REPORT BY THE BOARD OF DIRECTORS

ON POINTS 2), 3), 4) AND 5) ON THE AGENDA OF THE

EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS

OF UNICREDIT S.p.A.

(pursuant to article 72 and Schedule 3A of the Issuers' Regulation – CONSOB Resolution No. 11971 of 14 May 1999, as amended)

14 November 2011

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1) **ELIMINATION OF THE PER-SHARE NOMINAL VALUE OF UNICREDIT'S ORDINARY AND SAVINGS SHARES AND INTRODUCTION OF A FIXED NUMERICAL REFERENCE IN PLACE OF THE NOMINAL VALUE PER SHARE, IN ORDER TO DETERMINE THE DIVIDENDS PAYABLE TO ORDINARY AND SAVINGS SHARES AND NOT BE PREJUDICIAL TO SIZE AND CHARACTERISTICS OF THE PRIVILEGES ASSOCIATED WITH THE SAVINGS SHARES. CONSEQUENT AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION AND RESOLUTIONS RELATED THERETO;**
2) **SHARE CAPITAL INCREASE FOR CASH BY WAY OF A RIGHT ISSUE UP TO AN AGGREGATE AMOUNT OF EURO 7,500,000,000, INCLUDING ANY SHARE PREMIUM, TO BE CARRIED OUT NO LATER THAN 30 JUNE 2012, DIVISIBLE, THROUGH THE ISSUE OF ORDINARY SHARES WITH DIVIDENDS AND OTHER ENTITLEMENTS ACCRUING IN THE NORMAL WAY, TO BE OFFERED TO THE COMPANY'S ORDINARY AND SAVINGS SHAREHOLDERS PURSUANT TO ARTICLE 2441, FIRST, SECOND AND THIRD PARAGRAPHS, OF THE CIVIL CODE. CONSEQUENT AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION AND RESOLUTIONS RELATED THERETO;**
3) **REVERSE SPLIT OF UNICREDIT'S ORDINARY AND SAVINGS SHARES, AT A RATIO OF ONE NEW ORDINARY SHARE, WITH DIVIDENDS AND OTHER ENTITLEMENTS ACCRUING IN THE NORMAL WAY, PER TEN EXISTING ORDINARY SHARES AND ONE NEW SAVINGS SHARE, WITH DIVIDENDS AND OTHER ENTITLEMENTS ACCRUING IN THE NORMAL WAY, PER TEN EXISTING SAVING SHARES, AFTER CANCELLATION OF ORDINARY AND SAVINGS SHARES IN THE MINIMUM NUMBER NECESSARY TO ALLOW THE BALANCING OF THE ENTIRE TRANSACTION. CONSEQUENT AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION AND RESOLUTIONS RELATED THERETO;**
4) **AMENDMENT OF ARTICLE 32 OF THE COMPANY'S ARTICLES OF ASSOCIATION, IN ORDER TO PROVIDE THE RIGHT OF THE COMPANY TO DISTRIBUTE PROFIT ALSO IN THE FORM OF COMPANY'S SHARES (SCRIP DIVIDEND). CONSEQUENT RESOLUTIONS RELATED THERETO.**

Dear Shareholders,

You have been called to an Extraordinary Shareholders' Meeting of UniCredit S.p.A. (the "**Company**" or "**UniCredit**") to resolve upon, *inter alia*, a transaction for the strengthening of the Company's capital, through a share capital increase of up to Euro 7,500,000,000 which will be the subject of a rights offering to all of the Company's shareholders pursuant to article 2441, first, second and third paragraphs, of the Civil Code (the "**Capital Increase**", or the "**Rights Increase**"), in accordance with the terms set out at paragraph 2 below. The Rights Increase will be carried out once the per-share nominal value of the ordinary and savings shares has been eliminated, as per the proposal set out at paragraph 1 below.

In the spirit of adopting measures aimed at making the administrative management of the existing ordinary and savings shares in the interests of the current and future shareholders, we also propose the grouping together of shares in the Company so as to decrease the numbers of existing shares in the Company, as further described in paragraph 3 below.

Finally, we propose to amend the Company’s articles of association so as to enable the Company to distribute distributable profits through scrip dividends, as further described in paragraph 4 below.

This report aims to provide an explanation of the reasons behind the proposals contained in the agenda in accordance with article 72 and Schedule 3A of the Issuers' Regulation – CONSOB Resolution No. 11971 of 14 May 1999, as amended.

1. ELIMINATION OF THE PER-SHARE NOMINAL VALUE OF UNICREDIT'S ORDINARY AND SAVINGS SHARES AND INTRODUCTION OF A FIXED NUMERICAL REFERENCE IN PLACE OF THE NOMINAL VALUE PER SHARE, IN ORDER TO DETERMINE THE DIVIDENDS PAYABLE TO ORDINARY AND SAVINGS SHARES AND NOT BE PREJUDICIAL TO SIZE AND CHARACTERISTICS OF THE PRIVILEGES ASSOCIATED WITH THE SAVINGS SHARES. CONSEQUENT AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION AND RESOLUTIONS RELATED THERETO;

1.1 The reasons for the proposed transaction

The proposal set out below articles of association should be read in the context of the overall transaction for the strengthening of the Company's capital, which is brought before the same Shareholders' Meeting today.

Articles 2328 and 2346 of the Civil Code provide for the issuance of shares that do not have a par value, and the presence of shares of this kind provides greater flexibility when it comes to transactions regarding the share capital. Among other things, it means that where necessary new shares may be issued for a subscription price that is below the accounting par value prior to the issue (i.e. the implicit value of the shares, calculated as the ratio between the Company’s share capital and the existing number of shares). In the absence of a per-share par value, the issuer may freely determine the number of new shares that an issue will comprise, and seek by way of capital an amount that may be equal to, higher than, or indeed lower than, the accounting par value at the time of the transaction.

In a market environment characterised by uncertainty and volatility, it may enable a more elastic approach when it comes to determining the final terms for the issuance of capital generally, including the capital strengthening transactions described at paragraph 2 below. That flexibility does not diminish in any way the integrity of the Company's share capital. The aggregate value of the investment relating to the new shares will not in any event be lower than the aggregate value of the share capital increase (article 2346, fifth paragraph, of the Civil Code).

Having no per-share par value, will enable the Company to perform free capital increases that do not require the issue of new shares and without changing the nominal value of existing shares.

The proposed cancellation of the per-share nominal value of existing shares involves both savings and ordinary shares. In accordance with article 2346, third paragraph, of the Civil Code, once the proposal has taken effect, the laws applicable to such shares will apply by reference to their “*ratio to total aggregate value of issued shares*” in the Company, i.e. with reference to their “implicit nominal value”

We also point out that the per-share nominal value, within the context of company law, is relevant both to the setting of dividends (on both ordinary and savings shares) and to the determination of savings share rights in relation to losses and reductions in capital.

More specifically, article 32 of the Company's articles of association currently uses per-share nominal value as the reference for determining both dividends on ordinary shares (see paragraph 1 (c)) and the privileged position that savings shares have in the distribution of profits (see paragraph 1 (b)).

Following the cancellation of the per-share nominal value, we propose to replace the current reference in article 32 to per-share nominal value with a reference to a numerical reference which would set a value (rounded up) per share with reference to the share capital, following the free share capital increase described at point one of the agenda. If one assumes the approval of the proposal, this value would be Euro 0.63.

UniCredit's savings shares will accordingly have the benefit of a privilege, upon distributions of profits, of 5 per cent of Euro 0.63 per share (without prejudice to the saving shareholders' right to receive a greater dividend than ordinary shareholders, of at least 3 per cent of Euro 0.63) per share. This reference, being Euro 0.63, will be used in determining dividends to be paid on ordinary shares in accordance with article 32 paragraph 1 (c) of the Company's Articles of Association.

In the same spirit, we also propose the updating of the provisions governing the rights of savings shareholders to be subordinated in participation in any losses articles of association so that any losses of capital would not affect savings shares except to the extent those losses were not met out of capital represented by ordinary shares. In the same way, following the amendment to the articles of association, should the Company be wound up, the savings share privilege in relation to the reimbursement of capital will no longer be set by reference to their per-share nominal value but in relation to a value of to Euro 0.63 per share.

1.2 Changes to the Articles of Association

In light of the above, it is proposed first of all that the Company's articles of association be amended in order to eliminate all mentions of the nominal value of ordinary and savings shares, introducing in article 5 both the aggregate amount of share capital and the number of shares that the share capital comprised, without any statement as to their per-share nominal value.

Articles 7 and 32 of the Company's articles of association will be amended so as to reflect the introduction of a fixed numerical reference with regards to the management of certain savings share rights (article 7) and to the determination of dividends to shareholders (article 32). Article 7 and 32 will also provide for the amendment to that reference should this be necessary to avoid an alteration of ordinary and savings share rights in cases of share capital increases.

The amendments to the Company's articles of association which are proposed to the Shareholders Meeting today are detailed in the table below. The version of article 5 indicated in the column "Current text" reflects the terms of that article as amended in the event of the approval of the free share capital increase described in the first item of the agenda of the Shareholders' Meeting.

Current text (as amended, in respect of paragraph 1, in case of approval of the free capital increase at point one of the agenda)	**Proposed text**
Article 5 1. The Bank's share capital, fully subscribed and paid-up, amounts to Euro 12,148,463,316.00 and is divided into 19,298,490,693 shares of Euro 0.629503286513827 each, in turn made up of 19,274,251,710 ordinary shares and 24,238,983 savings shares.	**Article 5** 1. The Bank's share capital, fully subscribed and paid-up, amounts to Euro 12,148,463,316.00 and is divided into 19,298,490,693 shares ~~of Euro 0.629503286513827 each~~ **without nominal value**, in turn made up of 19,274,251,710 ordinary shares and 24,238,983 savings shares.
2. Ordinary shares are registered shares.	2. (*unvaried*)

3. No one entitled to vote may vote, for any reason whatsoever, for a number of Bank shares exceeding five per cent of share capital bearing voting rights, to this end, the global stake held by the controlling party, (be it a private individual, legal entity or company), all direct and indirect subsidiaries and affiliates has been taken into consideration; those shareholdings included in the portfolios of mutual funds managed by subsidiaries or affiliates have not, on the other hand, been taken into consideration. Control, including with regard to parties other than companies, emerges in the situations provided for by Article 2359, first and second paragraph, of the Italian Civil Code. Control whereby significant influence is exercised is regarded to be present in the situations provided for by Clause 23, second paragraph, of Legislative Decree no. 385 dated September 1, 1993 (Consolidation Act for Laws Relating to Banking and Lending Activities). An affiliation emerges in the situations referred to in Article 2359, third paragraph, of the Italian Civil Code, for the purposes of computing the stake held, those shares held through custodian companies and/or intermediaries and/or those shares whose voting rights are assigned for any purpose or reason to a party other than their owner, are also taken into consideration. In the event of the above provisions being breached, any shareholders resolution carried may be impugned pursuant to the provisions of Article 2377 of the Italian Civil Code, where the majority required would not have been reached without this breach. Those shares whose voting rights may not be exercised are in any event computed in order for the Meeting to be properly formed.	3. (*unvaried*)
4. Share capital may be increased by way of a shareholders' resolution, through the issuance of shares bearing various rights, in conformity to legal requirements. Specifically, the Meeting may resolve upon the issuance of savings shares bearing the features and rights provided for by prevailing laws and by these Articles of Association.	4. (*unvaried*)
5. Resolutions carried for the issuance of new savings and/or ordinary shares at the time of a capital increase or the conversion of shares of another class that have already been issued, do not require the approval of a Special Meeting of Savings Shareholders.	5. (*unvaried*)
6. The Special Meeting of Shareholders may resolve upon the allocation of earnings to the employees of the Bank or subsidiaries, in	6. (*unvaried*)

conformity to prevailing laws.	

Current text	Proposed text
Article 7 1. Savings shares do not bear any voting rights. Any reduction of share capital due to losses does not reduce the nominal value of savings shares, other than by the portion of any loss exceeding the global nominal value of other shares; in the event of the Bank being wound up, savings shares enjoy the right of pre-emption in respect of the redemption of capital, for their full nominal value. In the event of reserves being distributed, savings shares bear the same rights as other shares.	Article 7 1. Savings shares do not bear any voting rights. Any reduction of share capital due to losses does not ~~reduce the nominal value of~~ **have any effect on** saving shares, other than ~~by~~ for the portion of any loss ~~exceeding the global nominal value~~ **that eventually exceed the overall amount of the capital represented by** other shares; in the event of the Bank being wound up, savings shares enjoy the right of pre-emption in respect of the redemption of capital, ~~for their full nominal value~~ **up to Euro 0.63 per share. In case of capital transactions which modify the ratio between the amount of share capital and the number of shares outstanding, the above fixed numerical reference could be amended consequently.** In the event of distribution of reserves, savings shares bear the same rights as other shares.
2. A resolution of the Special Meeting of Shareholders may vest the holders of savings shares with the ability to convert said shares into ordinary shares in accordance with the procedures and by the deadlines determined.	2. (unvaried)
3. Whenever the Bank's ordinary shares or savings shares are barred from trading, the holder of savings shares may ask for its shares to be converted into ordinary shares, in accordance with the procedures resolved upon by the Special Meeting of Shareholders, convened as and when the need arises within two months from shares being barred from trading.	3. (unvaried)
4. Savings shares, when fully paid-up, are bearer shares, unless provided for otherwise by law. At the request and expense of the Shareholder, they may be transformed into registered savings shares and vice versa.	4. (unvaried)
5. Pursuant to the current law provisions a Common Representative of the saving shares bearers is appointed. The Common Representative shall remain in office for a period of no more than three financial years and may be re-elected. The Common Representative is entitled to join and take the floor in the Shareholders' Meetings.	5. (unvaried)
6. In order to ensure that adequate information on transactions that may influence the price of the saving shares are received by the Common Representative, the latter shall be duly informed in	6. (unvaried)

this regard in compliance with the time limits and procedures for disclosing information to the market.	

Current text	Proposed text
Article 32 1. The net profit reported in the accounts is allocated as follows:	Article 32 1. (unvaried)
a) no less than 10% to the reserve; when the reserve is at the maximum level foreseen by legal provisions, said profit is allocated with priority to the savings shares, at the level set out in point b) below;	a) (unvaried)
b) the savings shares are allocated up to five per cent of their nominal value; when, in any given operating year, the savings shares are allocated a dividend of less than five per cent of their nominal value, the difference is added to the preferential dividend for the next two years; any earnings that remain after allocating the above dividend to the savings shares are distributed among all shares, in such a way that the savings shares are assigned a higher global dividend that due to ordinary shares, at a level equal to three per cent of the share's nominal value;	b) the savings shares are allocated up to five per cent of ~~their nominal value~~ **Euro 0.63 per share**; when, in any given operating year, the savings shares are allocated a dividend of less than five per cent of ~~their nominal value~~ **Euro 0.63 per share**, the difference is added to the preferential dividend for the next two years; any earnings that remain after allocating the above dividend to the savings shares are distributed among all shares, in such a way that the savings shares are assigned a higher global dividend that due to ordinary shares, at a level equal to three per cent of ~~the share's nominal value~~ **Euro 0.63 per share**;
c) whilst the above provisions regarding the higher overall dividend due to savings shares shall continue to be observed, the ordinary shares are allocated up to five per cent of their nominal value;	c) whilst the above provisions regarding the higher overall dividend due to savings shares shall continue to be observed, the ordinary shares are allocated up to five per cent of ~~their nominal value~~ **Euro 0.63 per share.** **In case of capital transactions which modify the ratio between the amount of share capital and the number of shares outstanding, the fixed numerical reference referred to in points b) and c) of this paragraph 1, could be amended consequently;**
d) any earnings that remain, and in respect of whose distribution the Meeting of Shareholders carries a resolution, are distributed among shares in addition to the allocations referred to in points b) and c) above;	d) (unvaried)
e) the Meeting of Shareholders resolves upon the distribution of any undistributed earnings, further to a proposal from the Board of Directors.	e) (unvaried)
2. The Meeting of Shareholders, further to a proposal from the Board of Directors, may also resolve upon the formation and increase of	2. (unvaried)

reserves of an extraordinary and special nature, which are to be sourced from net profit before or after the allocations referred to in points c), d) and e) above.	
3. The Meeting of Shareholders, further to a proposal from the Board of Directors, may allocate a portion of the annual net profit to projects of a social, welfare and/or cultural nature, with any such donations to be made as per the judgment of the Board of Directors	3. (unvaried)
4. The Bank may resolve upon the distribution of advance dividend payments in those situations, by those procedures and within those limits permitted by prevailing laws.	4. (unvaried)

The amendments set out above are under currently subject to an approval process by the Bank of Italy in accordance with article 56 of Legislative Decree 385/93 (the Consolidated Banking Act).

1.3 Information regarding the right of withdrawal

The proposed elimination of the statement of a per-share nominal value for the Company's ordinary and savings shares and the introduction of a fixed numerical reference does not amount to a right of withdrawal on the part of savings and ordinary shareholders pursuant to article 2437 of the Civil Code. Accordingly, its approval would not give rise to any right of withdrawal on the part of shareholders.

In addition, the proposal is not subject to the approval of the Special Meeting of Savings Shareholders pursuant to article 146, first paragraph, letter b) of Legislative Decree n.58 of 24 February 1998 as it does not prejudice the rights of a class of shareholders.

2. SHARE CAPITAL INCREASE FOR CASH BY WAY OF A RIGHT ISSUE UP TO AN AGGREGATE AMOUNT OF EURO 7.5 BILLION, INCLUDING ANY SHARE PREMIUM, TO BE CARRIED OUT NO LATER THAN 30 JUNE 2012, DIVISIBLE, THROUGH THE ISSUE OF ORDINARY SHARES WITH DIVIDENDS AND OTHER ENTITLEMENTS ACCRUING IN THE NORMAL WAY, TO BE OFFERED TO THE COMPANY'S ORDINARY AND SAVINGS SHAREHOLDERS PURSUANT TO ARTICLE 2441, FIRST, SECOND AND THIRD PARAGRAPHS, OF THE CIVIL CODE. CONSEQUENT AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION AND RESOLUTIONS RELATED THERETO;

2.1 Reasons for the capital strengthening transaction

The Share Capital Increase by way of a right issue is intended to strengthen the capital base of UniCredit and its group as a whole, and to ensure that capital base is fully adapted to the new market environment.

Specifically, it would allow UniCredit to achieve the following:

(i) to strengthen its consolidated capital ratios. As at 30 September 2011, under current capital adequacy rules, the Company had a Core Tier 1 Ratio of 8.74 per cent, a Tier I Ratio of 9.68 per cent and a Total Capital Ratio of 12.80 per cent, which the transaction would bring to 10.35 per cent, 11.29 per cent, and 14.42 per cent, respectively. The bolstering of the capital ratios as a result of the Share Capital Increase will enable the Group: (a) to bring forward its adherence to the more stringent capital requirements imposed upon banks as a result of the implementation of “Basel 3” regulatory regime and the European Directive CRD 4 (*Capital Requirements Directive)* (European regulation for implementation within the European Union of the Basel 3 principals); and (b) to improve the composition and quality of the Group's capital, with a further strengthening of its *Common Equity Tier 1* (the primary quality of the capital base), as required by the regulatory developments that will gradually be implemented in the coming years;

(ii) to strengthen and improve its capital base, which will assist with the measures envisaged under the Strategic Plan approved by the Company's Board of Directors on 14 November 2011. The availability of financial resources appropriate to that end will enable the Group to enhance its competitiveness in its key market; to position itself favourably; and to capitalise on those growth opportunities that will present themselves over the coming years.

Finally, the Share Capital Increase should constitute a positive element for the evaluation from the international credit rating agencies and determine a positive effects in terms of the cost of funding, and ensure greater flexibility in the management of regulatory capital instruments included in Tier I and Tier II.

2.2 Pro forma effects of the Share Capital Increase

In a market environment characterized by high volatility and uncertainty also in light of the increasing regulatory and market pressure on European banks, the capital strengthening package proposed by UniCredit would allow the Group to increase its regulatory capital ratios in line with best in class peers, optimizing the liquidity and strengthening the capital base.

The recent economic and financial crisis, which began in 2007, has given rise to intense debate on the need to revise, in a more restrictive sense, the rules for measuring capital and the capital ratios imposed by Basel 2. With the aim to raise the resilience of the banking sector, the Basel Committee on Banking Supervision published a comprehensive reform framework (Basel 3) on December 16, 2010. The package modifies the rules for the levels of banks capital adequacy and introduces limits in terms of liquidity, medium-long term funding and leverage.

Basel 3 regulation will be transposed in the European legal framework through the Capital Requirements Directive 4 (CRD 4), published as a draft in July 2011 and due to be approved in the course of 2012. The implementation of CRD 4 will be set according to two different set of rules: a Regulation, which will be implemented directly in the legal framework of each country, and a Directive, which will have to be translated into law by the national legislators.

The increasing attention towards capitalization levels is shown also in the recent stress tests carried out in July and in October 2011 by the European Banking Authority (EBA) aimed at testing the stability of the European banking system under severe economic and financial conditions.

In case of full application of the new Basel 3 regulation, UCG estimates that its core capital ratio, called Common Equity Tier 1 ratio in the new framework, would decrease by approximately 135 bp vs the same ratio calculated with the current regulation's rules.

In order to meet regulatory requirements and market expectations, UCG aims to strengthen its capital base in order to achieve a short term target CET1 ratio Basel 3 full impact above 9% in the course of 2012 and above 10% in 2015.

Main balance sheet and P&L consolidated indicators as of 30 September 2011 are listed below:

Deposits from customers and debt securities in issue were €559.2 billion at 30 September 2011, down by 4.6% from 30 June 2011 and by 4% from 31 December 2010. This reduction mainly concerned deposits and commercial paper with institutional counterparties, which have progressively reduced their share as Europe's sovereign debt crisis worsened, particularly in Italy.

Loans and receivables with customers were €562.4 billion at 30 September 2011, an increase of 0.1% over 30 June 2011 and of 1.2% over 31 December 2010. This result was driven mainly by CEE markets, led by Turkey, Russia and the Czech Republic, while lending was stable in Western Europe except Germany, where there was a slight reduction in volumes.

The economic performance in the first nine months of 2011 has been affected by a difficult economic and financial environment characterized by high interest-rate volatility, due to the repeated changes in perceptions of the euro-area debt crisis, and extraordinary P&L items, including one-offs related to the approval of the new Strategic Plan.

In the first 9 months of 2011 the Group's net operating profit was €2,914 million, up by €58 million or 2% over the first 9 months of 2010. This was mainly due to lower loan loss provisions (i.e., net write-downs of loans and provisions for guarantees and commitments), which fell by €608 million compared with the first nine months of 2010, more than offsetting a fall in operating profit, which was down compared with the first nine months of 2010 by €550 million or 6.9% (-5% like-for-like and at constant exchange rates).

The non-operating items of the P&L contributing to net financial result attributable to the Group were strongly affected by non-recurring items, specifically write-downs of the shareholding in Mediobanca and of intangible assets like goodwill and brands, together with restructuring costs related to the new Strategic Plan. Profit before tax was €1,519 million - a reduction of €1,135 million or 42.8% (-36.7% like-for-like and at constant exchange rates) compared with the first nine months of 2010. This sharp reduction was due, inter alia, to a €377 million increase in provisions for risks and charges; a €663 million reduction in net income from investments (of which €404 million related to Mediobanca); and a €153 million increase in Integration costs.

Despite the reduction in profit before tax income tax was up by €63 million while the tax rate rose to 76.8% in 2011 from 41.6% in the first nine months of 2010. The reasons for this lie in the non-deductibility of part of the mentioned write-downs and adjustment of the deferred tax assets recognised in the accounts on the basis of new profit forecasts implicit in UCG Strategic Plan. Net of minorities (up by €46 million over the first nine months of 2010) net profit (loss) attributable to the Group before the *Purchase Price Allocation* (the allocation of all or part of the difference between the acquisition price of the shareholdings and their net asset) and goodwill impairment was €66 million.

Net financial result attributable to the Group was heavily affected by the intangible asset write-downs made in the third quarter. These totalled €9,386 million, of which €8.611 million correspond to the goodwill write down due to UCG Strategic Plan, and caused a net loss of €9,320 million.

2.3 Mechanics of the Share Capital Increase

The proposal regarding the Share Capital Increase would take the form of a share capital increase where ordinary shares would be issued in return for fresh investments. The shares would be offered to holders of the Company's ordinary and savings shares, pursuant to article 2441, first, second and third paragraphs, of the Civil Code for an aggregate amount of Euro 7,500,000,000, including any share premium. The share capital increase would be carried out no later than 30 June 2012, in divisible form, through the issue of ordinary shares to which dividends and other entitlements accrue in the normal way and that do not have a par value.

In accordance with market practice, the Directors will, at a time close to the commencement of the rights offering period, establish terms and conditions of the increase, including the final amount of the increase, the number of shares to be issued, the issue price, including any share premium and the subscription ratio.

2.3.1 Criteria for determining the issue price

The issue price of the new ordinary shares will be determined by the Board of Directors taking into account, among the other things, general market conditions, the performance of the shares on the market, as well as the economic, net assets and financial conditions of the Company and the market practice for similar transactions. The issue price will be determined by applying, in accordance with market practice for similar transactions, a discount on the Theoretical Ex Right Price (TERP) of the ordinary shares, calculated according to the currently applicable methodologies, on the basis of the Borsa Italiana's official price on the trading day preceding the date of such determination.

2.3.2 Underwriting syndicate

BofA Merrill Lynch, Mediobanca and UniCredit Bank AG will act as J*oint Global Coordinators and Joint Bookrunners*. In addition, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, Banca IMI, JP Morgan, Société Générale and UBS will act as *Joint Bookrunners* and ING, Royal Bank of Canada, Royal Bank of Scotland and Santander as *Co-Bookrunners.* The *Joint Global Coordinators* – with the exception of UniCredit Bank AG – the *Joint Bookrunners and the Co-Bookrunner* have undertaken a stand-by underwriting agreement - on the basis of terms and conditions which are customary for this type of transactions - for the underwriting of the newly issued ordinary shares eventually remained unopted at the end of the offering up to a maximum amount of Euro 7.5 billion.

UniCredit Bank AG e BofA Merrill Lynch have also the role of structuring adviser of UniCredit in the transaction.

The underwriting agreement related to the Share Capital Increase should be entered into just before the commencement of the public offering and as soon as the Board of Directors have fixed the terms of the Share Capital Increase (according to the proposal submitted to the today Shareholders' Meeting).

2.3.3 Regulatory Authorisations

The proposed transaction is subject to authorisation by relevant regulatory authorities and in particular, to the approval procedure by the Bank of Italy over the proposed changes to the Company's articles of association pursuant to article 56 of Legislative Decree 385/93.

The execution of the Share Capital Increase will also require, pursuant to articles 94 *et seq*. of Legislative Decree no. 58 of 24 February 1998 (the Consolidated Law of Financial Intermediation) and the regulations issued pursuant thereto, the publication of a prospectus prepared in accordance with the schedule annexed to Commission Regulation (EC) No. 809/2004, and subject to CONSOB's approval. The prospectus may also be able to benefit from the rules on the passporting of prospectuses within the European Union, in the event of any public offering within other Member States. It should be noted that UniCredit's ordinary shares are listed not only on the Italian Stock Exchange, within the Electronic Share Market (*Mercato Telematico Azionario*, or MTA) operated by Borsa Italiana S.p.A. , but also on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the Warsaw Stock Exchange (*Gielda Papierów Wartościowych w Warszawie SA*, or GPW).

2.3.4 Private placement

No form of private placement is anticipated.

2.3.5 Shareholders who have indicated they wish to subscribe the newly-issued shares

As at the date of this Report's preparation, the Company has not received any indications from shareholders that they wish to subscribe the newly-issued shares.

2.3.6 Anticipated timetable for completion of the Share Capital Increase

It is estimated that, subject to the necessary authorisations being obtained from the appropriate regulatory authorities, the rights offering of newly-issued ordinary shares to shareholders would take place in the first quarterly of 2012.

2.3.7 Date from which dividends and other entitlements would accrue to the newly-issued shares

Dividends and the other usual entitlements would accrue to the ordinary shares issued in connection with the Share Capital Increase, and the shares thus issued would accordingly have all of the rights associated with the ordinary shares outstanding at their time of issue.

2.3.8 Further information

The subscription through the exercise of rights of the newly-issued ordinary shares will take place through authorised intermediaries that are members of the Monte Titoli S.p.A. centralised management system. The shares will be made available to the entitled persons through authorised intermediaries that are members of Monte Titoli S.p.A. Shares will be paid in full at the time of their subscription, by payment to the intermediary through which the shareholders effect their subscription. Similar provisions will apply to the subscriptions eventually made in Germany and in Poland.

With reference to the increase in share capital and its effects in terms of dilution, since the share capital increase is in the form of a rights offering, the transaction will imply the separate trading of the rights. Given that the final amount of the Share Capital Increase, the number of shares to be issued, the issue price of the shares (including any share premium) and the subscription ratio will be determined at a time close to the commencement of the offer period in accordance with paragraph 2.3.1 above, it is not now possible to provide an estimate of the potential dilution for those ordinary and savings shareholders who do not completely exercise their rights.

Since the rights confer an entitlement only to subscribe for ordinary shares, in case of execution of the Share Capital Increase, holders of ordinary shares will see in any case a light dilution of their shareholding in the ordinary share capital, due to the right of the current savings shareholders to subscribe for ordinary shares as well.

2.3.9 Changes to the articles of association, and right of withdrawal

In the event that the proposed Share Capital Increase described in this Report is approved, it will be necessary for changes to be made to article 6 of the Company's articles of association, with the addition of a new paragraph ninenteen acknowledging the resolution passed by the Extraordinary Shareholders' Meeting today. This amendment is set out in the table below.

Current text	Proposed text
Article 6 1. The Board of Directors, in exercising the power assigned to it pursuant to the provisions of Article 2443 of the Italian Civil Code by the Special Meeting of Shareholders held on May 6, 2002, decided, on July 25, 2002, to increase the Bank’s share capital up to a maximum nominal amount of Euro 17,500,000, equating to a maximum number of 35,000,000 ordinary shares bearing a nominal value of Euro 0.50 each, to service the exercising of the equivalent number of stock rights reserved for the Executive Staff of UniCredit S.p.A., as well as other Group banks and companies identified by the Board of Directors, subscribing to the “Growth in Group Value - Global Action Plan” resolved upon by the Board itself on March 11, 2002, 19,317,852 rights were exercised, against which a total of 19,317,852 ordinary shares were subscribed for and issued. The aforementioned rights can be exercised until 2011 according to the criteria and in the periods identified by the Board of Directors.	**Article 6** 1 (unvaried)
2. In partial exercise of powers conferred by the Extraordinary Shareholders’ Meeting held on May 4, 2004 pursuant to Article 2443 of the Italian Civil Code, the Board of Directors passed a resolution on July 22, 2004 to increase capital by a maximum amount of Euro 7,284,350 corresponding to a maximum number of	2. (unvaried)

14,568,700 ordinary shares of Euro 0.50 each, passing another resolution on November 18, 2005 to increase capital by a maximum amount of Euro 20,815,000 corresponding to a maximum number of 41,630,000 ordinary shares of Euro 0.50 each, to be used to exercise a corresponding number of subscription rights reserved for the Executive Personnel of UniCredit S.p.A. and the other Group Banks and Companies who hold positions which are significant in terms of achieving the overall objectives of the Group, and passing another resolution on December 15, 2005 to increase capital by a maximum amount of Euro 750,000 corresponding to a maximum number of 1,500,000 ordinary shares of Euro 0.50 each. The aforementioned rights can be exercised from 2008 until 2017 according to the criteria and in the periods identified by the Board of Directors.	
3. The Board of Directors, in partial exercise of the powers received as per Article 2443 of the Italian Civil Code from the Extraordinary Shareholders' Meeting of May 12, 2006, has resolved, on June 13, 2006 to increase the share capital of a maximum nominal amount of Euro 14,602,350 corresponding to a maximum number of 29,204,700 ordinary shares having a value of Euro 0.50 each, on July 1, 2006 to increase the share capital of a maximum nominal amount of Euro 45,150 corresponding to a maximum number of 90,300 ordinary shares having a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2010 until 2019 according to the criteria and in the periods identified by the Board of Directors.	3. (unvaried)

4. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of May 10, 2007, has resolved on June 12, 2007 to increase the share capital of a maximum nominal amount of Euro 14,904,711.50 corresponding to a maximum number of 29,809,423 ordinary shares with a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2011 until 2017 according to the criteria and in the periods identified by the Board of Directors.	4. (unvaried)
5. The Extraordinary Shareholders' Meeting of July 30, 2007 approved a capital increase, with the exclusion of the shareholders' options rights under Article 2441, paragraph 8, of the Italian Civil Code, of a maximum nominal amount of Euro 9,060,380 to be effected through the issue of up to a maximum 18,120,760 ordinary shares with a par value of Euro 0.50 each, to service the 16,179,250 "Subscription Rights UniCredit S.p.A. 2007-2011 – Ex Capitalia Warrants 2005" assigned in exchange for an equal number of Warrants issued pursuant to the "Stock Incentive Plan 2005 in favour of Capitalia Group's employees" formerly allocated, free of charged, to Capitalia Group's employees pursuant to the resolution adopted by the Capitalia S.p.A.'s Extraordinary Shareholders meeting of April 4, 2005. Each option may be exercised within and no later than December 31, 2011 pursuant to the relevant Terms and Conditions approved by the above mentioned Extraordinary Shareholders' Meeting. 535,000 rights were exercised, against which a total of 599,200 ordinary shares were subscribed for and issued.	5. (unvaried)
6. The Extraordinary Shareholders' Meeting of July 30, 2007 approved a capital increase, with the exclusion of the shareholders' options rights under Article 2441, paragraph 8, of the Italian Civil Code, of a maximum nominal amount of Euro 3,839,922, to be effected through the issue of up to a maximum 7,679,844 ordinary shares with a par value of Euro 0.50 each, to service the 6,857,004 "Subscription Rights UniCredit S.p.A. 2007-2011 – Ex FinecoGroup Warrants 2005" assigned in exchange for an equal number of Warrants formerly allocated, free of charged, to Fineco Group's employees and Fineco Bank's private bankers pursuant to the resolution adopted by the Capitalia S.p.A.'s Extraordinary	6. (unvaried)

Shareholders Meeting of November 28, 2005. Each subscription right may be exercised within and no later than December 31, 2011 pursuant to the relevant Terms and Conditions approved by the above mentioned Extraordinary Shareholders' Meeting. 473,084 rights were exercised, against which a total of 529,842 ordinary shares were subscribed for and issued.	
7. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of May 8, 2008, resolved on June 25, 2008 to increase the share capital of a maximum nominal amount of Euro 39,097,923 corresponding to a maximum number of 78,195,846 ordinary shares with a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised from 2012 until 2018 according to the criteria and within the periods identified by the Board of Directors.	7. (unvaried)
8. Capital increases resolved under the compensation policy, as provided for by the paragraphs above, are increased by an additional amount of no more than Euro 3,645,855.50 corresponding to no more than 7,291,711 ordinary share following the application of the AIAF adjustment factors as a consequence of the capital transactions executed by UniCredit.	8. (*unvaried*)
9. The Board of Directors, in partial exercise of the powers received, as per Article 2443 of the Italian Civil Code, from the Extraordinary Shareholders' Meeting of April 22, 2010, resolved on March 22, 2011, to increase the share capital of a maximum nominal amount of Euro 42,114,682 corresponding to a maximum number of 84,229,364 ordinary shares with a value of Euro 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and Companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets. The aforementioned rights can be exercised as of the year following the 3 year performance period (2011-2013) and until 2020 according to the criteria and within the periods identified by the Board of Directors.	9. (unvaried)

10. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 12, 2006, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 6,500,000 corresponding to up to 13,000,000 ordinary shares of par value Euro 0.50 each, to be granted to Management of UniCredit and of Group banks and companies.	10. (unvaried) .
11. The Board of Directors has the right, in accordance with Article 2443 of the Italian Civil Code, to resolve - once or more times and for a period of maximum 5 years from the date of the Extraordinary Shareholders Meeting resolution taken on May 10, 2007 - to increase the registered capital for cash in accordance with Article 2441, paragraphs 1, 2 and 3 of the Italian Civil Code, for a total amount of nominal Euro 525,000,000 corresponding to up to 1,050,000,000 ordinary shares of par value Euro 0.50 each, to be used for potential acquisition transactions by UniCredit.	11. (unvaried)
12. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 10, 2007, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 5,500,000 corresponding to up to 11,000,000 ordinary shares of par value Euro 0.50 each, to be granted to Management of UniCredit and of Group banks and companies.	12. (unvaried)
13. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 8, 2008, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 12,439,750 corresponding to up to 24,879,500 ordinary shares of par value Euro 0.50 each, to be granted to the Personnel of UniCredit and of Group banks and companies.	13. (unvaried)
14. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve - including on one or more occasions for a maximum period of one year starting from the shareholders' resolution dated April 22, 2010 - to increase share capital with the	14. (unvaried)

exclusion of rights, as allowed by Article 2441.8 of the Italian Civil Code, to service the exercise of options issued by the Board of Directors to subscribe to a maximum number of 128,000,000 ordinary shares, corresponding to a maximum nominal amount of Euro 64,000,000, to be reserved for the Personnel of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives	
15. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April 29, 2011, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum nominal amount of € 103,000,000 corresponding to up to 206,000,000 ordinary shares of par value € 0.50 each, to be granted to employees of UniCredit S.p.A. and of Group banks and companies.	15. (unvaried)
16. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years from the shareholders' resolution dated April 29, 2011, to carry out a financed capital increase with exclusion of option rights, as allowed by section 2441.8 of the Italian Civil Code, to service the exercise of rights to be issued by Board of Directors for the subscription of a maximum nominal amount of 68,000,000 ordinary shares corresponding to a maximum nominal amount of € 34,000,000, to be granted to employees of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives.	16. (unvaried)
17. The Board of Directors has the power, under the provisions of Article 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated April 22, 2010, to carry out a free capital increase, as allowed by Article 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 29,500,000 corresponding to up to 59,000,000 ordinary shares of par value Euro 0.50 each, to be granted to employees of UniCredit S.p.A. and of Group banks and companies.	17. (unvaried)
18. Once the time periods for the capital increases resolved on through incentive/compensation plans have expired, the share capital shall be deemed to have increased by the amount subscribed as of the respective dates indicated therein.	18. (*unvaried)*

	19. The Extraordinary Shareholders' Meeting of 15 December 2011 approved a share capital increase for cash by way of a right issue of an aggregate maximum amount of Euro 7,500,000,000 - including any share premium - to be executed, also in a divisible form, no later than 30 June 2012 through the issue of ordinary shares, to which dividends and other entitlements accrue in the normal way, to be offered pursuant to subscription rights granted to ordinary and savings shareholders pursuant to article 2441 of the Civil Code. The Extraordinary Shareholders' Meeting conferred to the Board of Directors the broadest power to: (i) determine, on a date close to the commencement of the rights offering, the definitive amount of the capital increase; (ii) determine the maximum number of new shares to be issued, the subscription ratio and the issue price (including any share premium), taking into account, amongst other things for the purpose of determining the latter, the general market conditions and the performance of the shares in addition to the economic, equity and financial conditions of the Company, having regard to market practice in similar transactions; (iii) define the timing for the execution of the capital increase, in particular for the launch of the right issue and the subsequent offer on the stock exchange of any unsubscribed rights at the end of the subscription period, subject to the final deadline of 30 June 2012. If the capital increase is not fully subscribed by 30 June 2012, the Company's share capital shall be deemed to be increased by an amount equal to the subscriptions receive.

The aforementioned change to article 6 of the Company's articles of association does not constitute a ground for right of withdrawal pursuant to article 2437 of the Civil Code on the part of ordinary and savings shareholders.

In addition, the proposal is not subject to the approval of the Special Meeting of Savings Shareholders pursuant to article 146, first paragraph, letter b) of Legislative Decree n.58 of 24 February 1998 as it does not prejudice the rights of a class of shareholders.

2.4 Additional shares to be issued pursuant to existing Group incentive plans

The Share Capital Increase is the sort of extraordinary transaction affecting a company's share capital that is capable of producing discontinuity in the prices of shares. In order to neutralise this phenomenon, it is market practice that adjustment ratios be applied in order to allow for continuity with shares' historical pricing and permit a situation of neutrality, as far as holders of affected securities are concerned.

This applies to shares underlying contracts traded on exchanges, and, relevant here, the ordinary shares of UniCredit that are to be issued in accordance with the Group's personnel incentive plans (the "**Plans**"), approved by the Shareholders' Meeting of UniCredit.

2.4.1 *Number of shares to be issued in service of the Plans*

As you are aware, the Company was among the first in Italy to adopt incentive plans based upon shares for the Group's Personnel, as it appreciated that the motivation, loyalty and involvement of its employees represented important factors in its achievement of the Group's medium- and long-term objectives, as well as developing a sense among those individuals considered strategic that they belonged with the Group.

Since 2000, the Plans have entailed:

(i) the allocation of stock options, which may be exercised once a period of some three or four years has passed, in a period of some years thereafter;

(ii) the promise of allocations without payment of ordinary shares (known as performance shares), after a certain period has passed, and conditional upon the achievement of the performance objectives established in the Group's Strategic Plan, as approved by the Board of Directors;

(iii) the promise of allocations without payment of ordinary shares, under the 2011 Incentive Scheme for Group Executives;

(iv) the promise of allocations without payment of ordinary shares, under the Equity Scheme for Key Talent and Other Strategic Personnel.

The subscription rights set forth in the following table will still be capable of exercise as at the date of the Share Capital Increase (except for the subscription rights which will expire on 31 December 2011, if the Share Capital Increase will be launched after such date). The table also indicates the numbers of ordinary shares which would have to be issued in the case of their exercise, and the date of the schemes' respective maturities.

Incentive plan	Outstanding stock options	Underlying shares	Expiry date
LTIP 2002-2011	8,633,148	10,190,498	31-dic-11
LTIP 2004-2017	10,943,500	12,917,459	31-dic-17
LTIP 2005-2018 (1° em.)	27,200,750	32,107,439	31-dic-18
LTIP 2006-2019	21,430,700	25,296,511	31-dic-19
LTIP 2007-2017	21,546,000	25,432,504	15-lug-17
LTIP 2008-2018	60,778,132	71,741,953	09-lug-18
LTIP 2010-2020	81,309,901	81,309,901	31-dic-20
PERFORMANCE STOCK OPTION 2012-2015*	68,000,000	68,000,000	31-dic-22
Total	**299,842,131**	**326,996,265**	

* *maximum number of performance stock options capable of allocation in connection with the Stock Option Performance Plan for the Group's Senior Executives, approved at the Shareholders' Meeting of 29 April 2011.*

The following table sets forth the maximum number of performance shares (which is to say, ordinary shares issued without payment) that the Board of Directors would have to agree to the Company issuing, in the event that all of the rights accrued by the achievement of all of the objectives set for the relevant employees.

Incentive plan	**Performance shares to grant**	**Expiry date**
LTIP 2008-2018	16,093,844	2012
LTIP 2010-2020	39,413,181	2014
Total	**55,507,025**	

The following table sets forth the maximum number of performance shares (which is to say, ordinary shares to be issued without payment) that the Board of Directors may have the Company issue in connection with the 2011 Incentive Scheme for Group Executives, in the event that all of the rights accrued by the achievement of all of the objectives set for the relevant employees.

Incentive plan	**Shares to grant**	**Expiry date**
2011 Group Executive Incentive System	158,000,000	2013-2014
Total	**158,000,000**	

Finally, the following table sets forth the maximum number of performance shares (which is to say, ordinary shares to be issued without payment) that the Board of Directors may have the Company issue in connection with the Equity Scheme for Key Talent and Other Strategic Personnel, in the event that all of the rights thereto accrued, through the achievement of all of the objectives set for the relevant employees.

Incentive plan	**Shares to grant**	**Expiry date**
Share plan for Talents & other Group strategic resources	48,000,000	2012-2014
Total	**48,000,000**	

The above indicates that in aggregate number of shares to be issued or allocated, in terms of:

(i) ordinary shares to be issued in the event of the exercise in full of the stock options that are outstanding as at the date of the execution of the Share Capital Increase,

(ii) ordinary shares allocated (without payment), by way of performance shares,

(iii) ordinary shares allocated (without payment), under the 2011 Incentive Scheme for Group Executives, and

(iv) ordinary shares allocated (without payment), under the Equity Scheme for Key Talent and Other Strategic Personnel, to their respective beneficiaries in the event of the assigned objectives being achieved,

at the date of this Report would theoretically be up to a maximum of 588,503,290.

2.4.2 Application of adjustment factor

In the event that the adjustment ratios may be made to apply under the Share Capital Increase, then with regard to the stock options, they would apply to the strike prices and the numbers of shares to be issued, and, with regard to the shares to be issued without payment in service of the shares-based incentive plans, in relation only to the number of shares that would be allocated without payment.

The following expression represents the formula normally used to calculate the adjustment factor (sometimes known as K):

$$K = \frac{P(theor)\ ex}{P\ off}$$

where:

P(theor) ex = the theoretical ex-rights price = [(P off * V)+(P sub * N)] /(V+N)

P off = the official *cum*-rights price

P sub = subscription price of one new share

V = number of old shares

N = the number of newly-issued shares

Based on the above, the adjustment factor K may be calculated only once the issue price for the new shares has been determined, and the last *cum*-rights price and the theoretical ex-rights price of the existing shares ("TERP") are both known.

That information will be available only at the moment at which the Board of Directors gives effect to the Share Capital Increase, under the powers it is attributed.

With reference to the above, the Shareholders' Meeting is asked to:

(i) resolve, in connection with the ordinary shares of UniCredit, to be issued by way of contribution in cash further to the exercise of the stock options by the beneficiaries of the Plans, to increase the share capital pursuant to article 2441, eighth paragraph, of the Italian Civil Code - supplementing what already resolved by the Board of Directors by exercising the delegation received in accordance with Article 2443 of the Civil Code - in one or more tranches and in divisible form, through the issuance of a number of ordinary shares resulting from the correct use of mathematical criteria necessary to guarantee the economic neutrality, with respect to the beneficiaries, of the capital increase approved by the Shareholders' Meeting called today, provided that such capital increase shall not exceed 1% of the existing share capital. Considering the relation of such capital increase with the Share Capital Increase analysed by the Extraordinary Shareholders' Meeting called today, the Board of Directors shall carry out such capital increase after the execution, in full or in part, of the Share Capital Increase and, in any case, by the term set in each resolution granting the powers;

(ii) integrate:

- with reference to the ordinary shares of UniCredit to be issued without charge as performance shares, the powers granted to the Board of Directors, pursuant to article 2443 of the Italian civil code, on 12 May 2006, 10 May 2007 and 8 May 2008, 22 April 2010 and 29 April 2011;
- in connection with the ordinary shares of UniCredit to be issued by way of contribution in cash, further to the exercise of the stock options by the beneficiaries of the Plans the powers granted to the Board of Directors, pursuant to article 2443 of the Italian civil code, on 29 April 2011;

so that the number of shares to be issued is also integrated by the number resulting from the correct use of mathematical criteria necessary in order to guarantee to the beneficiaries the economic neutrality of the Share Capital Increase analysed by the Shareholders' Meeting called today, provided that any other term and condition of the granted powers remains unchanged. The Board of Directors will be entitled to exercise the power granted today after the execution, in full or in part, of the Share Capital Increase and, in any case, by the term set in each resolution granting the powers;

(iii) grant to the Board of Directors all necessary powers to amend articles 5 and 6 of the Company's article of association as a result of the Board's resolutions adopted pursuant to points (i) and (ii).

3. REVERSE SPLIT OF UNICREDIT'S ORDINARY AND SAVINGS SHARES, AT A RATIO OF ONE NEW ORDINARY SHARE, WITH DIVIDENDS AND OTHER ENTITLEMENTS ACCRUING IN THE NORMAL WAY, PER TEN EXISTING ORDINARY SHARES AND ONE NEW SAVINGS SHARE, WITH DIVIDENDS AND OTHER ENTITLEMENTS ACCRUING IN THE NORMAL WAY, PER TEN EXISTING SAVING SHARES, AFTER CANCELLATION OF ORDINARY AND SAVINGS SHARES IN THE MINIMUM NUMBER NECESSARY TO ALLOW THE BALANCING OF THE ENTIRE TRANSACTION. CONSEQUENT AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION AND RESOLUTIONS RELATED THERETO;

3.1 The reasons for the proposed transaction

Currently, the Company's share capital comprises 19,298,490,693 shares, of which 19,274,251,710 ordinary shares, and 24,238,983 saving shares. Following the Share Capital Increase that is being brought before the Shareholders' Meeting for approval, the number of shares outstanding will increase further.

In that light, a reverse split of the Company's shares, and the consequent reduction in the number of shares outstanding, would simplify the Company's administration of the ordinary and savings shares, which would be in the interest of current and future shareholders. In addition, the reverse split should also make it easier to read through to the per-share value of each UniCredit share, and would align their prices more closely to the current average price of shares included in the FTSE MIB index.

In an efficient market, a reverse split has not a material impact upon the value of participations in a company. Holders of ordinary and savings shares would see a reduction in the number of shares they hold, and at the same time, an increase in the value of each share, such that the total value of their investment would be unaffected.

For these reasons, it is proposed to the Shareholders' Meeting that it authorise a reverse split of the ordinary and savings shares, at a ratio of one new ordinary share - with dividends and other entitlements accruing in the normal way - per ten existing ordinary shares; and one new savings share - with dividends and other entitlements accruing in the normal way - per ten existing savings shares.

That reverse split would be carried out prior to the commencement of the Share Capital Increase described in 2, above, to a timetable and upon terms to be agreed with Borsa Italiana and relevant regulatory authorities. In the event that is not possible, it may be carried out after the Share Capital Increase, but no later than 30 April 2012.

In the event that the reverse split came into effect prior to the commencement of the Share Capital Increase, the Board of Directors will take account of the fact in determining the terms of this capital increase.

It could be necessary to proposed that up to nine ordinary shares and up to nine savings shares be cancelled in order to square the transaction as a whole. Accordingly it is proposed that up to nine ordinary shares and up to nine savings shares will be purchased in the market for cancellation.

The reverse splits would be carried out in accordance with applicable legislation by authorised intermediaries that are members of the Monte Titoli S.p.A. centralised management system, and no costs would be borne by shareholders.

In order to facilitate the reverse splits for individual shareholders, and to manage any residual amounts that might emerge as a result, a service would be offered to shareholders to address fractions of shares incapable of making whole shares, in accordance with best practice for transactions of this kind, on the basis of official prices in the market and without additional costs, duties or fees.

3.2 Group incentive Plans

With respect to existing incentive plans based upon financial instruments that have been approved by the Shareholders' Meeting, the reverse splits of the shares will result in a proportional change to the price and/or the number of shares that may be purchased, and accordingly will be applied adjustment factor in order to guarantee the neutrality with respect to the holders of the securities involved.

3.3. Amendments to the articles of association

In light of the above the UniCredit's article of association should be amended after the completion of the reverse split as follows:

- modify the article 5 so as to correctly state the number of shares representing the share capital of the company following the reverse split;
- insert a new last paragraph at article 6 acknowledging that the reverse split approved today should be taken into account when determining the maximum amount of shares to be issued in any capital increases carried out pursuant to the preceding paragraphs in that article and for the purpose of the execution of the incentive plans from time to time approved by the Company, without prejudice to the maximum aggregate amount set for those increases.
- adapt the numerical references included at articles 7 and 32 of the articles of association, as a consequence of the application of the reverse split ratio; in this respect we note that those articles make provision for the updating of this reference in cases of capital increases so as to determine the dividends on ordinary and savings shares and not be prejudicial to size and characteristics of the privileges associated with the savings shares.

Considering that the reverse split may happen before or after the Share Capital Increase referred to in point 2 above, we propose granting the Chairman and the Chief Executive Officer severally as between them, the power to amend the articles association as appropriate taking into account the number of issued shares following the Share Capital Increase if any.

The amendments set out above are under currently subject to an approval process by the Bank of Italy in accordance with article 56 of Legislative Decree 385/93 (the Consolidated Banking Act).

3.4 Information regarding right of withdrawal

The proposed reverse split of ordinary and savings shares does not amount to a right of withdrawal on the part of savings and ordinary shareholders pursuant to article 2437 of the Civil Code. Accordingly, its approval would not give rise to any right of withdrawal on the part of shareholders.

In addition, the proposal is not subject to the approval of the Special Meeting of Savings Shareholders pursuant to article 146, first paragraph, letter b) of Legislative Decree n.58 of 24 February 1998 as it does not prejudice the rights of a class of shareholders.

4. AMENDMENT OF ARTICLE 32 OF THE COMPANY'S ARTICLES OF ASSOCIATION, IN ORDER TO PROVIDE THE RIGHT OF THE COMPANY TO DISTRIBUTE PROFIT ALSO IN THE FORM OF COMPANY'S SHARES (SCRIP DIVIDEND). CONSEQUENT RESOLUTIONS RELATED THERETO.

4.1 Reasons behind the proposed amendment

This proposed amendment would enable the Board of Directors, when presenting the distribution of profits to the Shareholders' Meeting, to propose to the ordinary and savings shareholders that the dividends are settled – in whole or in part – in cash or in the form of Company's shares, having the same rights associated with the ordinary shares outstanding at their time of assignment, according to the instructions given by these shareholders.

The criteria for the calculation of the number of shares to be assigned and the method and timing of delivery of such shares would be determined, in compliance with the applicable law, by the same Shareholders' Meeting, upon proposal of the Board of Directors.

The Shareholders' Meeting would also establish the form of settlement of the dividends payment (in cash or in shares) in case of non-exercise of the above right by the shareholders.

This proposed amendment would not affect the privilege related to the dividend of the savings shares according to the Articles of Association, to which would be allocated in any case a cash payment in respect of the dividends due to them, unless otherwise required by savings shareholder.

In such way the Shareholders would be able to reinvest in the Company – in whole or in part – the dividends due to them at conditions which, without prejudice to the applicable law, may be even more advantageous than those available on the market, allowing the Company, at the same time, to strengthen its capital, capitalizing the profits in respect of which the payment in the form of shares has been requested.

The amendments to the Company's articles of association which are proposed to the Shareholders Meeting today are detailed in the table below. The version of article 32 indicated in the column "Current text" reflects the terms of that article as amended in the event of approval of the elimination of the per-share nominal value of the ordinary and savings shares described in the second item of the agenda of the Shareholders' Meeting.

Current text (as amended in the event of approval of the elimination of the per-share nominal value described in the second item of the agenda of the Shareholders' Meeting)	**Proposed text**
Article 32 1. The net profit reported in the accounts is allocated as follows:	**Artiche 32** 1. (unvaried)
a) no less than 10% to the reserve; when the reserve is at the maximum level foreseen by legal provisions, said profit is allocated with priority to the savings shares, at the level set out in point b) below;	a) (unvaried)
b) the savings shares are allocated up to five per cent of Euro 0.63 per share ; when, in any given operating year, the savings shares are allocated a	b) (unvaried)

dividend of less than five per cent of Euro 0.63 per share , the difference is added to the preferential dividend for the next two years; any earnings that remain after allocating the above dividend to the savings shares are distributed among all shares, in such a way that the savings shares are assigned a higher global dividend that due to ordinary shares, at a level equal to three per cent of Euro 0.63 per share;	
c) whilst the above provisions regarding the higher overall dividend due to savings shares shall continue to be observed, the ordinary shares are allocated up to five per cent of Euro 0.63 per share. In case of capital transactions which modify the ratio between the amount of share capital and the number of shares outstanding, the fixed numerical reference referred to in points b) and c) of this paragraph 1, could be amended consequently;	c) (unvaried)
d) any earnings that remain, and in respect of whose distribution the Meeting of Shareholders carries a resolution, are distributed among shares in addition to the allocations referred to in points b) and c) above;	d) (unvaried)
e) the Meeting of Shareholders resolves upon the distribution of any undistributed earnings, further to a proposal from the Board of Directors.	e) (unvaried)
	2. The Meeting of Shareholders, further to a proposal from the Board of Directors, may assign to the ordinary and savings shareholders the right to require that the dividends referred to in points b), c) and d) above are settled, in whole or in part, in cash or by delivery of ordinary shares, having the same entitlements of the ordinary shares outstanding at their time of assignment. **In case of assignment of such right, the Meeting of Shareholders, further to a proposal from the Board of the Directors, shall determine the criteria for the calculation and assignment of the ordinary shares, establishing the form of settlement of the dividend payment in case of non-exercise of such right by the shareholders.** **Provided that the privilege on the dividend pertaining to the saving shares in accordance with the preceding letter b) will be paid in cash, except that the shareholder elects otherwise.**
2. The Meeting of Shareholders, further to a proposal from the Board of Directors, may also resolve upon the formation and increase of reserves of an extraordinary and special nature, which are to be sourced from net profit before or	~~2.~~ **3.** The Meeting of Shareholders, further to a proposal from the Board of Directors, may also resolve upon the formation and increase of reserves of an extraordinary and special nature, which are to be sourced from net profit before or

after the allocations referred to in points c), d) and e) above.	after the allocations referred to in points c), d) and e) above.
3. The Meeting of Shareholders, further to a proposal from the Board of Directors, may allocate a portion of the annual net profit to projects of a social, welfare and/or cultural nature, with any such donations to be made as per the judgment of the Board of Directors	~~3.~~ **4.** The Meeting of Shareholders, further to a proposal from the Board of Directors, may allocate a portion of the annual net profit to projects of a social, welfare and/or cultural nature, with any such donations to be made as per the judgment of the Board of Directors
4. The Bank may resolve upon the distribution of advance dividend payments in those situations, by those procedures and within those limits permitted by prevailing laws.	~~4.~~ **5.** The Bank may resolve upon the distribution of advance dividend payments in those situations, by those procedures and within those limits permitted by prevailing laws.

The amendments set out above are under currently subject to an approval process by the Bank of Italy in accordance with article 56 of Legislative Decree 385/93 (the Consolidated Banking Act).

4.2 Information regarding the right of withdrawal

The proposed amendment to Article 32 of the Company's articles of association does not amount to a right of withdrawal pursuant to article 2437 of the Civil Code. Accordingly, its approval would not give rise to any right of withdrawal on the part of shareholders.

In addition, the proposal is not subject to the approval of the Special Meeting of Savings Shareholders pursuant to article 146, first paragraph, letter b) of Legislative Decree n.58 of 24 February 1998 as it does not prejudice the rights of a class of shareholders.

5. RESOLUTIONS PROPOSED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

"Shareholders, should you agree with and the contents and the positions set forth in this Directors' Report, we would invite you to pass the following resolutions:

5.1 ELIMINATION OF THE PER-SHARE NOMINAL VALUE OF UNICREDIT'S ORDINARY AND SAVINGS SHARES AND INTRODUCTION OF A FIXED NUMERICAL REFERENCE IN PLACE OF THE NOMINAL VALUE PER SHARE, IN ORDER TO DETERMINE THE DIVIDENDS PAYABLE TO ORDINARY AND SAVINGS SHARES AND NOT BE PREJUDICIAL TO SIZE AND CHARACTERISTICS OF THE PRIVILEGES ASSOCIATED WITH THE SAVINGS SHARES. CONSEQUENT AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION AND RESOLUTIONS RELATED THERETO;

"The Extraordinary Shareholders' Meeting of UniCredit, having heard the Report of the Board of Directors,

Resolves to:

1. approve the elimination of the per-share nominal value of UniCredit's ordinary and savings shares;
2. approve the introduction of a fixed numerical reference in place of the per-share nominal value for the purpose of determining the dividends payable to ordinary and savings shares and so as not to prejudice the size and characteristics of the privileges associated with the savings shares;
3. approve the consequent amendments of the articles of association:
   - amendment of the first paragraph of article 5 in accordance with the following new text, assuming the approval by today's Shareholders' Meeting, following the approval of the free capital increase at point 1 of the Agenda, of the amendment of article 5 of the articles of association in accordance with the proposal presented to the shareholders:

     "*1. The Bank's share capital, fully subscribed and paid-up, amounts to Euro 12,148,463,316.00 and is divided into 19,298,490,693 shares without nominal value, in turn made up of 19,274,251,710 ordinary shares and 24,238,983 savings shares.*".
   - amendment of the first paragraph of article 7 in accordance with the following new text:

     "*1. Savings shares do not bear any voting rights. Any reduction of share capital due to losses does not have any effect on saving shares, other than for the portion of any loss that eventually exceeds the overall amount of the capital represented by other shares; in the event of the Bank being wound up, savings shares enjoy the right of pre-emption in respect of the redemption of capital, up to Euro 0.63 per share. In case of capital transactions which modify the ratio between the amount of share capital and the number of shares outstanding, the above fixed numerical reference, could be amended consequently. In the event of distribution of reserves, savings shares bear the same rights as other shares.";*
   - amendment of the first paragraph of article 32 in accordance with the following new text:

     "*1. The net profit reported in the accounts is allocated as follows:*

     a) no less than 10% to the reserve; when the reserve is at the maximum level foreseen by legal provisions, said profit is allocated with priority to the savings *shares, at the level set out in point b) below;*

b) *the savings shares are allocated up to five per cent of Euro 0.63 per share; when, in any given operating year, the savings shares are allocated a dividend of less than five per cent of Euro 0.63 per share, the difference is added to the preferential dividend for the next two years; any earnings that remain after allocating the above dividend to the savings shares are distributed among all shares, in such a way that the savings shares are assigned a higher global dividend that due to ordinary shares, at a level equal to three per cent of Euro 0.63 per share;*

c) *whilst the above provisions regarding the higher overall dividend due to savings shares shall continue to be observed, the ordinary shares are allocated up to five per cent of Euro 0.63 per share.*

In case of capital transactions which modify the ratio between the amount of share capital and the number of shares outstanding, the fixed numerical reference referred to in points b) and c) of this paragraph 1, could be amended consequently;

d) *any earnings that remain, and in respect of whose distribution the Meeting of Shareholders carries a resolution, are distributed among shares in addition to the allocations referred to in points b) and c) above;*

e) *the Meeting of Shareholders resolves upon the distribution of any undistributed earnings, further to a proposal from the Board of Director*s.".

4. grant the Chairman and the Chief Executive Officer, acting also severally, within the limits of law, all necessary power to put in place all action needed to execute the Shareholders' resolutions above, including the authority to (i) proceed with the filing of such resolutions with the Companies Registry; (ii) introduce all amendments or supplements (that do not alter the substance of the transactions resolved upon) that are deemed necessary/advisable also for the filing with the Companies Registry; and (iii) to make the necessary changes to article 5, paragraph 1, article 7, paragraph 1 and article 32, paragraph 1 of the Articles of Association should today's Shareholders' Meeting fail to approve the proposed free capital increase referred to item 1 in the Agenda.

5.2 SHARE CAPITAL INCREASE FOR CASH BY WAY OF A RIGHT ISSUE UP TO AN AGGREGATE AMOUNT OF EURO 7.5 BILLION, INCLUDING ANY SHARE PREMIUM, TO BE CARRIED OUT NO LATER THAN 30 JUNE 2012, DIVISIBLE, THROUGH THE ISSUE OF ORDINARY SHARES WITH DIVIDENDS AND OTHER ENTITLEMENTS ACCRUING IN THE NORMAL WAY, TO BE OFFERED TO THE COMPANY'S ORDINARY AND SAVINGS SHAREHOLDERS PURSUANT TO ARTICLE 2441, FIRST, SECOND AND THIRD PARAGRAPHS, OF THE CIVIL CODE. CONSEQUENT AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION AND RESOLUTIONS RELATED THERETO;

"The Extraordinary Shareholders' Meeting of UniCredit, having heard the Report of the Board of Directors,

Resolves to:

1. approve a capital increase for cash by way of a right issue up to an aggregate amount of Euro 7,500,000,000, including any share premium, to be carried out no later than 30 June 2012, divisible, through the issue of ordinary shares with dividends and other entitlements accruing in the normal way, to be offered pursuant to subscription rights granted to the Company's ordinary and savings shareholders pursuant to article 2441, first, second and third paragraphs, of the Civil Code.
2. confer upon the Board of Directors the broadest powers in order that it may:
   (i) determine, at a time close to the commencement of the rights offering, the final amount of the share capital increase.
   (ii) determine, in consequence to item (i) above, the number of shares to be issued, the subscription ratio and the issue price (including any share premium), taking into consideration, inter alia, general market conditions and the performance of the Company's shares, as well as the Company's economic, equity and financial conditions, and market practice for transactions of this kind;
   (iii) determine the timetable for the execution of the share capital increase thus resolved, in particular with regard to the launch of the rights offering and the subsequent offering in the market of such rights that remain unexercised at the end of the subscription period, subject to the final deadline of 30 June 2012. In the event that the share capital increase is not fully subscribed by 30 June 2012, the share capital shall be deemed increased by the amount of the subscriptions received;
3. approve a share capital increase with reference to the ordinary shares of UniCredit to be issued for cash, following exercise of stock options by beneficiaries of the UniCredit group's employee incentive plans, such increase to be made pursuant to article 2441, eighth paragraph of the Civil Code, in order to integrate the share capital increase already approved by the Board of Directors in accordance with the power granted pursuant to Article 2443 of the Civil Code, to be executed in one or more tranches and on one or more occasions, through the issue of the number of ordinary shares resulting from the due application of the mathematical formulae, as are required to ensure to such beneficiaries the economic neutrality of the share capital increase approved by the Shareholders' Meeting of 15 December 2011, provided that the increase must not exceed 1 per cent of the existing share capital. Given that this share capital increase is directly consequent to the pre-emptive rights increase submitted to today's Shareholders' Meeting, the Board of Directors shall give effect thereto only after the execution, in whole or in part, of the pre-emptive rights offering, and by the terms set in each resolution granting the powers;
4. integrate:
   - with reference to the ordinary shares of UniCredit to be issued without charge in execution of the Group incentive plans, the powers granted to the Board of Directors, pursuant to article 2443 of the Italian civil code, on 12 May 2006, 10 May 2007 and 8 May 2008, 22 April 2010 and 29 April 2011;

- in connection with the ordinary shares of UniCredit to be issued by way of contribution in cash, further to the exercise of the stock options by the beneficiaries of the UniCredit Group incentive plans, the powers granted to the Board of Directors, pursuant to article 2443 of the Italian Civil Code, on 29 April 2011 and not yet exercised;

so that, in respect of the all above powers, the number of shares to be issued is integrated by the number resulting from the correct use of mathematical criteria necessary in order to guarantee to the beneficiaries the economic neutrality of the Share Capital Increase approved by the Shareholders' Meeting of 15 December 2011, provided that any other term and condition of the granted powers remains unchanged. The Board of Directors will be entitled to exercise the power granted today after the execution, in full or in part, of the Share Capital Increase and, in any case, by the term set in each resolution granting the powers;

5. approve the consequent amendments of the articles of association , introducing a new paragraph 19 to article 6 of the Company's articles of association which shall accordingly read as follows:

   "*19. The Extraordinary Shareholders' Meeting of 15 December 2011 approved a share capital increase for cash by way of a right issue of an aggregate maximum amount of Euro 7,500,000,000 - including any share premium - to be executed, also in a divisible form, no later than 30 June 2012 through the issue of ordinary shares, to which dividends and other entitlements accrue in the normal way, to be offered pursuant to subscription rights granted to ordinary and savings shareholders pursuant to article 2441 of the Civil Code. The Extraordinary Shareholders' Meeting conferred to the Board of Directors the broadest power to: (i) determine, on a date close to the commencement of the rights offering, the definitive amount of the capital increase; (ii) determine the maximum number of new shares to be issued, the subscription ratio and the issue price (including any share premium), taking into account, amongst other things for the purpose of determining the latter, the general market conditions and the performance of the shares in addition to the economic, equity and financial conditions of the Company, having regard to market practice in similar transactions; (iii) define the timing for the execution of the capital increase, in particular for the launch of the right issue and the subsequent offer on the stock exchange of any unsubscribed rights at the end of the subscription period, subject to the final deadline of 30 June 2012. If the capital increase is not fully subscribed by 30 June 2012, the Company's share capital shall be deemed to be increased by an amount equal to the subscriptions receive.*".

6. confer upon the Chairman of the Board of Directors and the Chief Executive Officer of powers, for exercise jointly and/or severally, subject to statutory limitations, in order that they may do everything necessary for the implementation, completion and in every aspect, of the resolutions passed, and to perform such formalities as may be necessary for the listing of the newly-issued ordinary shares on the Electronic Share Market (Mercato Telematico Azionario, or MTA) operated by Borsa Italiana S.p.A., and to obtain in connection with the resolutions passed today such approvals as may be required by law or generally, and to do everything that may be required for the complete execution of these resolutions, with any and all such powers as may be necessary or opportune therefor, without exception (including the power to have the certificate under article 2444 of the Civil Code lodged and published, and the power to file, from time to time, with the Register of Companies pursuant to article 2436 of the Civil Code the revised text of the articles of association to reflect changes to the share capital and the number of shares, on the outcome of the subscriptions of the capital increase), and further including the power to make such amendments, including deletions and additions, that are not of a substantial nature, to the resolution itself, as may be considered necessary or otherwise merely opportune, or as may otherwise be requested by relevant authorities at the time of any authorisation or registration;

7. grant, to the Chairman of the Board of Directors and the Chief Executive Officer, for exercise jointly and/or severally, all such powers as may be opportune to introduce changes to the articles of association that are inherent or consequent to the board resolutions described in points 3 and 4 of this resolution, explicitly declaring their advance ratification and approval thereof; and for the filing with the Register of Companies of the revised articles of association."

5.3 REVERSE SPLIT OF UNICREDIT'S ORDINARY AND SAVINGS SHARES, AT A RATIO OF ONE NEW ORDINARY SHARE, WITH DIVIDENDS AND OTHER ENTITLEMENTS ACCRUING IN THE NORMAL WAY, PER TEN EXISTING ORDINARY SHARES AND ONE NEW SAVINGS SHARE, WITH DIVIDENDS AND OTHER ENTITLEMENTS ACCRUING IN THE NORMAL WAY, PER TEN EXISTING SAVING SHARES, AFTER CANCELLATION OF ORDINARY AND SAVINGS SHARES IN THE MINIMUM NUMBER NECESSARY TO ALLOW THE BALANCING OF THE ENTIRE TRANSACTION. CONSEQUENT AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION AND RESOLUTIONS RELATED THERETO;

"The Extraordinary Shareholders' Meeting of UniCredit, having heard the Report of the Board of Directors,

Resolves:

1. the reverse split of ordinary and savings shares at the following ratio: n. 1 new ordinary share with dividends and other entitlements accruing in the normal way per n. 10 UniCredit's ordinary shares and n. 1 new savings share with dividends and other entitlements accruing in the normal way per n. 10 UniCredit's savings shares, after cancellation, in order to allow the reconciliation of the entire transaction, of n. 9 ordinary shares and n. 9 savings shares to be purchased by UniCredit; this reverse split shall be carried out no later than 30 April 2012;
2. to confer upon the Chairman of the Board of Directors and the Chief Executive Officer, acting jointly and/or severally, each and every power to execute the foregoing resolutions and to make the consequent changes and/or integration to articles 5, 6, 7 and 32 of the Company's article of association, upon execution of the reverse stock split, adjusting the numerical values referred to herein and taking into account the number of shares issued following the share capital increase referred to in point 3) of the Agenda of today's Meeting; explicitly declaring their advance ratification and approval thereof and to file with the Register of Companies of the revised Company's articles of association.

5.4 AMENDMENT OF ARTICLE 32 OF THE COMPANY'S ARTICLES OF ASSOCIATION, IN ORDER TO PROVIDE THE RIGHT OF THE COMPANY TO DISTRIBUTE PROFIT ALSO IN THE FORM OF COMPANY'S SHARES (SCRIP DIVIDEND). CONSEQUENT RESOLUTIONS RELATED THERETO.

"The Extraordinary Shareholders' Meeting of UniCredit, having heard the Report of the Board of Directors,

Resolves to:

1. approve the amendment to the Company's Article of Association in order to provide the right of the Company to distribute profit also in the form of Company's shares, amending article 32 of the Company's Article of Association as follows:

"1. The net profit reported in the accounts is allocated as follows:

a) *no less than 10% to the reserve; when the reserve is at the maximum level foreseen by legal provisions, said profit is allocated with priority to the savings shares, at the level set out in point b) below;*

b) *the savings shares are allocated up to five per cent of Euro 0.63 per share; when, in any given operating year, the savings shares are allocated a dividend of less than five per cent of Euro 0.63 per share, the difference is added to the preferential dividend for the next two years; any earnings that remain after allocating the above dividend to the savings shares are distributed among all shares, in such a way that the savings shares are assigned a higher global dividend that due to ordinary shares, at a level equal to three per cent of Euro 0.63 per share;*

c) *whilst the above provisions regarding the higher overall dividend due to savings shares shall continue to be observed, the ordinary shares are allocated up to five per cent of Euro 0.63 per share.*

In case of capital transactions which modify the ratio between the amount of share capital and the number of shares outstanding, the fixed numerical reference referred to in points b) and c) of this paragraph 1, could be amended consequently;

d) *any earnings that remain, and in respect of whose distribution the Meeting of Shareholders carries a resolution, are distributed among shares in addition to the allocations referred to in points b) and c) above;*

e) *the Meeting of Shareholders resolves upon the distribution of any undistributed earnings, further to a proposal from the Board of Director*s.".

2. The Meeting of Shareholders, further to a proposal from the Board of Directors, may assign to the ordinary and savings shareholders the right to require that the dividends referred to in points b), c) and d) above are settled, in whole or in part, in cash or by delivery of ordinary shares, having the same entitlements of the ordinary shares outstanding at their time of assignment.

In case of assignment of such right, the Meeting of Shareholders, further to a proposal from the Board of the Directors, shall determine the criteria for the calculation and assignment of the ordinary shares, establishing the form of settlement of the dividend payment in case of non-exercise of such right by the shareholders.

Provided that the privilege on the dividend pertaining to the saving shares in accordance with the preceding letter b) will be paid in cash, except that the shareholder elects otherwise.

3. *The Meeting of Shareholders, further to a proposal from the Board of Directors, may also resolve upon the formation and increase of reserves of an extraordinary and special nature, which are to be sourced from net profit before or after the allocations referred to in points c), d) and e) above.*
4. *The Meeting of Shareholders, further to a proposal from the Board of Directors, may allocate a portion of the annual net profit to projects of a social, welfare and/or cultural nature, with any such donations to be made as per the judgment of the Board of Directors*
5. *The Bank may resolve upon the distribution of advance dividend payments in those situations, by those procedures and within those limits permitted by prevailing laws."*

2. grant the Chairman and the Chief Executive Officer, acting also severally, within the limits of law, all necessary power to put in place all action needed to execute the Shareholders' resolutions above, including the authority to (i) proceed with the filing of such resolutions with the Companies Registry; (ii) introduce all amendments or supplements (that do not alter the substance of the transactions resolved upon) that are deemed necessary/advisable also for the filing with the Companies Registry.