Issuer were to decide not to proceed with the Share Capital Increase, albeit without an underwriting commitment from the syndicate banks, in the same way as in the event that once the Underwriting Agreement was signed it were to be terminated, the Share Capital Increase could not be completed in full taking into consideration its divisible nature thereby generating the consequences described above.~~

[…*OMISSIS*…]".

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~~[6] It should be noted that this impact was based on the same data used for the purposes of calculating the deviations in terms of capital ratios at 31 December 2016 and applicable from 1 January 2017 indicated in the preceding paragraphs.~~

~~[7] It should be noted that this impact was based on the same data used for the purposes of calculating the deviations in terms of capital ratios at 31 December 2016 and applicable from 1 January 2017 indicated in the preceding paragraphs.~~

[8] It should be noted that despite the fact that following the Assets Transfer Operations the Tier 1 capital ratio may not be met, the total capital ratio would be respected by the effect of the additional equity instruments (Tools Tier 2) issued by the Issuer.

## 3.3 Additions to Chapter 4, Paragraph 4.1.1.3 of the Registration Document

Chapter 4, Paragraph 4.1.1.3 of the Registration Document has the supplements listed below (strikethrough text removed and text in bold and underlined added).

"*4.1.1.3 Risks connected to the Assumptions at the base of the Plan Objectives*

[…*OMISSIS*…]

The Strategic Plan, developed on the basis of the assumptions described in Chapter 13, Paragraphs 13.1.4 and 13.1.5 of the Registration Document, include, inter alia, the data for 2017 and 2019 listed below.

| **Data of an accounting nature** | | | | |
|---|---|---|---|---|
| | **Pro-forma data** | | **Estimated** | |
| **(billions of Euros, %)** | **2015** | **9m 2016** | **2017** | **2019** |
| Brokerage margin | 19.9 | 15.2 | - | 20.4 |
| Operating costs | -12.2 | -8.9 | -11.7 | -10.6 |
| Net profit | ~~2.7~~ **3.9** | ~~5.6~~ **7.3** | n.s. | 4.7 |

| **Accounting derived data not defined by the reference accounting standards** | | | | |
|---|---|---|---|---|
| | **Pro-forma data** | | **Estimated** | |
| **(billions of Euros, %)** | **2015** | **9m 2016** | **2017** | **2019** |
| C/I (%)(1) | 61.6 | n.s. | n.s. | < 52 |
| Cost of risk (base points) (2) | 270 | 254 | 65 | 49 |
| RoTE(3) | ~~-5~~**7**% | n.s. | n.s. | > 9% |
| Group NPE Coverage ratio(4) | 61.2% | 63.0% | > 54% | > 54% |
| Group Bad loan Coverage ratio(5) | 73.7% | 74.5% | > 65% | > 63% |
| Group UTP Coverage ratio(6) | 40.3% | 40.8% | > 38% | > 38% |
| Non-Core Net NPE(7) | 17.5bn | 15.8bn | Euro 11.4bn | Euro 8.1bn |
| Non-Core NPE coverage ratio(8) | 66.3% | 68.2% | 56.5% | > 57% |
| Core Net NPE(9) | 12.7bn | 11.9bn | | 12.1bn |
| Core Net NPE ratio(10) | 3.1% | 2.8% | | 2.5% |
| Group Gross NPE(11) | 77.8bn | 74.8bn | | 44.3bn |
| Group Gross NPE ratio(12) | 16.0% | 15.1% | | 8.4% |
| Group Net NPE(13) | 30.2bn | 27.7bn | | 20.2bn |
| Group Net NPE ratio(14) | 6.9% | 6.2% | | 4.0% |

| **Data of a management/regulatory nature** | | | | |
|---|---|---|---|---|
| | **Pro-forma data** | | **Estimated** | |
| **(billions of Euros, %)** | **2015** | **9m 2016** | **2017** | **2019** |
| Common Equity Tier 1 FL ratio | ~~13.46~~**12.96**% | ~~13.71~~**13.21**% | 12.0% | > 12.5% |
| RWA | 361 | 362 | 389 | 404 |

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

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

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

(4) *Group NPE Coverage ratio*: indicates the ratio between the amount of the value adjustments relating to portfolio of *non-performing exposures* (which includes the deteriorated financial assets broken down into the categories of bad debts, likely defaults and deteriorated overdue amounts

and/or overdrafts, as defined by the "*Implementing Technical Standards on Supervisory reporting on forbearance and non performing exposures*" (ITS) approved by the European Commission on 9 January 2015) and gross exposure of this portfolio at the group level.

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

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

(7) *Non-Core Net NPE*: indicates the credit exposures net of value adjustments of *non-performing exposures* relating to the "*non-core*" portfolio (which includes exposures relating to areas of activity indicated in Chapter 6, Paragraph 6.1.2 of the Registration Document).

(8) *Non-Core NPE coverage ratio*: indicates, as regards the "*non-core*" loan portfolio (which includes exposures relating to areas of activity indicated in Chapter 6, Paragraph 6.1.2 of the Registration Document), the ratio between the amount of the value adjustments relating to *non-performing exposures* and gross exposure of this portfolio.

(9) *Core Net NPE*: indicates the credit exposures net of value adjustments on *non-performing exposures* relating to the "*core*" portfolio.

(10) *Core Net NPE ratio*: indicates, as regards the "*core*" loan portfolio, the ratio between the amount of the *non-performing exposures* net of value adjustments thereto relative to overall exposure of this portfolio net of value adjustments.

(11) *Group Gross NPE*: indicates the total amount, gross of value adjustments, of *non-performing exposures* relating to credit portfolio of Group customers.

(12) *Group Gross NPE ratio:* Indicates the ratio between the amount of the *non-performing exposures*, gross of value adjustments, and the overall exposure of credit portfolio of customers of the group, gross of value adjustments.

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

(14) *Group Net NPE ratio:* Indicates the ratio between the amount of the *non-performing exposures*, net of value adjustments, and the overall exposure of credit portfolio of customers of the group, net of value adjustments.

[…*OMISSIS*…]

## 3.4 Additions to Chapter 4, Paragraph 4.1.2 of the Registration Document

Chapter 4, Paragraph 4.1.2 of the Registration Document has the supplements listed below (strikethrough text removed and text in bold and underlined added).

### "4.1.2 Risks associated with the inclusion of pro-forma data

The Registration Document contains the pro-forma consolidated balance sheet, as at 30 September 2016 and as at 31 December 2015, the pro-forma consolidated income statement and cash flow statement for the financial position for the period ended 30 September 2016 and for the financial year ended 31 December 2015 (the "**Pro-Forma Consolidated Financial Statements**"), and the relevant explanatory notes, prepared solely for the purposes of retroactively reflecting the significant effects of the (i) M&A Asset Sale Transactions; (ii) actions aimed at improving the quality of assets; (iii) management actions aimed at capital strengthening, as if they had taken place during the period to which the aforementioned pro-forma data relate; **and (iv) of the agreements with the trade unions related to the redundancies envisaged by the Strategic Plan,** as these happened during the time the pro-forma data refer to.

The table below contains the shareholders' equity pertaining to the UniCredit Group and the net result of the UniCredit Group as at 30 September 2016 and 31 December 2015 compared with the respective *pro-forma* taken from the Pro-Forma Consolidated Statements.

| | | | **As at** | |
|---|---:|---:|---:|---:|
| *(in millions of Euros)* | **30 September 2016 (historical)** | **30 September 2016 (*pro-forma*)** | **31 December 2015 (historical)** | **31 December 2015 (*pro-forma*)** |
| Group portion of shareholders' equity | 51,237 | ~~58,185~~**56,527** | 50,087 | ~~60,045~~**58,796** |
| Group share of net profit | 1,768 | (~~5,624~~**7,282**) | 1,694 | (~~2,653~~ (**3,902**) |

[…*OMISSIS*…]

For the sake of completeness, lastly, note that the pro-forma data in the Pro-Form Consolidated Statements differ for some information items compared with that in the Directors' Report to the Extraordinary Shareholders' Meeting of 12 January 2017, also taking into account the development of the information background, progress of the evaluations regarding the conditions of agreements relating to the holdings subject to transfer (which led to consideration of the one-off results of such transactions within the pro forma data included in the Registration Document) and the further analysis activities conducted by the Issuer after 12 January 2017. **Furthermore, in view of the evolution of certain new facts occurring subsequent to the Registration Document Date, the pro-forma data have been modified in the Supplement to take account of the implementation status of the agreements with the trade unions concerning the redundancies envisaged by the Strategic Plan.**

[…*OMISSIS*…]

## 3.5 Additions to Chapter 4, Paragraph 4.1.5 of the Registration Document

Chapter 4, Paragraph 4.1.5 of the Registration Document has the supplements listed below (text in bold and underlined added).

### "4.1.5 Risks connected with capital adequacy

[…*OMISSIS*…]

**Lastly, note that, during the approval of the preliminary data of the third quarter of 2016 and preliminary data of the year ended 31 December 2016 (on an individual and consolidated basis) by the Board of Directors at the meeting of 9 February 2017, the Issuer confirmed failure to comply with (i) the CET1 capital ratio applicable at 31 December 2016 and from 1 January 2017 ("OCR Requirements + "OCR Requirements + Pillar 2 capital guidance"); (ii) the Tier 1 capital ratio applicable from 1 January 2017 ("OCR Requirements"); and (iii) the Total capital ratio applicable from 1 January 2017 ("OCR Requirements"). See Chapter 4, Paragraph 4.1.1.1 of the Registration Document as supplemented pursuant to Chapter 3, Paragraph 3.2 of the Supplement.**

[…*OMISSIS*…]

For completeness, the pro-forma CET ratio figures of the UniCredit Group for the nine-month period ended 30 September 2016 and for the year ended 31 December 2015 are given below.

As at 30 September 2016, the pro-forma CET1 ratio is equal to ~~13.71~~**<u>13.21</u>**% taking into consideration the effects of the following transactions: (i) Bank Pekao which involves an increase of 58 basis points; (ii) Pioneer which involves an increase of 91 basis points; (iii) FinecoBank which involves an increase of 12 basis points; (iv) PJSC Ukrsotsbank which involves an increase of 6 basis points; (v) Immo Holding which involves an increase of 2 basis points; (vi) “Fino Project” which involves a decrease of 99 basis points; (vii) the “Porto Project” which involves a decrease of 125 basis points; ~~and~~ (viii) the Share Capital Increase which involves an increase of 345 basis points; **<u>and (ix) incentive plans for the staff departure that entail a decrease equal to 50 basis points.</u>**

Similarly, as at 31 December 2015, the pro-forma CET1 ratio is equal to ~~13.461~~**<u>12.96</u>**% taking into consideration the effects of the following transactions: (i) Bank Pekao which involves an increase of 67 basis points; (ii) Pioneer which involves an increase of 91 basis points; (iii) FinecoBank which involves an increase of 19 basis points; (iv) PJSC Ukrsotsbank which involves an increase of 6 basis points; (v) Immo Holding which involves an increase of 2 basis points; (vi) “Fino Project” which involves a decrease of 100 basis points; (vii) the “Porto Project” which involves a decrease of 124 basis points; and (viii) the Share Capital Increase which involves an increase of 347 basis points; ~~**and**~~ **<u>(ix) incentive plans for the staff departure that entail a decrease equal to 50 basis points.</u>**

[…*OMISSIS*…].”

### 3.6 Additions to Chapter 4, Paragraph 4.1.6 of the Registration Document, as supplemented pursuant to Chapter 11, Paragraph 11.4 of the Securities Note

Chapter 4, Paragraph 4.1.6 of the Registration Document, as supplemented pursuant to Chapter 11, Paragraph 11.4 of the Securities Note, was supplemented as indicated below (strikethrough text removed and text in bold and underlined added).

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

[…*OMISSIS*…]

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

In this respect, it should be noted that on 30 January 2017, the Board of Directors of the Issuer has examined the estimates of the preliminary consolidated results for the financial year ended 31 December 2016. These results are negatively affected by the negative impacts of one-off entries cited above and also by further negative one-off entries equal to approximately €1 billion, which is expected to be accounted for in the financial year 2016 and of which the Board of Directors has taken into account in the definition of the estimates. Therefore, in the estimate of net consolidated results for the financial year ended 31 December 2016, ~~taking into account the one-off negative income items, equal, in total, to €13.2 billion~~ the Issuer expects to record a loss of approximately €11.8 billion compared to an estimated profit for the first nine months of 2016 (see. Chapter 13, Paragraph 13.1.6 as integrated within the meaning of Chapter 11, paragraph 11.3 of the Securities Note).

**Also, on 9 February 2017 the Board of Directors of UniCredit approved on individual and consolidated basis, the preliminary data of the third quarter 2016 and preliminary data of the year ended 31 December 2016 (the "**2016 Preliminary Data**"). The 2016 Preliminary Data recorded a loss - in line with the estimates at the board meeting of 30 January 2017 - equal to € 11.8 billion, compared with an actual profit for the first nine months of 2016. It is also specified that as regards the evolution of operations, the Preliminary Data for 2016 show a reduction of the result of consolidated result of operations with respect to the corresponding value of 2015 determined on a comparable basis, amounting to € 252 million (for more information, see Chapter 3, Paragraph 3.14 of the Supplement), as a result of a fall in revenues as well as an increase in operating costs.**

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

### 3.7 Additions to Chapter 4, Paragraph 4.1.7 of the Registration Document

Chapter 4, Paragraph 4.1.7 of the Registration Document was supplemented as described below (strikethrough text removed and bold and underlined text added).

### "4.1.7 Risks connected with the distribution of dividends

[…*OMISSIS*…]

In this respect, it should be noted that, on the basis of the information available at the Date of the ~~Registration Document~~ **Supplement**, the MAD capital requirements for 2017 are respectively: 8.755% for *common equity tier 1 ratio*, 10.255% for the *tier 1 ratio* and 12.255% for the *total capital ratio* (see Chapter 4, Paragraph 4.1.5 and Chapter 5, Paragraph 5.1.6 of the Registration Document). As at the Date of the ~~Registration Document~~ **Supplement** the Issuer ~~is compliant with the minimum capital requirements laid down by the applicable regulations ("SREP Requirements including the Countercyclical buffers and G-SII" for the CET1 capital ratio and the "Minimum requirements and Combined buffers" for the Tier 1 capital ratio and Total capital ratio; see Chapter 4, Paragraph 4.1.5 of the Registration Document). Moreover, in execution of the 2016-2019 Strategic Plan,~~ as a result of the time lag between ~~these~~ **the** negative impacts **resulting from certain measures of the 2016-2019 Strategic Plan** (**proceeded on 9 February 2017** with the approval of the preliminary data for the year ended 31 December 2016) and the execution of the Share Capital Increase and the Asset Sales

Transactions, ~~it is expected that with the approval of the preliminary data for the year ended 31 December 2016~~ **does not comply** with the capital requirements applicable from 1 January 2017 ~~have not been complied with~~. **This situation limits the possibility of the Issuer to distribute dividends** ~~thereby imposing the risk of having a negative impact on, among other things, the dividend distribution policy,~~ until the capital requirements are restored. ~~These figures are expected to be approved by 9 February 2017, the date on which the *Financial Reporting – FinRep.* will be sent to the ECB~~.

[…*OMISSIS*…]".

### 3.8 Additions to Chapter 4, Paragraph 4.2.7 of the Registration Document

Chapter 4, Paragraph 4.2.7 of the Registration Document is integrated as shown below (strike-through text deleted and bold and underlined text added).

"**4.2.7 Risks connected with the system liquidity support interventions**

[…*OMISSIS*…]

As at ~~30 September 2016~~ **31 December 2016**, the total debt of the UniCredit Group with the ECB through TLTRO II was ~~26,71~~ **26,76** billion. This indebtedness through TLTRO II provides a plan of repayment by 24 June 2020 for Euro 26.60 billion, by 28 September 2020 for Euro 0.11 billion **and by 16 December 2020 per Euro 0.05 billion**.

[…*OMISSIS*…].".

### 3.9 Additions to Chapter 6, Paragraph 6.1.1 of the Registration Document

Chapter 6, Paragraph 6.1.1 of the Registration Document was supplemented as described below (text in bold and underlined added).

"**6.1.1 Introduction**

UniCredit is a commercial bank, active together with its subsidiaries in 17 European countries, with ~~137,505 employees (122.990~~**117,659** ~~"~~*full time equivalent*" **employees**[9]~~)~~ e ~~6.592~~**6,221** branches as of ~~30 September 2016~~**31 December 2016**[10].

[…OMISSIS…]".

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[9] Personnel are counted in terms of hours effectively worked and/or paid for by the company at which the service is provided.

[10] For the sake of completeness, it is noted that as at 31 October 2016 PJSC Ukrsotsbank was sold to Alfa Group, therefore, from this date, the operations of the Group in Central Eastern European countries no longer includes Ukraine. On this point see Chapter 5, Paragraph 5.1.5 of the Registration Document.

### 3.10 Additions to Chapter 6, Paragraph 6.1.2 of the Registration Document

Chapter 6, Paragraph 6.1.2 of the Registration Document is integrated as shown below (strike-through text deleted and bold and underlined text added).

"**6.1.2 Description of the Group business segments**

[…OMISSIS…]

On 12 December 2016 the Issuer approved the 2016-2019 Strategic Plan, which includes, *inter alia*, actions designed to have an impact on the perimeter of the Group and the business segments in which it operates. These actions specifically include the sale of Bank Pekao (see Chapter 22, Paragraph 22.3 of the Registration Document) and the sale of almost all of the assets of PGAM (see Chapter 22, Paragraph 22.2 of the Registration Document), whose assets, at 30 September 2016, were part of the "Poland" business segment and the "Asset Management" business segment respectively.

In consideration of the above, from the consolidated financial statements of the year ended 31 December 2016, the UniCredit Group's assets will be divided into the following business segments: (i) Commercial Banking Italy; (ii) Commercial Banking Germany; (iii) Commercial Banking Austria; (iv) Corporate & Investment Banking; (v) Central Eastern Europe; (vi) Asset Gathering; (vii) Group Corporate Centre; and (viii) Non-Core.

**For more information on some divisional trends found by the Issuer on the basis of 2016 Preliminary Data, see Chapter 13, Paragraph 13.1.6 of the Registration Document, as integrated within the meaning of Chapter 3, Paragraph 3.9 of the Supplement."**.

### 3.11 Additions to Chapter 6, Paragraph 6.1.3 of the Registration Document

Chapter 6, Paragraph 6.1.3 of the Registration Document is integrated as shown below (strike-through text deleted and bold and underlined text added).

"**6.1.3 Distribution Network**

[…*OMISSIS*…]

*The network of branches and ATM*

As of ~~30 September 2016~~ **31 December 2016**, the UniCredit Group had a distribution network consisting of ~~6.592~~**6,221** outlets, including ~~3.613~~**3,524** branches in Italy[11]~~, 510 branches in Germany, 170 branches in Austria, 2,235 branches in Central and Eastern Europe (including Poland)~~ and ~~64~~**2,697** branches in other Countries.

[…*OMISSIS*…]"

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[11] Apart from the "UniCredit S.p.A." branches, the data includes also the "UniCredit Leasing S.p.A." and "UniCredit Bank AG" branches.

### 3.12 Additions to Chapter 12, Paragraph 12.2 of the Registration Document

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

**"12.2 Information on trends, uncertainties, requirements, obligations or known facts that could reasonably have material repercussions on the Company's outlook, at least for the current period**

[…*OMISSIS*…]

**The above-mentioned one-off negative impacts were also verified on 9 February 2017 at the approval of the 2016 Preliminary Data 2016. For information on the trends shown by the 2016 Preliminary Data, see Chapter 13, paragraph 13.1.6, as integrated in accordance with Chapter 3, paragraph 3.14 of the Supplement.**".

### 3.13 Additions to Chapter 13, Paragraph 13.1.5 of the Registration Document

Chapter 13, Paragraph 13.1.5 of the Registration Document was supplemented as described below (strikethrough text removed and text in bold and underlined added).

**"13.1.5 Main Discretionary Assumptions based on the 2016-2019 Strategic Plan**

[…OMISSIS…]"

As described above, apart from improving the capital ratios of the Group, the strengthening of the capital structure of UniCredit Group will be made necessary also in order to compensate for the negative impacts on the same resulting from:

[…*OMISSIS*…]

- Sustaining of integration costs for a total amount of approximately Euro 1.7 billion (net of tax effects), equal to approximately 46 base points[12] on the CET1 ratio, aimed to finance the departure of about 5,600 FTE from the Group through a combination of pre-retirement and departure inventive plans. The reduction of 5,600 FTE is part of a wider net reduction of the workforce of the Group equal to 14,200 FTE, of which 7,700 referred to the previous plan and 6,500 referred to the new plan. Specifically, the outputs of 6,500 FTE referred to the new plan, include the aforementioned 5,600 FTE related to integration costs, 800 FTE related to the "*Bank Austria Reloaded*" project, already previously financed and about 100 FTE of combined effect of closures of certain companies and new projections of net recruitment in the period 2015-2019; such recruitment has a hypothetical nature. **Ton 4 February 2017 the Issuer has signed the agreement with the trade unions on the 3,900 redundancies in Italy provided by the Strategic Plan, as well as in** ~~in~~ Germany and Austria **where** an agreement was reached with the *Workers' Council*, ~~while in Italy a contractual procedure with the trade unions is in progress to reach common solutions by the beginning of February. The Issuer considers to be able to arrive at a socially responsible and constructive~~

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[12] Calculated on the basis of the pro-forma amount of the weighted assets at 30 September 2016.

~~agreement with the syndicate, but in the event of failure to reach an agreement it reserves the right to use the instruments provided for by the workforce reduction law (collective dismissals under 223/91), activating at the same time alternative and unilateral measures for reduction of structural costs. In such a case the ration between costs and benefits provided in the Strategic Plan with regard to the policy of pre-retirement and early departures would remain substantially unchanged~~;

[…*OMISSIS*…]

Therefore, as a result of the time lag between said negative impacts and the execution of the Share Capital Increase and the M&A Asset Sale Transactions in the process of being Executed, the (phase-in) capital buffers of the Issuer as at 31 December 2016 ~~are expected to be~~ **stand, according to the results of 2016 Preliminary Data,** ~~around 8%~~ **8.15%** of the CET1 *capital ratio*, ~~9%~~ **9.04%** **(*phase in*)** of the *tier1 capital ratio* and ~~11.5%~~ **11.66%** **(*phase in*)** of the *Total capital ratio*.

Therefore, at 31 December 2016, only the asset coefficient relative to CET1 capital ratio [13] is respected for approx. 2 percentage points **(*phase in*)**[14]. **For the sake of completeness it should be noted that the CET 1 capital ratio (fully loaded), according to 2016 Preliminary Data, is at 7.54% at 31 December 2016 Which is lower by approximately 2.5 percentage points** [15]**,**

**Based on the Preliminary Data 2016, with** reference, on the other hand, to the capital requirements applicable from 1 January 2017, ~~it is expected that the following will temporarily not be~~ **the following are not** temporarily complied with:

- o the "OCR Requirements" [16]:
  - the CET1 capital ratio (equal to 8.755%) by around 1 percentage point;
  - the Tier1 capital ratio (equal to 10.255%) by around 1.~~5~~**2** percentage points;
  - the Total capital ratio (equal to 12.255%) by around 1 percentage point;

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[13] The CET1 *capital ratio* refers to "SREP requirements including the countercyclical buffer and G-SII" equal to 10.005%.

[14] This negative difference is entirely attributable to the non respect of the *Combined Buffer* (*Capital Conservation, Countercyclical Capital* and *G-SII*) equal to 2.755%.

**[15] It is specified that the difference of 2.5 percentage points is the result of comparison between the *CET1 ratio* (*fully loaded*) and the regulatory minimum (*phase in*) applicable at 31 December 2016. The regulatory minimum for the *CET1 ratio* (*fully loaded*) is equal to 10.50% assuming that the second pillar requirement applicable in 2017 and the *Countercyclical Capital Buffer* applicable as of 31 December 2016 will be constant. However, this level will be applicable only as of 2019 and could vary depending on the result of future years of SREP and to take into account any modifications of the applicable norms.**

[16] The negative differences mentioned are entirely attributable to the non-compliance of the Combined buffer (Capital conservation, Countercyclical capital and G-SII) of 1.755%.

o the "OCR Requirements + 'Pillar 2 capital guidance'" (applicable only with reference to the CET1 capital ratio):

- the CET1 ratio (equal to 10.005%) by around 2 percentage points[17].

[…*OMISSIS*…]

In this respect it should be noted that the completion of the Capital Increase (whose estimated impact on the CET1 ratio is positive and **respectively** equal to about ~~3,5%[18]~~ **3.34% of the *CET1 ratio* (*phase in*) and to 3.61% on *CET1 ratio* (*fully loaded*) calculated on the basis of 2016 Preliminary Data**) is sufficient in itself to ensure compliance with all the requirements mentioned above, while the Operations of Disposal of Assets in the Course of Execution (whose estimated impact on the CET1 ratio**,** ~~also taking into account~~ **calculated on the basis of the 2016 Preliminary Data,** is positive and equal to approx. 1,~~5~~**2**%~~[19]~~) are not sufficient to restore the requirements of "OCR Requirements + 'Pillar 2 capital guidance'" for the CET1 capital ratio whose negative difference with respect to the requirement, mentioned previously, is approximately 2 percentage points **(*phase in*)** and (ii) may not be alone sufficient to restore the OCR requirement applicable from 1 January 2017 for the tier 1 capital ratio, whose negative difference with respect to the requirements mentioned previously is about 1.5 percentage points (while they would be sufficient to restore the OCR requirement for the CET1 capital ratio and the total capital ratio[20], whose negative difference with respect to the requirements is about 1 percentage point). As a result, the corresponding impacts calculated for the pro-forma data are to be understood to be purely illustrative.

[…*OMISSIS*…]".

## 3.14 Additions to Chapter 13, Paragraph 13.1.6 of the Registration Document, as supplemented pursuant to Chapter 11, Paragraph 11.4 of the Securities Note

Chapter 13, Paragraph 13.1.6 of the Registration Document, as supplemented pursuant to Chapter 11, Paragraph 11.4 of the Securities Note, was supplemented as indicated below (strikethrough text removed and text in bold and underlined added).

### 13.1.6 Estimate of the 2016 result

Based on the actions defined in the plan, one-off negative impacts on the net profit in the fourth quarter of 2016 are estimated at a total of €12.2 billion, of which: (i) €8.1 billion of additional net adjustments to loans; (ii) €1.7 billion of integration costs; (iii) €1.4 billion of other write-downs on balance sheet asset items and provisions for risks; (iv) €0.4 billion of profits on the sale of credit card processing activities; (v) €1.4 billion

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[17] This negative difference is attributable by around 1 percentage point to the non-compliance of the Pillar 2 capital guidance (which is equal to 1.25%) and by around 1 percentage point to the non-compliance of the Combined buffer *(*Capital conservation, Countercyclical capital and GSII) which is equal to 1.755%.

~~[18] It should be noted that this impact was based on the same data used for the purposes of calculating the deviations in terms of capital ratios at 31 December 2016 and applicable from 1 January 2017.~~

[19] ~~It should be noted that this impact was based on the same data used for the purposes of calculating the deviations in terms of capital ratios at 31 December 2016 and applicable from 1 January 2017.~~

[20] It should be noted that despite the fact that following the Assets Transfer Operations the Tier 1 capital ratio may not be met, the total capital ratio would be respected by the effect of the additional equity instruments (Tools Tier 2) issued by the Issuer.

negative impact resulting mainly from the cancellation of the exchange rate reserve connected with the sale of PJSC Ukrstotsbank and goodwill and other intangible assets that did not have an impact on *Common Equity Tier 1* capital.

Because of the one-off impacts described above, the Issuer's net profit for the 2016 period will be calculated, assuming the current Group perimeter and considering the financial impact of the one-off transactions recognised in the 2016 period, in accordance with the accounting standards applied by UniCredit in the preparation of the Consolidated Financial Statements as at 31 December 2015 and according to the scenarios for 2016 (in terms of trends of market volumes and rates) and the industrial operations of the Strategic Plan (in terms of operations for the maximisation of commercial banking value and transformation of the operating model) ~~taking into account the actual results of the nine months of 2016 and the expected trend for the fourth quarter of 2016~~ **as emerged during the preparation of Preliminary Data** **(on this point see below)**.

This net profit, **as shown also by the 2016 Preliminary Data 2016 (see below),** will not share continuity with that of the first nine months of 2016 as a significant loss is expected in 2016, compared with the profit reported for the first nine months of that year. Significant impacts are not however anticipated to derive from the M&A Asset Sale Transactions in course of Execution on the net profit for the 2016 period, at least not in terms of the impact of the presentation of these operations according to accounting standard IFRS 5. Based on the timescale envisaged for the M&A Asset Sale Transactions in course of Execution, changes are not therefore envisaged to the Group consolidation perimeter as at 31 December 2016, except for the participation in PJSC Ukrsotsbank consequently to the transfer of the same to the Luxembourg holding company ABH Holdings S.A.

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

In the processing of the estimates the UniCredit Group has taken into account a series of further negative one-off entries amounting to about €1 billion, which are expected to be accounted for in the year 2016. These negative one-off entries mainly derive from: **(i)** ~~●~~ Greater devaluation of the share in the Atlante Fund, consequent to the evaluation of the Fund on the basis of internal models (*see* Chapter 5, Paragraph 5.1.6 of the Registration Document); **(ii)** ~~●~~ the devaluation of certain holdings, consequent to new evidence on the prospects of the underlying companies; **(iii)** ~~●~~ the devaluation of deferred tax assets (DTA) as a result of the verification of the recoverability of the same carried out on the basis of the availability of analytical information elements; **and (iv)** ~~●~~ the detection of extraordinary contributions to the National Resolution Fund (*see* Chapter 12, paragraph 12.2 of the Registration Document), upon completion of a study outcome of studies that has been the subject of discussion by the Board of Directors of 30 January 2017.

Therefore, in the estimate of net consolidated results for the financial year ended 31 December 2016, the Issuer expects to record**, as confirmed at the time the Preliminary Data 2016 was approved,** a loss of approximately €11.8 billion compared to an estimated profit for the first nine months of 2016.

The estimate of the net consolidated loss for 2016 (€11.8 billion), **for the year ended December 31, 2016,** includes negative one-off entries equal to - €13.~~2~~**13.1** billion **(arising from the sum of the negative non-recurring items of Euro 13.2 billion in QIV 2016 and the net positive non-recurring items of Euro 0.1 billion in the first nine months of 2016).** The consolidated net result, without considering these one-off entries, would be positive and equal to €1.3 billion (whereas the effect of rounding-off), a drop in relation to Euro 1.7 billion profit recorded by the UniCredit Group in the year ended 31 December 2015. This decrease is mainly due to higher net provisions on loans (linked to specific positions of large dimensions, on which provisions have been made in the course of the fourth quarter of 2016) and higher taxes (arising from negative net result of the companies forming part of the Italian consolidated tax perimeter, on which not active deferred taxes have not been posted). It must be result of operations gross of these one-off entries, according to the estimates, would increase in 2016 compared to 2015. The estimate of the consolidated net result, the estimate of the consolidated net result gross of one-off entries and the estimate of the operating profit gross of the one-off entries, are listed below, jointly, as the "Estimates" and they were determined according to the accounting policies applied by the Group in preparing the consolidated financial statements as at 31 December 2015.

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

It should also be noted that the above-mentioned additional one-off negative entries do not have negative net impact on capital ratios at 31 December 2016 and applicable from 1 January 2017 because: (a) a part of the further negative adjustments that the Board of Directors has considered for the purposes of the estimates are neutral for the purposes of the calculation of the capital ratios ; (b) the negative impact of the remaining corrections is compensated by new positive effects on capital (deriving mainly from lower risk-weighted assets and by higher capital reserves than assumed in the hypothesis of the Strategic Plan). These negative impacts and the above-mentioned positive new effects have been identified by the Board of Directors on 30 January 2017 during the scrutiny of the Estimates.

Taking account of the above, with reference to the consolidated asset ratios of the Issuer, it is estimated**, as highlighted in the 2016 Preliminary Data,** that they are in line with what is stated in the Registration Document, and below the applicable regulatory minimum, respectively equal to: (i) 2 percentage points in terms of CET1 capital ratio (with respect to the minimum requirements applicable at 31 December 2016, and with respect to "OCR Requirements + 'Pillar 2 capital guidance'" applicable as of 1 January 2017); (ii) 1,~~5~~**2** percentage points in terms of Tier 1 capital ratio **(*phase in*)** (with respect to the "OCR Requirements" applicable as of 1 January 2017); and (iii) 1 percentage points in terms of Total capital ratio (with respect to the "OCR Requirements" applicable as of 1 January 2017); (on this point, see ~~Chapter 13, Paragraph 13.1.5 of the Registration Document~~ ***infra***).

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

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

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

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

**The following tables contain the preliminary data of consolidated income statement and consolidated balance sheet at 31 December 2016, with the respective comparative data with respect to 31 December 2015 ("recalculated").**

**Regarding the data referring to the year ending on 31 December 2015 ("recalculated"), it is specified that they were recalculated in order to present the assets and liabilities of Bank Pekao, PGAM and entities belonging to these subgroups as "Non current assets and groups of assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" in consequence of their classification as Discontinued Operations adopted in 2016. This recalculation has been carried out in accordance with International Accounting Standard of reference IFRS 5, paragraph 34.**

## RESTATED INCOME STATEMENT

| *(in millions of Euros)* | 31 December 2015 (historical) | 31 December 2015 (recalculated) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---:|---:|---:|---:|
| **Net interest** | **11,916** | **10,922** | **10,307** | ***-5.6%*** |
| **Dividends and other income from equity investments** | **829** | **822** | **844** | ***2.6%*** |
| **Net commissions** | **7,848** | **5,519** | **5,458** | ***-1.1%*** |
| **Net revenues from trading** | **1,644** | **1,485** | **2,080** | ***40.0%*** |
| **Balance of other income/expense** | **166** | **118** | **112** | ***-5.1%*** |
| TOTAL REVENUES | 22,405 | 18,866 | 18,801 | *-0.3%* |
| **Personnel costs** | **-8,339** | **-7,486** | **-7,124** | ***-4.8%*** |
| **Other administrative expenses** | **-5,159** | **-4,750** | **-4,900** | ***3.2%*** |
| **Recovery of expenses** | **808** | **807** | **768** | ***-4.8%*** |
| **Adjustments in value of tangible and intangible assets** | **-929** | **-837** | **-1,196** | ***42.9%*** |
| OPERATING COSTS | -13,618 | -12,266 | -12,453 | *1.5%* |
| GROSS OPERATING MARGIN | 8,787 | 6,600 | 6,348 | *-3.8%* |
| **Adjustments on receivables** | **-4,114** | **-3,991** | **-12,207** | ***n.m.*** |
| NET OPERATING MARGIN | 4,673 | 2,609 | -5,858 | *n.m.* |
| **Other charges and provisions** | **-1,585** | **-1,447** | **-2,078** | ***43.6%*** |
| **Integration costs** | **-410** | **-386** | **-2,132** | ***n.m.*** |
| **Net profits from investments** | **-6** | **-27** | **-910** | ***n.m.*** |
| PROFIT (LOSS) FROM CURRENT OPERATIONS | 2,671 | 749 | -10,978 | *n.m.* |
| **Income tax for the period** | **-137** | **98** | **-713** | ***n.m.*** |
| NET PROFIT (LOSS) FROM CURRENT OPERATIONS | 2,534 | 848 | -11,691 | *n.m.* |
| **Profit (Loss) after tax from discontinued operations** | **-295** | **1,377** | **630** | ***-54.3%*** |
| RESULT FOR THE PERIOD | 2,239 | 2,225 | -11,061 | *n.m.* |
| **Minorities** | **-352** | **-352** | **-464** | ***31.9%*** |
| NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA | 1,887 | 1,873 | -11,524 | *n.m.* |
| **The economic effects of the PPA** | **-193** | **-179** | **-5** | ***-97.1%*** |
| **Impairment of goodwill** | **0** | **-** | **-261** | ***n.m*** |
| NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP | 1,694 | 1,694 | -11,790 | *n.m* |

(*) **Note: At 31 December 2016, pursuant to IFRS5, the assets and liabilities of Bank Pekao, PGAM and entities belonging to these subgroups were accounted for under the headings "Non-current assets and groups of assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" following their classification as Discontinued Operations). The comparison period was consistently restated to allow comparability, in accordance with the regulations in force.**

## RESTATED BALANCE SHEET

| ***(in millions of Euros)*** | 31 December 2015 (historical) | 31 December 2015 (recalculated) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| ASSETS | | | | |
| **Cash and cash equivalents** | **10,303** | **9,611** | **13,858** | ***44.2%*** |
| **Financial assets held for trading** | **90,997** | **89,995** | **87,467** | ***-2.8%*** |
| **Loans and receivables with banks** | **80,073** | **77,437** | **74,692** | ***-3.5%*** |
| **Loans and receivables with customers** | **473,999** | **445,382** | **444,607** | ***-0.2%*** |
| **Financial investments** | **152,845** | **147,634** | **149,004** | ***0.9%*** |
| **Hedging instruments** | **8,009** | **7,911** | **6,872** | ***-13.1%*** |
| **Property, plant and equipment** | **10,031** | **9,673** | **9,092** | ***-6.0%*** |
| **Goodwill** | **3,618** | **1,744** | **1,484** | ***-14.9%*** |
| **Other intangible assets** | **2,140** | **1,908** | **1,708** | ***-10.5%*** |
| **Tax assets** | **15,726** | **15,615** | **15,161** | ***-2.9%*** |
| **Non-current assets and disposal groups classified as held for sale** | **2,820** | **44,576** | **45,854** | ***2.9%*** |
| **Other assets** | **9,872** | **8,948** | **9,735** | ***8.8%*** |
| Total – Assets | 860,433 | 860,433 | 859,533 | *-0.1%* |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| **Deposits from banks** | **111,373** | **110,333** | **103,852** | ***-5.9%*** |
| **Payables to customers** | **449,790** | **419,686** | **452,419** | ***7.8%*** |
| **Debt securities in issue** | **134,478** | **133,797** | **115,436** | ***-13.7%*** |
| **Financial liabilities held for trading** | **68,918** | **68,029** | **68,361** | ***0.5%*** |
| **Financial liabilities at fair value through profit or loss** | **455** | **455** | **2,497** | ***449.1%*** |
| **Hedging instruments** | **11,254** | **11,004** | **9,405** | ***-14.5%*** |
| **Provision for risks and charges** | **9,854** | **9,720** | **10,541** | ***8.5%*** |
| **Tax liabilities** | **1,528** | **1,428** | **1,399** | ***-2.1%*** |
| **Liabilities included in disposal groups classified as held for sale** | **1,880** | **35,985** | **35,869** | ***-0.3%*** |
| **Other liabilities** | **17,417** | **16,511** | **16,566** | ***0.3%*** |
| **Minorities** | **3,399** | **3,399** | **3,853** | ***13.4%*** |
| **Group portion of shareholders' equity** | **50,087** | **50,087** | **39,336** | ***-21.5%*** |
| - ***Capital and reserves*** | **48,315** | **48,336** | **51,881** | ***7.3%*** |
| - ***Valuation reserves (assets available for sale - coverage of financial flows - defined benefits plans)*** | **77** | **56** | **-755** | ***-1448.2%*** |
| - ***Net Profit*** | **1,694** | **1,694** | **-11,790** | ***-795.9%*** |
| Total liabilities and Shareholders' Equity | 860,433 | 860,433 | 859,533 | *-0.1%* |

**(*) Note: At 31 December 2016, pursuant to IFRS5, the assets and liabilities of Bank Pekao, PGAM and entities belonging to these subgroups were accounted for under the headings "Non-current assets and groups of assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" following their classification as Discontinued Operations). The comparison period was consistently restated to allow comparability, in accordance with the regulations in force.**

**The Supplement does not include information relating to the preliminary data on an individual basis for the fourth quarter of 2016 and for the year ended December 31, 2016 (the "**2016 Individual Preliminary Data**"). In this regard it is to be noted that said data - which was not the subject of disclosure to the public - does not reveal additional significant information with respect to the consolidated financial statements.**

*Comments to the main trends of 2016 Preliminary Data - Capital Ratios*

**As specified in the tables above, the 2016 Preliminary Data show a reduction of the consolidated result of operations with respect to the corresponding value of 2015 determined on a comparable basis, as a result of a decrease in revenues, in addition to an increase in operating costs, due to the non-recurring items recognised in QIV 2016 (without which, the costs would have dropped).**

**As indicated in the tables above, on the basis of 2016 Preliminary Data the “total revenues” are equal to €18.8 billion at 31 December 2016 (-0.3% compared with 31 December 2015 “recalculated”), with the positive year-by-year progression of revenues from trading that has almost completely offset the contraction of the interest margin, mainly due to the reduction of interest rates.**

**The interest margin (NII) has dropped to €10.3 billion in the year ended 31 December 2016 (-5.6% compared with 31 December 2015 “recalculated”), due to the effect of various components. During the year, the interest margin was characterized by the reduction in interest income on loans to customers, offset by the fall in the average cost of deposits from commercial customers and the growth in other non-commercial components. Year 2016 was also characterized by the progressive narrowing of credit spreads, in a scenario of interest rates remaining in negative territory.**

**The result of net interest accrued is however within the scope of improving dynamic volumes. In particular the loans to customers (€444.6 billion at 31 December 2016) are in decline by 0.2% compared with the previous year, even after the aforementioned adjustments in the third quarter on additional loans of €8.1 billion. A similar trend is registered for the stock of volumes of loans to customers, net of repos, which is stable compared to last year (-0.6% at constant exchange rates), highlighting however generalized increments at the geographical level, counterbalanced by the reduction of non-core items.**

**In line with the assumptions of the Strategic Plan, due to the combined effect of the expected dynamics of reduction of interest rates and consequently of spreads, which are diminishing, and of volumes, expected to resume in the second part of the year, the net interest is expected to increase as of 2018, after a further slight decrease in 2017.**

**In the year ending 31 December 2016 dividends and other income from equity investments increased to €844 million (+2.6% compared to 31 December 2015 “recalculated”) and the contribution of Yapi Kredi in the year ended 31 December 2016 increased to €378 million (+8.2% compared to 31 December 2015 “recalculated”).**

**Net commissions stood at €5.5 billion at 31 December 2016 (-1.1% compared with 31 December 2015 “recalculated”)[21]. The fall was the result of the credit component that decreased by 12.6% compared to 2015, primarily as a result of passive commissions on securitisation and on services of credit recovery carried out by doBank S.p.A.**

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[21] **To be considered as the result of IFRS5 accounting rules applied to PGAM, net commissions of the Group are reduced in relation to the intra-group commissions paid by PGAM to “Commercial Banking” *network*. This difference is compensated by a positive adjustment of opposite sign of the same amount in the net income line from assets classified as held for sale: consequently the adjustments are neutral in terms of the net result of the Group.**

**On the contrary, the transactional services have presented a positive trend (+10.0% compared to 2015). Results were positive also for investment services (+2.7% compared to 2015), with the contribution of commissions on managed savings products (+2.6% compared to 2015) and commissions on savings deposits (+3.4% compared to 2015).**

**The net revenues from trading recorded a solid trend in the financial year ending on 31 December 2016 reaching €2.1 billion (+40.0% compared to 31 December 2015 "recalculated"). The sale of the investment in VISA Europe (€246 million) and the effects associated with the conclusion of securitisation transactions contributed to this result.**

**The Groups' operating costs in 2016 were €12,453 million, an increase of 1.5% compared with 2015 "recalculated". The negative trend of operating costs was originated from the accounting of some one-off charges equal to €626 million recorded in the last quarter of the year, net of which the operating costs would have recorded a decrease of 3.6% compared to the previous year.**

**As far as the costs/revenues ratio is concerned, it stood at 66.2% in 2016 compared with the "recalculated" figure of 65.0% as at 31 December 2015. Removing the costs/revenues of one-off entries, the costs/revenues ratio would stand at 63.9% in 2016 compared with 65.0% in 2015. Lastly, neutralising the effect of the elimination of intra-group entries relating to relations between PGAM and Pekao and other Group companies, the costs/revenues ratio would be 61.1%[22] in 2016 compared with 61.8% in 2015.**

**In particular, personnel expenses were equal to Euro 7,124 million, a decrease of 4.8% compared with 31 December 2015 "recalculated", thanks to the reduction of the workforce and the component of variable compensation, in addition to the lower impact of expenditure linked to pension funds.**

**Other administrative expenses (not inclusive of recoveries of expenditure), amounted to Euro 4,900 million, increasing by 3.2% compared with the 2015 "recalculated". This position was affected by non-recurrent components for Euro 308 million, net of which the dynamics would have been in decline compared to 2015 "recalculated".**

**Expenditure recovery amounted to Euro 768 million, down by 4.8% compared with the previous year.**

**Impairment losses on fixed assets amounted to Euro 1,196 million (+42.9% compared to 2015 "recalculated"), also affected by Euro 318 million of one-off items, excluding which the year-to-year dynamics would be in increase of 4.9%.**

**The corrections on loans rose to €12.2 billion in the year ended 31 December 2016, including €8.1 billion of write-downs on extraordinary credits recorded in the fourth quarter, in line with the provisions of the Strategic Plan, in order to compensate the heritage of the portfolio of Italian impaired loans and accelerate the reduction of the Non-Core portfolio. The cost of corrected risk was equal to 91 basis points at 31 December 2016 (+2 basis points compared to 31 December 2015 "recalculated").**

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[22] **Note that this figure has not been certified by the External Auditors.**

**Other charges and provisions reached €2.1 billion in the financial year ending on 31 December 2016 (+43.6% compared to 31 December 2015 "recalculated"). In particular, this item included estimated legal proceedings and contingent liabilities of various nature for a total of €1.0 billion, in addition to the systemic charges, which were equal to €1.1 billion. These include the contribution to the Single Resolution Fund (SRF) and charges for the Deposits Guarantee Scheme (DGS) and the Bank Levies, in addition to the new guarantee for the maintenance of the regime of transformation of the DTA.**

**Integration costs rose to €2.1 billion in the financial year ending on 31 December 2016 against €386 million recorded in 2015 "recalculated", inclusive of extraordinary items mainly related to Italy, Germany and Austria.**

**Finally, the net income from investments in 2016 amounted to -€910 million, against -€27 million of 2015. The evolution of this position was affected by some extraordinary items recorded in the fourth quarter, for an amount of 0.7 million. Mainly: the devaluation of the quotas paid to the Atlante Fund and the write-down of the stake in Yapi Kredi. On the other hand, the position has benefited from a capital gain of €447 million resulting from the sale of the processing of payments by UBIS payment cards in Italy, Germany and Austria to SIA.**

**Income taxes amounted to €713 million in the financial year ended 31 December 2016, inclusive of major cancellation of assets for deferred taxes than what projected in the Strategic Plan for the fourth quarter 2016 for an amount of 0.2 billion.**

**In the financial year ending on 31 December 2016 the result from assets held for sale showed a profit of €630 million, inclusive of classification of Bank Pekao and PGAM under IFRS5. This item has been affected by extraordinary components of transfers of PJSC Ukrsotzbank (-€718 million) and Bank Pekao (-€171 million).**

**The net loss of Group reached €11.8 billion in the year ended 31 December 2016, due to the impact of extraordinary items for €13.1 billion on the net profit. Excluding the one-off items, Group's net profit amounted to €1.3 billion in the year 2016 thanks to strong revenues and a disciplined cost containment.**

**The risk-weighted assets (RWA) fell to €387 billion on 31 December 2016 (-€3.5 billion compared to 31 December 2015 "recalculated") due to a reduction of the credit RWA (-€2.4 billion compared to 31 December 2015 "recalculated") and operational RWA (Euro -2.6 billion compared with the "recalculated" figure as at 31 December 2015), partly offset by an increase in risk-weighted assets (Euro +1.6 billion compared to 31 December 2015 "recalculated"). In particular the reduction of RWA for credit is a result of the effects of Regulation[23] (-€3.3 billion compared to 31 December 2015 "recalculated"), the evolution of assets[24] (+€6.3 billion compared to 31 December 2015 "recalculated")**

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[23] **"Regulation" includes any change in the rules that may have an effect on RWA (such as CRR or CRD IV). It should be noted that in the fourth quarter of 2016 the holdings in financial institutions and the DTA exceeded the threshold of 10%/15% CET1, implying a deduction from the CET1 and a corresponding reduction in the RWA with a weight of 250% with respect to the quarter ended 30 September 2016.**

[24] **"Evolution of activities" refers to changes related to business development.**

**and of business actions[25] (-€8.3 billion compared to 31 December 2015 “recalculated”), which counterbalance the pro-cyclicality effect[26] (+€2.9 billion compared to 31 December 2015 “recalculated”).**

**The CET1 ratio (fully loaded) dropped to 7.54 % at 31 December 2016 (-328 basis points compared to 31 December 2015), including the negative impact of the deductions of thresholds (-41 basis points)[27] and mainly due to the effect of the net loss for the second half of 2016 (-316 basis points)[28], in part compensated by the positive dynamics of DBO, AFS and exchange rates (+22 basis points) and by the operation of accelerated bookbuilding on 20% of the capital of FinecoBank (+12 basis points). *CET1 ratio* (*phase in*) reached 8.15%[29] at 31 December 2016.**

**The *CET 1* (*fully loaded*) and the *CET1 ratio* (*phase in*) are respectively at 11.15%[30] and at 11.49%, assuming the full subscription of the Capital Increase.**

**The objective of CET1 ratio provided by the Strategic Plan of more than 12.5% in 2019 remains unchanged.**

**The Tier 1 capital ratio (phase in) and the total capital ratio (phase in) amounted respectively to 9.04% and 11.66% at 31 December 2016. These coefficients, assuming the full subscription of the Capital Increase, amount respectively to 12.43% and 15.08%.**

**On the basis of 2016 Preliminary Data, at 31 December 2016 the leverage ratio (phase in) stood at 3.61% and the leverage ratio (fully loaded) at 3,24%; such data, assuming the full subscription of the Capital Increase, amount respectively to 4.94% and 4.66%.**

**The quality of assets improved in the financial year ending on 31 December 2016, with impaired loans down to €56.3 billion (-27.6% compared to 31 December 2015 “recalculated”) and a ratio between deteriorated and total gross loans decreased to 11.8% (-4.2 p.p. compared to 31 December 2015 “recalculated”).**

**Decisive actions on the quality of the assets are confirmed by the proactive acceleration of the divestiture of the “non-core” portfolio. In this context, the phase 1 of the “Fino Project”, which is an integral part of the Strategic Plan, entered the execution phase meant to complete the transfer of the majority of the**

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[25] **“*Business action*” includes initiatives to pro-actively reduce the RWA. These initiatives are mainly represented by the sale of PSJC Ukrostbank (€-2.0 billion), from non-recurring components on the adjustments on credits (€-1,6 billion) and by the securitization (€-2.5 billion).**

[26] **“Procyclicality” includes the adjustment of the models to changes in the macroeconomic scenario or change of the creditworthiness of specific customers.**

[27] **The temporary effects of reductions of CET1 inherent to financial investments and DTA exceeding the threshold of 10% and 15% respectively. These effects will be neutralised in the case of full completion of the Capital Increase.**

[28] **The loss of the second half of the financial year ended 31 December 2016 excludes one-off adjustments on intangible assets (neutral impact on capital) and includes the profit of the third semester of the year ending 31 December 2016 (not included in the regulatory capital of the third quarter of the financial year ended 31 December 2016).**

[29] **Anticipating a temporary deficit with respect to the requirements of the CET1 ratio, in the context of SREP 2015 and applicable until December 2016 (see chapter 13, Paragraph 13.1.5 of the Registration Document).**

[30] **Including the benefits of the Capital Increase from the reversal of the effects of the thresholds related to the financial contributions and the DTA. The CET 1 ratio is considerably higher than the 12% including disposals of PGAM and Bank Pekao (about 1.50 p.p.).**

**portfolio. Its completion is expected in the second half of 2017, in line with the expectations. The risk reduction trend is also confirmed by further disposals for €2 billion in the fourth quarter of 2016.**

**The Group's asset quality coefficients inclusive of the portfolio at 31 December 2016 correspond to: (i) The ratio between gross impaired exposures / total gross loans equal to 14.8% (compared to 15.2% at September 30, 2016); (ii) the ratio between net impaired exposures / total net loans equal to 6,1 per cent (compared to 7.9 per cent at 30 September 2016); (iii) coverage ratio of total impaired loans equal to 62.9% (compared to 52.2% at September 30, 2016); (iv) ratio between gross defaults / total gross loans equal to 9,9 per cent (compared to 10.1% at September 30, 2016); (v) ratio between net defaults / total net loans equal to 2.9 per cent (compared to 4.3 per cent at 30 September 2016); and (vi) default coverage ratio equal to 73.1% (compared to 61.4% at September 30, 2016).**

**The net impaired exposures fell to €25.0 billion (-34.7% compared to 31 December 2015 "recalculated"), while the ratio between net impaired exposures /total net loans stood at 5.6% at 31 December 2016 (-2.97 p.p. compared to 31 December 2015 "recalculated"). The solid coverage rate rose to 55.6% (+4.8 p.p. compared to 31 December 2015 "recalculated"). The gross impaired loans fell further to €31.8 billion at 31 December 2016, with a coverage rate of 65.6% (+5 p.p. compared to 31 December 2015. The likely gross defaults fell to €23.2 billion on 31 December 2016 (-8.9% compared with 31 December 2015 "recalculated") due to the decrease of the defaults and show a coverage rate growing by 43.3% (+9.1 p.p. compared to 31 December 2015 "recalculated"). The overdue credits fell to €1.4 billion on 31 December 2016 (-46.5% compared with 31 December 2015 "recalculated") due to the decrease of the defaults and show a coverage rate growing by 34.3% (+7.2 p.p. compared to 31 December 2015 "recalculated").**

**The 2016 funding plan was performed for approximately €19.5 billion. Including the further TLTRO II of €8.5 billion, the medium-long term funding was around €28 billion. The TLTRO II in existence on the Supplement Date is equal to €26.8 billion on a consolidated basis (with respect to the TLTRO I equal to €18.3 billion fully repaid). The participation in the next auction of TLTRO II set for the month of March is in the process of evaluation.**

**The table that follows shows the main alternative performance indicators of the UniCredit Group at 31 December 2016. The alternative performance indicators listed below, with the exception of the rectified cost/income, are calculated based on 2016 Preliminary Data. The 2016 Preliminary Data were not subject to accounting audit and the rectified cost/income ratio was not examined by the Audit Firm.**

| ***Indicator*** | **31 December 2016** | **Definition** | **Notes** |
|---|---|---|---|
| ***Rectified cost/income*** | **61.1%** | **The ratio between operating expenses and operating income.** | **Cost / income ratio corrected for the temporary effect due to the classification of Pioneer pursuant to IFRS5 and from the impact on costs and revenues of the one-off components linked to the Strategic Plan (the cost / income ratio is equal to about 66.2% without considering the effects mentioned above).** |
| ***Non-rectified cost/income*** | **66.2%** | **The ratio between operating expenses and operating income.** | |
| ***CEE cost/income*** | **35.9%** | **The ratio between operating expenses and operating income.** | **CEE division only** |
| ***Cost of risk*** | **91 bps** | **The ratio between loan loss provisions and loans and receivables with customers.** | **Cost of risk adjusted for non-recurring components equal to Euro -8.1 billion in fourth quarter 2016, related to the Strategic Plan.** |
| ***CEE risk cost*** | **134 bps** | **The ratio between loan loss provisions and loans and receivables with customers.** | **CEE division only** |
| ***Impaired gross / total gross credits*** | **14.8%** | **Indicates the ratio between the amount of the non-performing exposures, gross of value adjustments, and the overall exposure of credit portfolio of customers of the group, gross of value adjustments.** | **Including the Fino portfolio** |
| ***Impaired gross / total gross credits*** | **11.8%** | **Indicates the ratio between the amount of the non-performing exposures, gross of value adjustments, and the overall exposure of credit portfolio of customers of the group, gross of value adjustments.** | **Excluding the Fino portfolio** |
| ***Impaired net / total net credits*** | **6.1%** | **Indicates the ratio between the amount of the non-performing exposures, net of value adjustments, and the overall exposure of credit portfolio of customers of the group, net of value adjustments.** | **Including the Fino portfolio** |
| ***Impaired net / total net credits*** | **5.6%** | **Indicates the ratio between the amount of the non-performing exposures, net of value adjustments, and the overall exposure of credit portfolio of customers of the group, net of value adjustments.** | **Excluding the Fino portfolio** |
| ***Impaired gross / total gross credits*** | **9.9%** | | **Including the Fino portfolio** |
| ***Net defaults / total net credits*** | **2.9%** | | **Including the Fino portfolio** |
| ***Coverage ratio of total impaired loans*** | **62.9%** | **Indicates the ratio between the amount of the value adjustments relating to portfolio of non performing exposures and overall gross exposure of this portfolio at the group level.** | **Including the Fino portfolio** |

| ***Indicator*** | **31 December 2016** | **Definition** | **Notes** |
|---|---|---|---|
| ***Coverage ratio of total impaired loans*** | **55.6%** | **Indicates the ratio between the amount of the value adjustments relating to portfolio of non performing exposures and overall gross exposure of this portfolio at the group level.** | **Excluding the Fino portfolio** |
| ***Coverage ratio of total impaired loans*** | **57.0%** | **Indicates the ratio between the amount of the value adjustments relating to portfolio of non performing exposures of the non-core division and overall gross exposure of this portfolio at the level of the non-core division.** | **Non-core division only** |
| ***Impaired loan coverage ratio*** | **73.1%** | **Indicates the ratio between the amount of the value adjustments relating to portfolio of defaults and overall gross exposure of this portfolio at the group level.** | **Including the Fino portfolio** |
| ***Impaired loan coverage ratio*** | **65.6%** | **Indicates the ratio between the amount of the value adjustments relating to portfolio of defaults and overall gross exposure of this portfolio at the group level.** | **Excluding the Fino portfolio** |
| ***Coverage ratio of likely defaults*** | **43.3%** | **Indicates the ratio between the amount of the value adjustments relating to portfolio of probable defaults and overall gross exposure of this portfolio at the group level.** | **Excluding the Fino portfolio** |
| ***Coverage ratio of total overdue loans*** | **34.3%** | **Indicates the ratio between the amount of the value adjustments relating to portfolio of impaired overdue loans and overall gross exposure of this portfolio at the group level.** | **Excluding the Fino portfolio** |
| ***Non-core impaired loan coverage ratio*** | **65.6%** | **Indicates the ratio between the amount of the value adjustments relating to portfolio of overdue loans of the non-core division and overall gross exposure of this portfolio at the level of the non-core division.** | **Non-core division only** |
| ***Non-core probable default coverage ratio*** | **44.6%** | **Indicates the ratio between the amount of the value adjustments relating to portfolio of probable defaults of the non-core division and overall gross exposure of this portfolio at the level of the non-core division.** | **Non-core division only** |
| ***Coverage ratio of non-core overdue loans*** | **36.5%** | **Indicates the ratio between the amount of the value adjustments relating to portfolio of impaired overdue loans s of the non-core division and overall gross exposure of this portfolio at the level of the non-core division.** | **Non-core division only** |

* * *

**The table below shows the consolidated preliminary data for 2016, excluding non-recurring items removed (the "**Adjusted Preliminary Data**"), compared excluding data as at 31 December 2015, also with the non-recurring items removed.**

| ***(in millions of euro)*** | 31 December 2015 (historical) | 31 December 2016 (preliminary) (cleared of one-off items) | *VAR 31 December 2015* (cleared of one-off items) *vs. 31 December 2016 (preliminary)* (cleared of one-off items) |
|---|---:|---:|---:|
| **Net interest** | **10,922** | ***10.307*** | ***-5.6%*** |
| **Dividends and other income from equity investments** | **822** | ***817*** | ***-0.6%*** |
| **Net commissions** | **5,518** | ***5,458*** | ***-1.1%*** |
| **Gains (losses) on financial assets and liabilities held for trading** | **1,482** | ***1,756*** | ***+18.5%*** |
| **Balance of other income/expense** | **118** | ***162*** | ***+37.2%*** |
| BROKERAGE MARGIN | 18,863 | *18,501* | *-1.9%* |
| **Personnel costs** | **(7,486)** | ***(7,124)*** | ***-4.8%*** |
| **Other administrative expenses** | **(4,750)** | ***(4,592)*** | ***-3.3%*** |
| **Recovery of expenses** | **807** | ***768*** | ***-4.8%*** |
| **Adjustments in value of tangible and intangible assets** | **(837)** | ***(878)*** | ***+4.9%*** |
| OPERATING COSTS | (12,266) | *(11,827)* | *-3.6%* |
| OPERATING PROFIT (LOSS) | 6,597 | *6,673* | *+1.2%* |
| **Net adjustments to credits and provisions for guarantees and commitments** | **(3,786)** | ***(4,207)*** | ***+11.1%*** |
| NET RESULT OF OPERATIONS | 2,811 | *2,467* | *-12.2%* |
| **Other charges and provisions** | **(1,359)** | ***(1,217)*** | ***-10.4%*** |
| **Integration costs** | **3** | ***(53)*** | ***n.m.*** |
| **Net profits from investments** | **(27)** | ***(179)*** | ***n.m.*** |
| PROFIT (LOSS) FROM CURRENT OPERATIONS | 1,428 | *1,017* | *-28.8%* |
| **Income tax for the period** | **(440)** | ***(785)*** | ***+78.3%*** |
| NET PROFIT (LOSS) FROM CURRENT OPERATIONS | 988 | *232* | *-76.6%* |
| **Profit (Loss) after tax from discontinued operations** | **1,709** | ***1,495*** | ***-12.5%*** |
| RESULT FOR THE PERIOD | 2,697 | *1,726* | *-36.0%* |
| **Minorities** | **(376)** | ***(424)*** | ***+12.9%*** |
| NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA | 2,321 | *1,302* | *-43.9%* |
| **Purchase Price Allocation effect** | **(179)** | ***(5)*** | ***-97.1%*** |
| **Impairment of goodwill** | **-** | ***-*** | ***-*** |
| NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP | 2,142 | *1,297* | *-39.4%* |

*Comments on the main divisional trends of 2016 Preliminary Data*

**The following tables contain the preliminary data of consolidated income statement at 31 December 2016 on division level (the** “2016 Preliminary Division Data”**), compared with the data at 31 December 2015 (“recalculated”).**

### ***Commercial Banking Italy***

| ***Commercial Banking Italy***<br>*(in millions of euro)* | 31 December 2015 (historical) | 31 December 2015 (recalculated) (*) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **5,079** | **4,111** | **3,853** | ***-6.3%*** |
| **Dividends and other income from equity investments** | **-** | **63** | **95** | ***51.4%*** |
| **Net commissions** | **3,506** | **3,491** | **3,485** | ***-0.2%*** |
| **Gains (losses) on financial assets and liabilities held for trading** | **32** | **31** | **57** | ***87.4%*** |
| **Balance of other income/expense** | **-28** | **-28** | **-52** | ***84.6%*** |
| BROKERAGE MARGIN | 8,590 | 7,668 | 7,438 | *-3.0%* |
| **Personnel costs** | **-2,728** | **-2,669** | **-2,645** | ***-0.9%*** |
| **Other administrative expenses** | **-1,898** | **-2,345** | **-2,317** | ***-1.2%*** |
| **Recovery of expenses** | **457** | **455** | **438** | ***-3.9%*** |
| **Adjustments in value of tangible and intangible assets** | **-61** | **-62** | **-65** | ***4.9%*** |
| OPERATING COSTS | -4,231 | -4,620 | -4,589 | *-0.7%* |
| OPERATING PROFIT (LOSS) | 4,359 | 3,047 | 2,849 | *-6.5%* |
| **Net adjustments to credits and provisions for guarantees and commitments** | **-1,208** | **-1,210** | **-1,978** | ***63.5%*** |
| NET RESULT OF OPERATIONS | 3,151 | 1,838 | 870 | *-52.6%* |
| **Other charges and provisions** | **-277** | **-284** | **-386** | ***36.1%*** |
| **- Of which systemic contributions** | **-129** | **-129** | **-91** | ***-30.0%*** |
| **Integration costs** | **-485** | **-473** | **-971** | ***105.4%*** |
| **Net profits from investments** | **-15** | **-15** | **-44** | ***187.1%*** |
| GROSS RESULT NET OF TAXES | 2,372 | 1,066 | -531 | *-149.8%* |
| RESULT FOR THE PERIOD | 1,552 | 718 | -582 | *-181.0%* |

(*) **Note: at 31 December 2016, pursuant to IFRS5, the assets and liabilities of Bank Pekao, PGAM and entities belonging to these subgroups were accounted for under the headings “Non current assets and groups of assets classified as held for sale” and “Liabilities associated with assets classified as held for sale” in consequence of their classification as Discontinued Operations). The comparison period was consistently restates to allow comparability, in accordance with the regulations in force.**

**Revenues for 2016 totalled €7.4 billion (-3.0% compared to 31 December 2015 “recalculated”), in decline mainly due to the effect of the realignment of the rates on commercial loans due to the context of negative interest rates that has affected the interest margin. Net commissions remained stable at €3.5 billion (-0.2% compared to 31 December 2015 “recalculated”) thanks to the investment commissions and the commissions relating to transactional and banking services, which compensated for the financial commissions penalized by the costs inherent in the securitization and lower commissions on loans and overdrafts.**

**Cost management was positive at €4.6 billion in 2016 (-0.7% compared to 31 December 2015 "recalculated") in presence of a decrease in the cost of staff obtained with a reduction of FTE in 2016, confirming the progress of the Strategic Plan.**

**The net loss amounted to €582 million at 31 December 2016, in view of the major adjustments on credits in support of the implementation of the Strategic Plan.**

### *Commercial Banking Germany*

| ***Commercial Banking Germany*** <br> *(in millions of euro)* | 31 December 2015 (historical) | 31 December 2015 (recalculated) (*) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **1,698** | **1,691** | **1,473** | ***-12.9%*** |
| **Dividends and other income from equity investments** | **51** | **51** | **49** | ***-4.3%*** |
| **Net commissions** | **751** | **717** | **732** | ***2.1%*** |
| **Gains (losses) on financial assets and liabilities held for trading** | **97** | **79** | **80** | ***1.7%*** |
| **Balance of other income/expense** | **114** | **114** | **125** | ***10.0%*** |
| BROKERAGE MARGIN | 2,701 | 2,652 | 2,460 | *-7.3%* |
| **Personnel costs** | **-1,168** | **-1,145** | **-1,058** | ***-7.6%*** |
| **Other administrative expenses** | **-831** | **-825** | **-806** | ***-2.3%*** |
| **Recovery of expenses** | **27** | **18** | **3** | ***-83.4%*** |
| **Adjustments in value of tangible and intangible assets** | **-44** | **-44** | **-42** | ***-4.4%*** |
| OPERATING COSTS | -2,016 | -1,997 | -1,903 | *-4.7%* |
| OPERATING PROFIT (LOSS) | 685 | 655 | 556 | *-15.1%* |
| **Net adjustments to credits and provisions for guarantees and commitments** | **-44** | **-44** | **44** | ***-199.6%*** |
| NET RESULT OF OPERATIONS | 641 | 611 | 600 | *-1.7%* |
| **Other charges and provisions** | **-177** | **-177** | **-132** | ***-25.8%*** |
| **- Of which systemic contributions** | **-62** | **-62** | **-53** | ***-15.4%*** |
| **Integration costs** | **-74** | **-74** | **-301** | ***308.4%*** |
| **Net profits from investments** | **49** | **49** | **18** | ***-62.5%*** |
| GROSS RESULT NET OF TAXES | 439 | 409 | 186 | *-54.5%* |
| RESULT FOR THE PERIOD | 433 | 413 | 120 | *-70.9%* |

**(*) Note: at 31 December 2016, pursuant to IFRS5, the assets and liabilities of Bank Pekao, PGAM and entities belonging to these subgroups were accounted for under the headings "Non current assets and groups of assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" in consequence of their classification as Discontinued Operations). The comparison period was consistently restates to allow comparability, in accordance with the regulations in force.**

**Revenues for 2016 totalled euro 2.5 billion (-7.3% compared to 31 December 2015 "recalculated") in decline mainly due to the effect of the worsening macroeconomic scenario registered in the course of 2016. Net commissions are on the increase compared to the previous year and are equal to Euro 732 million (+2.1% compared to 31 December 2015 "recalculated") thanks mainly to the commissions for the transactional and banking services.**

**Costs were at Euro 1.9 billion in 2016 (-0.7% compared to 31 December 2015 “recalculated”) in presence of a decrease in the cost of staff obtained with a reduction of FTE in 2016, confirming the progress of the Strategic Plan and the ongoing restructuring initiatives.**

**The net profit amounted to Euro 120 million at 31 December 2016, in view of the major adjustments on credits and provisions for guarantees and commitments.**

### *Commercial Banking Austria*

| ***Commercial Banking Austria***<br>*(in millions of euro)* | 31 December 2015 (historical) | 31 December 2015 (recalculated) (*) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **732** | **835** | **757** | ***-9.4%*** |
| **Dividends and other income from equity investments** | **171** | **171** | **126** | ***-26.5%*** |
| **Net commissions** | **620** | **606** | **595** | ***-1.9%*** |
| **Gains (losses) on financial assets and liabilities held for trading** | **41** | **39** | **129** | ***228.4%*** |
| **Balance of other income/expense** | **20** | **18** | **18** | ***3.2%*** |
| BROKERAGE MARGIN | 1,583 | 1,669 | 1,624 | *-2.7%* |
| **Personnel costs** | **-763** | **-718** | **-661** | ***-7.9%*** |
| **Other administrative expenses** | **-549** | **-591** | **-559** | ***-5.4%*** |
| **Recovery of expenses** | **1** | **-1** | **0** | ***-100.0%*** |
| **Adjustments in value of tangible and intangible assets** | **-23** | **-23** | **-15** | ***-35.3%*** |
| OPERATING COSTS | -1,335 | -1,332 | -1,235 | *-7.3%* |
| OPERATING PROFIT (LOSS) | 248 | 336 | 389 | *15.7%* |
| **Net adjustments to credits and provisions for guarantees and commitments** | **-15** | **-12** | **-32** | ***158.6%*** |
| NET RESULT OF OPERATIONS | 233 | 324 | 357 | *10.2%* |
| **Other charges and provisions** | **-195** | **-195** | **-272** | ***39.4%*** |
| **- Of which systemic contributions** | **-135** | **-135** | **-146** | ***8.2%*** |
| **Integration costs** | **320** | **320** | **-361** | ***-212.6%*** |
| **Net profits from investments** | **-18** | **-18** | **-72** | ***306.9%*** |
| GROSS RESULT NET OF TAXES | 340 | 431 | -348 | *-180.8%* |
| RESULT FOR THE PERIOD | 571 | 692 | -395 | *-157.0%* |

**(*) Note: at 31 December 2016, pursuant to IFRS5, the assets and liabilities of Bank Pekao, PGAM and entities belonging to these subgroups were accounted for under the headings “Non current assets and groups of assets classified as held for sale” and “Liabilities associated with assets classified as held for sale” in consequence of their classification as Discontinued Operations). The comparison period was consistently restates to allow comparability, in accordance with the regulations in force.**

**Revenues for 2016 totalled euro 1.6 billion (-7.3% compared to 31 December 2015 “recalculated”) in decline mainly due to the effect of the macroeconomic scenario, adversely affecting the interest margins and lower contribution of the dividend component. Net commissions decreases compared to the previous year and are equal to Euro 595 million (-1.9% compared to 31 December 2015 “recalculated”) thanks mainly to the financial commissions and commissions for the transactional and banking services, only partially compensated by the positive trend of investment commissions.**

**Costs were at Euro 1.2 billion in 2016 (-7.3% compared to 31 December 2015 “recalculated”) in presence of a decrease in the cost of staff obtained with a reduction of FTE in 2016, confirming the progress of the Strategic Plan.**

**The net loss amounted to Euro 395 million at 31 December 2016 affected by the integration costs related to the Strategic Plan.**

### *Central and Eastern Europe* (“CEE”)

***Central and Eastern Europe*** **(“CEE”)**

| *(in millions of euro)* | 31 December 2015 (historical) | 31 December 2015 (recalculated) (*) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **2,389** | **2,453** | **2,491** | ***1.5%*** |
| **Dividends and other income from equity investments** | **364** | **364** | **394** | ***8.4%*** |
| **Net commissions** | **718** | **789** | **800** | ***1.4%*** |
| **Gains (losses) on financial assets and liabilities held for trading** | **330** | **376** | **417** | ***10.9%*** |
| **Balance of other income/expense** | **26** | **28** | **60** | ***111.2%*** |
| BROKERAGE MARGIN | 3,826 | 4,010 | 4,162 | *3.8%* |
| **Personnel costs** | **-703** | **-705** | **-708** | ***0.4%*** |
| **Other administrative expenses** | **-672** | **-679** | **-667** | ***-1.9%*** |
| **Recovery of expenses** | **1** | **0** | **0** | ***-2.9%*** |
| **Adjustments in value of tangible and intangible assets** | **-107** | **-107** | **-121** | ***12.8%*** |
| OPERATING COSTS | -1,482 | -1,491 | -1,495 | *0.3%* |
| OPERATING PROFIT (LOSS) | 2,345 | 2,519 | 2,667 | *5.9%* |
| **Net adjustments to credits and provisions for guarantees and commitments** | **-1,017** | **-1,016** | **-791** | ***-22.1%*** |
| NET RESULT OF OPERATIONS | 1,327 | 1,503 | 1,876 | *24.8%* |
| **Other charges and provisions** | **-223** | **-172** | **-145** | ***-16.0%*** |
| **- Of which systemic contributions** | **-155** | **-155** | **-133** | ***-14.2%*** |
| **Integration costs** | **-8** | **-8** | **-14** | ***63.0%*** |
| **Net profits from investments** | **-4** | **-4** | **-9** | ***110.1%*** |
| GROSS RESULT NET OF TAXES | 1,092 | 1,319 | 1,709 | *29.6%* |
| RESULT FOR THE PERIOD | 494 | 723 | 1,408 | *94.7%* |

**(*) Note: at 31 December 2016, pursuant to IFRS5, the assets and liabilities of Bank Pekao, PGAM and entities belonging to these subgroups were accounted for under the headings “Non current assets and groups of assets classified as held for sale” and “Liabilities associated with assets classified as held for sale” in consequence of their classification as Discontinued Operations). The comparison period was consistently restates to allow comparability, in accordance with the regulations in force.**

**In terms of generation of profits, 2016 has been a successful year and it is closed with a net profit of €1.4 billion, more than the double with respect to the result of the 2015 (+94.7% or +104.7% compared to 31 December 2015 “recalculated”). In particular, on an annual basis, the CEE Division has shown a high level of efficiency, thanks to an increase in revenues (+3.8% compared to 31 December 2015 “recalculated”) in all lines of business, a cost control with cost/income ratio down to 35.9% (-1.3 p.p. compared to 31 December 2015 “recalculated”) and a cost of risk reduced to 134 basis points in the year 2016 (-40 basis points compared to 31 December 2015 “recalculated”)**

**With respect to 31 December 2015 "recalculated", the main contributions to the profits of the CEE Division were provided by Turkey with €378 million (+18.8%), the Czech Republic with €223 million (+6.7%), Bulgaria with €182 million (+5.8%) and Hungary with €173 million (+40.6%).**

**The commercial effort was confirmed by the acquisition of more than 700,000 customers in 2016.**

## *Corporate & Investment Banking* ("CIB")

***Corporate & Investment Banking*** **("CIB")**

| *(in millions of euro)* | 31 December 2015 (historical) | 31 December 2015 (recalculated) (*) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **2,278** | **2,450** | **2,318** | ***-5.4%*** |
| **Dividends and other income from equity investments** | **28** | **15** | **55** | ***256.7%*** |
| **Net commissions** | **604** | **639** | **614** | ***-4.0%*** |
| **Gains (losses) on financial assets and liabilities held for trading** | **819** | **843** | **1,238** | ***46.9%*** |
| **Balance of other income/expense** | **28** | **27** | **27** | ***-0.3%*** |
| BROKERAGE MARGIN | 3,757 | 3,974 | 4,252 | *7.0%* |
| **Personnel costs** | **-687** | **-690** | **-647** | ***-6.3%*** |
| **Other administrative expenses** | **-1,113** | **-1,082** | **-1,076** | ***-0.6%*** |
| **Recovery of expenses** | **44** | **4** | **3** | ***-3.9%*** |
| **Adjustments in value of tangible and intangible assets** | **-3** | **-3** | **-3** | ***16.1%*** |
| OPERATING COSTS | -1,759 | -1,772 | -1,723 | *-2.7%* |
| OPERATING PROFIT (LOSS) | 1,998 | 2,202 | 2,529 | *14.8%* |
| **Net adjustments to credits and provisions for guarantees and commitments** | **-31** | **-16** | **-595** | ***n.s.*** |
| NET RESULT OF OPERATIONS | 1,967 | 2,186 | 1,934 | *-11.5%* |
| **Other charges and provisions** | **-227** | **-228** | **-376** | ***64.7%*** |
| **- Of which systemic contributions** | **-140** | **-141** | **-118** | ***-16.5%*** |
| **Integration costs** | **-35** | **-35** | **-114** | ***226.5%*** |
| **Net profits from investments** | **-44** | **-44** | **-97** | ***121.3%*** |
| GROSS RESULT NET OF TAXES | 1,661 | 1,879 | 1,346 | *-28.3%* |
| RESULT FOR THE PERIOD | 1,212 | 1,374 | 1,176 | *-14.4%* |

**(*) Note: at 31 December 2016, pursuant to IFRS5, the assets and liabilities of Bank Pekao, PGAM and entities belonging to these subgroups were accounted for under the headings "Non current assets and groups of assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" in consequence of their classification as Discontinued Operations). The comparison period was consistently restates to allow comparability, in accordance with the regulations in force.**

**The CIB Division has registered positive operating results, with revenues of €4.3 billion (+7.0% compared to 31 December 2015 "recalculated") thanks to the positive contributions of all product lines and to the significant cost savings (-2.7% compared to 31 December 2015 "recalculated") obtained with a particular discipline of expenditure and a reduction of the workforce (FTE) (-290 thousand units about compared to 31 December 2015 "recalculated") The net profit for the financial year 2016 was €1.2 billion (-14.4% compared to 31 December 2015 "recalculated").**

## *Asset Gathering*

| *Asset Gathering*<br>*(in millions of euro)* | 31 December 2015 (historical) | 31 December 2015 (recalculated) (*) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **245** | **240** | **249** | ***3.5%*** |
| **Dividends and other income from equity investments** | **-** | **0** | **0** | ***0.0%*** |
| **Net commissions** | **248** | **252** | **243** | ***-3.8%*** |
| **Gains (losses) on financial assets and liabilities held for trading** | **54** | **54** | **69** | ***28.2%*** |
| **Balance of other income/expense** | **-3** | **-3** | **-2** | ***-25.6%*** |
| BROKERAGE MARGIN | 544 | 543 | 558 | *2.7%* |
| **Personnel costs** | **-75** | **-75** | **-74** | ***-1.8%*** |
| **Other administrative expenses** | **-233** | **-233** | **-228** | ***-2.0%*** |
| **Recovery of expenses** | **84** | **84** | **85** | ***1.2%*** |
| **Adjustments in value of tangible and intangible assets** | **-9** | **-9** | **-10** | ***11.3%*** |
| OPERATING COSTS | -233 | -233 | -226 | *-2.6%* |
| OPERATING PROFIT (LOSS) | 311 | 311 | 332 | *6.7%* |
| **Net adjustments to credits and provisions for guarantees and commitments** | **-7** | **-7** | **-4** | ***-37.4%*** |
| NET RESULT OF OPERATIONS | 305 | 304 | 328 | *7.7%* |
| **Other charges and provisions** | **-16** | **-16** | **-10** | ***-36.5%*** |
| **- Of which systemic contributions** | **-5** | **-5** | **-9** | ***96.1%*** |
| **Integration costs** | **-1** | **-1** | **-6** | ***341.7%*** |
| **Net profits from investments** | **0** | **0** | **-7** | ***n.s.*** |
| GROSS RESULT NET OF TAXES | 288 | 287 | 305 | *6.3%* |
| RESULT FOR THE PERIOD | 125 | 125 | 118 | *-5.0%* |

**(*) Note: at 31 December 2016, pursuant to IFRS5, the assets and liabilities of Bank Pekao, PGAM and entities belonging to these subgroups were accounted for under the headings "Non current assets and groups of assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" in consequence of their classification as Discontinued Operations). The comparison period was consistently restates to allow comparability, in accordance with the regulations in force.**

**Revenues for 2016 totalled euro 558 million (+2.7% compared to 31 December 2015 "recalculated") with greater margin of interest thanks to the higher volumes of collection that have compensated for lower commissions due to the combined effect deriving from (i) the reduction of trading commissions, (ii) partly offset by a positive trend of the investment commissions.**

**Costs amounting to Euro 226 million in 2016 (-2.6% compared to 31 December 2015 "recalculated") in view of a decline of marketing costs and costs relating to financial promoters.**

**Net profit amounted to Euro 118 million at 31 December 2016.**

## *Non-Core*

| ***Non-Core***<br>***(in millions of euro)*** | 31 December 2015 (historical) | 31 December 2015 (recalculated) (*) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **7** | **0** | **-173** | ***n.s.*** |
| **Dividends and other income from equity investments** | **-** | **0** | **0** | ***0.0%*** |
| **Net commissions** | **119** | **51** | **-66** | ***-228.2%*** |
| **Gains (losses) on financial assets and liabilities held for trading** | **15** | **17** | **-5** | ***-127.3%*** |
| **Balance of other income/expense** | **-40** | **-40** | **-33** | ***-17.3%*** |
| BROKERAGE MARGIN | 101 | 28 | -276 | *n.s.* |
| **Personnel costs** | **-124** | **-124** | **-47** | ***-61.9%*** |
| **Other administrative expenses** | **-530** | **-172** | **-222** | ***28.6%*** |
| **Recovery of expenses** | **119** | **119** | **119** | ***0.3%*** |
| **Adjustments in value of tangible and intangible assets** | **-1** | **0** | **0** | ***-60.3%*** |
| OPERATING COSTS | -536 | -177 | -150 | *-15.6%* |
| OPERATING PROFIT (LOSS) | -435 | -150 | -426 | *183.9%* |
| **Net adjustments to credits and provisions for guarantees and commitments** | **-1,659** | **-1,674** | **-8,845** | ***428.5%*** |
| NET RESULT OF OPERATIONS | -2,094 | -1,823 | -9,271 | *408.4%* |
| **Other charges and provisions** | **-147** | **-147** | **-85** | ***-42.4%*** |
| **- Of which systemic contributions** | **-79** | **-79** | **-31** | ***-60.6%*** |
| **Integration costs** | **-9** | **-9** | **-16** | ***73.6%*** |
| **Net profits from investments** | **-2** | **-2** | **-10** | ***310.2%*** |
| GROSS RESULT NET OF TAXES | -2,254 | -1,983 | -9,382 | *373.2%* |
| RESULT FOR THE PERIOD | 1,534 | -1,345 | -9,372 | *596.6%* |

**(*) Note: at 31 December 2016, pursuant to IFRS5, the assets and liabilities of Bank Pekao, PGAM and entities belonging to these subgroups were accounted for under the headings "Non current assets and groups of assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" in consequence of their classification as Discontinued Operations). The comparison period was consistently restates to allow comparability, in accordance with the regulations in force.**

**Work on the risk reduction activity continued with gross loans to customers in a further decrease to €37.4 billion at December 2016 (-€26 billion compared to 31 December 2015 "recalculated"), mainly thanks to the progress of the Fino Project and the disposal of impaired loans (€2.4 billion in the course of 2016). Also the weighted assets are in reduction amounting to €26.2 billion at 31 December 2016 (-€5 billion compared to 31 December 2015 "recalculated").**

**Impaired loans have confirmed the downward trend, amounting to €31.5 billion (-39.4% compared to 31 December 2015 "recalculated"), with an improvement of the coverage rate to 57.0% in December 2016 (+4.6 percentage points compared to 31 December 2015 "recalculated").**

**The gross overdue credits fell to €18.7 billion (-49.9% compared with 31 December 2015 "recalculated") and show a coverage rate of 65.6% (+5.5 p.p. compared to 31 December 2015 "recalculated").**

**The gross overdue credits were at €12.5 billion (-8.5% compared with 31 December 2015 "recalculated") and show a coverage rate of 44.6% (+11.6 p.p. compared to 31 December 2015 "recalculated").**

**The overdue credits were at EUR 255 million (-73.3% compared with 31 December 2015 "recalculated") and show a coverage rate of 36.5% (+7.7 p.p. compared to 31 December 2015 "recalculated").**

**The non-core portfolio showed a net loss of €9.4 billion in the course of 2016 due to the effect of the increase in write-downs of loans (equal to €8.8 billion) due to €7.1 billion of non-recurring components inherent to i) the Fino portfolio that is covered by the sale and ii) as envisaged in the Strategic Plan.**

### 3.15 Additions to Chapter 13, Paragraph 13.1.7 of the Registration Document

Chapter 13, Paragraph 13.1.7 of the Registration Document was supplemented as indicated below (strikethrough text removed and text in bold and underlined added).

### "13.1.7 Projected data

The Strategic Plan, which was prepared on the basis of the assumptions outlined above, includes Projected Data for 2017 and 2019 as indicated below. The estimates are based on an average taxation level of 23.5% and 23.8% respectively in 2017 and 2019.

| **Data of an accounting nature** | | | | |
|---|---|---|---|---|
| **(Billions of Euros, %)** | **Pro-forma data** | | **Estimated** | |
| | **2015** | **9m 2016** | **2017** | **2019** |
| Brokerage margin | 19.9 | 15.2 | n.s. | 20.4 |
| Operating costs | -12.2 | -8.9 | -11.7 | -10.6 |
| Net profit | ~~2.7~~**3.9** | -~~5.6~~**7.3** | n.s. | 4.7 |

| **Accounting derived data not defined by the reference accounting standards** | | | | |
|---|---|---|---|---|
| **(Billions of Euros, %)** | **Pro-forma data** | | **Estimated** | |
| | **2015** | **9m 2016** | **2017** | **2019** |
| C/I (%)(1) | 61.6 | n.s. | n.s. | < 52 |
| Risk cost (base punts) (2) | 270 | 254 | 65 | 49 |
| RoTE(3) | -~~5~~**7**% | n.s. | n.s. | > 9% |
| Group NPE Coverage ratio(4) | 61.2% | 63.0% | > 54% | > 54% |
| Group Bad loan Coverage ratio(5) | 73.7% | 74.5% | > 65% | > 63% |
| Group UTP Coverage ratio(6) | 40.3% | 40.8% | > 38% | > 38% |
| Non-Core Net NPE(7) | 17.5bn | 15.8bn | Euro 11.4bn | Euro 8.1bn |
| Non-Core NPE coverage ratio(8) | 66.3% | 68.2% | 56.5% | > 57% |
| Core Net NPE(9) | 12.7bn | 11.9bn | n.s. | 12.1bn |
| Core Net NPE ratio(10) | 3.1% | 2.8% | n.s. | 2.5% |
| Group Gross NPE(11) | 77.8bn | 74.8bn | n.s. | 44.3bn |
| Group Gross NPE ratio(12) | 16.0% | 15.1% | n.s. | 8.4% |
| Group Net NPE(13) | 30.2bn | 27.7bn | n.s. | 20.2bn |
| Group Net NPE ratio(14) | 6.9% | 6.2% | n.s. | 4.0% |

| Data of a management/regulatory nature | | | | |
|---|---|---|---|---|
| **(Billions of Euros, %)** | **Pro-forma data** | | **Estimated** | |
| | **2015** | **9m 2016** | **2017** | **2019** |
| Common Equity Tier 1 FL ratio | ~~13.46~~**12.96**% | ~~13.71~~**13.21**% | 12.0% | > 12.5% |
| RWA | 361 | 362 | 389 | 404 |

(1) *Cost/Income*: The ratio between operating expenses and operating income.

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

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

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

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

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

(7) *Non-Core Net NPE*: indicates the credit exposures net of value adjustments of *non-performing exposures* relating to the "*non-core*" portfolio (which includes exposures relating to areas of activity indicated in Chapter 6, Paragraph 6.1.2 of the Registration Document).

(8) *Non-Core NPE coverage ratio*: indicates, as regards the "*non-core*" loan portfolio (which includes exposures relating to areas of activity indicated in Chapter 6, Paragraph 6.1.2 of the Registration Document), the ratio between the amount of the value adjustments relating to *non-performing exposures* and gross exposure of this portfolio.

(9) *Core Net NPE*: indicates the credit exposures net of value adjustments on *non-performing exposures* relating to the "*core*" portfolio.

(10) *Core Net NPE ratio*: indicates, as regards the "*core*" loan portfolio, the ratio between the amount of the *non-performing exposures* net of value adjustments thereto relative to overall exposure of this portfolio net of value adjustments.

(11) *Group Gross NPE*: indicates the total amount, gross of value adjustments, of *non-performing exposures* relating to credit portfolio of customers of the group.

(12) *Group Gross NPE ratio:* Indicates the ratio between the amount of the *non-performing exposures*, gross of value adjustments, and the overall exposure of credit portfolio of customers of the group, gross of value adjustments.

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

(14) *Group Net NPE ratio:* Indicates the ratio between the amount of the *non-performing exposures*, net of value adjustments, and the overall exposure of credit portfolio of customers of the group, net of value adjustments.

## ***Comments on some of the trends in the Projected Data***

### Net Result and RoTE

The net result is expected to grow from €~~2.7~~**3.9** billion pro-forma in 2015 to €4.7 billion in 2019, primarily as a result of reductions in operating costs and the expected reduction in the cost of risk, also considering that the net pro-forma 2015 result is influenced by non-recurrent impacts, such as net write-downs on loans for €8.1 billion (€ 5.4 billion net of pro forma tax)**, integration costs against staff termination incentive plans for €1.8 billion (€1.7 billion net of *pro-forma* tax)** and gains / losses, inclusive of any cancellation of foreign exchange reserves, relating to M&A Asset Sale Transactions for € 1.3 billion. In the same period the *Return on Tangible Equity* is expected to rise from about ~~5~~**7**% in 2015 pro-forma to over 9% in 2019. Of this increase, approximately ~~8~~**10**% percentage points are related to the impact of non-recurrent phenomena that affect the pro-forma income statement.

[…*OMISSIS*…]

**Capital ratios and dividend distribution policy**

As a result of the anticipated development of capital, also in the light of the profits forecast for the period, projected growth of risk-weighted assets (RWAs) from €361 billion at the end of 2015 pro-forma to €404 billion at the end of 2019 and, assuming a pay-out ratio of 20%, the Common Equity Tier 1 (fully loaded) ratio is expected to increase from 10.8% as at 30 September 2016 (~~13.71~~**13.21**% pro-forma) to over 12.5% at the end of 2019.

Based on the information currently available, the Maximum Distributable Amount (MDA) capital requirements for 2017 and 2019, as defined according to Article 141 of the CRD IV, will be:

- Common equity tier 1 ratio 8.75% transitional in 2017; 10.50% fully loaded in 2019;
- Tier 1 ratio: 10.25% transitional in 2017; 12% fully loaded in 2019;
- Total capital ratio: 12.25% transitional in 2017; 14% fully loaded in 2019.

Considering the levels envisaged as at 2019 for the Common equity tier 1 ratio, Tier 1 ratio and Total capital ratio, estimated at 12.5%, 14% and 17.1% respectively, there will therefore be a margin of at least 200 basis points between these levels and the associated minimum fully loaded regulatory requirements listed above.

[…*OMISSIS*…]

## 3.16 Additions to Chapter 13, Paragraph 13.2 of the Registration Document, as integrated pursuant to Chapter 11, Paragraph 11.4 of the Securities Note

Chapter 13, Paragraph 13.2 of the Registration Document, as supplemented pursuant to Chapter 11, Paragraph 11.5 of the Securities Note, was supplemented as indicated below (text in bold and underlined added).

**“13.2 Audit Reports**

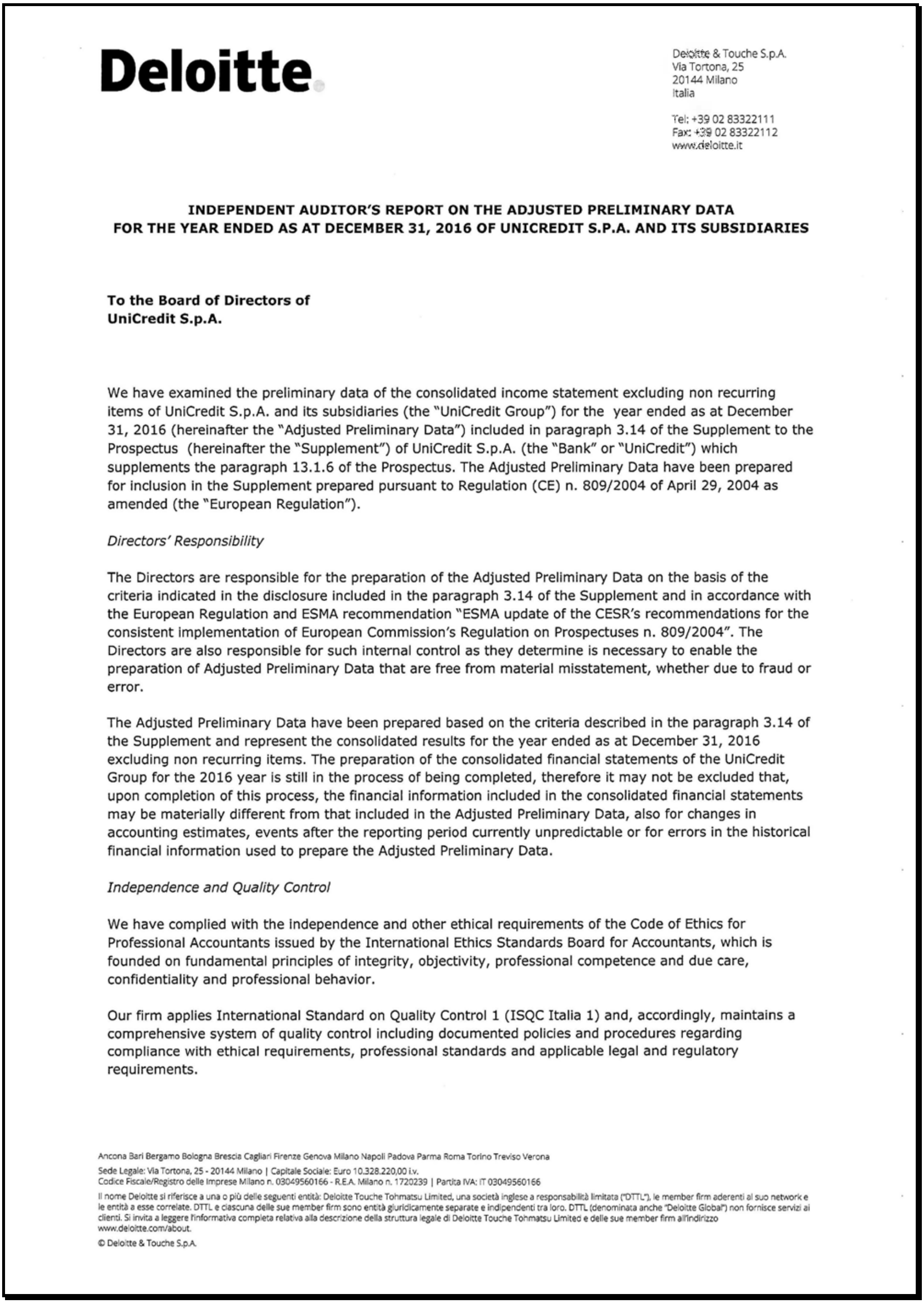
[…*OMISSIS*…]

**The 2016 Preliminary Data, including and the 2016 Preliminary Divisional Data were approved by UniCredit S.p.A. as the party responsible for the financial information in question.**

**The independent auditors, Deloitte & Touche S.p.A., with their office at 25 via Tortona, Milan, Milan Trade and Companies Register No. 03049560166, registered on the External Auditor’s Register at the Ministry of Economy and Finance, agree with the fact that the 2016 Preliminary Data, including the 2016 Preliminary Divisional Data, is essentially in line with the definitive results that will be published in the Issuer’s next annual financial statements subject to auditing, for the financial year ended 31 December 2016.**

**The 2016 Preliminary Data, here included, and the 2016 Preliminary Divisional Data have not been audited.”**

**The Auditing firm also issued a report on the Adjusted Preliminary Data indicated in the previous paragraph 13.1.6 of the Registration Document (as integrated within the meaning of Chapter 3, paragraph 3.14 of the Supplement). A copy of the report is given below.**



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## INDEPENDENT AUDITOR'S REPORT ON THE ADJUSTED PRELIMINARY DATA FOR THE YEAR ENDED AS AT DECEMBER 31, 2016 OF UNICREDIT S.P.A. AND ITS SUBSIDIARIES

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

We have examined the preliminary data of the consolidated income statement excluding non recurring items of UniCredit S.p.A. and its subsidiaries (the "UniCredit Group") for the year ended as at December 31, 2016 (hereinafter the "Adjusted Preliminary Data") included in paragraph 3.14 of the Supplement to the Prospectus (hereinafter the "Supplement") of UniCredit S.p.A. (the "Bank" or "UniCredit") which supplements the paragraph 13.1.6 of the Prospectus. The Adjusted Preliminary Data have been prepared for inclusion in the Supplement prepared pursuant to Regulation (CE) n. 809/2004 of April 29, 2004 as amended (the "European Regulation").

### *Directors' Responsibility*

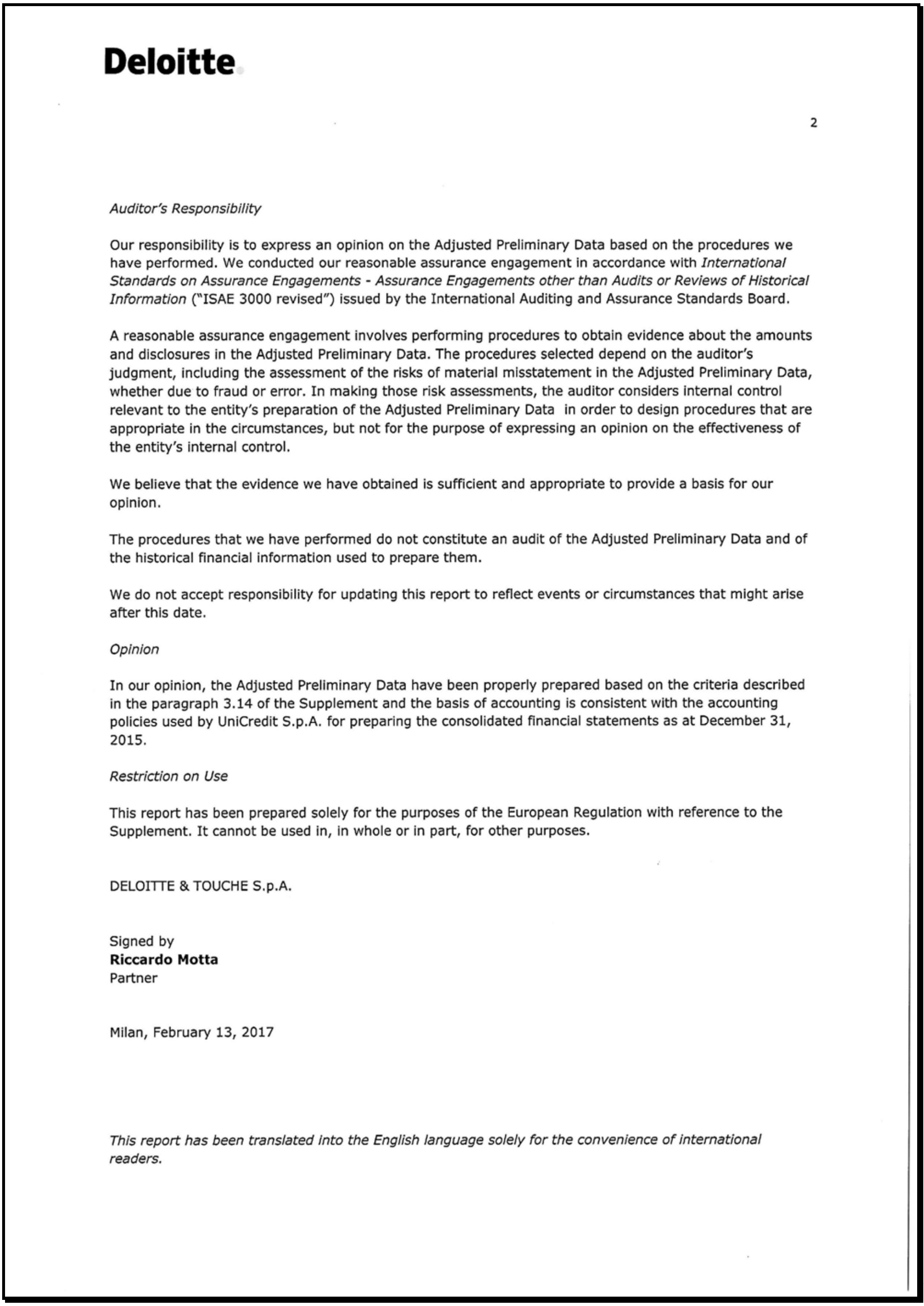
The Directors are responsible for the preparation of the Adjusted Preliminary Data on the basis of the criteria indicated in the disclosure included in the paragraph 3.14 of the Supplement and in accordance with the European Regulation and ESMA recommendation "ESMA update of the CESR's recommendations for the consistent implementation of European Commission's Regulation on Prospectuses n. 809/2004". The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of Adjusted Preliminary Data that are free from material misstatement, whether due to fraud or error.

The Adjusted Preliminary Data have been prepared based on the criteria described in the paragraph 3.14 of the Supplement and represent the consolidated results for the year ended as at December 31, 2016 excluding non recurring items. The preparation of the consolidated financial statements of the UniCredit Group for the 2016 year is still in the process of being completed, therefore it may not be excluded that, upon completion of this process, the financial information included in the consolidated financial statements may be materially different from that included in the Adjusted Preliminary Data, also for changes in accounting estimates, events after the reporting period currently unpredictable or for errors in the historical financial information used to prepare the Adjusted Preliminary Data.

### *Independence and Quality Control*

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

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



*Auditor's Responsibility*

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

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

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

The procedures that we have performed do not constitute an audit of the Adjusted Preliminary Data and of the historical financial information used to prepare them.

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

*Opinion*

In our opinion, the Adjusted Preliminary Data have been properly prepared based on the criteria described in the paragraph 3.14 of the Supplement and the basis of accounting is consistent with the accounting policies used by UniCredit S.p.A. for preparing the consolidated financial statements as at December 31, 2015.

*Restriction on Use*

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

DELOITTE & TOUCHE S.p.A.

Signed by
**Riccardo Motta**
Partner

Milan, February 13, 2017

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

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## 3.17 Additions to Chapter 20, Paragraph 20.2 of the Registration Document

Chapter 20, Paragraph 20.2 of the Registration Document has the supplements listed below (strikethrough text removed and text in bold and underlined added).

### "20.2 Pro-forma financial information

***Introduction***

The financial statements relating to the pro-forma consolidated balance sheet, income statement and cash flow statement of the UniCredit Group for the nine-month period ending 30 September 2016 and for the financial year ending 31 December 2015 (the "**Pro-forma Consolidated Financial Statements**"), accompanied by the notes, are given below.

With reference to the Pro-Forma Consolidated Statements, the following operating aspects and methodologies used for preparing these statements are highlighted, useful for understanding the transactions described in this Chapter:

- With reference to the transactions subject to pro-forma adjustments, note that Chapter 22 of the Registration Document contains more information about the contractual agreements and the status of negotiations at the Date of the ~~Registration Document~~ **Supplement**. Also note that this Chapter contains the amounts for the pro-forma representation of the actual transactions. Provision has been made to include any reconciliations between the amounts in this Chapter and those in Chapter 22 in the paragraphs that follow, specifically in the sections containing the description of the individual pro-forma adjustments made. By way of example, in order to make the pro-forma adjustments in this Chapter, the sale of PGAM also includes the consideration for the Pioneer assets in Poland because they come under the scope of consolidation of PGAM. As, on the other hand, described in Chapter 22, the consideration for these Polish Pioneer assets will be paid by the purchasers of Bank Pekao.

- The information in the Pro-Forma Consolidated Statements reflects all aspects of the transactions in question in accordance with the methods, terms and conditions adhering to the agreements and contracts stipulated. Where the pro-forma information reflects aspects of transactions not completed or not defined at the Date of the ~~Registration Document~~ **Supplement**, the paragraphs containing the descriptions of each individual transaction and the related pro-forma adjustments will contain specific information and explanations of the conditions assumed in order to prepare the Pro-Forma Consolidated Statements.

- The companies currently controlled and therefore fully consolidated and for which the transactions described below result in deconsolidation following loss of control (Bank Pekao, PGAM, Immo Holding and PJSC Ukrsotsbank) contain the deconsolidation on a line-by-line basis in the adjustment columns of the amount of the respective assets and liabilities, consistent with the consolidation techniques and regardless of the percentage owned (by way of example, the disposal of the entire stakeholding in Bank Pekao of around 40.1% as described in the paragraphs below). Any minority interests are expressed within minority shareholders' equity, which, in turn, is subject to deconsolidation. The pro-forma results from the sales reflected in the representation of these transactions, are commensurate with the ownership percentage and are highlighted in the descriptions of the pro-forma adjustments made.

- Intercompany asset and liability relations pertaining to deconsolidated companies are classified under "assets/liabilities held for sale". Relations with companies which are headed by companies which remain under the scope of consolidation were classified under the individual pertinent items because, following the deconsolidation of the groups sold, they are no longer representative of the transactions that take place within the Group.

- The amounts used as consideration of the transactions subject to adjustment in pro-forma prospectuses derive from their underlying contracts and are consistent with them (*see* Chapter 22of the Registration Document). Any consultancy costs associated with such transactions or transaction costs not directly attributable to the settlement of the operations themselves were not included in the amounts considered. Such amounts are not considered as price adjustment clauses and were corrected for the respective transaction costs adjusted or to be adjusted. In particular, transaction costs which are, according to the nature of the transactions such as the operations of the capital market related to accelerated bookbuilding transactions, directly adjust the consideration received or receivable, have been discounted from the above-mentioned fees, while commissions and costs related to M&A transactions of ordinary nature for which there are operating costs that are paid to any intermediaries subsequently to transactions were not considered, because they are not directly determinable and referable to specific operations. The specific treatment of these costs for each operation has been given specific information in the description of each operation

Note that the pro-forma CET 1 ratios in this Chapter were not examined by the External Auditors.

Note that the Pro-forma Consolidated Statements are the Pro-forma Income Statement, Balance Sheet and Pro-forma Cashflow Statement and are accompanied by the respective notes. The Pro-forma Income Statement and Balance Sheet are prepared from the reclassified statements presented in the (annual and interim) while the Consolidated Report on Operations and the Cash Flow Statements are prepared based on the statement pursuant to Circular 262 of Banca d'Italia and presented in an aggregate version with subtotals.

The Pro-forma Consolidated Financial Statements have been prepared solely to retroactively reflect the significant effects of the transactions described below, successfully concluded at the closing dates of the 2015 Reports and Consolidated Financial Statements and the Consolidated Interim Report as at 30 September 2016, in compliance with CONSOB Communication DEM/1052803 of 5 July 2001 and with Annex 2 of Regulation (EC) No 809/2004, as if they had been enacted, respectively, as at 31 December 2015 and 30 September 2016 and, as far as the pro-forma consolidated income statement and the pro-forma cash flow statement are concerned, as if they had been enacted, respectively, as at 1 January 2015 and 1 January 2016.

The "Extraordinary transactions already completed at the ~~Registration Document~~ **Supplement** Date", the "Significant transactions in the process of completion at the ~~Registration Document~~ **Supplement** Date" as well as the "Measures aimed at improving the quality of the balance sheet assets" and the "Management actions aimed at strengthening capital", presented in the Pro-forma Consolidated Statements, are part of a unique project for strengthening the capital structure and improving the quality of the capital assets of the UniCredit Group, among other things, on the basis of the 2016-2019 Strategic Plan. They are represented in the Pro-forma Consolidated Statements based on what took place at the Date of the ~~Registration Document~~ **Supplement** (although in some cases the agreements and contracts relating to the transactions and actions mentioned above are subject to conditions precedent that have not yet occurred at the Date of the ~~Registration~~

~~Document~~ **Supplement**). The underlying assumptions represent a conventional element: if the transactions described had actually taken place at the dates considered, the effects presented in the Pro-forma Consolidated Financial Statements may not necessarily have been obtained.

We note the following information about the reasonableness of the assumptions underlying the preparation of the Pro-Forma Consolidated Financial Statements:

- with reference to any suspensory and/or efficacy conditions in the types of contract underlying the operations subject to pro forma reporting in this Chapter, it is believed that (i) based on the advanced state of negotiations and (ii) given the nature of the conditions being to a large extent under the control of the Issuer based on the information available as at the ~~Registration Document~~ Date **of the Supplement**, it is deemed reasonable to believe that these suspensory conditions will occur;
- As at the ~~Registration Document~~ Date **of the Supplement** there are no elements such as to suggest that the authorisations of the competent authorities (including the authorisations to be obtained from the national regulatory authorities with reference to specific areas of competence), in relation solely to the M&A Transactions in course of Execution, necessary for completing the operations subject to pro forma reporting will not be granted;
- The amounts relating to the sales considered in the preparation of the pro forma statements are in some cases subject to clauses which could cause changes in them, such as price adjustment mechanisms for example; therefore, in the absence of further information on this issue as at the ~~Registration Document~~ Date **of the Supplement**, reference is made to the contractual provisions, without considering such adjustments in the pro forma values.

For completeness, we inform you lastly that certain elements of the pro forma figures contained in the Pro Forma Consolidated Statements do not correspond with the content of the Illustrative Management Report to the Extraordinary General Meeting of 12 January 2017, also in consideration of the development of the information framework, progress of the evaluations regarding the conditions of agreements relating to the holdings subject to transfer (which led to consideration of the one-off results of such transactions within the pro forma data included in the Registration Document) and additional analyses conducted by the Issuer subsequent to 12 January 2017.

Therefore, in consideration of the different aims, the Pro-forma Consolidated Financial Statements which, as anticipated, reflect -among other things - the effects of the transactions set out in the Strategic Plan as if they had already been completed at the dates to which the aforesaid prospectuses refer, could differ even significantly from the representation that these transactions could have in UniCredit's consolidated financial statements at 31 December 2016 and in those referring to later periods.

We inform you that: (i) the effects of certain transactions subject to pro forma representation (such as the M&A Transactions in course of Execution and the Capital Increase) will not be reflected in the consolidated financial statements of the Issuer for the period to 31 December 2016, given that such transactions were not completed before 31 December 2016 (as at the Date of the ~~Registration Document~~ **Supplement,** the M&A Transactions in course of Execution remain moreover subject to the occurrence of the respective suspensory conditions and the Capital Increase has not yet been implemented); (ii) as at the Date of the ~~Registration Document~~

**Supplement**, the definition of the contracts relating to the "Fino Project", in implementation of the Framework Agreement, is still in progress. Therefore, note that the representation of the operations referred to in (i) and (ii) in the UniCredit consolidated financial statements as at 31 December 2016 (and in those of subsequent periods) could differ significantly from their pro forma versions contained in the Registration Document.

That having been stated, in the opinion of the Issuer it is expected that the pro-forma representation of the effects of the transactions described below include all the aspects associated with these transactions, in accordance with the methods, terms and conditions in line with the status of negotiations and contractual agreements as set out in further detail in Chapter 22, and with the information available at the Date of the ~~Registration Document~~ **Supplement**. In consideration of the complexity of the transactions, specifically as a result of the involvement of companies belonging to various countries with different reference jurisdictions and regulatory systems, the need to obtain (multiple) regulatory authorisations in foreign jurisdictions, and the presence of price adjustment mechanisms, there is the risk that the actual impacts could differ, even significantly, from those represented in the Pro-forma Consolidated Financial Statements included in this Registration Document. As at the Date of the ~~Registration Document~~ **Supplement**, any differences and impacts arising from the above considerations are not known or determinable. Therefore, for the purposes of the preparation of the pro-forma statement reference was made to what was known and could be determined at the Date of the ~~Registration Document~~ **Supplement** on the basis of the existing contractual agreements.

The Pro-forma Consolidated Financial Statements below have been prepared starting from the 2015 Reports and Consolidated Financial Statements and from the Consolidated Interim Report at 30 September 2016, produced in compliance with the IAS/IFRS accounting standards adopted by the European Union and in accordance with the "restated" statements adopted by the UniCredit Group and applying the adjustments relating to the transactions described above.

The 2015 Reports and Consolidated Financial Statements have been audited by the External Auditors, who issued their report on 3 March 2016.

The Consolidated Interim Report at 30 September 2016 has been subjected to a limited audit by the External Auditors, who issued their report on 15 November 2016.

The accounting principles and evaluation criteria adopted for the preparation of the adjustments and the Pro-forma Consolidated Financial Statements, albeit with the implicit limitations in the assumptions made, are standardised compared with those applied for the preparation of the above-mentioned 2015 Reports and Consolidated Financial Statements and the Consolidated Interim Report at 30 September 2016, which should be referred to (see 2015 Reports and Consolidated Financial Statements, Notes, Part A and the Consolidated Interim Report at 30 September 2016, Notes, Part A).

The purpose of the presentation of the Pro-forma Consolidated Financial Statements, the basic assumptions on which they are prepared, the allocation of capital and economic indicators to the UniCredit Group and the pro-forma adjustments are described in the paragraphs below.

The Pro-forma Consolidated Financial Statements are not, by their very nature, capable of offering a representation of the prospective operating results, capital and financial position of the UniCredit Group, considering they are designed to retroactively reflect the effects of subsequent and not significant transactions at the dates of the pro-forma periods, in spite of compliance with generally accepted accounting rules and the use of reasonable assumptions.

Therefore, for the correct interpretation of the information provided in the Pro-forma Consolidated Financial Statements, the following aspects must be considered:

- as it involves representations established on hypotheses, if the aforementioned transactions were actually carried out on the dates used as a reference for the preparation of the pro-forma data, the same results that are represented in the Pro-Forma Consolidated Financial Statements would not necessarily have been obtained;

- the pro-forma data do not reflect the prospective data because they are prepared in such a way as to only represent the effects that can be isolated and objectively measured for the execution of the transactions, without taking into account the potential effects due to changes in the policies of the Issuer and operating decisions resulting from the execution of the actual transactions;

- the pro-forma representation does not intend in any way to show that any of the effects relating to these transactions is reflected in the accounts at the pro-forma dates.

Note that the amounts in this Chapter are expressed in millions of Euros. Therefore, they may differ from the figures in the Reports and Consolidated Financial Statements at 31 December 2015 or in the Condensed Interim Consolidated Financial Statements at 30 September 2016 and from what was reported to the Supervisory Authority in the periodic reports and from what is set out in other sections of the Registration Document on account of rounding off.

*Extraordinary transactions already completed at the ~~Registration Document~~ Date of the **Supplement***

With regard to the transactions already completed at the ~~Registration Document~~ Date of the **Supplement** (the "**Completed M&A Asset Sale Transactions**"), these refer in detail to the transactions listed below:

- the transfer of 30% of FinecoBank through two separate operations of *accelerated bookbuilding* concluded respectively on 12 July 2016 (with the sale of a share equal to 10% of the share capital of FinecoBank for approximately €328 million, which entails a pro-forma correction net of transaction costs equal to €326 million) and on 12 October 2016 (with a transfer of 20% of the share capital of FinecoBank for approximately €552 million, which entails a pro-forma correction net of transaction costs equal to €545 million). In this respect, it should be noted that FinecoBank continues to be fully consolidated in the financial statements of UniCredit, which still owns 35% of it, but with more minority interests compared to the past. In particular, the effects of pro-forma corrections refer to (i) an increase in the assets of third parties as a result of the change in the share of interest and (ii) an increase in the Group's equity as a result of disposal recorded at net equity in accordance with international accounting standards. For more details on the amounts of these corrections as of the dates of the pro-forma prospectuses reference is made to the following paragraphs. Note that the effects of the sale of 10% of the stakeholding in FinecoBank were already included in the historical data as at 30 September 2016, while they have been subject to the pro-forma adjustments relating to the data as at 31 December 2015. For more details see Chapter 22, Paragraph 22.4 of the Registration Document);

- the transfer of the entire equity investment in PJSC Ukrsotsbank, the Ukrainian bank of the UniCredit Group, to the Luxembourg holding company ABH Holdings S.A. in exchange for a 9.9% equity investment in ABH Holdings S.A., a transfer that was completed on 31 October 2016 (see Chapter 22, Paragraph 22.6 of the Registration Document). For the purpose of pro-forma corrections, the consideration from the sale was considered equal to the value of the 9.9% stake in ABH Holding, determined on the basis of evaluation models as of the reference dates of pro-forma prospectuses. The value of this stake is different in pro-forma prospectuses prepared with reference to 31 December 2015 and 30 September 2016 and with respect to the situation at the *closing* of the transaction (*see* Chapter 22, €382 million) as a result of the outcome of the valuation on the different dates and the fluctuation of the exchange rates recorded and used for the conversion of the amount in dollars. The transaction also envisages the transfer of the loans claimed by the Issuer and by the other companies of the UniCredit Group against PJSC Ukrsotsbank to ABH Holdings S.A.; this aspect was considered in the preparation of pro-forma prospectuses, in which the decrease of loans to banks is rectified for the amount claimed as of the reference dates of prospectuses from the Ukrainian participation. For more details about the amounts considered for the evaluation of the share in ABH Holding and the receivables assigned as of the reference dates of pro-forma prospectuses please refer to the following paragraphs.

- Following the transaction described above, which involves the loss of control and deconsolidation of PJSC Ukrsotsbank and the companies directly controlled by it, the list of companies subject to full consolidation in the pro-forma adjustments is given below:

PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL IN LIQUIDATION
PUBLIC JOINT STOCK COMPANY UKRSOTSBANK
LLC UKROTSBUD
LTD SI&C AMC UKRSOTS REAL ESTATE (IN LIQUIDATION)
SVIF UKRSOTSBUD

- the sale of 10% of the equity investment held in Bank Pekao in July 2016 through an accelerated bookbuilding procedure, as described in the paragraphs below (see also Chapter 22, Paragraph 22.3 of the Registration Document). Note that limited to the sales transaction of the 10% stake in Bank Pekao, which comes under the total sales transaction of the Pekao Group, the historical situation as at 30 September 2016 includes the effects of this transaction in particular (i) an increase in minority shareholders' equity following the change in the ownership stake and (ii) an increase in the Group's shareholders' equity through the inclusion of the result of the sale recognised in net shareholders' equity, in accordance with international accounting standards. This transaction did not cause the loss of control and therefore did not cause the deconsolidation on a line-by-line basis of the Pekao Group in the historical data as at 30 September 2016. It should be noted that the effects of the sale of the 10% of the stake in Bank Pekao are already included in the historical data as at 30 September 2016, while they were subject to pro-forma corrections relatively to the data as at 31 December 2015. For further details, see Chapter 22, Paragraph 22.3 of the Registration Document).

*Significant transactions in the process of being completed at the ~~Registration Document~~ Date of the* ***Supplement***

In addition to the extraordinary transactions described above, the Pro-forma Consolidated Financial Statements have been prepared assuming the successful completion of the following other transactions as at the ~~Registration Document~~ Date of the **Supplement** (the "**M&A Asset Sale Transactions in the process of being Executed**" and, jointly with the M&A Transactions Completed, the "**M&A Asset Sale Transactions**"):

- the disposal of the entire equity investment of approximately 40.1% in Bank Pekao, the Polish bank of the UniCredit Group and the parent company of the Bank Pekao Group to Powszechny Zakład Ubezpieczeń S.A. ("PZU") and Polski Fundusz Rozwoju S.A. ("PFR"), of which approximately 32.8% to be sold based on a sale and purchase agreement signed on 8 December 2016 that is expected to be completed midway through 2017, while the remaining 7.3% is to be disposed through a market transaction, and in particular the issuing of equity-linked certificates mandatorily settled and guaranteed by a pledge on the Bank Pekao shares, as announced on the same date. These disposals are reflected in pro-forma corrections for a total amount of €2,786 million, consisting of €2,345 million related to the sale of 32.8%, €439 million related to the sale of 7.3% and €2 million relating to the sale of Dom Inwestycyjny Xelion S.p.z o.o. ("**Xelion**"), referred to the stake held directly by UniCredit. It should be noted that in addition to the above-mentioned disposal perimeter, the transaction will also include: the sale of 35% of Pekao Pioneer P.T.E. S.A. (by Pioneer Global AM S.p.A.); the sale of 51% of Pioneer Pekao Investment Management S.A. (by Pioneer Global AM S.p.A.) and the sale of 50% of Xelion (by UniCredit). As already described among the Extraordinary Transactions already completed on the Date of the ~~Registration Document~~ **Supplement**, these disposals should be added to the 10% sold during the month of July 2016 for €749 million (€745 million net of transaction costs) through a process of *accelerated bookbuilding*, following which UniCredit had retained control with a stake of 40.1%. Note that the effects of the sale of 10% of the equity investment in Bank Pekao were already included in the historical data as at 30 September 2016, in which Bank Pekao was consolidated, while they have been subject to the pro-forma adjustments relating to the data as at 31 December 2015. For more details, see Chapter 22, Paragraph 22.3 of the Registration Document;

- Following the transaction described above, which involves the loss of control and deconsolidation of the Pekao Group, the list of companies subject to full consolidation in the pro-forma adjustments is given below:

| |
|---|
| BANK PEKAO S.A. |
| PEKAO FAKTORING SP. Z O.O. |
| PEKAO FUNDUSZKAPITA OWY SP. Z O.O. IN LIQUIDATION |
| PEKAO LEASING SP ZO.O. |
| PEKAO FINANCIAL SERVICES SP. Z O.O. |
| CENTRALNY DOM MAKLERSKI PEKAO S.A. |
| CENTRUM KART S.A. |
| PEKAO BANK HIPOTECZNY S.A. |
| PEKAO LEASING HOLDING S.A.IN LIQUIDATION |
| PEKAO PROPERTY S.A. |
| PEKAO INVESTMENT BANKING S.A. |
| CENTRUM BANKOWOSCI BEZPOSREDNIEJ SP. Z O.O. |
| FORUM POLSKIEGO BIZNESU MEDIA SP.Z O.O. |
| DOM INWESTYCYJNY XELION SP. Z O.O. |
| PEKAO PIONEER PTE S.A. |

- the sale of almost all of the subsidiaries of PGAM, the parent company of the Pioneer Investments Group, operating in the asset management sector to Amundi S.A. ("Amundi"), based on a sale and purchase agreement signed on 11 December 2016, which is expected to be completed in the first half of 2017. The assets of the Pioneer Investments Group in Poland are excluded from the agreement with Amundi, including the 51% stake in Pioneer Pekao Investment Management S.A. and the 35% stake in the Pekao Pioneer P.T.E. S.A., which will be part of the perimeter of the transaction on Bank Pekao, as mentioned previously. As a result of the sale of *asset management*, the change of ownership does not involve, the modification of the regime of commissions paid to the Issuer and the other companies of the Group in the context of trade distribution agreements with regard to the types of products distributed in 2015 and 2016. For these products, the commission level remains unchanged and, consequently, it was not necessary to make pro-forma adjustments to the entry corresponding to this specific component. Conversely, the residual fee component that does not refer to the above-mentioned commercial distribution agreements has been deconsolidated. For further information on this transaction, see Chapter 22, Paragraph 22.2 of the Registration Document;

- Following the transaction described above, which involves the loss of control and deconsolidation of the PGAM Group, the list of companies subject to full consolidation in the pro-forma adjustments is given below:

  PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ
  PIONEER INVESTMENT MANAGEMENT LIMITED
  PIONEER INVESTMENT MANAGEMENT USA INC.
  PIONEER INVESTMENT COMPANY AS
  PIONEER FUNDS DISTRIBUTOR INC
  PIONEER INVESTMENT MANAGEMENT INC
  PIONEER GLOBAL INVESTMENTS LIMITED
  PIONEER ASSET MANAGEMENT S.A.
  PIONEER GLOBAL INVESTMENTS (AUSTRALIA) PTY LIMITED
  PIONEER ASSET MANAGEMENT AS
  PIONEER INSTITUTIONAL ASSET MANAGEMENT INC
  PIONEER GLOBAL INVESTMENTS (TAIWAN) LTD
  VANDERBILT CAPITAL ADVISORS LLC
  PIONEER INVESTMENTS KAPITALANLAGEGESELLSCHAFT MBH
  PIONEER ASSET MANAGEMENT S.A.I. S.A.
  PIONEER INVESTMENT FUND MANAGEMENT LIMITED
  BARODA PIONEER ASSET MANAGEMENT COMPANY LTD
  BARODA PIONEER TRUSTEEE COMPANY PVT LTD
  PIONEER INVESTMENTS (SCHWEIZ) GMBH
  PIONEER INVESTMENTS AUSTRIA GMBH
  PIONEER PEKAO INVESTMENT FUND COMPANY S.A. (POLISH NAME: PIONEER PEKAO TFI S.A.)
  PIONEER PEKAO INVESTMENT MANAGEMENT S.A.

- the sale of the entire equity investment in Immobilien Holding GmbH ("Immo Holding") through disposal of individual assets, an Austrian property company acquired in September 2014 and that is the parent company of the Immobilien Group, being deemed non-core in relation to the financial services sector. The assets of the Immobilien Group and the associated liabilities are classified as discontinued operations on the basis of international accounting standards (IFRS 5) and are subject to a structured process which involves the sale at later stages.

  The assets and liabilities of the Immobilien Group continue to be classified as "discontinued operations" according to the Issuer's confirmed desire to recover this investment through the sale of the underlying equity investments or assets. It is expected that the sale of the majority of the assets belonging to the Immobilien Group will be finalised in 2017. Note, however, that given the nature of the sale of individual assets, it is not possible to rule out that this anticipated deadline could change.

  The transaction was the subject of pro-forma adjustment on the basis of contracts already signed and the agreements already reached with counterparties relating to individual *asset*s. It should be noted that given the nature of the sales by single *asset*, not all of the sale contracts of the assets of the Immobilien Group were completed. It is believed however that even as a result of the status of the negotiations at the Date of the ~~Registration Document~~ **Supplement** and the fact that there are conditions of reasonableness, the representation provided that foresees the pro-forma adjustment of the entire Group Immobilien is the most suitable to represent this operation as a whole.

Following the transaction described above, which involves the loss of control and deconsolidation of Immo Holding, the list of companies subject to full consolidation in the pro-forma adjustments is given below:

WWE WOHN- UND WIRTSCHAFTSPARK ENTWICKLUNGSGESELLSCHAFT M.B.H.
BAREAL IMMOBILIENTREUHAND GMBH
IMMOBILIEN HOLDING GMBH
BA-CA WIEN MITTE HOLDING GMBH
DONAUTURM AUSSICHTSTURM-UND RESTAURANT-BETRIEBSGESELLSCHAFT M.B.H.
ARWAG HOLDING-AKTIENGESELLSCHAFT
B 03 IMMOBILIEN GMBH & CO KG
B A I BETEILIGUNGSVERWALTUNGS-GMBH
BAI WOHNUNGSEIGENTUMSGESELLSCHAFT M.B.H.
DONAUMARINA PROJEKTENTWICKLUNG GMBH
DONAUTURM LIEGENSCHAFTSVERWALTUNGS-GESELLSCHAFT M.B.H.
DOBLERHOF IMMOBILIEN GMBH & CO KG
DR. W. W. DONATH IMMOBILIENVERWALTUNG GMBH
EKAZENT GEBAEUDEVERMIETUNG GMBH
EKAZENT IMMOBILIEN MANAGEMENT GMBH
EKAZENT REALITAETENGESELLSCHAFT M.B.H.
EUROGATE BETEILIGUNGSVERWALTUNG GMBH
WOHNBAUERRICHTUNGS-UND-VERWERTUNGS-GMBH
EUROGATE PROJEKTENTWICKLUNG GMBH
EUROGATE PROJEKTENTWICKLUNG GMBH & CO AREA BETA KG
GLAMAS BETEILIGUNGSVERWALTUNGS GMBH & CO “BETA” KG
WOHNPARK BRANDENBURG-GORDEN GMBH
HBF PROJEKTENTWICKLUNG DREI GMBH & CO KG
HBF PROJEKTENTWICKLUNG EINS GMBH & CO KG
HBF PROJEKTENTWICKLUNG ZWEI GMBH & CO KG
ZM REVITALISIERUNGS-UND VERMIETUNGS-GMBH
HSG ZANDER GMBH
ZS EINKAUFSZENTRE ERRICHTUNGS-UND VERMIETUNGS-AKTIENGESELLSCHATF
IMU IMMOBILIENENTWICKLUNG MUTHGASSE GMBH & CO KG
INV TOTALUNTERNEHMER GMBH
KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.
KUR- UND SPORTHOTEL GESELLSCHAFT M.B.H.
LINDENGASSE BUROHAUSGESELLSCHAFT M.B.H.
LISCIV MUTHGASSE GMBH & CO KG
MARIAHILFERGUERTEL GRUNDSTUECKSVERMIETUNGS- GESELLSCHAFT M.B.H.
MUTHGASSE ALPHA HOLDING GMBH
PRO WO
HNBAU AG
RVT BAUTRAEGER GESELLSCHAFT M.B.H.
VBV DELTA ANLAGEN VERMIETUNG GESELLSCHAFT M.B.H.
VECTIGAL IMMOBILIEN GMBH & CO KG
GARAGE AM HOF GESELLSCHAFT M.B.H.
VECTIGAL IMMOBILIEN GMBH
B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH
U2 ASPERN BAUPLATZ 1 BETEILIGUNGS-GMBH
U2 ASPERN BAUPLATZ 1 GMBH & CO KG
WIEN MITTE IMMOBILIEN GMBH
KLEA WOHNBAU GESELLSCHAFT GMBH
LBC UNTERNEHMENSBETEILIGUNGSGES.M.B.H.

*Actions aimed at improving the quality of balance sheet assets*

The strengthening of the capital structure of the UniCredit Group will also take place together with the implementation of the actions aimed at improving the quality of the balance sheet assets, which include:

- the execution of the "Fino Project", which is designed to accelerate the reduction of the non-core loan portfolio classified as impaired (for a total gross amount of approximately €17.7 billion) through a market transaction. In this regard, at the ~~Registration Document~~ Date of the **Supplement**, the Issuer has signed two separate framework agreements, respectively, with FIG LLC, a company affiliated with Fortress Investment Group LLC (as amended) and LVS III SPE I LP, a subsidiary of PIMCO BRAVO Fund III, L.P. (each a "**Framework Agreement**"). The parties have undertaken to negotiate to that the "Fino Project" is implemented in two phases, pursuant to each Framework Agreement:

  (i) firstly, the securitisation of each portfolio and the subscription by third-party investors of 50.1% of each class of ABS securities (the "**Notes**") issued by each special purpose vehicle ("**SPV**" or "**Vehicle**") by 31 July 2017 ("phase 1"). The remaining 49.9% of the Notes will be subscribed by UniCredit.

  (ii) Later, through, *inter alia*: (a) a progressive transfer, also to third-party investors, by UniCredit, of Notes subscribed by it, in compliance with the requirements of the maintenance of a net economic interest in securitisation transactions identified by each Framework Agreement; and (b) the optimization of the financial structure of the Notes issued in the context of the "phase 1", including the possible obtaining of guarantee on securitisations of defaults ("**GACS**") by MEF.

  According to IAS 39, portfolios sold will be subject to accounting derecognition from the financial statements of the Issuer (i) once essentially all risks and associated benefits are transferred to independent third parties or (ii) once an adequate part of the risks and benefits is transferred provided that the control of the credit components of said portfolios is not maintained. At the Date of the ~~Registration Document~~ **Supplement**, the Issuer is conducting the necessary qualitative-quantitative analyses to prospectively support the verification of the existence of the above-mentioned conditions;

  The Pro Forma Consolidated Statements represent the adjustment on loans determined by the increase of the coverage ratio on the non-performing loans in the portfolio associated with the Fino transaction in order to adjust it to a level coherent with the prices defined in the Framework Agreements of the purchase proposals selected by UniCredit in the first of the aforesaid sale phases. The provisions of phase 1 and phase 2 of the "Fino Project" on cancellation (derecognition) of the loans, subscription of the Notes and payment of the fees by the investors, including the aspects relating to the price difference are not therefore reflected in the pro forma adjustments.

- the execution of the "Porto Project" by increasing the coverage ratio on impaired loans and unlikely-to-pay loans in the Italian loans portfolio, following the changes in the estimates, in turn resulting from the changed management approach to non-performing loans approved by the Issuer's Board of Directors and aimed at accelerating the reduction, adopted in December 2016 by the Issuer and other Group companies, with the intention of:

- proceeding more quickly and efficiently with the streamlining of positions through management that favours the prompt collection and/or the demobilisation of the same;
- expressing the possibility of recovering the said non-performing loans taking into account the most recent estimates with regard to the presumed realisable value of the same also in consideration of the related guarantees.

The initiatives mentioned above will involve the posting of adjustments on the loans for a total amount of approximately €8.1 billion, of which approximately €7.2 billion relates to the portfolio of impaired loans and unlikely-to-pay loans, considered non-core, in order to reduce their size and realise the "Fino Project", and approximately €0.9 billion relates to the core portfolio.

*Actions aimed at strengthening the capital*

The main actions aimed at strengthening the capital, as stated in the Strategic Plan, involve a rights issue of up to a maximum of €13 billion, approved by the Extraordinary Shareholders' Meeting on 12 January 2017 and entirely guaranteed by a consortium made up of leading international banks that have signed ~~a pre-underwriting agreement pursuant to which the banks are obliged – subject to conditions in line with market practices for similar transactions – to sign~~ an underwriting agreement for the subscription of any new shares ~~not subscribed~~ at the end of the auction for rights not taken up **for a maximum amount equal to the value of the Capital Increase.**

***Staff departure incentive plans***

**The pro-forma data contained in the Registration Document has been updated in this Chapter to take account of the costs of integration resulting from the 4 February 2016 signing of the agreement with the trade unions on the 3,900 redundancies in Italy provided by the Strategic Plan, as well as - in connection with the above-mentioned agreement - to take account of the update of the status of implementation of the agreements with trade unions in Germany and Austria.**

**The restructuring costs associated to the said incentive plans (approved within the 2016 Preliminary Data by the relevant corporate bodies respectively of the Issuer, UCB AG and UCB Austria) are calculated on the basis of the information available at the Date of the Supplement**

**In particular as regards Italy, the plan provides for early retirement through the extraordinary Solidarity Fund of the sector for the population that has the right to retire within the next 54 months.**

**The restructuring costs were estimated on the basis of:**

- **80% participation of eligible employees on a voluntary basis; this estimate is based on the plans made in the years 2016, 2010 and 2007, which involved respectively 3,100, 3,300 and 6,800 FTE, reaching a participation of 83%, 81% and 77%, respectively;**

- **An expected cash outflow of 54 months of Solidarity Fund for person (against the means detected in 2016, 2010 and 2007, respectively equal to 36, 30 and 45).**

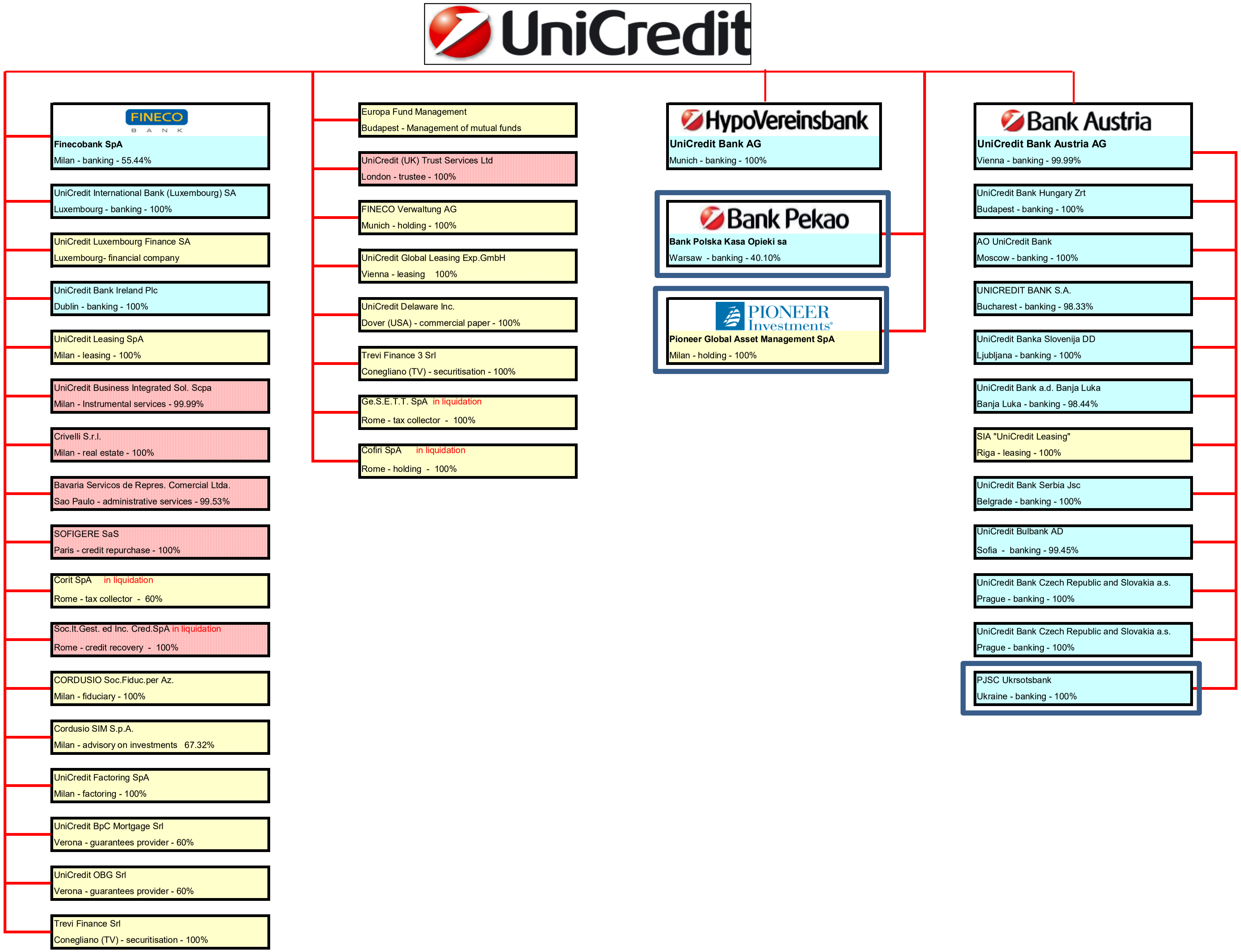
**With reference to Germany the restructuring plan is based on individual negotiations, without particular reference to age bracket. The main objectives of the restructuring refer to the specific activities of the bank which are no longer necessary due to the investment in the IT infrastructure and the simplification and rationalization of the governance, with an estimated cost as of the Date of the Supplement equal to approximately Euro 480 million.**

**With reference to Austria, the restructuring plan is based on individual voluntary offers based on the initial invitation of the employer, without particular reference to age bracket. As of the Date of the Supplement, the implementation of the restructuring plan is in a well advanced stage, entirely on a voluntary basis. The voluntary staff departure incentives plans in Austria form part of the Strategic Plan, which represents an update of the business restructuring plan previously agreed with the workers' council in December 2015. The additional estimated cost as of the Date of the Supplement is equal to approximately Euro 90 million.**

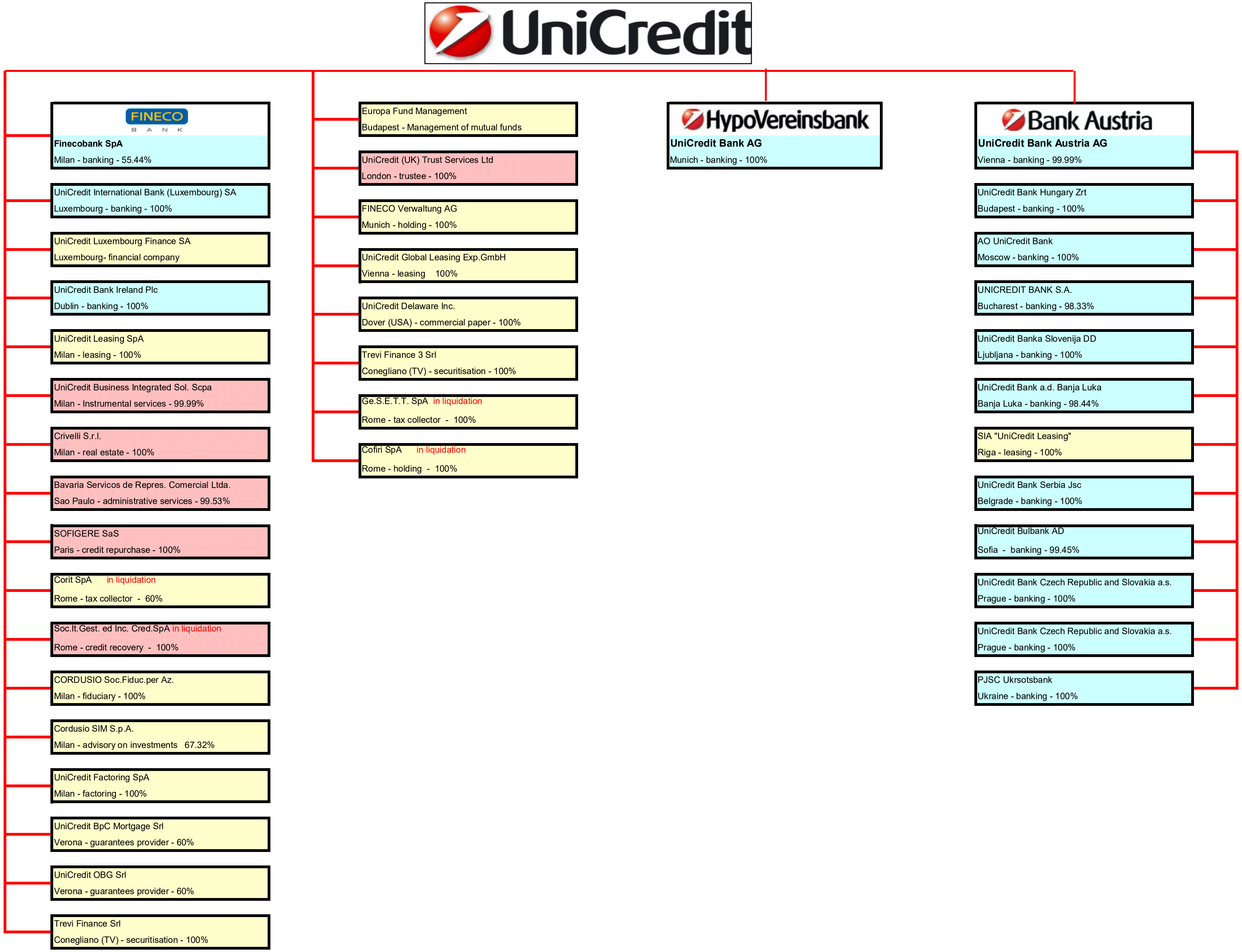
In accordance with the provisions of Regulation 809/2004/CE, Annex 2, point 6, note that the adjustments resulting from the deconsolidation on a line-by-line basis following the loss of control of the groups subject to M&A Asset Sale Transactions have a permanent effect on the operating results and capital and financial position of the Issuer as well as the main actions aimed at strengthening the capital limited to the capital and financial position. Conversely, the results from sales associated with M&A Asset Sale Transactions, namely the actions aimed at improving the quality of capital assets **and the negative effects arising from the staff departure incentive plans** do not have a permanent effect on the operating results of the Issuer.

Note that the pro forma adjustments relating to the permanent effects associated with the M&A Asset Sale Transactions have an effect of -€1,860 million as at 30 September 2016 on the intermediation margin and -€948 million on the net Group profit (compared with a new banking income for the first 9 months of 2016 of €17,070 million and a result of management for the first months of 2016 of €7,263 million) due to the adjustment of the payments in the consolidated income statements of the companies/groups subject to the M&A Asset Sale Transactions, primarily relating to the sale of the Pioneer Investments group, and the holding in Bank Pekao.

Below is the simplified organisational chart of the UniCredit Banking Group as at 30 September 2016. The companies which are the object of pro-forma data are circled in blue. It should be noted that Immo Holding is not included in the following organisational chart as it is not a part of the banking group perimeter.


UniCredit
FINECO BANK
Finecobank SpA
Milan - banking - 55.44%
UniCredit International Bank (Luxembourg) SA
Luxembourg - banking - 100%
UniCredit Luxembourg Finance SA
Luxembourg- financial company
UniCredit Bank Ireland Plc
Dublin - banking - 100%
UniCredit Leasing SpA
Milan - leasing - 100%
UniCredit Business Integrated Sol. Scpa
Milan - Instrumental services - 99.99%
Crivelli S.r.l.
Milan - real estate - 100%
Bavaria Servicos de Repres. Comercial Ltda.
Sao Paulo - administrative services - 99.53%
SOFIGERE SaS
Paris - credit repurchase - 100%
Corit SpA in liquidation
Rome - tax collector - 60%
Soc.It.Gest. ed Inc. Cred.SpA in liquidation
Rome - credit recovery - 100%
CORDUSIO Soc.Fiduc.per Az.
Milan - fiduciary - 100%
Cordusio SIM S.p.A.
Milan - advisory on investments 67.32%
UniCredit Factoring SpA
Milan - factoring - 100%
UniCredit BpC Mortgage Srl
Verona - guarantees provider - 60%
UniCredit OBG Srl
Verona - guarantees provider - 60%
Trevi Finance Srl
Conegliano (TV) - securitisation - 100%
Europa Fund Management
Budapest - Management of mutual funds
UniCredit (UK) Trust Services Ltd
London - trustee - 100%
FINECO Verwaltung AG
Munich - holding - 100%
UniCredit Global Leasing Exp.GmbH
Vienna - leasing 100%
UniCredit Delaware Inc.
Dover (USA) - commercial paper - 100%
Trevi Finance 3 Srl
Conegliano (TV) - securitisation - 100%
Ge.S.E.T.T. SpA in liquidation
Rome - tax collector - 100%
Cofiri SpA in liquidation
Rome - holding - 100%
HypoVereinsbank
UniCredit Bank AG
Munich - banking - 100%
Bank Pekao
Bank Polska Kasa Opieki sa
Warsaw - banking - 40.10%
PIONEER Investments
Pioneer Global Asset Management SpA
Milan - holding - 100%
Bank Austria
UniCredit Bank Austria AG
Vienna - banking - 99.99%
UniCredit Bank Hungary Zrt
Budapest - banking - 100%
AO UniCredit Bank
Moscow - banking - 100%
UNICREDIT BANK S.A.
Bucharest - banking - 98.33%
UniCredit Banka Slovenija DD
Ljubljana - banking - 100%
UniCredit Bank a.d. Banja Luka
Banja Luka - banking - 98.44%
SIA "UniCredit Leasing"
Riga - leasing - 100%
UniCredit Bank Serbia Jsc
Belgrade - banking - 100%
UniCredit Bulbank AD
Sofia - banking - 99.45%
UniCredit Bank Czech Republic and Slovakia a.s.
Prague - banking - 100%
UniCredit Bank Czech Republic and Slovakia a.s.
Prague - banking - 100%
PJSC Ukrsotsbank
Ukraine - banking - 100%

Below is the simplified organisational chart of the UniCredit Banking Group for the Pro-forma Consolidated Financial Statements



**Finecobank SpA**
Milan - banking - 55.44%

UniCredit International Bank (Luxembourg) SA
Luxembourg - banking - 100%

UniCredit Luxembourg Finance SA
Luxembourg- financial company

UniCredit Bank Ireland Plc
Dublin - banking - 100%

UniCredit Leasing SpA
Milan - leasing - 100%

UniCredit Business Integrated Sol. Scpa
Milan - Instrumental services - 99.99%

Crivelli S.r.l.
Milan - real estate - 100%

Bavaria Servicos de Repres. Comercial Ltda.
Sao Paulo - administrative services - 99.53%

SOFIGERE SaS
Paris - credit repurchase - 100%

Corit SpA in liquidation
Rome - tax collector - 60%

Soc.It.Gest. ed Inc. Cred.SpA in liquidation
Rome - credit recovery - 100%

CORDUSIO Soc.Fiduc.per Az.
Milan - fiduciary - 100%

Cordusio SIM S.p.A.
Milan - advisory on investments 67.32%

UniCredit Factoring SpA
Milan - factoring - 100%

UniCredit BpC Mortgage Srl
Verona - guarantees provider - 60%

UniCredit OBG Srl
Verona - guarantees provider - 60%

Trevi Finance Srl
Conegliano (TV) - securitisation - 100%

Europa Fund Management
Budapest - Management of mutual funds

UniCredit (UK) Trust Services Ltd
London - trustee - 100%

FINECO Verwaltung AG
Munich - holding - 100%

UniCredit Global Leasing Exp.GmbH
Vienna - leasing 100%

UniCredit Delaware Inc.
Dover (USA) - commercial paper - 100%

Trevi Finance 3 Srl
Conegliano (TV) - securitisation - 100%

Ge.S.E.T.T. SpA in liquidation
Rome - tax collector - 100%

Cofiri SpA in liquidation
Rome - holding - 100%

**UniCredit Bank AG**
Munich - banking - 100%

**UniCredit Bank Austria AG**
Vienna - banking - 99.99%

UniCredit Bank Hungary Zrt
Budapest - banking - 100%

AO UniCredit Bank
Moscow - banking - 100%

UNICREDIT BANK S.A.
Bucharest - banking - 98.33%

UniCredit Banka Slovenija DD
Ljubljana - banking - 100%

UniCredit Bank a.d. Banja Luka
Banja Luka - banking - 98.44%

SIA "UniCredit Leasing"
Riga - leasing - 100%

UniCredit Bank Serbia Jsc
Belgrade - banking - 100%

UniCredit Bulbank AD
Sofia - banking - 99.45%

UniCredit Bank Czech Republic and Slovakia a.s.
Prague - banking - 100%

UniCredit Bank Czech Republic and Slovakia a.s.
Prague - banking - 100%

PJSC Ukrsotsbank
Ukraine - banking - 100%

### 20.2.1 Pro-forma Consolidated Financial Statements as at 30 September 2016

***Purpose of the presentation of the pro-forma consolidated data***

The Pro-forma Consolidated Financial Statements have been prepared solely to retroactively reflect the significant effects of the: **(i)** M&A Asset Sale Transactions; ~~and~~ **(ii)** the actions aimed at improving the quality of the balance sheet assets; ~~and~~ **(iii)** ~~those~~ management shares aimed at strengthening the capital ~~described above above;~~ **and (iv)** the **agreements with unions relating to the redundancies envisaged by the Strategic Plan,** as if they had taken place in the period in which the above-mentioned pro-forma data refer to. The information in the Pro-forma Consolidated Financial Statements represents a simulation of the possible effects that could have resulted if the M&A Asset Sale Transactions and the actions aimed at improving the quality of the balance sheet assets and those aimed at strengthening the capital described above had taken place at the above-mentioned date and they are provided for the purpose of illustration only, without this representing that any of the effects relating to these transactions have been correctly reflected at the pro-forma date.

These assumptions therefore represent a conventional element, and it should be pointed out that, if the execution of the M&A Asset Sale Transactions and the actions aimed at improving the quality of the balance sheet assets and those aimed at strengthening the capital described above had actually taken place at the hypothetical date, the actual results in the Pro-forma Consolidated Financial Statements may not necessarily have been achieved.

***Theory for the preparation of the pro-forma consolidated data***

The accounting principles adopted for the preparation of the Pro-forma Consolidated Statements are the same as those used for the preparation of the Consolidated Interim Report as at 30 September 2016, namely the International Accounting Standards (IAS/IFRS) adopted by the European Union.

***Pro-forma restated balance sheet at 30 September 2016***

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

- in the "*30 September 2016 historical*" column, the Consolidated Interim Report at 30 September 2016 on the basis of the reclassified statements included in the Consolidated Reports on Operations;

- in the "*Adjustments*" column, the adjustment entries for the above-mentioned transactions;

- in the "*30 September 2016 pro-forma*" column, the pro-forma consolidated values at 30 September 2016, resulting from the sum of the previous columns.

| **Assets** | **30** | **Adjustments** | | | | | | | | | | **30** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of Euros)* | **September 2016 historical** | **1. Bank Pekao** | **2. Pioneer** | **3. FinecoBank** | **4. PJSC Ukrsotsbank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. SCI** | 9. Personnel | ~~9.~~ 10. **Other** | **September 2016 pro-forma** |
| Cash and cash equivalents | 16,153 | 2,215 | 4,000 | 545 | - | 450 | - | - | 12,500 | - | - | 35,863 |
| Financial assets held for trading | 94,110 | (677) | - | - | - | - | - | - | - | - | 139 | 93,572 |
| Loans and receivables with banks | 76,750 | (919) | (359) | - | (125) | - | - | - | - | - | 255 | 75,602 |
| Receivables from customers | 480,926 | (28,077) | - | - | - | - | (3,600) | (4,500) | - | - | 238 | 444,987 |
| Financial investments | 155,336 | (6,331) | (147) | - | 362 | - | - | - | - | - | - | 149,220 |
| Hedging instruments | 8,094 | (78) | - | - | - | - | - | - | - | - | - | 8,016 |
| Property, plant and equipment | 9,555 | (329) | (6) | - | - | - | - | - | - | - | - | 9,220 |
| Goodwill | 3,591 | (1,014) | (832) | - | - | - | - | - | - | - | - | 1,745 |
| Other intangible assets | 2,087 | (182) | (20) | - | - | - | - | - | - | - | - | 1,885 |
| Tax assets | 15,469 | (249) | 147 | - | - | - | - | - | - | - | - | 15,367 |
| Non-current assets classified as held for sale | 3,369 | 145 | (618) | - | (1,688) | (1,002) | - | - | - | - | 1,130 | 1,336 |
| Other assets | 9,087 | (234) | (294) | - | - | - | - | - | - | - | (497) | 8,062 |
| **Total assets** | **874,527** | **(35,730)** | **1,871** | **545** | **(1,451)** | **(552)** | **(3,600)** | **(4,500)** | **12,500** | - | **1,265** | **844,875** |

| **Liabilities and Shareholders' Equity** | **30** | **Adjustments** | | | | | | | | | | **30** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of Euros)* | **September 2016 historical** | **1. Bank Pekao** | **2. Pioneer** | **3. FinecoBank** | **4. PJSC Ukrsotsbank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. SCI** | 9. Personnel | ~~9.~~ 10. **Other** | **September 2016 pro-forma** |
| Deposits from banks | 114,983 | (1,144) | - | - | - | - | - | - | - | - | 238 | 114,077 |
| Direct deposits | 590,099 | (29,640) | - | - | - | - | - | - | - | - | 674 | 561,133 |
| Financial liabilities held for trading | 68,387 | (586) | - | - | - | - | - | - | - | - | 8 | 67,809 |
| Financial liabilities at fair value through profit or loss | 1,509 | - | - | - | - | - | - | - | - | - | - | 1,509 |
| Hedging instruments | 11,797 | (253) | - | - | - | - | - | - | - | - | - | 11,544 |
| Provision for risks and charges | 9,849 | (73) | (42) | - | - | - | - | - | - | **1,799** | 1 | ~~9,735~~<br>**11,534** |
| Tax liabilities | 1,495 | (31) | (86) | - | - | - | - | - | - | **(141)** | 4 | ~~1,382~~<br>**1,241** |
| Liabilities included in disposal groups classified as held for sale | 2,651 | - | - | - | (1,451) | (614) | - | - | - | - | 621 | 1,207 |
| Other liabilities | 18,614 | (501) | (410) | - | - | - | - | - | - | - | (281) | 17,422 |
| Minority interests | 3,906 | (3,143) | (3) | 112 | - | - | - | - | - | - | - | 872 |
| Group portion of shareholders' equity | 51,237 | (359) | 2,412 | 433 | - | 62 | (3,600) | (4,500) | 12,500 | **(1,658)** | - | ~~58,185~~<br>**56,527** |
| **Total liabilities and shareholders' equity** | **874,527** | **(35,730)** | **1,871** | **545** | **(1,451)** | **(552)** | **(3,600)** | **(4,500)** | **12,500** | - | **1,265** | **844,875** |

## ***Pro-forma consolidated restated income statement at 30 September 2016***

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

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

| **Income Statement**<br>*(Millions of Euros)* | **30 September 2016 historical** | **ADJUSTMENTS**<br>**1. Bank Pekao** | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsots bank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. SCI** | 9. Personnel | ~~9.~~ 10. **Other** | **30 September 2016 pro-forma** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net interest | 8,644 | (751) | (1) | - | 3 | 4 | - | - | - | - | - | 7,899 |
| Dividends and other income from equity investments | 700 | (4) | - | - | - | - | - | - | - | - | - | 696 |
| Net commissions | 5,736 | (338) | (636) | - | - | 3 | - | - | - | - | - | 4,765 |
| Gains (losses) on financial assets and liabilities held for trading | 1,820 | (146) | - | - | - | - | - | - | - | - | - | 1,674 |
| Balance of other income/expense | 170 | (4) | 7 | - | 8 | (6) | - | - | - | - | 1 | 176 |
| **BROKERAGE MARGIN** | **17,070** | **(1,243)** | **(630)** | **-** | **11** | **1** | **-** | **-** | **-** | - | **1** | **15,210** |
| Personnel costs | (6,013) | 326 | 229 | - | - | - | - | - | - | - | - | (5,458) |
| Other administrative expenses | (3,628) | 171 | 121 | - | (2) | - | - | - | - | - | - | (3,338) |
| Recovery of expenses | 562 | - | - | - | - | - | - | - | - | - | - | 562 |
| Adjustments in value of tangible and intangible assets | (728) | 59 | 8 | - | - | - | - | - | - | - | - | (661) |
| Operating costs | (9,807) | 556 | 358 | - | (2) | - | - | - | - | - | - | (8,895) |
| **OPERATING PROFIT (LOSS)** | **7,263** | **(687)** | **(272)** | **-** | **9** | **1** | **-** | **-** | **-** | - | **1** | **6,315** |
| Net adjustments to credits and provisions for guarantees and commitments | (2,677) | 56 | - | - | - | - | (3,600) | (4,500) | - | - | - | (10,721) |
| **NET OPERATING PROFIT (LOSS)** | **4,586** | **(631)** | **(272)** | **-** | **9** | **1** | **(3,600)** | **(4,500)** | **-** | - | **1** | **(4,406)** |
| Other charges and provisions | (1,231) | 121 | 6 | - | - | - | - | - | - | - | - | (1,104) |
| Integration costs | (398) | - | 37 | - | - | - | - | - | - | **(1,799)** | - | (~~361~~**2,160**) |
| Net profits from investments | (24) | (1) | - | - | - | (2) | - | - | - | - | - | (27) |
| **PROFIT (LOSS) BEFORE TAX** | **2,933** | **(511)** | **(229)** | **-** | **9** | **(1)** | **(3,600)** | **(4,500)** | **-** | **(1,799)** | **1** | (~~**5,898**~~7,697) |
| Income tax for the period | (821) | 107 | 84 | - | - | - | - | - | - | **141** | - | (~~630~~**489**) |
| **NET PROFIT (LOSS)** | **2,112** | **(404)** | **(145)** | **-** | **9** | **(1)** | **(3,600)** | **(4,500)** | **-** | **(1,658)** | **1** | **(~~6,528~~8,186)** |
| Profit (loss) after tax from discontinued operations | 13 | (638) | 2,410 | - | (745) | 44 | - | - | - | - | - | 1,084 |
| **RESULT FOR THE PERIOD** | **2,125** | **(1,042)** | **2,265** | **-** | **(736)** | **43** | **(3,600)** | **(4,500)** | **-** | **(1,658)** | **1** | (~~**5,444**~~7,102) |
| Minority interests | (344) | 207 | 4 | (44) | - | - | - | - | - | - | - | (177) |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA** | **1,781** | **(835)** | **2,269** | **(44)** | **(736)** | **43** | **(3,600)** | **(4,500)** | **-** | **(1,658)** | **1** | (~~**5,621**~~7,279) |
| Purchase Price Allocation effect | (13) | 10 | - | - | - | - | - | - | - | - | - | (3) |
| Impairment of goodwill | - | - | - | - | - | - | - | - | - | - | - | - |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP** | **1,768** | **(825)** | **2,269** | **(44)** | **(736)** | **43** | **(3,600)** | **(4,500)** | **-** | **(1,658)** | **1** | (~~**5,624**~~7,282) |

## ***Pro-forma consolidated cash flow statement at 30 September 2016***

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

- in the column "*30 September 2016 history*", the Consolidated Interim Report as at 30 September 2016 on the basis of the scheme referred to in Circular 262 of Banca d'Italia and presented in aggregate version by subtotals;

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

| **Cash flow statement** | **30 September 2016 historical** | **Adjustments** | | | | | | | | | | **30 September 2016 pro-forma** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(millions of Euros)* | | **1. Bank Pekao** | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsotsbank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. SCI** | 9. Personnel | ~~9.~~ 10. **Other** | |
| **A. Operating activities** | | | | | | | | | | - | | |
| Net liquidity generated/absorbed by operating activities | 7,258 | 120 | | | | | - | | | - | | 7,378 |
| **B. Investment activities** | | | | | | | | | | - | | |
| Net liquidity generated/absorbed by investment activities | (788) | 2,095 | 4,000 | | | 450 | | | | - | | 5,757 |
| **C. Funding activities** | | | | | | | | | | - | | |
| Net liquidity generated/absorbed by funding activities | (702) | | | 545 | | | | | 12,500 | - | | 12,343 |
| **Net liquidity generated/absorbed during the year** | **5,768** | **2,215** | **4,000** | **545** | **-** | **450** | **-** | **-** | **12,500** | - | **-** | **25,478** |

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

### 20.2.1.1 Notes to the Pro-Forma Consolidated Financial Statements at 30 September 2016

***Basic assumptions for the preparation of the Pro-Forma Consolidated Financial Statements***

The reference date adopted for the preparation of the Pro-Forma Consolidated Financial Statements for the simulation of the effects of the sales, the transactions carried out with reference to loans and the share capital increase does not correspond to the one that will actually be used for the preparation of the UniCredit Group's consolidated financial statements for the year in which the transactions described previously will take place.

The information in the Pro-Forma Consolidated Financial Statements reflect all aspects of the transactions, in spite of the fact that some of these have not yet been completed at the ~~Registration Document~~ Date of the **Supplement**, based on the information available at the Date of this Document.

### *Significant information and basic assumptions for the preparation of the Pro-Forma Consolidated Financial Statements*

The significant information and assumptions used for the preparation of the Pro-Forma Consolidated Financial Statements are given below. With special reference to the adjustments applied for the preparation of the above-mentioned Financial Statements, note the following:

**1. Bank Pekao:**

- the line-by-line contribution of the Pekao Group to the Consolidated Interim Report at 30 September 2016 was adjusted for the UniCredit Group, following the derecognition of the entire equity investment of approximately 40.1% in Bank Pekao, the Polish bank of the UniCredit Group and the parent company of the Pekao Group, of which approximately 32.8% to be sold to Powszechny Zakład Ubezpieczeń S.A. ("PZU") and Polski Fundusz Rozwoju S.A. ("PFR") based on a purchase agreement signed on 8 December 2016, with the remaining 7.3% to be disposed through a market transaction as announced on the same date, through the issuing of 1,916 secured equity-linked certificates. With reference to the transactions it is specified that:
    - o The agreed price for the sale of the shareholding of about 32.8% in Bank Pekao to PZU and PFR is equal to 123 Polish zloty per share or a total of 10.6 billion of Polish zloty, €2,345 million at the rate of exchange referred to the date of closure of the operation and considered for the purpose of pro-forma adjustments (€2,377 million at the rate of exchange recorded on 8 December 2016) and equal to 1.42 times the equity of Bank Pekao on 30 September 2016. It should also be noted that, within the scope of the present operation, the sale of Dom Inwestycyjny Xelion SP. Z O.O. for approximately €2 million was added.
    - o The reference price of a share in Bank Pekao for the purposes of issuing the Certificates was set at approximately €27, equal to the average weighted price for volumes of Bank Pekao shares on the Warsaw Stock Exchange on 9 December 2016. As a result, the issue price of the Certificates was set at approximately €232,047.4 each (85.85% of the Reference Amount) or approximately €439 million in total net of transaction costs and considered for the purposes of pro-forma adjustments (approximately €445 million without adjusting the amount for said transaction costs). Note that for the purpose of pro-forma adjustments, taking into consideration the contractually-required regulation, as described in greater detail in Chapter 22, this component was considered under the consideration received in the item cash and cash equivalents.

  The result of the sale originating from the two transactions in the pro-forma statements is equal, respectively, to -€294 million and -€65 million. The above disposals are in addition to the 10% sold in July 2016 through an accelerated bookbuilding procedure, after which UniCredit kept control of an equity investment of 40.1%; note that the pro-forma adjustments reported with reference to the result from the disposals and third-party assets only relate to the disposal of the 40.1% share because the sale of the 10% stake took place in July 2016 and was already reported in the accounting data at 30 September 2016 with a positive change from the sale of the pro-rata of the contribution of the Pekao Group to net consolidated equity equal to +€203 million. Note that the sale of the 10% stake has not caused the deconsolidation of the Pekao Group. While the accelerated bookbuilding operation has already taken place, the completion of the sales transaction of 32.8% of Bank Pekao to PZU and PFR is expected to take place midway through 2017 and is subject to the verification of certain conditions precedent. For the purpose of preparing the pro-forma data the fulfilment of the conditions was assumed, which is standard in similar M&A Asset Sale Transactions. To date, no significant problems with regard to the completion of the transaction have been discerned;

- the contribution to the Consolidated Interim Report at 30 September 2016 was adjusted for the Pekao Group to take into account the intra-group transactions between Pekao Group companies and other UniCredit Group companies;
- the taxation is not applied with regard to a negative taxable base for either IRAP or IRES and there are no requirements for recording the deferred tax assets;
- the transaction involves an increase in the pro-forma CET1 ratio as at 30 September 2016 of 58 basis points.

**2. Pioneer:**

- the line-by-line contribution to the Consolidated Interim Report at 30 September 2016 for the UniCredit Group was adjusted due to the sale of almost the entire assets and liabilities of PGAM, the parent company of the Pioneer Investments Group, operating in the asset management sector;
- The sale is assumed on the basis of a purchase contract signed on 11 December 2016, which provides a transfer price paid by Amundi equal to €3,545 million and the prior distribution by PGAM of an extraordinary dividend of €315 million to UniCredit (*see* Chapter 22).

  It should be noted for the purposes of pro-forma corrections, that the consideration of the total sale of Pioneer includes the assets of Polish companies iPioneer Pekao Investment Management SA and Pioneer Pekao P.T.E. SA (both belonging to the PGAM Group), which will be disposed of within the scope of the transaction relating to Bank Pekao as described later in Chapter 22. The consideration for the above Polish assets of Pioneer, amounting to €140 million (approximately €130 million attributable to the sale of Polish assets of Pioneer and about €10 million related to the extraordinary dividend attributable to such assets), will be adjusted within the scope of the transaction relating to Bank Pekao. The proceeds from the sale considered for the purpose of pro-forma adjustments, including the amounts paid for the Polish assets of Pioneer, totalled €4,000 million (of which €3,675 million by way of consideration and €325 million by way of extraordinary dividend), giving rise to a sale result equal to €2,412 million (with reference to the operation in question there are no transaction costs directly attributable to adjustment of the amounts listed above).

  The completion of the transaction is expected to take place in the first half of 2017 and it is subject to certain conditions precedent being satisfied. For the purpose of preparing the pro-forma data the fulfilment of the conditions was assumed, which is standard in similar M&A Asset Sale Transactions. To date, no significant problems with regard to the completion of the transaction have been discerned;

- the contribution to the Consolidated Interim Report at 30 September 2016 was adjusted for the Pioneer Group to take into account the intra-group transactions between Pioneer Group companies and other UniCredit Group companies;

- the taxation is not applied with regard to a negative taxable base for either IRAP or IRES and there are no requirements for recording the deferred tax assets;

- the transaction involves an increase in the pro-forma CET1 ratio as at 30 September 2016 of 91 basis points.

**3. FinecoBank:**

- the contribution to the Consolidated Interim Report as at 30 September 2016 is corrected, considering the effect on minority interests arising from the sale of 20% of FinecoBank through an operation of *accelerated bookbuilding* concluded in October 2016 for a consideration of €552 million - €545 million net of transaction costs, the amount used for the purpose of pro-forma corrections - which has generated a result from the sale equal to +€433 million recognized in equity in line with the provisions of international accounting standards in the case of assignment without loss of control.

- At the same time as the recognition of the sale result at equity, the third-party assets are increased as a result of the change in minority interests that go from approximately 45% before the transfer operations to 65% as a consequence of the transfer of the 20% share.

- the taxation is not applied with regard to a negative taxable base for either IRAP or IRES and there are no requirements for recording the deferred tax assets;

- the transaction involves an increase in the pro-forma CET1 ratio as at 30 September 2016 of 12 basis points.

**4. PJSC Ukrsotsbank:**

- The contribution to the Consolidated Interim Report as at 30 September 2016, resulting from the transfer of the entire shareholding in Ukrsotsbank PJSC, Ukrainian bank of the UniCredit Group, whose assets and the associated liabilities are classified as “disposed operating unit” (*discontinued operations*) is corrected on the basis of international accounting standards (IFRS 5). They are the subject of a structured process that entails the sale in successive phases, in ABH Holdings SA, completed in October 2016. Therefore, the assets classified as held for sale and liabilities related to assets classified as held for sale were corrected by considering the equivalent in US dollars of the part of new shares representing 9.9% of ABHH’s capital after the transaction, determined on the basis of evaluation models and equal to €362 million as of 30 September 2016, converted at the exchange rate recorded on that date;

- As a result of the transfer of loans provided by contractual agreements claimed by the Issuer and by the other companies of the UniCredit Group from PJSC Ukrsotsbank to ABH HOLDINGS S.A., the loans to banks was corrected for the amount claimed as of the reference dates of the prospectuses toward the Ukrainian participation amounting to €125 million;

- the contribution to the Consolidated Interim Report at 30 September 2016 was adjusted to take into account the intra-group transactions between companies belonging to the Ukrainian bank and other UniCredit Group companies;

- the taxation is not applied with regard to a negative taxable base for either IRAP or IRES and there are no requirements for recording the deferred tax assets;

- the transaction involves an increase in the pro-forma CET1 ratio as at 30 September 2016 of 6 basis points.

**5. Immo Holding:**

- the impact on the Consolidated Interim Report at 30 September 2016 resulting from the deconsolidation of Immo Holding GmbH, an Austrian company classified in the financial statements in accordance with IFRS 5 (Non-current assets held for sale and discontinued operations) in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union was adjusted;

- the adjustments are implemented assuming the sale of Immo Holding GmbH, consistent with the assumptions behind the presentation in the financial statements in accordance with IFRS 5, and assuming a sale that generates a result of €62 million as set out in the Strategic Plan and based on contractual agreements and the status of ongoing negotiations as at the Date of the ~~Registration Document~~ **Supplement**; the contribution to the Consolidated Interim Report at 30 September 2016 was adjusted to take into account the intra-group transactions between companies belonging to the Immo Holding Group and other UniCredit Group companies;

- the transaction involves an increase in the pro-forma CET1 ratio as at 30 September 2016 of 2 basis points.

**6. Fino Project:**

- the execution of the "Fino Project", which is designed to accelerate the reduction of the non-core loan portfolio classified as impaired (for a total gross amount of approximately €17.7 billion as determined on 30 June 2016) through a market transaction. At the ~~Registration Document~~ Date of the **Supplement**, the Issuer has signed two separate framework agreements, respectively with FIG LLC, an affiliate company of the Fortress Investment Group LLC (later, FIG LLC, in conformity with the provisions of the Framework Agreement, replacing Fortress Italian NPL Opportunities Series Fund LLC, Series 6 in contractual relations resulting from the Framework Agreement) and with LVS III SPE I LP, a subsidiary of the PIMCO BRAVO Fund III, L.P. (each a "**Framework Agreement**"). The "Fino Project" is expected to be implemented in two phases, pursuant to each Framework Agreement:

  (i) "phase 1" of the "Fino Project", under the scope of which the parties of each Framework Agreement are obliged to negotiate and finalise the contractual documentation necessary to implement one or more of the securitization transactions through the creation or one or more special purpose vehicles ("**SPV**" or "**Vehicle**") which will buy the non-performing loans being sold in each Framework Agreement. Specifically, pursuant to each Framework Agreement, the investors will subscribe 50.1% of each class of ABS securities (the "**Notes**") issued by the SPV while the remaining 49.9% of the

Notes will be subscribed by UniCredit of ABS securities (the "**Notes**") issued by the related SPV while the remaining 49.9% of the Notes will be subscribed by UniCredit.

(ii) "phase 2" of the "Fino Project", in relation to which the parties have preliminarily identified the guidelines and strategies aimed at regulating, among other things: (a) a progressive sale, including to third-party investors, by UniCredit of the Notes subscribed, in compliance with the requirements of maintaining a clear economic interest in the securitization transactions identified by each Framework Agreement; and (b) the optimisation of the financial structure of the Notes issued under the scope of "phase 1", including any guarantee obtained on the securitizations of impaired loans ("**GACS**") by the Ministry of Economy and Finance.

In the context of the "Fino Project", the coverage ratio of this portfolio was increased to a level consistent with the price indicated for the portfolios in the respective Framework Agreements concluded with investors selected by UniCredit in the first of the aforementioned transfer phases. Therefore, for the purposes of preparing the pro forma statements, an average price of the transfer of the portfolios sold as part of the Fino Project, of approximately 13% of the gross book value (€17.7 billion, calculated as at 30 June 2016), in line with the Framework Agreements signed with PIMCO and Fortress.

The Pro-forma Consolidated Financial Statements represent only the correction on loans determined by the increase in the *coverage ratio* on the bad debts of the loan portfolio linked to the Fino transaction in order to adapt it to a level consistent with the prices defined in the *Framework Agreement*.

To that effect, a correction of loans was made for an amount equal to approximately €3.6 billion, which, as said, increases the *coverage ratio* for non-performing loans in the portfolio that are the subject of the transaction.

Note that, regarding the derecognition of the portfolios sold, as at the ~~Registration Document~~ Date **of the Supplement**, the Issuer is performing the necessary quali-quantitative analyses, in particular relating to the Deferred Price Subscription Mechanism and the structure of the securitization operations covered by the Framework Agreements, aimed at supporting verification of the conditions required by International accounting standard IAS 39.

The analysis will be completed on conclusion of the contract documentation and could meet the missing conditions prescribed by the relevant accounting standard for the derecognition of the portfolio. In this situation it could be necessary to review the forecast information provided in Chapter 13, Paragraph 13.1.7 of the registration document.

On this issue we report that, regardless of the outcome of the aforesaid analyses regarding the existence of the requirements for derecognition of the portfolio sold, the objective of and the process for improvement of the capital quality (to be performed via the actions aimed, in particular, at reducing the portfolio of non-core loans and increasing the coverage ratio of non-performing loans and probable defaults of the Italian loans portfolio) remains as a whole valid for the Strategic Plan 2016-2019.

- The tax is not applied against a negative tax base, both for the IRAP and for IRES purposes, and as at 30 September 2016, the criteria for the inclusion of the related deferred taxes are not met.

- The transaction involves a decrease of the CET 1 pro-forma ratio as at 30 September 2016 equal to 99 basis points [31].

**7. Porto Project:**

- this includes the execution of the "Porto Project" by increasing the coverage ratio on impaired loans and unlikely-to-pay loans in the Issuer's loans portfolio not included in the Fino transaction and of UniCredit Leasing, following the changes in the estimates, in turn resulting from the changed management approach to non-performing loans approved by the Issuer's Board of Directors and aimed at accelerating the reduction adopted in December 2016 by the Issuer and other Group companies, with the intention of:
    - proceeding more quickly and efficiently with the streamlining of positions through management that favours the prompt collection and/or the demobilisation of the same;
    - expressing the possibility of recovering the non-performing loans taking into account the most recent estimates with regard to the presumed realisable value of assets also in consideration of the related guarantees;
- the transaction results in an overall adjustment to loans equal to approximately €4.5 billion posted in the income statement and broken down as follows:
    - €3.9 billion relating to the different managerial approach to the impaired loans mentioned above, mainly used to adapt corporate non-performing loans with exposures of more than €1 million, restructuring UTP and leasing portfolios;
    - €0.6 billion from one-off activities due, in part, to the updating of the parameters used to calculate internal models (historical series) also partly to respond to the ECB requests for adapting model parameters to the leasing portfolio.
- in the light of the above-mentioned credit adjustments (equal, in total, to €4.5 billion), the transaction involves increasing the coverage ratio on the total portfolio of non-performing loans by approximately 600 basis points compared with the historical figures as at 30 September 2016, thereby bringing the value from a historical figure of 52.2% to a pro-forma one of 58.2%;
- the taxation is not applied with regard to a negative taxable base for either IRAP or IRES and as at 30 September 2016 there were no requirements for recording the deferred tax assets.
- the transaction involves a decrease in the pro-forma CET1 ratio as at 30 September 2016 of 125 basis points.

**8. Share Capital Increase:**

this involves the strengthening of the capital, included in the 2016-2019 Strategic Plan, specifically a rights issue of up to a maximum of €13 billion, corresponding to a CET1 ratio increase for UniCredit of 345 basis

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[31] The impact has been calculated taking into account the adjustments on loans to be carried out in the fourth quarter of 2016.

points (calculated at the net of transaction costs), approved by the Extraordinary Shareholders' Meeting on 12 January 2017 and entirely guaranteed by a consortium made up of leading international banks that have signed a ~~pre-underwriting agreement pursuant to which the banks are obliged – subject to conditions in line with market practices for similar transactions – to sign~~ an underwriting agreement for the subscription of any new shares not subscribed at the end of the auction for rights not taken up **for a maximum amount equal to the value of the Capital Increase;**

- the assumption underlying the pro-forma adjustment is that the corresponding asset item in the balance sheet is in the cash item for approximately €12.5 billion, which represents net deposits following the rights issue of €13 billion and expenses and commissions related to this transaction.

9. Staff termination incentive plans**:**

- **the effect of the staff termination incentive plans is adjusted within the integration costs;**
- **the taxation relating to the part of the plan referring to Germany is recorded, as this shows a positive tax base;**
- **the transaction involves a decrease in CET1 *ratio pro-forma* as at 30 September 2016, amounting to 50 basis points.**

10**.** ~~9.~~ **Other residual effects:**

With regard to the adjustments made in this column, note the following aspects:

Intercompany assets and liabilities pertaining to companies leaving the scope of consolidation following the previously mentioned transactions were classified under "assets and liabilities held for sale" in the relevant adjustment columns (from column 1 to 5 "assets and liabilities held for sale"). In this column relations with companies exiting the scope of consolidation that are headed by companies that remain under the scope of consolidation were classified under the individual pertinent items because, following the deconsolidation of the companies/groups sold, they are no longer representative of the transactions that take place within the Group.

***Description of the pro-forma adjustments at 30 September 2016***

Description of the pro-forma adjustments related to the Balance Sheet assets

- The item "cash and cash equivalents" includes entries increased by a total of €19,710 million, attributable to the adjustments described below:
    - +€2,215 million relating to:
        - -€571 million deriving from the deconsolidation of the Pekao Group following the sale;
        - +€2.786 million relating to the consideration recognised for the sale of the Pekao Group;
    - +€4,000 million resulting from the sale of PGAM, by way of consideration;

  - +€545 million resulting from the sale of FinecoBank by way of consideration (sale of 20% completed in October 2016);
  - +€450 million resulting from the sale of Immo Holding by way of consideration;
  - +€12,500 million from the share capital increase.

- The item “financial assets held for trading” includes entries down by a total of -€538 million, due to the following adjustments:
  - -€677 million relating to the deconsolidation following the sale of the Pekao Group;
  - +€139 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.
- The item “loans and receivables with banks” includes entries down by a total of €1,148 million, due to the following adjustments:
  - -€919 million relating to the deconsolidation of the Pekao Group following its sale;
  - -€359 million relating to the sale of PGAM with the consequent deconsolidation of the related assets and liabilities;
  - -€125 million related to the sale of the loans claimed by the UniCredit Group against PJSC Ukrsotsbank as provided for by the contractual agreements;
  - +€255 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.
- The item “loans and receivables with customers” includes entries down by a total of €35,939 million, due to the following adjustments:
  - -€28,077 million relating to the deconsolidation of the Pekao Group following its sale;
  - -€3,600 million relating to pro-forma adjustments with regard to the Fino transaction;
  - -€4,500 million relating to value adjustments with reference to the Porto transaction;
  - +€238 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.

- The item “financial investments” includes entries down by a total of -€6,116 million, due to the following adjustments:
    - -€6,331 million relating to the deconsolidation of the Pekao Group following its sale;
    - -€147 million relating to the sale of PGAM with the consequent deconsolidation of the related assets and liabilities;
    - +€362 million relating to the value of the new issue shares that represent 9.9% of the post-transaction share capital of ABHH recorded on the reference date and at the respective exchange rate;
- The item “hedging instruments” contains an adjustment relating to the full deconsolidation of the Pekao Group following its sale for -€78 million.
- The item “property, plant and equipment” includes negative pro-forma adjustments of a total of €335 million, which break down as follows:
    - -€329 million relating to the deconsolidation of the Pekao Group following its sale;
    - -€6 million relating to the sale of PGAM with the consequent deconsolidation of the related assets and liabilities.
- The item “goodwill” includes negative pro-forma adjustments of a total of -€1,846 million, which break down as follows:
    - -€1,014 relating to the cancellation of the goodwill for the Pekao Group as a result of the deconsolidation;
    - -€832 million relating to the cancellation of the goodwill for Pioneer following the sale.
- The item “other intangible assets” includes negative pro-forma adjustments of a total of €202 million, which break down as follows:
    - -€182 million relating to the deconsolidation of the Pekao Group following its sale;
    - -€20 million relating to the sale of PGAM with the consequent deconsolidation of the related assets and liabilities.
- The item “tax assets” includes negative pro-forma adjustments of a total of -€102 million, which break down as follows:
    - -€249 million relating to the deconsolidation of the Pekao Group following its sale;
    - +€147 million relating to the sale of PGAM with the consequent deconsolidation of the related assets and liabilities.

- The item "non-current assets classified as held for sale" includes negative pro-forma adjustments for a total of -€2,033 million, which refer to the following changes:
    - +€145 million relating to the deconsolidation of the Pekao Group following its sale and to the classification under this item of intercompany relations pertaining to the Pekao Group, which emerged following this deconsolidation;
    - -€618 million relating to the sale of PGAM with the consequent deconsolidation of the related assets and liabilities and the reclassification under this item of intercompany relations pertaining to the PGAM Group, which emerged following this deconsolidation;
    - -€1,688 million relating to the cancellation of non-current assets classified as held for sale associated with the sale of PJSC Ukrsotsbank;
    - -€1,002 million relating to the cancellation of non-current assets classified as held for sale associated with the sale of Immo Holding;
    - +€1,130 million relating to the elimination of the intercompany relations, which have emerged in the same item in the specific adjustment columns.
- The "other assets" item includes negative entries for a total of €1,025 million related to:
    - -€234 million of corrections relating to the deconsolidation of the Pekao Group as a result of its transfer;
    - -€294 million related to the sale of PGAM with consequent deconsolidation of the related assets and liabilities;
    - -€497 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.

Description of pro-forma corrections related to the balance sheet liabilities

- The "debts to banks" item presents pro-forma corrections for a total of -€906 million, broken down as shown below:
    - -€1,144 million of corrections relating to the deconsolidation of the Pekao Group as a result of its transfer;
    - +€238 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.

- The "direct collection" item includes pro-forma corrections of the entries "debts toward customers" and "outstanding securities" for a total of -€28,966 million attributable to the following corrections:
    - -€29,640 million relating to the deconsolidation of the Pekao Group as a result of its transfer;
    - +€674 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.
- The item "Financial liabilities held for trading" includes pro-forma corrections for -€578 million attributable to the following corrections:
    - -€586 million relating to the deconsolidation of the Pekao Group as a result of its transfer;
    - +€8 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.
- The "coverage" item presents pro-forma corrections for -€253 million relating to the deconsolidation of the Pekao Group as a result of its sale.
- The "Provisions for risks and charges" item shows negative pro-forma corrections for ~~-€114~~ **+€1,685** million broken down as shown below:
    - -€73 million relating to the deconsolidation of the Pekao Group as a result of its transfer;
    - -€42 million related to the sale of PGAM with consequent deconsolidation of the related assets and liabilities;
    - **+€1,799 million relating to staff termination incentive plans**
    - +€1 million relative to the emergence of the items previously classified as *intercompany*, for companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.
- The "tax liabilities" items includes pro-forma corrections for a total of -~~€113~~-€**254** million relating to:
    - -€31 million relating to the deconsolidation of the Pekao Group as a result of its transfer;
    - -€86 million related to the sale of PGAM with consequent deconsolidation of the related assets and liabilities;
    - **-€141 million relating to the taxation recorded for the staff termination incentive plans component in Germany;**

  - +€4 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.

- The "Liabilities associated with groups of assets held for sale" item includes pro-forma corrections totalling -€1,444 million referring to the following variations:

  - -€1,451 million related to the cancellation of the non-current liabilities classified as held for sale linked to the sale of PJSC Ukrsotsbank;

  - -€614 million related to the cancellation of the non-current liabilities classified as held for sale linked to the sale of Immo Holding;

  - +€621 million relating to the elimination of the intercompany relations, which have emerged in the same item in the specific adjustment columns.

- The item "other liabilities" presents negative pro-forma corrections for a total of -€1,192 million composed as follows:

  - -€501 million relating to the deconsolidation of the Pekao Group as a result of its transfer;

  - -€410 million related to the sale of PGAM with consequent deconsolidation of the related assets and liabilities;

  - -€281 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.

- The item "minority interests" includes pro-forma adjustments for a total of -€3,034 million, which refer to the following changes:

  - -€3,143 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;

  - -€3 million relating to the deconsolidation of the PGAM Group following its sale;

  - +€112 million relating to the sale of a stake in FinecoBank with the consequent increase in minority interests.

- The item "Group shareholders' equity" includes pro-forma adjustments for a total of +€~~6,.948~~**5,290** million, which refer to the following changes:

  - -€359 million of adjustments relating to the sale of the Pekao Group;

  - +€2,412 million relating to the sale of PGAM, with the consequent deconsolidation of the Group;

  - +€433 million resulting from the sale of a stake in FinecoBank;
  - +€62 million of adjustments resulting from the sale of Immo Holding;
  - -€3,600 million relating to the effect of the Fino transaction;
  - -€4,500 million relating to the effect of the Porto transaction;
  - +€12,500 million relating to the share capital increase transactions.
  - **<u>-€1,658 million relating to staff termination incentive plans;</u>**

Description of the pro-forma adjustments relating to the Income Statement

- The item "net interest" includes total pro-forma adjustments of approximately -€745 million, which refer to:
  - -€751 million relating to the deconsolidation of the Pekao Group following its sale;
  - -€1 million relating to the sale of PGAM with the consequent deconsolidation of the economic contribution to the consolidated entity;
  - +€3 million relating to the deconsolidation of PJSC Ukrsotsbank;
  - +€4 million relating to the deconsolidation of Immo Holding.
- The item "dividends and other income from equity investments" includes the pro-forma adjustments relating to Pekao following its deconsolidation for -€4 million.
- The item "net commissions" includes entries down by a total of -€971 million, due to the following adjustments:
  - -€338 million relating to the sale of the Pekao Group, with the consequent deconsolidation of the contribution to the consolidated entity;
  - -€636 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity;
  - +€3 million relating to the deconsolidation of Immo Holding.
- The item "gains (losses) on financial assets and liabilities held for trading" includes negative pro-forma adjustments of a total of -€146 million, attributable to the sale of the Pekao Group with the consequent deconsolidation.

- The item “balance of other income/expense” contains negative pro-forma adjustments of a total of €6 million, attributable to the following entries:
    - -€4 million relating to the sale of the Pekao Group, with the consequent deconsolidation of the contribution to the consolidated entity;
    - +€7 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity;
    - +€8 million relating to the deconsolidation of PJSC Ukrsotsbank.
    - -€6 million relating to the deconsolidation of Immo Holding;
    - +€1 million relating to other deconsolidation entries under the scope of the M&A Asset Sale Transactions mentioned.
- The item “personnel costs” includes pro-forma adjustments of a total of +€555 million, which break down as follows:
    - +€326 million relating to the sale of the Pekao Group, with the consequent deconsolidation of the contribution to the consolidated entity;
    - +€229 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity.
- The item “other administrative expenses” includes pro-forma adjustments of a total of +€290 million, which break down as follows:
    - +€171 million relating to the sale of the Pekao Group with the consequent deconsolidation of the contribution to the consolidated entity;
    - +€121 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity;
    - -€2 million relating to the deconsolidation of PJSC Ukrsotsbank.
- The item “adjustments in value of tangible and intangible assets” includes pro-forma adjustments of a total of €67 million, which break down as follows:
    - +€59 million relating to the sale of the Pekao Group, with the consequent deconsolidation of the contribution to the consolidated entity;
    - +€8 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity.

- The item “net adjustments to credits and provisions for guarantees and commitments” includes pro-forma negative adjustments of a total of -€8,044 million relating to the following changes:
  - +€56 million relating to the sale of the Pekao Group, with the consequent deconsolidation of the contribution to the consolidated entity;
  - -€3,600 million relating to pro-forma adjustments with reference to the Fino transaction;
  - -€4,500 million relating to pro-forma adjustments with reference to the Porto transaction.
- The item “other charges and provisions” includes pro-forma adjustments of a total of +€127 million, which refer to:
  - +€121 million relating to the sale of the Pekao Group, with the consequent deconsolidation of the contribution to the consolidated entity;
  - +€6 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity.
- The item “integration costs” includes pro-forma adjustments of a total of **-€1,762 million, which refer to:**
  - +€37 million relating to the sale of Pioneer with the consequent deconsolidation.
  - **-€1,799 million relation to staff termination incentive plans.**
- The item “net income from investments” includes negative pro-forma adjustments of a total of -€3 million, which break down as follows:
  - -€1 million relating to the sale of the Pekao Group, with the relative deconsolidation of the contribution to the consolidated entity;
  - -€2 million relating to the deconsolidation of Immo Holding.
- The item “income tax for the period” includes pro-forma adjustments of a total of +€~~191~~**332** million, which break down as follows:
  - +€107 million relating to the sale of the Pekao Group, with the consequent deconsolidation of the contribution to the consolidated entity;
  - +€84 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity.
  - **+€141 million relating to the taxation recorded for the staff termination incentive plans component in Germany.**

- The item “profit (loss) after tax from discontinued operations” includes the pro-forma negative adjustments of +1,071 million, which break down as follows:
  - -€638 million related to:
    - -€ 359 million related to the result from the sale of Bank Pekao;
    - -€279 million related to the reversal of the negative reserve of exchange rate fluctuation resulting from the sale of Bank Pekao.
  - +€2,410 million related to:
    - +€2,412 million related to the profit from the sale of PGAM;
    - -€2 million related to the reversal of the negative reserve of exchange rate fluctuation resulting from the sale of PGAM.
  - -€745 million related to:
    - +€5 million relating to the contribution to the consolidated period result of PJSC Ukrsotsbank;
    - -€750 million related to the reversal of the negative reserve by exchange rate fluctuation as a result of the divestment of PJSC Ukrsotsbank.
  - +€44 million related to:
    - -€18 million relating to the contribution to the consolidated period result of Immo Holding;
    - +€62 million related to the result of the sale of Immo Holding;
- The item “profit pertaining to minority interests” includes pro-forma adjustments of +€167 million, which refer to the following entries:
  - +€207 million relating to the sale of the Pekao Group, with the consequent deconsolidation of the contribution to the consolidated entity;
  - +€4 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity;
  - -€44 million relating to the sale of a stake in FinecoBank, with the consequent increase in minority interests.
- The item “Purchase Price Allocation economic effects” includes pro-forma adjustments totalling +€10 million relating to the sale of the Pekao Group, with the relative deconsolidation of the contribution of the latter to the consolidated entity.

Description of the pro-forma adjustments relating to the Cash Flow Statement

- The item "net liquidity generated/absorbed by operating activities" includes total pro-forma adjustments of approximately +€120 million, which mainly refer to the adjustment of the contribution to the cash flows for the period of the Pekao Group.
- The item "net liquidity generated/absorbed by investment activities" includes total pro-forma adjustments of approximately +€6,545 million, which refer to:
    - +€2,095 million relating to the consideration recorded with regard to the sale of the Pekao Group;
    - +€4,000 million relating to the consideration recorded with regard to the sale of PGAM;
    - +€450 million relating to the consideration recorded with regard to the sale of Immo Holding.
- The item "net liquidity generated/absorbed by funding activities" includes total pro-forma adjustments of approximately +€13,045 million, which refer to:
    - +€545 million relating to the consideration recorded with regard to the sale of a stake in FinecoBank;
    - to the share capital increase for +€12,500 million as described in the previous paragraphs.

***Further significant pro-forma data derived from the accounts not defined by the reference accounting standards calculated by the Issuer at 30 September 2016***

In addition to the Pro-forma Consolidated Financial Statements and data described above, the Issuer calculated further data during the preparation of the 2016-2019 Strategic Plan to express the degree of coverage of non-performing exposures and the capital adequacy of the Group in the event that the transactions mentioned had already taken place at 30 September 2016.

Pro-forma NPE ratio and coverage ratio

At 30 September 2016, the pro-forma coverage ratio relating to the non-performing exposures would have been equal to 63.0%, taking into consideration the effects of all the transactions mentioned.

The Gross NPE and Net NPE ratios in the pro-forma scenario as at 30 September 2016, taking into consideration the above-mentioned transactions, are 15.1% and 6.2% respectively.

Exposure to pro-forma impaired loans

The table below illustrates the Group's exposure to impaired loans and non-impaired loans (gross figures) compared with the historical data as at 30 September 2016.

| | **30 September 2016** | | **30 September 2016** | |
|---|---|---|---|---|
| *(in millions of Euros)* | **historical** | *%* | **pro-forma** | *%* |
| Performing portfolio | 446,643 | 85.3% | 419,354 | 84.9% |
| Non-performing loans portfolio | 76,784 | 14.7% | 74,829 | 15.1% |
| **Total** | **523,427** | ***100.0%*** | **494,183** | ***100.0%*** |

The table below illustrates the Group's exposure to impaired loans and non-impaired loans (net figures) compared with the historical data as at 30 September 2016.

| | **30 September 2016** | | **30 September 2016** | |
|---|---|---|---|---|
| *(in millions of Euros)* | **historical** | *%* | ***pro-forma*** | *%* |
| Performing portfolio | 444,510 | 92.4% | 417,324 | 93.8% |
| Non-performing loans portfolio | 36,417 | 7.6% | 27,663 | 6.2% |
| **Total** | **480,926** | ***100%*** | **444,987** | ***100%*** |

The following table provides the coverage ratio, compared with the historic figure as at 30 September 2016.

| | **30 September 2016** | **30 September 2016** ***pro forma*** |
|---|---|---|
| *(in millions of Euros)* | ***Coverage index %*** | ***Coverage index %*** |
| Non-performing loans portfolio | 52.6% | 63% |

***Further significant pro-forma data of a regulatory nature calculated by the Issuer at 30 September 2016***

Pro-forma CET1

At 30 September 2016, the pro-forma CET1 is equal to ~~13.71~~**13.21**%, taking into consideration the effects of all the transactions mentioned.

### 20.2.2 Pro-forma Consolidated Financial Statements at 31 December 2015

***Purpose of the presentation of the pro-forma consolidated data***

The Pro-forma Consolidated Financial Statements have been prepared solely to retroactively reflect the significant effects of: (i) the M&A Asset Sale Transactions; (ii) ~~and~~ the actions aimed at improving the quality of the balance sheet assets;~~ and~~ (iii) **the management actions** aimed at strengthening the capital ~~described above, as if they had taken place~~; and (iv) **agreements with unions relating to redundancies in the Strategic Plan** **as if they had taken place** in the period in which the above-mentioned pro-forma data refer to. The information in the Pro-forma Consolidated Financial Statements represents a simulation of the possible effects that could have resulted if the M&A Asset Sale Transactions and the actions aimed at improving the quality of the balance sheet assets and those aimed at strengthening the capital described above had taken place at the above-mentioned date, and they are provided for illustrative purposes only.

These assumptions therefore represent a conventional element, and it should be pointed out that, if the execution of the M&A Asset Sale Transactions and the actions aimed at improving the quality of the balance sheet assets and those aimed at strengthening the capital described above had actually taken place at the hypothetical date, the actual results in the Pro-forma Consolidated Financial Statements may not necessarily have been achieved.

### ***Theory for the preparation of the pro-forma consolidated data***

The accounting principles adopted for the preparation of the Pro-forma Consolidated Financial Statements are the same as those used for the preparation of the Consolidated Financial Statements at 31 December 2015, namely the International Accounting Standards (IAS/IFRS) adopted by the European Union.

### ***Pro-forma restated consolidated balance sheet at 31 December 2015***

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

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

| **Assets**<br>*(in millions of Euros)* | **31 December 2015 historical** | **Adjustments** | | | | | | | | | | **31 December 2015 pro-forma** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **1. Bank Pekao** | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsots bank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. SCI** | **9.** Personnel | **~~9.~~10. Other** | |
| Cash and cash equivalents | 10,303 | 2,841 | 4,000 | 871 | - | 596 | - | - | 12,500 | - | - | 31,111 |
| Financial assets held for trading | 90,997 | (1,002) | - | - | - | - | - | - | - | - | 155 | 90,150 |
| Loans and receivables with banks | 80,073 | (2,403) | (233) | - | (447) | - | - | - | - | - | 601 | 77,591 |
| Receivables from customers | 473,999 | (28,617) | - | - | - | - | (3,600) | (4,500) | - | - | 237 | 437,519 |
| Financial investments | 152,845 | (4,968) | (244) | - | 437 | - | - | - | - | - | - | 148,070 |
| Hedging instruments | 8,010 | (98) | - | - | - | - | - | - | - | - | - | 7,912 |
| Property, plant and equipment | 10,031 | (350) | (8) | - | - | - | - | - | - | - | - | 9,673 |
| Goodwill | 3,618 | (1,030) | (844) | - | - | - | - | - | - | - | - | 1,744 |
| Other intangible assets | 2,140 | (209) | (24) | - | - | - | - | - | - | - | - | 1,907 |
| Tax assets | 15,726 | (252) | 141 | - | - | - | - | - | - | - | ~~1,767~~<br>**2,317** | ~~17,382~~<br>**17,932** |
| Non-current assets classified as held for sale | 2,820 | 182 | (603) | - | (2,029) | (1,179) | - | - | - | - | 1,236 | 427 |
| Other assets | 9,871 | (606) | (318) | - | - | - | - | - | - | - | (633) | 8,314 |
| **Total assets** | **860,433** | **(36,512)** | **1,867** | **871** | **(2,039)** | **(583)** | **(3,600)** | **(4,500)** | **12,500** | - | **~~3,363~~**<br>3,913 | **~~831,800~~**<br>832,350 |

| **Liabilities and Shareholders' Equity** | **31** | **Adjustments** | | | | | | | | | | **31** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of Euros)* | **December 2015 historical** | **1. Bank Pekao** | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsotsbank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. SCI** | 9. Personnel | **~~9.~~10. Other** | **December 2015 pro-forma** |
| Deposits from banks | 111,373 | (1,039) | (1) | - | - | - | - | - | - | - | 469 | 110,802 |
| Direct deposits | 584,268 | (30,785) | - | - | - | - | - | - | - | - | 876 | 554,359 |
| Financial liabilities held for trading | 68,919 | (889) | - | - | - | - | - | - | - | - | 14 | 68,044 |
| Financial liabilities at fair value through profit or loss | 455 | - | - | - | - | - | - | - | - | - | - | 455 |
| Hedging instruments | 11,254 | (250) | - | - | - | - | - | - | - | - | - | 11,004 |
| Provision for risks and charges | 9,855 | (72) | (63) | - | - | - | - | - | - | **1,799** | 1 | ~~9,721~~<br>**11,520** |
| Tax liabilities | 1,529 | (33) | (11) | 11 | - | - | (1,188) | (1,485) | - | **(550)** | ~~1,779~~<br>**2,329** | 602 |
| Liabilities included in disposal groups classified as held for sale | 1,880 | - | - | - | (2,039) | (645) | - | - | - | **-** | 810 | 6 |
| Other liabilities | 17,414 | (472) | (430) | - | - | - | - | - | - | **-** | (586) | 15,926 |
| Minority interests | 3,399 | (2,722) | (3) | 162 | - | - | - | - | - | **-** | - | 836 |
| Group portion of shareholders' equity | 50,087 | (250) | 2,375 | 698 | - | 62 | (2,412) | (3,015) | 12,500 | **(1,249)** | - | ~~60,045~~<br>**58,796** |
| **Total liabilities and shareholders' equity** | **860,433** | **(36,512)** | **1,867** | **871** | **(2,039)** | **(583)** | **(3,600)** | **(4,500)** | **12,500** | - | **~~3,363~~**<br>3,913 | **~~831,800~~**<br>832,350 |

## ***Pro-forma restated consolidated income statement at 31 December 2015***

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

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

| **Income Statement**<br>*(in millions of Euros)* | **31 December 2015 historical** | **1. Bank Pekao** | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsotsbank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. SCI** | **9. Personnel** | **~~9.~~10. Other** | **31 December 2015 pro-forma** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **ADJUSTMENTS** | | | | | | | | | | |
| Net interest | 11,916 | (997) | (2) | - | 19 | 8 | - | - | - | - | - | 10,944 |
| Dividends and other income from equity investments | 829 | (4) | (3) | - | - | (2) | - | - | - | - | - | 820 |
| Net commissions | 7,849 | (486) | (863) | - | 3 | 2 | - | - | - | - | - | 6,505 |
| Gains (losses) on financial assets and liabilities held for trading | 1,644 | (159) | (1) | - | - | - | - | - | - | - | - | 1,484 |
| Balance of other income/expense | 167 | (33) | (7) | - | 5 | (2) | - | - | - | - | - | 130 |
| **BROKERAGE MARGIN** | **22,405** | **(1,679)** | **(876)** | **-** | **27** | **6** | **-** | **-** | **-** | - | **-** | **19,883** |
| Personnel costs | (8,339) | 459 | 413 | - | - | - | - | - | - | - | - | (7,467) |
| Other administrative expenses | (5,159) | 234 | 178 | - | (1) | - | - | - | - | - | (1) | (4,749) |
| Recovery of expenses | 808 | (1) | (1) | - | - | - | - | - | - | - | - | 806 |
| Adjustments in value of tangible and intangible assets | (929) | 79 | 12 | - | - | - | - | - | - | - | 1 | (837) |
| Operating costs | (13,619) | 771 | 602 | - | (1) | - | - | - | - | - | - | (12,247) |
| **OPERATING PROFIT (LOSS)** | **8,786** | **(908)** | **(274)** | **-** | **26** | **6** | **-** | **-** | **-** | - | **-** | **7,636** |
| Net adjustments to credits and provisions for guarantees and commitments | (4,114) | 124 | - | - | - | - | (3,600) | (4,500) | - | - | - | (12,090) |
| **NET OPERATING PROFIT (LOSS)** | **4,672** | **(784)** | **(274)** | **-** | **26** | **6** | **(3,600)** | **(4,500)** | **-** | - | **-** | **(4,454)** |
| Other charges and provisions | (1,585) | 135 | 3 | - | - | - | - | - | - | - | - | (1,447) |
| Integration costs | (410) | - | 24 | - | - | - | - | - | - | (1,799) | - | (~~386~~**2,185**) |
| Net profits from investments | (6) | (18) | (3) | - | - | - | - | - | - | - | - | (27) |
| **PROFIT (LOSS) BEFORE TAX** | **2,671** | **(667)** | **(250)** | **-** | **26** | **6** | **(3,600)** | **(4,500)** | **-** | (1,799) | **-** | **(~~6,314~~**8,113**)** |
| Income tax for the period | (137) | 128 | 64 | - | - | - | 1,188 | 1,485 | - | 550 | - | ~~2,728~~**3,278** |
| **NET PROFIT (LOSS)** | **2,534** | **(539)** | **(186)** | **-** | **26** | **6** | **(2,412)** | **(3,015)** | **-** | (1,249) | **-** | **(~~3,586~~**4,835**)** |
| Profit (loss) after tax from discontinued operations | (295) | (499) | 2,394 | - | (301) | (42) | - | - | - | - | (1) | 1,256 |
| **RESULT FOR THE PERIOD** | **2,239** | **(1,038)** | **2,208** | **-** | **(275)** | **(36)** | **(2,412)** | **(3,015)** | **-** | (1,249) | **(1)** | **(~~2,330~~**3,579**)** |
| Minority interests | (352) | 261 | 5 | (58) | - | - | - | - | - | - | - | (144) |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA** | **1,887** | **(777)** | **2,213** | **(58)** | **(275)** | **(36)** | **(2,412)** | **(3,015)** | **-** | (1,249) | **(1)** | **(~~2,474~~**3,723**)** |
| Purchase Price Allocation effect | (193) | 14 | - | - | - | - | - | - | - | - | - | (179) |
| Impairment of goodwill | - | - | - | - | - | - | - | - | - | - | - | - |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP** | **1,694** | **(763)** | **2,213** | **(58)** | **(275)** | **(36)** | **(2,412)** | **(3,015)** | **-** | (1,249) | **(1)** | **(~~2,653~~**3,902**)** |

## ***Pro-forma consolidated cash flow statement at 31 December 2015***

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

- in the "*31 December 2015 historical*" column, the values in the Reports and Consolidated Financial Statements at 31 December 2015 on the basis of the reclassified statements presented in the Consolidated Reports on Operations;
- in the "*Adjustments*" column, the adjustment entries for the above-mentioned transactions;

- in the "*31 December 2015 pro-forma*" column, the pro-forma consolidated values at 31 December 2015, resulting from the sum of the previous columns.

| **Cash Flow Statement** *(in millions of Euros)* | **31 December 2015 historical** | **Adjustments** | | | | | | | | | | **31 December 2015 pro-forma** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **1. Bank Pekao** | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsotsbank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. SCI** | **9.** Personnel | **~~9.~~ 10. Other** | |
| **A. Operating activities** | | | | | | | | | | | | |
| Net liquidity generated/absorbed by operating activities | 3,279 | 104 | | | | | - | | | | | 3,383 |
| **B. Investment activities** | | | | | | | | | | | | |
| Net liquidity generated/absorbed by investment activities | (158) | 2,732 | 4,000 | | - | 596 | | | | | | 7,175 |
| **C. Funding activities** | | | | | | | | | | | | |
| Net liquidity generated/absorbed by funding activities | (842) | | | 871 | | | | | 12,500 | | | 12,529 |
| **Net liquidity generated/absorbed during the year** | **2,279** | **2,841** | **4,000** | **871** | **-** | **596** | **-** | **-** | **12,500** | **-** | | **23,087** |

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

### 20.2.2.1 Notes to the Pro-Forma Consolidated Financial Statements at 31 December 2015

***Basic assumptions for the preparation of the Pro-Forma Consolidated Financial Statements***

The reference date adopted for the preparation of the Pro-Forma Consolidated Financial Statements for the simulation of the effects of the sales, the transactions carried out with reference to loans and the share capital increase does not correspond to the one that will actually be used for the preparation of the UniCredit Group's consolidated financial statements for the year in which the transactions described previously will take place.

The information in the Pro-Forma Consolidated Financial Statements reflects all aspects of the transactions, in spite of the fact that some of these have not yet been completed at the ~~Registration Document~~ Date of the **Supplement**, based on the information available at the Date of ~~this Document~~ **the Supplement**.

## *Significant information and basic assumptions for the preparation of the Pro-Forma Consolidated Financial Statements*

The significant information and assumptions used for the preparation of the Pro-Forma Consolidated Financial Statements are given below. With special reference to the adjustments applied for the preparation of the above-mentioned Financial Statements, note the following:

**1. Bank Pekao:**

- the line-by-line contribution of the Pekao Group to the Consolidated Financial Statements at 31 December 2015 was adjusted for the UniCredit Group, following the derecognition of the entire equity investment of approximately 40.1% in Bank Pekao, the Polish bank of the UniCredit Group and the parent company of the Pekao Group, of which approximately 32.8% is to be sold to Powszechny Zakład Ubezpieczeń S.A. ("PZU") and Polski Fundusz Rozwoju S.A. ("PFR") based on a purchase agreement signed on 8 December 2016, while the remaining 7.3% is to be disposed through a market transaction announced on the same date, through the issuing of 1,916 secured equity-linked certificates.
  - o The price agreed for the sale of the equity investment of approximately 32.8% in Bank Pekao to PZU and PFR is PLN 123 per share or PLN 10.6 billion in total €2,345 million at the exchange rate referred on the expected closing date of the transaction is considered for the purposes of pro-forma adjustments (€2,377 million at the exchange rate on 8 December 2016 and equal to 1.42 times the shareholders' equity of Bank Pekao at 30 September 2016. It is also specified that, within the scope of the transaction, the sale of Dom Inwestycyjny Xelion SP. Z O.O. for approximately €2 million was included.
  - o The reference price of a share in Bank Pekao for the purposes of issuing the Certificates was set at approximately €27, equal to the average weighted price for volumes of Bank Pekao shares on the Warsaw Stock Exchange on 9 December 2016. As a result, the issue price of the Certificates was set at approximately €232,047.4 each (85.85% of the Reference Amount) or approximately €439 million in total net of transaction costs and considered for the purpose of pro-forma adjustments (approximately €445 million not adjusted to consider said transaction costs). Note that for the purpose of pro-forma adjustments, taking into consideration the contractually-required regulation, as described in greater detail in Chapter 22, this component was considered under the consideration received in the item cash and cash equivalents.

  It is therefore expected that at the respective completion dates the result of the sale originating from the two transactions will be equal, respectively, to -€371 million and -€82 million. These disposals are added to the 10% sold during July 2016 through an accelerated bookbuilding procedure for €745 million net of transaction costs (€749 million not adjusted to consider said transaction costs), following which UniCredit still maintained control with an equity investment of 40.1% and which generated a result from the sale of +€203 million, with the Pekao Group still considered as consolidated;

- the contribution to the consolidated financial statements at 31 December 2015 was adjusted for the Pekao Group to take into account the intra-group transactions between Pekao Group companies and other UniCredit Group companies;

- the transaction involves an increase in the pro-forma CET1 ratio as at 31 December 2015 of 67 basis points.

**2. Pioneer:**

- the line-by-line contribution to the Consolidated Financial Statements at 31 December 2015 of the Pioneer Group was adjusted due to the sale of almost all of the assets and liabilities of PGAM, the parent company of the Pioneer Investments Group, operating in the asset management sector;

- the hypothetical sale is based on a sales and purchase agreement signed on 11 December 2016, which involves a sale price paid by Amundi of €3,545 million and the prior distribution by PGAM to UniCredit of an extraordinary dividend of €315 million (see Chapter 22).

- It should be noted that, for the purposes of pro-forma corrections, the consideration of the total sale of Pioneer includes the assets of Polish companies Pioneer Pekao Investment Management SA and Pioneer Pekao P.T.E. SA (both belonging to the PGAM Group), which will be disposed of within the scope of the transaction relating to Bank Pekao as described later in Chapter 22. The consideration for the above Polish assets of Pioneer, amounting to €140 million (approximately €130 million attributable to the sale of Polish assets of Pioneer and about €10 million related to the extraordinary dividend attributable to such assets), will be adjusted within the scope of the transaction relating to Bank Pekao. The proceeds from the sale considered for the purpose of pro-forma corrections, including the amounts paid for the Polish assets of Pioneer, totalled €4,000 million (of which €3,675 million as consideration and €325 million as extraordinary dividend), giving rise to a profit from sale equal to €2,412 million before tax and €2,375 million after the application of taxes (with reference to the operation in question, there are no transaction costs directly adjusting the amounts listed above). The completion of the transaction is expected in the first half of 2017 and is subject to the meeting of certain conditions precedent. For the purposes of the preparation of the pro-forma data it was assumed that these conditions, which are standard in comparable M&A Asset Sale Transactions, would be met. To date, there are no significant critical aspects in relation to the completion of the transaction;

- the contribution to the Consolidated Financial Statements at 31 December 2015 of the Pioneer Group was adjusted to take into account the intra-group transactions between Pioneer Group companies and other UniCredit Group companies;

- the taxation applied considers the IRAP and IRES rates calculated in accordance with the regulations in force for transactions of this kind;

- the transaction involves an increase in the pro-forma CET1 ratio as at 31 December 2015 of 91 basis points.

**3. FinecoBank:**

- the contribution to the Consolidated Financial Statements at 31 December 2015 was adjusted to take into consideration the effect of the minority interests resulting from the sale of 30% of FinecoBank via two separate accelerated bookbuilding transactions, which were concluded, respectively, in July 2016 (through the sale of a 10% equity investment of the share capital of FinecoBank for €328 million - €326 million net of the transaction costs as the amount used for pro-forma adjustment purposes, generating a result from the sale to the net equity +€276 million) and in October 2016 (through a sale equal to 20% of the share capital of FinecoBank for €552 million - €545 million net of the transaction costs as the amount used for pro-forma adjustment purposes, generating a result from the sale to the net equity equal to +€433 million). The overall result of the sale, recognised at equity in line with the provisions laid down by international accounting standards in the case of assignment without loss of control is therefore equal to a total of €709 million before tax and to €698 million after the application of tax;

- Together with the recognition of the sale result at equity, the third-party assets are increased as a result of the change in minority interests that go from about 35% before the transfer operations to 65% as a consequence of the transfer of the 30% share;

- the taxation applied considers the IRAP and IRES rates calculated in accordance with the regulations in force for transactions of this kind;

- the transaction involves an increase in the pro-forma CET1 ratio as at 31 December 2015 of 19 basis points.

**4. PJSC Ukrsotsbank:**

- the contribution to the Consolidated Financial Statements at 31 December 2015 was adjusted resulting from the transfer of the entire equity investment in PJSC Ukrsotsbank, the Ukrainian bank of the UniCredit Group, a company classified in the financial statements in accordance with IFRS 5 (Non-current assets held for sale and discontinued operations) in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, to ABH Holdings S.A., completed in October 2016;

- Therefore, the assets classified as held for sale and liabilities related to assets classified as held for sale were corrected by recognising the equivalent in US dollars of the part of new shares representing 9.9% of ABHH's capital *post*- transaction as the consideration, determined on the basis of evaluation models and equal to €437 million converted at the exchange rate of 31 December 2015 recorded on that date;

- As a consequence of the transfer of loans provided by contractual agreements claimed by the Issuer and by the other companies of the UniCredit Group from PJSC Ukrsotsbank to ABH HOLDINGS S.A., the loans to banks item was corrected for the amount claimed as of the reference dates of the prospectuses toward the Ukrainian participation amounting to €447 million;

- the contribution to the Consolidated Financial Statements at 31 December 2015 was adjusted to take into account the intra-group transactions between companies belonging to the Ukrainian bank and other UniCredit Group companies;

- the transaction involves an increase in the pro-forma CET1 ratio as at 31 December 2015 of 6 basis points.

**5. Immo Holding:**

- the impact on the Consolidated Financial Statements at 31 December 2015 resulting from the deconsolidation of Immo Holding GmbH, an Austrian company classified in the financial statements in accordance with IFRS 5 (Non-current assets held for sale and discontinued operations) in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, was adjusted;

- the adjustments are implemented assuming the sale of Immo Holding GmbH, consistent with the assumptions behind the presentation in the financial statements in accordance with IFRS 5, and assuming a sale that generates a result of €62 million as set out in the Strategic Plan and on the basis of the contractual agreements and the status of the existing negotiations as at the Date of the ~~Registration Document~~ **Supplement**;

- the contribution to the Consolidated Financial Statements at 31 December 2015 was adjusted to take into account the intra-group transactions between companies belonging to the Immo Holding Group and other UniCredit Group companies;

- the taxation applied considers the IRAP and IRES rates calculated in accordance with the regulations in force for transactions of this kind;

- the transaction involves an increase in the pro-forma CET1 ratio as at 31 December 2015 of 2 basis points.

**6. Fino Project:**

- this involves the execution of the "Fino Project", which is designed to accelerate the reduction of the non-core loan portfolio classified as impaired (for a total amount of approximately €17.7 billion as determined on 30 June 2016) through a market transaction. As at the ~~Registration Document~~ Date of the **Supplement**, with regard to the first stage of the "Fino Project", the Issuer has signed two separate framework agreements, respectively, with FIG LLC, an affiliate company of the Fortress Investment Group LLC (later, FIG LLC, in conformity with the provisions of the Framework Agreement, replacing Fortress Italian NPL Opportunities Series Fund LLC, Series 6 in contractual relations resulting from the Framework Agreement) and with LVS III SPE I LP, a subsidiary of the PIMCO BRAVO Fund III, L.P. (each a "**Framework Agreement**"). The "Fino Project" is expected to be implemented in two phases, pursuant to each Framework Agreement:

  (i) "phase 1" of the "Fino Project", under the scope of which the parties of each Framework Agreement are obliged to implement one or more of the securitization transactions through the creation or one or more special purpose vehicles ("**SPV**" or "**Vehicle**") which will buy the non-performing loans being sold in each Framework Agreement. Specifically, pursuant to each Framework Agreement, the investors will subscribe 50.1% of each class of ABS securities (the "**Notes**") issued by the SPV while the remaining 49.9% of the Notes will be subscribed by UniCredit.

  (ii) "phase 2" of the "Fino Project", in relation to which the parties have preliminarily identified the guidelines and strategies aimed at regulating, among other things: (a) a progressive sale, including to third-party investors, by UniCredit of the Notes subscribed, in compliance with the requirements of maintaining a clear economic interest in the securitization transactions identified by each Framework Agreement; and (b) the optimisation of the financial structure of the Notes issued under the scope of "phase 1", including any guarantee obtained on the securitizations of impaired loans ("**GACS**") by the Ministry of Economy and Finance.

Under the scope of the "Fino Project" the coverage ratio of this portfolio was increased to a level consistent with the price indicated for the portfolios in the respective Framework Agreements entered into with the investors selected by UniCredit in the first of the above-mentioned sale stages. Therefore, for the purposes of preparing the pro forma statements, an average price of the transfer of the portfolios sold as part of the Fino Project, of approximately 13% of the gross book value (€17.7 billion, calculated as at 30 June 2016), in line with the Framework Agreements signed with PIMCO and Fortress.

The Pro-forma Consolidated Financial Statements represent only the correction on loans determined by the increase in the *coverage ratio* on the bad debts of the loan portfolio linked to the Fino operation in order to adapt it to a level consistent with the prices defined in the *Framework Agreement*.

To that effect, a correction of loans was made for an amount equal to approximately €3.6 billion, which, as said, increases the *coverage ratio* for non-performing loans in the portfolio that are the subject of the transaction.

Note that, regarding the derecognition of the portfolios sold, as at the ~~Registration Document~~ **Supplement** Date, the Issuer is performing the necessary quali-quantitative analyses, in particular relating to the Deferred Price Subscription Mechanism and the structure of the securitization operations covered by the Framework Agreements, aimed at supporting verification of the conditions required by International accounting standard IAS 39.

The analysis will be completed on conclusion of the contract documentation and could meet the missing conditions prescribed by the relevant accounting standard for the derecognition of the portfolio. In this situation it could be necessary to review the forecast information provided in Chapter 13, Paragraph 13.1.7 of the registration document.

On this issue we report that, regardless of the outcome of the aforesaid analyses regarding the existence of the requirements for derecognition of the portfolio sold, the objective of and the process for improvement of the capital quality (to be performed via the actions aimed, in particular, at reducing the portfolio of non-core loans and increasing the coverage ratio of non-performing loans and probable defaults) remains valid in the 2016-2019 Strategic Plan.

- The taxation applied considers the nominal tax rates of IRAP and IRES.
- The operation involves a decrease of the CET 1 pro-forma ratio at 31 December 2015 equal to 100 basis points[32].

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[32] The impact has been calculated taking into account the adjustments on loans to be carried out in the fourth quarter of 2016.

**7. Porto Project:**

- this includes the execution of the "Porto Project" by increasing the coverage ratio on impaired loans and unlikely-to-pay loans in the Issuer's loans portfolio not included in the Fino transaction and of UniCredit Leasing, following the changes in the estimates, in turn resulting from the changed management approach to non-performing loans approved by the Issuer's Board of Directors and aimed at accelerating the reduction adopted in December 2016 by the bank and other Group companies, with the intention of:
  - proceeding more quickly and efficiently with the streamlining of positions through management that favours the prompt collection and/or the demobilisation of the same;
  - expressing the possibility of recovering the said non-performing loans taking into account the most recent estimates with regard to the presumed realisable value of the same also in consideration of the related guarantees.
- the transaction results in an overall adjustment to loans equal to approximately €4.5 billion posted in the income statement and broken down as follows:
  - €3.9 billion relating to the different managerial approach to the impaired loans mentioned above, mainly used to adapt corporate non-performing loans with exposures of more than €1 million, restructuring UTP and leasing portfolios;
  - €0.6 billion from one-off activities due, in part, to the updating of the parameters used to calculate internal models (historical series) also partly to respond to the ECB requests for adapting model parameters to the leasing portfolio;
- the taxation applied considers nominal IRAP and IRES rates;
- the transaction involves a decrease in the pro-forma CET1 ratio as at 31 December 2015 of 124 basis points.

**8. Share Capital Increases (SCI):**

- this involves the strengthening of the capital, included in the 2016-2019 Strategic Plan, specifically a rights issue of up to a maximum of €13 billion, corresponding to a CET1 ratio increase for UniCredit of 347 basis points (calculated excluding transaction costs and based on the pro-forma financial situation at 31 December 2015), approved by the Extraordinary Shareholders' Meeting on 12 January 2017 and entirely guaranteed by a consortium made up of leading international banks that have signed a ~~pre-underwriting agreement pursuant to which the banks are obliged – subject to conditions in line with market practices for similar transactions – to sign~~ an underwriting agreement for the subscription of any new shares not subscribed at the end of the auction for rights not taken up **<u>for a maximum amount equal to the value of the Capital Increase;</u>**
- the assumption underlying the pro-forma adjustment is that the corresponding asset item in the balance sheet is in the cash item for approximately €12.5 billion, which represents net deposits following the rights issue of €13 billion and expenses and commissions related to this transaction.

9. Staff termination incentive plans:

- **the effect of the staff termination incentive plans is adjusted within the integration costs;**
- **the taxation, except for the part of the plan referring to Austria, for which there is no positive tax base and there are no requirements for recording deferred tax, is recorded;**
- **the transaction involves a decrease in CET1 *ratio pro-forma* as at 31 December 2015, amounting to 50 basis points.**

10. Other residual effects:

With regard to the adjustments made in this column, note the following aspects:

- the effects relating to the re-exposure of tax assets and liabilities are reported in this column in order to present a net position for current tax following the adjustments made in the previous columns;
- intercompany assets and liabilities pertaining to companies leaving the scope of consolidation following the previously mentioned transactions were classified under “assets and liabilities held for sale” in the relevant adjustment columns (from column 1 to 5 “assets and liabilities held for sale”). In this column relations with companies exiting the scope of consolidation that are headed by companies that remain under the scope of consolidation were classified under the individual pertinent items because, following the deconsolidation of the companies/groups sold, they are no longer representative of the transactions that take place within the Group.

***Description of the pro-forma adjustments at 31 December 2015***

Balance Sheet assets

- The item “cash and cash equivalents” includes entries increased by a total of €20,808 million, attributable to the adjustments described below
  - +€2,841 million of adjustments relating to:
    - -€690 million relating to the deconsolidation of the Pekao Group following the sale;
    - +€3,531 million as proceeds with reference to the disposal of the Pekao Group;
  - +€4,000 million resulting from the sale of PGAM, by way of consideration;
  - +€871 million resulting from the sale of FinecoBank by way of consideration;
  - +€596 million resulting from the sale of Immo Holding by way of consideration;
  - +€12,500 million related to the share capital increase.

- The item "financial assets held for trading" includes the adjustments relating to the deconsolidation of the Pekao Group following its sale for -€847 million attributable to the following adjustments:
    - -€1,002 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;
    - +€155 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.
- The item "loans and receivables with banks" includes entries down by a total of €2,482 million, due to the following adjustments:
    - -€2,403 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;
    - -€233 million relating to the sale of PGAM, with the consequent deconsolidation of the related assets and liabilities;
    - -€447 million relating to the sale of PJSC Ukrsotsbank.
    - +€601 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.
- The item "receivables from customers" includes negative adjustments for a total of €38,752 million, due to the following adjustments:
    - -€28,617 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;
    - -€3,600 million relating to pro-forma adjustments with reference to the Fino transaction;
    - -€4,500 million relating to pro-forma adjustments with reference to the Porto transaction;
    - +€237 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.
- The item "financial investments" contains negative pro-forma adjustment of a total of €4,515 million, attributable to the following entries:
    - -€4,968 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;
    - -€244 million relating to the sale of PGAM, with the consequent deconsolidation of the related assets and liabilities;

  - +€437 million relating to the value of the newly issued shares that represent 9.9% of post-transaction of the ABHH capital, recorded at the balance sheet date and at the related exchange rate;

- The item "hedging instruments" includes the adjustments relating to the deconsolidation of the Pekao Group following its sale for -€98 million.

- The item "property, plant and equipment" includes negative pro-forma adjustments of a total of €358 million, which break down as follows:

  - -€350 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;
  - -€8 million relating to the sale of PGAM, with the consequent deconsolidation of the related assets and liabilities;

- The item "goodwill" includes negative pro-forma adjustments of a total of -€1,874 million, which break down as follows:

  - -€1,030 million of adjustments relating to the deconsolidation of the Pekao Group following its sale with the consequent cancellation of the related goodwill;
  - -€844 million relating to the cancellation of the goodwill for the Pioneer Group following its sale.

- The item "other intangible assets" includes negative pro-forma adjustments of a total of €233 million, which break down as follows:

  - -€209 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;
  - -€24 million relating to the sale of PGAM, with the consequent deconsolidation of the related assets and liabilities.

- The item "tax assets" includes pro-forma adjustments of a total of +~~€1,656~~**2,206** million, which break down as follows:

  - -€252 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;
  - +€141 million relating to the sale of PGAM, with the consequent deconsolidation of the related assets and liabilities;
  - +~~€1,767~~**2,317** million resulting from the reclassification from the item tax liabilities to current tax assets.

- The item "non-current assets classified as held for sale" includes pro-forma adjustments for a total of -€2,393 million, which refer to the following changes:

  - +€182 million of adjustments relating to the deconsolidation of the Pekao Group following its sale and to the classification under this item of intercompany relations pertaining to the Pekao Group, which emerged following this deconsolidation;

  - -€603 million of adjustments relating to the deconsolidation of the Pekao Group following its sale and the classification of intercompany relations pertaining to the Pekao Group, which emerged following this deconsolidation to this item;
  - -€2,029 million relating to the cancellation of non-current assets classified as held for sale associated with the sale of PJSC Ukrsotsbank;
  - -€1,179 million relating to the cancellation of non-current assets classified as held for sale associated with the sale of Immo Holding;
  - +€1,236 million relating to the elimination of the intercompany relations, which have emerged in the same item in the specific rectification columns.

- The item "other assets" includes pro-forma corrections totalling -€1,557 million relating to:
  - -€606 million of corrections relating to the deconsolidation of the Pekao Group as a result of its transfer;
  - -€318 million related to the sale of PGAM with consequent deconsolidation of the related assets and liabilities;
  - -€633 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.

Balance Sheet liabilities

- The item "deposits from banks" includes pro-forma adjustments of a total of -€571 million, which break down as follows:
  - -€1,039 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;
  - -€1 million relating to the sale of PGAM, with the consequent deconsolidation of the related assets and liabilities;
  - +€469 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.
- The item "direct deposits" includes pro-forma adjustments of a total of -€29,909 million, which are composed of the following:
  - -€30,785 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;

  - +€876 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.

- The item “financial liabilities held for trading” includes pro-forma adjustments of -€875 million, which are composed of the following:
  - -€889 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;
  - +€14 million of adjustments relating to other deconsolidation entries under the scope of the M&A Asset Sale Transactions described previously.
- The item “hedging instruments” includes pro-forma adjustments of -€250 million relating to the deconsolidation of the Pekao Group following its sale.
- The item “provision for risks and charges” includes pro-forma adjustments of a total of -€~~134~~**1,655** million, relating to:
  - -€72 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;
  - -€63 million relating to the sale of PGAM, with the consequent deconsolidation of the related assets and liabilities;
  - **+€1,799 million relating to staff termination incentive plans;**
  - +€1 million relative to the emergence of the items previously classified as *intercompany*, for companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.
- The item “tax liabilities” includes pro-forma adjustments of a total of -€927 million, relating to:
  - -€33 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;
  - -€11 million relating to the sale of PGAM, with the consequent deconsolidation of the related assets and liabilities and taxes recorded on the sale;
  - +€11 million of adjustments relating to taxes recorded on the sale of FinecoBank;
  - -€1,188 million relating to taxes calculated with regard to the adjustments on receivables pursuant to the Fino transaction;
  - -€1,485 million relating to taxes calculated with regard to the adjustments on receivables pursuant to the Porto transaction;
  - **-€550 million relating to the taxation referring to the staff termination incentive plans;**

  - +€~~1,779~~**2,329** million resulting from the reclassification from the item tax liabilities to current tax assets.

- The item “liabilities included in disposal groups classified as held for sale” includes a fall in entries for a total of -€1,874 million, relating to:

  - -€2,039 million relating to the cancellation of non-current liabilities classified as held for sale associated with the sale of PJSC Ukrsotsbank;

  - -€645 million relating to the cancellation of non-current liabilities classified as held for sale associated with the sale of Immo Holding;

  - +€810 million relating to the elimination of the intercompany relations, which have emerged in the same item in the specific adjustment columns.

- The item “other liabilities” includes negative pro-forma adjustments for a total of -€1,488 million, which break down as follows:

  - -€472 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;

  - -€430 million relating to the sale of PGAM with the consequent deconsolidation of the related assets and liabilities;

  - -€586 million related to the emergence of the items previously classified as *intercompany*, of companies that remain within the consolidation scope that, insofar as referring to companies that leave the consolidation scope, cease to be *intercompany* and need to be allocated to the appropriate item in the consolidated financial statements.

- The item “shareholders’ equity: minorities” includes pro-forma adjustments for a total of -€2,563 million, which refer to the following changes:

  - -€2,722 million of adjustments relating to the deconsolidation of the Pekao Group following its sale;

  - -€3 million relating to the sale of PGAM;

  - +€162 million relating to the sale of a stake in FinecoBank, with the consequent increase in minority interests.

- The item “Group shareholders’ equity” includes pro-forma adjustments for a total of +€~~9.958~~**8,709** million, which refer to the following changes:

  - -€250 million of adjustments resulting from the sale of the Pekao Group;

  - +€2,375 million resulting from the sale of PGAM, net of taxation;

  - +€698 million resulting from the sale of a stake in FinecoBank, net of taxation;

  - +€62 million resulting from the sale of Immo Holding, net of taxation;
  - -€2,412 million relating to pro-forma adjustments made with reference to the Fino transaction, net of taxation;
  - -€3,015 million relating to pro-forma adjustments made with reference to the Porto transaction, net of taxation;
  - +€12,500 million from the share capital increase transaction;
  - **-€1,249 million relating to staff termination incentive plans.**

Description of the adjustments relating to the Income Statement

- The item "net interest" includes entries down by a total of -€972 million, attributable to the adjustments described below:
  - -€997 million relating to the sale of the Pekao Group, with the consequent deconsolidation of the contribution to the consolidated entity;
  - -€2 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity;
  - +€19 million relating to the deconsolidation of PJSC Ukrsotsbank;
  - +€8 million relating to the deconsolidation of Immo Holding.
- The item "dividends and other income from equity investments" includes the adjustments relating to Pekao following its sale for -€9 million as detailed below:
  - -€4 million with reference to adjustments associated with the deconsolidation of the Pekao Group;
  - -€3 million with reference to adjustments associated with the deconsolidation of PGAM;
  - -€2 million with reference to adjustments associated with the deconsolidation of Immo Holding.
- The item "net commissions" includes entries down by a total of -€1,344 million, due to the following adjustments:
  - -€486 million relating to the sale of the Pekao Group with the relative deconsolidation of the contribution to the consolidated entity;
  - -€863 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity;
  - +€3 million relating to the deconsolidation of PJSC Ukrsotsbank;
  - +€2 million relating to the deconsolidation of Immo Holding.

- The item “gains (losses) on financial assets and liabilities held for trading” includes negative adjustments of a total of -€160 million, attributable to Pekao and to the sale of PGAM (approximately -€1 million).
- The item “balance of other income/expense” contains negative pro-forma adjustments of a total of €37 million, attributable to the following entries:
    - -€33 million relating to the sale of the Pekao Group with the relative deconsolidation of the contribution to the consolidated entity;
    - -€7 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity;
    - +€5 million relating to the deconsolidation of PJSC Ukrsotsbank;
    - -€2 million relating to the deconsolidation of Immo Holding.
- The item “personnel costs” includes pro-forma adjustments of a total of €872 million, which break down as follows:
    - +€459 million relating to the sale of the Pekao Group, with the relative deconsolidation of the contribution to the consolidated entity;
    - +€413 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity.
- The item “other administrative expenses” includes pro-forma adjustments of a total of €410 million, which break down as follows:
    - +€234 million relating to the sale of the Pekao Group, with the relative deconsolidation of the contribution to the consolidated entity;
    - +€178 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity;
    - -€1 million relating to the deconsolidation of PJSC Ukrsotsbank;
    - -€1 million relating to other adjustments associated with the deconsolidation following the M&A Transactions mentioned.
- The item “recovery of expenses” includes pro-forma adjustments of a total of -€2 million, which break down as follows:
    - -€1 million relating to the sale of the Pekao Group, with the relative deconsolidation of the contribution to the consolidated entity;
    - -€1 million relating to the sale of PGAM, with the relative deconsolidation of the contribution to the consolidated entity.

- The item "adjustments in value of tangible and intangible assets" includes pro-forma adjustments of a total of €92 million, which break down as follows:
    - +€79 million relating to the sale of the Pekao Group, with the relative deconsolidation of the contribution to the consolidated entity;
    - +€12 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity;
    - +€1 million relating to other adjustments associated with the deconsolidation following the M&A Asset Sale Transactions mentioned.
- The item "net adjustments to credits and provisions for guarantees and commitments" includes pro-forma negative adjustments of a total of -€7,976 million, which refer to the following changes:
    - +€124 million relating to the sale of the Pekao Group, with the relative deconsolidation of the contribution to the consolidated entity;
    - -€3,600 million relating to pro-forma adjustments with reference to the Fino transaction;
    - -€4,500 million relating to pro-forma adjustments with reference to the Porto transaction.
- The item "other charges and provisions" includes pro-forma adjustments of a total of +€138 million, relating to:
    - +€135 million relating to the sale of the Pekao Group, with the relative deconsolidation of the contribution to the consolidated entity;
    - +€3 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity.
- The item "integration costs" includes pro-forma adjustments of a total of ~~€24 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity.~~ **-€1,775 million, relating to:**
    - **+€24 million relating to the transfer of Pioneer with resulting deconsolidation**;
    - **-€1,799 million relating to staff termination incentive plans**.
- The item "net income from investments" includes negative pro-forma adjustments of a total of -€21 million, which break down as follows:
    - -€18 million relating to the sale of the Pekao Group, with the relative deconsolidation of the contribution to the consolidated entity;
    - -€3 million relating to the deconsolidation of PGAM.

- The item "income tax for the period" includes pro-forma adjustments of a total of +~~€2,865~~**3,415** million, which break down as follows:
    - +€128 million relating to the sale of the Pekao Group, with the relative deconsolidation of the contribution to the consolidated entity;
    - +€64 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity;
    - +€1,188 million relating to pro-forma adjustments with reference to the Fino transaction;
    - +€1,485 million relating to pro-forma adjustments with reference to the Porto transaction;
    - **+€550 million relating to staff termination incentive plans;**
- The item "profit (loss) after tax from discontinued operations" includes the pro-forma positive adjustments of €2,252 million, which break down as follows:
    - -€499 million related to:
        - -€250 million related to the result of the sale of Bank Pekao;
        - -€249 million related to the reversal of the negative reserve of exchange rate fluctuation resulting from the sale of Bank Pekao.
    - +€2,394 million related to:
        - +€2,375 million related to the result of the sale of PGAM net of taxes;
        - +€19 million related to the reversal of the positive reserve of exchange rate fluctuation resulting from the sale of PGAM.
    - -€301 million related to:
        - +€103 million relating to the contribution to the consolidated period result of PJSC Ukrsotsbank;
        - +€297 million relating to adjustments made with reference to the losses registered in the year for PJSC Ukrsotsbank;
        - -€701 million related to the reversal of the negative reserve by exchange rate fluctuation as a result of the divestment of PJSC Ukrsotsbank.
    - -€42 million relating to the sale of Immo Holding, of which -€104 million relates to the result for the period of Immo Holding and +€62 million to the result of the sale;
    - -€1 million relating to other adjustments following the deconsolidation for the M&A Asset Sale Transactions.

- The item "profit pertaining to minority interests" includes pro-forma adjustments of +€208 million, which refer to the following entries:
  - +€261 million relating to the sale of the Pekao Group, with the relative deconsolidation of the contribution to the consolidated entity;
  - +€5 million relating to the sale of PGAM, with the consequent deconsolidation of the economic contribution to the consolidated entity;
  - -€58 million relating to the sale of a stake in FinecoBank, with the consequent increase in minority interests.
- The item "Purchase Price Allocation economic effects" includes pro-forma adjustments totalling +€14 million associated with the sale of the Pekao Group.

Description of the pro-forma adjustments relating to the Cash Flow Statement

- The item "net liquidity generated/absorbed by operating activities" includes total pro-forma adjustments of approximately +€104 million, which refer to the adjustment of the contribution to the cash flows for the period of the Pekao Group.
- The item "net liquidity generated/absorbed by investment activities" includes total pro-forma adjustments of approximately +€7,333 million, which refer to:
  - +€2,737 million relating to the consideration recorded with regard to the sale of the Pekao Group;
  - +€4,000 million relating to the consideration recorded with regard to the sale of PGAM;
  - +€596 million relating to the consideration recorded with regard to the sale of Immo Holding.
- The item "net liquidity generated/absorbed by funding activities" includes total pro-forma adjustments of approximately +€13,371 million, which refer to:
  - +€871 million resulting from the sale of a stakeholding in FinecoBank.
  - +€12,500 million relating to the registration of the share capital increase as described in the previous paragraphs.

***Further significant pro-forma data derived from the accounts not defined by the reference accounting standards calculated by the Issuer at 31 December 2015***

In addition to the Pro-forma Consolidated Financial Statements and pro-forma data described above, the Issuer calculated further data during the preparation of the Strategic Plan to express the degree of coverage of non-performing exposures and the capital adequacy of the Group in the event that the transactions mentioned had already taken place at 31 December 2015.

*Pro-forma NPE ratio and coverage ratio*

At 31 December 2015, the pro-forma coverage ratio relating to the non-performing exposures is equal to 61.2% taking into consideration the effects of all the transactions mentioned.

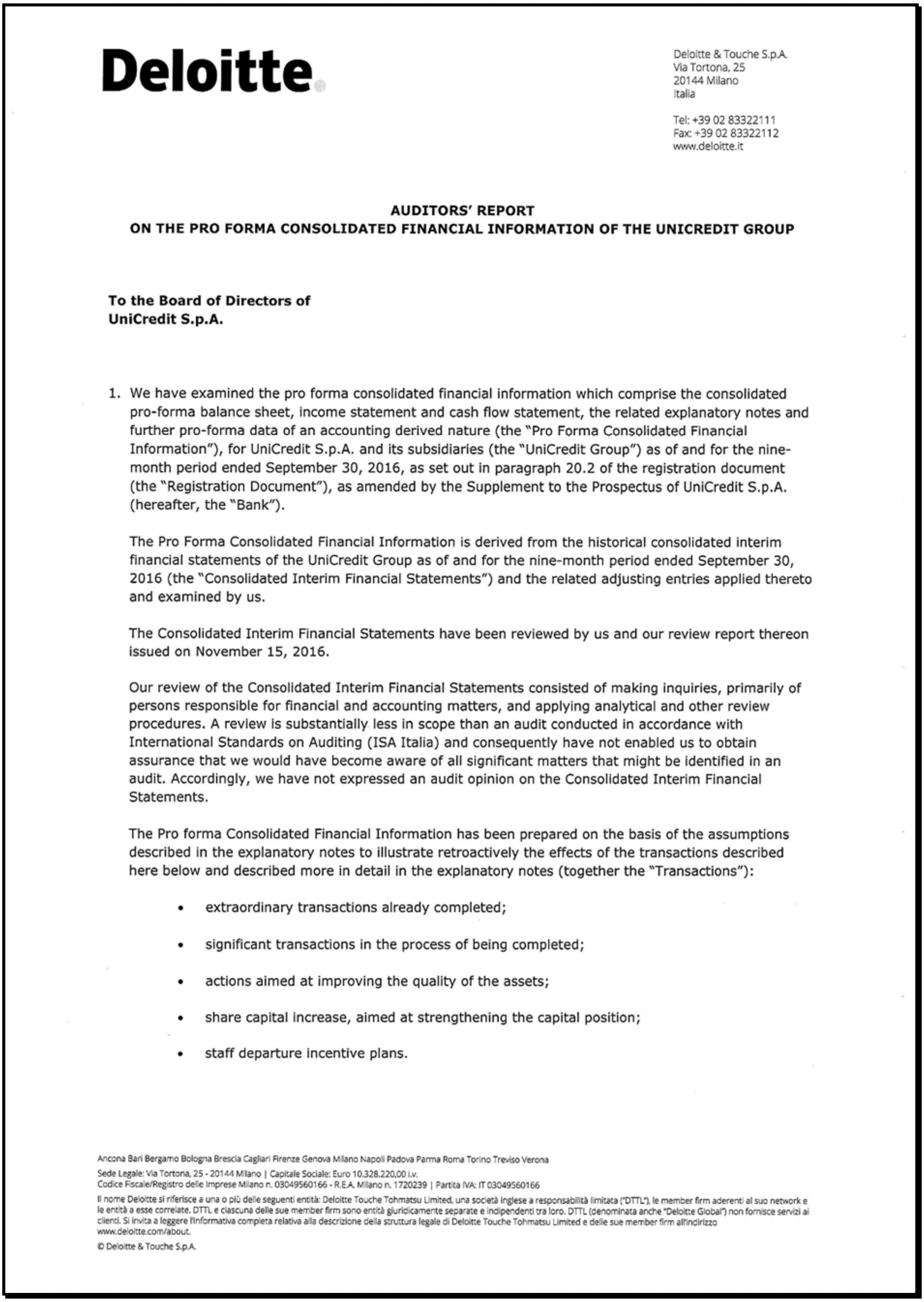
The Gross NPE and Net NPE ratios in the pro-forma scenario as at 31 December 2015, taking into consideration the above-mentioned transactions, are 16% and 6.9% respectively.

***Further significant pro-forma data of a regulatory nature calculated by the Issuer at 31 December 2015***

*Pro-forma CET1*

At 31 December 2015, the pro-forma CET1 is equal to ~~13.46~~**12.96**%, taking into consideration the effects of all the transactions mentioned.

## 20.2.3 External Auditors' Report on the examination of the pro-forma consolidated data



**Deloitte.**

Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milano
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Fax: +39 02 83322112
www.deloitte.it

### AUDITORS' REPORT
### ON THE PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE UNICREDIT GROUP

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

1. We have examined the pro forma consolidated financial information which comprise the consolidated pro-forma balance sheet, income statement and cash flow statement, the related explanatory notes and further pro-forma data of an accounting derived nature (the "Pro Forma Consolidated Financial Information"), for UniCredit S.p.A. and its subsidiaries (the "UniCredit Group") as of and for the nine-month period ended September 30, 2016, as set out in paragraph 20.2 of the registration document (the "Registration Document"), as amended by the Supplement to the Prospectus of UniCredit S.p.A. (hereafter, the "Bank").

   The Pro Forma Consolidated Financial Information is derived from the historical consolidated interim financial statements of the UniCredit Group as of and for the nine-month period ended September 30, 2016 (the "Consolidated Interim Financial Statements") and the related adjusting entries applied thereto and examined by us.

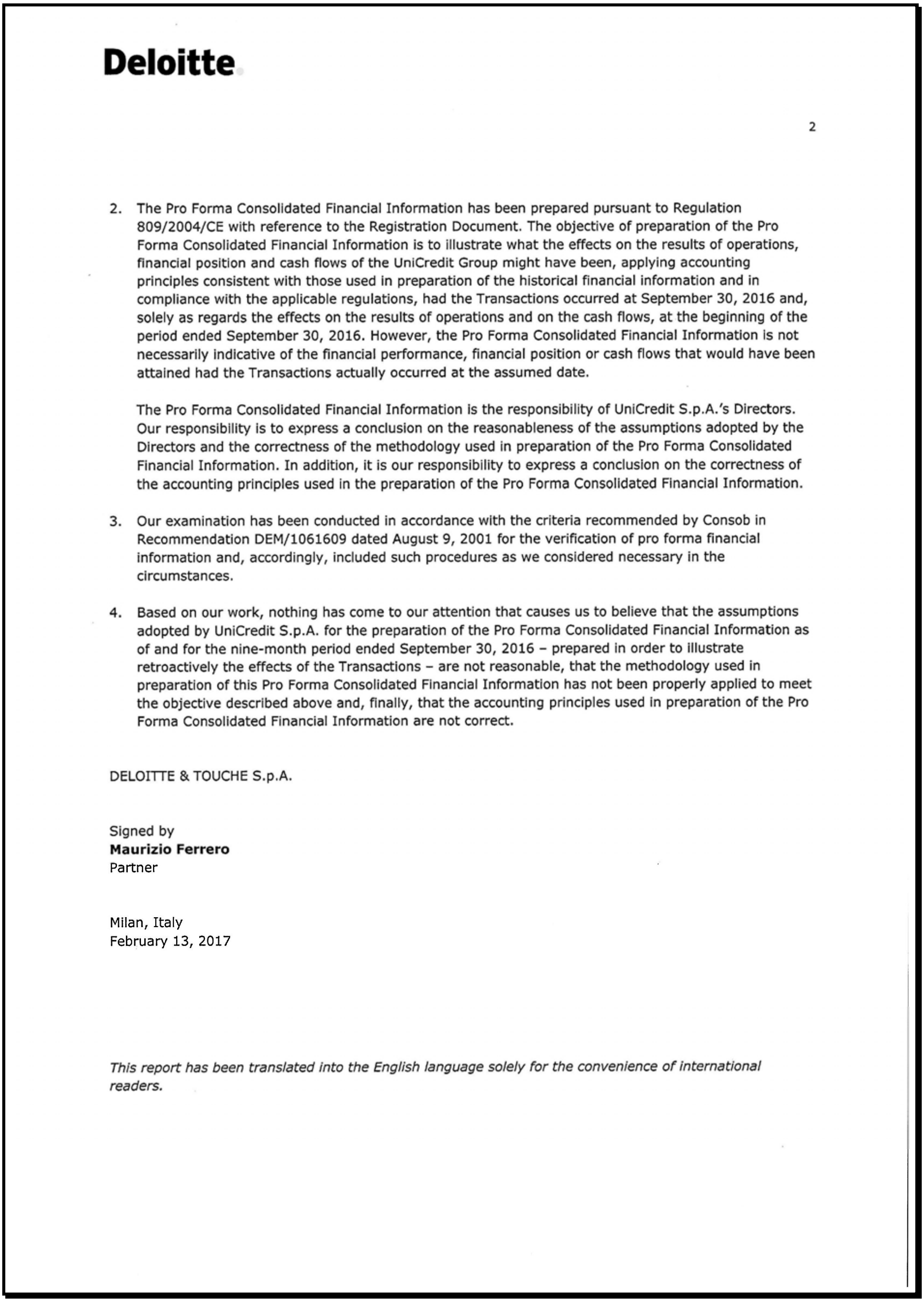
   The Consolidated Interim Financial Statements have been reviewed by us and our review report thereon issued on November 15, 2016.

   Our review of the Consolidated Interim Financial Statements consisted of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently have not enabled us to obtain assurance that we would have become aware of all significant matters that might be identified in an audit. Accordingly, we have not expressed an audit opinion on the Consolidated Interim Financial Statements.

   The Pro forma Consolidated Financial Information has been prepared on the basis of the assumptions described in the explanatory notes to illustrate retroactively the effects of the transactions described here below and described more in detail in the explanatory notes (together the "Transactions"):

   - extraordinary transactions already completed;
   - significant transactions in the process of being completed;
   - actions aimed at improving the quality of the assets;
   - share capital increase, aimed at strengthening the capital position;
   - staff departure incentive plans.

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.



Deloitte.

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2. The Pro Forma Consolidated Financial Information has been prepared pursuant to Regulation 809/2004/CE with reference to the Registration Document. The objective of preparation of the Pro Forma Consolidated Financial Information is to illustrate what the effects on the results of operations, financial position and cash flows of the UniCredit Group might have been, applying accounting principles consistent with those used in preparation of the historical financial information and in compliance with the applicable regulations, had the Transactions occurred at September 30, 2016 and, solely as regards the effects on the results of operations and on the cash flows, at the beginning of the period ended September 30, 2016. However, the Pro Forma Consolidated Financial Information is not necessarily indicative of the financial performance, financial position or cash flows that would have been attained had the Transactions actually occurred at the assumed date.

   The Pro Forma Consolidated Financial Information is the responsibility of UniCredit S.p.A.'s Directors. Our responsibility is to express a conclusion on the reasonableness of the assumptions adopted by the Directors and the correctness of the methodology used in preparation of the Pro Forma Consolidated Financial Information. In addition, it is our responsibility to express a conclusion on the correctness of the accounting principles used in the preparation of the Pro Forma Consolidated Financial Information.

3. Our examination has been conducted in accordance with the criteria recommended by Consob in Recommendation DEM/1061609 dated August 9, 2001 for the verification of pro forma financial information and, accordingly, included such procedures as we considered necessary in the circumstances.

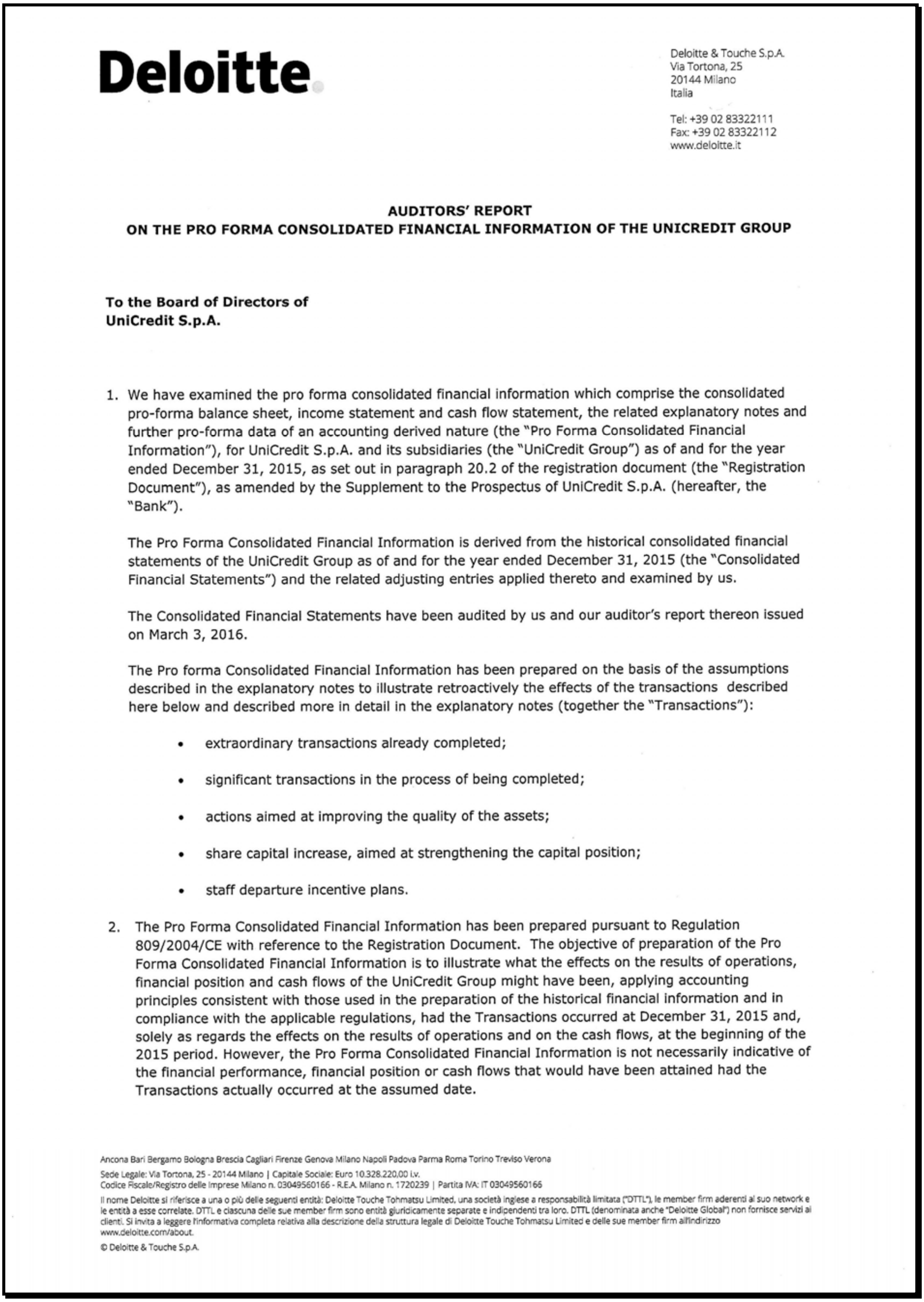
4. Based on our work, nothing has come to our attention that causes us to believe that the assumptions adopted by UniCredit S.p.A. for the preparation of the Pro Forma Consolidated Financial Information as of and for the nine-month period ended September 30, 2016 – prepared in order to illustrate retroactively the effects of the Transactions – are not reasonable, that the methodology used in preparation of this Pro Forma Consolidated Financial Information has not been properly applied to meet the objective described above and, finally, that the accounting principles used in preparation of the Pro Forma Consolidated Financial Information are not correct.

DELOITTE & TOUCHE S.p.A.

Signed by
**Maurizio Ferrero**
Partner

Milan, Italy
February 13, 2017

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



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## AUDITORS' REPORT
## ON THE PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE UNICREDIT GROUP

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

1. We have examined the pro forma consolidated financial information which comprise the consolidated pro-forma balance sheet, income statement and cash flow statement, the related explanatory notes and further pro-forma data of an accounting derived nature (the "Pro Forma Consolidated Financial Information"), for UniCredit S.p.A. and its subsidiaries (the "UniCredit Group") as of and for the year ended December 31, 2015, as set out in paragraph 20.2 of the registration document (the "Registration Document"), as amended by the Supplement to the Prospectus of UniCredit S.p.A. (hereafter, the "Bank").

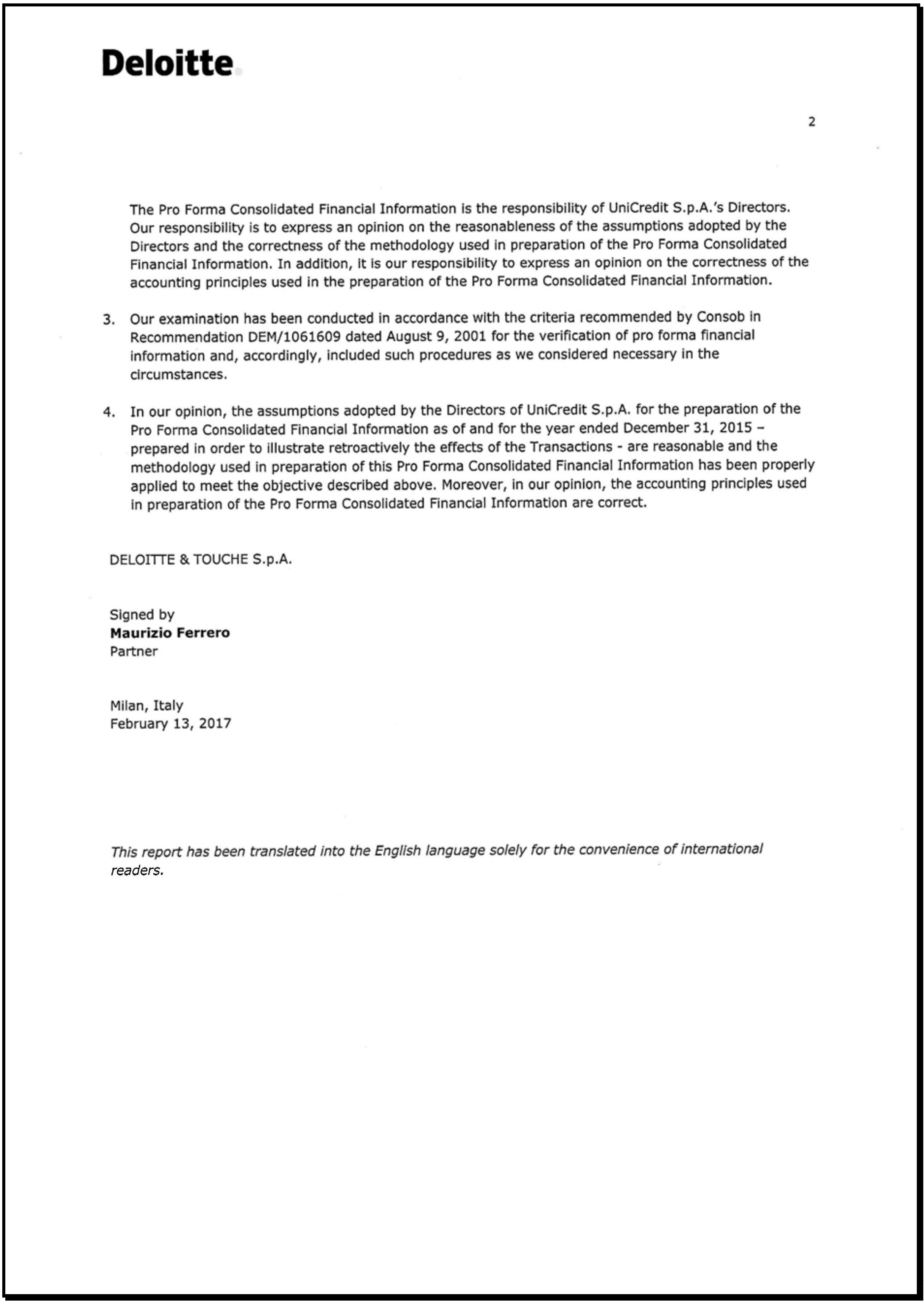
   The Pro Forma Consolidated Financial Information is derived from the historical consolidated financial statements of the UniCredit Group as of and for the year ended December 31, 2015 (the "Consolidated Financial Statements") and the related adjusting entries applied thereto and examined by us.

   The Consolidated Financial Statements have been audited by us and our auditor's report thereon issued on March 3, 2016.

   The Pro forma Consolidated Financial Information has been prepared on the basis of the assumptions described in the explanatory notes to illustrate retroactively the effects of the transactions described here below and described more in detail in the explanatory notes (together the "Transactions"):

   - extraordinary transactions already completed;
   - significant transactions in the process of being completed;
   - actions aimed at improving the quality of the assets;
   - share capital increase, aimed at strengthening the capital position;
   - staff departure incentive plans.

2. The Pro Forma Consolidated Financial Information has been prepared pursuant to Regulation 809/2004/CE with reference to the Registration Document. The objective of preparation of the Pro Forma Consolidated Financial Information is to illustrate what the effects on the results of operations, financial position and cash flows of the UniCredit Group might have been, applying accounting principles consistent with those used in the preparation of the historical financial information and in compliance with the applicable regulations, had the Transactions occurred at December 31, 2015 and, solely as regards the effects on the results of operations and on the cash flows, at the beginning of the 2015 period. However, the Pro Forma Consolidated Financial Information is not necessarily indicative of the financial performance, financial position or cash flows that would have been attained had the Transactions actually occurred at the assumed date.



**Deloitte.**

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The Pro Forma Consolidated Financial Information is the responsibility of UniCredit S.p.A.'s Directors. Our responsibility is to express an opinion on the reasonableness of the assumptions adopted by the Directors and the correctness of the methodology used in preparation of the Pro Forma Consolidated Financial Information. In addition, it is our responsibility to express an opinion on the correctness of the accounting principles used in the preparation of the Pro Forma Consolidated Financial Information.

3. Our examination has been conducted in accordance with the criteria recommended by Consob in Recommendation DEM/1061609 dated August 9, 2001 for the verification of pro forma financial information and, accordingly, included such procedures as we considered necessary in the circumstances.

4. In our opinion, the assumptions adopted by the Directors of UniCredit S.p.A. for the preparation of the Pro Forma Consolidated Financial Information as of and for the year ended December 31, 2015 – prepared in order to illustrate retroactively the effects of the Transactions - are reasonable and the methodology used in preparation of this Pro Forma Consolidated Financial Information has been properly applied to meet the objective described above. Moreover, in our opinion, the accounting principles used in preparation of the Pro Forma Consolidated Financial Information are correct.

DELOITTE & TOUCHE S.p.A.

Signed by
**Maurizio Ferrero**
Partner

Milan, Italy
February 13, 2017

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

”.

## 4. ADDITIONS TO THE SECURITIES NOTE

For the reasons indicated in Chapter 2 of the Supplement, the Securities Note has been changed and/or supplemented as indicated below.

### 4.1 Additions to the title page of the Securities Note

The title page of the Securities Note has the supplements listed below (text in bold and underlined added).

"

# Securities Note on Financial Instruments

prepared pursuant to the regulation adopted by CONSOB through resolution 11971 on 14 May 1999,
as later amended and supplemented and Article 4 of Regulation (EC) No 809/2004 of the European Commission of 29 April 2004 containing the application methods of Directive 2003/71/EC,
as later amended and supplemented

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

**UniCredit S.p.A.**

Registered office – Via Alessandro Specchi 16, Rome

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

Registered in the Bank Register and Parent Company of the "UniCredit Group"

banking group in the Banking Groups Register at number 02008.1

Rome Companies Register, Tax Code and VAT Registration Number 00348170101

Share capital subscribed and fully paid-in €20,864,893,436.94

Member of the Italian Bank Deposit Guarantee Fund and the National Compensation Fund

---

Securities Note filed at CONSOB on 3 February 2017, following notification of approval through the note on 3 February 2017 ref. no 0016471/17**, as later supplemented by the Supplement filed on 15 February 2017, pursuant to the notice of approval in a memorandum dated 15 February 2017, file no. 0021527/17**.

Compliance with the publication of the Securities Notes does not involve any judgement by CONSOB regarding the proposed investment opportunity or the virtue of the related data or information.

The Securities Note must be read in conjunction with the UniCredit S.p.A. Registration Document filed with CONSOB on 30 January 2017, pursuant to the notice of approval in a memorandum dated 27 January 2017, file no. 0013115/17**, as later supplemented by the Supplement filed on 15 February 2017, pursuant to the notice of approval in a memorandum dated 15 February 2017, file no. 0021527/17** and the Summary Note filed with CONSOB on 3 February

> 2017, pursuant to the notice of approval in a memorandum dated 3 February 2017, file no. 0016471/17**, as later supplemented by the Supplement filed on 15 February 2017, pursuant to the notice of approval in a memorandum dated 15 February 2017, file no. 0021527/17**.
>
> The Registration Document, the Securities Note and the Summary Note Document **– along with the Supplement –** jointly comprise the Prospectus for the offering and admission to listing of ordinary shares of UniCredit S.p.A.
>
> The Securities Note, the Summary Note and the Registration are available to the public, on the publication date and for the entire period of validity, at the Registered Office and at the Head Office of UniCredit S.p.A., as well as on their website www.unicreditgroup.eu.

”

### 4.2 Additions to Chapter 2, Paragraph 2.1.1 of the Securities Note

Chapter 2, Paragraph 2.1.1 of the Securities Note has the supplements listed below (text underlined and in strikethrough, in bold and underlined added).

### “2.1.1 Risks associated with the estimates for the results for the year ending 31 December 2016, the publication of the 2016 preliminary data and the absence of financial information subject to audit for the financial year 2016

[…*OMISSIS*…]

~~Also note that at the Date of the Securities note, the Issuer is expected to approve~~ **On** 9 February 2017, **the Issuer’s Board of Directors approved** the preliminary data for the year ended 31 December 2016 (the “**2016 Preliminary Data**”) also for the purpose of European Union harmonised, consolidated regulatory reporting (FINancial REPorting – FINREP) pursuant to the applicable (ITS) binding implementation technical standards.

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

**The Preliminary Data confirmed the Estimates, highlighting a loss of €11.8 billion which is expected to be recorded as at 31 December 2016. Note that the 2016 Preliminary Data has not been audited.**

For further information, see **Chapter 13, Paragraph 13.1.6 of the Registration Document, as supplemented pursuant to** Chapter 11, Paragraphs 11.3 and 11.4 of the Securities Note, **as well as Chapter 3, Paragraph 3.14 of the Supplement.**

[…*OMISSIS*…]”.

### 4.3 Additions to Chapter 3, Paragraph 3.4 of the Securities Note

Chapter 3, Paragraph 3.4 of the Registration Document has the supplements listed below (text underlined and in strikethrough, in bold and underlined added).

### 3.4 Reasons for the Offering and use of the proceeds

[…*OMISSIS*…]

In this respect it should be noted that the contribution of the Capital Increase in terms of CET1 ratio is estimated at 345 basis points at 30 September 2016 and is aimed, inter alia, to counterbalance the negative impacts in terms of CET1 ratio resulting from "Project Fino" and "Project Porto" (from which derives an overall variation in decrease equal to 223 basis points).

**On the basis of 2016 Preliminary Data, the contribution of the capital increase in terms of CET1 ratio is expected to be positive and respectively equal to about 3.34% on the CET1 ratio (phase in) and to 3.61% on the CET1 ratio (fully loaded) and, therefore, the capital increase is suitable in itself to ensure the respect of all the capital requirements that dropped below their respective regulatory limits because of the effect of the actions envisaged in the Strategic Plan. Note in this regard that, based on the 2016 Preliminary Data, if the Share Capital Increase is fully subscribed, the UniCredit Group's (fully loaded) CET1 ratio will stand at 11.15%.**

~~In consideration of the~~ **~~above~~** **For the sake of completeness, it is noted that** the CET1 ratio pro-forma at the date of 30 September 2016 is equal to ~~13.71~~**13.21**%, considering - in addition to the impacts described in the previous paragraph - the positive effects arising from the following transactions: (i) the sale of Bank Pekao (+58 basis points); (ii) the sale of almost all of the activities of the PGAM (+91 basis points); (iii) accelerated bookbuilding of FinecoBank (+12 basis points); (iv) conferment of PJSC Ukrsotsbank (+6 basis points); and (v) Divestiture of Immo Holding (+2 basis points), **as well as the negative effects arising from the staff departure incentive plans (-50 basis points).**

~~Note that, also taking into account the additional one-off negative entries which the Issuer's Board of Directors took into account at the meeting held of 30 January 2017 for the purpose of examining the estimates of the consolidated preliminary results for 2016 (see Chapter 13, Paragraph 13.1.6 of the Registration Document, as supplemented pursuant to Chapter 11, Paragraph 11.3 of the Securities Note), the Projected Data of the Strategic Plan remain unchanged (including the CET1 ratio target indicated in the previous paragraphs) because the majority of the impacts of the above-mentioned one-off negative entries was already included in the Projected Data (see Chapter 13, Paragraph 13.1.3 of the Registration Document).~~

[…*OMISSIS*…]".

## 5. ADDITIONS TO THE SUMMARY NOTE

For the reasons indicated in Chapter 2 of the Supplement and, taking into consideration the consequent amendments and supplements made to the Registration Document and the Securities Note (see Chapters 3 and 4 of the Supplement), the title page, the section "Definitions" and items "B.4a", "B.8", "B.9", "D.1", "D.3" and "E.2a" of the Summary Note have been supplemented as indicated in the new version of the Summary Note in the annex to the Supplement (strikethrough text removed and text in bold and underlined added).

# APPENDIX

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

# Summary Note

redatta prepared in accordance with the regulations adopted by CONSOB through Resolution no. 11971 of 14 May 1999,
as subsequently amended and supplemented, and through Article 4 of European Commission Regulation (EC)
no. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as later amended and supplemented

**UniCredit S.p.A.**

Registered office – 16 Via Alessandro Specchi, Rome

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

Entered in the Register of Banks and Parent Company of the UniCredit Banking Group,

entered in the Register of Banking Groups under no. 02008.1

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

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

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

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Summary Note filed with CONSOB on 3 February 2017, pursuant to the notice of approval in a memorandum dated 3 February 2017, file no. 0016471/17**, as later amended and supplemented by the Supplement filed on 15 February 2017, pursuant to the notice of approval in a memorandum dated 15 February 2017, file no. 0021527/17**.

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

The Summary Note should be read in conjunction with the Registration Document filed with CONSOB on 30 January 2017, pursuant to the notice of approval in a memorandum dated 27 January 2017, file no. 0013115/17**, as later amended and supplemented by the Supplement filed on 15 February 2017, pursuant to the notice of approval in a memorandum dated 15 February 2017, file no. 0021527/17** and the Securities Note filed with CONSOB on 3 February 2017, pursuant to the notice of approval in a memorandum dated 3 February 2017, file no. 0016471/17**, as later amended and supplemented by the Supplement filed on 15 February 2017, pursuant to the notice of approval in a memorandum dated 15 February 2017, file no. 0021527/17**.

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

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

## CONTENTS

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# DEFINITIONS

The terms defined in the Summary Note have the same meanings as those attributed in the Registration Document and in the Securities Note **(as later amended and supplemented by the Supplement)**[1]. A list of the most common additional definitions and terms used in the Summary Note is provided below. Unless specified otherwise, the meaning of these definitions and terms is the one indicated below. The additional terms used in the Summary Note have the meaning attributed and indicated in the text.

| | |
|---|---|
| **Rights Issue** or **Share Capital Increase** | The increase in share capital of up to a maximum of €13 billion including any issue premium, to be carried out in one or more tranches, in divisible form through the issue of ordinary shares with no par value, with standard dividend rights, to be offered to existing holders of ordinary shares and savings shares of the Company, pursuant to Article 2441, paragraphs one, two and three of the Italian Civil Code, as approved by the Issuer's Extraordinary Shareholders' Meeting of 12 January 2017, under the Offering. |
| **Date of the Summary Note** | The date of the approval of the **Supplement** ~~Summary Note~~ (as **defined** below[2]) by CONSOB. |
| **Registration Document** | The registration document relating to the Issuer, filed with CONSOB on 30 January 2017, pursuant to the notice of approval in a memorandum dated 27 January 2017, file no. 0013115/17**, as later amended and supplemented pursuant to Chapter 11 of the Securities Note filed with CONSOB on 03 February 2017, pursuant to the notice of approval in a memorandum dated 03 February 2017, file no. 0016471/17 and by the Supplement filed on 15 February 2017, pursuant to the notice of approval in a memorandum dated 15 February 2017, file no. 0021527/17**[3].<br>The Registration Document is available to the public, on the publication date and for the entire period of validity, at the Registered Office (16 Via A. Specchi, Rome) and at the Head Office (3 Piazza Gae Aulenti – Tower A, Milan) of UniCredit S.p.A., as well as on their website www.UniCreditgroup.eu. |
| **Group** or **UniCredit Group** | UniCredit and its subsidiaries within the meaning of Article 2359 of the Italian Civil Code and Article 93 of the TUF (Consolidated Financial Act). |
| **Summary Note** | This summary note**, as later amended and supplemented by the Supplement filed on 15 February 2017, pursuant to the notice of approval in a memorandum dated 15 February 2017, file no. 0021527/17**[4]**.** |
| **Securities Note** | The securities note on financial instruments~~ published in conjunction with the Summary Note.~~ **filed at CONSOB on 3 February 2017, pursuant to the notice of approval in a memorandum dated 3 February 2017, file no. 0016471/17, as later amended and supplemented by the Supplement filed on 15 February 2017, pursuant to the notice of approval in a memorandum dated 15 February 2017, file no. 0021527/17**[5].<br>The Securities Note is available to the public, on the publication date and for the entire period of validity, at the Registered Office (16 Via A. Specchi, Rome) and at the Head Office (3 Piazza Gae Aulenti – Tower A, Milan) of UniCredit S.p.A., as well as on their website www.UniCreditgroup.eu. |
| **Offering** | The offering of 1,606,876,817 New Shares to shareholders of UniCredit in the ratio of 13 New Shares for every 5 UniCredit ordinary and/or savings share already held. |
| Supplement | **The Supplement to the Prospectus filed with CONSOB on 15 February 2017, pursuant to the notice of approval in a memorandum dated 15 February 2017, file no. 0021527/17**[6]**.** |
| **UniCredit or the Company** or the **Issuer** | UniCredit S.p.A. having its registered office in Rome, Via A. Specchi 16, and Head Office in Milan, Piazza Gae Aulenti 3 – Tower A. |

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[1] Text amended following the publication of the Supplement.

[2] Text amended following the publication of the Supplement.

[3] Text amended following the publication of the Supplement.

[4] Text amended following the publication of the Supplement.

[5] Text amended following the publication of the Supplement.

[6] Definition added following the publication of the Supplement.

## GLOSSARY

Please see the glossary contained in the Registration Document.

## SUMMARY NOTE

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

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

### *Section A – Introduction and warnings*

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

### *Section B – Issuer*

| | |
|---|---|
| **B.1** | **Legal name and trade name of the Issuer**<br>The name of the Issuer is "UniCredit, società per azioni" and, in shortened form, "UniCredit S.p.A.". |
| **B.2** | **Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation**<br>The Issuer is a joint stock company incorporated in Italy and regulated and operating under Italian law. The Issuer has its registered office in Rome, Via A. Specchi 16, and Head Office in Milan, Piazza Gae Aulenti 3 – Tower A. |
| **B.3** | **Description of the nature of the Issuers' current operations and its main activities, and related key factors, with a list of the main categories of products sold and/or services provided and identification of the main markets in which the Issuer competes**<br>*Main activities*<br>UniCredit is a commercial bank, operating, together with its subsidiaries, in 17 European countries, with ~~137,505 employees (of which 122,990~~ **117.659** full time equivalent employees) and ~~6,592~~ **6,221** branches as at **31 December 2016**~~30 September 2016~~[7]. Specifically, the UniCredit Group offers banking, financial and investment services and connected and instrumental activities on a global scale, in Italy, Germany, Austria, Poland and various Central and Eastern European countries.<br>As at 30 September 2016, the main activities of the Group were broken down into the following business segments: (i) ***Commercial Banking Italy***, mainly composed of the Issuer's commercial network, limited to core customers; (ii) ***Commercial Banking Germany***, composed of the commercial network servicing German customers; (iii) ***Commercial Banking Austria,*** composed of the commercial network servicing Austrian customers; (iv) ***Poland,*** composed of the activities carried out within the group whose parent company is Bank Pekao in Poland; (v) ***Corporate & Investment Banking***, composed of the activities aimed at multinational and large corporate customers; (vi) ***Asset Management***, composed of the activities carried out by the group whose parent company is PGAM, specialised in the management of customer investments; (vii) ***Central Eastern Europe***, composed of the activities carried out in Central Eastern European countries; (viii) ***Asset Gathering***, composed of collection activities mainly in the retail customer segment; (ix) ***Group Corporate Center***, the sector that is responsible for guidance, coordination and control of assets and risk relating to both the UniCredit Group as a whole and the individual group companies in their respective areas of responsibility; and (x) ***Non-Core***, a business segment set up in the first quarter of 2014 composed of non-strategic segments and/or segments with a risk/yield profile deemed to be inadequate, for which the primary objective is the reduction of the overall exposure. |

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[7] Text amended following the publication of the Supplement.

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

*Main markets and competitive positioning*

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

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

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

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

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

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

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

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

Without prejudice to the above, at the Date of the Summary Note, the following are expected (i) one-off negative impacts on the net result for the fourth quarter of 2016 equal to €12.2 billion in total, as projected in the Strategic Plan; as well as (ii) further one-off negative entries equal to approximately €1 billion in total, as identified by the Board of Directors in the meeting o 30 January 2017. **The aforementioned non-recurring negative impacts were verified on 9 February 2017, on the approval of the 2016 Preliminary Data[8].**

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

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

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

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

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

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

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

(2) By way of asset management.

(3) Subsidiary of Mubadala Investment Company.

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

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[8] Text amended following the publication of the Supplement.

**B.7** **Key financial information on the Issuer**

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

The tables below contain summaries of:

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

*MAIN CONSOLIDATED INCOME STATEMENT DATA*

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

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

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

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

Notes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*MAIN CONSOLIDATED DATA IN THE CASH FLOW STATEMENTS*

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

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

*MAIN PERFORMANCE INDICATORS*

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

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

(1) Cost/income ratio

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

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

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

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

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

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

| **Assets** | **30 September 2016 historical** | **Adjustments** | | | | | | | | | | **30 September 2016** ***pro-forma*** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of Euros)* | | **1. Bank Pekao** | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsots bank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. AuC** | 9. Other Personnel | **~~9.~~10[9]. Other** | |
| Cash and cash equivalents | 16,153 | 2,215 | 4,000 | 545 | - | 450 | | - | 12,500 | - | - | 35,863- |
| Financial assets held for trading | 94,110 | (677) | - | - | - | - | - | - | - | - | 139 | 93,572 |
| Loans and receivables with banks | 76,750 | (919) | (359) | - | (125) | - | - | - | - | - | 255 | 75,602 |
| Loans and receivables with customers | 480,926 | (28,077) | - | - | - | - | (3,600) | (4,500) | - | - | 238 | 444,987 |
| Financial investments | 155,336 | (6,331) | (147) | - | 362 | - | - | - | - | - | - | 149,220 |
| Hedging instruments | 8,094 | (78) | - | - | - | - | - | - | - | - | - | 8,016 |
| Property, plant and equipment | 9,555 | (329) | (6) | - | - | - | - | - | - | - | - | 9,220 |
| Goodwill | 3,591 | (1,014) | (832) | - | - | - | - | - | - | - | - | 1,745 |
| Other intangible assets | 2,087 | (182) | (20) | - | - | - | - | - | - | - | - | 1,885 |
| Tax assets | 15,469 | (249) | 147 | - | - | - | - | - | - | - | - | 15,367 |
| Non-current assets classified as held for sale | 3,369 | 145 | (618) | - | (1,688) | (1,002) | - | - | - | - | 1,130 | 1,336 |
| Other assets | 9,087 | (234) | (294) | - | - | - | - | - | - | - | (497) | 8,062 |
| **Total assets** | **874,527** | **(35,730)** | **1,871** | **545** | **(1,451)** | **(552)** | **(3,600)** | **(4,500)** | **12,500** | - | **1,265** | **844,875** |

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[9] Definition added following the publication of the Supplement.

| **Liabilities and Shareholders' Equity** | **30** | **Adjustments** | | | | | | | | | | **30** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of Euros)* | **September 2016 historical** | **1. Bank Pekao** | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsotsbank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. AuC** | 9. Personnel | **~~9~~**10. **Other** | **September 2016 *pro-forma*** |
| Deposits from banks | 114,983 | (1,144) | - | - | - | - | - | - | - | - | 238 | 114,077 |
| Direct deposits | 590,099 | (29,640) | - | - | - | - | - | - | - | - | 674 | 561,133 |
| Financial liabilities held for trading | 68,387 | (586) | - | - | - | - | - | - | - | - | 8 | 67,809 |
| Financial liabilities at fair value through profit or loss | 1,509 | - | - | - | - | - | - | - | - | - | - | 1,509 |
| Hedging instruments | 11,797 | (253) | - | - | - | - | - | - | - | - | - | 11,544 |
| Provision for risks and charges | 9,849 | (73) | (42) | - | - | - | - | - | - | **1,799** | 1 | ~~9,735~~<br>**11,534** |
| Tax liabilities | 1,495 | (31) | (86) | - | - | - | - | - | - | **(141)** | 4 | ~~1,382~~<br>**1,241** |
| Liabilities included in disposal groups classified as held for sale | 2,651 | - | - | - | (1,451) | (614) | - | - | - | - | 621 | 1,207 |
| Other liabilities | 18,614 | (501) | (410) | - | - | - | - | - | - | - | (281) | 17,422 |
| Minorities | 3,906 | (3,143) | (3) | 112 | - | - | - | - | - | - | - | 872 |
| Group portion of shareholders' equity | 51,237 | (359) | 2,412 | 433 | - | 62 | (3,600) | (4,500) | 12,500 | **(1,658)** | - | ~~58,185~~<br>**56,527**[10] |
| **Total liabilities and Shareholders' Equity** | **874,527** | **(35,730)** | **1,871** | **545** | **(1,451)** | **(552)** | **(3,600)** | **(4,500)** | **12,500** | - | **1,265** | **844,875** |

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

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

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[10] Text amended following the publication of the Supplement.

| **Income Statement**<br>*(in millions of Euros)* | **30 September 2016 historical** | **ADJUSTMENTS**<br>**1. Bank Pekao** | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsotsbank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. AuC** | **9.** Personnel | **10. Other** | **30 September 2016 pro-forma** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net interest | 8,644 | (751) | (1) | - | 3 | 4 | - | - | - | - | - | 7,899 |
| Dividends and other income from equity investments | 700 | (4) | - | - | - | - | - | - | - | - | - | 696 |
| Net commissions | 5,736 | (338) | (636) | - | - | 3 | - | - | - | - | - | 4,765 |
| Gains (losses) on financial assets and liabilities held for trading | 1,820 | (146) | - | - | - | - | - | - | - | - | - | 1,674 |
| Balance of other income/expense | 170 | (4) | 7 | - | 8 | (6) | - | - | - | - | 1 | 176 |
| **BROKERAGE MARGIN** | **17,070** | **(1,243)** | **(630)** | **-** | **11** | **1** | **-** | **-** | **-** | - | **1** | **15,210** |
| Personnel costs | (6,013) | 326 | 229 | - | - | - | - | - | - | - | - | (5,458) |
| Other administrative expenses | (3,628) | 171 | 121 | - | (2) | - | - | - | - | - | - | (3,338) |
| Recovery of expenses | 562 | - | - | - | - | - | - | - | - | - | - | 562 |
| Adjustments in value of tangible and intangible assets | (728) | 59 | 8 | - | - | - | - | - | - | - | - | (661) |
| Operating costs | (9,807) | 556 | 358 | - | (2) | - | - | - | - | - | - | (8,895) |
| **OPERATING PROFIT (LOSS)** | **7,263** | **(687)** | **(272)** | **-** | **9** | **1** | **-** | **-** | **-** | - | **1** | **6,315** |
| Net adjustments to credits and provisions for guarantees and commitments | (2,677) | 56 | - | - | - | - | (3,600) | (4,500) | - | - | - | (10,721) |
| **NET MANAGEMENT RESULT** | **4,586** | **(631)** | **(272)** | **-** | **9** | **1** | **(3,600)** | **(4,500)** | **-** | - | **1** | **(4,406)** |
| Other charges and provisions | (1,231) | 121 | 6 | - | - | - | - | - | - | - | - | (1,104) |
| Integration costs | (398) | - | 37 | - | - | - | - | - | - | **(1,799)** | - | ~~(361)~~<br>**(2.160)** |
| Net profits from investments | (24) | (1) | - | - | - | (2) | - | - | - | - | - | (27) |
| **PROFIT (LOSS) BEFORE TAX** | **2,933** | **(511)** | **(229)** | **-** | **9** | **(1)** | **(3,600)** | **(4,500)** | **-** | (1,799) | **1** | **~~(5.898)~~**<br>(7,697) |
| Income tax for the period | (821) | 107 | 84 | - | - | - | - | - | - | **141** | - | ~~(630)~~<br>**(489)** |
| **NET PROFIT (LOSS)** | **2,112** | **(404)** | **(145)** | **-** | **9** | **(1)** | **(3,600)** | **(4,500)** | **-** | (1,658) | **1** | **~~(6.528)~~**<br>(8,186) |
| Profit (Loss) after tax from discontinued operations | 13 | (638) | 2,410 | - | (745) | 44 | - | - | - | - | - | 1,084 |
| **RESULT FOR THE PERIOD** | **2,125** | **(1,042)** | **2,265** | **-** | (736) | **43** | **(3,600)** | **(4,500)** | **-** | (1,658) | **1** | **~~(5,444)~~**<br>(7,102) |
| Minorities | (344) | 207 | 4 | (44) | - | - | - | - | - | - | - | (177) |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA** | **1,781** | **(835)** | **2,269** | **(44)** | (736) | **43** | **(3,600)** | **(4,500)** | **-** | (1,658) | **1** | **~~(5,621)~~**<br>(7279) |
| Purchase Price Allocation effect | (13) | 10 | - | - | - | - | - | - | - | - | - | (3) |
| Impairment of goodwill | - | - | - | - | - | - | - | - | - | - | - | - |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP** | **1,768** | **(825)** | **2,269** | **(44)** | **(736)** | **43** | **(3,600)** | **(4,500)** | **-** | (1,658) | **1** | **~~(5,624)~~**<br>(7282)[11] |

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

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

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[11] Text amended following the publication of the Supplement.

| **Cash Flow Statement** *(in millions of Euros)* | **30 September 2016 historical** | **Adjustments** 1. Bank Pekao | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsots bank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. AuC** | 9. Personnel | **~~9~~10[12]. Other** | **30 September 2016** ***pro-forma*** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A. Operating activities** | | | | | | | - | | | | | |
| Net liquidity generated/absorbed by operating activities | 7,258 | 120 | | | | | | | | | | 7,378 |
| **B. Investment activities** | | | | | | | | | | | | |
| Net liquidity generated/absorbed by investment activities | (788) | 2,095 | 4,000 | | | 450 | | | | | | 5,757 |
| **C. Funding activities** | | | | | | | | | | | | |
| Net liquidity generated/absorbed by funding activities | (702) | | | 545 | | | | | 12,500 | | | 12,343 |
| **Net Liquidity Generated/Absorbed during the Year** | **5,768** | **2,215** | **4,000** | **545** | **-** | **450** | **-** | **-** | **12,500** | | **-** | **25,478** |

| **Reconciliation** *(in millions of Euros)* | **30 September 2016 historical** | **Adjustments** 1. Bank Pekao | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsots bank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. AuC** | 9. Personnel | **~~9~~10[13]. Other** | **30 September 2016** ***pro-forma*** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cash and cash equivalents at the beginning of the year** | **10,303** | | | | | | | | | | | **10,303** |
| Total liquidity generated/absorbed during the year | 5,768 | 2,215 | 4,000 | 545 | - | 450 | | - | 12,500 | | - | 25,478 |
| Cash and cash equivalents: effect of change in exchange rates | 82 | | | | | | | | | | | 82 |
| **Cash and cash equivalents at the end of the year** | **16,153** | **2,215** | **4,000** | **545** | **-** | **450** | | **-** | **12,500** | | **-** | **35,863** |

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

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

| **Assets** *(in millions of Euros)* | **31 December 2015 historical** | **Adjustments** 1. Bank Pekao | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsots bank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. AuC** | 9. Personnel | **~~9~~10. Other** | **31 December 2015** ***pro-forma*** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | 10,303 | 2,841 | 4,000 | 871 | - | 596 | | - | 12,500 | - | - | 31,111 |
| Financial assets held for trading | 90,997 | (1,002) | - | - | - | - | - | - | - | - | 155 | 90,150 |
| Loans and receivables with banks | 80,073 | (2,403) | (233) | - | (447) | - | - | - | - | - | 601 | 77,591 |
| Loans and receivables with customers | 473,999 | (28,617) | - | - | - | - | (3.600) | (4,500) | - | - | 237 | 437,519 |
| Financial investments | 152,845 | (4,968) | (244) | - | 437 | - | | - | - | - | - | 148,070 |
| Hedging instruments | 8,010 | (98) | - | - | - | - | - | - | - | - | - | 7,912 |
| Property, plant and equipment | 10,031 | (350) | (8) | - | - | - | - | - | - | - | - | 9,673 |
| Goodwill | 3,618 | (1,030) | (844) | - | - | - | - | - | - | - | - | 1,744 |
| Other intangible assets | 2,140 | (209) | (24) | - | - | - | - | - | - | - | - | 1,907 |
| Tax assets | 15,726 | (252) | 141 | - | - | - | - | - | - | - | ~~1,767~~<br>**2,317** | ~~17,382~~<br>**17,932** |
| Non-current assets classified as held for sale | 2,820 | 182 | (603) | - | (2,029) | (1,179) | - | - | - | - | 1,236 | 427 |
| Other assets | 9,871 | (606) | (318) | - | - | - | - | - | - | - | (633) | 8,314 |
| **Total assets** | **860,433** | **(36,512)** | **1,867** | **871** | **(2,039)** | **(583)** | **(3,600)** | **(4,500)** | **12,500** | | ~~**3,363**~~<br>3,913 | ~~**831,800**~~<br>832,350[14] |

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[12] Text amended following the publication of the Supplement.

[13] Text amended following the publication of the Supplement.

[14] Text amended following the publication of the Supplement.

| **Liabilities and Shareholders' Equity** | **31 December 2015 historical** | **Adjustments** | | | | | | | | | | **31 December 2015 *pro-forma*** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of Euros)* | | **1. Bank Pekao** | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsotsbank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. AuC** | 9. Personnel | ~~9~~10. **Other** | |
| Deposits from banks | 111,373 | (1,039) | (1) | - | - | - | - | - | - | - | 469 | 110,802 |
| Direct deposits | 584,268 | (30,785) | - | - | - | - | - | - | - | - | 876 | 554,359 |
| Financial liabilities held for trading | 68,919 | (889) | - | - | - | - | - | - | - | - | 14 | 68,044 |
| Financial liabilities at fair value through profit or loss | 455 | - | - | - | - | - | - | - | - | - | - | 455 |
| Hedging instruments | 11,254 | (250) | - | - | - | - | - | - | - | - | - | 11,004 |
| Provision for risks and charges | 9,855 | (72) | (63) | - | - | - | - | - | - | **1,799** | 1 | ~~9,721~~<br>**11,520** |
| Tax liabilities | 1,529 | (33) | (11) | 11 | - | - | (1,188) | (1,485) | - | **(550)** | ~~1.779~~<br>**2,329** | 602 |
| Liabilities included in disposal groups classified as held for sale | 1,880 | - | - | - | (2,039) | (645) | - | - | - | - | 810 | 6 |
| Other liabilities | 17,414 | (472) | (430) | - | - | - | - | - | - | - | (586) | 15,926 |
| Minorities | 3,399 | (2,722) | (3) | 162 | - | - | - | - | - | - | - | 836 |
| Group portion of shareholders' equity | 50,087 | (250) | 2,375 | 698 | - | 62 | (2,412) | (3,015) | 12,500 | **(1,249)** | - | ~~60,045~~<br>**58,796** |
| **Total liabilities and Shareholders' Equity** | **860,433** | **(36,512)** | **1,867** | **871** | **(2,039)** | **(583)** | **(3,600)** | **(4,500)** | **12,500** | **-** | ~~**3,363**~~<br>3,913 | ~~**831,800**~~<br>832,350[15] |

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

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

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[15] Text amended following the publication of the Supplement.

| **Income Statement** | **31** | **Adjustments** | | | | | | | | | | **31** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of Euros)* | **December 2015 historical** | **1. Bank Pekao** | **2. Pioneer** | **3. Fineco Bank** | **4. PJSC Ukrsotsbank** | **5. Immo Holding** | **6. FINO** | **7. PORTO** | **8. AuC** | 9. Personnel | ~~9~~10. **Other** | **December 2015** ***pro-forma*** |
| Net interest | 11,916 | (997) | (2) | - | 19 | 8 | - | - | - | - | - | 10,944 |
| Dividends and other income from equity investments | 829 | (4) | (3) | - | - | (2) | - | - | - | - | - | 820 |
| Net commissions | 7,849 | (486) | (863) | - | 3 | 2 | - | - | - | - | - | 6,505 |
| Gains (losses) on financial assets and liabilities held for trading | 1,644 | (159) | (1) | - | - | - | - | - | - | - | - | 1,484 |
| Balance of other income/expense | 167 | (33) | (7) | - | 5 | (2) | - | - | - | - | - | 130 |
| **BROKERAGE MARGIN** | **22,405** | **(1,679)** | **(876)** | **-** | **27** | **6** | **-** | **-** | **-** | **-** | **-** | **19,883** |
| Personnel costs | (8,339) | 459 | 413 | - | - | - | - | - | - | - | - | (7,467) |
| Other administrative expenses | (5,159) | 234 | 178 | - | (1) | - | - | - | - | - | (1) | (4,749) |
| Recovery of expenses | 808 | (1) | (1) | - | - | - | - | - | - | - | - | 806 |
| Adjustments in value of tangible and intangible assets | (929) | 79 | 12 | - | - | - | - | - | - | - | 1 | (837) |
| Operating costs | (13,619) | 771 | 602 | - | (1) | - | - | - | - | - | - | (12,247) |
| **OPERATING PROFIT (LOSS)** | **8,786** | **(908)** | **(274)** | **-** | **26** | **6** | **-** | **-** | **-** | **-** | **-** | **7,636** |
| Net adjustments to credits and provisions for guarantees and commitments | (4,114) | 124 | - | - | - | - | (3,600) | (4,500) | - | - | - | (12,090) |
| **NET MANAGEMENT RESULT** | **4,672** | **(784)** | **(274)** | **-** | **26** | **6** | **(3,600)** | **(4,500)** | **-** | **-** | **-** | **(4,454)** |
| Other charges and provisions | (1,585) | 135 | 3 | - | - | - | - | - | - | - | - | (1,447) |
| Integration costs | (410) | - | 24 | - | - | - | - | - | - | **(1,799)** | - | ~~(386)~~<br>**(2,185)** |
| Net profits from investments | (6) | (18) | (3) | - | - | - | - | - | - | - | - | (27) |
| **PROFIT (LOSS) BEFORE TAX** | **2,671** | **(667)** | **(250)** | **-** | **26** | **6** | **(3,600)** | **(4,500)** | **-** | (1,799) | **-** | **~~(6,314)~~**<br>(8,113) |
| Income tax for the period | (137) | 128 | 64 | - | - | - | 1,188 | 1,485 | - | **550** | - | ~~2,728~~<br>**3,278** |
| **NET PROFIT (LOSS)** | **2,534** | **(539)** | **(186)** | **-** | **26** | **6** | **(2,412)** | **(3,015)** | **-** | (1,249) | **-** | **~~(3,586)~~**<br>(4,835) |
| Profit (Loss) after tax from discontinued operations | (295) | (499) | 2,394 | - | (301) | (42) | - | - | - | - | (1) | 1,256 |
| **RESULT FOR THE PERIOD** | **2,239** | **(1,038)** | **2,208** | **-** | **(275)** | **(36)** | **(2,412)** | **(3,015)** | **-** | (1,249) | **(1)** | **(3,579)** |
| Minorities | (352) | 261 | 5 | (58) | - | - | - | - | - | - | - | (144) |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA** | **1,887** | **(777)** | **2,213** | **(58)** | **(275)** | **(36)** | **(2,412)** | **(3,015)** | **-** | (1,249) | **(1)** | **(3,723)** |
| Purchase Price Allocation effect | (193) | 14 | - | - | - | - | - | - | - | - | - | (179) |
| Impairment of goodwill | - | - | - | - | - | - | - | - | - | - | - | - |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP** | **1,694** | **(763)** | **2,213** | **(58)** | **(275)** | **(36)** | **(2,412)** | **(3,015)** | **-** | (1,249) | **(1)** | **~~(2,653)~~**<br>(3,902)[16] |

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

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

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[16] Text amended following the publication of the Supplement.

| Cash Flow Statement | 31 December 2015 historical | | | | | Adjustments | | | | | | 31 December 2015 *pro-forma* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of Euros)* | | 1. Bank Pekao | 2. Pioneer | 3. Fineco Bank | 4. PJSC Ukrsots bank | 5. Immo Holding | 6. FINO | 7. PORTO | 8. AuC | 9. Personnel | ~~9~~10[17]. Other | |
| **A. Operating activities** | | | | | | | | | | | | |
| Net liquidity generated/absorbed by operating activities | 3,279 | 104 | | | | | | | | | | 3,383 |
| **B. Investment activities** | | | | | | | | | | | | |
| Net liquidity generated/absorbed by investment activities | (158) | 2,737 | 4,000 | | - | 596 | | | | | | 7,175 |
| **C. Funding activities** | | | | | | | | | | | | |
| Net liquidity generated/absorbed by funding activities | (842) | | | 871 | | | | | 12,500 | | | 12,529 |
| **Net Liquidity Generated/Absorbed during the Year** | **2,279** | **2,841** | **4,000** | **871** | **-** | **596** | | **-** | **12,500** | | **-** | **23,087** |

| Reconciliation | 31 December 2015 historical | | | | | Adjustments | | | | | | 31 December 2015 *pro-forma* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of Euros)* | | 1. Bank Pekao | 2. Pioneer | 3. Fineco Bank | 4. PJSC Ukrsots bank | 5. Immo Holding | 6. FINO | 7. PORTO | 8. AuC | 9. Personnel | 10[18]. Other | |
| **Cash and cash equivalents at the beginning of the year** | **8,051** | | | | | | | | | | | **8,051** |
| Total liquidity generated/absorbed during the year | 2,279 | 2,841 | 4,000 | 871 | - | 596 | | - | 12,500 | | - | 23,087 |
| Cash and cash equivalents: effect of change in exchange rates | (27) | | | | | | | | | | | (27) |
| **Cash and cash equivalents at the end of the year** | **10,303** | **2,841** | **4,000** | **871** | **-** | **596** | | **-** | **12,500** | | **-** | **31,111** |

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

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

**B.9**

## Projections or estimates of profits

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

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

i. assumptions of a general and hypothetical nature relating to future events and actions which may not necessarily come to fruition and which essentially depend on variables that are out of the control of the Issuer or other Group companies (the "**General and Hypothetical Assumptions**") and

ii. assumptions of a discretionary nature relating to future events which the Issuer can influence in full or in part (the "**Discretionary Assumptions**" and, together with the General and Hypothetical Assumptions, the "**Assumptions**").

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

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[17] Text amended following the publication of the Supplement.

[18] Text amended the publication of the Supplement.

**Data of an accounting nature**

| | Pro-forma data | | Estimated | |
|---|---|---|---|---|
| *(€ billions, %)* | **2015** | **9m 2016** | **2017** | **2019** |
| Brokerage margin | 19.9 | 15.2 | n.s. | 20.4 |
| Operating costs | -12.2 | -8.9 | -11.7 | -10.6 |
| Net Result | ~~-2.7~~**3.9** | ~~-5.6~~**7.3**[19] | n.s. | 4.7 |

**Accounting derived data not defined by the reference accounting standards**

| | Pro-forma data | | Estimated | |
|---|---|---|---|---|
| *(€ billions, %)* | **2015** | **9m 2016** | **2017** | **2019** |
| C/I (%)(1) | 61.6 | n.s. | n.s. | < 52 |
| Cost of risk (basis points) (2) | 270 | 254 | 65 | 49 |
| RoTE(3) | ~~-5~~7[20]% | n.s. | n.s. | > 9% |
| *Group NPE Coverage ratio(4)* | 61.2% | 63.0% | > 54% | > 54% |
| *Group Bad loan Coverage ratio* | 73.7% | 74.5% | > 65% | > 63% |
| *Group UTP Coverage ratio(6)* | 40.3% | 40.8% | > 38% | > 38% |
| *Non-Core Net NPE* | 17.5bn | 15.8bn | 11.4 bn € | 8.1 bn € |
| *Non-core NPE Coverage ratio(8)* | 66.3% | 68.2% | 56.5% | > 57% |
| *Core Net NPE(9)* | 12.7bn | 11.9bn | n.s. | 12.1bn |
| *Core Net NPE ratio(10)* | 3.1% | 2.8% | n.s. | 2.5% |
| *Group Gross NPE(11)* | 77.8bn | 74.8bn | n.s. | 44.3bn |
| *Group Gross NPE ratio(12)* | 16.0% | 15.1% | n.s. | 8.4% |
| *Group Net NPE(13)* | 30.2bn | 27.7bn | n.s. | 20.2bn |
| *Group Net NPE ratio(14)* | 6.9% | 6.2% | n.s. | 4.0% |

**Data of a management / regulatory nature**

| | Pro-forma data | | Estimated | |
|---|---|---|---|---|
| *(€ billions, %)* | **2015** | **9m 2016** | **2017** | **2019** |
| *Common Equity Tier 1 FL ratio* | ~~13.46~~**12.96%** | ~~13.71~~**13.21**[21]**%** | 12.0% | > 12.5% |
| RWA | 361 | 362 | 389 | 404 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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[19] Text amended following the publication of the Supplement.

[20] Text amended following the publication of the Supplement.

[21] Text amended following the publication of the Supplement.

MAIN DIVISION PROJECTED DATA

**Data of an accounting nature**

| **Euro billions, %** | **CBK ITA** | | **CBK GER** | | **CBK AT** | | **CEE** | | **CIB** | | **NON CORE** | | **AGH** | | **GCC** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 |
| Brokerage margin | 7.7 | 7.6 | 2.7 | 2.4 | 1.7 | 1.6 | 4 | 4.4 | 4 | 3.8 | 0 | -0.2 | 0.5 | 0.6 | -0.7 | 0.1 |
| Operating costs | -4.6 | -4 | -2 | -1.7 | -1.3 | -1 | -1.5 | -1.6 | -1.8 | -1.6 | -0.2 | -0.1 | -0.2 | -0.3 | -0.6 | -0.3 |

**Accounting derived data not defined by the reference accounting standards**

| **Euro billions, basis points** | **CBK ITA** | | **CBK GER** | | **CBK AT** | | **CEE** | | **CIB** | | **NON CORE** | | **AGH** | | **GCC** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 |
| Cost of credit (basis points) | 152 | 53 | 6 | 15 | 3 | 23 | 174 | 110 | 12 | 19 | 2,183 | 365 | 81 | 44 | nm | nm |
| NPE Coverage | 54.3% | >52% | 43.1% | >46% | 61.3% | >59% | 52.9% | >58% | 41.9% | >43% | 66.3% | >57% | 80.6% | >85% | nm | nm |
| Bad loan Coverage | 79.0% | >68% | 46.3% | >54% | 87.3% | >80% | 72.1% | >72% | 47.0% | >51% | 76.5% | >63% | 84.0% | >87% | nm | nm |
| UTP Coverage | 40.3% | >38% | 34.0% | >29% | 42.3% | >37% | 36.6% | >47% | 39.9% | >34% | 41.2% | >38% | 63.6% | >79% | nm | nm |

**Data of a management / regulatory nature**

| **Euro billions** | **CBK ITA** | | **CBK GER** | | **CBK AT** | | **CEE** | | **CIB** | | **NON CORE** | | **AGH** | | **GCC** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 | 2015 | 2019 |
| RWA (€bn)[3] | 77 | 91 | 34 | 37 | 25 | 24 | 91 | 108 | 71 | 88 | 31 | 18 | 2 | 3 | 30 | 35 |

(1) CBK ITA: Commercial Banking Italy

(2) CBK GER: Commercial Banking Germany

(3) CBK AT: Commercial Banking Austria

(4) CEE: CEE Division

(5) CIB: Corporate and Investment Banking Division

(6) AGH: Asset Gathering

(7) GCC: Group Corporate Centre

Without prejudice to the above, also note that on 30 January 2017, the Issuer's Board of Directors examined the draft consolidated results for the year ended 31 December 2016. These results were negatively influenced by non-recurring items of which approximately €12.2 billion ~~were communicated~~**were disclosed**[22] on 13 December 2016 during the presentation of the 2016-2019 Strategic Plan to the market and from one-off negative entries equal to approximately €1 billion in total, that will be recorded in the year 2016.

These one-off entries are mainly as a result of: (i) a larger write-down of the stake in the Atlante Fund, as a result of the valuation of the actual Fund based on internal models; (ii) the write-down of several equity investments as a result of new findings on the prospects of the underlying companies; (iii) the write-down on deferred tax assets (DTA) following the verification of their recoverability based on the availability of analytical information; **and**[23] (iv) one-off contributions to the National Resolution Fund, in respect of which they have been carried out further investigations that have been subject of discussion by the Board of Directors of 30 January 2017.

Consequently, based on the estimated net consolidated results for the year ended 31 December 2016, **as confirmed on approval of the 2016 Preliminary Data**[24], the Issuer will post a loss of approximately €11.8 billion, against a final profit for the first nine months of 2016.

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

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

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

Taking the above into account, with reference to the consolidated capital ratios of the Issuer, **as also evidenced by the 2016 Preliminary Data,** it is estimated that, in line with what is indicated in the Registration Document, there will be deficits in relation to the minimum applicable regulatory requirements, equal, respectively, to: (i) 2 percentage points in terms of the CET1 capital

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[22] Text amended following the publication of the Supplement.

[23] Text amended following the publication of the Supplement.

[24] Text amended following the publication of the Supplement.

ratio (**phase in**)[25] (compared with the minimum requirements applicable as at 31 December 2016, as well as compared with the "OCR Requirements + Pillar 2 capital guidance" applicable from 1 January 2017); (ii) 1.~~5~~**2** percentage points in terms of the Tier 1 capital ratio (compared with the "OCR Requirements" applicable from 1 January 2017)[26]; and (iii) 1 percentage point in terms of the Total capital ratio (compared with the "OCR Requirements" applicable from 1 January 2017), (see Chapter 13, Paragraph 13.1.5 of the Registration Document). In this regard, note that, also taking into account the further one-off entries which the Board of Directors took into account at its meeting on 30 January 2017 for the purpose of examining the Estimates, in the opinion of the Issuer, the Share Capital Increase is suitable on its own to restore compliance with the above-mentioned capital requirements.

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

~~It should also be noted, that o~~**O**n 9 February 2017, the Issuer ~~will approve~~ **approved** **both on an individual and consolidated basis, the preliminary figures relating to the Q4 2016 and** the preliminary results for the year ended on 31December 2016 (the "**2016 Preliminary Data**") also in order to perform the statistical supervisory reports harmonized consolidated in the European Union framework (known as Financial reporting - FINREP) in accordance with the applicable technical standards binding implementation (ITS)[27].

~~The Preliminary 2016 Data will be included in a supplement to the prospectus to be prepared in accordance with art. 94, paragraph 7 of the TUF and which will be published during the Subscription Period, after CONSOB's approval~~~~[28]~~.

**The tables below show the preliminary figures of the consolidated income statement and consolidated balance sheet at 31 December 2016 compared with the data as at 31 December 2015 ("recalculated")[29].**

**As regards the figures for the period closed at 31 December 2015 (recalculated), they were recalculated in order to report the assets and liabilities of Bank Pekao, PGAM and the businesses belonging to its subgroups following their classification in 2016 as Discontinued operations, to be recognised under the items, Non-current assets and groups of assets held for sale, and Liabilities included in disposal groups classified as held for sale. The recalculation was carried out in accordance with the provisions of the relevant International Accounting Standard, IFRS 5, section 34.**

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[25] Text amended following the publication of the Supplement.

[26] Text amended following the publication of the Supplement.

[27] Text amended following the publication of the Supplement.

[28] Text removed following the publication of the Supplement.

[29] Text amended and tables added following the publication of the Supplement.

RECLASSIFIED INCOME STATEMENT

| *(in millions of Euros)* | 31 December 2015 (historical) | 31 December 2015 (recalculated) | 31 December 2016 (preliminary) (*) | *VAR (31 December 2015 (recalculated) vs. 31 December 2016 (preliminary) 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **11,916** | **10,922** | **10,307** | ***-5.6%*** |
| **Dividends and other income from equity investments** | **829** | **822** | **844** | ***2.6%*** |
| **Net commissions** | **7,848** | **5,519** | **5,458** | ***-1.1%*** |
| **Net revenue from trading** | **1,644** | **1,485** | **2,080** | ***40.0%*** |
| **Balance of other income/charges** | **166** | **118** | **112** | ***-5.1%*** |
| TOTAL REVENUE | 22,405 | 18,866 | 18,801 | *-0.3%* |
| **Personnel costs** | **(8,339)** | **(7,486)** | **(7,124)** | ***-4.8%*** |
| **Other administrative expenses** | **(5,159)** | **(4,750)** | **(4,900)** | ***3.2%*** |
| **Recovery of expenses** | **808** | **807** | **768** | ***-4.8%*** |
| **Adjustments of value on tangible and intangible fixed assets** | **(929)** | **(837)** | **(1,196)** | ***42.9%*** |
| OPERATING COSTS | (13,618) | (12,266) | (12,453) | *1.5%* |
| GROSS OPERATING MARGIN | 8,787 | 6,600 | 6,348 | *-3.8%* |
| **Net write downs of loans and provisions for guarantees and commitments** | **(4,114)** | **(3,991)** | **(12,207)** | ***n.m.*** |
| NET OPERATING PROFIT | 4,673 | 2,609 | (5,858) | *n.m.* |
| **Other charges and provisions** | **(1,585)** | **(1,447)** | **(2,078)** | ***43.6%*** |
| **Integration costs** | **(410)** | **(386)** | **(2,132)** | ***n.m.*** |
| **Net profits from investments** | **(6)** | **(27)** | **(910)** | ***n.m.*** |
| GROSS RESULT FOR CONTINUING OPERATIONS | 2,671 | 749 | (10,978) | *n.m.* |
| **Income tax for the period** | **(137)** | **98** | **(713)** | ***n.m.*** |
| SHAREHOLDERS' EQUITY FOR CONTINUING OPERATIONS | 2,534 | 848 | (11,691) | *n.m.* |
| **Profit (loss) on assets held for sale after taxes** | **(295)** | **1,377** | **630** | ***-54.3%*** |
| RESULT FOR THE PERIOD | 2,239 | 2,225 | (11,061) | *n.m.* |
| **Minorities** | **(352)** | **(352)** | **(464)** | ***31.9%*** |
| GROUP SHAREHOLDERS' EQUITY BEFORE PPA | 1,887 | 1,873 | (11,524) | *n.m.* |
| **Effects of PPA** | **(193)** | **(179)** | **(5)** | ***-97.1%*** |
| **Impairment of goodwill** | **0** | **-** | **(261)** | ***n.m*** |
| GROUP SHAREHOLDERS' EQUITY | 1,694 | 1,694 | (11,790) | *n.m* |

**Note: At 31 December 2016, according to accounting standard IFRS5, the assets and liabilities of Bank Pekao and PGAM and the businesses belonging to their subgroups following classification as Discontinued operations were recognised under the items: Non-current assets and groups of assets held for sale, and Liabilities included in disposal groups classified as held for sale. The comparison period was re-reported appropriately to allow comparability, based on current regulations.**

RECLASSIFIED BALANCE SHEET

| ***(in millions of Euros)*** | 31 December 2015 (historical) | 31 December 2015 (recalculated) | 31 December 2016 (preliminary) (*) | *VAR (31 December 2015 (recalculated) vs. 31 December 2016 (preliminary) 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| ASSETS | | | | |
| **Cash and cash equivalents** | **10,303** | **9,611** | **13,858** | *44.2%* |
| **Financial assets held for trading** | **90,997** | **89,995** | **87,467** | ***-2.8%*** |
| **Loans and receivables with banks** | **80,073** | **77,437** | **74,692** | ***-3.5%*** |
| **Loans and receivables with customers** | **473,999** | **445,382** | **444,607** | ***-0.2%*** |
| **Financial investments** | **152,845** | **147,634** | **149,004** | *0.9%* |
| **Hedging instruments** | **8,009** | **7,911** | **6,872** | *-13.1%* |
| **Property, plant and equipment** | **10,031** | **9,673** | **9,092** | *-6.0%* |
| **Goodwill** | **3,618** | **1,744** | **1,484** | *-14.9%* |
| **Other intangible assets** | **2,140** | **1,908** | **1,708** | *-10.5%* |
| **Tax assets** | **15,726** | **15,615** | **15,161** | *-2.9%* |
| **Assets and disposal groups classified as held for sale** | **2,820** | **44,576** | **45,854** | *2.9%* |
| **Other assets** | **9,872** | **8,948** | **9,735** | *8.8%* |
| Total – Assets | 860,433 | 860,433 | 859,533 | *-0.1%* |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| **Deposits from banks** | **111,373** | **110,333** | **103,852** | *-5.9%* |
| **Payables to customers** | **449,790** | **419,686** | **452,419** | *7.8%* |
| **Debt securities in issue** | **134,478** | **133,797** | **115,436** | *-13.7%* |
| **Financial liabilities held for trading** | **68,918** | **68,029** | **68,361** | *0.5%* |
| **Financial liabilities at fair value through profit or loss** | **455** | **455** | **2,497** | *449.1%* |
| **Hedging instruments** | **11,254** | **11,004** | **9,405** | *-14.5%* |
| **Provision for risks and charges** | **9,854** | **9,720** | **10,541** | *8.5%* |
| **Tax liabilities** | **1,528** | **1,428** | **1,399** | *-2.1%* |
| **Liabilities included in disposal groups classified as held for sale** | **1,880** | **35,985** | **35,869** | *-0.3%* |
| **Other liabilities** | **17,417** | **16,511** | **16,566** | *0.3%* |
| **Minorities** | **3,399** | **3,399** | **3,853** | *+13.4%* |
| **Group portion of shareholders' equity** | **50,087** | **50,087** | **39,336** | *-21.5%* |
| - ***capital and reserves*** | **48,315** | **48,336** | **51,881** | *7.3%* |
| - ***valuation reserves (assets held for sale – hedging of cash flows – on defined benefit plans)*** | **77** | **56** | **(755)** | ***-1448.2%*** |
| - ***net profit*** | **1,694** | **1,694** | **(11.790)** | ***-795.9%*** |
| Total liabilities in Shareholders' Equity | 860,433 | 860,433 | 859,533 | *-0.1%* |

**(*) Note: At 31 December 2016, according to accounting standard IFRS5, the assets and liabilities of Bank Pekao and PGAM and the businesses belonging to their subgroups following classification as Discontinued operations were recognised under the items: Non-current assets and groups of assets held for sale, and Liabilities included in disposal groups classified as held for sale. The comparison period was re-reported appropriately to allow comparability, based on current regulations.**

**The table that follows shows the main alternative performance indicators of the UniCredit Group at 31 December 2016. The alternative performance indicators listed below, with the exception of the rectified cost/income, are calculated based on 2016 Preliminary Data. The 2016 Preliminary Data were not subject to accounting audit and the rectified cost/income ratio was not examined by the Audit Firm[30].**

| ***Indicator*** | **31 December 2016** | **Definition** | **Notes** |
|---|---|---|---|
| ***Rectified cost/income*** | **61.1%** | **The ratio between operating expenses and operating income.** | **Cost / income ratio corrected for the temporary effect due to the classification of Pioneer pursuant to IFRS5 and from the impact on costs and revenues of the one-off components linked to the Strategic Plan (the cost / income ratio is equal to about 66.2% without considering the effects mentioned above).** |
| ***Non-rectified cost/income*** | **66.2%** | **The ratio between operating expenses and operating income.** | |
| ***CEE cost/income*** | **35.9%** | **The ratio between operating expenses and operating income.** | **CEE division only** |
| **Cost of risk** | **91 bps** | **The ratio between loan loss provisions and loans and receivables with customers.** | **Cost of risk adjusted for non-recurring components equal to Euro -8.1 billion in fourth quarter 2016, related to the Strategic Plan.** |

**The following tables contain the preliminary data of consolidated income statement at 31 December 2016 on division level, compared with the data at 31 December 2015 (“recalculated”)[31].**

***Commercial Banking Italy***

| *(in millions of Euros)* | 31 December 2015 (historical) | 31 December 2015 (recalculated) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **5,079** | **4,111** | **3,853** | ***-6.3%*** |
| **Dividends and other income from equity investments** | **-** | **63** | **95** | ***51.4%*** |
| **Net commissions** | **3,506** | **3,491** | **3,485** | ***-0.2%*** |
| **Net revenue from trading** | **32** | **31** | **57** | ***87.4%*** |
| **Balance of other income/charges** | **-28** | **-28** | **-52** | ***84.6%*** |
| TOTAL REVENUE | 8,590 | 7,668 | 7,438 | *-3.0%* |
| **Personnel costs** | **-2,728** | **-2,669** | **-2,645** | ***-0.9%*** |
| **Other administrative expenses** | **-1,898** | **-2,345** | **-2,317** | ***-1.2%*** |
| **Recovery of expenses** | **457** | **455** | **438** | ***-3.9%*** |
| **Adjustments of value on tangible and intangible fixed assets** | **-61** | **-62** | **-65** | ***4.9%*** |
| OPERATING COSTS | -4,231 | -4,620 | -4,589 | *-0.7%* |
| GROSS OPERATING MARGIN | 4,359 | 3,047 | 2,849 | *-6.5%* |
| **Adjustments on receivables** | **-1,208** | **-1,210** | **-1,978** | ***63.5%*** |
| NET OPERATING MARGIN | 3,151 | 1,838 | 870 | *-52.6%* |
| **Other charges and provisions** | **-277** | **-284** | **-386** | ***36.1%*** |
| **- of which systemic payments** | **-129** | **-129** | **-91** | **-30.0%** |
| **Integration costs** | **-485** | **-473** | **-971** | **105.4%** |
| **Net profits from investments** | **-15** | **-15** | **-44** | **187.1%** |
| PRE-TAX RESULT | 2,372 | 1,066 | -531 | -149.8% |
| RESULT FOR THE PERIOD | 1.552 | 718 | -582 | -181.0% |

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[30] The modified text and tables added after the publication of the Supplement.

[31] Text amended and charts added following the publication of the Supplement.

***Commercial Banking Germany***

| *(in millions of Euros)* | 31 December 2015 (historical) | 31 December 2015 (recalculated) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **1,687** | **1,691** | **1,473** | ***-12.9%*** |
| **Dividends and other income from equity investments** | **51** | **51** | **49** | ***-4.3%*** |
| **Net commissions** | **751** | **717** | **732** | ***2.1%*** |
| **Net revenue from trading** | **97** | **79** | **80** | ***1.7%*** |
| **Balance of other income/charges** | **114** | **114** | **125** | ***10.0%*** |
| TOTAL REVENUE | 2,701 | 2,652 | 2,460 | *-7.3%* |
| **Personnel costs** | **-1,168** | **-1,145** | **-1,058** | ***-7.6%*** |
| **Other administrative expenses** | **-831** | **-825** | **-806** | ***-2.3%*** |
| **Recovery of expenses** | **27** | **18** | **3** | ***-83.4%*** |
| **Adjustments of value on tangible and intangible fixed assets** | **-44** | **-44** | **-42** | ***-4.4%*** |
| OPERATING COSTS | -2,016 | -1,997 | -1,903 | *-4.7%* |
| GROSS OPERATING MARGIN | 685 | 655 | 556 | *-15.1%* |
| **Adjustments on receivables** | **-44** | **-44** | **44** | ***-199.6%*** |
| NET OPERATING MARGIN | 641 | 611 | 600 | *-1.7%* |
| **Other charges and provisions** | **-177** | **-177** | **-132** | ***-25.8%*** |
| **- of which systemic payments** | **-62** | **-62** | **-53** | ***-15.4%*** |
| **Integration costs** | **-74** | **-74** | **-301** | ***308.4%*** |
| **Net profits from investments** | **49** | **49** | **18** | ***-62.5%*** |
| PRE-TAX RESULT | 439 | 409 | 186 | *-54.5%* |
| RESULT FOR THE PERIOD | 433 | 413 | 120 | *-70.9%* |

***Commercial Banking Austria***

| *(in millions of Euros)* | 31 December 2015 (historical) | 31 December 2015 (recalculated) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **732** | **835** | **757** | ***-9.4%*** |
| **Dividends and other income from equity investments** | **171** | **171** | **126** | ***-26.5%*** |
| **Net commissions** | **620** | **606** | **595** | ***-1.9%*** |
| **Net revenue from trading** | **41** | **39** | **129** | ***228.4%*** |
| **Balance of other income/charges** | **20** | **18** | **18** | ***3.2%*** |
| TOTAL REVENUE | 1,583 | 1,669 | 1,624 | *-2.7%* |
| **Personnel costs** | **-763** | -718 | -661 | *-7.9%* |
| **Other administrative expenses** | **-549** | -591 | -559 | *-5.4%* |
| **Recovery of expenses** | **1** | **-1** | **0** | ***-100.0%*** |
| **Adjustments of value on tangible and intangible fixed assets** | **-23** | **-23** | **-15** | ***-35.3%*** |
| OPERATING COSTS | -1,335 | -1,332 | -1,235 | *-7.3%* |
| GROSS OPERATING MARGIN | 248 | 336 | 389 | *15.7%* |
| **Adjustments on receivables** | **-15** | **-12** | **-32** | ***158.6%*** |
| NET OPERATING MARGIN | 233 | 324 | 357 | *10.2%* |
| **Other charges and provisions** | **-195** | **-195** | **-272** | ***39.4%*** |
| **of which systemic payments** | **-135** | **-135** | **-146** | ***8.2%*** |
| **Integration costs** | **320** | **320** | **-361** | ***-212.6%*** |
| **Net profits from investments** | **-18** | **-18** | **-72** | ***306.9%*** |
| PRE-TAX RESULT | 340 | 431 | -348 | *-180.8%* |
| RESULT FOR THE PERIOD | 571 | 692 | -395 | *-157.0%* |

**Central Eastern Europe**

| ***(in millions of Euros)*** | 31 December 2015 (historical) | 31 December 2015 (recalculated) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **2,389** | **2,453** | **2,491** | ***1.5%*** |
| **Dividends and other income from equity investments** | **364** | **364** | **394** | ***8.4%*** |
| **Net commissions** | **718** | **789** | **800** | ***1.4%*** |
| **Net revenue from trading** | **330** | **376** | **417** | ***10.9%*** |
| **Balance of other income/charges** | **26** | **28** | **60** | ***111.2%*** |
| TOTAL REVENUE | 3,826 | 4,010 | 4,162 | *3.8%* |
| **Personnel costs** | **-703** | **-705** | **-708** | ***0.4%*** |
| **Other administrative expenses** | **-672** | **-679** | **-667** | ***-1.9%*** |
| **Recovery of expenses** | **1** | **0** | **0** | ***-2.9%*** |
| **Adjustments of value on tangible and intangible fixed assets** | **-107** | **-107** | **-121** | ***12.8%*** |
| OPERATING COSTS | -1,482 | -1,491 | -1,495 | *0.3%* |
| GROSS OPERATING MARGIN | 2,345 | 2,519 | 2,667 | *5.9%* |
| **Adjustments on receivables** | **-1,017** | **-1,016** | **-791** | ***-22.1%*** |
| NET OPERATING MARGIN | 1,327 | 1,503 | 1,876 | *24.8%* |
| **Other charges and provisions** | **-223** | **-172** | **-145** | ***-16.0%*** |
| **of which systemic payments** | **-155** | **-155** | **-133** | ***-14.2%*** |
| **Integration costs** | **-8** | **-8** | **-14** | ***63.0%*** |
| **Net profits from investments** | **-4** | **-4** | **-9** | ***110.1%*** |
| PRE-TAX RESULT | 1,092 | 1,319 | 1,709 | *29.6%* |
| RESULT FOR THE PERIOD | 494 | 723 | 1,408 | *94.7%* |

***Corporate & Investment Banking ("CIB")***

| ***(in millions of euro)*** | 31 December 2015 (historical) | 31 December 2015 (recalculated) (*) | 31 December 2016 (preliminary) (*) | *VAR (31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **2,278** | **2,450** | **2,318** | ***-5.4%*** |
| **Dividends and other income from equity investments** | **28** | **15** | **55** | ***256.7%*** |
| **Net commissions** | **604** | **639** | **614** | ***-4.0%*** |
| **Gains (losses) on financial assets and liabilities held for trading** | **819** | **843** | **1,238** | ***46.9%*** |
| **Balance of other income/charges** | **28** | **27** | **27** | ***-0.3%*** |
| BROKERAGE MARGIN | 3,757 | 3,974 | 4,252 | *7.0%* |
| **Personnel costs** | **-687** | **-690** | **-647** | ***-6.3%*** |
| **Other administrative expenses** | **-1,113** | **-1,082** | **-1,076** | ***-0.6%*** |
| **Recovery of expenses** | **44** | **4** | **3** | ***-3.9%*** |
| **Adjustments in value of tangible and intangible assets** | **-3** | **-3** | **-3** | ***16.1%*** |
| OPERATING COSTS | -1,759 | -1,772 | -1,723 | *-2.7%* |
| OPERATING PROFIT (LOSS) | 1,998 | 2,202 | 2,529 | *14.8%* |
| **Net adjustments to credits and provisions for guarantees and commitments** | **-31** | **-16** | **-595** | ***n.s.*** |
| NET RESULT OF OPERATIONS | 1,967 | 2,186 | 1,934 | *-11.5%* |
| **Other charges and provisions** | **-227** | **-228** | **-376** | ***64.7%*** |
| **- Of which systemic contributions** | **-140** | **-141** | **-118** | ***-16.5%*** |
| **Integration costs** | **-35** | **-35** | **-114** | ***226.5%*** |
| **Net profits from investments** | **-44** | **-44** | **-97** | ***121.3%*** |
| GROSS RESULT NET OF TAXES | 1,661 | 1,879 | 1,346 | *-28.3%* |
| RESULT FOR THE PERIOD | 1,212 | 1,374 | 1,176 | *-14.4%* |

***Asset Gathering***

| *(in millions of Euros)* | 31 December 2015 (historical) | 31 December 2015 (recalculated) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **245** | **240** | **249** | ***3.5%*** |
| **Dividends and other income from equity investments** | **0** | **0** | **0** | ***0.0%*** |
| **Net commissions** | **248** | **252** | **243** | ***-3.8%*** |
| **Net revenue from trading** | **54** | **54** | **69** | ***28.2%*** |
| **Balance of other income/charges** | **-3** | **-3** | **-2** | ***-25.6%*** |
| TOTAL REVENUE | 544 | 543 | 558 | *2.7%* |
| **Personnel costs** | **-75** | **-75** | **-74** | ***-1.8%*** |
| **Other administrative expenses** | **-233** | **-233** | **-228** | ***-2.0%*** |
| **Recovery of expenses** | **84** | **84** | **85** | ***1.2%*** |
| **Adjustments of value on tangible and intangible fixed assets** | **-9** | **-9** | **-10** | ***11.3%*** |
| OPERATING COSTS | -233 | -233 | -226 | *-2.6%* |
| GROSS OPERATING MARGIN | 311 | 311 | 332 | *6.7%* |
| **Adjustments on receivables** | **-7** | **-7** | **-4** | ***-37.4%*** |
| NET OPERATING MARGIN | 305 | 304 | 328 | *7.7%* |
| **Other charges and provisions** | **-16** | **-16** | **-10** | ***-36.5%*** |
| **- of which systemic payments** | **-5** | **-5** | **-9** | ***96.1%*** |
| **Integration costs** | **-1** | **-1** | **-6** | ***341.7%*** |
| **Net profits from investments** | **0** | **0** | **-7** | ***n.s.*** |
| PRE-TAX RESULT | 288 | 287 | 305 | *6.3%* |
| RESULT FOR THE PERIOD | 125 | 125 | 118 | *-5.0%* |

***Non-Core***

| *(in millions of Euros)* | 31 December 2015 (historical) | 31 December 2015 (recalculated) | 31 December 2016 (preliminary) (*) | *VAR 31 December 2015 (recalculated) vs. 31 December 2016 (preliminary)* |
|---|---|---|---|---|
| **Net interest** | **7** | **0** | **-173** | ***n.s.*** |
| **Dividends and other income from equity investments** | **-** | **0** | **0** | ***0.0%*** |
| **Net commissions** | **119** | **51** | **-66** | ***-228.2%*** |
| **Net revenue from trading** | **15** | **17** | **-5** | ***-127.3%*** |
| **Balance of other income/charges** | **-40** | **-40** | **-33** | ***-17.3%*** |
| TOTAL REVENUE | 101 | 28 | -276 | *n.s.* |
| **Personnel costs** | **-124** | **-124** | **-47** | ***-61.9%*** |
| **Other administrative expenses** | **-530** | **-172** | **-222** | ***28.6%*** |
| **Recovery of expenses** | **119** | **119** | **119** | ***0.3%*** |
| **Adjustments of value on tangible and intangible fixed assets** | **-1** | **0** | **0** | ***-60.3%*** |
| OPERATING COSTS | -536 | -177 | -150 | *-15.6%* |
| GROSS OPERATING MARGIN | -435 | -150 | -426 | *183.9%* |
| **Adjustments on receivables** | **-1,659** | **-1,674** | **-8,845** | ***428.5%*** |
| NET OPERATING MARGIN | -2,094 | -1,823 | -9,271 | *408.4%* |
| **Other charges and provisions** | **-147** | **-147** | **-85** | ***-42.4%*** |
| **of which systemic payments** | **-79** | **-79** | **-31** | ***-60.6%*** |
| **Integration costs** | **-9** | **-9** | **-16** | ***73.6%*** |
| **Net profits from investments** | **-2** | **-2** | **-10** | ***310.2%*** |
| PRE-TAX RESULT | -2.254 | -1,983 | -9,382 | *373.2%* |
| RESULT FOR THE PERIOD | -1.534 | -1,345 | -9,372 | *596.6%* |

**(*) Note: At 31 December 2016, according to accounting standard IFRS5, the assets and liabilities of Bank Pekao and PGAM and the businesses belonging to their subgroups following classification as Discontinued operations were recognised under the items: Non-current assets and groups of assets held for sale, and Liabilities included in disposal groups classified as held for sale. The comparison period was re-reported appropriately to allow comparability, based on current regulations.**

**B.10** **Description of the nature of any findings in the auditors' report relating to financial information about previous financial years**

Not applicable.

**B.11** **Declaration relating to the Issuer's working capital**

Pursuant to (EC) Regulation 809/2004 and on the basis of the definition of "working capital" - the means through which the UniCredit Group obtains the necessary liquid resources to satisfy the maturing bonds - in ESMA Recommendation 2013/319, the

| | |
|---|---|
| | Issuer believes that, at the Date of the Summary Note, the UniCredit Group has a suitable amount of working capital to satisfy its current requirements for a period of at least 12 months from the Date of the Summary Note. |

***Section C – Financial Instruments***

| | |
|---|---|
| **C.1** | **Description of the type and class of the New Shares**<br>The Offering involves a maximum of 1,606,876,817 New Shares with no par value, equivalent to 72.23% of the Post-Issue Amount of UniCredit Ordinary Share Capital and 72.22 % of the Post-Issue Amount of UniCredit Share Capital.<br>The New Shares will have standard dividend rights, and will therefore be equivalent to ordinary shares of UniCredit traded on the MTA, the regulated market of the Frankfurt Stock Exchange (General Standard segment) and the main market of the Warsaw Stock Exchange, on the date of issue.<br>Consequently, the New Shares will have coupon no. 2 onwards, and the ISIN code will be IT0005239360.<br>The Subscription Rights for subscription of the New Shares have been allocated ISIN code IT0005239311; the Subscription Rights are represented by coupon no. 1 for both the ordinary shares and savings shares. |
| **C.2** | **Issue currency of the New Shares**<br>The New Shares will be denominated in Euro. |
| **C.3** | **Subscribed and paid-up share capital**<br>At the Date of the Summary Note, the share capital of the Issuer, fully subscribed and paid-up totalled €20,846,893,436.94, divided into (i) 617,781,817 ordinary shares with no par value; and (ii) 252,489 savings shares with no par value, taking into account the grouping operation approved by the Extraordinary Shareholders' Meeting of 12 January 2017 and executed on 23 January 2017.<br>As at 31 December 2015, the Issuer's issued and fully paid-up share capital totalled €20,257,667,511.62, divided into (i) 5,967,177,811 ordinary shares with no par value; and (ii) 2,480,677 savings shares with no par value. |
| **C.4** | **Description of the rights attached to the New Shares**<br>The New Shares will have the same characteristics and will confer the same rights as ordinary shares of UniCredit traded on the MTA, the regulated market of the Frankfurt Stock Exchange (General Standard segment) and the main market of the Warsaw Stock Exchange, on the date they are issued.<br>Each New Share will confer the right to one vote.<br>Pursuant to Article 5 of the UniCredit Corporate By-Laws, no one having voting rights can exercise them, for an amount of Company shares of more than 5% of the share capital with voting rights. For the purpose of calculating this threshold, the total shareholding pertaining to the parent company, individual – legal entity or company – to all the direct or indirect subsidiaries and to the associated companies should be taken into account, as well as shares held through trustees and/or nominees and/or those for which the voting rights are allocated to any party other than the holder; on the other hand, it is not necessary to take into account shareholdings included in the mutual investment funds portfolio managed by subsidiaries or associated companies.<br>Savings shares issued by the Company do not confer any voting rights. |
| **C.5** | **Description of any restrictions on the free transferability of the New Shares**<br>There are no restrictions on the free transferability of the New Shares pursuant to the law, by-laws or resulting from the conditions of issue. |
| **C.6** | **Any applications for authorisation for trading on a regulated market**<br>The New Shares will be authorised for trading on the MTA, in the same way as the outstanding UniCredit ordinary shares.<br>The Rights Issue calls for the issuance of up to 1,606,876,817 New Shares which represent a maximum percentage of over 10% of the number of the Company's shares in the same class which have already been authorised for trading.<br>Therefore, pursuant to Article 57, paragraph 1, letter a) of the Issuers' Regulations, the Registration Document, Securities Note and Summary Note also constitute a Prospectus for the purposes of listing the New Shares resulting from the Rights Issue.<br>The New Shares will be traded on Borsa Italiana, automatically, in accordance with the provisions of Article 2.4.1 of the Stock Exchange Regulations, on the same market that the UniCredit ordinary shares are traded at the issue date.<br>For the purpose of obtaining authorisation for the trading of New Shares on the regulated market of the Frankfurt Stock Exchange (General Standard segment) and on the Warsaw Stock Exchange, the main market, UniCredit will present an appropriate application to the Frankfurt Stock Exchange and to the Warsaw Stock Exchange, respectively, pursuant to regulations currently in effect.<br>Trading of the New Shares on the regulated market of the Frankfurt Stock Exchange (General Standard segment) and on the main market of the Warsaw Stock Exchange will only begin following admission on the respective markets. |
| **C.7** | **Description of the dividends policy**<br>Pursuant to Article 32 of the Issuers' Corporate By-Laws, net income from the financial statements is destined as follows:<br>(a) to the reserve, a share of not less than 10%, provided that the amount of the reserve is equal to the legal maximum, the profit is allocated, as a priority, to the savings shares to the extent set out in letter (b) below;<br>(b) an amount up to five per cent of €63 per share is assigned to the savings shares; when a dividend of less than five per cent of €63per share has been allocated in a year, the difference is calculated as an increase in the preferred dividend in the next two financial years; the earnings remaining, after the allocation of the dividend to the savings shares, are distributed among all the shares so that an increased total dividend is applied to the savings shares, compared with the ordinary shares, to an extent equal to three per cent of the €63 per share;<br>(c) without prejudice to the above, regarding the increased total dividend attached to the savings shares, an amount up to 5% of €63per share is allocated to the ordinary shares. If the capital transactions change the ratio between the amount of share capital and shares issued, the amount set per share pursuant to letters (b) and (c) of this paragraph can be changed as follows; |

(d) the earnings which remain and which the Shareholders' Meeting resolves to distribute are shared between all the shares in addition to the allocations in (b) and (c) above;

(e) the Shareholders' Meeting decides on the destination of the earnings not distributed following the proposal of the Board of Directors.

Based on the Board of Director's proposal, the Shareholders' Meeting may grant to ordinary and savings shareholders the option to request that payment of the dividends indicated in items (b), (c) and (d) above, is to be settled, in full or in part, in cash or through the delivery of ordinary and/or savings shares (scrip dividend), with the same characteristics as ordinary shares outstanding on the assignment date. If the above option is granted, the Shareholders' Meeting shall, based on the Board of Director's proposal, determine the methods for calculating and assigning ordinary shares and establish the methods for settling payment of the dividend if the above option is not exercised by shareholders. It is understood that the priority on dividends provided on savings shares pursuant to item b) above is to be paid in cash unless otherwise instructed by the shareholder.

The Shareholders' Meeting, at the proposal of the Board of Directors, can also approve the creation and increase of extraordinary and special reserves to be also be taken from net profit prior to the distributions in letters (c), (d) and (e) above.

The Shareholders' Meeting, at the proposal of the Board of Directors, can allocate a share of the net profit for the period to corporate, welfare or cultural initiatives, to be developed according to the judgement of the Board of Directors itself.

The Issuer can also decide on the distribution of interim dividends where applicable, through the methods and limits permitted by existing legislation.

Also note that, in determining the distribution of the dividends, the Issuer is bound to comply with the "maximum distributable amount" laid down by the prudential regulations applicable and, specifically, by Article 141 of the CRD IV ("Limits to distributions"). Also, the ECB, through the Recommendation of 13 December 2016, required all banks to adopt dividend distribution policies that are based on conservative and prudent assumptions that allow them to maintain - at individual and consolidated level - conditions of capital adequacy consistent with the combination of risks assumed, suitable for facilitating alignment to the prudential requirements established by CRD IV and by the CRR and for guaranteeing the coverage of the internal capital levels calculated under the scope of the SREP. Pursuant to the Recommendation of 13 December 2016 (as referred to by the Regulatory Authority in the communication of 15 December 2016 addressed to UniCredit), in defining its dividends policy the Issuer should also take into account compliance with the fully phased capital ratios.

With reference to the financial year ended at 31 December 2016, under the scope of the UniCredit Group rationalisation process the business unit for the Central and Eastern European area ("CEE") of UCB Austria was transferred to the Issuer. The transaction was completed with legal effect from 1 October 2016 and with accounting and tax effects backdated to 1 January 2016.

Through the accounting of this transaction in the above way it is possible that if the consolidated values of the assets of the subsidiary business do not have sufficient capacity to absorb the cancellation difference in the previous paragraph, there could be a negative effect, possibly significant, on the separate shareholders' equity of the Issuer to cover other types of reserves and that could affect the capacity of the latter to distribute dividends.

Lastly, note that the 2016-2019 Strategic Plan involves no dividend being paid out for the year ended 31 December 2016, while an implicit pay-out of 20% is planned over the timeframe of the plan and a cash dividend policy with a dividend pay-out ratio of between 20% and 50%, without prejudice to the need for the necessary approval by the Ordinary Shareholders' Meetings.

## *Section D – Risks*

The risk factors relating to the activities of the Issuer, the sector in which it operates and the financial instruments offered are listed below.

**D.1** **Key information on the main risks that are specific and peculiar to the Issuer or its sector**

**Risks connected with the Strategic Plan**

On 12 December 2016, the Issuer's Board of Directors approved the 2016-2019 Strategic Plan which includes, among other things, a review of the business model. The actions set out in the Strategic Plan - specifically the Share Capital Increase and the measures aimed at improving the quality of the balance sheet assets - were prepared independently by the Issuer and were not part of a specific request by any Regulatory Authority.

Note that under the scope of the 2016 SREP, the ECB highlighted, among other things, the Issuers' low capital buffers compared with competitors and the G-SIB status, as well as the continuation of a weak level of profitability, due to both macro-economic factors and specific ("idiosyncratic") features of the Issuer's business, represented by low interest rates and slow economic recovery in key countries, a high level of net adjustments on loans in Italy and high operating costs in Austria and Germany, creating a structural weakness in the profitability of the commercial bank business model in Western European countries. In this regard, the actions underpinning the Strategic Plan are aimed, among other things, at mitigating the weaknesses of the UniCredit Group, also highlighted by the ECB at the end of the 2016 SREP, however at the Date of the Summary Note there is the risk that the effects of the Strategic Plan measures are not capable of adequately dealing with the weaknesses identified by the ECB. Note that with regard to this the ECB will evaluate all the actions undertaken by the Group to execute the Strategic Plan together with the further evaluations under the scope of this process.

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

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

The 2016-2019 Strategic Plan includes, *inter alia*, actions aimed at strengthening and optimising the capital structure of the UniCredit Group and includes capital objectives until 2019, drawn up assuming a particular macroeconomic scenario, as well as the implementation of dedicated actions, including the M&A Asset Sale Transactions and the Share Capital Increase. The Share Capital Increase, specifically, constitutes one of the main measures of the Strategic Plan and is aimed at enabling the Group's capital requirements to be maintained following the implementation of the measures in the Strategic Plan, as well as aligning these requirements with those of the major European competitors.

Specifically, note that from the implementation of the several of the Strategic Plan measures the following derive[32] (i) negative impacts on the capital buffers (Common equity tier 1 ratio, Tier1 ratio and Total capital ratio) and (ii) one-off negative impacts on the net financial result for the fourth quarter of 2016 for the UniCredit Group, equal to €12.2 billion in total, due, to a great extent, to the increase in the degree of cover on the portfolio of loans subject to sale under the scope of the "Fino Project" and the impaired loans of the "Porto Project". Taking into consideration the timings of the Strategic Plan measures ~~it is expected that~~ the negative impacts on the capital buffers ~~will be recorded~~ **were shown**[33] during the fourth quarter of 2016 while the Share Capital Increase and the completion of the Asset Sales Transactions in the process of execution at the Date of the Summary Note will be implemented in 2017. Therefore, in the execution of the Strategic Plan, as a result of the time lag between the above negative impacts and the execution of the Share Capital Increase as well as the completion of the Asset Sales Transactions in the process of being Executed, the Issuer **– as emerged on 9 February 2017 during** ~~anticipates that, at the latest, with~~ the approval of the **2016 Preliminary Data does** not **comply with** the prudential limits ~~of the Issuer~~ applicable both as at 31 December 2016 **(in terms of CET1 capital ratio)**[34] and from 1 January 2017, pursuant to the 2016 SREP. ~~These figures are expected to be approved by 9 February 2017, the date on which the *Financial Reporting – FinRep.* will be sent to the ECB.~~[35] Following the confirmation of the failure to comply with the capital requirements at 31 December 2016, the Issuer ~~will also be~~ **proceeded on 9 February 2017**, pursuant with applicable regulations, with reporting this situation to the ECB and sending the Regulatory Authority a capital strengthening plan (capital plan), which ~~will include~~ **includes**[36] the capital strengthening measures of the Strategic Plan which the market and the Regulatory Authority have already been notified of (specifically, the Share Capital Increase and the Asset Sales Transactions). In spite of the fact that capital strengthening measures set out in the Strategic Plan are suitable, in the opinion of the Issuer, to restore the capital requirement levels demanded by applicable regulations, the capital plan with remain subject to the evaluations and the approval of the ECB. Taking into consideration the failure to comply with the capital requirements applicable from 1 January 2017, it **is not**[37] ~~will not be~~ possible for the Issuer to proceed - until these capital requirements are met - with the distribution of dividends and the payment of coupons for the Additional tier 1 instruments and the variable remuneration of the Issuers' employees. Therefore, as failure to comply with the prudential limits is due to the time lag, if the Share Capital Increase is not subscribed or partly subscribed, the Issuer would not be able to pay the coupon relating to the Additional tier 1 instruments due in March 2017 and this would involve limitations on the dividend distribution policy (in this regard, note that the Strategic Plan already anticipates that no dividends will be distributed for the financial year ending 31 December 2016) as well as no variable remuneration for UniCredit Group employees. It is also anticipated, among other things, that the Asset Sales Transactions in the process of being Executed will not, on their own, be sufficient to allow the restoration of the applicable prudential limits, so the Issuer will need to seek recourse to other capital strengthening measures to reach the above prudential limits, with - in the case of failure - significant negative impacts on the operating results, capital and financial position of the Group as far as compromising the conditions for business continuity. In such an event, UniCredit could also be subject of interventions, even invasive, by the Supervisory Authority, in its management, such as the imposition of restrictions or limitations of the activity and/or the disposal of assets that may have excessive risks for the solidity of the Issuer. Finally, there is a risk that the Issuer may not able to meet the applicable capital requirements, even resorting to extraordinary measures other than those laid down in the Strategic Plan, it may be necessary to apply the resolution instruments referred to in L.D. No. 180 of 16 November 2015 which transposes the BRRD.

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

*Risks connected with the new perimeter of the UniCredit Group*

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

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

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[32] Text amended following the publication of the supplement.

[33] Text amended following the publication of the Supplement.

[34] Text amended following the publication of the Supplement.

[35] Text removed following the publication of the Supplement.

[36] Text amended following the publication of the Supplement.

[37] Text amended following the publication of the Supplement.

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

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

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

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

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

The assumptions at the base of the Plan Objectives could turn out to be inaccurate and/or such circumstances could not be fulfilled, or could be fulfilled only in part or in a different way, or could change during the course of the reference period of the Strategic Plan. The failure or partial occurrence of the assumptions or the positive effects anticipated as a result could lead to differences, including significant ones, compared with the forecasts in the Projected Data and mean they cannot be achieved, with consequent significant negative effects on the assets and the operations, balance sheet and/or income statement of the Issuer and/or the Group. Specifically, it is not possible to ensure that the Issuer and/or respective Group companies involved manage to implement the measures in the 2016-2019 Strategic Plan (including the actions which are a continuation of the previous business plan announced in November 2015). The failure or partial realisation of one or more of the plan measures could lead to differences, including significant ones, compared with the forecasts in the Projected Data and mean they cannot be achieved, with consequent negative effects on the assets and the operations, balance sheet and/or income statement of the Issuer and/or the Group.

**Risks connected with the inclusion of pro-forma data**

The Registration Document contains the pro-forma consolidated balance sheet, as at 30 September 2016 and as at 31 December 2015, the pro-forma consolidated income statement and cash flow statement for the financial position for the period ended 30 September 2016 and for the financial year ended 31 December 2015 (the "**Pro-Forma Consolidated Statements**"), and the relevant explanatory notes, prepared solely for the purposes of retroactively reflecting the significant effects of ~~the~~: (i) **the** M&A Asset Sale Transactions; (ii) actions aimed at improving the quality of assets; (iii) management actions aimed at capital strengthening; and **(iv) union agreements relating to the redundancies envisaged by the Strategic Plan,** as if they **had occurred**[38] in the period to which the aforementioned pro-forma data refer. The information contained in the Pro-Forma Consolidated Statements represents a simulation of the possible effects that could have arisen if the aforementioned transactions had taken place at the above-mentioned date and is provided purely for illustrative purposes. Therefore, there is the risk that, if the aforementioned transactions were actually carried out on the dates used as a reference for the preparation of the Pro-Forma Consolidated Statements, the same results that are represented in the Pro-Forma Consolidated Financial Statements would not necessarily have been obtained. Lastly, taking into consideration the different purpose of the pro-forma data compared with the historical financial statements and the different calculation methods with reference to the consolidated balance sheet, income statement and cash flow statement, the pro-forma statements should be read and interpreted separately from the historical data, without seeking accounting connections with this data and they could differ, even significantly, from the representation of the transactions in the UniCredit consolidated financial statements as at 31 December 2016 and in those which refer to subsequent periods.

**Credit risk and risk of credit quality deterioration**

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

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[38] Text amended following the publication of the Supplement.

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

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

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

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

*Loss Given Default (LGD)*

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

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

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

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

*Guidelines for estimating the PD and the LGD and for dealing with exposures at default*

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

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

**Risks connected with the sale of non-performing loans**

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

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

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

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

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

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

**Risks connected with capital adequacy**

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

The table below contains the indicators for Capital and the regulatory capital buffers of the Issuer, on a consolidated basis, as at 30 September 2016 (phase in), as at 31 December 2015 (phase in), as at 31 December 2014 (phase in) and as at 31 December 2013 (phase in). The parameters include the transitional adjustments in accordance with the regulatory percentages applicable at any given time.

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

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

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

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

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

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

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

**Lastly, note that during the approval by the Board of Directors of the preliminary data relating to the fourth quarter of 2016 and the preliminary data for the financial year ended 31 December 2016 (on an individual and consolidated basis) in the meeting held on 9 February 2017, the Issuer confirmed the failure to comply with (i) the CET1 capital ratio applicable as at 31 December 2016 and from 1 January 2017 ("OCR Requirements" and "OCR Requirements + Pillar 2 capital guidance"; (iii) the Tier 1 capital ratio applicable from 1 January 2017 ("OCR Requirements"); and (iii) the Total capital ratio applicable from 1 January 2017 ("OCR Requirements")[39].**

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

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

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

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[39] Text amended following the publication of the Supplement.

Note that the data in the consolidated financial statements as at 31 December 2016 will record considerable discontinuity, compared with the data as at 30 September 2016 (because a significant loss is anticipated for 2016 compared with the actual profit for the first nine months of 2016) indicated in the Condensed Interim Consolidated Financial Statements as at 30 September 2016~~, also as a result of the negative one-off impacts on the net result for the fourth quarter of 2016 of €13.2 billion, as estimated by the Issuer's Board of Directors on January 30, 2017~~. ~~Therefore, the Issuer expects to record a loss of approximately €11.8 billion, compared with an actual profit for the first nine months of 2016.~~[40]

**On 9 February 2017 the UniCredit Board of Directors approved, on an individual and consolidated basis, the preliminary data relating to the fourth quarter of 2016 and the preliminary data relating to the year ended on 31 December 2016 (the "2016 Preliminary Data"). The 2016 Preliminary Data show a loss - in line with the estimates at the Board Meeting of 30 January 2017 - equal to €11.8 billion, following an actual profit for the first nine months of 2016. It is also specified that, in terms of the management trend, the 2016 Preliminary Data present a reduction of the consolidated result from operations compared to the same parameter for 2015 determined on a comparable basis, equal to Euro 252 million, as a result of lower revenues, as well as an increase in operating costs[41].**

**Risks connected with the distribution of dividends**

The capacity of the Issuer to distribute dividends depends, *inter alia,* on the compliance of the provisions relating to the Maximum Distributable Amount (MDA), as defined on the basis of Article 141 of CRD IV, therefore, albeit in the presence of distributable profits pursuant to its statutory financial statements, the Issuer could not pay dividends in the case of failure to comply with these prudential regulatory provisions. **Specifically, taking into consideration the failure to comply with the capital requirements applicable from 1 January 2017, there are limits on the distribution of dividends by the Issuer[42].**

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

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

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

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

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

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

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

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

**Liquidity risk**

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

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

**Risks connected with Related-Party relations**

During the last three financial years and in the interim period ended 30 September 2016 the Group had relations with Related Parties. Although the Issuer has adopted procedures to ensure the oversight of matters relating to Related-Party transactions pursuant to the framework governing listed companies (Related-Parties Regulation), as well as with Associated Persons pursuant

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[40] Text removed following the publication of the Supplement.

[41] Text amended following the publication of the Supplement.

[42] Text amended following the publication of the Supplement.

to the New Prudential Supervisory Provisions and with banking representatives pursuant to Article 136 of the TUB, these transactions involve the typical risks associated with transactions that take place between parties belonging to or close to the Issuer and/or its decision-making structures which could compromise the objectivity and impartiality of the decisions relating to these transactions. These situations could: (i) involve inefficiencies in the process of allocating resources, (ii) expose the Issuer to risks that are not adequately measured or safeguarded; as well as (iii) causing potential damage to the actual Issuer or its various stakeholders.

**Risks related to intra-group exposure**

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

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

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

**Market risks**

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

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

*Risks connected with interest rate fluctuations*

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

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

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

*Risks connected with exchange rates*

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

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

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

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

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

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

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

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

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

**Risks relating to deferred taxes**

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

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

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

**Counterparty risk in derivative and repo transactions**

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

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

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

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

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

**Risks connected with existing alliances and joint ventures**

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

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

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

**Risks connected with operations conducted through structured credit products**

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

**Risks connected with the performance of the property market**

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

**Risks connected with pensions**

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

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

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

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

Lastly, in the light of the regulatory developments involving the adoption of internal models, it will probably be necessary to revise some models to ensure that they conform in full to the new regulatory requirements. For the specific segments currently managed through internal models it may also be necessary to impose the adoption of the standardised approach, also being reviewed at the

Date of the Summary Note. The new regulatory features, which involve the entire banking system, could therefore involve changes to capital measures, but they will, however, come into force after the time horizon of the 2016-2019 Strategic Plan.

**Operating risks**

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

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

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

**Risks relating to IT system management**

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

**Risks connected with non-banking activities**

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

**Risks connected with legal proceedings in progress and regulatory authority measures**

*Risks connected with legal proceedings in progress*

At the Date of the Summary Note, there are numerous legal proceedings pending in relation to the Issuer and other companies belonging to the UniCredit Group. As at 30 September 2016, the UniCredit Group had around €601 million of provisions for risks and charges to cover the liabilities that may arise from the pending cases in which it is a defendant (not including labour law, tax or debt recovery cases). As at 30 September 2016, the total amount claimed with reference to various legal proceedings excluding labour law, tax cases and credit recovery actions was approximately €11,839 million. This figure equally reflects the inconsistent nature of the pending disputes and the large number of different jurisdictions, as well as the specific circumstances in which the UniCredit Group is involved in counterclaims. As far as disputes relating to employment law are concerned, the total amount claimed as at 30 September 2016 stood at €481 million and the related risk provision, at that date, stood at €18 million.

Although the Group has set aside a provision for any liabilities and costs that could result from the judicial proceedings that are pending, it is not possible to rule out that - as a result of the significant underlying legal items involved in the decisions - this provision may not, in the future, be sufficient to entirely meet the legal costs and the fines and penalties that may result from pending legal actions and/or that the Group could, in the future, be obliged to deal with expenses from claims for compensation and refunds not covered by the provisions, with possible negative effects, including significant ones, on the operating results and capital and financial position of the Issuer and/or the Group. In addition, any unfavourable outcomes for the UniCredit Group in the disputes in which it is involved - specifically those with a greater media impact - or the emergence of new disputes could have reputational impacts, including significant ones, on the UniCredit Group, with possible consequent negative effects on the assets and the operations, balance sheet and/or income statement of same.

*Risks connected with Regulatory Authority measures*

During the course of its normal activities, the UniCredit Group is subject to an articulated regulation and supervision by the various regulatory authorities, each for their respective aspects of competence. In the exercise of supervisory powers, the ECB, the Bank of Italy, CONSOB and the other supervisory authorities submit, even on a periodic basis, the UniCredit Group to inspections, which could lead to: requests for organisational measures to strengthen the safeguards aimed at remedying any shortcomings that may be discovered, with possible negative effects on the economic and financial situation of the Group. The entity of these effects could determine the launching of disciplinary proceedings against representatives of the company and/or Group companies, with possible negative effects on the operating results and capital and financial position of the Group.

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

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

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

**Risks arising from tax disputes**

At the Date of the Summary Note, there are various tax-related proceedings pending with regard to the Issuer and other companies belonging to the UniCredit Group, as well as tax inspections by the competent authorities in the various countries in which the Group operates. Specifically, as at 30 September 2016 there were 734 tax disputes involving counterclaims pending with regard to the Issuer and other companies belonging to the UniCredit Group "Italian" perimeter, net of disputes settled, for a total value of €480.4 million.

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

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

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

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

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

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

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

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

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

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

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

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

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

**Risks connected with Alternative Performance Indicators (APIs)**

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

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

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

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

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

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

**Risks connected with operations in the banking and financial sector**

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

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

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

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

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

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

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

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

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

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

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

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

**Risks connected with support measures for system liquidity**

The financial markets crisis has meant that governmental authorities and national central banks the world over have had to take action to support short-term liquidity needs. These forms of financing were made technically possible where supported by the provision of securities in guarantee considered suitable by the various central institutions. It is not possible to predict the duration and intensity with which these liquidity support operations can be repeated in the future, with the result that there is a risk of a reduction, or even the cancellation of this support. This would result in the need for banks to seek alternative sources of borrowing, without ruling out the difficulties of this search as well as the risk that the related costs could be higher. The situation described could therefore have a negative impact on the assets, operating results and capital and financial position of the Issuer and/or the Group. Moreover, in spite of the positive impacts of these operations to support liquidity in the macro-economic context, there is a risk that an expansionary monetary policy (including, specifically, quantitative easing) would have an effect on keeping interest rates, currently already negative for short and medium-term due dates, at minimum levels for all major due dates, with consequent negative effects on the profitability of the Bank, as well as on the operating results and capital and financial position of the Bank and/or the Group.

**Risks connected with the political and economic decisions of European Union and Eurozone countries and the United Kingdom leaving the European Union (Brexit)**

On 23 June 2016, the United Kingdom voted, in a referendum, to leave the European Union ("Brexit"). The result of this referendum created significant uncertainties with regard to the political and economic prospects of the United Kingdom and the European

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| | Union. The possibility of the United Kingdom leaving the European Union and the possibility of other countries in the European Union also holding a similar referendum or one on adopting an alternative currency could have significant negative impacts on international markets including, further falls in the stock market indices, a fall in the value of the sterling, an increase in exchange rates between the sterling and the Euro and/or greater volatility in the markets, in general, due to situations of greater uncertainty, with possible negative consequences on the operating results and the capital and financial position of the Issuer and/or the Group. A break-up of the Eurozone could be accompanied by a deterioration of the economic and financial context of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in granting sovereign loans and loans to businesses and involving considerable changes to financial activities both at market and retail level. This situation could therefore have a significant negative impact on the operating results and capital and financial position of the Issuer and/or the Group. |
| **D.3** | **RISK FACTORS RELATING TO THE OFFER AND TO THE FINANCIAL INSTRUMENTS OFFERED**<br>**Risks associated with the estimates for the year ended 31 December 2016, the publication of the 2016 preliminary data and the absence of financial information subject to audit for the financial year 2016**<br>The Registration Document, as supplemented, contains some estimates of the preliminary consolidated results of the Group for the year ended 31 December 2016, examined by the Board of Directors of the Issuer on 30 January 2017, which have not been audited. The Estimates show, in particular, a net loss of approximately €11.8 billion, which is expected to be recorded at 31 December 2016, compared with a net profit expected for the first nine months of 2016. The financial information that will be recorded in the consolidated financial statements of the UniCredit Group as at 31 December 2016 may be subject to changes on the Estimates, in particular as a result of (i) events that occurred before 31 December 2016, but reported after the approval of the Estimates; or (ii) events that occurred after 31 December 2016 and after the approval of the Estimates, which must be reported for the purposes of preparation of the consolidated financial statements as at 31 December 2016 in accordance with the provisions of International Accounting Principles. The estimates cannot be taken as a reference of indication for the future performances of the Issuer and/or the UniCredit Group. Investors are therefore invited, when formulating their investment strategies, not to rely unduly on the Estimates when making any investment decisions.<br>~~Also note that at the date of the Summary Note, o~~**O**n 9 February 2017, **the Issuer's Board of Directors approved** ~~will approve the preliminary data for the year ended 31 December 2016 (the "**2016 Preliminary Data**")~~ **the 2016 Preliminary Data** also for the purpose of European Union harmonised, consolidated regulatory reporting (FINancial REPorting – FINREP) pursuant to the applicable (ITS) binding implementation technical standards. **The 2016 Preliminary Data confirmed the Estimates, highlighting a loss equal to €11.8 billion which is expected to be recorded at 31 December 2016. Note that the 2016 Preliminary Data was not audited[43].**~~The 2016 Preliminary Data will be included in a supplement to the Prospectus to be prepared pursuant to Article 94, paragraph 7 of the TUF and it will be published during the Subscription Period, after CONSOB's approval..~~<br>Also note that at the Date of the Summary Note, there are plans for the separate draft financial statements of UniCredit and the consolidated financial statements of the UniCredit Group for 2016, which will be audited by the External Auditors to only be approved by the Board of Directors after the closing of the Share Capital Increase.<br>**Risks associated with the liquidity and volatility of the New Shares**<br>The New Shares carry the typical risks attached to any such investment in listed equity securities. The holders of New Shares have the option to liquidate their investment by selling the shares on the relevant markets. However, the shares may be affected by problems of liquidity since the sales proposals may not immediately find willing counterparties for their purchase. Also note how numerous factors could generate significant fluctuations in the price of UniCredit shares. Furthermore, in recent years, price trends and trading volumes on the equity markets have been somewhat volatile. The resulting fluctuations have had, and could have in the future, a negative impact on the market price of UniCredit shares, which may also affect the Subscription Rights, irrespective of the actual values that the UniCredit Group is capable of achieving in terms of its operating results and capital and financial position.<br>**Risks associated with the performance of the Subscription Rights market**<br>The Subscription Rights for the New Shares which are the subject of the Offering can be traded: (i) from 6 February 2017 to 17 February 2017 inclusive on the MTA; and (ii) from 8 February 2017 to 17 February 2017 inclusive on the Warsaw Stock Exchange. However, the Subscription Rights may be affected by problems of liquidity unrelated to the Issuer or the number of these rights, as the requests for sale may not find a sufficient number of counterparties in a timely manner. The Subscription Period for the New Shares will start on 6 February 2017 in Italy and Germany and on 8 February 2017 in Poland and it will end on 23 February 2017 inclusive. in Italy and Germany, while it is foreseen to start on 8 February 2017 and end on 22 February 2017, with both dates included, in Poland. In the event of failure to sell the Subscription Rights on the market within the term of negotiation of the same (i.e., by 17 February 2017) and/or failure to exercise them by the end of the relevant Subscription Period (i.e., by 23 February 2017 in Italy and Germany and by 22 February 2017 in Poland), the Issuer's shareholder will forfeit the right to exercise and/or sell all Subscription Rights that remain unexercised and/or unsold on the market at that date, without receiving any compensation, refund of expenses or economic benefit of any kind.<br>**Risks associated with subscription and underwriting commitments and the partial execution of the Share Capital Increase**<br>On 1 February 2017 the issuer and the Underwriters have signed the Underwriting Contract. The Underwriting Contract, regulated by Italian law, contains among other things, the commitment to subscribe separately and without joint and several liability any New Shares which have not been exercised at the end of the Market Offering, up to a total of €13 billion, as well as the usual clauses which condition the effectiveness of the agreement obligations (relating, in line with market practice in similar transactions, to the Underwriters obtaining the comfort package from the Company and the consultants involved) or give the Underwriting Joint Global Coordinators the right of withdrawal from the agreement, also on behalf of the other Underwriters. If an event referred to in the Underwriting Agreement takes place, the Underwriting Joint Global Coordinators exercise their right, including on behalf of the other Underwriters, to withdraw from the agreement and, upon the outcome of the Offer, the Share Capital Increase is not subscribed |

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[43] Text amended following the publication of the Supplement.

or only partially subscribed, the Issuer would not be able to comply with the capital requirements set forth by prudential regulations, which could have a negative impact on the financial and capital position of the Issuer and/or the Group.

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

Taking into consideration that the New Shares are offered as an option to the Issuers' shareholders in proportion to the number of shares owned, there are no dilutive effects resulting from the Share Capital Increase in terms of percentage holdings in the overall share capital with regard to the shareholders of the Issuer who decide to fully subscribe the Offer to the extent to which they are entitled to. If the Subscription Rights are not exercised in full and the Share Capital Increase is fully subscribed, the shareholders who do not subscribe for the portion pertaining to the shares they already own will be subject to dilution of their holdings, as a percentage of the share capital, of a maximum of 72.22%.

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

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

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

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

With the exception of the above, the Registration Document, the Securities Note and the Summary Note do not constitute an offer of financial instruments in the United States of America, in Canada, Japan or Australia, except for waivers, or in any other country in which this offer is not authorised without the approval of the competent authorities, or without exemption from the applicable laws and regulations.

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

The New Shares subscribed by the end of the Subscription Period will be credited to the accounts of intermediaries belonging to the centralised Monte Titoli management system at the end of the accounting day of the last day of the Subscription Period in Italy and Germany and will therefore be available from the next settlement date. However, consideration should be taken of the fact that, due to the different registration methods for the New Shares applicable at the systems for the centralised transfer of shares in Germany and Poland, in these countries the New Shares could be made available to the entitled parties later than the above-mentioned times.

**Risks associated with potential conflicts of interest**

Several relations between UniCredit and the Underwriters could present conflicts of interest with regard to the subscription commitments for any New Shares not taken up at the end of the auction for rights not taken up and, with regard to the commitments undertaken under the scope of the Pre-Underwriting Agreements, on the basis of which the Underwriting Joint Global Coordinators, the Co-Global Coordinators and the other Joint Bookrunners will receive the fees. In addition, with regard to the commitments pursuant to the Underwriting Agreement, the Underwriters will receive fees as a percentage of the number of New Shares. Note that the Underwriters, their subsidiaries or associate companies (i) claim or could claim credit relations, secured or unsecured, with UniCredit, companies which are part of and/or sponsored by the UniCredit Group and/or with the shareholders of the latter, (ii) provide, have provided or could provide consulting or investment banking services to UniCredit, UniCredit Group companies and/or shareholders of the latter, (iii) hold or could hold, on their own account or on behalf of their clients, stakeholdings in the share capital or other securities of UniCredit, UniCredit Group companies and/or shareholders of the latter, (iv) are or could be issuers of financial instruments connected with UniCredit or other financial instruments issued by UniCredit, (v) have stipulated or could stipulate with UniCredit, with companies that are part of the UniCredit Group and/or with the shareholders of the latter, distribution agreements for the financial instruments issued, established or managed by them; (vi) are or could be counterparties of UniCredit with regard to derivative financial instruments, repos, securities lending, trade finance transactions, clearing agreements or, in general, a series of financial transactions which create or could create a credit or financial exposure to UniCredit or vice versa and (vii) in the context of the transactions in point (viii) hold or could hold collateral guaranteeing UniCredit bonds and/or have the possibility of offsetting the value of these guarantees ("collateral") against the sums due from UniCredit when these transactions are cancelled. The Underwriters, their subsidiaries or associate companies, have received, are receiving or will be able to receive commission and/or fees with regard to these services, agreements and transactions. Also note that the Underwriters, their subsidiaries or associate companies, when carrying out their ordinary activities may grant loans, stipulate financial agreements, including margin loans and hedging activities, or enter into financial agreements involving derivatives and/or collars with one or more parties interested in participating in the Rights Issue, including UniCredit shareholders who intend to subscribe the New Shares and, in connection with these transactions, may also request the provision of guarantees in relation to UniCredit shares.

Also, UniCredit Bank AG, Milan Branch, is a company that is part of the UniCredit Group which could present conflicts of interest because (i) under the scope of the services provided to UniCredit and/or to companies which are part of the UniCredit Group. Also note that, at the Date of the Summary Note, UniCredit is a shareholder of Mediobanca – Banca di Credito Finanziario S.p.A. ("**Mediobanca**"). UniCredit is also a party to the Mediobanca shareholders' agreement which runs until 31 December 2017.

**Risks connected with collections at source to be paid by parties not resident for tax purposes in Italy**

In certain conditions, Italian tax regulations involve the application of a collection at source in relation to certain income (dividends and capital gains) received by parties non-resident for tax purposes; this collection can be reduced through certain Italian rules, as well as through the application of international treaties on double taxation concluded by Italy. Because of the effects of Italian regulations or the above-mentioned treaties, this collection, when only reduced and not cancelled, could create double taxation situations pertaining to parties non-resident in Italy for tax purposes; specifically, the situations in question could result, in the

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| | respective countries of tax residency, when the Italian tax applied at source could not be credited, or could only partly be credited, to reduce the tax due in the country of residency for tax purposes based on locally applicable regulations. Therefore investors are invited to take these circumstances into account when making an investment in the shares of the Issuer and to consult their advisors about the correct applicable tax regime. |

***Section E - Offer***

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| **E.1** | **Net total proceeds and estimate of total expenses related to Offering**<br>The net proceeds from the Rights Issue are estimated to be about €12.5 billion.<br>The total amount of expenses may be up to about €500 million including consulting expenses, out-of-pocket expenses and underwriting fees calculated at the highest level. |
| **E.2a** | **Reasons for the Offering and use of the proceeds**<br>The Capital Increase is one of the core actions of the 2016-2019 Strategic Plan. The Rights Issue, with several other actions included in the 2016-2019 Strategic Plan, is designed to allow the maintenance of the capital requirements of the Group following the implementation of actions of the Strategic Plan and to align these requirements with those of the best Global Systemically Important European Institutions -"G-SII Europe", where the average (fully loaded) CET1 ratio was 13.1% based on the published quarterly data as at 30 September 2016.<br>The Share Capital Increase is aimed at enabling UniCredit to withstand the negative impacts of some of the actions in the Strategic Plan, specifically:<br>(a) dealing with a proactive reduction of the risk of balance sheet assets, specifically connected to the Italian loan portfolio (including credit underwriting activity going back to the years before the financial crisis), through the accounting of net adjustments on receivables from the change in approach concerning the new management strategy for impaired loans and the anticipated sale of a portfolio of impaired loans through a securitisation transaction, estimated at €8.1 billion;<br>(b) absorbing the accounting of integration costs for a total amount of approximately €1.7 billion net of tax effects, aimed at funding the exit from the Group of approximately 5,600 employees through a combination of early retirement and incentivised departure plans; and<br>(c) dealing with several write-downs on balance sheet asset items for a total estimated amount equal to €1.4 billion.<br>In addition, according to the Strategic Plan, the Group intends to strengthen its capital ratios, including the (fully loaded) Common Equity Tier 1 ratio, which, as at 30 September 2016, stood at 10.8% bringing it to over 12.5% in 2019. In this regard note that the contribution of the Share Capital Increase in terms of the CET1 ratio was estimated at 345 basis points at 30 September 2016 and is aimed, among other things, at offsetting the negative impacts in terms of the CET1 ratio from the "Fino Project" and the "Porto Project" (from which there is a decrease of 223 basis points). **Based on the 2016 Preliminary Data, the contribution of the Capital Increase in terms of CET1 ratio is expected to be positive and equal respectively to approx. 3,34% for *CET1 ratio* (*phase in*) and to 3.61% for CET1 ratio (*fully loaded*) and therefore it is sufficient by itself to restore the respect of all asset requirements, which dropped below the regulatory limits as a result of the actions included in the Strategic Plan. Note in this regard that, based o the 2016 Preliminary Data, if the Share Capital Increase is fully subscribed, the UniCredit Group's (fully loaded) CET1 ratio will stand at 11.15%** [44]**.**<br>~~In consideration of the above~~ **For the sake of completeness it is also hereby specified that** the pro-forma CET1 ratio as at 30 September 2016 was **13.21**%, taking into consideration - in addition to the impacts described in the previous paragraphs - the positive effects as a result of the following transactions: (i) the sale of Bank Pekao (+58 basis points); (ii) the sale of almost all the assets of PGAM (+91 basis points); (iii) the accelerated bookbuilding of FinecoBank (+12 basis points); (iv) the transfer of PJSC Ukrsotsbank (+6 basis points); and (v) the sale of Immo Holding (+2 basis points) **as well as the negative effects of the staff termination incentive plans (-50 basis points)**[45].<br>~~It is hereby specified that, even with the additional non-recurrent write-downs that the Issuer's Board of Director held on 30 January 2017, took under consideration when drafting the consolidated results for 2016, the Strategic Plan Provisional Data remain unchanged (including the CET1 ratio target indicated in the previous paragraphs), because the majority of the impacts of the one-off entries mentioned were already included in the Projected Data~~[46]~~.~~<br>The liquidity from the Share Capital Increase, aimed at strengthening and optimising the capital structure of the Group increasing the regulatory capital buffers in particular, will, in the short-term, be used, on the one side to reduce net deposits in repos made by the Issuer on the market and, on the other side, it will be used in money market instruments.<br>In the medium-terms, this permanent source of funding will also partly be used to support the anticipated development of commercial activities. |

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[44] Text amended following the publication of the Supplement.

[45] Text amended following the publication of the Supplement.

[46] Text cancelled following the publication of the Supplement.

**E.3** **Terms and conditions of the Offer**

*Characteristics and amount of the Offer*

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

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

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

*Calendar of the Offer and recipients*

The table below shows the timetable for the Offering.

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

Within the month following the expiry of the Subscription Period in Italy and Germany, the Issuer will offer any unexercised Subscription Rights on the MTA for at least five days that the market is open (unless the Subscription Rights have already been sold in full) - pursuant to Article 2441, paragraph 3 of the Civil Code. The schedule for the transaction is approximate and could be modified upon the occurrence of events and situations beyond the Issuer's control, including specific conditions of volatility in financial markets, which could impair the success of the Offering.

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

The intermediaries shall be required to give the relevant instructions to Monte Titoli by 14.00 (Italian time) on the last day of the Subscription Period in Italy and Germany. Each subscriber must therefore submit their subscription application subject to the conditions and timeframe communicated to them by their intermediary, to ensure compliance with the above deadline. To this end, subscribers may need to submit their subscription applications sufficiently in advance of the above deadline. Participations in the Offer in Poland must take place within the Subscription Period in Poland and subsequently announced to Monte Titoli by 14:00 hours (Italian time) on the last day of the Subscription Period in Italy and Germany.

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

**E.4** **Significant interests of individuals and legal entities participating in the Offering, including any conflicts of interest**

Several relations between UniCredit and the Underwriters could present conflicts of interest with regard to the subscription commitments for any New Shares not taken up at the end of the auction for rights not taken up and, with regard to the commitments undertaken under the scope of the Pre-Underwriting Agreements, on the basis of which the Underwriting Joint Global Coordinators, the Co-Global Coordinators and the other Joint Bookrunners will receive the fees. In addition, with regard to the commitments pursuant to the Underwriting Agreement, the Underwriters will receive fees as a percentage of the number of New Shares. Note that the Underwriters, their subsidiaries or associate companies (i) claim or could claim credit relations, secured or unsecured, with UniCredit, companies which are part of or sponsored by the UniCredit Group and/or with the shareholders of the latter, (ii) provide, have provided or could provide consulting or investment banking services to UniCredit, UniCredit Group companies and/or shareholders of the latter, (iii) hold or could hold, on their own account or on behalf of their clients, stakeholdings in the share capital and/or other securities of UniCredit, UniCredit Group companies and/or shareholders of the latter, (iv) are or could be issuers

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| | of financial instruments connected with UniCredit or other financial instruments issued by UniCredit, (v) have stipulated or could stipulate with UniCredit, companies that are part of the UniCredit Group and/or with the shareholders of the latter, distribution agreements for the financial instruments issued, established or managed by them; (vi) are or could be counterparties of UniCredit with regard to derivative financial instruments, repos, securities lending, trade finance transactions, clearing agreements or, in general, a series of financial transactions which create or could create a credit or financial exposure to UniCredit or vice versa and (vii) in the context of the transactions in point (viii) hold or could hold collateral against UniCredit's obligations and/or are able to offset the value of such collateral against the sums due from UniCredit when these transactions are cancelled. The Underwriters, their subsidiaries or associate companies, have received, are receiving or will be able to receive commission and/or fees with regard to the provision of these services, the conclusion of such agreements and transactions. Also note that the Underwriters, their subsidiaries or associate companies, when carrying out their ordinary activities may grant loans, stipulate financial agreements, including margin loans and hedging activities, or enter into financial agreements involving derivatives and collars with one or more parties interested in participating in the Rights Issue, including UniCredit shareholders who intend to subscribe the New Shares and, in connection with these transactions, may also request the provision of guarantees in relation to UniCredit shares.<br>UniCredit Bank AG, Milan Branch, a company that is part of the UniCredit Group which acts together with Morgan Stanley & Co. International plc and UBS Limited as a Structuring Advisor and as Joint Global Coordinator, could present conflicts of interest because within the scope of its capacity in the context of the Offering: (i)will receive fees, (ii) it provides, has provided or may provide consulting or investment banking services to UniCredit and/or to companies which are part of the UniCredit Group and/or shareholders of the latter, with regard to which it has received, is receiving or may receive fees (iii) has stipulated or could stipulate with UniCredit, companies that are part of the UniCredit Group and/or with the shareholders of the latter, distribution agreements for the financial instruments issued, established or managed by them and/or (iv) it could be the issuer of financial instruments connected with UniCredit. UniCredit Bank AG, Milan Branch, has received, is receiving or may receive commission and/or fees with regard to the provision of these services, the conclusion of such agreements and transactions.<br>Also note that, at the Date of the Summary Note, UniCredit is a shareholder of Mediobanca with a stake of 8.54% of its share capital. UniCredit is also a party to the Mediobanca shareholders' agreement which runs until 31 December 2017, aimed at ensuring the stability of the shareholding structure of Mediobanca and which, in conformity with applicable internal and external regulations, defines the methods through which members of the agreement express the lists of candidates for Mediobanca boards of management. Finally, it is noted that by way of the agreements signed under the scope of the issue of the CASHES which can be converted into UniCredit shares, at the Date of the Summary Note, Mediobanca holds the bare ownership of 9,675,640 UniCredit ordinary shares with UniCredit holding the right of usufruct, which is pledged to Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A., the fiduciary bank acting on behalf of the owners. Mediobanca is also a Related Party of UniCredit. |
| **E.5** | **Placement agents and subscription agreements / Lock-up agreements**<br>There are no vendor shareholders under the scope of the Offering. The New Shares are offered directly by the Issuer.<br>Under the scope of the Underwriting Agreement, in line with what was agreed in the Pre-Underwriting Agreements, also on behalf of subsidiaries and associate companies, UniCredit has undertaken the commitment with regard to the Joint Global Coordinators, also on behalf of the other Underwriters, from the signing of the Underwriting Agreement and until the 180th day from the closing date of the Rights Issue, not to carry out the following, without the prior written consent of the majority (in terms of numbers) of the Joint Global Coordinators, which cannot be reasonably withheld: (i) directly or indirectly, transactions involving the issuing, offering or sale, deeds of settlement, granting of pledges, liens or other collateral, granting or options or transactions involving the allocation or transfer to third-parties, in any way or in any form, of the Company's shares (including the public announcement of the above-mentioned transactions); (ii) swap agreements or other derivative contracts (both cash and physically settled), which have the same effects, even only economic ones, for the transactions listed below; and (iii) share capital increases or the issuing of convertible bonds, which are exchangeable or other instruments which are convertible or exchangeable into shares of the Issuer.<br>The above commitments do not apply to issues of the Issuers' shares resulting from: (i) the Rights Issue, (ii) existing management and employee incentive plans or those which will be approved; (iii) the conversion of convertible or exchangeable instruments already issued at the Date of the Summary Note pursuant to the Issuers' By-Laws or from the transactions in the Strategic Plan, including any issues of additional tier 1 instruments or other instruments which are calculated under own funds; (iv) any nominal increase in the share capital; and (v) any transaction carried out at the request of any competent authority or in order to adapt to the requirements laid down by applicable regulations. The commitments in the previous paragraph also exclude ordinary transactions involving UniCredit shares implemented by the Issuer or by other UniCredit Group companies on behalf of their customers. |
| **E.6** | **Immediate dilution of the Offering**<br>The New Shares are offered as an option to the Issuers' shareholders, therefore there are no dilutive effects resulting from the Share Capital Increase in terms of percentage holdings in the overall share capital with regard to the shareholders of the Issuer who decide to fully subscribe the Offer to the extent to which they are entitled to.<br>If the Subscription Rights are not exercised in full and the Rights Issue is fully subscribed, the shareholders who do not subscribe for the portion pertaining to the shares they already own will be subject to dilution of their holdings, as a percentage of the share capital, of a maximum of 72.22%.<br>With regard to holders of savings shares, the allocation of the right to subscribe for ordinary shares generates a dilutive effect on the holdings of holders of ordinary shares, which, moreover, in light of the small quantity of savings shares existing at the Date of the Summary Note, will not be significant.<br>Specifically, if the savings shares of the New Shares that shareholders are entitled to are fully subscribed, the holdings of ordinary shareholders will be subject to a maximum dilution, in percentage terms of the ordinary share capital, of 0.03%. |
| **E.7** | **Estimated expenses charge to the investor by the Issuer**<br>The Issuer has not stipulated any charge or incidental expense to be paid by those participating in the Offering. |

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