

Unlock your potential

**3. Elimination of negative reserves for
the components not subject to change
by means of their definitive coverage**

Directors' Report

8 April 2022

Ordinary part Shareholders' Meeting

Elimination of negative reserves for the components not subject to change by means of their definitive coverage

Dear Shareholders,
you have been called in Ordinary Meeting of UniCredit S.p.A. (the “Company” or “UniCredit”) to approve, inter alia, the elimination of certain negative reserves by means of their definitive coverage as reported below.

The Board of Directors proposes to eliminate certain negative reserves classified under the net equity of UniCredit, that - having definitive characteristics - cannot be subject to further changes.

These negative reserves, which amount in total to €379,972,155.44, are subject to a proposed replenishment:

- for the amount of €350,102,767.29 - related to the payment of Additional Tier 1 (AT1) coupons in 2021¹ - by use of the Share Premium Reserve;
- for the amount of €29,869,388.15 - emerged in 2021² from the cash-out related to the usufruct contract connected to the Cashes financial instruments - by use of Statutory Reserve.

Please note that these negative reserves derive from payments related to net equity items and in particular:

- the coupons paid, net of the related taxes, on the AT1 instruments with perpetual duration and give the issuer full discretion in coupon payments and in the early redemptions of the principal outstanding;
- the cash-out connected to the usufruct contract - signed with Mediobanca S.p.A. - on UniCredit ordinary shares for the issuance of the “Cashes” financial instruments.

The proposal does not have any impact on the overall amount of the Shareholders’ Net Equity, while it is considered appropriate by the Board for a more immediate and straightforward interpretation of such Equity.

¹ The elimination is subject to the authorization by European Central Bank to use Share Premium Reserve
² Referred to the last coupon deriving from the year 2019 results

Resolutions proposed to Shareholders' Meeting

Dear Shareholders,

in reference to the above, we invite you to adopt the following resolutions, having acknowledged the proposal of the Board of Directors:

"The Shareholders' Meeting of UniCredit, in ordinary session, having acknowledged the proposal of the Board of Directors

resolves

to approve the coverage of the negative reserves totaling €379,972,155.44 through use of the:

- Share Premium Reserve for €350,102,767.29 (subject to the release by the Supervisory Authority of the necessary authorization), with reference to the negative Reserve for coupon payments in 2021 related to Additional Tier 1 capital instruments;*
- Statutory reserve for the amount of €29,869,388.15, with reference to the negative Reserves from the cash-out in 2021 related to the usufruct contract connected to the Cashes financial instruments;*

consequently acknowledging that the Share Premium Reserve, subject to the resolutions of today's Shareholders' Meeting referred to following item no. 4 in Agenda, which will modify its amount will amount to €5,096,336,809.42 and that the Statutory Reserve, subject to the resolutions referred to previous item no. 2 on the Agenda, it will amount to €6,710,864,523.88".