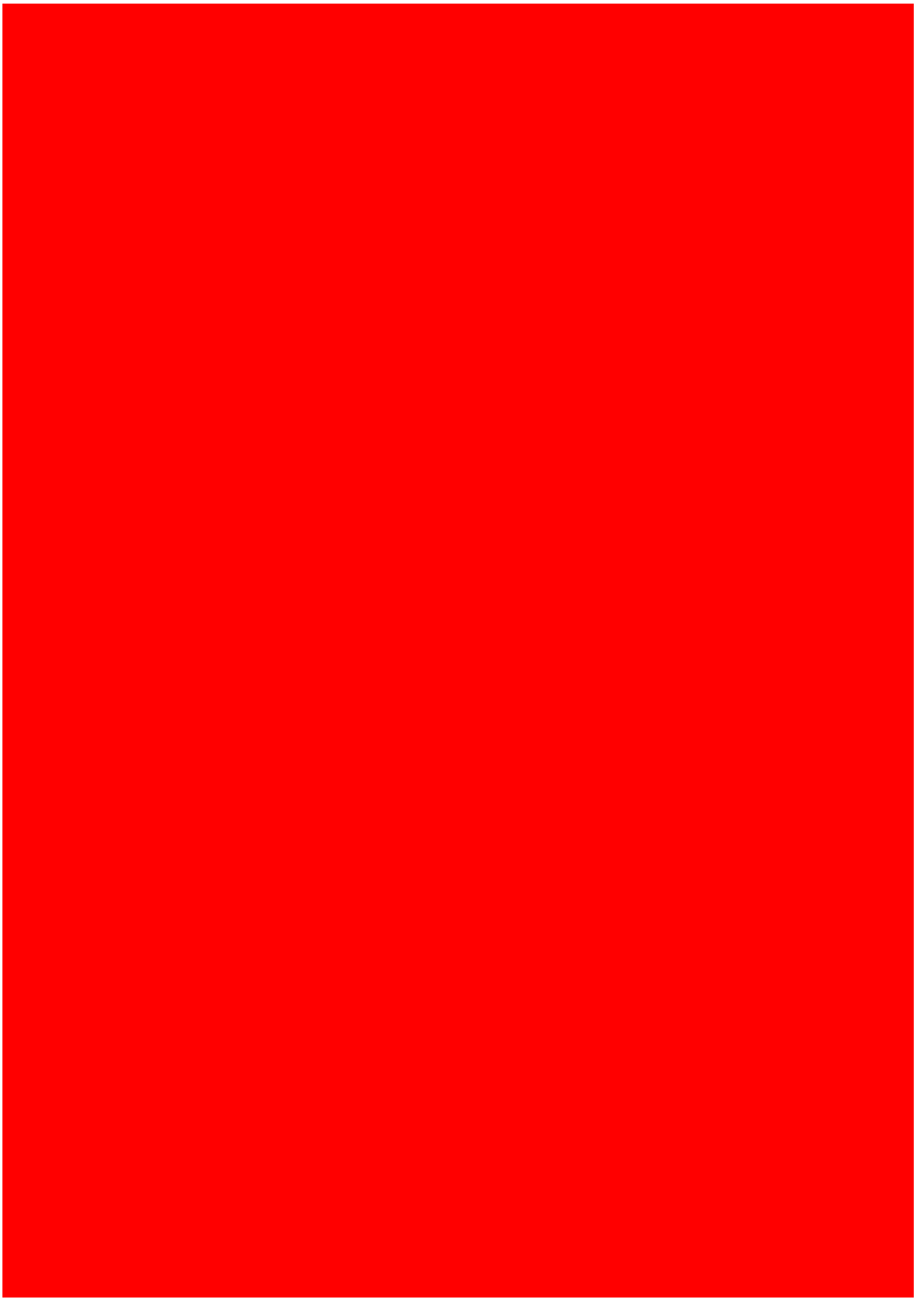
UniCredit

# Consolidated Interim Report as at September 30, **2011**

UniCredit S.p.A.
A joint stock company
Registered Office in Rome: Via Alessandro Specchi, 16
Head Office in Milan: Piazza Cordusio
Share capital Euro €9,649,245,346.50 fully paid in, Fiscal Code, VAT number with the Company Register of Rome: 00348170101
Registered in the Register of Banking Groups and Parent Company of the Unicredit Banking Group, with cod. 02008.1; cod. ABI 02008.1
Member of the National Interbank Deposit Guarantee Fund and of the National Compensation Fund

# Consolidated Interim Report as at September 30, **2011**



# Contents



**Notes**

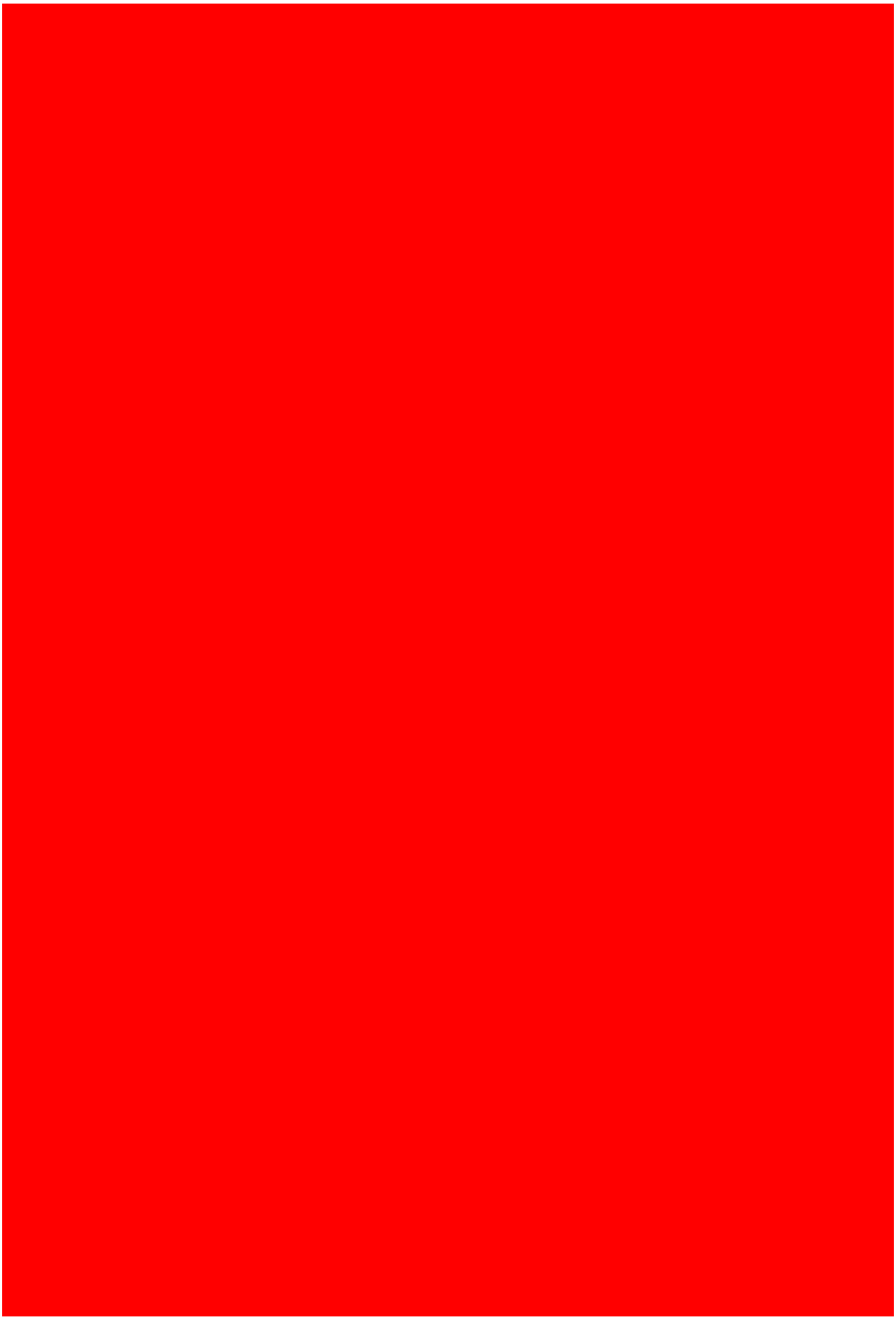
The following conventional symbols have been used in the tables:

. a dash (-) indicates that the item/figure is inexistent;

. two stops (..), “n.s.” or “n.m.” when the figures do not reach the minimum considered significant or are not in any case considered significant;

. “n.a.” indicates that the figure is not available.

Any discrepancies between data are solely due to the effect of rounding.



# Introduction

# Board of Directors, Board of Statutory Auditors and External Auditors

## Board of Directors

| | |
|---|---|
| Dieter Rampl | Chairman |
| Luigi Castelletti | Deputy Vice Chairman |
| Farhat Omar Bengdara<br>Vincenzo Calandra Buonaura<br>Fabrizio Palenzona | Vice Chairmen |
| Federico Ghizzoni | CEO |
| Giovanni Belluzzi<br>Manfred Bischoff<br>Enrico Tommaso Cucchiani<br>Donato Fontanesi<br>Francesco Giacomin<br>Piero Gnudi<br>Friedrich Kadrnoska<br>Marianna Li Calzi<br>Luigi Maramotti<br>Antonio Maria Marocco<br>Carlo Pesenti<br>Lucrezia Reichlin<br>Hans-Jürgen Schinzler<br>Theodor Waigel<br>Anthony Wyand<br>Franz Zwickl | Directors |
| Lorenzo Lampiano | Company Secretary |

## Board of Statutory Auditors

| | |
|---|---|
| Maurizio Lauri | Chairman |
| Cesare Bisoni<br>Vincenzo Nicastro<br>Michele Rutigliano<br>Marco Ventoruzzo | Standing Auditors |
| Massimo Livatino<br>Paolo Domenico Sfameni | Alternate Auditors |

## General Manager

Roberto Nicastro

## Nominated Official in charge of drawing up Company Accounts

Marina Natale

## External Auditors

KPMG S.p.A.

# Prefatory Note to the Consolidated Interim Report

## General aspects

This **Consolidated Interim Report as at September 30, 2011** has been prepared in consolidated form under Article 154-ter, paragraph 2 of Legislative Decree No. 58 of February 24, 1998, in accordance with IAS/IFRS international accounting standards, as indicated by IAS 34, paragraph 10.

Press releases on significant events during the period, the market presentation on third quarter results and the public disclosure under Pillar III of Basel 2 are also available on UniCredit's website.

Any discrepancies between data disclosed in the Consolidated Interim Report are solely due to the effect of rounding.

## Preparation criteria

This report includes:

- the **Interim Report on Operations** using reclassified financial statement formats, including not only comments on the results for the period and on other main events, but also the information required by the CONSOB;
- the **Condensed Interim Consolidated Accounts**, stated in comparison with those for 2010; specifically, as provided for by IAS 34, the balance sheet has been compared with the figures as at December 31, 2010, while the Income Statement, the Statement of Comprehensive Income, the Change in Shareholders' Equity and the Cash Flow Statement are compared with the figures as at September 30, 2010;
- the **Explanatory Notes**, which include not only the detailed information required by IAS 34, stated according to the formats adopted in the financial statements, but also the additional information required by the CONSOB and the information deemed useful for providing a true picture of the consolidated corporate standing;
- the **Certification of the Condensed Interim Consolidated Financial Statements** pursuant to Article 81-ter of CONSOB Regulation No. 11971 of May 14, 1999 and subsequent amendments and addenda.

## Scope of consolidation

In the first nine months of 2011 there were the following changes in the scope of consolidation.

- Fully consolidated subsidiaries increased from 735 as at December 2010 to 765 at September 2011, with a rise of 30 companies;
- Proportionately consolidated entities increased from 19 as at December 2010 to 31 at September 2011, with a rise of 12 companies;
- Companies consolidated at equity increased from 45 as at December 2010 to 54 at September 2011, with a rise of 9 companies.

For further details see Explanatory Notes - Part A – Accounting Policies- Section 3 – Consolidation Procedures and Scope.

## Non-current assets and disposal groups held for sale

The main assets reclassified on the basis of IFRS 5 under non-current assets and disposal groups held for sale on the balance sheet as of September 30, 2011 are mainly those related to the investment in IRFIS – Finanziaria per lo Sviluppo della Sicilia S.p.A.

For further details see:

- “Other information – Transactions for rationalizing Group operations and other corporate transactions” in Interim Report on Operations;
- “Part B – Consolidated Balance Sheet – Asset – Section 15” in Condensed Interim Consolidated Financial Statements – Explanatory Notes.

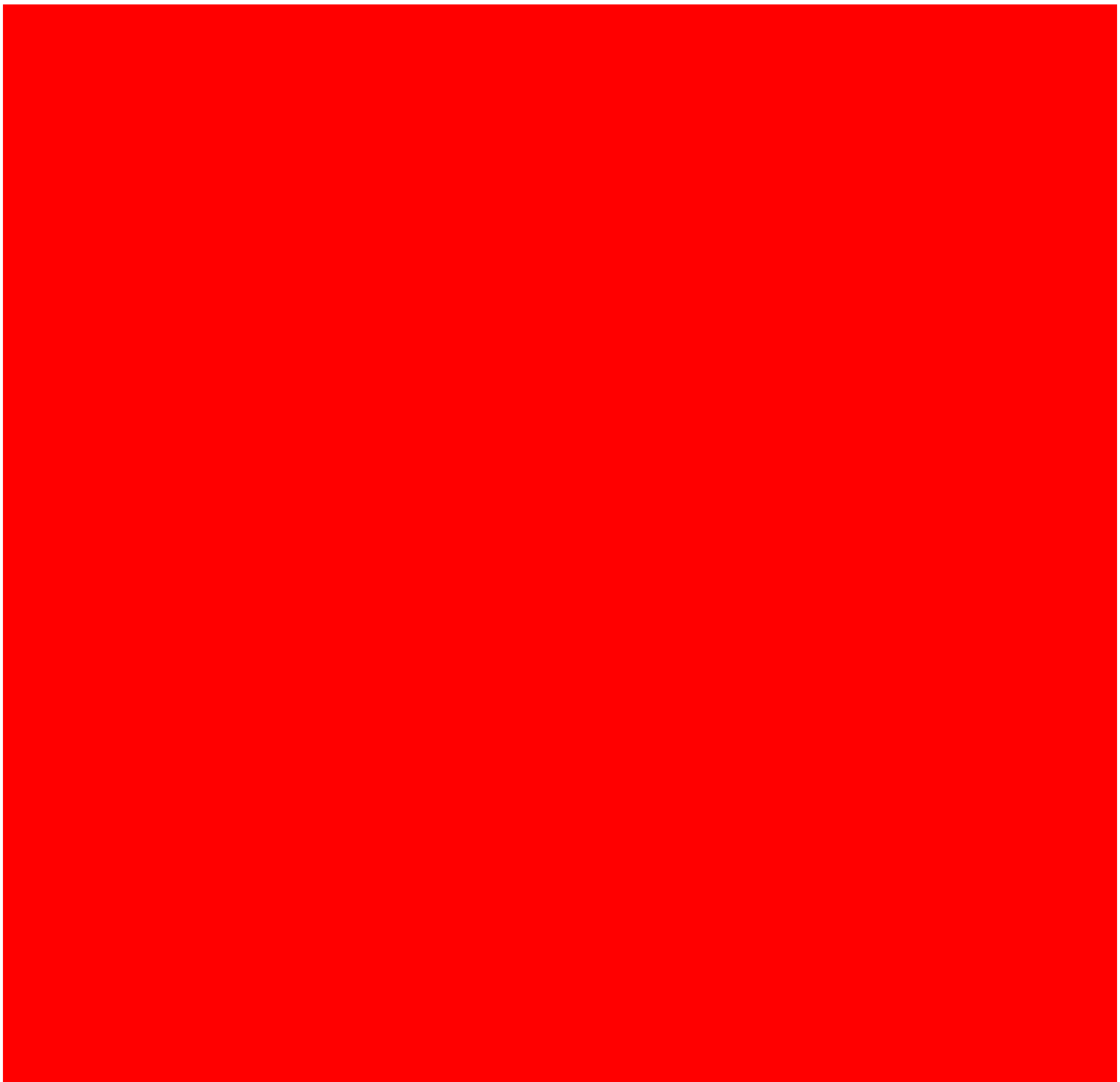
## Segment Reporting (Summary)

As announced in the “2010 Consolidated Reports and Accounts”, starting from 2011 January the 1st , Segment reporting is presented and commented by new business division, in line with the current practice in management reporting of Group results, as follows:

- F&SME Network Italy;
- F&SME Network Germany;
- F&SME Network Austria;
- F&SME Network Poland;
- F&SME Factories;
- Corporate & Investment Banking (CIB);
- Private Banking;
- Asset Management;
- CEE;
- Group Corporate Center (the latter includes Global Banking Services, Corporate Centre, and consolidation adjustments not assigned to the single business segments).

Profit and loss data are given in the items of the reclassified income statement down to operating profit, except for the CEE, for which a net profit figure is given.

Prior-period profit and loss data have been restated to take the changes in scope into account.



# Interim Report on Operations



Unless otherwise indicated, all amounts are in **millions of euros**.

# Highlights

| INCOME STATEMENT | | | (€ million) |
|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE |
| | 2011 | 2010 | |
| Operating income | 19,108 | 19,600 | - 2.5% |
| *of which: - net interest* | *11,618* | *11,739* | *- 1.0%* |
| *- dividends and other income from equity investments* | *333* | *263* | *+ 26.6%* |
| *- net fees and commissions* | *6,268* | *6,300* | *- 0.5%* |
| Operating costs | (11,662) | (11,604) | + 0.5% |
| Operating profit | 7,446 | 7,996 | - 6.9% |
| Profit (loss) before tax | 1,519 | 2,655 | - 42.8% |
| **Net profit (loss) attributable to the Group** | **(9,320)** | **1,003** | **n.s.** |

Starting from Q1 2011 the PPA related to the acquisition of HVB, formerly classified within different P&L lines, is entirely allocated in the "Purchase Price Allocation effect" line of P&L (as already done for Capitalia's acquisition). Previous periods has been reclassified.

Following the merger in November 2010 – which entailed the absorption of certain placement entities by the issuer – the result arising from the placement of securities issued by UniCredit S.p.A. recognised by the former in M9 2010 has been reclassified from "net fees and commissions" to "net interest".

| BALANCE SHEET | | | (€ million) |
|---|---|---|---|
| | AMOUNTS AS AT | | CHANGE |
| | 09.30.2011 | 12.31.2010 | |
| Total assets | 950,296 | 929,488 | + 2.2% |
| Financial assets held for trading | 140,008 | 122,551 | + 14.2% |
| Loans and receivables with customers | 562,447 | 555,653 | + 1.2% |
| *of which: - impaired loans* | *39,044* | *37,429* | + 4.3% |
| Financial liabilities held for trading | 137,734 | 114,099 | + 20.7% |
| Deposits from customers and debt securities in issue | 559,230 | 583,239 | - 4.1% |
| *of which: - deposits from customers* | *392,517* | *402,248* | *- 2.4%* |
| *- securities in issue* | *166,714* | *180,990* | *- 7.9%* |
| **Shareholders' Equity** | **52,292** | **64,224** | **- 18.6%** |

The figures in these tables refer to reclassified balance sheet and income statement.

See § "Net Impairment Losses on Loans and Provision for Guarantees and Commitments" in these Interim Report on Operations for more details.

| STAFF AND BRANCHES | | | |
|---|---|---|---|
| | AS AT | | CHANGE |
| | 09.30.2011 | 12.31.2010 | |
| Employees [1] | 160,552 | 162,009 | -1,457 |
| Employees (subsidiaries are consolidated proportionately) | 150,537 | 152,183 | -1,646 |
| Branches [2] | 9,508 | 9,617 | -109 |
| *of which: - Italy* | *4,430* | *4,510* | *-80* |
| *- Other countries* | *5,078* | *5,107* | *-29* |

1. "Full time equivalent" data (FTE): number of employees counted for the rate of presence. These figures include all employees of subsidiaries consolidated proportionately, such as Koç Financial Services Group employees.
2. These figures include all branches of subsidiaries consolidated proportionately, such as Koç Financial Services Group branches.

| PROFITABILITY RATIOS | | | |
|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE |
| | 2011 | 2010 | |
| EPS [1] (€) | -0.52 | 0.05 | -0.57 |
| Cost/income ratio [2] | 61.0% | 59.2% | + 1.8 |
| EVA (€ million) [3] | (2,443) | (1,376) | - 1,067 |

1. The M9 2011 EPS calculation used a net losses of €9,477 million instead of €9,320 million due to payments charged to equity relating to the own shares usufruct agreement entered into as part of the Cashes transaction. € 116 million was deducted from 2010 first nine months net profit of €1,003 million due to disbursements charged to equity made in connection with the contract of usufruct on own shares agreed under the Cashes transaction.
2. The M9 2010 figure has been restated following revision of the condensed income statement.
3. Economic Value Added, equal to the difference between NOPAT (net operating profit after taxes) and the cost of capital.

| RISK RATIOS | | | |
|---|---|---|---|
| | AS AT | | 12.31.2010 |
| | 09.30.2011 | 12.31.2010 | COMPARABLE [1] |
| Net non-performing loans to customers / Loans to customers | 3.12% | 2.94% | 2.95% |
| Net impaired loans to customers / Loans to customers | 6.94% | 6.74% | 6.89% |

1. See § "Net Impairment Losses on Loans and Provision for Guarantees and Commitments" in these Consolidated Interim Report, for more details.

| CAPITAL RATIOS | | | |
|---|---|---|---|
| | AS AT | | |
| | 09.30.2011 | | 12.31.2010 |
| | INCLUDING CASHES | EXCLUDING CASHES | |
| Capital for regulatory purposes (€ million) | 57,594 | 57,594 | 57,655 |
| Total risk weighted assets (€ million) | 450,011 | 450,011 | 454,850 |
| **Core Tier 1 Ratio** | **8.74%** | **8.25%** | **8.58%** |
| **Total regulatory capital/Total risk-weighted assets** | **12.80%** | **12.80%** | **12.68%** |

See § Capital and Value Management - Capital Ratios , for more details.

| RATINGS | | | | |
|---|---|---|---|---|
| | SHORT-TERM DEBT | MEDIUM AND LONG-TERM | OUTLOOK | PUBLISHING DATE |
| Fitch Ratings | F1 | A | WATCH | October 11, 2011 |
| Moody's Investors Service | P-1 | A2 | NEGATIVE | October 5, 2011 |
| Standard & Poor's | A-1 | A | NEGATIVE | October 18, 2011 |

# Condensed Accounts

**CONSOLIDATED BALANCE SHEET** (€ million)

| | AMOUNTS AS AT | | CHANGE | |
|---|---|---|---|---|
| | 09.30.2011 | 12.31.2010 | AMOUNT | PERCENT |
| **Assets** | | | | |
| Cash and cash balances | 5,566 | 6,414 | - 848 | - 13.2% |
| Financial assets held for trading | 140,008 | 122,551 | + 17,456 | + 14.2% |
| Loans and receivables with banks | 72,474 | 70,215 | + 2,258 | + 3.2% |
| Loans and receivables with customers | 562,447 | 555,653 | + 6,793 | + 1.2% |
| Financial investments | 96,886 | 96,148 | + 738 | + 0.8% |
| Hedging instruments | 18,626 | 13,616 | + 5,010 | + 36.8% |
| Property, plant and equipment | 12,288 | 12,611 | - 324 | - 2.6% |
| Goodwill | 11,529 | 20,428 | - 8,899 | - 43.6% |
| Other intangible assets | 4,034 | 5,164 | - 1,130 | - 21.9% |
| Tax assets | 13,519 | 12,961 | + 558 | + 4.3% |
| Non-current assets and disposal groups classified as held for sale | 376 | 776 | - 400 | - 51.6% |
| Other assets | 12,544 | 12,949 | - 404 | - 3.1% |
| **Total assets** | **950,296** | **929,488** | **+ 20,809** | **+ 2.2%** |

(€ million)

| | AMOUNTS AS AT | | CHANGE | |
|---|---|---|---|---|
| | 09.30.2011 | 12.31.2010 | AMOUNT | PERCENT |
| **Liabilities and Shareholders' Equity** | | | | |
| Deposits from banks | 139,476 | 111,735 | + 27,740 | + 24.8% |
| Deposits from customers | 392,517 | 402,248 | - 9,731 | - 2.4% |
| Debt securities in issue | 166,714 | 180,990 | - 14,277 | - 7.9% |
| Financial liabilities held for trading | 137,734 | 114,099 | + 23,635 | + 20.7% |
| Financial liabilities designated at fair value | 912 | 1,268 | - 355 | - 28.0% |
| Hedging instruments | 17,265 | 12,479 | + 4,786 | + 38.4% |
| Provisions for risks and charges | 8,615 | 8,088 | + 527 | + 6.5% |
| Tax liabilities | 5,873 | 5,837 | + 36 | + 0.6% |
| Liabilities included in disposal groups classified as held for sale | 260 | 1,395 | - 1,135 | - 81.4% |
| Other liabilities | 25,367 | 23,645 | + 1,722 | + 7.3% |
| Minorities | 3,271 | 3,479 | - 208 | - 6.0% |
| Group Shareholders' Equity: | 52,292 | 64,224 | - 11,932 | - 18.6% |
| *- Capital and reserves* | *62,621* | *63,237* | *- 616* | *- 1.0%* |
| *- Available-for-sale assets fair value reserve and cash-flow hedging reserve* | *(1,008)* | *(336)* | *- 672* | *+ 199.7%* |
| *- Net profit (loss)* | *(9,320)* | *1,323* | *- 10,644* | *n.s.* |
| **Total liabilities and Shareholders' Equity** | **950,296** | **929,488** | **+ 20,809** | **+ 2.2%** |

As regard previous periods, “Deposit from customers” and “Debt securities in issue” are now in two separate lines.

| CONSOLIDATED INCOME STATEMENT | | | | | (€ million) |
|---|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | | |
| | 2011 | 2010 | €m | PERCENT | ADJUSTED [1] |
| Net interest | 11,618 | 11,739 | - 121 | - 1.0% | - 0.7% |
| Dividends and other income from equity investments | 333 | 263 | + 70 | + 26.6% | + 25.4% |
| Net fees and commissions | 6,268 | 6,300 | - 32 | - 0.5% | + 0.3% |
| Net trading, hedging and fair value income | 705 | 999 | - 294 | - 29.4% | - 29.4% |
| Net other expenses/income | 184 | 299 | - 115 | - 38.6% | - 44.9% |
| **OPERATING INCOME** | **19,108** | **19,600** | **- 493** | **- 2.5%** | **- 2.1%** |
| Payroll costs | (7,032) | (7,009) | - 22 | + 0.3% | - 0.1% |
| Other administrative expenses | (4,153) | (4,072) | - 81 | + 2.0% | + 1.3% |
| Recovery of expenses | 361 | 320 | + 41 | + 12.7% | + 12.9% |
| Amortisation, depreciation and impairment losses on intangible and tangible assets | (838) | (843) | + 5 | - 0.6% | - 2.6% |
| **Operating costs** | **(11,662)** | **(11,604)** | **- 58** | **+ 0.5%** | **- 0.2%** |
| **OPERATING PROFIT (LOSS)** | **7,446** | **7,996** | **- 550** | **- 6.9%** | **- 5.0%** |
| Net write-downs of loans and provisions for guarantees and commitments | (4,533) | (5,141) | + 608 | - 11.8% | - 11.3% |
| **NET OPERATING PROFIT (LOSS)** | **2,914** | **2,856** | **+ 58** | **+ 2.0%** | **+ 6.3%** |
| Provisions for risks and charges | (671) | (293) | - 377 | + 128.7% | + 130.3% |
| Integration costs | (180) | (27) | - 153 | n.s. | n.s. |
| Net income from investments | (543) | 119 | - 663 | n.s. | n.s. |
| **PROFIT (LOSS) BEFORE TAX** | **1,519** | **2,655** | **- 1,135** | **- 42.8%** | **- 36.7%** |
| Income tax for the period | (1,167) | (1,104) | - 63 | + 5.7% | + 4.3% |
| **NET PROFIT (LOSS)** | **352** | **1,551** | **- 1,198** | **- 77.3%** | **- 65.3%** |
| Profit (Loss) from non-current assets held for sale, after tax | - | - | - | - | - |
| **PROFIT (LOSS) FOR THE PERIOD** | **352** | **1,551** | **- 1,198** | **- 77.3%** | **- 65.3%** |
| Minorities | (287) | (241) | - 46 | + 19.1% | + 19.8% |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA** | **66** | **1,310** | **- 1,244** | **- 95.0%** | **- 80.5%** |
| Purchase Price Allocation effect | (716) | (145) | - 572 | n.s. | n.s. |
| Goodwill impairment | (8,669) | (162) | - 8,507 | n.s. | n.s. |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP** | **(9,320)** | **1,003** | **- 10,323** | **n.s.** | **n.s.** |

**Notes:**

1. Changes at constant foreign exchange rates and perimeter.

Starting from Q1 2011 the PPA related to the acquisition of HVB, formerly classified within different P&L lines, is entirely allocated in the “Purchase Price Allocation effect” line of P&L (as already done for Capitalia’s acquisition). Previous periods has been reclassified.

Following the merger in November 2010, which entailed the absorption of certain placement entities by the issuer, the result arising from the placement of securities issued by UniCredit S.p.A. – published on September 30, 2010 – has been reclassified from “Net fees and commissions” to “Net interest”.

# Quarterly Figures

| CONSOLIDATED BALANCE SHEET | | | | | | | (€ million) |
|---|---|---|---|---|---|---|---|
| | AMOUNTS AS AT | | | AMOUNTS AS AT | | | |
| | 09.30.2011 | 06.30.2011 | 03.31.2011 | 12.31.2010 | 09.30.2010 | 06.30.2010 | 03.31.2010 |
| **Assets** | | | | | | | |
| Cash and cash balances | 5,566 | 6,596 | 5,982 | 6,414 | 4,935 | 7,225 | 5,796 |
| Financial assets held for trading | 140,008 | 107,203 | 106,400 | 122,551 | 156,983 | 152,100 | 138,495 |
| Loans and receivables with banks | 72,474 | 71,544 | 67,319 | 70,215 | 77,977 | 80,295 | 91,862 |
| Loans and receivables with customers | 562,447 | 561,792 | 558,825 | 555,653 | 558,836 | 558,770 | 563,894 |
| Financial investments | 96,886 | 97,352 | 96,373 | 96,148 | 89,286 | 76,679 | 70,906 |
| Hedging instruments | 18,626 | 10,718 | 9,828 | 13,616 | 18,679 | 17,520 | 15,557 |
| Property, plant and equipment | 12,288 | 12,345 | 12,629 | 12,611 | 12,155 | 12,148 | 12,161 |
| Goodwill | 11,529 | 20,244 | 20,293 | 20,428 | 20,570 | 20,808 | 20,815 |
| Other intangible assets | 4,034 | 5,007 | 5,061 | 5,164 | 5,082 | 5,213 | 5,288 |
| Tax assets | 13,519 | 12,329 | 12,797 | 12,961 | 12,615 | 12,375 | 12,949 |
| Non-current assets and disposal groups classified as held for sale | 376 | 798 | 726 | 776 | 823 | 853 | 640 |
| Other assets | 12,544 | 12,845 | 14,744 | 12,949 | 10,863 | 10,658 | 10,505 |
| **Total assets** | **950,296** | **918,772** | **910,977** | **929,488** | **968,804** | **954,644** | **948,867** |

| | | | | | | | (€ million) |
|---|---|---|---|---|---|---|---|
| | AMOUNTS AS AT | | | AMOUNTS AS AT | | | |
| | 09.30.2011 | 06.30.2011 | 03.31.2011 | 12.31.2010 | 09.30.2010 | 06.30.2010 | 03.31.2010 |
| **Liabilities and Shareholders' Equity** | | | | | | | |
| Deposits from banks | 139,476 | 115,688 | 112,908 | 111,735 | 106,059 | 115,363 | 112,828 |
| Deposits from customers | 392,517 | 406,713 | 401,923 | 402,248 | 393,806 | 390,891 | 384,359 |
| Debt securities in issue | 166,714 | 179,223 | 180,446 | 180,990 | 194,765 | 186,454 | 208,180 |
| Financial liabilities held for trading | 137,734 | 98,035 | 97,016 | 114,099 | 149,382 | 139,487 | 122,753 |
| Financial liabilities designated at fair value | 912 | 1,065 | 1,156 | 1,268 | 1,351 | 1,423 | 1,601 |
| Hedging instruments | 17,265 | 10,040 | 8,447 | 12,479 | 17,105 | 16,505 | 14,248 |
| Provisions for risks and charges | 8,615 | 8,252 | 8,156 | 8,088 | 7,858 | 7,957 | 8,010 |
| Tax liabilities | 5,873 | 5,356 | 5,821 | 5,837 | 6,533 | 6,229 | 7,174 |
| Liabilities included in disposal groups classified as held for sale | 260 | 976 | 761 | 1,395 | 1,017 | 403 | 262 |
| Other liabilities | 25,367 | 25,302 | 26,153 | 23,645 | 23,004 | 22,178 | 20,712 |
| Minorities | 3,271 | 3,397 | 3,502 | 3,479 | 3,438 | 3,326 | 3,452 |
| Group Shareholders' Equity: | 52,292 | 64,726 | 64,686 | 64,224 | 64,487 | 64,428 | 65,288 |
| *- Capital and reserves* | *62,621* | *63,384* | *64,259* | *63,237* | *63,274* | *63,664* | *64,135* |
| *- Available-for-sale assets fair value reserve and cash-flow hedging reserve* | *(1,008)* | *20* | *(384)* | *(336)* | *210* | *95* | *633* |
| *- Net profit (loss)* | *(9,320)* | *1,321* | *810* | *1,323* | *1,003* | *669* | *520* |
| **Total liabilities and Shareholders' Equity** | **950,296** | **918,772** | **910,977** | **929,488** | **968,804** | **954,644** | **948,867** |

As regard previous periods, "Deposit from customers" and "Debt securities in issue" are now in two separate lines.

| CONSOLIDATED INCOME STATEMENT | | | | | | | (€ million) |
|---|---|---|---|---|---|---|---|
| | 2011 | | | 2010 | | | |
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Net interest | 3,831 | 3,903 | 3,884 | 3,982 | 3,893 | 3,956 | 3,890 |
| Dividends and other income from equity investments | 91 | 126 | 117 | 144 | 69 | 135 | 60 |
| Net fees and commissions | 2,004 | 2,096 | 2,168 | 2,155 | 1,993 | 2,171 | 2,136 |
| Net trading, hedging and fair value income | (285) | 290 | 700 | 53 | 381 | 58 | 560 |
| Net other expenses/income | 85 | 39 | 59 | 139 | 86 | 114 | 99 |
| **OPERATING INCOME** | **5,725** | **6,455** | **6,928** | **6,474** | **6,422** | **6,433** | **6,746** |
| Payroll costs | (2,357) | (2,342) | (2,333) | (2,196) | (2,356) | (2,331) | (2,322) |
| Other administrative expenses | (1,391) | (1,418) | (1,345) | (1,407) | (1,330) | (1,401) | (1,341) |
| Recovery of expenses | 143 | 113 | 104 | 164 | 111 | 108 | 101 |
| Amortisation, depreciation and impairment losses on intangible and tangible assets | (275) | (279) | (284) | (282) | (284) | (278) | (281) |
| **Operating costs** | **(3,879)** | **(3,925)** | **(3,858)** | **(3,720)** | **(3,859)** | **(3,903)** | **(3,842)** |
| **OPERATING PROFIT (LOSS)** | **1,846** | **2,530** | **3,070** | **2,754** | **2,563** | **2,530** | **2,903** |
| Net write-downs of loans and provisions for guarantees and commitments | (1,848) | (1,181) | (1,504) | (1,751) | (1,634) | (1,716) | (1,791) |
| **NET OPERATING PROFIT (LOSS)** | **(2)** | **1,349** | **1,566** | **1,003** | **929** | **814** | **1,113** |
| Provisions for risks and charges | (266) | (244) | (161) | (472) | (32) | (106) | (156) |
| Integration costs | (174) | (3) | (3) | (254) | (16) | (6) | (6) |
| Net income from investments | (612) | (15) | 84 | (155) | 4 | 47 | 68 |
| **PROFIT (LOSS) BEFORE TAX** | **(1,054)** | **1,087** | **1,486** | **121** | **886** | **749** | **1,020** |
| Income tax for the period | (149) | (463) | (555) | 509 | (380) | (331) | (393) |
| **NET PROFIT (LOSS)** | **(1,203)** | **624** | **932** | **630** | **505** | **418** | **627** |
| Profit (Loss) from non-current assets held for sale, after tax | - | - | - | - | - | - | - |
| **PROFIT (LOSS) FOR THE PERIOD** | **(1,203)** | **624** | **932** | **630** | **505** | **418** | **627** |
| Minorities | (81) | (99) | (107) | (80) | (122) | (56) | (63) |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA** | **(1,284)** | **525** | **825** | **550** | **383** | **362** | **564** |
| Purchase Price Allocation effect | (687) | (14) | (15) | (30) | (49) | (52) | (44) |
| Goodwill impairment | (8,669) | - | - | (199) | (0) | (162) | - |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP** | **(10,641)** | **511** | **810** | **321** | **334** | **148** | **520** |

**Notes:**

Starting from Q1 2011 the PPA related to the acquisition of HVB, formerly classified within different P&L lines, is entirely allocated in the “Purchase Price Allocation effect” line of P&L (as already done for Capitalia's acquisition). Previous periods has been reclassified.

Following the merger in November 2010 – which entailed the absorption of certain placement entities by the issuer – the result arising from the placement of securities issued by UniCredit S.p.A. recognised by the former in Q1, Q2 and Q3 2010 quarterly figures have been reclassified from “Net fees and commissions” to “Net interest”.

# Comparison of Q3 2011 / Q3 2010

| CONDENSED INCOME STATEMENT | | | | | (€ million) |
|---|---|---|---|---|---|
| | Q3 | | CHANGE | | |
| | 2011 | 2010 | €m | PERCENT | ADJUSTED [1] |
| Net interest | 3,831 | 3,893 | - 62 | - 1.6% | - 0.3% |
| Dividends and other income from equity investments | 91 | 69 | + 22 | + 32.3% | + 28.8% |
| Net fees and commissions | 2,004 | 1,993 | + 10 | + 0.5% | + 2.4% |
| Net trading, hedging and fair value income | (285) | 381 | - 666 | n.s. | n.s. |
| Net other expenses/income | 85 | 86 | - 1 | - 1.4% | - 8.3% |
| **OPERATING INCOME** | **5,725** | **6,422** | **- 697** | **- 10.9%** | **- 9.6%** |
| Payroll costs | (2,357) | (2,356) | - 1 | + 0.0% | - 0.4% |
| Other administrative expenses | (1,391) | (1,330) | - 61 | + 4.6% | + 3.1% |
| Recovery of expenses | 143 | 111 | + 33 | + 29.4% | + 29.5% |
| Amortisation, depreciation and impairment losses on intangible and tangible assets | (275) | (284) | + 9 | - 3.1% | - 6.8% |
| **Operating costs** | **(3,879)** | **(3,859)** | **- 20** | **+ 0.5%** | **- 0.5%** |
| **OPERATING PROFIT (LOSS)** | **1,846** | **2,563** | **- 717** | **- 28.0%** | **- 23.4%** |
| Net write-downs of loans and provisions for guarantees and commitments | (1,848) | (1,634) | - 214 | + 13.1% | + 14.2% |
| **NET OPERATING PROFIT (LOSS)** | **(2)** | **929** | **- 931** | **n.s.** | **n.s.** |
| Provisions for risks and charges | (266) | (32) | - 234 | n.s. | n.s. |
| Integration costs | (174) | (16) | - 158 | n.s. | n.s. |
| Net income from investments | (612) | 4 | - 617 | n.s. | n.s. |
| **PROFIT (LOSS) BEFORE TAX** | **(1,054)** | **886** | **- 1,939** | **n.s.** | **n.s.** |
| Income tax for the period | (149) | (380) | + 231 | - 60.8% | - 61.6% |
| **NET PROFIT (LOSS)** | **(1,203)** | **505** | **- 1,708** | **n.s.** | **n.s.** |
| Profit (Loss) from non-current assets held for sale, after tax | - | - | - | - | - |
| **PROFIT (LOSS) FOR THE PERIOD** | **(1,203)** | **505** | **- 1,708** | **n.s.** | **n.s.** |
| Minorities | (81) | (122) | + 41 | - 33.4% | - 29.5% |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA** | **(1,284)** | **383** | **- 1,667** | **n.s.** | **n.s.** |
| Purchase Price Allocation effect | (687) | (49) | - 639 | n.s. | n.s. |
| Goodwill impairment | (8,669) | (0) | - 8,669 | n.s. | n.s. |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP** | **(10,641)** | **334** | **- 10,975** | **n.s.** | **n.s.** |

**Notes:**

1. Changes at constant exchange rates and perimeter.

Starting from Q1 2011 the PPA related to the acquisition of HVB, formerly classified within different P&L lines, is entirely allocated in the “Purchase Price Allocation effect” line of P&L (as already done for Capitalia’s acquisition). Previous periods has been reclassified.

Following the merger in November 2010 – which entailed the absorption of certain placement entities by the issuer – the result arising from the placement of securities issued by UniCredit S.p.A. recognised by the former in third quarter 2010 has been reclassified from “Net fees and commissions” to “Net interest”.

# Segment Reporting (Summary)

KEY FIGURES by BUSINESS SEGMENT (€ million)

| | F&SME NETWORK ITALY | F&SME NETWORK GERMANY | F&SME NETWORK AUSTRIA | F&SME NETWORK POLAND | F&SME FACTORIES | CORPORATE & INVESTMENT BANKING | PRIVATE BANKING | ASSET MANAGEMENT | CENTRAL EASTERN EUROPE | GROUP CORPORATE CENTER[1] | CONSOLIDATED GROUP TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Income statement** | | | | | | | | | | | |
| **OPERATING INCOME** | | | | | | | | | | | |
| First 9 Months 2011 | 5,097 | 1,218 | 874 | 869 | 1,486 | 6,006 | 682 | 603 | 3,529 | (1,256) | 19,108 |
| First 9 Months 2010 | *4,917* | *1,136* | *865* | *802* | *1,432* | *5,923* | *664* | *613* | *3,470* | *(223)* | *19,600* |
| **Operating costs** | | | | | | | | | | | |
| First 9 Months 2011 | (3,304) | (1,080) | (665) | (528) | (650) | (2,050) | (425) | (347) | (1,636) | (977) | (11,662) |
| *First 9 Months 2010* | *(3,432)* | *(1,040)* | *(630)* | *(523)* | *(628)* | *(2,054)* | *(426)* | *(355)* | *(1,577)* | *(939)* | *(11,604)* |
| **OPERATING PROFIT** | | | | | | | | | | | |
| First 9 Months 2011 | 1,794 | 138 | 209 | 341 | 835 | 3,955 | 257 | 257 | 1,894 | (2,233) | 7,446 |
| *First 9 Months 2010* | *1,485* | *96* | *235* | *279* | *804* | *3,869* | *239* | *258* | *1,893* | *(1,162)* | *7,996* |
| **PROFIT BEFORE TAX** | | | | | | | | | | | |
| First 9 Months 2011 | 312 | 98 | 60 | 270 | 353 | 2,043 | 236 | 252 | 1,122 | (3,228) | 1,519 |
| *First 9 Months 2010* | *3* | *13* | *34* | *192* | *243* | *2,186* | *229* | *248* | *922* | *(1,416)* | *2,655* |
| **Balance Sheet** | | | | | | | | | | | |
| **LOANS TO CUSTOMERS** | | | | | | | | | | | |
| as at September 30, 2011 | 128,076 | 44,274 | 21,381 | 8,999 | 54,120 | 216,658 | 7,409 | 0 | 67,632 | 13,895 | 562,447 |
| *as at December 31, 2010* | *125,708* | *46,885* | *22,122* | *8,764* | *54,460* | *212,826* | *6,970* | *0* | *66,308* | *11,611* | *555,653* |
| **DEPOSITS FROM CUSTOMERS AND DEBT SECURITIES IN ISSUE** | | | | | | | | | | | |
| as at September 30, 2011 | 95,096 | 41,183 | 23,219 | 12,070 | 19,606 | 106,133 | 24,692 | - | 59,599 | 177,632 | 559,230 |
| *as at December 31, 2010* | *97,349* | *39,252* | *23,516* | *13,166* | *15,589* | *131,245* | *24,974* | *-* | *56,902* | *181,245* | *583,239* |
| **TOTAL RISK WEIGHTED ASSETS** | | | | | | | | | | | |
| as at September 30, 2011 | 57,821 | 14,608 | 13,305 | 8,183 | 47,620 | 186,485 | 4,413 | 1,797 | 82,034 | 33,744 | 450,011 |
| *as at December 31, 2010* | *52,945* | *15,447* | *16,325* | *7,905* | *46,380* | *198,594* | *4,368* | *1,896* | *79,178* | *31,811* | *454,850* |
| **EVA** | | | | | | | | | | | |
| First 9 Months 2011 | (230) | (4) | (39) | 98 | (18) | 125 | 130 | 158 | 222 | (2,887) | (2,443) |
| *First 9 Months 2010* | *(426)* | *(51)* | *(59)* | *62* | *(73)* | *287* | *129* | *163* | *73* | *(1,481)* | *(1,376)* |
| **Cost/income ratio** | | | | | | | | | | | |
| First 9 Months 2011 | 64.8% | 88.7% | 76.1% | 60.7% | 43.8% | 34.1% | 62.4% | 57.5% | 46.3% | n.s. | 61.0% |
| *First 9 Months 2010* | *69.8%* | *91.5%* | *72.9%* | *65.2%* | *43.8%* | *34.7%* | *64.1%* | *57.9%* | *45.4%* | *n.s.* | *59.2%* |
| **Employees** [2] | | | | | | | | | | | |
| as at September 30, 2011 | 30,574 | 7,485 | 3,916 | 14,101 | 6,192 | 9,474 | 3,034 | 1,959 | 51,466 | 32,350 | 160,552 |
| *as at December 31, 2010* | *31,895* | *7,511* | *3,748* | *14,260* | *5,850* | *9,599* | *3,018* | *1,877* | *51,608* | *32,643* | *162,009* |

**Notes**

Figures were recasted, where necessary, on a like-to-like basis to consider changes after the June 30, 2011 in scope of business segments and computation rules

[1] Global Banking Services, Corporate Centre, inter-segment adjustments and consolidation adjustments not attribuiable to individual segments.

[2] "Full time equivalent". These figures include all the employees of subsidiaries consolidated proportionately, such as Koç Financial Services

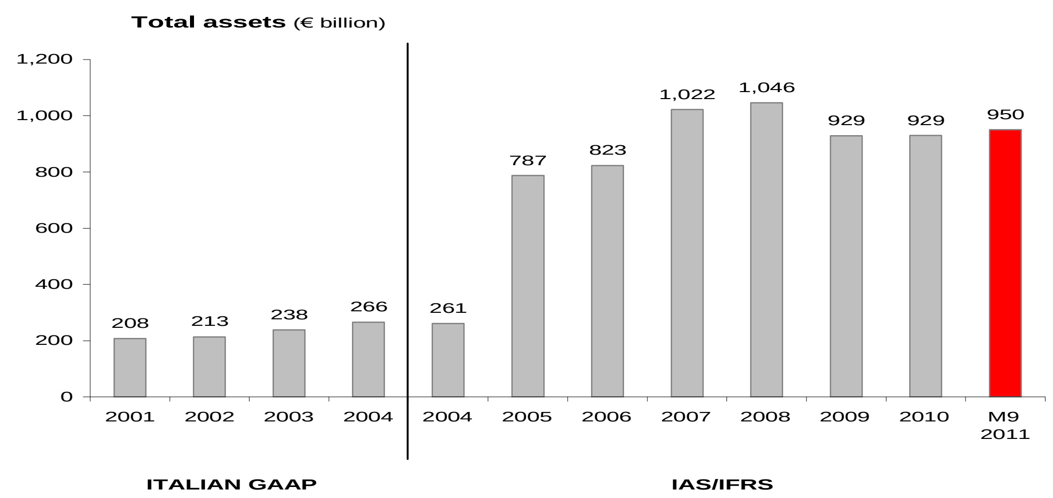
# How the UniCredit Group has grown

UniCredit S.p.A. (formerly Unicredito Italiano S.p.A.) and the Group of companies with the same name which the latter heads up came about as a result of the merger, in October 1998, between the Credito Italiano S.p.A., founded in 1870 under the name of Banca di Genova, and Unicredito S.p.A., the latter the holding company which held the controlling equity investments in Banca CRT, CRV and Cassamarca. As a result of this merger, the Credito Italiano Group and the Unicredito Group pooled the strength of their respective products and the complementary nature of the geographic coverage for the purpose of more effectively competing on the banking and financial services markets both in Italy and in Europe, thereby creating the UniCredit group. Since its creation, the Group has continued to expand in Italy and in Eastern European countries, both via buy-outs and via systematic growth, also consolidating its roles in sectors of important significance outside Europe, such as the asset management sector in the USA.
This expansion was characterized, particularly:

- by the merger with the HVB Group, achieved by means of a public exchange offer furthered by UniCredit on August 26, 2005 so as to take over control of HVB and the companies it headed up. Following this offer, finalized during 2005, UniCredit in fact acquired a holding of 93.93% in HVB's share capital (UniCredit has now 100% of the shares, after the acquisition of minority interest concluded on September 15, 2008 – so-called "squeeze-out" – in accordance with German regulations);
- by the merger with the Capitalia Group, achieved by means of merger through incorporation of Capitalia within UniCredit, which became effective as from October 1, 2007.

| GROUP FIGURES 2001 - 2011 | IAS/IFRS | | | | | | | | ITALIAN GAAP | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | M9 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2004 | 2003 | 2002 | 2001 |
| **Income Statement (€ million)** | | | | | | | | | | | | |
| Operating income | 19,108 | 26,347 | 27,572 | 26,866 | 25,893 | 23,464 | 11,024 | 10,203 | 10,375 | 10,465 | 10,099 | 9,989 |
| Operating costs | (11,662) | (15,483) | (15,324) | (16,692) | (14,081) | (13,258) | (6,045) | (5,701) | (5,941) | (5,703) | (5,483) | (5,263) |
| Operating profit (loss) | 7,446 | 10,864 | 12,248 | 10,174 | 11,812 | 10,206 | 4,979 | 4,502 | 4,434 | 4,762 | 4,616 | 4,726 |
| Profit (loss) before income tax | 1,519 | 2,517 | 3,300 | 5,458 | 9,355 | 8,210 | 4,068 | 3,238 | 2,988 | 3,257 | 2,924 | 3,212 |
| Net profit (loss) for the period | 352 | 1,876 | 2,291 | 4,831 | 6,678 | 6,128 | 2,731 | 2,239 | 2,300 | 2,090 | 1,962 | 1,954 |
| Net profit (loss) attributable to the Group | (9,320) | 1,323 | 1,702 | 4,012 | 5,961 | 5,448 | 2,470 | 2,069 | 2,131 | 1,961 | 1,801 | 1,454 |
| **Balance sheet (€ million)** | | | | | | | | | | | | |
| Total assets | 950,296 | 929,488 | 928,760 | 1,045,612 | 1,021,758 | 823,284 | 787,284 | 260,909 | 265,855 | 238,256 | 213,349 | 208,388 |
| Loans and receivables to customers | 562,447 | 555,653 | 564,986 | 612,480 | 574,206 | 441,320 | 425,277 | 139,723 | 144,438 | 126,709 | 113,824 | 117,622 |
| *of which: non-performing loans* | *17,560* | *16,344* | *12,692* | *10,464* | *9,932* | *6,812* | *6,861* | *2,621* | *2,621* | *2,373* | *2,104* | *1,822* |
| Deposits from customers and debt securities in issue | 559,230 | 583,239 | 596,396 | 591,290 | 630,533 | 495,255 | 462,226 | 155,079 | 156,923 | 135,274 | 126,745 | 127,320 |
| Shareholders' Equity | 52,292 | 64,224 | 59,689 | 54,999 | 57,724 | 38,468 | 35,199 | 14,373 | 14,036 | 13,013 | 12,261 | 9,535 |
| **Profitability ratios** (%) | | | | | | | | | | | | |
| Operating profit (loss) / Total assets | 0.78 | 1.17 | 1.32 | 0.97 | 1.16 | 1.24 | 0.63 | 1.73 | 1.67 | 2.00 | 2.16 | 2.27 |
| Cost/income ratio | 61.0 | 58.8 | 55.6 | 62.1 | 54.4 | 56.5 | 54.8 | 55.9 | 57.3 | 54.5 | 54.3 | 52.7 |

Information in the table are "historical figures". They don't allow comparison because they are not recasted.



# UniCredit Share

**SHARE INFORMATION**

| | M9 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Share price (€)** | | | | | | | | | | | |
| - maximum | 1.990 | 2.336 | 2.769 | 5.697 | 7.646 | 6.727 | 5.864 | 4.421 | 4.425 | 5.255 | 5.865 |
| - minimum | 0.666 | 1.512 | 0.634 | 1.539 | 5.131 | 5.564 | 4.082 | 3.805 | 3.144 | 3.173 | 3.202 |
| - average | 1.470 | 1.931 | 1.902 | 3.768 | 6.541 | 6.161 | 4.596 | 4.083 | 3.959 | 4.273 | 4.830 |
| - end of period | 0.811 | 1.570 | 2.358 | 1.728 | 5.659 | 6.654 | 5.819 | 4.225 | 4.303 | 3.808 | 4.494 |
| **Number of outstanding shares (million)** | | | | | | | | | | | |
| - at period end [1] | 19,298.0 | 19,297.6 | 16,779.3 | 13,368.1 | 13,278.4 | 10,351.3 | 10,303.6 | 6,249.7 | 6,316.3 | 6,296.1 | 5,046.4 |
| - shares cum dividend | 18,306.2 | 18,330.5 | 18,329.5 | 13,372.7 | 13,195.3 | 10,357.9 | 10,342.3 | 6,338.0 | 6,316.3 | 6,296.1 | 5,131.1 |
| *of which: savings shares* | *24.2* | *24.2* | *24.2* | *21.7* | *21.7* | *21.7* | *21.7* | *21.7* | *21.7* | *21.7* | *21.7* |
| - average [1] | 19,297.7 | 19,101.8 | 16,637.8 | 13,204.6 | 11,071.6 | 10,345.2 | 6,730.3 | 6,303.6 | - | - | - |
| **Dividend** | | | | | | | | | | | |
| - total dividends (€ million) | | 550 | 550 | (*) | 3,431 | 2,486 | 2,276 | 1,282 | 1,080 | 995 | 724 |
| - dividend per ordinary share | | 0.030 | 0.030 | (*) | 0.260 | 0.240 | 0.220 | 0.205 | 0.171 | 0.158 | 0.141 |
| - dividend per savings share | | 0.045 | 0.045 | (*) | 0.275 | 0.255 | 0.235 | 0.220 | 0.186 | 0.173 | 0.156 |

1. The number of shares is net of trasury shares and included n. 967.6 million of shares held under a contract of usufruct.

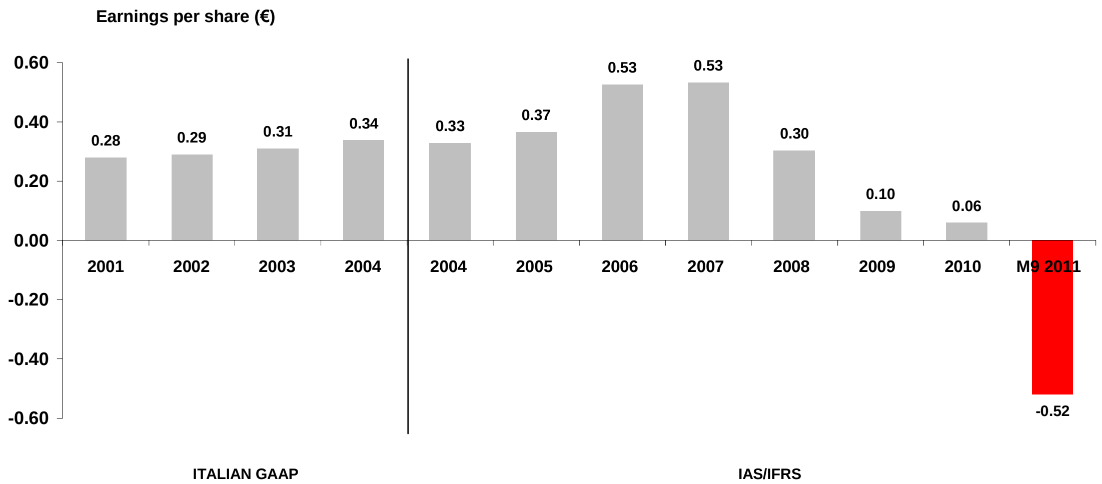
(*) 2008 dividend was paid with cash to savings sharehoders (€0.025 per share, for a total amount of €0.5 million), and with newly issued shares (so called "scrip dividend").

**EARNINGS RATIOS**

| | IAS/IFRS | | | | | | | | ITALIAN GAAP | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | M9 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2004 | 2003 | 2002 | 2001 |
| Shareholders' Equity (€ million) | 52,292 | 64,224 | 59,689 | 54,999 | 57,690 | 38,468 | 35,199 | 14,373 | 14,036 | 13,013 | 12,261 | 9,535 |
| Group portion of Net profit (loss) (€ million) | (9,320) | 1,323 | 1,702 | 4,012 | 5,901 | 5,448 | 2,470 | 2,069 | 2,131 | 1,961 | 1,801 | 1,454 |
| Net worth per share (€) | 2.71 | 3.33 | 3.56 | 4.11 | 4.34 | 3.72 | 3.42 | 2.30 | 2.21 | 2.06 | 1.95 | 1.89 |
| Price/ Book value | 0.30 | 0.47 | 0.66 | 0.42 | 1.30 | 1.79 | 1.70 | 1.84 | 1.91 | 2.09 | 1.96 | 2.38 |
| Earnings per share (€) | -0.52 | 0.06 | 0.10 | 0.30 | 0.53 | 0.53 | 0.37 | 0.33 | 0.34 | 0.31 | 0.29 | 0.28 |
| Payout ratio (%) | | 41.6 | 32.3 | (*) | 58.1 | 45.6 | 92.1 | | 60.2 | 55.1 | 55.2 | 49.8 |
| Dividend yield on average price per ordinary share (%) | | 1.55 | 1.58 | (*) | 3.97 | 3.90 | 4.79 | | 5.02 | 4.32 | 3.70 | 2.92 |

(*) 2008 dividend was paid with cash to savings sharehoders (€0,025 per share, for a total amount of €0.5 million), and with newly issued shares (so called "scrip dividend").

The 2008 EPS figure published in the consolidated report as at December 31, 2008 was €0.30 and has now been amended to €0.26 due to the increase in the number of shares following the capital increase (IAS 33 § 28). For the purposes of calculating 2009 EPS, net profit for the period of €1,702 million was changed to €1,571 million due to disbursements made in connection with the foreseen use of treasury shares agreed under the 'cashes' transaction, and charged to equity. For the purposes of calculating 2010 EPS, net profit for the period of 1,323 million was changed to 1,167million due to disbursements made in connection with the foreseen use of treasury shares agreed under the 'cashes' transaction, and charged to equity. Net losses for M9 2011, 9,320 million, was changed to 9,447 million.



# Group Results

## Macroeconomic situation, banking and financial markets

### International situation

#### USA/Eurozone

Prospects for growth in the world economy significantly worsened over the past few months. This is primarily owed to two factors: i) slower growth in both the advanced economies as well as in emerging markets, even though the latter continue to be on a track for growth that is still fairly solid; and ii) growing tensions in financial markets tied to intensifying foreign debt crises in the Eurozone during the month of August, with repercussions on confidence and financing costs for businesses and consumers. Inflation has shown signs of stabilizing in the advanced economies, while in emerging markets inflationary pressures continue to be marked.

In the United States, GDP growth continued to be weak during the second quarter, albeit showing some acceleration relative to the one before (1.3% on an annualised basis, as compared to the first quarter's 0.4%). The weak growth in the first half of the year mainly reflects a low rate of growth in consumption; this was tied to an increase in oil and commodities prices that reduced households' disposable income as well as to distribution problems in the automotive industry associated with the earthquake in Japan. But these temporary factors ought not to act as a drag on third-quarter growth, which might show a slight acceleration even while remaining weak. The most recent figures seem to confirm this trend: the industrial output in the third quarter was up by 1.3% over the previous quarter. The job market situation is hard pressed to improve. Unemployment remained stuck at 9.1% in August, with the average increase in employment numbers over the third quarter similar to that in the second, and hence not enough to reduce the unemployment rate. The federal deficit remains one of the thorniest questions. In August, Standard and Poor's cut the nation's sovereign debt rating from AAA to AA+, due to a lack of concrete measures to reduce the federal debt. Inflation, after stabilizing at 3.6% between May and July, ticked up to 3.8% in August.

Quarterly growth in the Eurozone slowed significantly during second quarter 2011 (0.2% q/q, compared to 0.8% in the first quarter), posting the slowest rate of growth since coming out of the recession in mid-2009. The slowdown mainly reflects a loss of momentum in a number of core countries such as Germany (0.1% q/q) and France (0% q/q). Italy, by contrast, turned in the best performance among the major countries of the region, reporting 0.3% growth. Underlying the slowing Eurozone growth is a pullback in private consumption (-0.2%), and a significant deceleration in investment growth, down to 0.2% after 1.8% in the first quarter. Government spending was down 0.2%, while net exports continued to provide some support for growth (contributing 0.3 percentage points). Available indicators of economic activity point towards stagnating growth in the third quarter. Inflation held steady at 2.5% in August, but September will probably show it peaking.

The September meeting of the European Central Bank revealed a major change in tone from the month before, when the messages were still consistent with an increase in the benchmark rate, currently pegged at 1.5%. At the press conference following the meeting, Trichet in fact ceased references to the risks of an increase in inflation, while striking a more pessimistic note concerning the prospects for growth.

In light of the slowdown in the global economy and the turbulence in the financial markets, it is quite likely that the ECB, at its October meeting, will announce further unconventional liquidity measures, directed towards ensuring proper functioning of the channels for transmission of monetary policy. These include a reintroduction of long-term refinancing operations lasting one year, and a new programme for purchasing covered bonds. Given the deteriorating growth outlook, there is also an increased possibility of a cut in the short-term benchmark rate.

In the United States, the Federal Reserve continues to hold the Fed funds rate at an historic low (between 0% and 0.25%), announcing that current economic conditions require rates at these levels until at least the middle of 2013. In addition, at its meeting of 21 September, the central bank announced its intention of extending the maturities in its own portfolio, exchanging short-term government debt instruments for those with longer maturities (so-called “Operation Twist”), so as to reduce longer-term returns. This is supposed to stimulate private investment and demand in the real estate sector. More specifically, the Fed intends to purchase US$ 400 billion in government bonds with 6-30 year maturities, while selling a similar amount of government securities with a duration of three years or less.

## Banking context and financial markets

The third quarter of 2011 was characterised by a moderating momentum in bank lending to the private sector in the Eurozone, consistent with signs of a cyclical slowdown in the economy and the effects of heightening tensions in the financial markets, reflected in less favourable terms for business and household loans. According to the survey of Eurozone bank lending, bank loan criteria in the third quarter tightened up considerably, reverting to levels seen in the third quarter of 2009. In this context, for the Eurozone as a whole, bank private-sector lending in August showed a year-over-year increase of 2.6%, coming in at essentially the same levels as those recorded in the year’s first quarter. Contributing to this stabilisation was a slight slowdown in loans made to households, compared with a recovery – although still at a restrained pace – in the momentum of commercial lending.

A substantial stabilisation of credit to the private sector was characteristic of all three of the Group’s reference markets in the third quarter, with the sole exception of Germany, which saw a continuation of its improving trend, albeit still at quite modest levels. Italy is the country where lending to the private sector continues to show the most sustained level of growth, but one where a moderation in the pace of expansion can already be discerned, with lending to the private sector showing a 4.3% y/y increase in August, dropping from the 6.1% y/y achieved in May 2011 – and thus returning to the levels noted at the end of 2010. More specifically, while an increase was noted in the growth rate of lending to businesses, coming in at around 5.0% y/y, household lending revealed a progressive slowing of the pace of expansion. This development is mainly due to a net slowdown of loans to home buyers, in keeping with the progressive increase in interest rates, with growth peaking at 5.1% y/y after hitting a maximum of 9.3% y/y in August of the preceding year. By contrast, lending to Germany’s private sector (according to ECB monthly statistics) witnessed a resumption in growth from August’s 0.8% y/y, after having once again contracted in the second quarter of the year. This recovery was led by growth of around 1.0% in household lending as well as by a return to a growth rate in business lending that was slightly positive (+0.2% y/y in August), after the latter had pulled back throughout the entire period between September 2009 and June 2011. In Austria, loans to the private sector saw growth of 3.5% y/y in July (latest data available), after fluctuating around 2.0% y/y growth during the preceding months. Growth was driven by a net expansion both of loans to households, in particular to home buyers, as well as of loans to business. For Austria, though, bear in mind that the lending momentum – in particular of loans to households – incorporates not just a demand effect but also shows an effect closely tied to the recent trend of the Swiss franc.

As regards the inflow of funds into the banking system, the third quarter saw a slight uptick, against the background of extreme weakness in a number of countries such as Italy, for example. Here, in particular, deposits by customers were down from August's 0.2% y/y (recovering from June's year-to-date low of -1.6% y/y). Current account deposits are still in a state of contraction (-2.0% y/y in August, from around -3.0% y/y in June), while time deposits showed a 3.3% increase on an annualised basis (3.7% y/y in June and 5.4% y/y in December of 2010). In this context, the holding of bank bonds in Italy grew 4.5% y/y in August, along with an acceleration in repurchase transactions with customers (up 24.2% y/y in August). In Germany, customer deposits continued to show recovery in the third quarter of 2011, with growth of 4.6% y/y in August relative to the same quarter the previous year, following an improving trend in current account deposits and an acceleration in time deposits, up 7.0% y/y, in line with the upward movement in bank interest rates. In Austria, finally, customer deposits showed an increase of 1.5% on an annualised basis in July, here too sustained by an improving trend in deposits other than to current accounts.

The third quarter saw confirmation of the slight upward trend in bank interest rates, both those charged by banks and those payable by them, in all three of the Group's reference markets, in keeping with the monetary policy indications coming from the European Central Bank. In Italy, a more pronounced increase in interest rates on loans, as compared to those on deposits, caused a further increase in the spread (difference between the average rate charged on loans and that paid on deposits), coming in at 3.22% in August, up from a level of 2.96% in December of 2010. The bank spread also was on the rise in Austria: 2.16% in July of 2011, up from 1.98% in December of last year. In Germany, in line with expectations, interest rates on deposits proved more reactive, leading to a further reduction in the bank spread, recorded at 3.41%, the lowest level since August 2009.

Finally, on the financial markets front, the re-exacerbation of tensions tied to the sovereign debt crisis, and the spread of the contamination to major Eurozone countries like Spain and Italy brought with it a marked increase in volatility and an increase in the spreads between Italian and Spanish government securities and German government securities. In this context, and given the worsening credit environment, the performance of equity markets showed significant deterioration in all three of the Group's reference markets, after the attempted recovery noted in the first half of the year. The Italian stock exchange closed the third quarter with losses of around 26%, relative to both June of 2011 and December of 2010, after bearish pressures led to new lows of 30% on a number of occasions. The Austrian and German stock exchanges saw quite similar movements, with their general indexes posting losses since the start of the year of 20% and 33%, respectively.

## CEE Countries

Against an uncertain global backdrop, the positive news for CEE is that it is not in the eye of the storm, unlike in 2008. That said, the region remains heavily correlated with macro developments in the developed world. Q2 showed clear signs of a slowdown in growth while the combination of European banking woes, continued soft PMI data and downgrades to our forecasts for the developed world means that we have pencilled in a much softer H2 followed by a gradual recovery in 2012, with H2-12 stronger than H1-12. We forecast full year growth this year and next at 4.1% and 3.3% respectively. We view our forecasts as conservative. While they do not incorporate a quarter of contraction, it is cautious enough to facilite a quarter of contraction without significant revision to the whole horizon. There remians differentiation across the region in terms of growth performance, with Kazakhstan, Poland and Turkey already having seen GDP recover to its pre-crisis peak. Other countries continue to lag this.

We have decided against sharp downward revisions to our forecasts for a number of reasons. To date none of the data available to us points to a 2008 style collapse in economic activity. Both inventories and current account balances across the region have already corrected significantly. Declining inflation in the region will support real consumer purchasing power, acting as a buffer against a slump in external demand and boosting what has to date been a very lacklustre consumer in a number of countries. Moreover the vast majority of countries in the region have made progress in reducing budget balances to levels which stabilise public debt to GDP. The need for extra consolidation is lower than elsewhere in the region. In some of the economies facing higher financing requirements in the region, the IMF and EU continue to provide an anchor, though the size of official financing to the region has eased significantly.

Against a backdrop of weaker external conditions, easing inflation and a modest recovery in consumption, central banks have stepped away from any tightening in monetary policy. Instead central bank focus on smoothing sharp FX moves . Since the 2008 crisis there has been a sharp shift in the composition of capital flows to the region away from FDI and towards portfolio flows, with the potential for a more rapid withdrawal at some stage in the future. With this in mind, central banks have accumulated FX reserves over recent quarters and are likely to continue to do so.

# Main Results and Performance for the period

The first nine months of 2011 were marked by high interest-rate volatility, due to the repeated changes in perceptions of the euro-area debt crisis and growth and inflation expectations. The first half saw a general improvement in the growth outlook, so much so that the ECB was induced to raise interest rates in April and June by 25bp each time. Ten-year Bund yields settled around 3.0/3.5% in the first half of 2011, while the two-year Schatz rate rose from 0.8% to 1.6/1.8% in May.
Speculators were convinced that Greece's public finances were unsustainable and kept its bonds under pressure from the beginning of the year, with a marked deterioration in recent months. Portuguese and Irish debt was also under pressure in the early part of the year.

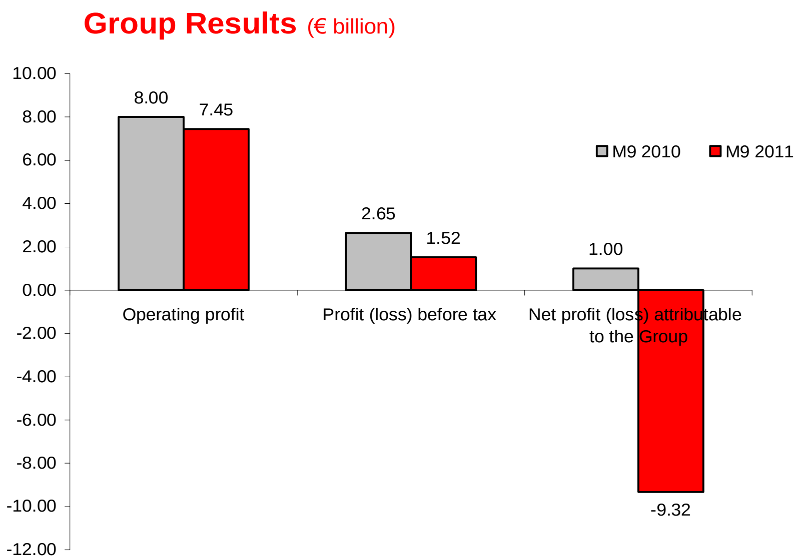
Italian government securities were by contrast relatively stable up to August. After this period of stability, over the summer they came under severe market pressure. Yields rose in response to investors' fears that the country had poor growth prospects together with a high level of debt. In August, the ECB resumed its government bond buying programme including Italian and Spanish securities. The spread between Italian bond yields and those of German government securities rose to 375bp in August and then dipped temporarily to 300pb after the ECB's intervention was announced. Immediately after the summer, however, tensions returned and the spread between ten-year BTPs and Bund rates went back up to around 370bp at the end of September.

The worsening growth outlook and market mood radically changed in the third quarter. The ECB reversed interest rate hike, pressure on peripheral countries intensified greatly and risk appetites contracted markedly, which caused a sharp fall in AAA-rated government bond yields, as well as falls in stock exchange prices.
In October market sentiment soured further in light of developments in the euro-area debt crisis. At their 27 October summit the European authorities announced additional measures to deal with the crisis, including an increase in the EFSF and a new action plan for Greece; Papandreou's decision to hold a referendum to approve the second package of measures then threw the markets into chaos again.
In October, Italian government securities were particularly affected by this financial turbulence and 10-year bond yields rose to a record 450bp spread over German bonds. The situation in Europe is still characterized by a very high degree of complexity and issuers such as France are under pressure (the OAT/Bund spread has reached 125 bp, the highest level since euro's introduction).
The sovereign debt crisis is putting great pressure on all the securities of the banking sector, given the high exposure to this asset class.

As well as by this macroeconomic and financial situation, the UniCredit Group's results were conditioned in the first nine months of 2011 (M9) by certain non-recurring extraordinary effects consequent on the approval of the new strategic plan.
In M9 2011 the Group's **Net Operating Profit** was €2,914 million, up by €58 million or 2% over M9 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 from M9 2010, more than offsetting a fall in **Operating profit**, which was down from M9 2010 by €550 million or 6.9% (-5% like-for-like and at constant exchange rates).

The non-operating items of the Income Statement contributing to net profit (loss) 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 occasioned by 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) from M9 2010. The causes of this sharp contraction included 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 contraction 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 M9 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 the strategic plan. Net of **Minorities** (up by €46 million over M9 2010) *Net profit (loss) attributable to the Group before PPA and Goodwill Impairment* was €66 million.
**Net profit (loss) attributable to the Group** was heavily affected by goodwill impairment and PPA. These totalled €9,386 million and caused a net loss of €9,320 million.

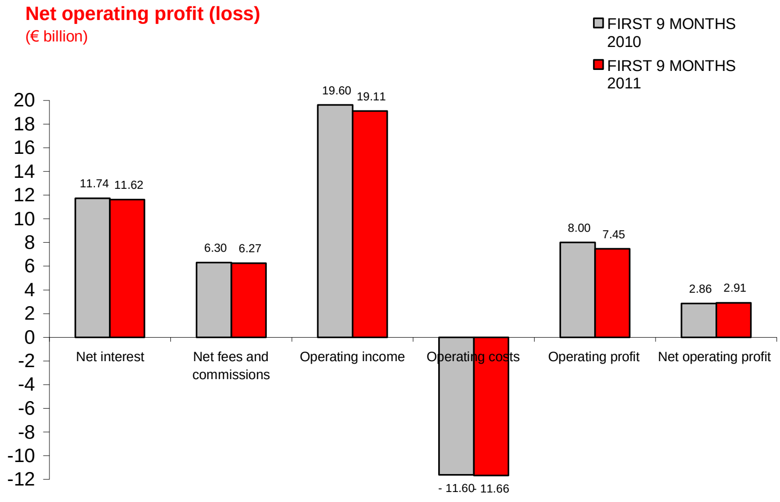



## Net operating profit (loss)

**Net operating profit (loss)** was €2.9 billion, an increase of €58 million or 2% over M9 2010, due to lower *Net write-downs on loans* (negative €608 million, -11.8%), more than offsetting the €550 million fall in *Operating profit*, which was 6.9% down from M9 2010.

The reduction in **Operating profit (loss)** was mainly due to lower **Operating income**, down by €493 million or 2.5%**,** which was affected by a €294 million or 29.4% fall in **Trading, hedging and fair value income** from M9 2010 and a slight contraction of €121 million or 1% in **Net interest. Operating costs** on the other hand increased only modestly, by €58 million or 0.5%, due mainly to the introduction of bank levies in certain European markets.

| Net operating profit (loss) | | | | | | | | | | | (€ million) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | QUARTERLY FIGURES | | | | | | |
| | FIRST 9 MONTHS | | CHANGE | | 2011 | | | 2010 | | | |
| | 2011 | 2010 | AMOUNT | % | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Net interest | 11,618 | 11,739 | - 121 | -1.0% | 3,831 | 3,903 | 3,884 | 3,982 | 3,893 | 3,956 | 3,890 |
| Dividends and other income from equity investments | 333 | 263 | 70 | 26.6% | 91 | 126 | 117 | 144 | 69 | 135 | 60 |
| Net fees and commissions | 6,268 | 6,300 | - 32 | -0.5% | 2,004 | 2,096 | 2,168 | 2,155 | 1,993 | 2,171 | 2,136 |
| Net trading, hedging and fair value income | 705 | 999 | - 294 | -29.4% | ( 285) | 290 | 700 | 53 | 381 | 58 | 560 |
| Net other expenses/income | 184 | 299 | - 115 | -38.6% | 85 | 39 | 59 | 139 | 86 | 114 | 99 |
| **Operating income** | **19,108** | **19,600** | **- 493** | **-2.5%** | **5,725** | **6,455** | **6,928** | **6,474** | **6,422** | **6,433** | **6,746** |
| Operating costs | (11,662) | (11,604) | - 58 | 0.5% | ( 3,879) | (3,925) | (3,858) | (3,720) | (3,859) | (3,903) | (3,842) |
| **Operating profit (loss)** | **7,446** | **7,996** | **- 550** | **-6.9%** | **( 1,391)** | **2,530** | **3,070** | **2,754** | **2,563** | **2,530** | **2,903** |
| Net write-downs of loans and provisions for guarantees and commitments | (4,533) | (5,141) | 608 | -11.8% | ( 1,848) | (1,181) | (1,504) | (1,751) | (1,634) | (1,716) | (1,791) |
| **Net operating profit (loss)** | **2,914** | **2,856** | **58** | **2.0%** | **1,846** | **1,349** | **1,566** | **1,003** | **929** | **814** | **1,113** |
| | | | | | | | | | | | |
| **Cost/income (%)** | **61.0%** | **59.2%** | | | **67.8%** | **60.8%** | **55.7%** | **57.5%** | **60.1%** | **60.7%** | **57.0%** |




## Operating Income

**Net interest** was €11,618 million, slightly down by €121 million (-1% or -0.7% like-for-like and at constant exchange rates) from the M9 2010 figure of €11,739 million. The commercial divisions benefited from increased spreads on deposits due to rising interest rates (the average 3-month Euribor rate rose from 0.67% in M9 2010 to 1.35% in M9 2011) while volumes remained stable overall. Exchange rate movements were adverse in M9 2011. The CEE division produced a fall of 1.5% at current exchange rates, as against growth of 2.1% at constant exchange rates.

On the other hand, the Group faced an increase in the cost of funds, due to strains in the financial markets, greater recourse to longer-dated instruments, which improved the bank's liquidity position, and widening spreads, in turn due to a worsening of country risk.

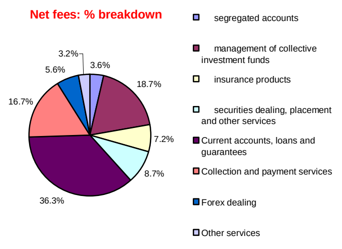
| **Operating income** | | | | (€ million) |
|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | |
| | 2011 | 2010 | AMOUNT | % |
| Net interest | 11,618 | 11,739 | - 121 | -1.0% |
| *Interest income and similar revenues* | *22,355* | *21,791* | *565* | 2.6% |
| *Interest expense and similar costs* | *(10,738)* | *(10,052)* | *- 685* | 6.8% |
| Dividends and other income from equity investments | 333 | 263 | 70 | 26.6% |
| Net fees and commissions | 6,268 | 6,300 | - 32 | -0.5% |
| *Fee and commission income* | *7,622* | *7,609* | *14* | 0.2% |
| *Fee and commission expense* | *(1,354)* | *(1,309)* | *- 46* | 3.5% |
| Net trading, hedging and fair value income | 705 | 999 | - 294 | -29.4% |
| Net other expenses/income | 184 | 299 | - 115 | -38.6% |
| *Other administrative income* | *836* | *954* | *- 118* | *-12.4%* |
| *Other administrative expense* | *(652)* | *(655)* | *3* | *-0.4%* |
| **Operating income** | **19,108** | **19,600** | **- 492** | **-2.5%** |

**Dividends and other income from equity investments** were €333 million, up by €70 million or 26.6% over M9 2010 thanks to the good performance of investments in private equity funds in Germany.

**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 more or less stable in Western Europe except Germany, where there was a slight contract in volumes. **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 has worsened, particularly in Italy.

**Net fees and commissions** fell slightly by €32 million or 0.5% from 30 September 2010 principally due to reduced revenue on **Asset management and administration** (down by €60 million) and **Other services** (down by €79 million), partly offset however by **Current accounts, loans and guarantees** (up by €74 million or 3.4%) and **Collection and payment services** (up by €37 million).

| Net fees and commissions | | | | (€ million) |
|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | |
| | 2011 | 2010 | AMOUNT | % |
| Asset management, custody and administration: | 2,397 | 2,457 | - 60 | - 2.4% |
| *segregated accounts* | *225* | *251* | *- 26* | *- 10.4%* |
| *management of collective investment funds* | *1,173* | *1,174* | *- 1* | *- 0.1%* |
| *insurance products* | *452* | *444* | *+ 8* | *+ 1.8%* |
| *securities dealing, placement and other services* | *547* | *588* | *- 41* | *- 7.0%* |
| Current accounts, loans and guarantees | 2,277 | 2,203 | + 74 | + 3.4% |
| Collection and payment services | 1,045 | 1,008 | + 37 | + 3.7% |
| Forex dealing | 351 | 355 | - 4 | - 1.1% |
| Other services | 198 | 277 | - 79 | - 28.5% |
| **Total** | **6,268** | **6,300** | **- 32** | **- 0.5%** |




**Net trading, hedging and fair value income** was €705 million in M9 2011, a reduction of €294 million from M9 2010, due to unstable markets, which were especially volatile from the summer on.

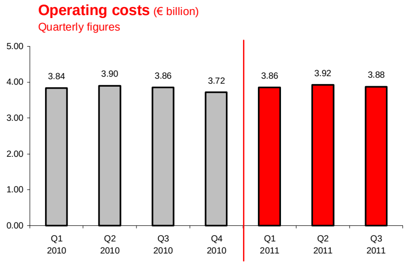
**Other income and charges** were €184 million, a fall of €115 million, of which €76 million was due to the new German bank levy.

Group **operating income** was €19.1 billion, a reduction of €493 million or 2.5% from M9 2010.

## Operating Costs

M9 2011 **Operating costs** were €11.7 billion, a slight increase of €58 million (but -0.2% like-for-like and at constant exchange rates) over M9 2010. The Group bore charges of some €120 million in M9 2011 due to the introduction of bank levies in certain countries of operation. Net of this, total operating costs would have fallen by 0.5%.

| Operating costs | | | | (€ million) |
|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | |
| | 2011 | 2010 | AMOUNT | % |
| Payroll costs | (7,032) | (7,009) | - 22 | 0.3% |
| Other administrative expenses | (4,153) | (4,072) | - 81 | 2.0% |
| Recovery of expenses | 361 | 320 | 41 | 12.7% |
| Amortisation, depreciation and impairment losses on intangible and tangible assets | (838) | (843) | 5 | -0.6% |
| **Operating costs** | **(11,662)** | **(11,604)** | **- 58** | **0.5%** |



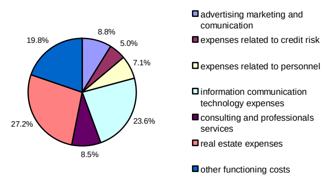

**Payroll costs** were €7 billion, a modest increase of €22 million or 0.3% (down by 0.1% like-for-like and at constant exchange rates) over M9 2010.

At 30 September 2011 employees (in full time equivalent[1] terms) numbered 160,552, a reduction of 616 FTEs from M9 2010 and 1,457 FTEs since the beginning of 2011. In Q3 2011 a number of subsidiaries were deconsolidated taking with them 284 FTEs.

**Other administrative expenses** were a little over €4.1 billion, an increase of €81 million or 2% over M9 2010. The table shows an €85 million increase in **Indirect taxes and duties** due to the mentioned €120 million of higher bank levies introduced in certain countries of operation. Net of these, **Other administrative expenses** would have fallen by €40 million from the M9 2010 total.
*Other overhead* was reduced by €71 million and *Real-estate expenses* by €29 million offsetting an increase of €57 million in *Consulting and professional services* and €39 million in *Advertising, marketing and communication.*

| **Other administrative expenses** | | | | (€ million) |
|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | |
| | 2011 | 2010 | AMOUNT | % |
| Indirect taxes and duties | (446) | (360) | - 85 | 23.7% |
| Miscellaneous costs and expenses | (3,707) | (3,712) | 5 | -0.1% |
| *advertising marketing and comunication* | *(326)* | *(288)* | *- 39* | *13.4%* |
| *expenses related to credit risk* | *(184)* | *(190)* | *6* | *-3.1%* |
| *expenses related to personnel* | *(265)* | *(264)* | *- 1* | *0.2%* |
| *information communication technology expenses* | *(874)* | *(869)* | *- 5* | *0.6%* |
| *consulting and professionals services* | *(314)* | *(257)* | *- 57* | *22.1%* |
| *real estate expenses* | *(1,007)* | *(1,037)* | *29* | *-2.8%* |
| *other functioning costs* | *(736)* | *(807)* | *71* | *-8.8%* |
| **Other administrative expenses** | **(4,153)** | **(4,072)** | **- 81** | **2.0%** |

**Miscellaneous costs and expenses% breakdown**




At the end of M9 2011, **Recovery of expenses** stood at €361 million, up by €41 million or 12.7% over M9 2010, mainly due to recovery of €16 million more stamp duty on securities deposits and increased recoveries of legal costs relating to loan workouts.

**Amortization, depreciation and impairment losses on tangible and intangible assets** amounted to €838 million, a reduction of €5 million or 0.6% from M9 2010.

The **Cost/income ratio** rose to 61%, i.e. by 180 basis points from 59.2% in M9 2010.

## Net Write-Downs of Loans and Provisions for Guarantees and Commitments

The first nine months of 2011 saw a reduction in **Net write-downs of loans and provisions for guarantees and commitments** which fell by €608 million or 11.8% from M9 2010 to €4,533 million. The cost of risk, calculated on the average volume of loans, was 108 basis points, a decline of 14 basis points from M9 2010.

Quality of assets data[2] show impaired loans totaling €39 billion, an increase of €780 million over the like-for-like restated figure at December 31, 2010, giving a ratio to total of loans to customers of 6.94% (as against 6.89% at 31 December 2010). At 30 September 2011 coverage of impaired loans was 45.5%, as against 43.9% at December 31, 2010, thanks to a decline in non-performing loans in Germany and Austria, and stabilization of credit deterioration in Italy and the CEE markets.

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1 FTE: Personnel on the payroll minus employees seconded to other companies and those on long-term leaves, plus employees seconded from other companies; all categories are accounted for on the basis of hours worked i.e. that for which the company bears a cost.

2 It should be noted that in Q1 2011 the criterion for classification of impaired loans in Central and Eastern European Countries was revised, with particular regard to the “Restructured” and “Past due” categories. Consequently, and for purposes of a more uniform comparison with the preceding period, the December 2010 data are presented both in the historical version and in that comparable with the new classification.

| LOANS TO CUSTOMERS ASSET QUALITY | NON-PERFORMING LOANS | DOUBTFUL LOANS | RESTRUCTURED LOANS | PAST-DUE LOANS | **IMPAIRED LOANS** | PERFORMING LOANS | **TOTAL CUST. LOANS** |
|---|---|---|---|---|---|---|---|
| (€ million) | | | | | | | |
| **As at 09.30.2011** | | | | | | | |
| Face value | 42,070 | 18,008 | 7,167 | 4,393 | **71,638** | 526,374 | **598,012** |
| *as a percentage of total loans* | *7.03%* | *3.01%* | *1.20%* | *0.73%* | ***11.98%*** | *88.02%* | |
| Writedowns | 24,510 | 5,708 | 1,768 | 608 | **32,594** | 2,971 | **35,565** |
| *as a percentage of face value* | *58.3%* | *31.7%* | *24.7%* | *13.8%* | ***45.5%*** | *0.6%* | |
| Carrying value | 17,560 | 12,300 | 5,399 | 3,785 | **39,044** | 523,403 | **562,447** |
| *as a percentage of total loans* | *3.12%* | *2.19%* | *0.96%* | *0.67%* | ***6.94%*** | *93.06%* | |
| **As at 12.31.2010 comparable** | | | | | | | |
| Face value | 38,538 | 19,035 | 6,207 | 4,435 | **68,215** | 520,457 | **588,672** |
| *as a percentage of total loans* | *6.55%* | *3.23%* | *1.05%* | *0.75%* | ***11.59%*** | *88.41%* | |
| Writedowns | 22,158 | 5,937 | 1,264 | 592 | **29,951** | 3,068 | **33,019** |
| *as a percentage of face value* | *57.5%* | *31.2%* | *20.4%* | *13.3%* | ***43.9%*** | *0.6%* | |
| Carrying value | 16,380 | 13,098 | 4,943 | 3,843 | **38,264** | 517,389 | **555,653** |
| *as a percentage of total loans* | *2.95%* | *2.36%* | *0.89%* | *0.69%* | ***6.89%*** | *93.11%* | |
| **As at 12.31.2010** | | | | | | | |
| Face value | 38,743 | 19,671 | 5,176 | 3,766 | **67,356** | 521,316 | **588,672** |
| *as a percentage of total loans* | *6.58%* | *3.34%* | *0.88%* | *0.64%* | ***11.44%*** | *88.56%* | |
| Writedowns | 22,399 | 5,945 | 1,147 | 437 | **29,928** | 3,091 | **33,019** |
| *as a percentage of face value* | *57.8%* | *30.2%* | *22.2%* | *11.6%* | ***44.4%*** | *0.6%* | |
| Carrying value | 16,344 | 13,726 | 4,029 | 3,329 | **37,428** | 518,225 | **555,653** |
| *as a percentage of total loans* | *2.94%* | *2.47%* | *0.73%* | *0.60%* | ***6.74%*** | *93.26%* | |

The increase in impaired loans was due to non-performing loans (*sofferenze*) as to €1,180 million and restructured loans as to €456 million; by contrast, doubtful loans (*incagli*) fell by €798 million and past-dues by €58 million.

## Net operating profit by business segment

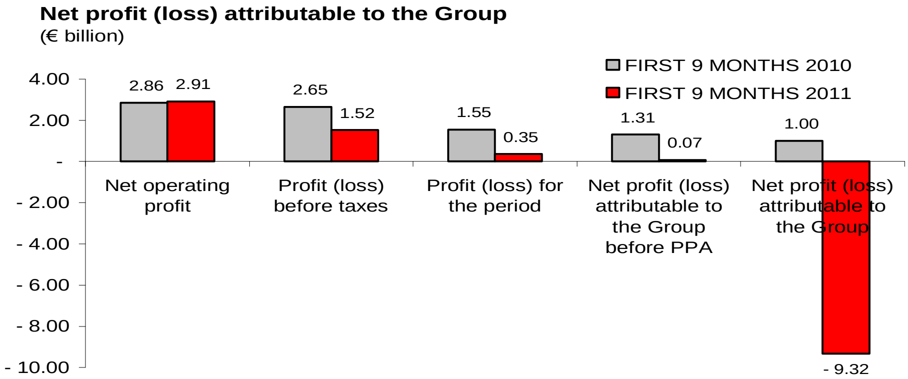
The following table gives the contribution of individual business segments to consolidated **Net operating profit**.

| Net Operating profit by business segment | OPERATING INCOME | OPERATING COSTS | NET WRITE DOWNS OF LOANS AND PROV. FOR GUAR. AND COMM. | NET OPERATING PROFIT | | (€ million) |
|---|---|---|---|---|---|---|
| | | | | FIRST 9 MONTHS'11 | FIRST 9 MONTHS'10 | CHANGE % |
| F&SME Network Italy | 5,097 | (3,304) | (1,386) | 407 | 57 | 609.2% |
| F&SME Network Germany | 1,218 | (1,080) | (28) | 110 | 4 | n.s. |
| F&SME Network Austria | 874 | (665) | (158) | 52 | 25 | 105.6% |
| F&SME Network Poland | 869 | (528) | (71) | 270 | 192 | 40.9% |
| F&SME Factories | 1,486 | (650) | (455) | 380 | 252 | 50.7% |
| Corporate & Inv. Banking | 6,006 | (2,050) | (1,619) | 2,337 | 2,144 | 9.0% |
| Private Banking | 682 | (425) | (5) | 251 | 235 | 6.8% |
| Asset Management | 603 | (347) | - | 257 | 258 | -0.6% |
| Central Eastern Europe | 3,529 | (1,636) | (759) | 1,135 | 916 | 23.9% |
| Group Corporate Center | (1,256) | (977) | (52) | (2,285) | (1,230) | 85.9% |
| **Group Total** | **19,108** | **(11,662)** | **(4,533)** | **2,914** | **2,856** | **2.0%** |

# Net profit (loss) attributable to the Group

For ease of presentation, the items leading from **Net operating profit** to **Net profit** are presented in comparison with the M9 2010:

| Net profit (loss) attributable to the Group | | | | | | | | | | | (€ million) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | QUARTERLY FIGURES | | | | | | |
| | FIRST 9 MONTHS | | CHANGE | | 2011 | | | 2010 | | | |
| | 2011 | 2010 | AMOUNT | % | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| **Net operating profit (loss)** | **2,914** | **2,856** | **58** | **2.0%** | **( 2)** | **1,349** | **1,566** | **1,003** | **929** | **814** | **1,113** |
| Provisions for risks and charges | (671) | (293) | - 377 | 128.7% | ( 266) | (244) | (161) | (472) | (32) | (106) | (156) |
| Integration costs | (180) | (27) | - 153 | n.s. | ( 174) | (3) | (3) | (254) | (16) | (6) | (6) |
| Net income from investments | (543) | 119 | - 663 | n.s. | ( 612) | (15) | 84 | (155) | 4 | 47 | 68 |
| **Profit (loss) before taxes** | **1,519** | **2,655** | **- 1,135** | **-42.8%** | **( 1,054)** | **1,087** | **1,486** | **121** | **886** | **749** | **1,020** |
| Income tax for the period | (1,167) | (1,104) | - 63 | 5.7% | ( 149) | (463) | (555) | 509 | (380) | (331) | (393) |
| **Profit (loss) for the period** | **352** | **1,551** | **- 1,198** | **-77.3%** | **( 1,203)** | **624** | **932** | **630** | **505** | **418** | **627** |
| Minorities | (287) | (241) | - 46 | 19.1% | ( 81) | (99) | (107) | (80) | (122) | (56) | (63) |
| **Net profit (loss) attributable to the Group before PPA** | **66** | **1,310** | **- 1,244** | **-95.0%** | **( 1,284)** | **525** | **825** | **550** | **383** | **362** | **564** |
| Purchase Price allocation effects | (716) | (145) | - 572 | n.s. | ( 687) | (14) | (15) | (30) | (49) | (52) | (44) |
| Goodwill impariment | (8,669) | (162) | - 8,507 | n.s. | ( 8,669) | - | - | (199) | (0) | (162) | - |
| **Net profit (loss) attributable to the Group** | **(9,320)** | **1,003** | **- 10,323** | **n.s.** | **( 10,641)** | **511** | **810** | **321** | **334** | **148** | **520** |




## Provisions for Risks and Charges

**Provisions for risks and charges** were €671 million in M9 2011, an increase of €377 million over M9 2010. This increase was mainly due to litigation in respect of legal and tax disputes (mainly in Italy). As noted in the First Half Report, prudential provision for a German project finance operation has been made.

## Integration Costs

**Integration costs** for the period totaled €180 million, an increase of €153 million over M9 2010, of which €33 million incurred in Germany and €120 million in Italy; the latter relate to the extension of the early retirement incentive scheme approved in 2010 and the rationalisation of staff and reorganisation carried out under the ONE4C project.

## Net income from investments

**Net income from investments** for M9 2011 recorded a loss of €543 million - a reduction of €663 million from M9 2010. Most of this change was due to the write-down of the shareholding in Mediobanca (€404 million) and of Greek Government securities (€307 million). For further information see the Condensed Interim Consolidated Financial Statements (Part A – A.3.2 and Part B – sections 4 and 5).

These write-downs were partly offset by capital gains on the re-valuing of the property portfolio (€60 million net of write-downs) and by a share swap involving interests in companies belonging to a prime management group operating in the Russian property market (€80 million).

## Profit before Tax

Starting from a **Net operating profit** for M9 2011 of €2.9 billion and taking into account **Provisions for risks and charges** of €671 million, **Net profits on investments** of negative €543 million, and **Integration costs** of €180 million, **Profit before tax** was €1,519 million - a reduction of €1.1 billion or 42.8% from M9 2010.

## Profit before tax by business segment

The following table sets forth the profit before tax by business segment beginning with Net Operating profit; for analysis of individual segments, please see the relevant section.

| **Profit before tax by business segment** | | | | | | (€ million) |
|---|---|---|---|---|---|---|
| | NET OPERATING PROFIT | PROVISIONS FOR RISK AND CHARGES | INTEGRATION COSTS | NET INCOME FROM INVESTMENTS | PROFIT BEFORE TAX | |
| | | | | | FIRST 9 MONTHS'11 | FIRST 9 MONTHS'10 |
| F&SME Network Italy | 1,794 | (43) | (52) | - | 312 | 3 |
| F&SME Network Germany | 138 | (11) | - | (0) | 98 | 13 |
| F&SME Network Austria | 209 | 6 | - | 3 | 60 | 34 |
| F&SME Network Poland | 341 | 0 | - | 0 | 270 | 192 |
| F&SME Factories | 835 | (10) | (7) | (11) | 353 | 243 |
| Corporate & Investment Banking | 3,955 | (254) | (25) | (15) | 2,043 | 2,186 |
| Private Banking | 257 | (5) | (9) | (1) | 236 | 229 |
| Asset Management | 257 | (1) | (4) | 0 | 252 | 248 |
| Central Eastern Europe | 1,894 | (16) | (2) | 6 | 1,122 | 922 |
| Group Corporate Center | (6,766) | (336) | (81) | (525) | (3,228) | (1,416) |
| **Group Total** | **2,914** | **(671)** | **(180)** | **(543)** | **1,519** | **2,655** |

## Income tax for the period

**Income tax** for M9 2011 totaled €1,167 million, an increase of €63 million over M9 2010, with a tax rate of 76.8% (41.6% in M9 2010). The reasons for this outturn 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 the Strategic Plan.

## Net profit (loss) attributable to the Group

**Profit for the period** totaled €352 million: after **Minorities** of €287 million, the extraordinary items presented as the **Purchase Price Allocation effect** in the Income Statement item amounting to €716 million, which comprises the write-downs of the HVB, Bank Austria, Banca di Roma, Banco di Sicilia and Ukrsotsbank brands, and **Goodwill impairment**[3] of €8,669 million, **Net profit (loss) attributable to the Group** was negative €9,320 million.

[3] The goodwill impairment test carried out as at 30 September 2011 was adjusted to reflect the changed macroeconomic situation. The test took into account cash flow revised on the basis of the Group's profit and financial projections for the period 2012-15 submitted for approval to the Board of Directors on 14 November 2011. The impairment test gave rise to a negative difference of €8,611 million in respect of the previously recognised goodwill amount.

# Capital and Value Management

## Principles of value creation and capital allocation

To create value for the shareholders, the Group's strategic guidelines are aimed at optimizing the composition of its business portfolio. This goal is pursued through a process of capital allocation to each business line in relation to its specific risk profile and ability to generate extra income measured as EVA, which is the main performance indicator related to TSR (Total Shareholder Return). The development of Group operations with a view to value creation requires a process for allocating and managing capital governed by different phases in the process of planning and control, articulated as:

- Formulation of the proposed propensity for risk and capitalization targets;
- Analysis of the risks associated with the value drivers and resulting allocation of capital to the business lines and to the business units;
- Assignment of performance targets in line with risk;
- Analysis of the impact on the Group's value and of the creation of value for shareholders;
- Drafting and proposal of the financial plan and dividend policy.

The process of capital allocation is based on a "dual track" logic, considering both economic capital, measured through the full evaluation of risks by risk management models, and regulatory capital, quantified applying internal capitalization targets to regulatory capital requirements.

In the first nine months of 2011, Unicredit group, displays a negative EVA on the back of a persisting adverse macroeconomic and market scenario.

| **EVA Generated by Business Segment** | | (€ million) |
|---|---|---|
| | FIRST 9 MONTHS | |
| | 2011 | 2010 |
| F&SME Network Italy | (230) | (426) |
| F&SME Network Germany | (4) | (51) |
| F&SME Network Austria | (39) | (59) |
| F&SME Network Poland | 98 | 62 |
| F&SME Factories | (18) | (73) |
| Corporate & Investment Banking | 125 | 287 |
| Private Banking | 130 | 129 |
| Asset Management | 158 | 163 |
| Central Eastern Europe | 222 | 73 |
| Group Corporate Center (1) | (2,887) | (1,481) |
| **Group Total** | **(2,443)** | **(1,376)** |

Note:

Figures were recasted, where necessary, on a like-to-like basis to consider changes after the June 30, 2011 in scope of business segments and computation rules.

1. Global Banking Services, Corporate Centre, inter-segment adjustments and consolidation adjustments not attributable to individual segments.

# Capital Ratios

The Group dynamically manages its capital base by monitoring regulatory capital ratios, anticipating the appropriate changes necessary to achieve its targets, and optimizing the composition of its assets and equity. Planning and monitoring refer, on the one hand, to shareholders' equity and the composition of regulatory capital (Core Tier 1, Tier 1, Lower and Upper Tier 2, and Tier 3 Capital) and, on the other hand, to the Risk-Weighted Assets (RWAs).

The Risk-Weighted Assets, for portfolios managed using the Advanced model, not only depend on the nominal value of the assets but also on the relevant credit parameters. Besides volume dynamics, it is also crucial to monitor and forecast the change in the loan quality of the portfolio in view of the macroeconomic scenario (the so-called pro-cyclical effect).

*The Core Tier 1 Ratio* as of September 30th, 2011 was:

- 8,74%, including the effects of the free increase in share capital through the reclassification of the share premium related to the ordinary shares underlying CASHES instruments, as submitted to the Board of Directors approval on November 14th, 2011;
- 8,25%, considering the above-mentioned instruments as Non-innovative capital instruments, according to the current regulatory framework

The Tier 1 Ratio and Total Capital Ratio, respectively, were 9.68% and 12.80%.

| **Capital Ratios** | | (€ million) |
|---|---|---|
| | AS AT | |
| | 09.30.2011 | 12.31.2010 |
| Total Capital | 57,594 | 57,655 |
| Tier 1 Capital | 43,539 | 43,037 |
| Core Tier 1 Capital including CASHES | 39,344 | 39,006 |
| Core Tier 1 Capital excluding CASHES | 37,108 | |
| Total RWA | 450,011 | 454,850 |
| **Total Capital Ratio** | **12.80%** | **12.68%** |
| **Tier 1 Ratio** | **9.68%** | **9.46%** |
| **Core Tier 1 Ratio including CASHES** | **8.74%** | **8.58%** |
| **Core Tier 1 Ratio excluding CASHES** | **8.25%** | |

The CASHES are equity-linked instruments, issued for a countervalue of Euro 2,983,000,000 in February 2009 by The Bank of New York (Luxembourg) SA convertible, under certain conditions, into 967,564,061 Unicredit ordinary shares underwritten by Mediobanca in the context of the capital increase approved by the UniCredit Extraordinary Shareholders' Meeting on November 14, 2008.Since their issuance the Shares have been computed as part of the Core Tier 1 of the Group.

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 the 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. The Basel Committee defined a smoothed timeline for the introduction of new rules, with the full implementation by January 2019 after a phase-in starting from January 2013. The gradual introduction will help to reduce the impact of stricter requirements on the real economy.

# Shareholder’s Equity attributable to the Group

**Shareholders’ Equity attributable to the Group**, including loss for the period of €9.320 million, was €52,292 million as at September 30, 2011 as against €64,224 million at December 31, 2010.
The table below shows the main changes in M9 2011.

| **Shareholders' Equity attributable to the Group** | (€ million) |
|---|---|
| **Shareholders' Equity as at December 31, 2010** | **64,224** |
| Disbursements related to *Cashes* transaction (*"canoni di usufrutto"*) | (127) |
| Dividend payment | (550) |
| Forex translation reserve | (1,075) |
| Change in afs / cash-flow hedge reserve | (671) |
| Others | (189) |
| Net profit (loss) for the period | (9,320) |
| **Shareholders' Equity as at September 30, 2011** | **52,292** |

Items “Others” includes, mainly, the changes brought about by the revision of the criteria used by the Group to classify amounts collected from investee companies. The revision aims at better recording their economic effects.

# Results by Business Segment

The following table shows the results by business segment for the first six months of 2011, which will be discussed in subsequent chapters.

| KEY FIGURES by BUSINESS SEGMENT | F&SME NETWORK ITALY | F&SME NETWORK GERMANY | F&SME NETWORK AUSTRIA | F&SME NETWORK POLAND | F&SME FACTORIES | CORPORATE & INVESTMENT BANKING | PRIVATE BANKING | ASSET MANAGEMENT | CENTRAL EASTERN EUROPE | GROUP CORPORATE CENTER[1] | CONSOLIDATED GROUP TOTAL (€ million) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Income statement** | | | | | | | | | | | |
| **OPERATING INCOME** | | | | | | | | | | | |
| First 9 Months 2011 | 5,097 | 1,218 | 874 | 869 | 1,486 | 6,006 | 682 | 603 | 3,529 | (1,256) | 19,108 |
| *First 9 Months 2010* | *4,917* | *1,136* | *865* | *802* | *1,432* | *5,923* | *664* | *613* | *3,470* | *(223)* | *19,600* |
| **Operating costs** | | | | | | | | | | | |
| First 9 Months 2011 | (3,304) | (1,080) | (665) | (528) | (650) | (2,050) | (425) | (347) | (1,636) | (977) | (11,662) |
| *First 9 Months 2010* | *(3,432)* | *(1,040)* | *(630)* | *(523)* | *(628)* | *(2,054)* | *(426)* | *(355)* | *(1,577)* | *(939)* | *(11,604)* |
| **OPERATING PROFIT** | | | | | | | | | | | |
| First 9 Months 2011 | 1,794 | 138 | 209 | 341 | 835 | 3,955 | 257 | 257 | 1,894 | (2,233) | 7,446 |
| *First 9 Months 2010* | *1,485* | *96* | *235* | *279* | *804* | *3,869* | *239* | *258* | *1,893* | *(1,162)* | *7,996* |
| **PROFIT BEFORE TAX** | | | | | | | | | | | |
| First 9 Months 2011 | 312 | 98 | 60 | 270 | 353 | 2,043 | 236 | 252 | 1,122 | (3,228) | 1,519 |
| *First 9 Months 2010* | *3* | *13* | *34* | *192* | *243* | *2,186* | *229* | *248* | *922* | *(1,416)* | *2,655* |
| **EVA** | | | | | | | | | | | |
| First 9 Months 2011 | (230) | (4) | (39) | 98 | (18) | 125 | 130 | 158 | 222 | (2,887) | (2,443) |
| *First 9 Months 2010* | *(426)* | *(51)* | *(59)* | *62* | *(73)* | *287* | *129* | *163* | *73* | *(1,481)* | *(1,376)* |
| **Cost/income ratio** | | | | | | | | | | | |
| First 9 Months 2011 | 64.8% | 88.7% | 76.1% | 60.7% | 43.8% | 34.1% | 62.4% | 57.5% | 46.3% | n.s. | 61.0% |
| *First 9 Months 2010* | *69.8%* | *91.5%* | *72.9%* | *65.2%* | *43.8%* | *34.7%* | *64.1%* | *57.9%* | *45.4%* | *n.s.* | *59.2%* |
| **Employees** [2] | | | | | | | | | | | |
| as at September 30, 2011 | 30,574 | 7,485 | 3,916 | 14,101 | 6,192 | 9,474 | 3,034 | 1,959 | 51,466 | 32,350 | 160,552 |
| *as at December 31, 2010* | *31,895* | *7,511* | *3,748* | *14,260* | *5,850* | *9,599* | *3,018* | *1,877* | *51,608* | *32,643* | *162,009* |

**Notes**

Figures were recasted, where necessary, on a like-to-like basis to consider changes after the June 30, 2011 in scope of business segments and computation rules

[1] Global Banking Services, Corporate Centre, inter-segment adjustments and consolidation adjustments not attributable to individual segments.

[2] "Full time equivalent". These figures include all the employees of subsidiaries consolidated proportionately, such as Koç Financial Services

# Family & Small Medium Enterprise (F&SME)

## F&SME Network Italy

The primary goal of the Family & SME Division[1] is to allow individuals, households, small and medium enterprises to meet their financial needs by offering them a complete range of reliable and high-quality products and services at a competitive price. The Group's major strengths in retail banking are the experience of its employees and the central role played by customer satisfaction. UniCredit holds a strategic position in the retail banking segment in Italy thanks to its nearly 3,900 branches throughout the country.

### Financial performance

The F&SME Network Italy ended the first nine months of 2011 with **operating income** totaling €5,097 million, a strong increase over the same period of 2010 (+3.7%). Revenues increased thanks to an improvement in net interest income, which benefited from a rise in rates (1-month EURIBOR +67 bps in the first nine months of 2011 compared to the same period in the previous year), and the mainteinance on high level of volumes of deposits. Net fees and commissions increased thanks to the growing, successful placement of both Group and third-party bonds.

**Operating costs** amounted to €3,304 million, with a decrease over the first nine months of 2010 (-3.8%), thanks to savings achieved on other administrative expenses and structural payroll costs, which more than offset the increase linked to adjustments in the national collective bargaining agreement.

The increase in revenues had a positive effect on the **cost/income ratio**, which at the end of September reached 64.8%, down from September 2010 (-499 bps).

**Net write down on loans** amounted to €1,386 million, representing a decline over the first nine months of 2010 (-2.9%), due to lower volumes of new defaults on the mortgage and medium-sized businesses portfolio. The cost of risk in September reached 1.45%, 5 bps down compared to the end of September 2010, due to the combined effect of a positive trend in impairments and growth of loans.

F&SME Network Italy ended the first nine months of 2011 with **profit before tax** amounting to €312 million, representing a strong growth over the same period a year ago.

As at September 30, 2011 the volume of **loans to customers** was €128,076 million, a €2,369 million increase compared to December, thanks to a positive trend in short term business and public customers. Deposits from customers (including securities) totaled €95,096 million, a sharp €2,253 million decline over December. Risk weighted assets amounted to €57,821 million, up by +9.2% on December.

The **FTE** (Full Time Equivalent) trend posted a sharp decline of 1,321 units (-4.1%), as the efficiency promotion efforts that had started in 2009 continued.

The **third quarter of 2011** posted an operating income of €1,659 million, representing a decline over the previous quarter (-2%). This result is the combined effect of an increase in net interest income, thanks to the upward trend in rates (+18 bps 1-month EURIBOR) and a decline in income from services due to a reduction of upfront fees on investments funds, also due to the seasonality of activitiy. **Operating costs** were down (-1.6%), thanks to savings achieved on payroll costs linked in part to a decline in FTE. **Net write-downs on loans** amounted to €410 million, representing a 14.4% decline compared to the second quarter of 2011, primarily attributable to lower default rates on the mortgage and medium-sized

1 The introduction of each section is dedicated to a brief description of the sectors that make up the perimeter of the Family & Small Medium Enterprise Division, also known as F&SME Division, as well as a short description of its mission and its main strenghts. The F&SME Division consists of Network Retail in Italy, Germany, Austruia and Poland. It also includes the specialized companies in consumer credit, leasing and factoring. Finally, it also includes specialized bancks in asset gathering.

businesses portfolio. In the third quarter integration costs amounted to €47 million, including the costs related to the extension of the early retirement incentive scheme approved in 2010 to employees who have not adhered yet for exits in 2014-2015 and the severances related to the the rationalisation of staff and reorganisation carried out under the strategic plan. The third quarter ended with a **profit before tax** of €104 million, a 17% increase over the previous quarter.

| Income Statement | | | | | | | (€ million) |
|---|---|---|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | 2011 | | CHANGE | 2010 |
| | 2011 | 2010 | % | Q3 | Q2 | % | Q3 |
| F&SME NETWORK ITALY | | | | | | 0N Q2 2011 | |
| Operating income | 5,097 | 4,917 | + 3.7% | 1,659 | 1,692 | - 2.0% | 1,562 |
| Operating costs | (3,304) | (3,432) | - 3.8% | (1,089) | (1,106) | - 1.6% | (1,136) |
| Operating profit | 1,794 | 1,485 | + 20.8% | 570 | 586 | - 2.8% | 426 |
| Net write-downs on loans | (1,386) | (1,428) | - 2.9% | (410) | (479) | - 14.4% | (428) |
| Profit before tax | 312 | 3 | n.m. | 104 | 89 | + 16.6% | (13) |

| Balance Sheet | | | | | (€ million) |
|---|---|---|---|---|---|
| | AMOUNTS AS AT | | | CHANGE ON DEC '10 | |
| | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % |
| F&SME NETWORK ITALY | | | | | |
| Loans to customers | 128,076 | 128,735 | 125,708 | 2,369 | + 1.9% |
| Customer deposits (incl. Securities in issue) | 95,096 | 94,550 | 97,349 | -2,253 | - 2.3% |
| Total RWA | 57,821 | 56,800 | 52,945 | 4,876 | + 9.2% |
| RWA for Credit Risk | 46,143 | 45,187 | 41,960 | 4,183 | + 10.0% |

| Key Ratios and Indicators | | | | |
|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | |
| | 2011 | 2010 | AMOUNT | % |
| F&SME NETWORK ITALY | | | | |
| EVA (€ million) | (230) | (426) | 196 | - 46.0% |
| Absorbed Capital (€ million) | 4,321 | 4,387 | -66 | - 1.5% |
| RARORAC | -7.09% | -12.94% | 585bp | |
| Operating Income/RWA (avg) | 12.42% | 11.79% | 64bp | |
| Cost/Income | 64.8% | 69.8% | -499bp | |
| Cost of Risk | 1.45% | 1.50% | -5bp | |

| Staff Numbers | | | | | |
|---|---|---|---|---|---|
| | AS AT | | | CHANGE ON DEC '10 | |
| | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % |
| F&SME NETWORK ITALY | | | | | |
| Full Time Equivalent | 30,574 | 30,917 | 31,895 | -1,321 | - 4.1% |

## Breakdown by business, geographic area and company

In the **Mass Market segment**, the first nine months were dedicated to the launch of new consumer credit, insurance, investment products, and new current accounts for migrants. To improve UniCredit's ability to satisfy the need of protecting against risk, two new insurance products were launched: "**Vita Protetta**", which provides protection in the event of death, and "**Casa Protetta**" to protect owners and tenants against loss or damage to their home. In case of certain types of accidents (fire, theft, hail), the insurance product provides a financial protection to cover the cost of home repair or rebuilding. A new investment product, "**Risparmia Facile**", aimed at customers who want to start investing in a particularly simple product is also offered now. Customers can subscribe to such an investment plan by paying only an initial small instalment (from €5 to €20). The invested amounts are always available to customers, who at any time may decide to withdraw their accumulated savings without penalty. In the third quarter UniCredit underwrote the government program "**Diamogli Futuro - Giovani Coppie**" to allow young workers with atypical employment contracts to apply for a first house mortgage loan thanks to a Government fund pawn. A new tool, **Tagliando Certificato**, has been activated in order to support a personal advisory service to all the Opzione Sicura Mortgage Loans: through the instalment monitoring, during the mortgage duration, our branches give the Customers support and information to choose the best options available. Moreover, referring to the Mortgage Loans Business, changes have been introduced into the catalogue in order to face the strong financial strain of the last months and **grant borrowing continuity** to our Customers. Concerning the personal loans offer, the model of "PRE-scored ticket", has been extended to the whole target of Personal Loan initiatives, in order to develop an innovative and a simplified proposal based on the sustainable debt. A new model of pre-scored ticket has been established in the overdraft offer (especially "Senzapensieri") and charge Credit Card for Individual Clients. Agenzia Tu, the network dedicated to the migrants' financial needs, launched a new package account, "**Conto Tu Famiglia**", dedicated to helpers and babysitters. Moreover, starting from second half Agenzia Tu branches can offer credit cards products and Genius Card, the UniCredit's prepaid card with associated.

Referring to the **Personal Banking segment**, in the third quarter a high effort was dedicated to adopt the commercial approach based on the new Advisory Model, at the overall portfolio level and in coherence with client profile and financial needs. This Advisory Model is still under innovation and it will be completely delivered during the first half of 2012. The three main pillars of the approach are:

- **"Client Check up":** an analysis of the customer's profile through the new interview and through all the information collected by the Bank;
- **"Portfolio Analysis":** a comparison between the actual Client's portfolio and the Model Portfolio and a selection of business proposals in line with the customer's characteristics, in terms of suitability and financial efficiency,
- **"After sale over time":** a monitoring of every change of the Costumer's portfolio.

After the introduction of the new Italian tax reform, in July 2011, the development of initiatives to support the daily advice activity to Clients has been required. The initiative "**Punta su UniCredit**", launched at the end of September, leverages on a commercial offer based on a "Bonus" for the Clients who transfer their assets from other competitors to UniCredit, by the 31st December 2011. In order to optimize the asset allocation of Customers and give them a support regarding tax changes, the initiative "**Informa il tuo Cliente**" was developed. The main goal is to optimize the asset allocation of customers closer to "Model Portfolio", choosing product more suited to their financial needs.

In order to respond to the changed behavior of customers driven by the highly volatile markets and the tax reform the segment has enhanced its set of guaranteed products. While maintaining a focus on simplicity and transparency, the catalogue of deposits products was completely reviewed, providing a wide and competitive range of offer, differentiated by value proposition and maturities, aiming to match in the best possible way the customers needs:

- **CD Gold and Silver:** time deposits with maturities from 6 to 24 months and fixed interest rates. The higher maturity the higher the yield is. These products are suitable for attracting new customers and fresh deposits. From the date of yield revision (19/9) to 30/9, sales have reached a considerable volume.
- **Conto di Deposito "Money plus flexi":** saving account dedicated for acquisition, with fixed interest rate. The tenors are 12, 18 and 24 months but customers have the possibility to exit from the investment before the nominal maturity chose. As of 30/9, sales confirm the positive interest of customers in the product.
- **Money Box:** online self-service repurchase agreement. The product was repositioned in terms of interests rates in mid September, revitalizing sales as of 30/9.

Lastly, UniCredit continues to offer:

- **"UniCredit Fondi Soluzione"**, a family of white label funds consisting of four offers differentiated by risk profile and directed towards customers seeking control over volatility ("asymmetric payoff") rather than pure performance;
- **"Uniattiva"**, insurance, which protects principal upon maturity along with the ability to consolidate 50% of annual performance as of a certain date;
- **"Uniopportunità"**, a multi-branch recurring policy with a low monthly investment (€50) and the ability to combine a guaranteed line with another that fluctuates with share markets;
- **"Unidifesa Inflazione"**, an index-linked 6-year policy, with fixed annual dividend until the fifth year and inflation-linked payment upon maturity calculated from the launch date. Repayment of the principal is guaranteed by an insurance company.
- **UniGarantito Special**: an insurance product, with single premium (minimum €2,500), which aims to guarantee an annual income of 2,00% for 3 years along with the principal at any date (no mark to market).

In the **Small Business segment**, after "Impresa Italia"[2] and "SOS Impresa Italia[3] – still in progress – **"Ripresa Italia"**, an important new initiative was launched in February 2011.Through this agreement, entered into with "Rete Imprese Italia" (Italian Enterprise Network – the principal association of small and medium-sized Italian businesses), UniCredit is continuing its commitment to support the real economy in this particular phase characterized by weak signs of recovery. The main contents of "Ripresa Italia" are a new cap of 1 billion in loans intended for SMEs and a new line of products created on the basis of the needs of such companies, concentrating on five action areas: "Production cycle recovery", "Innovation and competitiveness," "Sustainability and education," "Internationalization" and "Support for network businesses". Another important agreement called **"Ripresa Cantieri Italia"** was entered into with the national industry association (ANCE) at the end of June. This initiative aims to sustain the best residential projects through a dedicated cap of 2 billion, open to companies that meet specific access conditions to credit. In July 2011, Retail Network Italy remarked its attention to the small business segment organizing the eighth edition of "**Premio Ok Italia**" which took place in Bologna. It's a companies competition of success stories where winner companies are awarded by UniCredit General Manager. In the same month a commercial agreement, "**Valore Professioni**", was refreshed with Confprofessioni, representing several professional associations (notaries, chartered accountants, architects etc.). Valore Professioni leverages a customized product catalogue and a related marketing commercial plan in order to acquire new professionals and help them to develop and manage their business. During April and May UniCredit participated and awarded two tenders launched by the Ministry for Public Development regarding financing to Small and Medium Enterprises aimed at developing projects related to the development of Patents (awarded amount €75 million) and development of Designs and Models (awarded amount €25 million). The financings have a "Tranched Cover" structure, which means that the most risky tranche is guaranteed by the Italian Government. Three agreements with external partners (Universities) were also formalized for technological and scientific evaluation of these innovative SME projects. Such external advice is part of a new process to finance SME investments for innovation and R&D through dedicated new products: "**Innova**" loan, created to enhance the technological content of products, processes and services and to improve organization and its corporate structure and "**Ricerca**" loan, born to develop/ sustain R&D projects for the creation of new products, processes and services technologically innovative. The agreement also includes dialogue tables between the bank and companies focusing on sharing credit policies, on credit training and the issuance of a joint half-yearly observatory.

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2 A project launched at beginning of 2008 that has provided for the allocation of an additional credit line to support businesses, distributed locally through trade associations and confidi, in order to support small businesses and guarantee the inflow of resources in a time of market liquidity crises.
3 This initiative was started with an agreement signed in september 2009 with associations of artisans and merchants, with the aim of saving structurally sound businesses going through a difficult period from a crisis using innovative financial instruments (eg., extending repayment schedules or temporary suspension of installments, etc.).

The **Medium Enterprises segment** was created – beginning November 1, 2010 – within the F&SME Division, to offer companies with sales of up to €50 million dedicated service and points of contact all across the country (160 Business Centers with 700 advisors). A number of initiatives have been launched following a route which has led to the creation of a bank for medium-sized businesses that is a leader in quality. The **"Risposta a breve termine"** initiative was launched in November 2010 to strengthen relations with our best customers, supporting them in financing their working capital needs (with a growth of 11% on short term loans up to February). The initiative was replicated in March up to June on 14,000 customers targeted that achieved a growth of 10% in new short-term financing). A network of 150 dedicated specialists (trade finance, cash management, medium long-term financing, cash management products, leasing and factoring) was established to support advisors in their dealings with customers as well as in the furnishing of specific products. Sales initiatives have been launched to promote cross selling of special products such as dedicated import/export loans, trade finance services, interest rate caps, medium long term loans and cash management solutions. Before the summer a dedicated project to "revitalize" ME segment has been launched in order to fine tune the ME RMs commercial methodology and to support RM in identifying overall customer needs. This project will impact starting from 2012. A new project on **Internationalization**, to understand customer needs and to best support clients in their international growth, will be launched in the first half of 2012. The product catalogue was enriched with the introduction of **"Credit Protection"** insurance, a new interest-rate cap to protect customers from rate increases, a set of loans specially intended for agriculture and "Impresa Italia" products to support the financing needs of their own business customers. Finally, the launch of the **"Camelot"** project marked an approach dedicated to managing the riskiest customer positions and those where there are clear signs of potential deterioration, with positive consequences on credit and loan adjustments.

**Direct channels** were used to offer a variety of new solutions for increasing the distinctiveness of the multi-channel service and for simplifying customers' transactions. Developments are continuing on new functions in the Self Service channels, in line with the needs of customers in terms of speed, timeliness and ease of use. Standing out among the new solutions are those dedicated to cell phones. iPhone applications have exceeded 150,000 downloads and continue to evolve through the launch of new applications for trading and small-sized businesses customers and Android Phones. Soon new Apps such as Branch Geo-locator and Credit Cards will be launched. A function has been launched allowing the payment via the Internet of most pre-printed postal payment forms (gas, water and electric bills, etc.), with a few simple keystrokes and a great savings of time. This function has also been made available on all ATMs and in multi-function kiosks of the commercial network. On top of that, new payment services have been launched, such as the possibility of paying car taxes and recharging the yearly local transports subscription in Emilia Romagna. By year end Milano transportation and tax payments in Rome will follow.

In **Internet banking**, the **"Online Shop"** section has been enriched, allowing banking products to be purchased by digital signature, directly from the computer, without stopping in at a branch. The new line of **"E-PRODUCTs"** has been enriched with the prepaid Genius Card, the overdraft "Without a Thought", the short term loans for business. These products can be obtained by signing the contract online by a **"Digital Signature"**, issued through a simple and immediate process inside Internet Banking via token or mobile token security systems. The digital signature is issued to the customer directly in Internet Banking by a Certification Authority authorized by the Ministry of Public Administration and Innovation.

The **ATM channel**, in turn, continued to attract customers with its self-service solutions for cash and check payments. In the first nine months of 2011, there were more than 150 million payments since the service was launched. On top of that, the transactional formats of our branch network continued to evolve: the number of "cashless" or "cashlight" branches – characterized by a revolutionary transactional format – reached over 500 branches. The contact center has been expanded in order to raise the level of customer service and to offer new services, such as chat and video calls.

# F&SME Network Germany

The primary goal of the Family & SME division is to allow individuals, households and small and medium enterprises to meet their financial commitments by offering them a complete range of reliable and high-quality products and services at a competitive price. The Group's major strengths in retail banking are the experience of its employees and the central role played by customer satisfaction. UniCredit holds a strategic position in the retail banking segment in Germany thanks to its nearly 600 branches throughout the country.

## Financial performance

In the first nine months period, F&SME Network Germany reported **operating income** of €1,218 million, up 7.2% over the first nine months of 2010, primarily thanks to positive spreads on deposits and the new method of calculating the replicating portfolio. The lending margin continued to decline as a result of reduced volumes. Commissions were down slightly due to the reduction in up-front commission on asset management products, which was partially offset by fees related to bond placement. Compared with the second quarter of 2011, commissions declined as a result of more cautious behavior on the part of customers due to the continued uncertainty of the financial markets.

**Operating costs** totaled €1,080 million. Since UniCredit Direct Services GmbH[4] call center was consolidated for the first time into F&SME in 2011, part of the increase of 3.9% resulted from this issue compared to the first nine month of 2010. Another part of the increase was due to new methods used to calculate engaged costs and marketing expenses incurred for new media communication campaigns. Ordinary administrative expenses reduced the increase in operating costs, following the implementation of a strict efficiency plan which is still in place.

The increase of revenues had a positive effect on cost/income ratio, which at the end of September reached in at 88.7%, down from September 2010 (-283 bps)

**Net write-downs on loans** (€28 million), were lower compared to the first nine months of the previous year, largely because of the positive development of the German economy. The decrease in impairment losses had a positive effect on the cost of risk thanks to an increased number of releases of existing provision. In addition, various initiatives implemented in the loan portfolio in 2011 led to a particularly sharp decrease in general impairment losses. The cost of risk at the end of September was at a very low level (0.08%) and showed a further decline from the previous year (-17 bps).

F&SME Network Germany ended the first nine months of 2011 with a **profit before tax** of €98 million, a strong improvement compared to the prior year period, mainly due to the trend in impairment losses, and a growth of 30% compared to the second quarter 2011.

4 UniCredit Group call center supporting Retail business in Germany.

F&SME Network Germany ended the first nine months of 2011 with a volume of **loans and receivables with customers** of €44,274 million, down €2,610 million (-5.6%) compared to December. **Deposits from customers** (including securities) amounted to €41,183 million, up slightly from December (+4.9%). **Risk weighted assets** were down €839 million at €14,608 million (-5.4%).

| Income Statement | | | | | | | (€ million) |
|---|---|---|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | 2011 | | CHANGE | 2010 |
| F&SME NETWORK GERMANY | 2011 | 2010 | % | Q3 | Q2 | % ON Q2 2011 | Q3 |
| Operating income | 1,218 | 1,136 | + 7.2% | 415 | 397 | + 4.6% | 365 |
| Operating costs | (1,080) | (1,040) | + 3.9% | (360) | (362) | - 0.6% | (347) |
| Operating profit | 138 | 96 | + 42.9% | 56 | 35 | + 57.6% | 19 |
| Net write-downs on loans | (28) | (92) | - 69.5% | (15) | 7 | n.s. | 20 |
| Profit before tax | 98 | 13 | n.m. | 41 | 32 | + 29.7% | 38 |

| Balance Sheet | | | | | (€ million) |
|---|---|---|---|---|---|
| | AMOUNTS AS AT | | | CHANGE ON DEC '10 | |
| F&SME NETWORK GERMANY | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % |
| Loans to customers | 44,274 | 44,971 | 46,885 | -2,610 | - 5.6% |
| Customer deposits (incl. Securities in issue) | 41,183 | 40,357 | 39,252 | 1,931 | + 4.9% |
| Total RWA | 14,608 | 14,208 | 15,447 | -839 | - 5.4% |
| RWA for Credit Risk | 12,523 | 12,129 | 13,077 | -554 | - 4.2% |

| Key Ratios and Indicators | | | | |
|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | |
| F&SME NETWORK GERMANY | 2011 | 2010 | AMOUNT | % |
| EVA (€ million) | (4) | (51) | 48 | - 92.5% |
| Absorbed Capital (€ million) | 1,004 | 919 | 85 | + 9.2% |
| RARORAC | -0.51% | -7.45% | n.m. | |
| Operating Income/RWA (avg) | 11.30% | 10.73% | 57bp | |
| Cost/Income | 88.7% | 91.5% | -283bp | |
| Cost of Risk | 0.08% | 0.25% | -17bp | |

| Staff Numbers | | | | | |
|---|---|---|---|---|---|
| | AS AT | | | CHANGE ON DEC '10 | |
| F&SME NETWORK GERMANY | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % |
| Full Time Equivalent | 7,485 | 7,479 | 7,511 | -26 | - 0.4% |

## Breakdown by business, geographic area and company

In the **Mass Market segment**, increasing loan volume was a key objective of the first nine months of 2011. For consumer credit products, a new sales campaign was launched including an attractive new customer product that has driven an increase in the gross new production by more than 12% versus previous year. The objective of further increasing the product penetration of the Mass Market customer portfolio was also continued. A specific focus was on cross-selling to new customers. Additionally, a new current account strategy was defined, which will be implemented in Q1 2012. Objectives are to reduce the product portfolio complexity, increase the revenues and offer an online current account. UniCredit Bank AG has continued to provide mortgages to all of its customers, increasing new production by 14% over the previous year.

The **Personal Banking segment** had focused its advisory activities on improving share of wallet and has launched a campaign to attract fresh money supported with a 3% bond offer for a tenor of 12 months as well as an offer of 2,5 grams of Gold for each € 25,000 of investment assets shifted to UniCredit Bank AG from competitors. The campaign has supported overall positive net sales in the network in 2011. The market turmoil has resulted in significant activities to advise our customers on events as well as individual advice on how to invest. This has been supported by more than 300 customer events in the branches. Customer satisfaction with investment performance has increased throughout the year, supported by very good relative performance of our managed solutions and intensive communication of portfolio strategy to advisors and clients. In order to further boost advisory in retirement solutions a new advisory concept has been launched, which enables a fast calculation of customers retirement gap and suitable solutions to cover this gap.

In the **Small Business segment**, UniCredit Bank AG’s key activity was in helping its customers to leverage the favorable economic environment by providing them lending volumes. Accordingly, UniCredit Bank AG has launched two waves of large-scale campaigns based on an innovative proactive offer of new financing based on the customer’s potential credit capacity. A direct mailing went out to more than 25,000 customers potentially interested in mortgages. In the area of payments we were conducting trainings and sales campaigns in order to increase our share of our customers' payments activities. In the area of our dedicated service models for special target groups, the newly established service model for agricultural customers is up and running in two out of five sales regions and will be rolled out subsequently to the other regions. For the service model designed for medical professionals, after creating two new dedicated sales and consulting units in 2011, implementation is supported by several marketing activities and healthcare adjusted events.

The creation of the **Medium Enterprises segment** within the Family & SME division goes back to 2010. About 45,000 customers are now supported by 280 specialist advisors deployed in more than 100 locations in Germany. The first nine months of the year were marked by economic turnaround in Germany. The Sales initiatives focused on growing credit volumes also if in the third quarter 2011 the credit demand slightly decreased. Two initiatives have been launched to increase the new business in financing of working capital and investments. UniCredit Bank has an ongoing focus on promotional loans. After an analysis of all existing regional, national and supranational promotional programs available for medium enterprises, we have developed a short list with the most attractive programs in each region. The clients get the best solution with respect to specific individual situation and proposition. The credit approvals of promotional loans have increased more than 10% y/y. Leasing was the second most prefered solution. The business increases more than 20% ytd after the relaunch of the decentralized specialist network in the beginning of this year.

UniCredit Bank AG **Multi-Channel** unit keeps on working on a full fledged Multi-Channel approach for Retail Network Germany owing to the growing importance in terms of distinctiveness, relationship to customers and economics. In this scenario the increased usage of Online Banking is particularly striking: one-third of our current account holders use the Online Banking services on a regular basis. The main focus in the first nine months of 2011 has been to restructure the HVB retail web presence to increase its acquisition appeal and the ease of access to new products and information (e.g. launch of a dedicated Website for SME). Furthermore some new functionalities became available online to improve convenience for our customers: the new "**HVB Mobile B@nking App**" facilitates the customers' operations on their current accounts and provides a branch finder. Moreover, we started a new "**SMS alert service**" to allow the customers to select several kind of alerts via mobile devices of their personal accounts. Additionally, new online campaigns, such as the one for prepaid cards, have been launched. In the first nine months of 2011, the Contact Center has kept on delivering consistently high numbers of quality leads and appointments to the network. The overall target is to shift direct channels from a purely supportive and service driven approach to real sales and relationship channels.

First steps have been taken in implementing "direct sales" via Call center: inbound calls are used for completing documents and increase closing rates. Outbound offers of prepaid cards are ongoing, as well as actions to shorten the after sale process. The migration program which aims to enhance customers' usage of self service channels like ATM, Cash-In machines and multimedial kiosk have been continued successfully.

## F&SME Network Austria

The primary goal of the Family & SME division is to allow individuals, households and small and medium enterprises to meet their financial needs by offering them a complete range of reliable and high-quality products and services at a competitive price. The Group's major strengths in retail banking are the experience of its employees and the central role played by customer satisfaction. UniCredit holds a strategic position in the retail banking segment in Austria thanks to its nearly 280 branches throughout the country.

### Financial performance

During the first nine months period, F&SME Network Austria recorded **operating income** of €874 million, slightly up (+1.1%) compared to the same period in 2010. The increase mainly comes from an improvement of net interest income which is partially offset by a slightly lower fee income.

**Operating costs** stood at €665 million, an increase from the first nine months of 2010 (+5.5%) related, above all, to indirect costs (about €19 million) and HR costs (about €11 million).

The cost increase in the first nine-months period had a negative effect on the **cost-income ratio,** which at the end of Septeber increased by 319 bps over the same period in the previous year to 76.1%.

**Net write-downs on loans** totaled €158 million, sharply down from the first nine months of 2010 (-24.7%), due to lower inflows into the non-performing consumer and small business loan portfolio. The **cost of risk** at the end of September posted a value of 0.97%, a 31 bps drop from the first nine months of 2010 due to a decrease in impairment losses.

The F&SME Network Austria ended the first nine months of 2011 with **profit before tax** of €60 million, a sharp increase (+75%), over the same period of 2010, mainly due to the reduction in impairment losses on loans.

As at September 30, 2011, the volume of **loans to customers** stood at €21,381 million, lower compared to December (-3.3%). **Customer deposits** (including securities) totaled €23,219 million, also slightly lower compared to December (-1.3%). **Risk weighted assets** reached €13,305 million, a significant drop of €3,020 million (-18.5%) from December, above all due to a reduction of the overall volumes and the adjustments to the PD/LGD model.

**Income Statement** (€ million)

| | FIRST 9 MONTHS | | CHANGE | 2011 | | CHANGE | 2010 |
|---|---|---|---|---|---|---|---|
| F&SME NETWORK AUSTRIA | 2011 | 2010 | % | Q3 | Q2 | % ON Q2 2011 | Q3 |
| Operating income | 874 | 865 | + 1.1% | 291 | 288 | + 0.8% | 275 |
| Operating costs | (665) | (630) | + 5.5% | (226) | (226) | + 0.1% | (214) |
| Operating profit | 209 | 235 | - 10.8% | 65 | 62 | + 3.4% | 62 |
| Net write-downs on loans | (158) | (210) | - 24.7% | (55) | (47) | + 17.1% | (68) |
| Profit before tax | 60 | 34 | + 75.4% | 7 | 25 | - 73.9% | (4) |

**Balance Sheet** (€ million)

| F&SME NETWORK AUSTRIA | AMOUNTS AS AT | | | CHANGE ON DEC '10 | |
|---|---|---|---|---|---|
| | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % |
| Loans to customers | 21,381 | 22,053 | 22,122 | -740 | - 3.3% |
| Customer deposits (incl. Securities in issue) | 23,219 | 23,384 | 23,516 | -297 | - 1.3% |
| Total RWA | 13,305 | 12,537 | 16,325 | -3,020 | - 18.5% |
| RWA for Credit Risk | 11,114 | 10,344 | 14,144 | -3,031 | - 21.4% |

**Key Ratios and Indicators**

| F&SME NETWORK AUSTRIA | FIRST 9 MONTHS | | CHANGE | |
|---|---|---|---|---|
| | 2011 | 2010 | AMOUNT | % |
| EVA (€ million) | (39) | (59) | 20 | - 34.2% |
| Absorbed Capital (€ million) | 1,118 | 1,097 | 21 | + 1.9% |
| RARORAC | -4.63% | -7.17% | 254bp | |
| Operating Income/RWA (avg) | 8.84% | 8.60% | 24bp | |
| Cost/Income | 76.1% | 72.9% | 319bp | |
| Cost of Risk | 0.97% | 1.28% | -31bp | |

**Staff Numbers**

| F&SME NETWORK AUSTRIA | AS AT | | | CHANGE ON DEC '10 | |
|---|---|---|---|---|---|
| | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % |
| Full Time Equivalent | 3,916 | 3,741 | 3,748 | 168 | + 4.5% |

## Breakdown by business, geographic area and company

One of the main objectives of the **Mass Market segment** was to further enhance the need based advisory approach. A new structured advisory tool – the "**Erfolgskunden-Dialog**", was developed and rolled out. A new professional advisory service geared towards customers managed remotely was launched under the name of "**Smart Banking**". The entire customer relationship is managed primarily in a digital format, by telephone or through electronic media (such as Online Banking, SMS, etc.). A remote personal advisor, available 24 hours a day and using high-quality industry standard processes is at the core of the advisory service. A structured dialogue which accompanies customers during their first year in Bank Austria – the "**Neukunden-Dialog"** has been implemented for both mass market and affluent in September. Newly created cross-selling CRM campaigns were developed and rolled out in October, targeting both mass market and affluent customers. The campaigns are based on the cross-selling index logic and indicate the next best products for every customer. In the first nine months of 2011, Bank Austria set a strong focus on customer acquisition. The initiative "**One Million Chances**" which includes the "Neukunden-Dialog", offers an array of products focused on growth in the customer base. This initiative includes various promotion offers as a free current account for the first year, the financing campaign "Schöner Wohnen" and the insurance campaign "Vorsorgekampagne".

In the **Personal Banking segment**, Bank Austria has continued to pursue the objective of becoming the first bank of reference for affluent customers in Austria. The training programs **"Solutions 4 Affluents"** was completed and replaced by the Eurosig trainings. Bank Austria offers its personal banking advisors, in collaboration with the "**Frankfurt School of Finance and Management**", the opportunity to become qualified as a "certified securities advisor" and to ensure that its advisors have access to high-level know-how relating to products and markets. At the end of June, over 60% of personal banking advisors had obtained certification as securities specialists. Campaigns and CRM reports dedicated to personal banking customers support sales by direct contact with each customer at least one a year. The "**Check-up meeting**" and the "**Feedback via e-mail**" on the customer's part are at the heart of the segment's value proposition. The annual check-up meeting continues to contribute to high customer satisfaction: 80% of the received feedback is positive.

“**Solutions 4 Generations**” was rolled out as a new advisory topic in the check-up meeting. It targets the families of affluent customers with the aim of creating financial solutions for heritage provision. Furthermore it strives to increase customer recommendation among family members.

As for investment products, thirteen **“ErfolgsAnleihen”** (Group bond) were launched: simple, transparent, and with maturities ranging from two to five years, reaching a total volume of €640 million. Bank Austria issued four covered bonds, two **“USD Libor-Anleihe”**, an inflation indexed bond and a bond with guaranteed capital at maturity that all togheter have achieved €47 million in sales. As for assets under management, Bank Austria launched four Pioneer funds with fixed maturity. Bank Austria still have offered the traditional “**VorsorgePlus-Pension**”, the basic pension product with state allowance and capital guarantee. As a consequence of customer needs for secure investments, Bank Austria launched another four successful single-premium-insurance products: two issues of “Active Cash fix” and “Active Capital fix”, “Active CapitalDuo 12/2026” and “Active Capital Inflation 12/2026” are offered since May. Sales activities are still ongoing and by the end of third quarter a total volume of approximately €45 million in sales has been settled.

In the **Small Business segment**, Bank Austria carried out an in-depth study on the structure, market and requirements of customers. Based on the results obtained in the study, **“FinanceCheck”**, the annual customer financial situation meeting, was revised and innovative and demand-centered solutions are now available to bank customers.To support the relationship managers in the preparation for the customer meeting, a structured guideline for the FinanzCheck was issued in September 2011. Based on the findings of the market study, the **“Solutions4Small Business”** training program for advisors was extended to the next step in training, **“Solutions4All”**. A new **“Diners ClubMED”** card with special features geared towards doctors was introduced at the end of May. This product is targeted at doctors and features a tailored-made package including coverage for legal expenses and third-party liability insurance. To stimulate growth in lending volumes, a new refinancing facility was issued for projects eligible for ECB financing. The focus of this project is to offer attractive conditions to companies with good rating and thus to increase volumes in loans. Thanks to the initiatives in the first nine months of the 2011, the new production of commercial medium and long term rose by 40% compared to the same period of 2010. The **“Small Business-Info-Days”** information events dedicated to small businesses and medium enterprises continued to be organized with the help of the government (there were eleven such events planned in 2011, in each province of Austria). Many of the partners take part in and support such events.

The new **Medium Enterprises segment** was created within the F&SME division to better serve SME customers, via a commercial network and a dedicated service model (9,000 customers, 27 branches and 71 dedicated advisors). With the objective to provide immediate improvement of the standard of service for the medium business customers, at the beginning of the year a set of special initiatives were launched: implementation of a strategic meeting with customers once a year, a standardized advisory approach – supported by special training, **“standard Solutions4SME”** and specially designed support tools (e.g., customer portfolios’ reports). A customer satisfaction feedback about customers’ meetings with their advisors was introduced as well. Bank Austria’s advisory approach has been strengthened with the introduction of advisory tools that illustrate the customer’s economic potential and margins for improvement (e.g., RatingAdvisory, IndustryCheck, LiquitdityCheck, WorkingCapitalCheck). In 2011 a sales initiative dedicated to acquiring customers, with over 300 new customers acquired, and a customer interest-rate campaign have been launched. In addition, visits were conducted jointly with UniCredit Factoring to reach approximately 400 customers and a cross-selling initiative aimed at customers with few products have started as well. A leasing initiative is also under way with 9,000 targeted customers contacted through mailings and call center (UniCredit Direct Service). The catalogue of investment products was enriched through the introduction of EUR-rollover term deposits, an investing product lasting 12-24 months and an interest rate that changes every 3 months. In order to boost deposits, a deposit initiative has been launched in Q3 which focuses on fixed term deposits and EUR-rollover term deposits. As part of a broad initiative to communicate the international presence of the Group, an initiative dedicated to foreign trade has been started for mid enterprises, accompanied by a dedicated external communication campaign, such as **“Austrian Export Day”**.

In the third quarter 2011, supporting events such as the "CEE Forum" and "Foreign trade: strengths, weaknesses, opportunities and threats" (together with the Austrian Federal Economic Chamber) have taken place. Finally, to improve the position of Bank Austria in the medium-sized businesses segment the Austrian institute for research of small and medium sized enterprises published the **"Bank Austria's report on medium-sized businesses"**. The report showed that Austrian medium-sized enterprises are more optimistic with respect to the economy as a whole, with higher growth rates in terms of sales and with more employees. The findings of the report were discussed by various daily publications and received significant attention from the media.

# F&SME Network Poland

The primary goal of the Family & SME division in Poland is to allow individuals, households and small businesses to satisfy their financial needs by offering them a complete range of reliable, high-quality products and services at a competitive price. The Group's major strengths in retail banking are the experience of its employees and the central role played by customer satisfaction. UniCredit holds a strategic position in the retail banking segment in Poland, thanks to its nearly 1,000 branches throughout the country.

## Financial performance

In the first nine months of 2011, F&SME Network Poland, reported **operating income** of €869 million, up from the first nine months of 2010 (+8.3%). The increase was driven by the rise in interest income due to the increased volumes of lending and deposits. Also the net commissions increased compared with the same period of the previous year.

**Operating costs** stood at €528 million, with a slight increase from the first nine months of 2010 (+1.0%), thanks to the increased efficiency and reduction of the non-HR costs (for example postage costs). The growth of revenues and the strict control on costs had a positive effect on the **cost-income ratio**, which at the end of September posted a value of 60.7%, a drop of 443 bps compared to same period of the previous year.

**Net write-downs on loans** totaled €71 million which showed a slight improvement trend compared to €88 million in the comparable period of 2010 (-19%), thanks to the improvement of defaults rates on retail loan portfolio driven by stabilization of performances in consumer lending. The cost of risk at the end of September stood at 1.04%, posting a decline of 42 bps from the amount reported as at September of the previous year.

The F&SME Network Poland ended the first nine months with **profit before taxes** of €270 million with a 41% increase from the first nine months of 2010 due primarily to the positive trend in net interest income and almost flat costs.

As at the end of Septmeber 2011, **loans to customers volume** were €8,999 million, an increase of 2.7% over December. **Customer deposits** (including securities) stood at €12,070 million, a drop relative to December 2010 (-8.3%). **Risk weighted assets** reached €8,183 million, up from December 2010 (+3.5%).

| **Income Statement** | | | | | | | (€ million) |
|---|---|---|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | 2011 | | CHANGE | 2010 |
| | 2011 | 2010 | % | Q3 | Q2 | % | Q3 |
| **F&SME NETWORK POLAND** | | | | | | 0N Q2 2011 | |
| Operating income | 869 | 802 | + 8.3% | 294 | 295 | - 0.5% | 271 |
| Operating costs | (528) | (523) | + 1.0% | (172) | (181) | - 4.9% | (176) |
| Operating profit | 341 | 279 | + 22.1% | 122 | 114 | + 6.5% | 96 |
| Net write-downs on loans | (71) | (88) | - 19.1% | (21) | (26) | - 22.5% | (27) |
| Profit before tax | 270 | 192 | + 40.7% | 101 | 88 | + 15.3% | 68 |

| Balance Sheet | | | | | (€ million) |
|---|---|---|---|---|---|
| | AMOUNTS AS AT | | | CHANGE ON DEC '10 | |
| F&SME NETWORK POLAND | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % |
| Loans to customers | 8,999 | 9,392 | 8,764 | 235 | + 2.7% |
| Customer deposits (incl. Securities in issue) | 12,070 | 12,898 | 13,166 | -1,096 | - 8.3% |
| Total RWA | 8,183 | 8,470 | 7,905 | 278 | + 3.5% |
| RWA for Credit Risk | 6,685 | 6,977 | 6,423 | 263 | + 4.1% |

| Key Ratios and Indicators | | | | |
|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | |
| F&SME NETWORK POLAND | 2011 | 2010 | AMOUNT | % |
| EVA (€ million) | 98 | 62 | 36 | + 57.6% |
| Absorbed Capital (€ million) | 388 | 363 | 26 | + 7.0% |
| RARORAC | 33.62% | 22.83% | n.m. | |
| Operating Income/RWA (avg) | 14.16% | 14.34% | -18bp | |
| Cost/Income | 60.7% | 65.2% | -443bp | |
| Cost of Risk | 1.04% | 1.47% | -42bp | |

| Staff Numbers | | | | | |
|---|---|---|---|---|---|
| | AS AT | | | CHANGE ON DEC '10 | |
| F&SME NETWORK POLAND | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % |
| Full Time Equivalent | 14,101 | 14,197 | 14,260 | -159 | - 1.1% |

## Breakdown by business, geographic area and company

In the **Mass Market segment**, in the first nine months of 2011, Bank Pekao continued to focus on increasing the number of new customers, with a wide range of individual current accounts offered. An increase in the opening of current accounts was recorded with a high percentage in the youth segment (age below 30) To take best advantage of the strong relationship with business customers, an offer based on products with special conditions was developed for the employees at such businesses. Bank Pekao continued the rapid migration from traditional debit cards to those with EMV-compliant technology and PayPass. All MasterCard credit cards issued in 2011 are equipped with PayPass technology. From July 2011, all cards issued by Visa are equipped with PayPass technology as well. The volume processed by Bank Pekao cards through the PayPass technology is growing each month, with a volume of €1,215. The sales of mortgages in first nine months of 2011 was 50% higher than in same period of 2010. In terms of inventory, mortgage volumes rose 29% y/y. As for consumer cash loans, Bank Pekao created offers dedicated to specific groups of customers such as teachers, government employees, attorneys and doctors, by actively promoting it through TV, print and internet channels. Granting of such loans, in the first nine months of 2011 was 23% higher than in the same period of 2010 while the stock rose by 16%.

In the **Personal Banking segment**, the implementation of the new service model has reached its final phase, with all of the advisors trained and certified to make effective use of the new approach to investment advisory meetings as well as of the new **"Investment Navigator"** support tool. To date over 20,000 customers have attended meetings through the **"Investment Navigator"** and have been very satisfied with the new meeting management method (satisfaction levels were measured by means of telephone surveys). Two training programs were launched with over 300 participants in them: **"Effective Advisor"** and **"Effective Manager"**. Both programs are aimed at further improving the skill sets required from advisors and team managers to carry out effective work and providing high-quality services to the customers. In the profitability area, a pilot program was launched with a view to reactivating high-potential affluent customers (who previously had strong relationships in the affluent segment). This initiative will be extended through 2011 with the objective to reestablish strong relationships with this group of customers and to improve the segment's profitability. A special offer targeting these customers is under preparation and consists of a package of the main banking products offered at attractive prices. The analyses conducted on the first group of customers in this program are showing good results – approximately 5% of the 9,000 customers contacted have purchased at least one new product. A new project focusing on the acquisition of new affluent customers was launched based on the collaboration with the **"Brokerage House"**. The target is made up of customers that do not have products with the bank, but either generate high turnover with the Brokerage House or hold high amounts of financial assets. A special offer based on a current account connected to the brokerage activity was designed having such customers in mind. At the end of 2010, Bank Pekao launched a **"Regular Saving Program"**, supported by online advertising and a print campaign. Two new **"CPPI strategy funds"** products (protected capital products) were launched in the first half of 2011: one of them focuses on emerging markets and the other on Eastern Europe. In September 2011 **Bank Pekao** extended its offer by new type of fund: Pioneer Elastycznego Inwestowania SFIO. It is the fund class which is aimed to receive positive return regardless of the current economic situation. Bank Pekao securities were issued in the form of certificates of deposit with 100% guaranteed invested capital and potential returns resulting from the exposure to capital markets. **Bank Pekao** issued two certificates: one based on the gold market and the other based on the metal and agricultural products market. Both products were met with great interest from the customers with sales volumes exceeding €50 million. In the third quarter of 2011 took place a successful issuance of four new certificates with total sales at the amount of €70 million. A new insurance product was launched, designed in collaboration with the insurance company Ergo Hestia, which covers credit card holders in the event of death, total or permanent disability, unemployment, short-term disability or critical illness.

In the **Small Business segment**, Bank Pekao has continued on its course of growth in the loan sector. In the first nine months of 2011 the sales volume increased by 12.3% compared to the same period of 2010. The initiatives intended to improve the lending process, the advertising campaigns and the instruments in support of the grant of loans have facilitated such growth. Bank Pekao started making loans guaranteed by the European Investment Bank (EIB) and loans guaranteed by the European Investment Fund (EIF). With the support of those two European financial institutions, the bank has secured credit facilities for small and medium-sized businesses on attractive terms. In the first nine months of 2011, Bank Pekao secured 800 loans for investments for a total of €60 million. In addition, as part of the guarantees by the European Investment Fund, approximately 300 start-up companies have received operating loans. Bank Pekao has also signed a guarantee agreement with the state-owned bank Gospodarstwa Krajowego, which provides easier access to capital for companies with adequate guarantees. Companies can apply for technology loans, which after the legislative amendments passed by the Parliament have become much more convenient (for example, the EU guarantee is paid directly after the investment is completed – previously, the payment of the subsidy was linked to the volume of sales generated by the investments financed). Bank Pekao supports the project of the Innovation and Development Foundation, which promotes innovative initiatives that are conducive to the development of Polish companies. In the third quarter of 2011, Bank Pekao extended its offer by CPI for investment loans. Such a product was prepared in cooperation with TU Allianz Zycie Polska SA and covers borrower in the event of death, total and permanent disability, short term disability or critical illness.

The **"Pekao24"** internet banking system dedicated to private customers has been marked by the implementation of a new authorization method, a hardware "Token," which continuously generates passwords usable only once to authorize transactions over **"PekaoInternet"** and on the Call Center channel. The Pekao24 process for new client activations was also improved, thanks to the optimization of the bank's internal procedures. The name and personal details of advisors are shown in a box upon accessing the bank via "Pekaointernet," so as to facilitate possible contacts. The internet banking service was implemented by the introduction of a **"Summary of my finances"**, which presents an overview of assets and liabilities. All these activities have contributed to increasing the number of Internet users by 249,000 units in the last twelve months, reaching 1,903,000 customers. In response to client comments and desires, a series of improvements has been introduced to the Internet banking system intended for **"PekaoFIRMA24"** companies. The number of transactions exceeded 17 billion, which translates into a 27% increase y/y. The total value of transactions exceeded €20 billion, which translates into 43% increase y/y. In addition, the time needed for individual transactions has been significantly reduced and customers can now transfer money in compliance with SEPA standards. In the third quarter of 2011, system functionality was extended to be dedicated to autodealing applications. A user friendly application makes the FX transactions easier and faster. The next innovation in the last quarter will be the implementation of the POS module in the PekaoFIRMA24. With this module customers using POS terminals can monitor and print reports on transactions made by using their terminals. All permanent improvements in the system have contributed to the acquisition of 25,000 new customers, in the last twelve months, which has brought the total to 173,100.

## F&SME Factories

In addition to the F&SME Networks in Italy, Germany, Austria and Poland, the F&SME Division includes the following specialized companies:

- **Asset Gathering**: includes Group banks (FinecoBank in Italy, DAB Bank in Germany and DAT Bank in Austria) that offer the banking and investment services of traditional banks, differentiating themselves by specializing in the online trading business and a pronounced attitude towards technological innovation.
- **Consumer Finance**: product line specializing in the consumer credit business, which supports the Networks with solutions capable to respond to the multiple consumer financing needs of families.
- **Leasing**: product line specializing in the leasing business, which supports the Networks with solutions capable to respond to the multiple financing needs of businesses.
- **Factoring**: product line specializing in the business of extending credit against commercial invoices assigned by customers. Through factoring, companies may obtain access to credit by assigning their invoices and benefitting from a series of additional services (management, inflows, credit insurance).

These companies' aim is to pursue excellence in products and services as well as effective sales and post-sale support. They also seek to support the Networks by improving the satisfaction of customers and network colleagues.

### Financial performance

In the first nine months of 2011, F&SME Factories, reported **operating income** of €1,486 million, with an increase compared to the first nine months of 2010 (+3.8%). This trend is attributable to the improved net interest income on Consumer Finance and Leasing, thanks to the repricing actions done starting from the end of 2010, that offset the decline of trading profit in Asset Gathering and commissions related to the sale of leasing products. Moreover, net of extraordinary interest recognized by UniCredit Factoring in the first half of 2010 (€12.7 million compared to €1.3 million in 2011), the increase in operating income would have been higher.

**Operating costs** totaled €650 million, a slight increase from the first nine months of 2010 (3.6%), due to the increase in payroll expenses as a result of hiring by UniCredit Factoring and UniCredit Leasing in relation to the company's development plans. Moreover, the increase was also affected by the inclusion of some companies into the UniCredit Leasing scope of consolidation for the first time in 2011.

The **Cost-income ratio** in the first nine months of 2011 stood at 43.8%, in line compared to the first nine months of 2010 (-7 bps) due to the increase in operating costs related to the rise in headcount. This figure remains particularly low, however, when compared with average figures for the banking system.

**Net write-downs on loans** totaled €455 million, sharply lower compared to the first nine months of the previous year (-17.5%). The decline is the result of a generalized decrease in impairment losses among the Group's companies specializing in consumer credit and leasing. The **cost of risk** at the end of September reached 1.12%, a 27 bps drop compared to December, thanks to lower impairment losses on loans.

F&SME Factories ended the first nine months of the year with a volume of **loans to customers** equal to €54,120 million, stable relative to the end of December 2010 (-0.6%). This stability is the effect of two opposing trends. On the one hand, a fall in factoring volumes, marked by strong product seasonality (credit volumes hit their maximums at the end of the year, due to the related assignments of accounts receivable made by customers during that period, and went down in subsequent months), offset canceled out by an increase in leasing and consumer finance volumes.

**Customer deposits**, represented by deposits and securities in circulation, were €19,606 million at the end of September, 2011, €4 billion higher than at the end of December 2010 (+25.8%) owing to the positive performance of Asset Gathering.

The human resources trend, expressed in terms of **FTE** (Full Time Equivalent) showed an increase of 342 units (+5.8%), to which all of the product companies contributed.

**Income Statement** (€ million)

| F&SME NETWORK FACTORIES | FIRST 9 MONTHS 2011 | FIRST 9 MONTHS 2010 | CHANGE % | 2011 Q3 | 2011 Q2 | CHANGE % 0N Q2 2011 | 2010 Q3 |
|---|---|---|---|---|---|---|---|
| Operating income | 1,486 | 1,432 | + 3.8% | 507 | 490 | + 3.4% | 472 |
| Operating costs | (650) | (628) | + 3.6% | (212) | (219) | - 3.4% | (203) |
| Operating profit | 835 | 804 | + 3.9% | 295 | 271 | + 9.0% | 270 |
| Net write-downs on loans | (455) | (552) | - 17.5% | (143) | (157) | - 8.7% | (179) |
| Profit before tax | 353 | 243 | + 45.2% | 108 | 134 | - 19.6% | 86 |

**Balance Sheet** (€ million)

| F&SME NETWORK FACTORIES | AMOUNTS AS AT 09.30.2011 | AMOUNTS AS AT 06.30.2011 | AMOUNTS AS AT 12.31.2010 | CHANGE ON DEC '10 AMOUNT | CHANGE ON DEC '10 % |
|---|---|---|---|---|---|
| Loans to customers | 54,120 | 54,081 | 54,460 | -340 | - 0.6% |
| Customer deposits (incl. Securities in issue) | 19,606 | 17,988 | 15,589 | 4,017 | + 25.8% |
| Total RWA | 47,620 | 46,737 | 46,380 | 1,240 | + 2.7% |
| RWA for Credit Risk | 44,809 | 43,943 | 43,606 | 1,203 | + 2.8% |

| Key Ratios and Indicators | | | | |
|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | |
| F&SME NETWORK FACTORIES | 2011 | 2010 | AMOUNT | % |
| EVA (€ million) | (18) | (73) | 55 | - 75.9% |
| Absorbed Capital (€ million) | 3,228 | 2,857 | 372 | + 13.0% |
| RARORAC | -0.72% | -3.39% | 267bp | |
| Operating Income/RWA (avg) | 4.23% | 4.46% | -23bp | |
| Cost/Income | 43.8% | 43.8% | -7bp | |
| Cost of Risk | 1.12% | 1.39% | -27bp | |

| Staff Numbers | | | | | |
|---|---|---|---|---|---|
| | AS AT | | | CHANGE ON DEC '10 | |
| F&SME NETWORK FACTORIES | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % |
| Full Time Equivalent | 6,192 | 6,065 | 5,850 | 342 | + 5.8% |

## Breakdown by business, geographic area and company

### ASSET GATHERING

In terms of **commercial results**, in the nine months of 2011 Asset Gathering had net inflows of €3,632 million (+83% relative to the same period of 2010) and assets reached 58,573 million (-1% relative to the same period in 2010, -5% relative to 2010 year-end), due to the negative market effect of -11% compared to 2010 year-end. Fineco's stocks reached €34,013 million (-1% relative to the same period a year ago, -3% relative to 2010 year-end, with a negative market effect of -9%) and net inflows were €1,911 million (+157% compared to the same period of 2010). Thanks to its network of financial advisors, Fineco ranked 2st[5] in terms of net inflows and 3rd[6] in terms of stock. Fineco has confirmed its market leading position as a broker in Italy with 20.6 million transactions[7] (equities, derivatives, bonds, Forex, funds and repos) and as the top European broker in terms of the number of executions and of the range of products offered in a single account. With regard to trading on line Fineco confirms 1st place in the ranking of thirdy party intermediaries for transactions in key markets (MTA, TAH, Futures and mini futures on indexes). In the ranking of total trading volumes it ranks 1st in the MTA and TAH segments. Even the number of transactions is ranked first in the equity segments and index figures[8].
Moreover, customer satisfaction rose to 98%[9]. Dab Group recorded a decrease in stock of 8% compared to the end of the previous year, bringing assets to €24,560 million (-1% from the same period of 2010) due to a negative market effect of 15%. Total net inflows amounted to €1,721 million (+39 over the same period in 2010). In terms of number of transactions, in the first nine months of 2011, Dab Group reached 3.9 million transactions.

In terms of business **activities**, Asset Gathering's aim in 2011 is to improve its performance in terms of quality and efficiency in order to improve the level of customer satisfaction. To accomplish this strategy, FinecoBank focused on the quality and technological innovation of the services offered, also thanks to larger investments in advertising and marketing, increased efficiency in the sales structure and an expansion of the distribution network by leveraging on the customer base offered by the Group. In the first nine months of 2011, Fineco relied on marketing and communications activities through the implementation of the **"Member get Member"** and **"Securities Transfer"** campaigns. Off-line advertising campaigns were run on TV, radio and billboards, and also online (site dominations and high-impact formats on generalist Web portals, financial sites and masthead of national daily newspaper).

5 Source: Assoreti "Periodic Assoreti Report – August 2011"
6 Source: Assoreti "Periodic Assoreti Report – June 2011"
7 Source: Assosim "Periodic Report on Trading Data of Assosim Members and on volume Traded on Markets Managed by Borsa Italia S.p.A. and Eurotix SIM S.p.A. – 1st half 2011"
8 Fonte: Assosim - "Rapporto periodico sui dati di negoziazione degli associati ASSOSIM sui volumi negoziati sui mercati gestiti da Borsa Italiana SPA e da Eurotlx Sim SPA - 1° semestre 2011".
9 TNS Infratest Report, April 2011.

In **trading**, Fineco consolidated leadership position in the Italian online market, despite market conditions being worse compared to 2010 in terms of volumes and volatility. The decrease in commissions on equity was offset by the addition of more complex products such as futures, forex and bonds. The developments in the 2011 affected all the operating platforms (PowerDesk2, the Fineco online site and the mobile site) and impacted all the target customers (investors, traders and active traders). The offer was subsequently improved with the new releases of the Fineco APP for iPhone, the release of Chart Trading, the margin trading service for bonds and the introduction of new margins for the main futures. The new platform Logos has been allowing clients operate on CFD products in intraday way.

As for the networks of financial advisors, the investing offer and financial advisory are the focus of communications in 2011. The availability of a better multi-brand platform for investments, competitive pricing and the availability of professional and tailor-made financial planning are the selling points of the main campaigns and of the commercial activities of the network of Personal Financial Advisors. **"Apex"** was also introduced, a new premium service for customers with consistent assets (customers in the "Apex" segment are given lower trading commissions and even better terms for current account services and credit). Fineco aims to becoming a pan-European model and developing an advanced approach in its principal trading activities throughout the Group's CEE target client base.

Dab Group, which operates through Dab Bank in Germany and Dat Bank in Austria, has expanded its trading and advisory activity, consolidating its position as a leading broker. Dab Bank has pursued the **"Dab One"** project, consolidating the successful strategy of focusing on the active trader, investor and asset management customer segments and guaranteeing customers a larger and more personalized range of products and services. Customer satisfaction, due to the range of investment products available and to more attractive commissions compared to its competitors, has brought Dab Bank recognition as the number one broker and best offer of investment plans tied to stocks, ETFs, certificates and funds.

Only one year after beginning trading services in the Forex market, thanks to the use of the Fineco platform, customers recognized Dab Bank as being the number one broker in Germany. In the first nine months of 2011, Dab Bank's customers benefited from a variety of promotional campaigns which enabled them to trade with more complex products (derivatives, ETCs, ETFs and convertible bonds). DAT Bank's mission consists of offering a high-quality trading platform under the best possible conditions. To that end, the Austrian broker is constantly fine-tuning its offer with a view to optimizing the service it offers to its customers. Dat Bank had to deal with the effect of changes in the Austrian taxation of capital gains, offering its customers attractive financial terms on current accounts and on trading in financial instruments. Finally, there was an expansion of the range of products and services in the trading area, with the Forex trading service launched at the end of 2010 and the launch of **"stock margin trading"**.

## CONSUMER FINANCE

After the launch, in the first half 2011, of the products "**Credit Express Special**" and "**Credit Express Mini**", in the third quarter "**Credit Maxi Casa**" has been launched, the new personal loan for the purchase or renovation property for amounts up to 100,000 euros that will be offered by all UniCredit branches.

As for the commercial initiatives in the **banking channel**, "**Bank@work**" has been launched. This is a new initiative, designed for testing in the province of Turin, with San Luigi Gonzaga Hospital collaboration. **Bank@work** project provides for the availability of UniCredit to offer a package of services and products to all employees of the Hospital, ensuring a 24 hour service on the job. If successful, the test is expected to gradually extend the initiative to other companies both in the public and the private sector. In the **non-banking channel**, in the third quarter "**Enanche Car Lending Italy**" initiative was launched, aiming to expand the offer dedicated to the Automotive Dealers Group's customers, in order to increase retention through the expansion of the range of financial products offer.

In terms of **commercial results,** in the first nine months of 2011 the consumer credit market in Italy showed slightly reduction in new loans (-1.3% y/y as for August). Particularly, the sharp decline reported in the automotive sector and salary-based loans was offset by the recovery of personal loans and cards. In this context the commercial activities carried out by the product factory Consumer Finance has enabled the total disbursements of €3.67 billion including €3.03 billion in Italy and €0.64 billion internationally. These results have led to an increase in market share in Italy, estimated at 10.5% in September (9.7% at the end of 2010). At the product level, the disbursement overall are divided into €2.12 billion of personal loans, €0.50 billion of credit cards, €0.27 motor vehicle financing and €0.14 billion salary-based loans. In the third quarter the profitability of new production has suffered a negative impact related to the sharp increase in the cost of funding (from 4.25% in June to 6.14% in September). This impact, was managed via timely repricing actions on various products. In the fourth quarter an additional increase of the cost of funding is expected and to this end a further adjustment of the sales price for both products placed through the Group networks and via third parties has already begun.

## LEASING

The 2010 data, published by Leaseurope[10], confirmed the strong positioning of UniCredit Leasing, which firmly remains amongst the three leading European leasing companies in terms of volume and net income. On the Italian market, as confirmed by Assilea[11], UniCredit Leasing maintains firm leadership, with a market share of 19.6%. In the first nine months of 2011, UniCredit Leasing pursued its strategy of rationalizing its sales channels and simplifying its governance structure. The **"New Business Model"** project was launched with the purpose of establishing the guidelines of the corporate business model, clearly defining the service model for each sales channel. The fourth quarter will concentrate primarily on a substantial reduction of customer reaction times, increasing revenues to improve the revenues/RWA ratio and on risk management, by strengthening the portfolio monitoring and optimization processes. Also, optimizing synergies with the bank channel through greater integration with the Group banks, from which synergies on the service platforms are anticipated, coordination of processes and sharing of managerial responsibilities remain at the center of UniCredit Leasing's strategy.

In the business initiatives area, vigorous attention continues in improving service quality through optimizing customer response times. The business vendor concept was further developed with €672 million of new financing in 2011 (+51% y/y) mainly thanks to implementing of new policies in wholesale financing and agriculture and new agreements have been signed with international partners (principally on CEE markets) and portfolio diversification increased. Furthermore the international leasing offer has been strengthened with a substantial increase of cross-border operations (€328 million of financing with an increase of 170% y/y). Dedicated competence centers have been further strengthened to maintain leadership in the sectors of renewable energy. Finally, a plan has been developed to relaunch the insurance business in Russia, Austria and Italy, where the sale of credit protection insurance product will be extended to leasing agent network.

The **funding** diversification strategy is being continued, by resorting to supranational entities. Financing agreements have been signed with the European Investment Bank to be allocated to SMEs by UniCredit Leasing and Fineco Leasing (€400 million), Germany (€50 million) and Latvia (€45 million). New EIB initiatives are also planned for the other foreign subsidiaries, in particular in Austria, Slovakia, Czech Republic and Poland. Moreover, additional initiatives are planned with the Council of Europe Development Bank to be finalized by the end of the year in Slovakia, Czech Republic, Latvia, Serbia and Romania. In June, Unicredit Leasing Russia signed an important contract with European Bank for Reconstruction and Development.

10 Main Association of top leasing companies in Europe.
11 Source: Assilea: "Overview of the progressive contracts" - available on the site "www.assilea.it ".

## FACTORING

In terms of **business results**, in the first nine months of 2011, UniCredit Factoring increased turnover by 22.9% compared to the previous year, approaching second rank for amount of turnover. It also managed to improve rotation days of its portfolio, decreasing by over 15 days compared to a market variation of 8 days (indication of an improvement in payment times by debtors). In terms of outstanding UniCredit Factoring confirms its first position in the ranking of the sector, thanks to an amount of outstanding slightly up to 10 billion euros.
In terms of **product innovation** , the activities to define the functional requirements and the first operational test of the innovative product called **"Major Debtor Credit"** have continued. This product will allow potential assignors access to fast, high automated credit guaranteeing a high degree of simplification compared to existing standards. The full implementation of the project will lead to the creation of a kind of information market place where it will be possible to sell well defined accounts receivable at preset prices thanks to a preassesment of credit rating based on predefined rates. After the test phase (in the first half of the year), the new product **"final purchase with debtor extension"** and a product connected to the agreement with the Associazione Fornitori Ospedalieri del Lazio [Latium Hospital Suppliers Association] have been launched.

Finally, the new advanced model of "**strategic pricing**" for the integrated management of pricing and pricing powers was delivered, able to develop simulations of profitability based on different parameters (technical form of use, risk, capital absorbtion, customer segments, geographical area and customer sales strategies).

# Corporate & Investment Banking (CIB)

## Introduction

The Corporate & Investment Banking (CIB) division is dedicated to corporate customers with revenues of over €50 million and institutional customers of the UniCredit Group, offering services in the 22 countries where it has a presence.

The business model adopted is focused on a clear distinction between coverage and local distribution (Network) areas, and those areas dedicated to centralized specialization of dedicated products or services, namely Financing & Advisory (F&A), Markets and Global Transaction Banking (GTB).

## Financial performance

**Income Statement** (€ million)

| CORPORATE & INVESTMENT BANKING | FIRST 9 MONTHS 2011 | FIRST 9 MONTHS 2010 | CHANGE % | 2011 Q3 | 2011 Q2 | CHANGE % 0N Q2 2011 | 2010 Q3 |
|---|---|---|---|---|---|---|---|
| Operating income | 6,006 | 5,923 | + 1.4% | 1,532 | 2,077 | - 26.3% | 1,908 |
| o/w: | | | | | | | |
| *trading revenues* | *724* | *776* | *- 6.7%* | *(145)* | *302* | *- 148.0%* | *255* |
| *non-trading revenues* | *5,281* | *5,147* | *+ 2.6%* | *1,677* | *1,775* | *- 5.6%* | *1,654* |
| Operating costs | (2,050) | (2,054) | - 0.2% | (680) | (692) | - 1.7% | (673) |
| Operating profit | 3,955 | 3,869 | + 2.2% | 852 | 1,385 | - 38.5% | 1,235 |
| Net write-downs on loans | (1,619) | (1,725) | - 6.2% | (907) | (259) | + 250.5% | (542) |
| Profit before tax | 2,043 | 2,186 | - 6.5% | (261) | 1,030 | - 125.4% | 702 |

**Balance Sheet** (€ million)

| CORPORATE & INVESTMENT BANKING | AMOUNTS AS AT 09.30.2011 | AMOUNTS AS AT 06.30.2011 | AMOUNTS AS AT 12.31.2010 | CHANGE ON DEC '10 AMOUNT | CHANGE ON DEC '10 % |
|---|---|---|---|---|---|
| Loans to customers | 216,658 | 216,596 | 212,826 | 3,833 | + 1.8% |
| Customer deposits (incl. Securities in issue) | 106,133 | 131,538 | 131,245 | -25,111 | - 19.1% |
| Total RWA | 186,485 | 187,529 | 198,594 | -12,109 | - 6.1% |
| RWA for Credit Risk | 162,544 | 165,630 | 178,630 | -16,086 | - 9.0% |

**Key Ratios and Indicators**

| CORPORATE & INVESTMENT BANKING | FIRST 9 MONTHS 2011 | FIRST 9 MONTHS 2010 | CHANGE AMOUNT | CHANGE % |
|---|---|---|---|---|
| EVA (€ million) | 125 | 287 | -162 | - 56.3% |
| Absorbed Capital (€ million) | 13,656 | 14,971 | -1,316 | - 8.8% |
| RARORAC | 1.23% | 2.56% | n.m. | |
| Operating Income/RWA (avg) | 4.21% | 3.74% | 47bp | |
| Cost/Income | 34.1% | 34.7% | -54bp | |
| Cost of Risk | 1.00% | 1.05% | -5bp | |

**Staff Numbers**

| CORPORATE & INVESTMENT BANKING | AS AT 09.30.2011 | AS AT 06.30.2011 | AS AT 12.31.2010 | CHANGE ON DEC '10 AMOUNT | CHANGE ON DEC '10 % |
|---|---|---|---|---|---|
| Full Time Equivalent 100% | 9,474 | 9,637 | 9,599 | -124 | - 1.3% |
| Full Time Equivalent proportional | 9,453 | 9,617 | 9,578 | -125 | - 1.3% |

The Corporate & Investment Banking area ended the first nine months of 2011 with **profit before tax** of €2,043 million, showing a decrease over the same period in the previous year (-€142 million y/y) and the second quarter of 2011 (-€1,292 million q/q), resulting from heavy turbulence on the financial markets as well as the sovereign-debt crisis with which the Eurozone has been confronted.

**Operating income** stood at €6,006 million, up 1.4% y/y, reflecting a varied mix of revenues generated, mostly due to CIB's business diversification. As of September 2011, **net interest income** totaled €3,887 million, up €21 million y/y, led mainly by the favorable trend in interest rates on sight deposit operations and the positive contribution from non-recurring effects. **Dividends and equity investment income** were also up (+€48 million y/y) due to the results reported, especially in the first quarter of 2011, by private equity funds in Germany. **Net commission and fee income** posted an improvement (+11.2% y/y), benefiting from the greater contribution from asset under custody products and banking services. **Trading income** through September 2011 totaled €724 million, down from the same period in 2010 (-6.7% y/y), penalized by the negative results of the third quarter of 2011 on the back of strong market volatility. Quarterly performance, on the other hand, showed a 26.3% q/q reduction in revenues primarily owing to **trading income** (-€447 million q/q) and the reduction in **net interest income** (-7.5% q/q), which had benefited from non-recurring effects during the previous quarter.

**Operating costs** stood at €2,050 million through September 2011, substantially unchanged from 2010, due among other things to containment of **payroll costs** (-0.8% y/y), while **other administrative expenses** rose (+1.2% y/y).
Conversely, compared to the second quarter of 2011, **operating costs** show evident improvement (-1.7% q/q) thanks to the reduction in **other administrative expenses** (-1.8% q/q).

As at September 30, 2011, **net write-downs on loans** totaled €1,619 million, a net improvement from 2010 levels (-6.2% y/y) due to a more favorable credit environment in Germany and Austria. The trend was negative, however, compared to the preceding quarter, with -€648, million q/q.

As of September 2011, **net operating profit** stood at €2,337 million, a solid improvement from 2010 (+9% y/y) aided by the more stable revenues generated and the containment of net write-downs on loans. Net operating profit was down, however, compared to the previous quarter (-€1.182 million q/q).

**Profit before tax** was €2,043 million, down €142 million from the first nine months of 2010, because burdened by the increase in **provisions for risks and charges** (-€237 million y/y), while the quarterly trend resulted in €1,292 million lower q/q. **Investment income** through September was -€78 million (-€77 million y/y), on the back of weak results in the third quarter 2011.

As at September 30, 2011, **loans to customers** showed an increase of 1.8% from the end of 2010 and were substantially unchanged relative the second quarter of 2011.

**Customer deposits** (including securities) were down 19.1% compared to December 2010 and 19.3% compared to the second quarter of 2011.

**Risk weighted assets** were sharply down compared to the levels at the end of 2010 (-6.1%), driven primarily by the decline in credit risk. They were also down q/q (-0.6%).

**EVA** for the first nine months of 2011 stood at €125 million, down from the same period in 2010 (-€162 million y/y) due to increased provisions for risk and charges and weak performance in profit on investments. Quarter-to-quarter, however, the amount was down (-€916 million q/q).

Through September 2011, the **cost/income** ratio stood at 34.1%, an improvement compared to 2010 (-2% y/y), but with the quarterly trend up (+33% q/q).

For the first nine months of 2011, the **cost of risk** was 1%, down 5bp from 2010 but up relative to the second quarter of 2011 (+119bp q/q).

**FTE**s (Full Time Equivalents) showed a decrease of 1.3% from December 2010 and 1.7% q/q.

## Breakdown by business, geographic area and company

The business model adopted by Corporate & Investment Banking is based on a matrix structure that provides, on the one hand, for a distribution network strongly rooted in the Group's key markets (Italy, Germany, Austria, and Poland) and, on the other, for the concentration of product-related capabilities in the three Product Lines (Financing & Advisory, Markets, and Global Transaction Banking). This model ensures flexibility and at the same time soundness.
The business model is structured around the following specific features:

- customer centricity, which manifests itself in the CIB Division's focus on the management of relationships with customers with revenues of over €50 million;
- a multi-centre approach, thanks to a geographic dimension able to take best advantage of the Group's presence in 22 countries;
- presence of global Product Lines, that is, functions responsible for centralized development of products and services within the scope of the Group.

The CIB Product Lines, responsible for the whole range of products and services, are:

**Financing & Advisory (F&A):** this is the product line responsible for loan-related operations and advisory services provided to businesses and institutional customers. The range of offerings extends from plain vanilla to more sophisticated products such as Corporate Finance & Advisory, Syndications, Leveraged Buy-Out Finance, Project & Commodity Finance, Real Estate Finance, Shipping Finance and Principal Investments. In order to better exploit the common platform shared by debt products and equity-related solutions, F&A also guarantees the UniCredit Group direct access to the capital market (equity and debt capital markets).

**Markets:** this is the centre of competence for products and activities related to Rates, FX, Equities, Capital Markets and Credit and is also the channel that gives UniCredit preferential access to those markets.

**Global Transaction Banking (GTB):** this is the product line related to products such as Cash Management, Trade Finance, Structured Trade and Export Finance, and Global Securities Services.

## Results and Initiatives by Geographic Area

### Network Italy

For Network Italy, the first nine months of 2011 ended with revenues showing improvement compared to the same period in the previous year (+1.5% y/y), notwithstanding the slight slowdown witnessed in the third quarter (-1.5% q/q).
The very positive nine-month results of GTB through September 2011 (+22.7% y/y), aided by the growth of both net interest income (due to the rise in reference interest rates) and fee income, reflecting the effectiveness of the current commercial policies.
During the first nine months of 2011, the activities related to Markets products felt the effects of the negative trading income results, which took a particular turn for the worse during the third quarter owing to the unfavorable financial-market context. In addition, a year-over-year comparison reflects the effects of non-recurring operations recorded in 2010. F&A's performance was also solid, with 0.6% growth y/y and unchanged relative to the previous quarter due to a different revenue composition, led by the fee income brought in by Structured Finance.

There was a continued strong focus on cost containment, which compared to the previous year went down by about 1.6% y/y and -3.1% q/q, led mainly by the positive trend in payroll expenses. Net Operating Profit in Network Italy (-€291 million y/y), however, was negatively affected by the increasing development of net write downs on loans (+30% y/y).

### Network Germany

In the first half of 2011, Network Germany showed a strong increase in revenues compared to the same period a year ago (+10.3% y/y), reporting good performance both in terms of commission and net interest income, reflecting the stronger capacity to provide solutions and products that are ever more tailored to customers' needs.
A performance worthy of note was turned in by all product lines, that is, F&A, GTB and Markets (+9% y/y, +17.3% y/y and +12.1% y/y, respectively). Likewise in the third quarter, GTB demonstrated the sustainability of its business model due to the good results shown by Cash Management and the sight deposit business.
Although up relative to the first nine months of 2010 (+6.3 y/y), the trend in costs shows an improving quarterly trend (-1.6% q/q) stemming from the reduction in payroll costs (-7.2% q/q). Even the trend in net write downs on loans, thanks to the releases in the first two quarters of 2011, contributed to improved profitability in the first nine months of 2011.

### Network Austria

Over the first nine months of the year, the revenues generated by Network Austria amounted to €602 million, up slightly from 2010 (+0.5% y/y), maintaining a position of leadership in the Austrian market. Driving the quarterly trend in the Network's revenues were all CIB product lines. GTB confirmed the growth trend (+2.2% q/q) thanks to the improved performance of net interest income on sight deposits and the growing contribution made by the activities of Trade Finance, for which CIB is a leader in the reference market. Markets too posted an improvement in results, both y/y (+21.3%) and q/q (35.3%), thanks to the solid Capital Markets business with core clients.
The monitoring of portfolio credit quality continued in the third quarter of the year, thereby keeping net write downs on loans stable, while the improvement relative to 2010 (-23.2% y/y) is more obvious.

### Network Poland

Over the first nine months of 2011, Network Poland reported a substantial resilience of revenues compared to the same period in the previous year (+0.6% y/y), thanks to improved performance in GTB that benefited from both increased net interest income and fee income.

Development in Network was sustained by initiatives aimed at widening the offering of services to corporate customers, like for example the new function of *AutoDealing* for the execution of Foreign Exchange transactions, together with transaction on sight deposits both in Zloty and foreign currency. The platform of collaboration for clearing settlement activities in Euro and Zloty has been extended to five banks. For the third quarter 2011 Bank Pekao S.A. received the following awards: "Securities Dealer in 2012" from the Ministry of Finance; "Najwyższa Jakość" quality awards in the Quality International 2011 competition organised by Forum Biznesu Editorial Board; #4 the TOP10 safest banks in CEE region and the first position among the Polish financial institutions in the World's Safest Banks 2011 published by Global Finance magazine.

### Financing & Advisory (F&A)

The first nine months of 2011 reported strong growth in revenues from the F&A Product Line[1] compared to the same period in the previous year (+6% y/y), with visible improvements in all components of income. Growth was supported most of all by good performance of Germany, which also benefited from the positive effects of a major one-off transaction. The quarterly trend shows a decline in revenues equal to -12.3% q/q, resulting from the lower contribution made by non-recurring items compared to the previous period, in terms of net interest income and lower fee income. Italy, instead, only reported an increase in fee income, with net interest income under pressure for an increased cost of funding, whereas total revenues were kept +0.6% y/y higher. Austria shows signs of growth, both y/y (+3.7%) and q/q (+9.2%), thanks to increased net interest income. Underlying the growth in fee income was the full exploitation of the cross-selling platform and a greater focus on structured products, along with the development of the Principal Investments business.

In addition to revenue growth, the reduced portfolio's risk component also contributed to the improved profitability of F&A, despite the increase in operating costs. The cost of risk, in fact, showed a clear improvement thanks to significant releases in Germany.

With the level of loans to customers higher than in 2010 (+4% y/y), the amount of risk weighted assets went down (-12.6% y/y), thereby allowing the risk/return ratio to improve.

During the third quarter of 2011, some of the principal deals concluded were: Fenice Project (Italy PCF, €204 million final take), UC Rusal (Russia – PCF, €310 million final take), HSL Bretagne-Pays-de-Loire (France PCF – €95 million final take), co-investment in CEP (Principle Investment – €19 million), First Atlantic RE SGR SpA (Real Estate – €30 million), A.S. Roma SpA (Real Estate – €30 million), Parco San Vito Srl (Real Estate – €21 million).

### Global Transaction Banking (GTB)

GTB ended the first nine months of 2011 with a sustained annual increase in revenues (+15% y/y) as well as sustained quarterly improvement trends in 2011.

Performance was positive in all four key countries for the Group (Italy, Germany, Austria and Poland) and was guaranteed by the position of leadership in Trade Finance and Cash Management activities.

The trend in costs was under control (-7% q/q); this, along with the increased income generation, confirms the low amount of capital absorbed by this business model.

UniCredit won major international awards during the first nine months of 2011 for its Global Transaction Banking activities. For its Cash Management services: "#1 in Cash Management" in five countries and among the top seven globally. For Export, Trade & Supply Chain Finance: "Best Forfaiting Institutions 2011"; "Best Trade Finance Bank 2011" (TFR); "Best Supply Chain Finance Provider in CEE 2011" (Global Finance); "Best Bank in Eastern Europe for Financial Supply chain" (TMI);". For Securities Services: "Best Sub-Custodian Bank in CEE 2011" (Global Finance).

[1] Economic performance of F&A as of 30th September 2011 does not reflect the shift of Capital Markets (Equity and Debt Capital Markets) from Markets into F&A. Such a shift will carry effect, also in financial reporting, starting from October 1st 2011.

## Markets

In the third quarter of 2011, the main economic indicators in major industrialized countries and in developing countries showed an ongoing downward trend, making it possible to envisage the trend is continuing into the coming months as well. In support of this outlook is the winding down of the stimulus provided by economic maneuvers and a slowdown in the inventory cycle. In addition, the inflation rate has remained high in all countries, thereby putting pressure on consumers' purchasing power.
Against this general backdrop, risk aversion on the financial markets continued to be rather high in the third quarter. This was fed by growing pessimism regarding prospects for global growth over the medium and long term, as well as by further intensification of the sovereign debt crisis in Europe and the downgrade of the United States in August. Equities markets came under strong pressure, hitting all-time highs in terms of volatility. The spread between European government securities (Greece and Portugal) and the German *Bund* continued to widen. Similarly, Italian (and to some extent French) government securities were subjected to heavy selling. The ECB reinstituted measures directed towards acquisition of government securities and continued its policy of holding interest rates unchanged, after the 25-basis point increase in July. The Federal Reserve too announced its desire to keep rates low at least until the middle of 2013 and, in support of this, also decided to lengthen the maturities of the securities it holds so as to reduce pressure on U.S. medium-to-long term interest rates.
Owing to the deteriorating outlook for future growth, prices for raw materials (metals in particular) have fallen sharply. Oil price, conversely, has shown somewhat resilience, thus reflecting limits as for the availability of oil in global long-term production.

In the first nine months of 2011[2], revenues generated by the Markets area have felt the effects of the negative situation on financial markets during the third quarter, following excellent first-quarter results and a slight slowdown in the second quarter. Through September 2011, Markets' revenues came in at €1,810 million, down 11.5% y/y and 67.5% q/q.

In terms of business lines:

- **Fixed Income and Currencies** through September 2011 recorded revenues down €140 million y/y, while the third quarter showed a decrease of 65% relative to the period before, due above all to Rates operations. Driving this performance was mainly the sudden collapse of OIS rates, the resort to the ECB for the refinancing of IRM activities, and the opening of credit spreads on bonds and derivatives.
- **Credit Related Business** through September 2011 reported revenues €26 million lower than in 2010. The performance of the business was strongly marked by high volatility tied to fears over sovereign debt and the credit markets' general aversion to risk.
- The growing turbulence on equities markets has resulted in increased volatility for securities, leading to a significant pullback in the revenues of **Equities** (-5% y/y). This has significantly impacted Derivative Trading, stemming from further deterioration of the macro-economic environment in the third quarter and the consequent reduction in business with clients.
- **Capital Markets** in the first nine months of 2011 posted revenues that were down 21% y/y and 42% q/q.

[2] Economic performance of Markets as of 30th September 2011 still includes Capital Markets business (Equity and Debt Capital Markets).The shift from Markets into F&A will carry effect, also in financial reporting, starting from October 1st 2011.

# Private Banking

## Introduction

The activities of the Private Banking Division primarily target medium to high net worth private clients, providing advisory services and wealth management solutions with a 360 degree approach. The Division operates in five countries (Italy, Germany, Austria, Luxembourg, and Poland) through a network of more than 1,200 private bankers located in about 250 branch offices.

## Financial performance

The first nine months of 2011 were marked by high volatility in the financial markets, with a net downturn in the third quarter of the year, triggered by economic and political tensions, particularly in Europe, followed by heavy losses on major financial markets. In the Division's key countries, stock exchange indices showed a sharp fall in Italy since the start of the year (FTSE MIB -26.5%), in Germany (DAX -20.4%), and in Austria (ATX -32.9%), driven by third quarter results of -26.5%, -25.4% and -29.6% respectively.

In this environment, as at September 30, 2011 **total financial assets under management and administration** by the Division were €144.6 billion, a decline (-7.1%) compared to December 31, 2010.

| Total Financial Assets | | | | | (billion €) |
|---|---|---|---|---|---|
| | AMOUNTS AS AT | | | CHANGE ON DEC '10 | |
| PRIVATE BANKING | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % |
| **Total Assets** | **144.6** | **154.3** | **155.8** | **-11.1** | **-7.1%** |
| **Ordinary Assets** | **116.7** | **121.8** | **121.9** | **-5.1** | **-4.2%** |
| *AuM* | *41.8* | *43.2* | *43.1* | *-1.3* | *-2.9%* |
| *AuC* | *52.1* | *56.0* | *55.8* | *-3.8* | *-6.8%* |
| *Deposits (inc. Repos)* | *22.8* | *22.5* | *23.0* | *-0.1* | *-0.5%* |

Net of the extraordinary components[1], as at September 30, 2011 financial assets were slightly below €117 billion, down (-4.2%) compared to the beginning of the year. The assets prices were hit hard by the financial markets, with a negative performance in the first nine months of 2011 equal to €5.9 billion, of which €5.1 billion took place in the third quarter of the year alone. In this context, the net inflow[2] at September 30, 2011 was €0.8 billion, driven by indirect deposits, with positive net inflows of €1.1 billion of which €0.7 billion was in assets under administration.

The composition of **financial assets**[2] as at September 30, 2011 shows an increase, though moderate, in terms of assets under management, representing 35.8% of total assets[2] (from 35.6% as at December 31, 2010) and a reduction in terms of assets under administration (44.6% compared to 46.2% as at December 31, 2010); deposits were up, showing an increase to 19.6% from 18.2% at the beginning of the year.

In terms of economic performance, **operating profit** for the Private Banking Division as at September 30, 2011 was €257 million, up by 7.5% compared to the same period in the previous financial year, benefiting primarily from a growth in operating income, and a slight decrease in operating costs.

[1] Extraordinary transactions are those that, because of their nature, large size and low or non-existent earning potential, are not attributable to any ordinary company assets (primarily assets of institutional clients and business client shareholding).
[2] Excluding extraordinary transactions

| Income Statement | | | | | | | (€ million) |
|---|---|---|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | 2011 | | CHANGE | 2010 |
| | 2011 | 2010 | % | Q3 | Q2 | % | Q3 |
| PRIVATE BANKING | | | | | | 0N Q2 2011 | |
| Operating income | 682 | 664 | + 2.6% | 208 | 233 | - 10.9% | 198 |
| Operating costs | (425) | (426) | - 0.2% | (141) | (142) | - 0.4% | (141) |
| Operating profit | 257 | 239 | + 7.5% | 66 | 91 | - 27.3% | 57 |
| Profit before tax | 236 | 229 | + 2.9% | 54 | 85 | - 36.3% | 52 |

**Revenues** stood at €682 million, up by 2.6% over the first nine months of 2010. They were marked by:

- a sharp increase in **net interest** (+23.8% y/y), driven by a widening spread on deposits (particularly in Italy) which was positively affected by a rising trend in market rates. The impact was only partially eroded by a slight fall in volumes of customer deposits from €24.9 billion as at September 30, 2010 to €24.7 billion as at September 30, 2011 (balance sheet data including securities issued);
- a decline in **net commissions** (-4.7% y/y), primarily driven by lower fees from the placement of asset management products and to a lesser extent assets under administration. Furthermore, it should be noted that the first half of 2010 benefited from non-recurring commissions (approximately €6 million) related to the tax amnesty in Italy.

Return on ordinary financial assets (ROA), at September 30, 2011, was thus equal to 75 bp, an increase compared to the 72 bp in the same period of 2010.

**Operating costs** totalled €425 million, slightly down (-0.2% y/y) compared to September 30, 2010. Payroll costs were slightly up (+1.6% y/y) due to the combined increase in the staff of the Division (+25 FTE) and salary and contractual adjustments. In terms of other administrative costs, the slight increase (+0.6% y/y) is attributable to higher taxes on security deposits, offset by expenses recovery; the operating costs, payroll costs excluded, were down by 2.1% y/y, as a result of effective cost containment efforts. There was an improvement in the cost/income ratio that at September 30, 2011 reached 62.4% compared to 64.1% in the same period of 2010.

**Profit before tax**, equal to €236 million, grew by 2.9% compared to September 30, 2010, despite higher write-downs on loans in Austria and Germany; higher provisions for risk and charges in Italy and accounting of the integration costs in Italy and Germany.

| Key Ratios and Indicators | | | | |
|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE | |
| | 2011 | 2010 | AMOUNT | % |
| PRIVATE BANKING | | | | |
| EVA (€ million) | 130 | 129 | 1 | + 0.8% |
| Absorbed Capital (€ million) | 387 | 311 | 76 | + 24.4% |
| RARORAC | 44.7% | 55.1% | n.m. | |
| ROA, bp (*) | 75bp | 72bp | 3bp | |
| Cost/Income | 62.4% | 64.1% | -172bp | |
| Operating costs/Total Financial Assets (**) | 47bp | 46bp | 1bp | |

(*) Operating income on Total Financial Assets (average) net of extraordinary assets.

(**) Total cost on total Financial Assets (average) net of extraordinary assets.

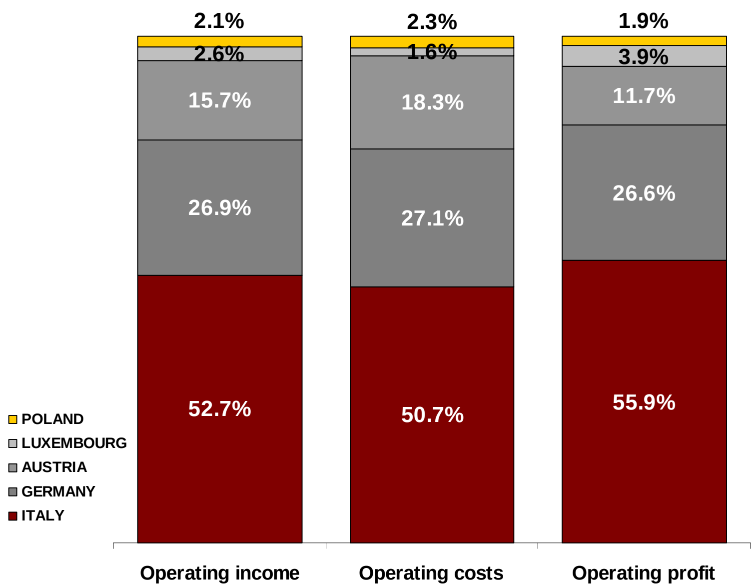
| Staff Numbers | | | | | |
|---|---|---|---|---|---|
| | AS AT | | | CHANGE ON DEC '10 | |
| | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % |
| PRIVATE BANKING | | | | | |
| Full Time Equivalent | 3,034 | 3,025 | 3,018 | 16 | + 0.5% |

## Breakdown by business, geographic area and company

The Private Banking Division is composed of 5 business lines, corresponding to the countries in which it operates: PB Italy, PB Germany, PB Austria, PB Luxembourg, and PB Poland.

The following are the principal data for each of them.

**% Contribution by country as at September 30, 2011**[3]




Financial assets for Private Banking **Italy** totalled €88 billion. Ordinary assets, equal to €73.7 billion as at September 30, 2011, were down compared to the beginning of the year (-5%) impacted by negative market effect. The satisfactory business results in terms of assets under administration (+€1.1 billion) more than offset the deposit outflows (-€0.6 billion), bringing the overall net inflow of ordinary assets to €0.6 billion.

Operating profit as at September 30, 2011 was €151 million, a 3.6% rise over the same period in the previous year. The increase in revenues (+1.4% y/y) was driven by the strongly positive trend in net interest (+28.6% y/y), which benefited from a considerable increase in the spread on deposits despite a contraction in relative volumes. Instead net commissions fell (-4.5% y/y) due to a slowdown in the placement of asset management and assets under administration products, but also as a result of non-recurring fees reported during the first half of 2010 totalling about €6 million (following the tax amnesty), net of which the change came to -2.4% y/y.

The cost/income ratio was 58%, slightly down from 58.9% over the same period in the previous year.

[3] Excluding the costs of the governance bodies

Private Banking **Germany** reported €28.2 billion in total financial assets as at September 30, 2011, of which €24.6 billion in ordinary assets. The latter figure was down by 6.9% from December 31, 2010. The net outflow of ordinary assets totalling -€0.4 billion for the period was marked by positive results in assets under management (+€0.3 billion) and by outflows of assets under administration (-€0.4 billion) and deposits (-€0.3 billion).
As for income, operating profit totalled €72 million. The 1.5% y/y increase was driven by a rising net interest (+18.3% y/y), which was positively influenced by a healthy trend in the spread on deposits; this offset a decline in net commissions (-6.1% y/y), especially related to lower placement of managed assets and assets under administration.
As for operating costs, the 2.6% y/y rise is attributable primarily to an increase in payroll costs (+5.3% y/y), also as a result of a higher headcount compared to the same period in the previous year. Other administrative expenses were substantially unchanged.
The cost/income ratio was 60.7% compared to 60.4% as at September 30, 2010.

As at September 30, 2011 Private Banking **Austria** had financial assets totalling €17 billion; ordinary assets, equal to €15.1 billion, rose by 3.5% from the beginning of the year, thanks to a net inflow of €0.4 billion, driven by deposits.
Operating profit was €32 million, up by 15% compared to September 30, 2010, driven by a good trend of revenues (+5.6% y/y). The decline in net commissions (-5.8% y/y), mainly because of lower upfront fees on asset management products, was amply offset by the sharp increase in net interest (+32.7% y/y), which was due to both higher spreads and increasing volumes of deposits. Operating costs rose (+2.2% y/y) both in terms of payroll costs (+1.7% y/y) – in this instance also as a result of a higher headcount over the comparable period – and in terms of other administrative expenses (+3.5% y/y).
The cost/income ratio was 70.5%, down from 72.9% in the same period of the previous year.

As at September 30, 2011, Private Banking **Luxembourg** had financial assets totalling €9.7 billion, of which €1.6 billion were ordinary assets. The latter experienced a growth trend of 8.1% over that of the beginning of the year, generated by a net inflow of ordinary assets of €0.2 billion, that was attributable to asset items under administration (+€0.2 billion) and assets under management (+€0.1 billion). As at September 30, 2011 operating profit was €11 million, which marked an increase compared to September 30, 2010, thanks to a decline in operating costs (-52.3% y/y), attributable to synergies deriving from a reorganisation of company business (particularly in terms of other administrative expenses), and rising revenues (+4.1% y/y). Net commissions (+9.9% y/y), primarily, and net interest (+2.6% y/y), were the major drivers of income.
The cost/income ratio was 39%, down by more than half compared to same figure as at September 30, 2010 (85.2%).

Finally, in **Poland** financial assets at the end of September 2011 amounted to €1.8 billion, slightly down (-1.1%[4]) compared to December 31, 2010. There was a slightly negative net outflow in ordinary assets (-€3 million) in the first nine months of 2011, due to outflows in assets under management. As for income, operating profit, equal to €5 million, was up by 31.1% y/y[4], driven by the healthy trend of revenues (+16.1% y/y[4]) both in terms of net interest (+17.5% y/y[4]) and net commissions (+13.9% y/y[4]). The cost/income ratio was 64.9%, an improvement over the 68.9% in the same period of the previous year.

[4] % expressed at constant exchange rates

# Asset Management

## Introduction

Asset Management is known for its Pioneer Investments brand, a company in the UniCredit group operating throughout the world in the asset management sector and specialising in investing its customers' assets.
The Business Line, in partnership with numerous top-tier international financial institutions, offers investors a complete range of innovative financial solutions encompassing mutual funds and hedge funds, assets management, institutional investment portfolios and structured products.

In 2010 UniCredit began a strategic review to identify the best strategic options in order to improve the efficiency of its own asset management company and maximize value for both customers and shareholders. Following a deep analysis of all the benefits tied to each possible strategy, UniCredit announced that organic growth is the best strategic solution for Pioneer Investments. Hence Pioneer Investments is currently working on a strategic plan which will further enhance the quality of Pioneer Investments' product offering while maintaining focus on delivering an outstanding level of client service.

## Financial performance

In the first nine months of 2011, Asset Management posted operating profit of 257 million, remaining substantially unchanged since 2010.

**Income Statement** (€ million)

| ASSET MANAGEMENT | FIRST 9 MONTHS 2011 | FIRST 9 MONTHS 2010 | CHANGE % | 2011 Q3 | 2011 Q2 | CHANGE % 0N Q2 2011 | 2010 Q3 |
|---|---|---|---|---|---|---|---|
| Operating income | 603 | 613 | - 1.6% | 183 | 205 | - 10.6% | 203 |
| Operating costs | (347) | (355) | - 2.4% | (112) | (117) | - 4.9% | (114) |
| Operating profit | 257 | 258 | - 0.6% | 72 | 87 | - 18.1% | 89 |
| Profit before tax | 252 | 248 | + 1.6% | 67 | 87 | - 23.7% | 80 |

Operating income stood at 603 million, down 10 million (-1.6%) compared to the previous year.
This decrease is mainly due to the reclassification within net commissions of costs for Depositary Bank services (amounting to 7 million) previously booked in other administrative expenses.
Net of this effect, the downturn was 3 million primarily attributable to lower net commissions stemming from negative net sales (-9.7 billion) and unfavourable market conditions.
The drop in net commissions was partially offset by an extraordinary positive event, that is insurance reimbursements (of 12 million) for legal expenses in relation to the Madoff affair.

Operating costs showed an 8 million decrease (equal to 2.4%) in the first nine months of 2011 as compared to the same period the previous year, mainly from the aforementioned reclassification.
Net of this extraordinary effect, operating costs were substantially in line with the previous year.

Compared to the data for the immediately preceding quarter, operating profit for the third quarter of 2011 was down 15 million.

The decrease is primarily due to lower net commissions in the third quarter (-24 million) following a significant reduction in managed assets (-4.7% quarter on quarter).

Operating costs for the third quarter fell by 5 million (-4.9%) primarily attributable to lower staff costs following on from the positive impact of a non-recurring IAS adjustment to the pension fund in Germany in Q3 and lower variable costs.

As an effect of these elements, in the third quarter profit before tax totalled 67 million, down 20 million (-23.7%) compared to the second quarter 2011.

The Business Line's results are reflected in the following value indicators: EVA was 158 million in the first nine months of 2011, from 163 million in the same period of the previous year (-3.1%); the cost/income ratio stood at 57.5% in the first nine months of 2011, in line with the same period of 2010 despite the decrease in revenues, primarily thanks to cost containment initiatives.

**Key Ratios and Indicators**

| | FIRST 9 MONTHS | | CHANGE | |
|---|---|---|---|---|
| **ASSET MANAGEMENT** | 2011 | 2010 | AMOUNT | % |
| EVA (€ million) | 158 | 163 | -5 | - 3.1% |
| Absorbed Capital (€ million) | 305 | 293 | 13 | + 4.3% |
| RARORAC | 69.09% | 74.44% | -535bp | |
| ROA, bp (*) | 44bp | 43bp | 1bp | |
| Cost/Income | 57.5% | 57.9% | -43bp | |
| Operating costs/Total Financial Assets, bp (**) | 25bp | 25bp | 0bp | |

(*) Operating income on Total Financial Assets (average) net of extraordinary assets

(**) Total cost on total Financial Assets (average) net of extraordinary assets

At the end of September 2011, Asset Management had 1,959 employees, an increase of 82 "Full Time Equivalent" (FTE) units compared to the end of December 2010, due almost entirely to reorganisation plans implemented in the current year aimed at converting non-employee staff or staff on temporary contracts into permanent employees.

**Staff Numbers**

| | AS AT | | | CHANGE ON DEC '10 | |
|---|---|---|---|---|---|
| **ASSET MANAGEMENT** | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % |
| Full Time Equivalent | 1,959 | 1,951 | 1,877 | 82 | + 4.4% |

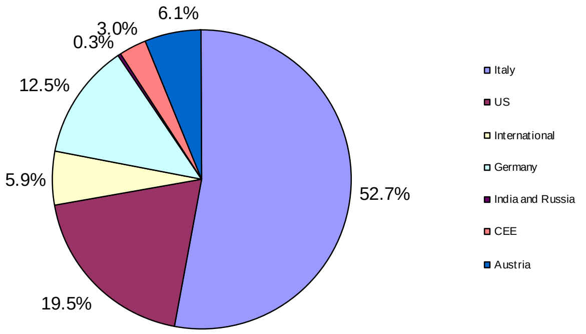
# Breakdown by business, geographic area and company

As of 30 September 2011 assets under management stood at 165 billion, down 11.64% since the beginning of the year, due to the market effect (-6.13%) and to negative net sales (-5.21%).

Overall, net outflows totalled 9.7 billion in the first nine months of 2011.

| Total Financial Assets | | | | | | | | (billion €) |
|---|---|---|---|---|---|---|---|---|
| | AMOUNT AS AT | | | CHANGE ON DEC '10 | | AMOUNT AS AT | CHANGE ON SEP '10 | |
| ASSET MANAGEMENT | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % | 09.30.2010 | AMOUNT | % |
| **Total Financial Assets** | **171.3** | **184.5** | **193.0** | **-21.7** | **- 11.2%** | **191.6** | **-20.3** | **- 10.6%** |
| **Asset under management** | **164.9** | **178.1** | **186.7** | **-21.7** | **- 11.6%** | **185.4** | **-20.5** | **- 11.0%** |
| *- Italy* | 86.9 | 92.7 | 97.1 | -10.2 | - 10.5% | 98.8 | -12.0 | - 12.1% |
| *- US* | 32.2 | 34.7 | 36.7 | -4.5 | - 12.2% | 34.9 | -2.7 | - 7.6% |
| *- International* | 9.7 | 11.1 | 11.0 | -1.2 | - 11.0% | 9.6 | 0.2 | + 2.1% |
| *- India and Russia* | 0.5 | 0.6 | 0.5 | 0.0 | + 5.0% | 0.5 | 0.0 | + 1.2% |
| *- Germany* | 20.6 | 22.3 | 23.5 | -2.9 | - 12.3% | 23.5 | -2.9 | - 12.4% |
| *- CEE* | 5.0 | 6.3 | 6.8 | -1.8 | - 26.1% | 6.5 | -1.5 | - 22.7% |
| *- Austria* | 10.0 | 10.3 | 11.2 | -1.2 | - 10.8% | 11.7 | -1.7 | - 14.5% |
| **Asset under administration** | **6.3** | **6.4** | **6.3** | **0.1** | **+ 1.0%** | **6.2** | **0.1** | **+ 2.3%** |

**AuM by Distribution Area**




***USA***

The business unit ended the third quarter with a negative net cash flow of 718 million and assets equal to 32.2 billion (US$43.5 billion), a drop of 12.17% since the beginning of the year, partly the result of currency effects (-1.6%) and market effect (-8%).
Net of Vanderbilt, net sales were negative by 436 million, while period-end assets came to 28.6 billion (US$38.6 billion), down 10.8% from the preceding year-end value.

***Italy***

The business unit's assets stood at 86.9 billion, 10.5% lower since the beginning of the year, due to a negative market component equal to 4.7 billion (-5.0%) and negative net cash flows of -5.6 billion (-5.8%). Net sales were negative mainly in the Retail distribution channel (-3.9 billion).
The market share of Pioneer Investments decreased from 14.2% in the second quarter of 2011 to 12.3% in the third quarter.

***Germany***

At 20.6 billion, assets were down 12.3% since the beginning of the year, mainly due to the negative market effect (-4.3%) and the negative trend in net sales (-8.0%) mainly in the Institutional distribution channel.
In addition to the aforesaid assets under management, the business unit includes assets under administration in the amount of 0.4 billion, substantially unchanged since the beginning of the year.

***International***

At the end of the third quarter, the business unit posted negative net sales of 0.2 billion.
Assets, at 9.7 billion, were thus 11.0% lower since the beginning of the year, attributable primarily to the negative market effect (-9.0%).

***CEE***

The business unit ended the period with negative net sales of -621 million, which, for the most part, were concentrated in Hungary (-307 million) and Poland (-301 million) where the market share stood at 13.43%.
Assets under management, equal to 5 billion, were down 26.1% since the beginning of the year.

***Austria***

At the end of September, assets stood at 10 billion, down compared to the beginning of the year, owing to the negative market impact (-4.2%) and negative net sales (-743 million).
In addition to the aforesaid assets under management, the business unit includes assets under administration in the amount of 5.9 billion, up slightly (+100 million) since the beginning of the year.

***India***

Period-end assets as of 30 September, equalling 445 million, were up 5.9% since the beginning of the year, owing to positive net sales (+8 million) and the market effect (+21.5%).

***Russia***

Assets at the end of the third quarter, amounting to 55 million, decreased since the beginning of the year, due to the market effect (-10.9%). Net sales were positive at 5 million.

***Alternative Investments***

Total assets in Hedge Funds, equal to 1.6 billion, were down 26.5%.
In fact, the Alternative Investments business unit is showing negative net sales of 323 million at the end of September.
The flows and AuM data are already included in the other business units' figures.

# Central Eastern Europe (CEE)

## Introduction

In the first 9 months of 2011 CEE region continued reporting modest gains in economic activity, with growth momentum gradually loosing strength. Weakening external demand, in particular from Western Europe, has dented into growth performance of many CEE countries, though some held up much better than others (eg Poland, Turkey and the Baltic states). At the same time, deceleration of inflation was supportive for real consumer purchasing power, acting as a buffer against a slow-down in external demand.

Financial woes related to the Euro debt crisis has recently led to a widening of risk premia also for CEE, although the region continued to show good resilience. More exposed countries such as Hungary and Croatia together with Ukraine have experienced stronger increase in CDS spreads, but of lower magnitude compared to Western Europe (particularly against the EMU periphery).

Despite the more challenging external environment, stabilisation in the banking sector has continued with credit growth rates still increasing or stable relative to last year in the majority of CEE countries. Exceptions are Hungary and the Baltics, where credit has been contracting, and some Balkan economies (Croatia and Serbia), where credit growth has slowed down. Overall, banking sector profitability remained broadly in line with last year levels supported by further decline in the cost of risk.

The CEE banks of UniCredit, based on their strong presence and market share in 18 countries (excluding Poland which is included in the figures of the other business areas) again achieved overall highly positive quarterly results.

## Financial performance

| Income Statement | | | | | | | | | (€ million) |
|---|---|---|---|---|---|---|---|---|---|
| | FIRST 9 MONTHS | | CHANGE % ON FIRST 9 MONTHS '10 | | 2011 | | CHANGE % ON Q2 2011 | | 2010 |
| CENTRAL EASTERN EUROPE | 2011 | 2010 | ACTUAL | NORMALIZED [1] | Q3 | Q2 | ACTUAL | NORMALIZED 1 | Q3 |
| Operating income | 3,529 | 3,470 | + 1.7% | + 5.5% | 1,197 | 1,170 | + 2.3% | + 5.0% | 1,226 |
| Operating costs | (1,636) | (1,577) | + 3.7% | + 7.6% | (544) | (556) | - 2.2% | + 0.3% | (536) |
| Operating profit | 1,894 | 1,893 | + 0.0% | + 3.9% | 654 | 614 | + 6.4% | + 9.2% | 690 |
| Net write-downs on loans | (759) | (977) | - 22.3% | - 19.8% | (238) | (246) | - 3.2% | - 0.5% | (337) |
| Profit before tax | 1,122 | 922 | + 21.7% | + 26.9% | 369 | 402 | - 8.1% | - 4.2% | 358 |
| Profit (Loss) for the period | 964 | 735 | + 31.1% | + 36.2% | 307 | 371 | - 17.2% | - 13.5% | 284 |

1. At constant exchange rates

| Balance Sheet | | | | | (€ million) |
|---|---|---|---|---|---|
| | AMOUNTS AS AT | | | CHANGE ON DEC '10 | |
| CENTRAL EASTERN EUROPE | 09.30.2011 | 06.30.2011 | 12.31.2010 | AMOUNT | % |
| Total Loans | 83,518 | 78,100 | 77,965 | 5,554 | + 7.1% |
| *o/w with customers* | *67,632* | *67,444* | *66,308* | *1,324* | *+ 2.0%* |
| Customer deposits (incl. Securities in issue) | 59,599 | 55,084 | 56,902 | 2,697 | + 4.7% |
| Total RWA | 82,034 | 82,951 | 79,178 | 2,856 | + 3.6% |
| RWA for Credit Risk | 73,134 | 73,448 | 68,957 | 4,177 | + 6.1% |

**Key Ratios and Indicators**

| CENTRAL EASTERN EUROPE | FIRST 9 MONTHS 2011 | FIRST 9 MONTHS 2010 | CHANGE AMOUNT | CHANGE % |
|---|---|---|---|---|
| EVA (€ million) | 222 | 73 | 150 | + 206.2% |
| Absorbed Capital (€ million) | 6,673 | 6,958 | -285 | - 4.1% |
| RARORAC | 4.44% | 1.39% | 305bp | |
| Operating Income/RWA (avg) | 5.82% | 6.25% | -43bp | |
| Cost/Income | 46.3% | 45.4% | 91bp | |
| Cost of Risk | 1.52% | 2.08% | -57bp | |
| Tax rate | 14.1% | 20.3% | n.s. | |

**Staff Numbers**

| CENTRAL EASTERN EUROPE | AS AT 09.30.2011 | AS AT 06.30.2011 | AS AT 12.31.2010 | CHANGE ON DEC '10 AMOUNT | CHANGE ON DEC '10 % |
|---|---|---|---|---|---|
| Full Time Equivalent (KFS group 100%) | 51,466 | 51,508 | 51,608 | -142 | - 0.3% |
| Full Time Equivalent (KFS Group proportional) | 41,473 | 41,643 | 41,803 | -330 | - 0.8% |

In Q3 2011, the CEE area of UniCredit Group achieved a **net operating profit** of €415 million which, at constant exchange rates, represents an increase of 15.6% over the preceeding quarter and once again underlines the solid operative performance of the division and the further easening of **loan loss provisions.**

**Revenues** continued their stable, positive development, increasing by 5% at constant rates over the previous quarter to €1.197 million. While **net interest income** of €797 million remained practically at the level of the preceding quarter with a +0.7% growth at constant rates, **net fee & commission income** strengthened by 8.2% at constant rates in Q3 2011 to €311 million. While the market for assets under management and assets under custody has not yet reached its former level, commercial services such as credit cards, FX-transactions, payment and lending fees developed favorably in practically all countries. The **trading result** of €47.5 million, being largely defined by the mark-to-market valuation of funding derivatives and FX-trading positions, improved by 37% over the previous quarter.

**Operating expenses** remained flat versus the second quarter, as lower staff expenses off-set the business driven increase of Non-HR expenses. Cost efficiency remains very high with a cost/income ratio in Q3 2011 of 45.4%, an improvement of 2.1bp over the prior quarter.

Reflecting a continued improvement in the market conditions, **risk provisions** eased further in the third quarter of this year after also the previous quarters had seen significant q/q reductions. At €238 million, they were kept slightly below the previous quarter. The cost of risk ratio (in percent of the average loan volume) therefore shows a further improvement to 1.41% in Q3 2011 versus 2.08% in the year 2010.

In the non-operative area, **Profit and Loss on Investments** show a loss of €39 million in the 3Q11 versus a gain of €43 million in the 2Q11. Both quarters included impairment of Greek assets, but in the 2Q these impairments were more than off-set by the result regarding a share swap involving interests in companies belonging to a prime management group operating in the Russian property market.

Considering also the positive one-off tax effect in the 2Q11 from the capitalization of tax assets in the Ukraine the division's **net profit** of €307 million therefore remains 13.5% (at constant rates) below the previous quarter.

# Breakdown by business, geographic area and company

**Turkey**

In 2011, positive macroeconomic environment in Turkey continued, albeit with some slowdown in Q3 2011. Low inflation environment was sustained despite some pass-through of currency volatility. In light of the worsening global economic outlook and start of domestic slowdown in Q3 2011, the monetary policy shifted to slight easing from tightening. Following intensifying regulatory actions on the banking sector as part of the tightening policy during H1 2011, the Central Bank initiated an easing policy as of H2 2011 including policy rate cut of 50 bps (to 5.75%), some decrease in reserve requirement rates and daily FX auctions in order to provide liquidity to the market.

Koç Financial Services (KFS), the financial holding company controlling 81.8% of Yapı Kredi Bank, recorded balanced growth and maintained healthy profitability in M9 2011 mainly driven by positive fee performance and stabilisation in net interest margin.

In M9 2011, KFS recorded 1,349 million Turkish lira consolidated net income (after minority interest) and Return on Equity of 21%. Revenues were recorded at 4,102 million Turkish lira (+1% y/y) on the back of lower net interest income (-6% y/y) due to impact of regulatory pressure and competition, albeit compensated by solid fee growth (10% y/y) and trading income. Continuation of tight cost management and efficiency initiatives resulted in a Cost/income ratio of 47%. The Bank continued investing in alternative delivery channels to increase customer satisfaction and decrease cost to serve and, as of M9 2011 managed 77% of total banking transactions through non-branch channels.

Yapı Kredi maintained its position as the fourth largest private bank by total assets of 115.1 billion Turkish lira. Yapı Kredi together with its subsidiaries holds leadership positions in credit cards, leasing and factoring, as well as strong positions in brokerage, mutual funds, non-life insurance and private pension funds.

In terms of lending, the Group recorded 24% loan growth since year end 2010. Lending growth was mainly driven by higher margin loan segments including general purpose (47%), SME loans (28%) and mortgages (18%) on the local currency retail side and project finance loans on the foreign currency corporate side ($4 billion as of Sep.'11). As of the end of September 2011, the Bank had 10,4% market share in total loans.

In terms of asset gathering, the Group recorded deposit growth of 19%, mainly driven by foreign currency deposits due to impact of regulations and competition in TL deposits. As of the end of September 2011, the Group had 9,3% market share in total deposits.

Yapı Kredi continued to focus on further diversify funding sources in M9 2011. Despite worsening global macroeconomic conditions, Yapı Kredi successfully renewed its syndicated loan facility of $1.25 billion in September 2011 with improved pricing. In addition, the Bank obtained new financing ($410 million and €75 million) within the framework of its Diversified Payment Rights Securitisation program, the first new injection since 2007, with 5 and 12 year maturity, respectively. In addition to 1 billion Turkish lira bond issuance in June 2011, Yapı Kredi finalised a bond issue of 150 million Turkish lira with 1 year maturity and 9.08% cost as a clear first step in lengthening maturity of this type of funding.

Positive asset quality trend was maintained in M9 2011 driven by stabilising non-performing loan (NPL) inflows and sound collections performance. As a result, Yapı Kredi's NPL ratio stood at 3.0% (vs 2.9% in H1 2011 and 3.4% at year end 2010).

Yapı Kredi continued its branch expansion in 2011 and opened 27 new branches reaching 894 branches as of the end of September 2011 thereby maintaining the fifth largest branch network in Turkey. The Bank is planning to further increase the number of branches in 2011. Yapı Kredi also has a strong alternative delivery channel network including the fifth largest ATM network with 2,615 ATMs as well as award winning internet banking customised for retail and corporate clients and 2 call centers.

**Russia**

Following deceleration in early 2011 and recovery in the second quarter, the Russian banking sector was demonstrating strong growth in Q3 2011. Total assets volume grew by 9.1% in Q3 2011 (vs. 0.6% in Q1 and 3.6% in Q2). Profit before tax reached 624 billion Russian rubles, already exceeding the 2010 result by 9%.

UniCredit Bank, with a significant increase in total assets of 37% in Q3 2011 versus Q2 2011, holds the 8th position within the banking system. The bank continues to prove its solid profitability in 9M 2011 with a return on equity of 22% and a confirmed high efficiency with a cost-income ratio of 35%. The bank shows a stable revenue development with a Q3 2011 level of 7.4 billion Russian rubles, slightly above Q2 2011. Net interest income remains the main driver of revenue generation with a Q3 2011 level of 5.5 billion Russian rubles. Net fees and commissions income of 1.6 billion Russian rubles is kept practically at the same level as in Q2 2011 thanks to the good performance of trade finance activities. Trading result, influenced by market opportunities, registered high (61%) increase versus previous quarter up to the level of 371 million Russian rubles. Costs remained under control and were slightly above the previous quarter, amounting to 2.7 billion Russian rubles. Risk provisions were positively influenced by further decrease in non-performing loans and strong recovery of write-backs. The Q3 2011 net profit generated by the bank was 4.3 billion Russian rubles exceeds the Q2 2011 result, if adjusted for the one-off effect from the restructuring of investments in CJSC "MICEX" (Moscow Interbank Currency Exchange). Within a highly competitive environment the loan portfolio grew by 6.7% q/q. At the same time deposit gathering showed a strong dynamic with a 51% q/q growth rate influenced mainly by Corporate large tickets.

The Q3 2011 performance of CIB, as the main contributor to the results of the bank , was characterized by a seasonal slowdown of the activity in August and a sound re-start in September. Overall CIB is showing a constant growth in loans and deposits in line with the previous quarter. Good results were reached in fee generating products such as trade finance.

Retail banking continued to increase its customer base driven by payroll acquisition and sales of car loans. The mortgage campaign launched in June 2011 resulted in historically high monthly sales in August. The great success of the UEFA Championship League Trophy tour has increased UniCredit brand awareness.

## Croatia

ZABA Group in M9 2011 achieved a net profit of 1,120 million Croatian kuna, outperforming M9 2010 by 285 million Croatian kuna (+34%) driven by 9% y/y revenue growth. Total revenues reached 3,432 million Croatian kuna exceeding M9 2010 by 284 million Croatian kuna as a result of volume growth, lower funding cost, replacement bond revaluation and collection of suspended income. Cost and process efficiency was steadily improved, resulting in C/I ratio of 44% which is a notable improvement compared to 48% reported in M9 2010.
Despite a challenging economic environment, ZABA reaffirmed its leading position in the retail, private, small business and CIB area with leading market share in all segments. The bank is pursuing innovative solutions to intensify lending and provide high quality service to its clients throughout the year:

- Commercial activities related to real estate have been well accepted by customers (special offers referred to as "Green Loans" showed a 195% growth of the portfolio in 2011; housing loans supported by the State with ZABA taking a 51% participation in these loans).
- The bank launched new m-zaba mobile banking application for Android users, first in the market.
- "Craftsmen&Partner" program was launched in May in cooperation with Croatian Chamber of Trades and Crafts and partners. Due to the campaign sales of current accounts and account packages have almost been doubled and the program continues to record strong growth.
- Loyalty program Multiplus also launched in cooperation with the largest local retailer and telecom company has recorded remarkable growth - more than 180,000 individual customers joined, contributing significantly to the increase of credit card usage.

Total loans to individuals and small business reached 34 billion Croatian kuna, while deposits amounted to 42,8 billion Croatian kuna. The Market share in Individual's loans and deposits remains stable at 25%. Small business confirmed leading market position with 24% market share in the number of customers.

Total loans to corporate clients grew from 35 billion Croatian kuna at year end 2010 to 38,3 billion Croatian kuna by the end of September 2011. The market share in corporate loans increased from 25.8% at year end 2010 to 26.2% in August 2011, pointing to the strong market position despite fierce competition. Corporate client deposits by the end of September 2011 amounted to 14,5 billion Croatian kuna, while the market share increased from 24.7% at year end 2010 to 25% in August 2011.

Financing & Advisory confirmed its position as the leading investment banking house in the SEE region. In the Capital Markets segment, the bank acted as the Joint Lead Manager for the 7-year Government of Croatia Eurobond issue in the amount of €750 million. In July 2011 the bank acted as the Joint Lead Manager for the 11-year Government of Croatia bond issue in the amount of €600 million and the 5-year Government of Croatia bond issue ( 1,5 billion Croatian kuna). The bank acted as the joint bookrunner and Lead Manager of Agrokor's Eurobond TAP issue (€150 million) and as the joint bookrunner for the 5-year Atlantic Grupa bond issue (115 million Croatian kuna).

Corporate Finance is engaged in a number of ongoing transactions in Croatia, Montenegro, Bosnia and Herzegovina, Albania and Kosovo. Structured Finance arranged senior debt package for Atlantic Grupa in its acquisition of Droga Kolinska.

In the Markets segment, the bank arranged a EUR/USD cross currency interest rate swap transaction with the Ministry of Finance for a notional amount of $500 million. Brokerage, rewarded by EMEA Finance as "Best Broker in Croatia" for 2011, kept its strong market position on the Zagreb Stock Exchange with a 12% market share in the total turnover.

**Other countries**

In Q3 2011, revenues of UniCredit Bank **Czech Republic** were 4% higher as compared to Q2 and similar dynamics have been achieved in a y/y comparison.The bank leverages on the consumer finance – product segment successfully launched at the end of 2010 – and on the growing Retail network, being the key part of the Retail expansion strategy. With a major part of network expansion taking place in 2011, operating expenses y/y increase nearly 17%, but despite the temporary pressure on the C/I ratio, the bank has been still able to maintain a favourable level of below 48%, thanks to tight cost management. The net profit of the bank was sharply affected by further write-down on Greek bonds. Net of the impairment M9 2011 net profit grew by more than 4% y/y. Customer loans went up by 8% y/y, driven by Retail and Corporate business. In Q3 the bank proved to be in a leading position in innovations on the market by introducing Smart banking – a platform for banking via intelligent mobile phones.

UniCredit Bank **Slovakia** actively benefitted from both the positive macroeconomic environment and gradual increase of customer loans. The bank has been steadily growing in terms of net profit since the beginning of 2011, doubling its results throughout the first 9 months in a y/y comparison. The remarkable performance stems mainly from an outstanding revenues development (+17% y/y) generated by the growth in net interest income, coming from all lines of customer businesses, and Trading result. Expenses have been managed efficiently (+3% y/y). Loan loss provisions decreased by 17% y/y resulting from the improved asset quality of credit portfolio of the bank.

UniCredit Bank **Hungary** again delivered an excellent operating result in Q3 2011, despite the challenging market and regulatory environment for the banking sector and the still weak domestic demand. Both net interest income and fee income in 9M 2011 increased by around 7% y/y. The special bank tax still has a negative effect on operating expenses, however adjusted for this levy, y/y cost growth of 1.1% was well below inflation level, as a result of the strict cost policy of the bank. Consequently, the C/I ratio was below 50%, with improving trend. Risk provisioning significantly rose in Q3 2011, due to the new FX-loan early repayment program (ERP) at preferred rates approved by the Hungarian parliament in September. In this regard a provision for the estimated FX impact of the program was booked in Q3 2011. Excluding ERP, however, loan loss provisioning declined by 13% y/y. As a result, 9M 2011 net profit reached 13.6 billion Hungarian forint. , Net of the above mentioned FX effect of the ERP, it would have increased by 29% y/y. Lending activity on a frozen market is still sluggish being largely shaped by FX movements, whilst deposits drop due to the deterioration in households' income position. As a result net L/D ratio reached 120% in September 2011.

The Slovenian economy is adversely impacted by the deteriorating external environment. GDP growth is expected to slow down and follows the trend of its main trading partners. Despite the difficult market conditions, UniCredit Bank **Slovenia** achieved revenues of €21 million in Q3 2011, a 5% growth compared to Q2 excluding a one-off payment of dividends in Q2. The interest income exceeded Q2 by 3%, driven by the bank's good funding position and wider margins. Non interest income outperformed Q2 by 14%, due to both higher fees and lower trading losses. Operating expenses increased by 6%, partly driven by the provisions for the new bank levy, which was introduced in Slovenia in August. Consequently, the Bank achieved a Gross Operating Profit in Q3 of €9.8 million. The risk costs for Q3 were €5.4 million or 13% below the level in Q2 due to slightly improved risk situation. The net operating profit for the bank was €4 million in Q3. The Retail business is continuing its growth of the branch network by opening 3 additional branches since the beginning of the year and has successfully implemented the mobile banking application providing increased convenience for customers.

In **Bosnia and Herzegovina (B&H)**, the Group is represented by two banks - UniCredit d.d. Mostar and UniCredit a.d. Banja Luka. Recent economic trends in B&H continue to indicate a moderate and gradual economic recovery of B&H with a solid increase of exports and industrial production, despite signs of decelerating economic activity driven by external impacts and internal structural constraints. UniCredit as a Group takes the leading market position both in total assets as well as in terms of total deposits. Furthermore, presented figures below certainly confirm the position of the most profitable banking group in the country which serves over 1.2 million clients through a network of 134 branches. In Q3 2011, net profit after tax increased impressively by 117% y/y, thanks to a growth trend in revenues and lower loan loss provisions which decreased by 32% y/y. As a result of simultaneous growth in net interest income and non-interest income, total revenues grew by 13% y/y, while total expenses increased by 1% y/y only. Consequently, efficiency as expressed by the cost-income ratio improved significantly and reached a level of 61% (compared to 68% in Q3 2010). The gross operating profit therefore achieved a significant growth of 39% y/y. Such improvements are also a reflection of the Group's customer centric approach in both the corporate and the retail segment which puts the Group in a leading position in terms of product innovation and service quality.

The estimated GDP growth for 2011 in **Serbia** has been reduced to 2%. Inflation in September was 9.3% and above the target range of 4.9% (+/- 1.6%) set by the National Bank of Serbia. Expected GDP growth will be lower, due to negative impact deriving from slower export growth as a consequence of worse international economic environment. The new IMF deal however offers protection, which should result in exchange rate stability. National Bank of Serbia continues to reduce the reference rate which at the moment stands at 10.75%. In such environment, UniCredit Bank Serbia achieved a very good M9 result (+40% y/y) , underlining the leading position in terms of result performance. Revenues continued to improve and the portion of non interest income was enlarged. Thanks to very thorough cost management actions and supported by good revenue development, cost to income ratio is further improving (33%). The net profit after tax for M9 2011 amounts to approx. €33 million (3.4 billion Serbian dinars). At the end of Q3 2011, total assets amounted to 174 billion Serbian dinars, representing an increase of 10% y/y mainly due to an enlarged client portfolio. The average loan-deposit ratio of 157% improved since last quarter. A capital increase of 5.75 billion Serbian dinars took place at the beginning of September 2011 to further support the bank in its growth ambitions. Currently, the bank delivers banking services and products to about 185 thousand clients through a network of 73 branches.

**Romania's** GDP growth is expected to pick up in Q3 2011 (1.9% y/y) partly due to a very good harvest. Industry growth will remain the biggest GDP contributor in 2011, yet is slowing down because of weaker foreign demand (+7% y/y in M8 2011). Domestic demand is picking up, private consumption benefiting from increasing real wages (4.2% y/y in August) and employment (2.2% y/y in July 2011 for industry). In Q3 2011 UniCredit Tiriac Bank (UCT) had a relatively good performance in terms of commercial business. In terms of commercial loans, UCT grew by 14% compared to year end 2010, almost five times faster than the system, while on a y/y basis the increase was about 16%. Significant boost in y/y gross loans was registered in both Corporate (22%) and Retail (10%). Balance sheet structure was influenced by deposits evolution in this period, targeting mainly the growth in the stable part of the portfolio – SMEs, private individuals and medium size companies. Overall the deposits increased y/y by 4% in Corporate and by 8% in Retail leading to a 4% growth at total bank level. The total balance sheet of the bank increased by 7% y/y to 21.6 billion Romanian leu.

Revenues dropped as compared to M9 2010 by 10%, reaching approximately 916 million Romanian leu, largely due to accounting adjustments related to interest accruals from non-performing loans, statutory regulation impact and spread compression. The main business focus was on mortgage backed lending, corporate lending, large base deposits, small business model and risk free transactional business. In the first nine months of the year, UCT maintained a very strict cost control, the C/I ratio was below 50%. Still, operating expenses registered around 6% increase compared to M9 2010 level driven mainly by regulatory changes (VAT, increase of deposit insurance rate, statutory participation to the Special Contribution Fund) and inflation. Staff dropped by almost 2% compared to year end 2010 reaching around 3,000 employees. Cost of Risk improved y/y, decreasing by around 50bp. The NPL ratio closed at 9.5%, improving by 80bp compared to M9 2010. UCT is one of the most profitable banks in the market and it will enlarge the network up to 11 new branches by the end of 2011.

In Q3 2011, UniCredit Bulbank continued to lead the market in **Bulgaria**, posting healthy growth in main performance indicators with an emphasis on deposit attraction and improved capitalization. Total assets increased by 9% y/y to € 6 billion. Gross loans were up by 5% y/y to € 4.3 billion with retail loans growing by 4.7% y/y to € 1.6 billion and corporate loans increasing by 5.3% to € 2.7 billion. Total deposits amounted to € 4 billion, up by 12% y/y, mainly supported by the successfully implemented and ongoing deposit attraction campaigns. In particular, corporate deposits marked a growth rate of 21% y/y to € 1.6 billion.
UniCredit Bulbank skillfully managed its operations, which enhanced both efficiency and profitability. Total revenues were up by 8% y/y to € 243 million, positively affected by both net interest income and net fee and commission income. Operating costs were up by 2% y/y to € 92 million and thus the cost-income ratio improved by 2.2pp to 38.0%, well below the system average, while net loan loss provisions grew by 2% y/y. Net income reached € 84 million, increasing by 21% y/y and accounting for about 30% of the banking system's profits.

In **Ukraine**, the economy developed steadily in Q3 2011 with industrial production marking an yearly average increase of 8.5% in M9 2011. Ukraine's inflation continued its slide in September reaching 5.9% y/y; its lowest level since several years. IMF in September improved its outlook for Ukraine's GDP growth from 4.5% to 4.7%. In September 2011 Ukrsotsbank changed its brand name into UniCredit Bank. Joining the UniCredit brand in the context of all the activities related to UEFA Champions Leagues Trophy Tour and Euro 2012 sponsorship will enable the Bank to significantly strengthen recognition and brand awareness throughout the country. In Q3 2011 the Bank's main focus was on business development via improvement of product lines, expansion of customer base and development of alternative distribution channels. Corporate business in Q3 2011 launched the active sale stimulation and client development campaign aimed at target clients in all regions. Retail business actively promoted the Bank's products also via alternative sales channels. The customer base of mobile and internet-banking users consequently grew by 53%. The amount of new loans approved for individuals increased by 65% q/q, surmounting 343 million Ukrainian hryvnias, which to a significant extent is due to the successful car lending activities. SME loans grew 178 million Ukrainian hryvnias q/q driven by the increase in volume of investment loans which made 49% of newly issued loans. Sustained customer confidence in the Bank led to another upturn in deposits from customers by almost 16% q/q. The Bank's loan/deposit ratio therefore improved significantly to 159% (- 29pp q/q). With a rise of 79% q/q corporate customer deposits contributed most of this funding improvement, based on competitive terms and a reliable service offered by the Bank. UniCredit Bank reached cumulated revenues of 2.1 billion Ukrainian hryvnias. Operating expenses could be contained at a level of 958 million Ukrainian hryvnias which allowed the Bank to keep its cost/income ratio below 45% despite the new core banking system implementation. Profit before tax in Q3 2011 rose to 354 million Ukrainian hryvnias also on the back of lower loan loss provisions y/y. Net profit is reported at 688 million Ukrainian hryvnias and includes a positive one-time effect derived from the implementation of the new Ukrainian tax code in Q2 2011.

**Kazakhstan's** real GDP growth is likely to reach a 7% growth in 2011 based on a strong H1 2011**.** The country is committed to continue its prudent fiscal policy, which will make it a rare country with a twin current account and fiscal surplus in the coming years.
In ATF Bank, the positive evolution of the corporate loan book of the Bank that took place in the last months of 2010 has been confirmed also in the Q3 2011 achieving 51% or ~ 94 billion Kazakh tenge growth versus September 2010. The loan growth is mainly coming in the natural resource, energy, transportation - core sectors of Kazakh economy. With a substantially improved corporate client base, ATF is now aggressively pushing for ancillary business, the result of which is an increase in corporate fees and commissions by 13% y/y. Moreover, in Q3 2011 the bank in its product offer went beyond standard products and started to actively market investment banking solutions and products to its key large corporate clients. The liquidity position of the Bank is supported by continued inflow of deposits mostly from large caps, with its loan/deposit ratio down to 103% vs. 109% in Q2 2011. Revenues in Q3 2011 reached the level of 7.9 billion Kazakh tenge, up by 36% vs. Q3 2010 with positive contribution in all revenue components.

In Q3 2011 the 3 **Baltic countries (Estonia, Lithuania and Latvia)**, observed continued signs of economic recovery in the Baltic states especially in Estonia where GDP growth is being one of the fastest in Europe mainly driven by vigorous exports. In July Fitch Ratings upgraded Estonia's sovereign rating to A+ with a stable outlook. In August Standard & Poor's raised Estonia's sovereign rating from A to AA- with a positive rating outlook. The positive trend in economic growth has been maintained in Lithuania with an impressive forecasted real GDP growth y/y of 5.2% in 2011. Fitch Rating agency recently increased its rating for Lithuania to BBB with positive outlook. A significant forecasted GDP growth of 5.2% y/y can also be observed in Latvia for 2011.
In UniCredit Bank, the positive trend in net interest income which started in the fourth quarter of the previous year continued in Q3 2011; also fee and trading income contributes to an increase of total revenues versus Q2 2011. At the same time, the bank is continuing to pursue its tight cost discipline improving further the C/I ratio. Consequently, also gross operating profit improved further q/q.
UniCredit Bank maintains a sound capital adequacy ratio of 13%. External funding was taken up from institutions such as the European Investment Bank and the Nordic Investment Bank.

# Other information

## Rationalization of Group operations and other corporate transactions

The Group has begun several projects to rationalize and reorganize the operations of certain internal units and subsidiaries in keeping with the business model and with the aim of achieving greater synergies and cost reductions.

### Rationalization of the support units and companies of the Group's Global Banking Services

At the end of 2010, the Group approved the launch of the project to reorganize the support units and companies of the Group's Global Banking Services ("GBS").
This process meets the need to respond more quickly and uniformly and with greater consistency to requests of internal and external customers, and it is aimed at:

- simplifying governance and ensuring the cost efficiency of management by rationalizing the operations and units responsible for all services offered by reducing the number of legal entities, maximizing economies of scale and simplifying procedures for internal customers to request and use services;
- increasing transparency in terms of services offered and costs incurred;
- improving service in terms of innovation, quality and risk management by setting up integrated operational units that use an end-to-end approach and maximize economies of scope.

From a corporate perspective, UniCredit Global Information Services (UGIS) will operate as the sub-holding company of the Group providing services needed by the banking business or by the Group both in Italy and abroad. In this role, the company will provide a global perspective of the priorities and opportunities inherent in the requests of external and internal clients, maximizing the efficacy of investments by bringing the technologies and instruments used under a common factor.

The organizational and operational implementation will be carried out through a gradual reorganization of support areas and companies. This project will be done in two phases:

- the first (which should be completed at the beginning of 2012) is dedicated to consolidating operational areas and companies in Italy, and rationalizing and ensuring consistency to ICT, Back Office and Middle Office, Real Estate, Security e Global Sourcing activities in Germany and Austria;
- the second (which is expected to be completed by the end of H1 2012) is dedicated to the final consolidation of other operations carried out abroad.

As for the operating plan of the project, which has been authorized by Banca d'Italia, the first phase related to the merger of the support units and companies in Italy entails the following:

- the repurchase (which took place last May) by UniCredit of the shares held by UniCredit Bank Austria AG and UniCredit Bank AG in UniCredit Business Partner (UCBP) (respectively 28.8% and 18.1%) and in UGIS (respectively 10% and 24.7%);
- the incorporation into UGIS of Quercia Software (as from June 1, 2011) that will enter into effect by the beginning of 2012;
- the incorporation of UCBP into UGIS, which will be renamed Unicredit Business Integrated Solutions (UBIS), consistent with the new assigned mission;
- the incorporation in UniCredit of UniCredit Real Estate (URE);
- the transfer to UGIS - subsequent to the completion of the above-mentioned incorporations - of the company branches of UniCredit S.p.A. designated "ICT, Security, Global Sourcing and Operations" and "Servizi generali immobiliari" (General Real Estate Services).

With regard to the alignment of operations in Germany and in Austria, the project calls for the use by UGIS of two operating companies, one for each country, within which to gradually incorporate the activities of the GBS area (ICT, Back Office and Middle Office, Real Estate, Security and Global Sourcing) carried out by the banks and the subsidiaries operating there. The incorporation of these activities will ensure consistency in business areas and will allow UGIS to act as sub-holding company with a single and uniform operating model.

In order to rationalize other operations carried out by UniCredit and UCBP by optimizing operating costs and processes, the Group has begun the transfer of certain divisions in order to centralize:

- in UniCredit, the activities concerning regular reporting to the local Supervisors ("*Supervisory reporting Division*");
- in UCBP (or in UBIS), the Operation activities, with reference to back-office administration and accounting, related to consumer credit products and personal loans secured on one-fifth of net income ("*Operations Division*").

## Concentration of the activities of Private Banking Wealth Management

The developments in the private banking market, particularly in light of the recent market crisis, has underscored the increasing interest of clients in independent investment solutions that guarantee access to an open platform of product providers. From this perspective, UniCredit's decision to internalize the portfolio management process by basing it on its own research will increase the commercial effectiveness of UniCredit operations on the Private Banking market segment.

In order to guarantee more timely and effective solutions and thereby increase the commercial efficacy of the relationship with so-called "Private" clients, for whom wealth management represents one of the services of major interest, it was deemed appropriate that UniCredit, after its transformation into a sole bank as a consequence of the One4C project, should handle all the activities regarding portfolio management and the services at present provided by Pioneer Investment Management SGR (PIM), from the selection of the financial instruments for investment of the managed portfolios to providing clients with the periodic statements of account for the management service delivered.

With a view to the execution of the project, a partial spin off in favour of UniCredit of the going concern related to the segregate accounts for private banking clients of PIM was deemed, upon due analysis, the most suitable corporate method for achieving this goal.

In the meantime Banca d'Italia has issued its authorization, and the partial spin off of the above-mentioned going concern of PIM in favour of UniCredit has been approved by PIM's meeting and UniCredit's Board of Directors (pursuant to Art. 2505, second paragraph of the Italian Civil Code and Art. 23 of the Articles of Association) respectively in July and August 2011.The spin off is expected to become effective on January 1, 2012.

## The Family Office project: establishment of a dedicated consultancy

The Family Office project, which provides for the establishment of a dedicated consultancy, is part of the business project initiated by UniCredit aimed at strengthening its presence in the Private Banking sector by offering a dedicated consultancy service to the “business families” belonging to the so-called “Ultra High Net Worth Individuals” clientele (i.e. individuals with a disposable income of more than €10 million), which is viewed as the Private segment with the highest income potential and asset growth rates.

In particular, the consultancy will be the entity within the Group dedicated to the offering to the above-mentioned target clients of consultancy services focusing on investment and integrated financial solutions (e.g. account aggregation/consolidation services, integrated planning, business advisory & governance of business families), i.e. advice on how to manage the portfolios of clients of the Group’s entities and of third-party intermediaries, and on the asset protection.

The consultancy was established last September and is wholly owned by Cordusio Fiduciaria S.p.A. in order to capitalize on both the synergies resulting from decades of expertise and the well-established brand as well as to optimize processes, reduce costs and improve the effectiveness of the activity.

It is expected that Banca d’Italia and Consob will issue their respective authorizations in the first quarter of 2012.

## Other transactions involving subsidiaries and associates

### Metis

An equity investment of 22.7% held in Metis was sold in March 2011.

### Colony Sardegna

In May 2011 UniCredit Merchant sold its entire stake (13.2% of share capital) held in Colony Sardegna SARL.

### Agreement between UniCredit and Premafin Finanziaria S.p.A.

As at March 22, 2011 UniCredit S.p.A. and Premafin Finanziaria S.p.A. - Holding di Partecipazioni announced that an agreement has been reached, instrumental to the already announced recapitalization of Fondiaria SAI and of its group.

Also in light of the long-standing relationship between the Bank and Fondiaria-SAI, the aim of the agreement is to allow Premafin to proceed with the capital strengthening of its subsidiary and the Bank to acquire a stable qualified minority stake with the possibility of benefiting from growth in the value of its investment in the medium-long term.

The agreement was subject to the confirmation of Consob, by June 30, 2011, that there are no obligations on Fondiaria-SAI to make an offer to purchase on performance of the agreement and to receipt by the same date of the waivers required by the loan agreement underwritten between Premafin, UniCredit and the other syndicate banks on December 22, 2004, as amended on December 22, 2010. It should be noted that these changes to the agreement were finalized on May 10 last year, while on May 13 Consob authorized exemption from the obligation of a mandatory public offer. On June 22 last year ISVAP allowed UniCredit to acquire a 6.6% stake in Fondiaria-SAI.

In July - as part of the planned capital strengthening and after obtaining the necessary authorizations (ISVAP and AGCM) - UniCredit, exercising the rights of option acquired from Premafin Finanziaria, bought new shares of Fondiaria SAI, corresponding to a stake, post capital increase, of 6.6% of the ordinary share capital, for €170 million, underwriting with Premafin Finanziaria shareholder agreements in line with Article 122 of the Single Finance Act.

## Agreement to purchase a controlling interest in AS Roma S.p.A. by Di Benedetto AS Roma LLC

On April 15, 2011, Di Benedetto AS Roma LLC signed an agreement with UniCredit which provided for

- the purchase of around 67% of the shares in AS Roma S.p.A. and 100% of ASR Real Estate S.r.l. and Brand Management S.r.l., which are companies respectively responsible for the management of the Trigoria sports centre and marketing activity, from Roma 2000 S.r.l. (part of the Compagnia Italpetroli group).
  The price agreed for the purchase of these three interests totals €70.3 million, of which €60.3 million for the AS Roma S.p.A. shares, i.e. a price of 67.81 euro cents per share.
- the subsequent launch of a public offer to purchase the AS Roma shares at a unit price of 67.81 euro cents, i.e. the price paid by the buyer to Roma 2000 S.r.l., for a maximum expense of €29.6 million.

On August 18, 2011, after receiving authorization from the Antitrust Authority, Neep Roma Holding S.p.A. ("Holding") (a company established on April 27, 2011, in which Di Benedetto AS Roma LLC holds 60% and UniCredit S.p.A. 40%) completed the purchase from Roma 2000 S.r.l. of the shares in AS Roma, ASR Real Estate S.r.l. and and Brand Management S.r.l..
The joint investment agreements between Di Benedetto AS Roma LLC and UniCredit S.p.A., signed in April 2011 and subsequently amended in August (in light of the necessity to redefine AS Roma's financial and economic needs in the next three years), include a shareholders' agreement governing *inter alia*:

- the appointment of the Directors and Statutory Auditors of the Holding company, AS Roma and the other entities purchased and the corporate governance rules of these entities, so that management will be entrusted to Di Benedetto and the bank will enjoy significant minority rights;
- pre-emption rights and joint sale rights and obligations in respect of the interests held in the holding company in the medium-long term, subject to the bank's option to sell part of its interest in the first quarter of 2012 to one or more suitable Italian investors;
- an undertaking by the shareholders to provide the Holding *pro rata* resources as needed (totalling a maximum of €130 million) to fund expenses related to the public offering and the planned recapitalization of AS Roma (totalling a maximum of €100 million), divided into several phases, the first of which (€50 million) is to be completed by the end of 2011.

These agreements have been communicated to the market within the term prescribed by §122 TUF.
After receiving the necessary authorizations last October, Neep furthered the announced full public offer for the remaining shares in AS Roma at a price of 67.81 euro cents per share. The offer will close on November 3, 2011.

## Compagnia Italpetroli

By virtue of the agreement signed in July 2010 with the Sensi family, last August UniCredit S.p.A. acquired 51% of Compagnia Italpetroli S.p.A. for €30 million, and owns now 100% of the company, which heads up a group, now in the process of being reorganized, operating mainly in oil and real estate sector. For more details please see the Condensed Interim Consolidated Financial Statements – Part G – Business Combinations.

### Transfer of controlling interest to Banca Agricola Commerciale della Repubblica di San Marino

On March 31, 2011, UniCredit signed an agreement for the sale of its 85% stake in the share capital of Banca Agricola Commerciale S.p.A della Repubblica di San Marino to Demas SA, a Luxembourg-law company which holds 77% of the share capital of Istituto Bancario Sammarinese.
The price was €62.2 million. Before closing Banca Agricola Commerciale della Repubblica di San Marino S.p.A. distributed dividends and reserves amounting to €40.6 million (of which €34.6 million to UniCredit); this values UniCredit's stake in Banca Agricola Commerciale della Repubblica di San Marino S.p.A. at €96.8 million.
Following approval of the banking supervisor of San Marino (Banca Centrale della Repubblica di San Marino), the transaction was completed on July 21, 2011.

### Reorganisation of IRFIS – Finanziaria per lo Sviluppo della Sicilia S.p.A. (formerly, IRFIS – Mediocredito della Sicilia S.p.A.)

On H1 2011 part of the reorganization of IRFIS – in which UniCredit has a 76.26% controlling interest and the Region of Sicily a stake of 21%, the remainder (2.47%) being held by other minority shareholders – was completed; the project aims at transforming IRFIS into a financial firm and transferring UniCredit's controlling interest in it to the Region of Sicily.

Specifically, after obtaining the respective authorisations of Banca d'Italia and of the Region of Sicily, issued respectively in April and in May 2011:

- with effect June 1, 2011 UniCredit purchased IRFIS's banking business (assets amounting to a total of €536 million, of which €531 million being credits);
- on the same date, IRFIS was transformed into a financial firm pursuant to art. 107 T.U.B. (consolidated banking act) specializing in subsidized lending and loans financed by the Region, implying the change of the company name in IRFIS – Finanziaria per lo Sviluppo della Sicilia S.p.A. (in short, IRFIS – FinSicilia S.p.A.) and, consequently, of the corporate purpose.

Subsequently, last October IRFIS reduced its share capital as it was in excess of the company's new purpose and carried out an extraordinary distribution of reserves. Using a special distributable reserve, the company also repurchased the unsubscribed shares of minority shareholders who exercised their right of withdrawal.

The sale of the controlling interest held by UniCredit in IRFIS to the Region of Sicily is expected to take place by the end of the current financial year.

### Transfer of a 11,84% interest in Net Insurance S.p.A.

On June 13, 2011, UniCredit signed an agreement for the sale of part of its 12.84% stake in Net Insurance Capital S.p.A., a company that offers insurance products, in particular personal loans, mortgage loans, lease rents and real estate trading. The stake sold is equal to 11.84% and the price was set at approximately €13.5 million.
UniCredit will therefore remain a shareholder of Net Insurance with a 1% interest and will retain the right to designate a director on the Board of Directors of the company.
The transfer took place in July 2011.

**Transfer of the subsidiary Unicredit Mediocredito Centrale S.p.A. ("MCC")**
On August 1, 2011, according to the agreement signed in December 2010 between UniCredit and Poste Italiane S.p.A. ("Poste"), the sale of 100% of MCC to Poste become effective.
This transaction is part of the project promoted by the Ministero dell'Economia e delle Finanze, pursuant to which MCC will become, after the sale, the vehicle for the creation of Banca del Mezzogiorno.
Net profit for the period for 2011 will still be attributable to UniCredit until August 1.

**Transfer of CJSC Bank Sibir from JSC ATF Bank to ZAO UniCredit Bank Russia**
On September 16, 2011 UniCredit Bank Russia completed the acquisition of 100% of the shares of Bank Sibir held by JSC ATF Bank.
The transaction price was €20 million, corresponding to the value of net equity of Bank Sibir as at December 31, 2010.
The transaction, which involved only counterparties within the UniCredit group, is designed to optimize the management of the Group's activities in Russia.

# Certifications and other communications

With reference to Consob Regulations containing provisions relating to transactions with related parties (adopted by Consob Resolution 17221 of 12 March 2010, as subsequently amended by Resolution 17389 of 23 June 2010), Section 5 "Public information on transactions with related parties", paragraph 8, it should be noted that, during the reference period, according to the "Procedures for transactions with related parties", adopted by the Board of Directors of UniCredit S.p.A on November 9, 2010 and published on the website (www.unicreditgroup.eu), the Bank's *Presidio Unico* has received no reports of transactions of greater significance.
For further information on transactions with related parties see Condensed Interim Consolidated Financial Statements - Part H – Related-Party Transactions.

# Capital Strengthening

No capital strengthening transactions were undertaken during the first nine months of 2011.

On March 22, 2011, the Board of Directors voted in favor of the issuance of the performance shares promised in the 2007 Long-Term Incentive Plan of the UniCredit group, following verification of the achievement of the performance targets defined in the Plan. Consequently, the Board approved a scrip issue with a face value of €454,385, corresponding to 908,770 ordinary shares.

# Reconciliation of Condensed Accounts to Mandatory Reporting Schedule

| CONSOLIDATED BALANCE SHEET | | | (€ million) |
|---|---|---|---|
| | AMOUNTS AS AT | | SEE NOTES |
| | 09.30.2011 | 12.31.2010 | |
| **Assets** | | | **Part B - Assets** |
| Cash and cash balances = *item 10* | 5,566 | 6,414 | Section 1 |
| Financial assets held for trading = *item 20* | 140,008 | 122,551 | Section 2 |
| Loans and receivables with banks = *item 60* | 72,474 | 70,215 | Section 6 |
| Loans and receivables with customers = *item 70* | 562,447 | 555,653 | Section 7 |
| Financial investments | 96,886 | 96,148 | |
| *Item 30. Financial assets at fair value through profit or loss* | *29,633* | *27,078* | *Section 3* |
| *Item 40. Available-for-sale financial assets* | *54,628* | *55,103* | *Section 4* |
| *Item 50. Held-to-maturity investments* | *8,944* | *10,004* | *Section 5* |
| *Item 100. Investments in associates and joint ventures* | *3,682* | *3,963* | *Section 10* |
| Hedging instruments | 18,626 | 13,616 | |
| *Item 80. Hedging derivatives* | *16,188* | *11,368* | *Section 8* |
| *Item 90. Changes in fair value of portfolio hedged items* | *2,438* | *2,248* | *Section 9* |
| Property, plant and equipment = *item 120* | 12,288 | 12,611 | Section 12 |
| Goodwill = *item 130 - Intangible assets of which: goodwill* | 11,529 | 20,428 | Section 13 |
| Other intangible assets = *item 130 - Intangible assets net of goodwill* | 4,034 | 5,164 | Section 13 |
| Tax assets = *item 140* | 13,519 | 12,961 | Section 14 |
| Non-current assets and disposal groups classified as held for sale = *item 150* | 376 | 776 | Section 15 |
| Other assets | 12,544 | 12,949 | |
| *Item 110. Insurance reserves attributable to reinsurers* | *1* | *0* | *Section 11* |
| *Item 160. Other assets* | *12,543* | *12,948* | *Section 16* |
| **Total assets** | **950,296** | **929,488** | |

## Consolidated Balance Sheet (Continued)

| | | | (€ million) |
|---|---|---|---|
| | AMOUNTS AS AT | | SEE NOTES |
| | 09.30.2011 | 12.31.2010 | |
| **Liabilities and Shareholders' Equity** | | | **Part B - Liabilities** |
| Deposits from banks = *item 10* | 139,476 | 111,735 | Section 1 |
| Deposits from customers and debt securities in issue | 559,230 | 583,239 | |
| *Item 20. Deposits from customers* | *392,517* | *402,248* | *Section 2* |
| *Item 30. Debt securities in issue* | *166,714* | *180,990* | *Section 3* |
| Financial liabilities held for trading = *item 40* | 137,734 | 114,099 | Section 4 |
| Financial liabilities at fair value through profit or loss = *item 50* | 912 | 1,268 | Section 5 |
| Hedging instruments | 17,265 | 12,479 | |
| *Item 60. Hedging derivatives* | *12,439* | *9,681* | *Section 6* |
| *Item 70. Changes in fair value of portfolio hedged items* | *4,826* | *2,798* | *Section 7* |
| Provisions for risks and charges = *item 120* | 8,615 | 8,088 | Section 12 |
| Tax liabilities = *item 80* | 5,873 | 5,837 | Section 8 |
| Liabilities included in disposal groups classified as held for sale = *item 90* | 260 | 1,395 | Section 9 |
| Other liabilities | 25,367 | 23,645 | |
| *Item 100. Other liabilities* | *24,079* | *22,224* | *Section 10* |
| *Item 110. Provision for employee severance pay* | *1,093* | *1,202* | *Section 11* |
| *Item 130. Insurance reserves* | *195* | *219* | *Section 13* |
| Minorities = *item 210* | 3,271 | 3,479 | Section 16 |
| Shareholders' Equity, of which: | 52,292 | 64,224 | |
| - Capital and reserves | 62,621 | 63,237 | |
| *Item 140. Revaluation reserves, of which: Special revaluation laws* | *277* | *277* | *Section 15* |
| *Item 140. Revaluation reserves, of which: Exchange differences* | *(2,305)* | *(1,229)* | *Section 15* |
| *Item 140. Revaluation reserves, of which: equity investments valued at equity method* | *(35)* | *41* | *Section 15* |
| *Item 140. Revaluation reserves, of which: non current assets classified held for sale* | *(1)* | *(5)* | *Section 15* |
| *Item 170. Reserves* | *15,720* | *15,186* | *Section 15* |
| *Item 180. Share premium* | *39,322* | *39,322* | Section 15 |
| *Item 190. Issued capital* | *9,649* | *9,649* | *Section 15* |
| *Item 200. Treasury shares* | *(7)* | *(4)* | *Section 15* |
| - Available-for-sale assets fair value reserve and cash-flow hedging reserve | (1,008) | (336) | |
| *Item 140. Revaluation reserves, of which: Available-for-sale financial assets* | *(1,590)* | *(730)* | *Section 15* |
| *Item 140. Revaluation reserves, of which: Cash-flow hedges* | *581* | *394* | *Section 15* |
| - Net profit (loss) = *item 220* | (9,320) | 1,323 | Section 15 |
| **Total liabilities and Shareholders' Equity** | **950,296** | **929,488** | |

| CONSOLIDATED INCOME STATEMENT | | | (€ million) |
|---|---|---|---|
| | FIRST 9 MONTHS | | SEE THE NOTES |
| | 2011 | 2010 | Part C |
| Net interest | 11,618 | 11,739 | Section 1 |
| *Item 30. Net interest margin* | *11,736* | *11,752* | |
| *less: Purchase Price Allocation effect* | *(118)* | *(13)* | |
| Dividends and other income from equity investments | 333 | 263 | |
| *Item 70. Dividend income and similar revenue* | *699* | *635* | *Section 3* |
| *less: dividends from held for trading equity instruments included in item 70* | *(504)* | *(494)* | |
| *Item 240. Profit (loss) of associates - of which: Profit (loss) of associates valued at equity* | *138* | *123* | *Section 16* |
| Net fees and commissions = *item 60* | 6,268 | 6,300 | Section 2 |
| Net trading, hedging and fair value income | 705 | 999 | |
| *Item 80. Gains (losses) on financial assets and liabilities held for trading* | *4* | *248* | *Section 4* |
| *+ dividends from held for trading equity instruments (from item 70)* | *504* | *494* | |
| *Item 90. Fair value adjustments in hedge accounting* | *102* | *77* | *Section 5* |
| *Item 100. Gains (losses) on disposal or repurchase of : d) financial liabilities* | *16* | *182* | *Section 6* |
| *Item 110. Gains (losses) on financial assets and liabilities designated at fair value through profit and loss* | *79* | *(2)* | *Section 7* |
| Net other expenses/income | 184 | 299 | |
| *Gains (losses) on disposals / repurchases on loans and receivables - not impaired position (from item 100 a)* | *7* | *48* | |
| *Item 150. Premiums earned (net)* | *94* | *84* | *Section 9* |
| *Item 160. Other income (net) from insurance activities* | *(75)* | *(71)* | *Section 10* |
| *Item 220. Other net operating income* | *599* | *646* | *Section 15* |
| *less: Other operating income - of which: recovery of costs* | *(361)* | *(320)* | |
| *Net write-downs/-backs of tangible operating lease assets (from item 200)* | *(85)* | *(91)* | |
| *Gains (losses) on disposals of investments - assets leasing operation (from item 270)* | *4* | *5* | |
| **OPERATING INCOME** | **19,108** | **19,600** | |
| Payroll costs | (7,032) | (7,009) | |
| *Item 180. Administrative costs - a) staff expenses* | *(7,200)* | *(7,036)* | *Section 11* |
| *less: integration costs* | *168* | *27* | |
| Other administrative expenses | (4,153) | (4,072) | |
| *Item 180. Administrative costs - b) other administrative expenses* | *(4,165)* | *(4,073)* | *Section 11* |
| *less: integration costs* | *12* | *0* | |
| Recovery of expenses = *item 220. Other net operating income - of which: Operating income - recovery of costs* | 361 | 320 | Section 15 |
| Amortisation, depreciation and impairment losses on intangible and tangible assets | (838) | (843) | |
| *Item 200. Impairment/Write-backs on property, plant and equipment* | *(619)* | *(679)* | *Section 13* |
| *less: Impairment losses/write backs on property owned for investment* | *21* | *51* | |
| *less: Net write-downs/-backs of tangible operating lease assets (from item 200)* | *85* | *91* | |
| *less: integration costs* | *0* | *0* | |
| *Item 210. Impairment/Write-backs on intangible assets* | *(1,429)* | *(505)* | *Section 14* |
| *less: integration costs* | *0* | *0* | |
| *less: Purchase Price Allocation effect* | *1,103* | *199* | |
| **Operating costs** | **(11,662)** | **(11,604)** | |
| **OPERATING PROFIT (LOSS)** | **7,446** | **7,996** | |

## Consolidated Income Statement (Continued)

| | | | (€ million) |
|---|---|---|---|
| | FIRST 9 MONTHS | | SEE THE NOTES |
| | 2011 | 2010 | Part C |
| **OPERATING PROFIT (LOSS)** | **7,446** | **7,996** | |
| Net impairment losses on loans and provisions for guarantees and commitments | (4,533) | (5,141) | |
| *Item 100. Gains (losses) on disposal and repurchase of a) loans* | *(2)* | *30* | *Section 6* |
| *less: Gains (losses) on disposals / repurchases on loans and receivables - not impaired position (from item 100 a)* | *(7)* | *(48)* | |
| *Item 130. Impairment losses on a) loans* | *(4,432)* | *(5,016)* | *Section 8* |
| *Item 130. Impairment losses on d) other financial assets* | *(91)* | *(107)* | *Section 8* |
| **NET OPERATING PROFIT (LOSS)** | **2,914** | **2,856** | |
| Provisions for risks and charges | (671) | (293) | |
| *Item 190. Provisions for risks and charges* | *(671)* | *(293)* | *Section 12* |
| *less: net provisions - trading profit* | *0* | *0* | |
| *Surplus on release of integration provision* | *0* | *0* | |
| *less: Purchase Price Allocation effect* | *0* | *0* | |
| Integration costs | (180) | (27) | |
| Net income from investments | (543) | 119 | |
| *Item 100. Gains (losses) on disposal and repurchase of b) available-for-sale financial assets* | *245* | *81* | *Section 6* |
| *Item 100. Gains (losses) on disposal and repurchase of c) held-to-maturity investments* | *(4)* | *(0)* | *Section 6* |
| *Item 130. Impairment losses on: b) available-for-sale financial assets* | *(273)* | *(32)* | *Section 8* |
| *Item 130. Impairment losses on: c) held-to-maturity investments* | *(119)* | *(0)* | *Section 8* |
| *Impairment losses/write backs on property owned for investment (from item 200)* | *(21)* | *(51)* | |
| *Item 240. Profit (loss) of associates -of which: write-backs/impairment losses and gains/losses on disposal of associates valued at equity* | *(463)* | *23* | *Section 16* |
| *Item 250. Net valuation at fair value of tangible and intangible assets* | *(0)* | *(1)* | *Section 17* |
| *Item 270. Gains (losses) on disposal of investments* | *96* | *94* | *Section 19* |
| *less: Gains (losses) on disposals of investments - assets leasing operation (from item 270)* | *(4)* | *(5)* | |
| *less: Purchase Price Allocation effect* | *0* | *10* | |
| **PROFIT (LOSS) BEFORE TAX** | **1,519** | **2,655** | |
| Income tax for the period | (1,167) | (1,104) | |
| *Item 290. Tax expence related to profit from continuing operations* | *(898)* | *(1,054)* | *Section 20* |
| *less: Purchase Price Allocation effect* | *(269)* | *(50)* | |
| **NET PROFIT (LOSS)** | **352** | **1,551** | |
| Gains (losses) on assets classified as held for sale, after tax = *item 310* | *0* | *0* | |
| **PROFIT (LOSS) FOR THE PERIOD** | **352** | **1,551** | |
| Minorities | (287) | (241) | |
| *Item 330. Minorities* | *(287)* | *(241)* | *Section 22* |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA** | **66** | **1,310** | |
| Purchase Price Allocation effect | (716) | (145) | |
| Impairment of goodwill | (8,669) | (162) | |
| *Item 260. Impairment of goodwill* | *(8,669)* | *(162)* | *Section 18* |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP** | **(9,320)** | **1,003** | |

Notes:
Following the merger in November 2010 – which entailed the absorption of certain placement entities by the issuer – the result arising from the placement of securities issued by UniCredit S.p.A. recognised by the former in M9 2010 has been reclassified from “Net fees and commissions” to “Net interest”.

Starting from Q1 2011 the PPA related to the acquisition of HVB, formerly classified within different P&L lines, is entirely allocated in the “Purchase Price Allocation effect” line of P&L (as already done for Capitalia’s acquisition). Previous periods has been reclassified.

# Subsequent Events and Outlook

## Subsequent Events

It should be noted that on October 18, 2011 the Italian tax police (Guardia di Finanza), by order of the Milan prosecutor's office, seized funds worth €245,956,118.49 from UniCredit's accounts held at Banca d'Italia based on the findings of the investigation regarding a series of transactions carried out from 2007 to 2008 with the Milan branch of Barclays Plc, called "Brontos" by the latter.

It is announced that, based on the information of the European Banking Authority (EBA), the total capital buffer for UniCredit is preliminarily estimated at €7,379 million. This amount, which is indicative, will be reviewed on the basis of the Bank's September 30 results and will then be analyzed by the bank and by the Supervisory Authorities. This latter amount will be the reference point for the plans required to reinforce the capital ratios to be achieved by June 2012. UniCredit is working to identify capital management actions to be put in place to meet the Group's objectives, taking into consideration EBA guidelines.

During the G20 summit in Cannes in early November, the Financial Stability Board (FSB) presented the preliminary list containing the names of the 29 global systemically important financial institutions at global level, i.e. the so-called G-SIFIs. The only Italian bank on the list is UniCredit.

On November 14, 2011 the Board of Directors of UniCredit approved its 2010-2015 strategic plan and capital strengthening measures which call for:

- the capitalization of the share premium reserve originated by the CASHES shares through a free capital increase;
- the launch of a share capital increase by way of a rights issue for a total maximum amount of €7.5 billion;
- the non-payment of a dividend in 2012 with respect to its 2011 financial results;
- a reverse stock split of ordinary and savings shares (i.e. a share grouping).

The Board of Directors resolved to call an Extraordinary General Meeting (EGM) around mid December 2011 to approve the capital strengthening measures.

# Outlook

In the third quarter of 2011, the international economic environment has been heavily affected by the low growth of advanced economies and by increasing tensions on financial markets due to the worsening of the sovereign debt crisis.

This situation has prompted international institutions to intervene with support measures aimed at mitigating the effects of speculation and of restrictive fiscal policies implemented by developed countries.

This general uncertainty and weakness has had serious repercussions on the banking sector, which besides recording losses on its assets, has seen slight growth in loans, a result of the economic trend.

In the third quarter of the year, the positive trend that had characterized the Group's activities in the first half of the year was affected by the deterioration related to the above-mentioned factors, especially in Italy, where the contagion of market speculation on issued debt securities was stronger in comparison to other countries; moreover, Italy's government bonds were downgraded in September, which immediately resulted in the increase in spreads and a subsequent increase in the cost of funding, despite the ECB's interventions on the market to support Italian securities.

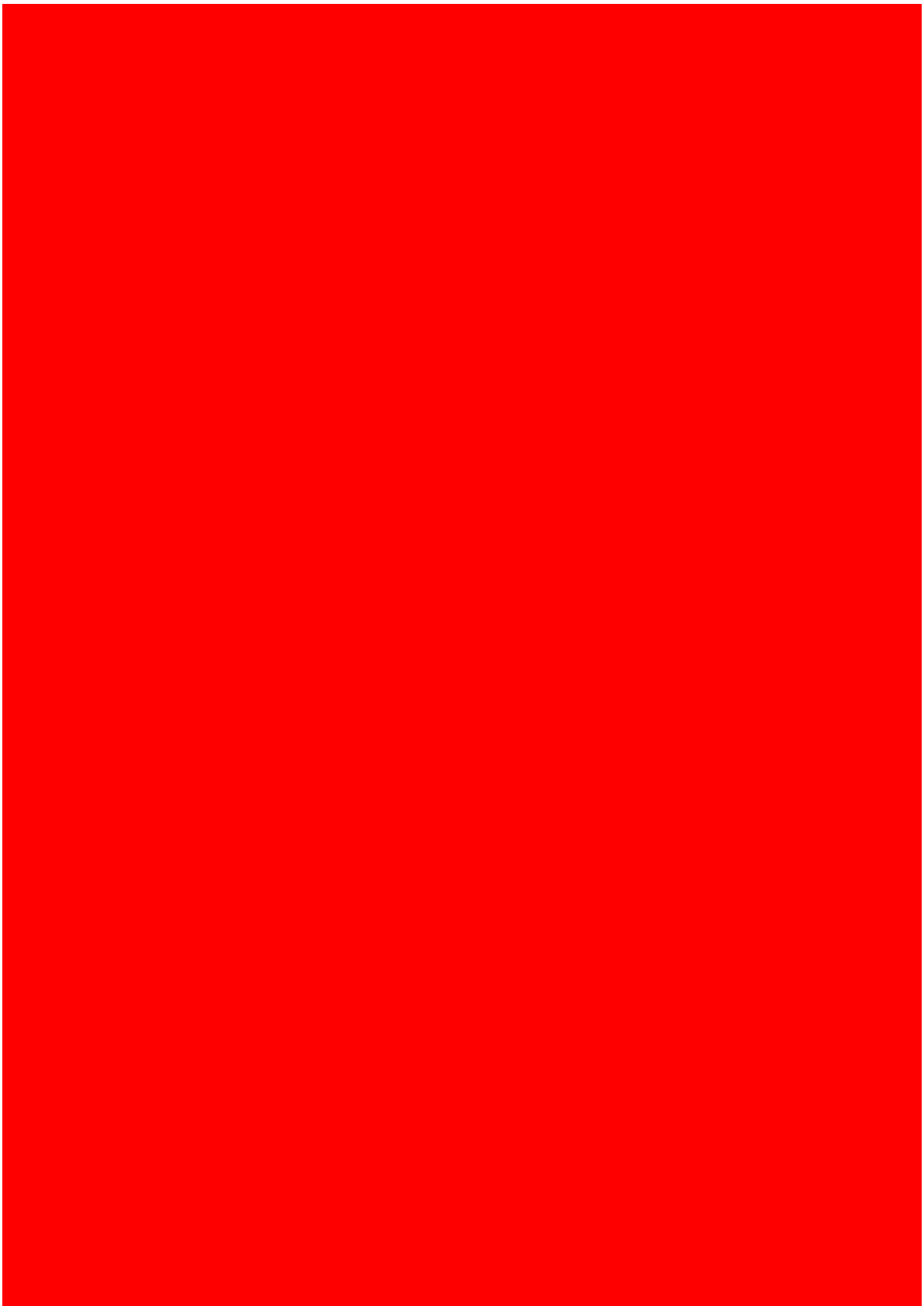
The UniCredit group, which benefits from both geographical and business lines diversification, was affected by the economic crisis in the first nine months of the year, despite the good results achieved through careful monitoring of costs and customer-focused business policies.

In the last part of the year the Group will continue to pursue policies aimed at containing costs on the basis of established programs, especially in Italy, along with the strengthening of trade policies and careful monitoring of risks.

Milan – November 14, 2011

THE BOARD OF DIRECTORS

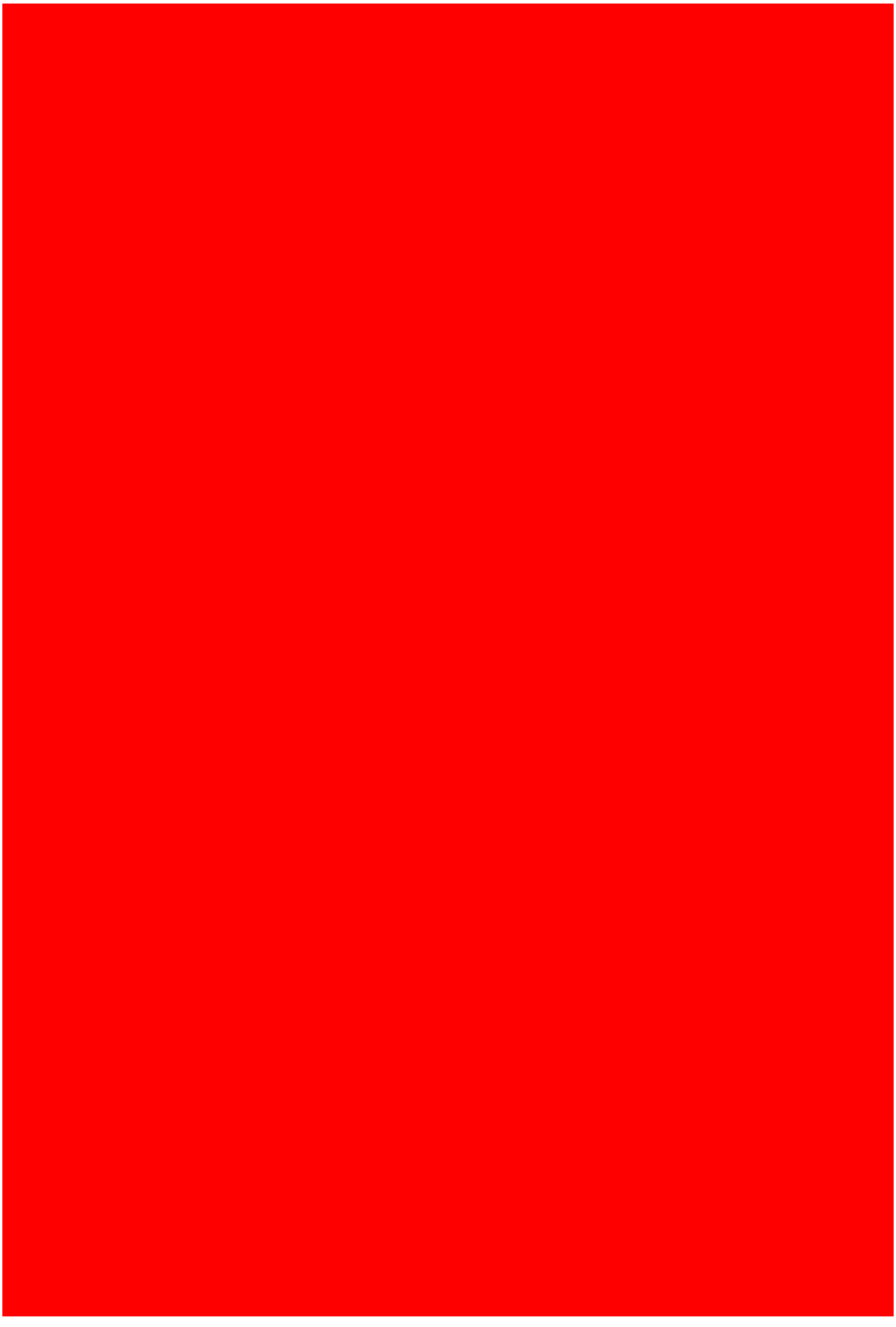
| | |
|---|---|
| Chairman | CEO |
| DIETER RAMPL | FEDERICO GHIZZONI |



# Condensed Interim Consolidated Financial Statements



In addition to what has already been specified in the Notes at the bottom of the Contents, please note that::
. "X" indicates an item not to be completed (under Banca d'Italia instructions);
. unless otherwise indicated, all amounts are in **thousands of euros**.



# Consolidated Accounts

| Consolidated Balance Sheet | | | (€ '000) |
|---|---|---|---|
| | | Amounts as at | |
| | **Balance sheet - Assets** | **09.30.2011** | **12.31.2010** |
| 10. | Cash and cash balances | 5,566,166 | 6,414,097 |
| 20. | Financial assets held for trading | 140,007,509 | 122,551,402 |
| 30. | Financial assets at fair value through profit or loss | 29,633,031 | 27,077,856 |
| 40. | Available-for-sale financial assets | 54,627,930 | 55,103,190 |
| 50. | Held-to-maturity investments | 8,943,683 | 10,003,718 |
| 60. | Loans and receivables with banks | 72,473,813 | 70,215,452 |
| 70. | Loans and receivables with customers | 562,446,843 | 555,653,360 |
| 80. | Hedging derivatives | 16,188,001 | 11,368,199 |
| 90. | Changes in fair value of portfolio hedged items (+/-) | 2,438,047 | 2,248,056 |
| 100. | Investments in associates and joint ventures | 3,681,625 | 3,963,087 |
| 110. | Insurance reserves attributable to reinsurers | 1,039 | 352 |
| 120. | Property, plant and equipment | 12,287,591 | 12,611,297 |
| 130. | Intangible assets | 15,563,002 | 25,592,159 |
| | *- of which goodwill* | *11,528,615* | *20,428,073* |
| 140. | Tax assets | 13,519,254 | 12,961,052 |
| | *a) current tax assets* | *1,493,294* | *1,674,735* |
| | *b) deferred tax assets* | *12,025,960* | *11,286,317* |
| 150. | Non-current assets and disposal groups classified as held for sale | 375,693 | 776,014 |
| 160. | Other assets | 12,543,255 | 12,948,264 |
| | **Total assets** | **950,296,482** | **929,487,555** |

| Consolidated Balance Sheet | | | (€ '000) |
|---|---|---|---|
| | | Amounts as at | |
| | Balance sheet - Liabilities and Shareholders' Equity | 09.30.2011 | 12.31.2010 |
| 10. | Deposits from banks | 139,475,528 | 111,735,094 |
| 20. | Deposits from customers | 392,516,820 | 402,248,191 |
| 30. | Debt securities in issue | 166,713,624 | 180,990,328 |
| 40. | Financial liabilities held for trading | 137,734,080 | 114,099,136 |
| 50. | Financial liabilities at fair value through profit or loss | 912,471 | 1,267,889 |
| 60. | Hedging derivatives | 12,439,080 | 9,680,850 |
| 70. | Changes in fair value of portfolio hedged items (+/-) | 4,826,084 | 2,798,376 |
| 80. | Tax liabilities | 5,873,281 | 5,836,890 |
| | *a) current tax liabilities* | *1,297,333* | *1,464,819* |
| | *b) deferred tax liabilities* | *4,575,948* | *4,372,071* |
| 90. | Liabilities included in disposal groups classified as held for sale | 259,708 | 1,394,769 |
| 100. | Other liabilities | 24,078,986 | 22,224,352 |
| 110. | Provision for employee severance pay | 1,092,929 | 1,201,833 |
| 120. | Provisions for risks and charges | 8,615,093 | 8,087,978 |
| | *a) post retirement benefit obligations* | *4,524,153* | *4,515,173* |
| | *b) other provisions* | *4,090,940* | *3,572,805* |
| 130. | Insurance reserves | 195,060 | 218,644 |
| 140. | Revaluation reserves | (3,071,773) | (1,252,787) |
| 170. | Reserves | 15,720,012 | 15,186,462 |
| 180. | Share premium | 39,322,433 | 39,322,433 |
| 190. | Issued capital | 9,649,245 | 9,648,791 |
| 200. | Treasury shares (-) | (7,190) | (4,197) |
| 210. | Minorities (+/-) | 3,271,412 | 3,479,180 |
| 220. | Net Profit (Loss) for the period (+/-) | (9,320,401) | 1,323,343 |
| | **Total liabilities and shareholders' equity** | **950,296,482** | **929,487,555** |

| Consolidated Income Statement | | | (€ '000) |
|---|---|---|---|
| | | First nine months | |
| | Items | 2011 | 2010 |
| 10. | Interest income and similar revenues | 22,076,006 | 21,430,543 |
| 20. | Interest expense and similar charges | (10,340,318) | (9,678,530) |
| **30.** | **Net interest margin** | **11,735,688** | **11,752,013** |
| 40. | Fee and commission income | 7,622,188 | 7,608,627 |
| 50. | Fee and commission expense | (1,354,484) | (1,308,656) |
| **60.** | **Net fees and commissions** | **6,267,704** | **6,299,971** |
| 70. | Dividend income and similar revenue | 699,222 | 634,579 |
| 80. | Gains and losses on financial assets and liabilities held for trading | 3,832 | 248,164 |
| 90. | Fair value adjustments in hedge accounting | 102,366 | 77,335 |
| **100.** | **Gains and losses on disposal of:** | **254,813** | **293,108** |
| | *a) loans* | *(2,189)* | *30,474* |
| | *b) available-for-sale financial assets* | *244,694* | *80,960* |
| | *c) held-to-maturity investments* | *(3,628)* | *(122)* |
| | *d) financial liabilities* | *15,936* | *181,796* |
| 110. | Gains and losses on financial assets/liabilities at fair value through profit or loss | 79,232 | (2,438) |
| **120.** | **Operating income** | **19,142,857** | **19,302,732** |
| 130. | Impairment losses on: | (4,914,879) | (5,154,966) |
| | *a) loans* | *(4,431,726)* | *(5,015,877)* |
| | *b) available-for-sale financial assets* | *(272,961)* | *(31,579)* |
| | *c) held-to-maturity investments* | *(118,835)* | *(103)* |
| | *d) other financial assets* | *(91,357)* | *(107,407)* |
| **140.** | **Net profit from financial activities** | **14,227,978** | **14,147,766** |
| 150. | Premiums earned (net) | 94,203 | 83,535 |
| 160. | Other income (net) from insurance activities | (74,612) | (71,143) |
| **170.** | **Net profit from financial and insurance activities** | **14,247,569** | **14,160,158** |
| 180. | Administrative costs: | (11,364,879) | (11,108,632) |
| | *a) staff expense* | *(7,199,970)* | *(7,036,099)* |
| | *b) other administrative expense* | *(4,164,909)* | *(4,072,533)* |
| 190. | Net provisions for risks and charges | (670,584) | (293,251) |
| 200. | Impairment/write-backs on property, plant and equipment | (618,628) | (678,773) |
| 210. | Impairment/write-backs on intangible assets | (1,429,020) | (504,779) |
| 220. | Other net operating income | 598,590 | 645,600 |
| **230.** | **Operating costs** | **(13,484,521)** | **(11,939,835)** |
| 240. | Profit (loss) of associates | (325,042) | 146,020 |
| 250. | Gains and losses on tangible and intangible assets measured at *fair value* | (18) | (806) |
| 260. | Impairment of goodwill | (8,669,490) | (162,297) |
| 270. | Gains and losses on disposal of investments | 96,076 | 94,096 |
| **280.** | **Total profit or loss before tax from continuing operations** | **(8,135,426)** | **2,297,336** |
| 290. | Tax expense (income) related to profit or loss from continuing operations | (898,216) | (1,054,040) |
| **300.** | **Total profit or loss after tax from continuing operations** | **(9,033,642)** | **1,243,296** |
| 310. | Total profit or loss after tax from discontinued operations | - | - |
| **320.** | **Net Profit or Loss for the period** | **(9,033,642)** | **1,243,296** |
| 330. | Minorities | (286,759) | (240,785) |
| **340.** | **Holdings Income (Loss) of the period** | **(9,320,401)** | **1,002,511** |

| | | |
|---|---|---|
| Earnings per share (€) | -0.515 | 0.049 |
| Diluted earnings per share (€) | -0.515 | 0.046 |

Following the merger, in November 2010, which entailed the absorption of certain placement entities by the issuer, the result arising from the placement of securities issued by UniCredit S.p.A. recognized by the former in first nine months 2010 has been reclassified from “Fee and commission income” to “Interest expense”.

| **Consolidated Statement of Comprehensive Income** | | (€ '000) |
|---|---|---|
| | **First nine months of** | |
| **Items** | **2011** | **2010** |
| **10. Net Profit (Loss) for the period** | **(9,033,642)** | **1,243,296** |
| **Other comprehensive income after tax** | | |
| **20.** Available-for-sale financial assets | (865,125) | (292,885) |
| **30.** Property plant and equipment | - | - |
| **40.** Intangible assets | - | - |
| **50.** Hedges of foreign investments | - | - |
| **60.** Cash flow hedges | 185,645 | 216,719 |
| **70.** Exchange differences | (1,267,472) | 723,971 |
| **80.** Non current assets classified as held for sale | (835) | - |
| **90.** Actuarial gains (losses) on defined benefits plans | - | - |
| **100.** Valuation reserves from investments accounted for using the equity method | (75,301) | (7,957) |
| **110. Total of other comprehensive income after tax** | **(2,023,088)** | **639,848** |
| **120. Comprehensive income after taxes (10+110)** | **(11,056,730)** | **1,883,144** |
| **130.** Consolidated comprehensive income attributable to minorities | (86,625) | (361,123) |
| **140. Consolidated comprehensive income attributable to Parent Company** | **(11,143,355)** | **1,522,021** |

The "Consolidated Comprehensive Income attributable to minorities" (item 130) is different from "Net profit for the period attributable to minorites" (item 330 of Consolidated income statement), as it includes the effect arising from "other comprehensive income" of minorities.

Statement of Changes in Shareholders’ Equity include Group portion and minorities.

## STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY AS AT SEPTEMBER 30, 2011

(€ ‘000)

| | Balance as at 12.31.2010 | Change in opening balance | Balance as at 1.1.2011 | Allocation of profit from previous year: Reserves | Allocation of profit from previous year: Dividends | Changes during the period: Changes in reserves | Shareholders’ Equity transactions: Issue of new shares | Shareholders’ Equity transactions: Acquisition of treasury shares | Shareholders’ Equity transactions: Distribution of extraordinary dividends | Shareholders’ Equity transactions: Change in equity instruments | Shareholders’ Equity transactions: Own share derivatives | Shareholders’ Equity transactions: Stock options (1) | Comprehensive Income First 9 Months 2011 | Total Shareholders’ Equity as at 09.30.2011 | Shareholders’ Equity Group as at 09.30.2011 | Shareholders’ Equity minorities as at 09.30.2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Issued capital: | | | | | | | | | | | | | | | | |
| a) ordinary shares | 10,012,413 | | 10,012,413 | | | 103,244 | 454 | | | | | | | 10,116,111 | *9,637,125* | *478,986* |
| b) other shares | 12,120 | | 12,120 | | | | | | | | | | | 12,120 | *12,120* | |
| Share premiums | 41,091,961 | | 41,091,961 | | | (3,369) | | | | | | | | 41,088,592 | *39,322,433* | *1,766,159* |
| Reserves: | | | | | | | | | | | | | | | | |
| a) from profits | 12,570,882 | | 12,570,882 | 854,734 | | (336,898) | (454) | | | | | | | 13,088,264 | *12,283,600* | *804,664* |
| b) other | 3,612,656 | | 3,612,656 | | | (128,744) | | | | | | 71,241 | | 3,555,153 | *3,436,412* | *118,741* |
| Revaluation reserves: | (1,237,158) | | (1,237,158) | | | 5,150 | | | | | | | (2,023,088) | (3,255,096) | *(3,071,773)* | *(183,323)* |
| Treasury shares | (4,218) | | (4,218) | | | (3,546) | | | | | | | | (7,764) | *(7,190)* | *(574)* |
| Net Profit or Loss for the period | 1,644,569 | | 1,644,569 | (854,734) | (789,835) | | | | | | | | (9,033,642) | (9,033,642) | *(9,320,401)* | *286,759* |
| **Total Shareholders’ Equity** | **67,703,225** | - | **67,703,225** | **-** | **(789,835)** | **(364,163)** | **-** | **-** | **-** | **-** | **-** | **71,241** | **(11,056,730)** | **55,563,738** | *52,292,326* | *3,271,412* |
| *Shareholders’ Equity Group* | *64,224,045* | | *64,224,045* | | *(558,110)* | *(301,495)* | | | | | | *71,241* | *(11,143,355)* | *52,292,326* | | |
| *Shareholders’ Equity minorities* | *3,479,180* | | *3,479,180* | | *(231,725)* | *(62,668)* | | | | | | | *86,625* | *3,271,412* | | |

(1) These are the effects of share-based payments (Stocks Options, Performance Shares, Discount and Matching Share related to the ESOP plans and other Group Executive Incentive Plans).

The item “Reseves from profits – Changes in reserves” includes the changes brought about by the revision of the criteria used by the Group to classify amounts collected from investee companies. The revision aims at better recording their economic effects.

Statement of Changes in Shareholders' Equity include Group portion and minorities.

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT SEPTEMBER 30, 2010

(€ '000)

| | | | | Allocation of profit from previous year | | Changes during the period | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Shareholders' equity transactions | | | | | | | | | |
| | Balance as at 12.31.2009 | Change in opening balance | Balance as at 1.1.2010 | Reserves | Dividends | Changes in reserves | Issue of new shares | Acquisition of treasury shares | Distribution of extraordinary dividends | Change in equity instruments | Own share derivatives | Stock options (1) | Comprehensive Income First 9 Months 2010 | Total Shareholders' Equity as at 09.30.2010 | Shareholders' Equity Group as at 09.30.2010 | Shareholders' Equity minorities as at 09.30.2010 |
| Issued capital: | | | | | | | | | | | | | | | | |
| a) ordinary shares | 8.753.723 | | 8.753.723 | | | (9.224) | 1.258.921 | | | | | | | 10.003.420 | *9.636.671* | *366.749* |
| b) other shares | 12.120 | | 12.120 | | | | | | | | | | | 12.120 | *12.120* | |
| Share premiums | 38.344.175 | | 38.344.175 | | | (64) | 2.740.893 | | | | | | | 41.085.004 | *39.322.433* | *1.762.571* |
| Reserves: | | | | | | | | | | | | | | | | |
| a) from profits | 11.268.580 | | 11.268.580 | 1.349.587 | | 4.007 | (477) | | | | | | | 12.621.697 | *11.684.368* | *937.329* |
| b) other | 3.842.792 | | 3.842.792 | | | (105.904) | (83.254) | | | | | 13.194 | | 3.666.828 | *3.548.087* | *118.741* |
| Revaluation reserves: | (1.358.079) | | (1.358.079) | | | 14.819 | | | | | | | 639.848 | (703.412) | *(715.277)* | *11.865* |
| Treasury shares | (6.019) | | (6.019) | | | 1.820 | | | | | | | | (4.199) | *(4.181)* | *(18)* |
| Net Profit or Loss for the period | 2.034.620 | | 2.034.620 | (1.349.587) | (685.033) | | | | | | | | 1.243.296 | 1.243.296 | *1.002.511* | *240.785* |
| **Total Shareholders' Equity** | **62.891.912** | - | **62.891.912** | **-** | **(685.033)** | **(94.546)** | **3.916.083** | **-** | **-** | **-** | **-** | **13.194** | **1.883.144** | **67.924.754** | *64.486.732* | *3.438.022* |
| *Shareholders' Equity Group* | *59.689.672* | | *59.689.672* | | *(561.768)* | *(92.470)* | *3.916.083* | | | | | *13.194* | *1.522.021* | *64.486.732* | | |
| *Shareholders' Equity minorities* | *3.202.240* | | *3.202.240* | | *(123.265)* | *(2.076)* | | | | | | | *361.123* | *3.438.022* | | |

(1) These are the effects of share-based payments (Stocks Options, Performance Shares, Discount and Matching Share related to the ESOP plans and other Group Executive Incentive Plans).

| Consolidated Cash Flow Statement (indirect method) | | (€ '000) |
|---|---|---|
| | FIRST 9 MONTHS 2011 | FIRST 9 MONTHS 2010 |
| **A. OPERATING ACTIVITIES** | | |
| **1. Operations** | **7,707,652** | **114,966** |
| - profit and loss of the period (+/-) | (9,320,401) | 1,002,511 |
| - capital gains/losses on financial assets/liabilities held for trading and on assets/liabilities designated at fair value through profit and loss (+/-) | 234,951 | (7,742,689) |
| - capital gains/losses on hedging operations (+/-) | (102,366) | (77,335) |
| - net write-offs/write-backs due to impairment (+/-) | 12,105,295 | 4,134,776 |
| - net write-offs/write-backs on tangible and intangible assets (+/-) | 2,047,666 | 1,184,358 |
| - provisions and other incomes/expenses (+/-) | 1,737,460 | 675,005 |
| - not cashed net premiums (-) | - | - |
| - other not collected incomes and expenses from insurance activities | - | - |
| - not paied tax (+) | 722,035 | 707,984 |
| - other adjustments (+) | 283,012 | 230,356 |
| **2. Liquidity generated/absorbed by financial assets** | **(40,266,525)** | **(35,541,338)** |
| - financial assets held for trading | (17,885,185) | (15,131,553) |
| - financial assets at fair value | (2,479,222) | (11,167,539) |
| - available-for-sale financial assets | (1,387,527) | (14,670,235) |
| - loans and receivables with banks | (3,468,106) | 964,414 |
| - loans and receivables with customers | (16,211,626) | 4,864,163 |
| - other assets | 1,165,141 | (400,588) |
| **3. Liquidity generated/absorbed by financial liabilities** | **32,463,693** | **24,863,252** |
| - deposits from banks | 28,507,182 | (1,150,548) |
| - deposits from customers | (3,888,775) | 9,964,120 |
| - debt certificates including bonds | (13,832,867) | (20,934,452) |
| - financial liabilities held for trading | 23,742,447 | 35,301,519 |
| - financial liabilities designated at fair value | (355,418) | (261,906) |
| - other liabilities | (1,708,876) | 1,944,519 |
| **Net liquidity generated/absorbed by operating activities** | **(95,180)** | **(10,563,121)** |
| **B. INVESTMENT ACTIVITIES** | | |
| **1. Liquidity generated/absorbed by:** | | |
| - equity investments | (145,133) | (14,420) |
| - collected dividends on equity investments | 44,128 | 93,314 |
| - financial assets held to maturity | 619,170 | 909,538 |
| - tangible assets | (96,410) | (503,372) |
| -intangible assets | (348,501) | (256,123) |
| - sales/purchases of subsidiaries and divisions | 286,897 | 84,305 |
| **Net liquidity generated/absorbed by investment activities** | **360,151** | **313,242** |
| **C. FUNDING ACTIVITIES** | | |
| - issue/purchase of treasury shares | - | 3,916,083 |
| - issue/purchase of equity instruments | - | - |
| - distribution of dividends and other scopes | (918,579) | (790,937) |
| **Net liquidity generated/absorbed by funding activities** | **(918,579)** | **3,125,146** |
| **NET LIQUIDITY GENERATED / ABSORBED DURING THE PERIOD** | **(653,608)** | **(7,124,732)** |

KEY: (+) generated ; (-) absorbed

**RECONCILIATION**

| | FIRST 9 MONTHS 2011 | FIRST 9 MONTHS 2010 |
|---|---|---|
| **Cash and cash equivalents at the beginning of the period** | **6,414,097** | **11,986,797** |
| Net liquidity generated/absorbed during the period | (653,608) | (7,124,732) |
| Cash and cash equivalents: effect of exchange rate variations | (194,323) | 73,228 |
| **Cash and cash equivalents at the end of the period** | **5,566,166** | **4,935,293** |

# Explanatory Notes

# Part A – Accounting Policies

# Part A – Accounting Policies

## A.1 – General

### Section 1 – Statement of Compliance with IFRSs

These condensed interim consolidated accounts as at September 30, 2011 have been prepared in accordance with the IFRS issued by the *International Accounting Standards Board* (IASB), including the interpretation documents issued by the SIC and the IFRIC, and endorsed by the Eurpean Commission up to 30 September 2011, pursuant to EU Regulation 1606/2002 which was incorporated into Italy's legislation through the Legislative Decree no 38 dated 28 February 2005 and as required by §. 154-ter 5 of the Single Finance Act (TUF, Leg. Decree no 58 dated. 24/2/1998).

The contents of this condensed interim consolidated accounts are in line with IAS 34 on interim reporting. In accordance with § 10 IAS 34, UniCredit has opted to provide condensed first half consolidated accounts.

### Section 2 – Preparation Criteria

As mentioned above, these accounts have been prepared in accordance with the IFRS endorsed by the European Commission. The following documents were used to interpret and support the application of IFRS (albeit not endorsed by the EC):

- Framework for the Preparation and Presentation of Financial Statements issued by the IASB in 2001;
- Implementation Guidance, Basis for Conclusions, IFRIC and any other documents prepared by the IASB or IFRIC (International Financial Reporting Interpretations Committee) supplementing IFRS;
- Interpretative documents on the application of IFRS in Italy prepared by the Organismo Italiano di Contabilità (OIC) and Associazione Bancaria Italiana (ABI).

This Condensed Interim Consolidated Financial Statements as at September 30, 2011 comprises the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement (compiled using the indirect method), the Notes to the Accounts and Annexes.

These are in line with Banca d'Italia schedules as prescribed by the first amendment dated November 18, 2009 to Circular 262 dated 22 December 2005, in that they give comparative figures, as at December 31, 2010 for the balance sheet and as at September 30, 2010 for the profit and loss account, the comprehensive income statement, the statement of changes in equity and the cash-flow statement.

Figures in the schedules and explanatory notes are given in **thousands of euros**, if not otherwise specified.

These Accounts were compiled on the assumption that they should present a continuing business. Losses recognized during the period, even if amounting to significant sums, are related mainly to the impairment of intangible assets (goodwill) as a result of the approval of the new strategic plans. Moreover, these strategic plans do not give rise to uncertainty about the assumption that they should present a continuing business.At present there is no uncertainty as to the Company's ability to continue its business operations as envisaged by IAS 1. Measurement criteria are therefore in accordance with this assumption and with the principles of competence, relevance and materiality in financial statements and the priority of economic substance over juridical form. These principles are unchanged from 2010.

### Risk and uncertainty due to use of estimated figures

The IFRSs require that management provide valuations, estimates and projections with a bearing on the application of accounting principles and the carrying amount of assets, liabilities, expenses and revenue. Estimates and related projections based on experience and other factors judged to be reasonably included were used to estimate the carrying value of assets and liabilities not readily obtainable from other sources.

Estimated figures have been used for the recognition of some of the largest value-based items in the Condensed Interim Consolidated Financial Reports at September 30, 2011, as required by the accounting standards and regulations above detailed. These estimates are largely based on calculations of future recoverability of the values recognized in the Accounts under the rules contained in current legislation and were made assuming the continuity of the business, i.e. without considering the possibility of the forced sale of the items so valued.

The processes adopted support the values recognized at September 30, 2011. Valuation was particularly complex given the continuing uncertainty of the macro-economic and market situation which was characterized by significant volatility of financial indicators used in the valuation process and still high levels of credit impairment.

The parameters and information used to check the mentioned values were therefore significantly affected by the above factors, which could change rapidly in ways that cannot currently be foreseen, such that further effects on future balance-sheet values cannot be ruled out.

Estimates and projections are regularly reviewed. Any changes arising from these reviews are recognized in the period in which they are carried out, provided that the change concerns that period. If the reappraisal concerns both current and future periods it is recognized in both current and future periods as appropriate.

Uncertainty affecting estimates is generally inherent in:

- determination of fair value of illiquid assets;
- loans and receivables and, in general, financial assets;
- severance pay (Italy) and other employee benefits;
- provisions for risks and charges;
- evaluation of goodwill and other intangibile assets;

since quantifying all these items is mainly dependent both on the evolution of domestic and international socio-economic conditions and on the performance of the financial markets and its effect on interest rates, stock prices, actuarial assumptions and more generally the creditworthiness of borrowers and counterparties.

Specifically referring to future cash flow projections used in the valuation of goodwill and other intangible assets, it should be noted that the parameters and the information used are significantly influenced by the macroeconomic market situation, which could change in unpredictable ways. For further information please refer to Part B – Consolidated Balance Sheet – Section 13 – Intangible assets.

## Section 3 – Consolidation Procedures and Scope

Consolidation criteria and principles used to prepare the Condensed Interim Consolidated Financial Statements as at September 30, 2011 are as follows:

### Accounts used for consolidation

For the preparation of the consolidated accounts as at September 30, 2011, the following sources were used:

- UniCredit S.p.A. Accounts as at September 30, 2011;
- The Accounts of the other fully consolidated Group entities as at September 30, 2011, except for those noted here, duly condensed (reclassified) and adjusted to take into account the requirements of consolidation and, where necessary, to bring them into line with IFRS;
- For the companies belonging to the Leasing Sub-Group and reporting to UniCredit Leasing S.p.A.:
  - UniCredit Leasing S.p.A. Accounts as at September 30, 2011;
  - The Accounts as at September 30, 2011of companies recognised using proportionate consolidation in 2011;
  - the sub-consolidated Accounts of Austrian subsidiaries, i.e. UniCredit Leasing (Austria) GMBH and its subsidiaries as at September 30, 2011;
  - the sub-consolidated Accounts of the CEE subsidiaries, i.e. all direct and indirect subsidiaries of the Parent Company UniCredit Leasing S.p.A located in CEE countries as at September 30, 2011;
- The sub-consolidated Accounts of Compagnia Italpetroli S.p.A, i.e. the Parent Company and its direct and indirect subsidiaries, as at September 30, 2011. The business combination finalized on August 18, 2011 involved absorption of the balances of balance-sheet items only.

Balance Sheet items in foreign currencies are converted at closing exchange rates; the average exchange rate for the year is used for the profit and loss account, which is considered a valid approximation of the rate of exchange at the date of the transaction.

### Subsidiaries

Subsidiaries are entities of which:

- the Parent owns, directly or indirectly through subsidiaries, more than half of the voting power unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.
- the Parent owns half or less of the voting power and has:
  - power over more than half of the voting rights by virtue of an agreement with other investors;
  - power to govern the financial and operating policies of the entity under a statute or an agreement;
  - power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
  - power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

The existence and effect of potential voting rights that are currently exercisable or convertible, are considered when assessing whether an entity has the power to govern the financial and operating policies of another entity.

The list of subsidiaries also includes any special purpose entities as required by SIC 12.
SIC 12 requires UniCredit to consolidate special purpose entities, provided that, in substance, the majority of the risks and rewards incident to the activities of these special purpose entities is attributable to the Bank or, in substance, the Bank controls the special purpose entities. An interest in the equity capital of the special purpose entities is immaterial in this regard.
Thus the consolidation of special purpose entities in accordance with SIC 12 has the same effect as full consolidation. Equity interests held by third parties in a special purpose entity consolidated by the Bank in accordance with SIC 12 are recognized under minority interest.

The carrying amount of an investment in a fully or proportionately consolidated entity held by the Parent or another Group company is eliminated against the recognition of the subsidiary's assets and liabilities as well as the Group's portion of equity of the subsidiary.

Intragroup balances, off-balance sheet transactions, income and expenses and gain/losses between consolidated companies are eliminated in full or proportionately, in accordance with the consolidation procedures adopted.

A subsidiary's income and expenses are included in consolidation from the date the Parent acquires control. On disposal of a subsidiary, its income and expenses are consolidated up to the date of disposal, i.e., when the Parent ceases to control the subsidiary. The difference between the proceeds from the disposal of the subsidiary and the carrying amount of its net assets is recognised in item 270 "Gains (Losses) on disposal of investments" in profit and loss.

Minority interests are recognised in the consolidated balance sheet item 210 "Minorities" separately from liabilities and Parent shareholders' equity. Minority interests in the profit or loss of the Group are separately disclosed under item 330 of the consolidated profit and loss account.

On first-time consolidation, subsidiaries are measured at fair value as at the acquisition date, i.e. at the cost of obtaining control of the subsidiary inclusive of ancillary costs.

### Associates

These are entities over which an investor has significant influence, and which is neither a subsidiary nor an interest in a joint venture. It is presumed that the investor has significant influence if the investor holds, directly or indirectly, at least 20 per cent of the voting power of an investee.

Investments in associates are recognised using the equity method. The carrying amount includes goodwill (less any impairment loss). The investor's share of the profit and loss of the investee after the date of acquisition is recognised in item 240 "Profit (Loss) of associates" in profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

If the investor's share of an associate's losses is equal to or more than its carrying amount, no further losses are recognised, unless the investor has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised profits on transactions with associates are eliminated to the extent of the Group's interest. Unrealised losses are likewise eliminated, unless the transactions show evidence of impairment of the assets exchanged.

The revaluation reserves of associates, which are recorded as a contra item to changes in value of items that are relevant for this purpose (see Section 2 above - General Principles), are reported separately in the Statement of Comprehensive Income.

## Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control exists only when financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. Interests in joint ventures are recognised using proportionate consolidation.

The following table shows the companies included in the scope of consolidation, as well as those valued by using the equity method.

### Investments in subsidiaries, companies recognised under proportionate consolidation and valued at equity

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| A.COMPANY | | | | | | |
| A.1 LINE BY LINE METHOD | | | | | | |
| 1 | **UNICREDIT SPA** | **ROME** | | **HOLDING** | | |
| 2 | A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG | MUNICH | 1 | GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND) | 66,67 | |
| 3 | ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. OBERBAUM CITY KG | GRUNWALD | 1 | SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | 100,00 | 98,11 |
| 4 | ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. PARKKOLONNADEN KG | GRUNWALD | 1 | A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG | 100,00 | 98,11 |
| 5 | ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. STUTTGART KRONPRINZSTRASSE KG | GRUNWALD | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 100,00 | 98,11 |
| 6 | ACTIVE ASSET MANAGEMENT GMBH | GRUNWALD | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100,00 | |
| 7 | AGROB IMMOBILIEN AG | ISMANING | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 52,72 | 75,02 |
| 8 | AI BETEILIGUNG GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 9 | ALINT 458 GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | BAD HOMBURG | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 10 | ALLEGRO LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 11 | ALLIB LEASING S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 12 | ALLIB NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA | ZAGREB | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 13 | ALLIB ROM S.R.L. | BUCHAREST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 14 | ALMS LEASING GMBH. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 15 | ALPINE CAYMAN ISLANDS LTD. | GEORGE TOWN | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 16 | ALTUS ALPHA PLC | DUBLIN | 4 | UNICREDIT BANK AG | .. | (3) |
| 17 | ALV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 18 | ANI LEASING IFN S.A. | BUCHAREST | 1 | UNICREDIT GLOBAL LEASING EXPORT GMBH | 10,01 | |
| | | | | UNICREDIT LEASING S.P.A. | 89,99 | |
| 19 | ANTARES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 20 | ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 90,00 | |
| 21 | ARABELLA FINANCE LTD. | DUBLIN | 4 | UNICREDIT BANK AG | .. | (3) |
| 22 | ARANY PENZUGYI LIZING ZRT. | BUDAPEST | 1 | UNICREDIT BANK HUNGARY ZRT. | 100,00 | |
| 23 | ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 100,00 | |
| 24 | ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 25 | ARRONDA IMMOBILIENVERWALTUNGS GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 100,00 | |
| 26 | ARTIST MARKETING ENTERTAINMENT GMBH | VIENNA | 1 | MY BETEILIGUNGS GMBH | 100,00 | |
| 27 | AS UNICREDIT BANK | RIGA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 28 | ATF CAPITAL B.V. | ROTTERDAM | 1 | JSC ATF BANK | 100,00 | |
| 29 | ATF FINANCE JSC | ALMATY CITY | 1 | JSC ATF BANK | 100,00 | |
| 30 | ATF INKASSATSIYA LTD | ALMATY CITY | 1 | JSC ATF BANK | 100,00 | |
| 31 | ATLANTERRA IMMOBILIENVERWALTUNGS GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 90,00 | |
| 32 | AUFBAU DRESDEN GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 100,00 | |
| 33 | AUSTRIA LEASING GMBH | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 0,40 | |
| | | | | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99,40 | 99,60 |
| 34 | AUTOGYOR INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 35 | AWT HANDELS GESELLSCHAFT M.B.H. | VIENNA | 1 | AWT INTERNATIONAL TRADE GMBH | 100,00 | |
| 36 | AWT INTERNATIONAL TRADE GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 37 | B.I. INTERNATIONAL LIMITED | GEORGE TOWN | 1 | TRINITRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG | 100,00 | |
| 38 | BA BETRIEBSOBJEKTE GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 39 | BA BETRIEBSOBJEKTE GMBH & CO BETA VERMIETUNGS OG | VIENNA | 1 | BA BETRIEBSOBJEKTE GMBH | 99,90 | |
| | | | | MY DREI HANDELS GMBH | 0,10 | |
| 40 | BA BETRIEBSOBJEKTE PRAHA SPOL.S.R.O. | PRAGUE | 1 | BA BETRIEBSOBJEKTE GMBH | 100,00 | |
| 41 | BA CA LEASING (DEUTSCHLAND) GMBH | BAD HOMBURG | 1 | UNICREDIT LEASING S.P.A. | 94,90 | |
| 42 | BA CA SECUND LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 43 | BA CREDITANSTALT BULUS EOOD | SOFIA | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 44 | BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 45 | BA GVG-HOLDING GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 46 | BA IMMO GEWINNSCHEIN FONDS | VIENNA | 4 | UNICREDIT BANK AUSTRIA AG | .. | (3) |
| 47 | BA PRIVATE EQUITY GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 48 | BA- ALPINE HOLDINGS, INC. | WILMINGTON | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 49 | BA-CA ANDANTE LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 50 | BA-CA FINANCE (CAYMAN) II LIMITED | GEORGE TOWN | 1 | ALPINE CAYMAN ISLANDS LTD. | 100,00 | |
| 51 | BA-CA FINANCE (CAYMAN) LIMITED | GEORGE TOWN | 1 | ALPINE CAYMAN ISLANDS LTD. | 100,00 | |
| 52 | BA-CA INFRASTRUCTURE FINANCE ADVISORY GMBH | VIENNA | 1 | ZETA FUNF HANDELS GMBH | 100,00 | |
| 53 | BA-CA LEASING DREI GARAGEN GMBH | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 99,80 | 100,00 |
| 54 | BA-CA LEASING MAR IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 55 | BA-CA LEASING MODERATO D.O.O. | LJUBLJANA | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 56 | BA-CA LEASING VERSICHERUNGSSERVICE GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 57 | BA-CA MARKETS & INVESTMENT BETEILIGUNG GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 58 | BA-CA PRESTO LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 59 | BA-CA WIEN MITTE HOLDING GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 60 | BA-CREDITANSTALT LEASING ANGLA SP. Z O.O. | WARSAW | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 61 | BA/CA-LEASING BETEILIGUNGEN GMBH | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99,80 | 100,00 |
| 62 | BA/CA-LEASING FINANZIERUNG GMBH | VIENNA | 1 | BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. | 100,00 | |
| 63 | BACA CENA IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 64 | BACA CHEOPS LEASING GMBH | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 65 | BACA HYDRA LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 66 | BACA KOMMUNALLEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 67 | BACA LEASING ALFA S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 68 | BACA LEASING CARMEN GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 69 | BACA LEASING GAMA S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 70 | BACA LEASING UND BETEILGUNGSMANAGEMENT GMBH | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 98,80 | 99,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 1,00 | |
| 71 | BACA NEKRETNINE DOO | BANJA LUKA | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 72 | BACA ROMUS IFN S.A. | BUCHAREST | 1 | UNICREDIT GLOBAL LEASING EXPORT GMBH | 10,01 | |
| | | | | UNICREDIT LEASING S.P.A. | 89,99 | |
| 73 | BACA-LEASING AQUILA INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 74 | BACA-LEASING GEMINI INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 75 | BACA-LEASING NERO INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 76 | BACA-LEASING OMIKRON INGATLANHASZNOSTO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 77 | BACA-LEASING URSUS INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 78 | BACAL ALPHA DOO ZA POSLOVANJE NEKRETNINAMA | ZAGREB | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 79 | BACAL BETA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA | ZAGREB | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 80 | BAL CARINA IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 81 | BAL DEMETER IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 82 | BAL HESTIA IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 83 | BAL HORUS IMMOBILIEN LEASING GMBH | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99,80 | 100,00 |
| 84 | BAL HYPNOS IMMOBILIEN LEASING GMBH | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99,80 | 100,00 |
| 85 | BAL LETO IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 86 | BAL OSIRIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 87 | BAL PAN IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 88 | BAL SOBEK IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 89 | BALEA SOFT GMBH & CO. KG | HAMBURG | 1 | UNICREDIT LEASING GMBH | 100,00 | |
| 90 | BALEA SOFT VERWALTUNGSGESELLSCHAFT MBH | HAMBURG | 1 | UNICREDIT LEASING GMBH | 100,00 | |
| 91 | BANDON LEASING LTD. | DUBLIN | 4 | UNICREDIT BANK AG | .. | (3) |
| 92 | BANK AUSTRIA CREDITANSTALT LEASING IMMOBILIENANLAGEN GMBH | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 93 | BANK AUSTRIA FINANZSERVICE GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 94 | BANK AUSTRIA HUNGARIA BETA LEASING KORLATOLT FELELOSSEGU TSRSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 95 | BANK AUSTRIA IMMOBILIENSERVICE GMBH | VIENNA | 1 | PLANETHOME AG | 100,00 | |
| 96 | BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH | VIENNA | 1 | RONDO LEASING GMBH | 99,80 | 100,00 |
| 97 | BANK AUSTRIA LEASING HERA IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 98 | BANK AUSTRIA LEASING IKARUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 99 | BANK AUSTRIA LEASING MEDEA IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 100 | BANK AUSTRIA REAL INVEST CLIENT INVESTMENT GMBH | VIENNA | 1 | BANK AUSTRIA REAL INVEST GMBH | 100,00 | |
| 101 | BANK AUSTRIA REAL INVEST GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 94,95 | |

| | | | | OWNERSHIP RELATIONSHIP | | |
|---|---|---|---|---|---|---|
| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | HELD BY | HOLDING % | VOTING RIGHTS (2) |
| 102 | BANK AUSTRIA REAL INVEST IMMOBILIEN-KAPITALANLAGE GMBH | VIENNA | 1 | BANK AUSTRIA REAL INVEST GMBH | 100,00 | |
| 103 | BANK AUSTRIA WOHNBAUBANK AG | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 104 | BANK PEKAO SA | WARSAW | 1 | UNICREDIT SPA | 59,24 | |
| 105 | BANKHAUS NEELMEYER AG | BREMA | 1 | UNICREDIT BANK AG | 100,00 | |
| 106 | BARODA PIONEER ASSET MANAGEMENT COMPANY LTD | MUMBAI | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 51,00 | |
| 107 | BAULANDENTWICKLUNG GDST 1682/8 GMBH & CO OEG | VIENNA | 1 | CALG ANLAGEN LEASING GMBH | 1,00 | |
| | | | | CALG IMMOBILIEN LEASING GMBH | 99,00 | |
| 108 | BAVARIA UNIVERSAL FUNDING CORPORATION | DELAWARE | 4 | UNICREDIT BANK AG | .. | (3) |
| 109 | BDK CONSULTING | LUCK | 1 | PUBLIC JOINT STOCK COMPANY UNICREDIT BANK | 100,00 | |
| 110 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 111 | BIL IMMOBILIEN FONDS GMBH & CO OBJEKT PERLACH KG | MUNICH | 1 | BIL V & V VERMIETUNGS GMBH | 5,22 | 5,14 |
| | | | | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | 94,78 | 93,87 |
| 112 | BIL LEASING-FONDS GMBH & CO VELUM KG | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | 33,33 |
| 113 | BIL LEASING-FONDS VERWALTUNGS-GMBH | MUNICH | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100,00 | |
| 114 | BIL V & V VERMIETUNGS GMBH | MUNICH | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100,00 | |
| 115 | BLACK FOREST FUNDING LLC | DELAWARE | 4 | UNICREDIT BANK AG | .. | (3) |
| 116 | BLUE CAPITAL EQUITY GMBH | HAMBURG | 1 | WEALTHCAP INITIATOREN GMBH | 100,00 | |
| 117 | BLUE CAPITAL EQUITY MANAGEMENT GMBH | HAMBURG | 1 | BLUE CAPITAL EQUITY GMBH | 100,00 | |
| 118 | BLUE CAPITAL EUROPA IMMOBILIEN GMBH & CO. ACHTE OBJEKTE GROBRITANNIEN KG | HAMBURG | 1 | BLUE CAPITAL FONDS GMBH | 90,91 | |
| | | | | WEALTHCAP INVESTORENBETREUUNG GMBH | 9,09 | |
| 119 | BLUE CAPITAL FONDS GMBH | HAMBURG | 1 | WEALTHCAP INITIATOREN GMBH | 100,00 | |
| 120 | BLUE CAPITAL USA IMMOBILIEN VERWALTUNGS GMBH | HAMBURG | 1 | BLUE CAPITAL FONDS GMBH | 100,00 | |
| 121 | BORDER LEASING GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFTM.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 122 | BORGO DI PEROLLA SRL | MASSA MARITTIMA | 1 | FONDIARIA LASA SPA | 100,00 | |
| 123 | BREAKEVEN SRL | VERONA | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 100,00 | |
| 124 | BREWO GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 125 | BULBANK AUTO LEASING EOOD | SOFIA | 1 | BULBANK LEASING EAD | 100,00 | |
| 126 | BULBANK LEASING EAD | SOFIA | 1 | UNICREDIT LEASING AD | 100,00 | |
| 127 | BV GRUNDSTUCKSENTWICKLUNGS-GMBH | MUNICH | 1 | HVB IMMOBILIEN AG | 100,00 | |
| 128 | BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 129 | CA-LEASING ALPHA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 130 | CA-LEASING BETA 2 INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 131 | CA-LEASING DELTA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 132 | CA-LEASING EPSILON INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 133 | CA-LEASING EURO, S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 134 | CA-LEASING KAPPA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 135 | CA-LEASING LAMBDA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 136 | CA-LEASING OMEGA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 137 | CA-LEASING OVUS S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 138 | CA-LEASING PRAHA S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 139 | CA-LEASING SENIOREN PARK GMBH | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 99,80 | 100,00 |
| 140 | CA-LEASING TERRA POSLOVANJE Z NEPREMICNINAMI D.O.O. | LJUBLJANA | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 141 | CA-LEASING YPSILON INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 142 | CA-LEASING ZETA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 143 | CABET-HOLDING-AKTIENGESELLSCHAFT | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 144 | CABO BETEILIGUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | CABET-HOLDING-AKTIENGESELLSCHAFT | 100,00 | |
| 145 | CAC REAL ESTATE, S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 146 | CAC-IMMO SRO | CESKE BUDEJOVICE | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 147 | CAFU VERMOGENSVERWALTUNG GMBH & CO. OG | VIENNA | 1 | SCHOELLERBANK AKTIENGESELLSCHAFT | 100,00 | |
| 148 | CAL-PAPIER INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 149 | CALG 307 MOBILIEN LEASING GMBH | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 98,80 | 99,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 1,00 | |
| 150 | CALG 443 GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 98,80 | 99,00 |
| | | | | CALG IMMOBILIEN LEASING GMBH | 1,00 | |
| 151 | CALG 445 GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99,80 | 100,00 |
| 152 | CALG 451 GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99,80 | 100,00 |
| 153 | CALG ALPHA GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99,80 | 100,00 |
| 154 | CALG ANLAGEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 155 | CALG ANLAGEN LEASING GMBH & CO GRUNDSTUCKVERMIETUNG UND - VERWALTUNG KG | MUNICH | 1 | CALG ANLAGEN LEASING GMBH | 99,90 | 100,00 |
| 156 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG ANLAGEN LEASING GMBH | 99,80 | 100,00 |
| 157 | CALG GAMMA GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99,80 | 100,00 |
| 158 | CALG GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 74,80 | 75,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 159 | CALG IMMOBILIEN LEASING GMBH | VIENNA | 1 | CALG ANLAGEN LEASING GMBH | 99,80 | 100,00 |
| 160 | CALG IMMOBILIEN LEASING GMBH & CO 1050 WIEN, SIEBENBRUNNENGASSE 10-21 OG | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99,80 | 100,00 |
| 161 | CALG IMMOBILIEN LEASING GMBH & CO 1120 WIEN, SCHONBRUNNER SCHLOSS-STRASSE 38-42 OG | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99,80 | 100,00 |
| 162 | CALG IMMOBILIEN LEASING GMBH & CO PROJEKT ACHT OG | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99,80 | 100,00 |
| 163 | CALG IMMOBILIEN LEASING GMBH & CO PROJEKT FUNF OG | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99,80 | 100,00 |
| 164 | CALG IMMOBILIEN LEASING GMBH & CO PROJEKT VIER OG | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99,80 | 100,00 |
| 165 | CALG IMMOBILIEN LEASING GMBH & CO PROJEKT ZEHN OG | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99,80 | 100,00 |
| 166 | CALG MINAL GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG ANLAGEN LEASING GMBH | 99,80 | 100,00 |
| 167 | CAMERON GRANVILLE 2 ASSET MANAGEMENT INC | TAGUIG | 1 | CAMERON GRANVILLE ASSET MANAGEMENT (SPV-AMC) , INC | 100,00 | |
| 168 | CAMERON GRANVILLE 3 ASSET MANAGEMENT INC. | TAGUIG | 1 | CAMERON GRANVILLE ASSET MANAGEMENT (SPV-AMC) , INC | 100,00 | |

| | | | | OWNERSHIP RELATIONSHIP | | |
|---|---|---|---|---|---|---|
| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | HELD BY | HOLDING % | VOTING RIGHTS (2) |
| 169 | CAMERON GRANVILLE ASSET MANAGEMENT (SPV-AMC) , INC | TAGUIG | 1 | HVB ASIA LIMITED | 100,00 | |
| 170 | CAMPO DI FIORI SAS | ROME | 1 | IMMOBILIARE PATETTA SRL | 96,67 | |
| | | | | SOCIETA' COLLE AURELIA IMMOBILIARE S.C.A.I. SRL | 3,33 | |
| 171 | CARD COMPLETE SERVICE BANK AG | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 50,10 | |
| 172 | CARDS & SYSTEMS EDV-DIENSTLEISTUNGS GMBH | VIENNA | 1 | CARD COMPLETE SERVICE BANK AG | 5,00 | |
| | | | | DINERS CLUB CEE HOLDING AG | 1,00 | |
| | | | | UNICREDIT BANK AUSTRIA AG | 52,00 | |
| 173 | CBD INTERNATIONAL SP.ZO.O. | WARSAW | 1 | ISB UNIVERSALE BAU GMBH | 100,00 | |
| 174 | CDM CENTRALNY DOM MAKLERSKI PEKAO SA | WARSAW | 1 | BANK PEKAO SA | 100,00 | |
| 175 | CEAKSCH VERWALTUNGS GMBH | VIENNA | 1 | BA-CA MARKETS & INVESTMENT BETEILIGUNG GMBH | 100,00 | |
| 176 | CENTAR KAPTOL DOO | ZAGREB | 1 | ZAGREBACKA BANKA DD | 100,00 | |
| 177 | CENTER HEINRICH-COLLIN-STRASSE1 VERMIETUNGS GMBH U.CO KEG | VIENNA | 4 | BA IMMO GEWINNSCHEIN FONDS | .. | (3) |
| 178 | CENTRAL EUROPEAN CONFECTIONERY HOLDINGS B.V. I.L. | AMSTERDAM | 1 | UNICREDIT BANK AG | 100,00 | |
| 179 | CENTRUM BANKOWOSCI BEZPOSREDNIEJ SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSC | KRAKOW | 1 | BANK PEKAO SA | 100,00 | |
| 180 | CENTRUM KART SA | WARSAW | 1 | BANK PEKAO SA | 100,00 | |
| 181 | CHARADE LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74,80 | 75,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 182 | CHEFREN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 183 | CHRISTOPH REISEGGER GESELLSCHAFT M.B.H. | VIENNA | 1 | LASSALLESTRASSE BAU-, PLANUNGS-, ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H. | 100,00 | |
| 184 | CIVITAS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 185 | CJSC BANK SIBIR | OMSK CITY | 1 | ZAO UNICREDIT BANK | 100,00 | |
| 186 | CLOSED JOINT-STOCK COMPANY UNICREDIT SECURITIES | MOSCOW | 1 | AI BETEILIGUNG GMBH | 99,50 | |
| | | | | UNICREDIT SECURITIES INTERNATIONAL LIMITED | 0,50 | |
| 187 | CO.RI.T. S.P.A. IN LIQUIDAZIONE | ROME | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 60,00 | |
| 188 | COFIRI S.P.A. IN LIQUIDAZIONE | ROME | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 100,00 | |
| 189 | COM.P.I.S. - COMPAGNIA PETROLIFERA ITALIA SUD SOCIETA' A RESPONSABILITA' LIMITATA | ROME | 1 | SOCIETA' DEPOSITI COSTIERI - SO.DE.CO. SRL | 100,00 | |
| 190 | COMMUNA - LEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | REAL-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 191 | COMPAGNIA FONDIARIA ROMANA (C.F.R.) SRL | ROME | 1 | IMMOBILIARE PATETTA SRL | 72,50 | |
| | | | | INFISSER SRL | 15,00 | |
| | | | | SOCIETA' VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L. | 12,50 | |
| 192 | COMPAGNIA ITALPETROLI S.P.A. | ROME | 1 | UNICREDIT SPA | 99,99 | 100,00 |
| 193 | CONTRA LEASING-GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74,80 | 75,00 |
| | | | | JAUSERN-LEASING GESELLSCHAFT M.B.H. | 25,00 | |
| 194 | CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI | MILAN | 1 | UNICREDIT SPA | 100,00 | |
| 195 | CRIVELLI SRL | MILAN | 1 | UNICREDIT REAL ESTATE SOCIETA' CONSORTILE PER AZIONI | 100,00 | |
| 196 | CUMTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | 1 | HVB IMMOBILIEN AG | 93,85 | |
| | | | | UNICREDIT BANK AG | 6,15 | |
| 197 | DAB BANK AG | MUNICH | 1 | UNICREDIT BANK AG | 77,48 | |

| | | | | OWNERSHIP RELATIONSHIP | | |
|---|---|---|---|---|---|---|
| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | HELD BY | HOLDING % | VOTING RIGHTS (2) |
| 198 | DBC SP. ZOO | WARSAW | 1 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | 100,00 | |
| 199 | DC ELEKTRONISCHE ZAHLUNGSSYSTEME GMBH | VIENNA | 1 | KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H. | 100,00 | |
| 200 | DEBO LEASING IFN S.A. | BUCHAREST | 1 | UNICREDIT GLOBAL LEASING EXPORT GMBH | 10,01 | |
| | | | | UNICREDIT LEASING S.P.A. | 89,99 | |
| 201 | DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT ALPHA MANAGEMENT KG | MUNICH | 1 | HVB PROJEKT GMBH | 100,00 | |
| 202 | DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT BETA MANAGEMENT KG | MUNICH | 1 | HVB PROJEKT GMBH | 100,00 | |
| 203 | DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT GAMMA MANAGEMENT KG | MUNICH | 1 | HVB PROJEKT GMBH | 100,00 | |
| 204 | DINERS CLUB CEE HOLDING AG | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99,80 | |
| 205 | DINERS CLUB CS S.R.O. | BRATISLAVA | 1 | DINERS CLUB CEE HOLDING AG | 100,00 | |
| 206 | DINERS CLUB POLSKA SP.Z.O.O. | WARSAW | 1 | DINERS CLUB CEE HOLDING AG | 100,00 | |
| 207 | DIRANA LIEGENSCHAFTSVERWERTUNGSGESELL SCHAFT MBH | VIENNA | 1 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | 100,00 | |
| 208 | DIREKTANLAGE.AT AG | SALZBURG | 1 | DAB BANK AG | 100,00 | |
| 209 | DLV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 210 | DOMUS CLEAN REINIGUNGS GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 211 | DOMUS FACILITY MANAGEMENT GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 212 | DUODEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 213 | EK MITTELSTANDSFINANZIERUNGS AG | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 98,00 | |
| 214 | ELEKTRA PURCHASE No. 1 LTD | ST. HELIER | 4 | UNICREDIT BANK AG | .. | (3) |
| 215 | ELEKTRA PURCHASE No. 18 LTD | DUBLIN | 4 | UNICREDIT BANK AG | .. | (3) |
| 216 | ENDERLEIN & CO. GMBH | BIELEFELD | 1 | PLANETHOME AG | 100,00 | |
| 217 | ENTASI SRL | ROME | 1 | UNICREDIT SPA | 100,00 | |
| 218 | ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK GREFRATH KG | OLDENBURG | 1 | WEALTHCAP INVESTORENBETREUUNG GMBH | 0,07 | |
| | | | | WEALTHCAP PEIA MANAGEMENT GMBH | 68,45 | 68,20 |
| 219 | ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK KRAHENBERG KG | OLDENBURG | 1 | WEALTHCAP INVESTORENBETREUUNG GMBH | 0,05 | |
| | | | | WEALTHCAP PEIA MANAGEMENT GMBH | 68,49 | 68,24 |
| 220 | ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK MOSE KG | OLDENBURG | 1 | WEALTHCAP INVESTORENBETREUUNG GMBH | 0,05 | 0,06 |
| | | | | WEALTHCAP PEIA MANAGEMENT GMBH | 68,48 | 68,23 |
| 221 | EUROFINANCE 2000 SRL | ROME | 1 | UNICREDIT SPA | 100,00 | |
| 222 | EUROLEASE AMUN IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 223 | EUROLEASE ANUBIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 224 | EUROLEASE ISIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 225 | EUROLEASE MARDUK IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 226 | EUROLEASE RA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 227 | EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 228 | EUROPA FACILITY MANAGEMENT LTD. | BUDAPEST | 1 | PIONEER INVESTMENT FUND MANAGEMENT LIMITED | 100,00 | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 229 | EUROPA FUND MANAGEMENT (EUROPA BEFEKTETESI ALAPKEZELO RT) | BUDAPEST | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 100,00 | |
| 230 | EUROPE REAL-ESTATE INVESTMENT FUND | HUNGARY | 4 | UNICREDIT BANK HUNGARY ZRT. | .. | (3) |
| 231 | EUROPEAN-OFFICE-FONDS | MUNICH | 4 | UNICREDIT BANK AG | .. | (3) |
| 232 | EUROVENTURES-AUSTRIA-CA-MANAGEMENT GESMBH | VIENNA | 1 | CABET-HOLDING-AKTIENGESELLSCHAFT | 100,00 | |
| 233 | EXPANDA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 234 | FACTORBANK AKTIENGESELLSCHAFT | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 235 | FAMILY CREDIT NETWORK SPA | MILAN | 1 | UNICREDIT SPA | 100,00 | |
| 236 | FINECO LEASING S.P.A. | BRESCIA | 1 | UNICREDIT SPA | 100,00 | |
| 237 | FINECO VERWALTUNG AG | MUNICH | 1 | UNICREDIT SPA | 100,00 | |
| 238 | FINECOBANK SPA | MILAN | 1 | UNICREDIT SPA | 100,00 | |
| 239 | FMC LEASING INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 240 | FMZ SAVARIA SZOLGALTATO KFT | BUDAPEST | 1 | UNICREDIT LEASING KFT | 75,00 | |
| 241 | FMZ SIGMA PROJEKTENTWICKLUNGS GMBH | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 242 | FOLIA LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 99,80 | 100,00 |
| 243 | FONDIARIA LASA SPA | ROME | 1 | IMMOBILIARE PATETTA SRL | 100,00 | |
| 244 | FONDO SIGMA | ROME | 4 | UNICREDIT SPA | .. | (3) |
| 245 | FOOD & MORE GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 246 | FUGATO LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 100,00 | |
| 247 | G.N.E. GLOBAL GRUNDSTUCKSVERWERTUNG GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 248 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99,80 | 100,00 |
| 249 | GBS GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | CALG ANLAGEN LEASING GMBH | 99,00 | 100,00 |
| 250 | GEBAUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 98,80 | 99,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 1,00 | |
| 251 | GELDILUX-TS-2007 S.A. | LUXEMBOURG | 4 | UNICREDIT LUXEMBOURG S.A. | .. | (3) |
| 252 | GELDILUX-TS-2008 S.A. | LUXEMBOURG | 4 | UNICREDIT LUXEMBOURG S.A. | .. | (3) |
| 253 | GELDILUX-TS-2010 S.A. | LUXEMBOURG | 4 | UNICREDIT LUXEMBOURG S.A. | .. | (3) |
| 254 | GEMEINDELEASING GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 37,30 | 37,50 |
| | | | | CALG IMMOBILIEN LEASING GMBH | 37,50 | |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 255 | GEMMA VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG | MUNICH | 4 | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | 6,09 | (3) |
| 256 | GIMMO IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH | MUNICH | 1 | TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | 100,00 | |
| 257 | GOLF- UND COUNTRY CLUB SEDDINER SEE IMMOBILIEN GMBH | MUNICH | 1 | ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | 6,00 | |
| | | | | HVB PROJEKT GMBH | 94,00 | |
| 258 | GRAND CENTRAL FUNDING CORPOTATION | NEW YORK | 4 | UNICREDIT BANK AG | .. | (3) |
| 259 | GRAND CENTRAL RE LIMITED | HAMILTON | 1 | UNICREDIT BANK AG | 92,50 | |
| 260 | GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND) | MUNICH | 1 | TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | 98,24 | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 261 | GRUNDSTUCKSGESELLSCHAFT SIMON BESCHRANKT HAFTENDE KOMMANDITGESELLSCHAF | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 100,00 | |
| 262 | GRUNDSTUCKSVERWALTUNG LINZ-MITTE GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 263 | GUS CONSULTING GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 264 | GYOR BEVASARLOKOZPONT INGATLANBERUHAZO ES UZEMELTETO KORLATOLT FELELOSSEGU TAESASAG | BUDAPEST | 1 | UNICREDIT GLOBAL LEASING EXPORT GMBH | 5,00 | |
| | | | | UNICREDIT-LEASING MIDAS INGATLANHASZNOSITO KARLATOLT FELELOSSEGU TARSASAG | 95,00 | |
| 265 | H & B IMMOBILIEN GMBH & CO. OBJEKTE KG | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 100,00 | |
| 266 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | MUNICH | 1 | UNICREDIT BANK AG | 10,00 | |
| | | | | WEALTH MANAGEMENT CAPITAL HOLDING GMBH | 90,00 | |
| 267 | H.F.S. IMMOBILIENFONDS GMBH | MUNICH | 1 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | 100,00 | |
| 268 | H.F.S. LEASINGFONDS DEUTSCHLAND 1 GMBH & CO. KG (IMMOBILIENLEASING) | MUNICH | 4 | WEALTHCAP REAL ESTATE MANAGEMENT GMBH | 0,08 | (3) |
| 269 | H.F.S. LEASINGFONDS DEUTSCHLAND 7 GMBH & CO. KG | MUNICH | 4 | HVB PROJEKT GMBH | 0,02 | (3) |
| | | | | WEALTHCAP REAL ESTATE MANAGEMENT GMBH | 0,08 | |
| 270 | HAWA GRUNDSTUCKS GMBH & CO. OHG HOTELVERWALTUNG | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 99,50 | |
| | | | | TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT | 0,50 | |
| 271 | HAWA GRUNDSTUCKS GMBH & CO. OHG IMMOBILIENVERWALTUNG | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 99,50 | |
| | | | | TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT | 0,50 | |
| 272 | HERKU LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74,80 | 75,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 273 | HOKA LEASING-GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| | | | | WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 74,80 | 75,00 |
| 274 | HOLDING SP. Z.O.O. (IN LIQUIDATION) | WARSAW | 1 | BANK PEKAO SA | 100,00 | |
| 275 | HONEU LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74,80 | 75,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 276 | HUMAN RESOURCES SERVICE AND DEVELOPMENT GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 277 | HVB - LEASING PLUTO KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 278 | HVB ALTERNATIVE ADVISORS LLC | WILMINGTON | 1 | UNICREDIT BANK AG | 100,00 | |
| 279 | HVB ASIA LIMITED | SINGAPORE | 1 | UNICREDIT BANK AG | 100,00 | |
| 280 | HVB ASSET LEASING LIMITED | LONDON | 1 | HVB LONDON INVESTMENTS (CAM) LIMITED | 100,00 | |
| 281 | HVB ASSET MANAGEMENT HOLDING GMBH | MUNICH | 1 | HVB VERWA 4 GMBH | 100,00 | |
| 282 | HVB AUTO LEASING EOOD | SOFIA | 1 | HVB LEASING OOD | 100,00 | |
| 283 | HVB CAPITAL LLC | WILMINGTON | 1 | UNICREDIT BANK AG | 100,00 | |
| 284 | HVB CAPITAL LLC II | WILMINGTON | 1 | UNICREDIT BANK AG | 100,00 | |
| 285 | HVB CAPITAL LLC III | WILMINGTON | 1 | UNICREDIT BANK AG | 100,00 | |
| 286 | HVB CAPITAL LLC VI | WILMINGTON | 1 | UNICREDIT BANK AG | 100,00 | |
| 287 | HVB CAPITAL LLC VIII | WILMINGTON | 1 | UNICREDIT BANK AG | 100,00 | |
| 288 | HVB CAPITAL PARTNERS AG | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 289 | HVB EXPERTISE GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 290 | HVB EXPORT LEASING GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 291 | HVB FIERO LEASING EOOD | SOFIA | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 292 | HVB FINANCE LONDON LIMITED | LONDON | 1 | UNICREDIT BANK AG | 100,00 | |
| 293 | HVB FUNDING TRUST | WILMINGTON | 4 | UNICREDIT BANK AG | .. | (3) |
| 294 | HVB FUNDING TRUST II | WILMINGTON | 1 | UNICREDIT BANK AG | 100,00 | |
| 295 | HVB FUNDING TRUST III | WILMINGTON | 4 | UNICREDIT BANK AG | .. | (3) |
| 296 | HVB FUNDING TRUST VIII | WILMINGTON | 1 | UNICREDIT BANK AG | 100,00 | |
| 297 | HVB GESELLSCHAFT FUR GEBAUDE BETEILIGUNGS GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 298 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 299 | HVB GLOBAL ASSETS COMPANY (GP), LLC | NEW YORK | 1 | UNICREDIT BANK AG | 100,00 | |
| 300 | HVB GLOBAL ASSETS COMPANY L.P. | NEW YORK | 1 | HVB GLOBAL ASSETS COMPANY (GP), LLC | 0,01 | |
| | | | | UNICREDIT BANK AG | 4,99 | |
| 301 | HVB HONG KONG LIMITED | HONG KONG | 1 | UNICREDIT BANK AG | 100,00 | |
| 302 | HVB IMMOBILIEN AG | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 303 | HVB INTERNATIONAL ASSET LEASING GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 304 | HVB INVESTMENTS (UK) LIMITED | GEORGE TOWN | 1 | UNICREDIT BANK AG | 100,00 | |
| 305 | HVB LEASING CZECH REPUBLIC S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 306 | HVB LEASING MAX INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 307 | HVB LEASING OOD | SOFIA | 1 | UNICREDIT BULBANK AD | 10,00 | |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 90,00 | |
| 308 | HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 309 | HVB LONDON INVESTMENTS (AVON) LIMITED | LONDON | 1 | UNICREDIT BANK AG | 100,00 | |
| 310 | HVB LONDON INVESTMENTS (CAM) LIMITED | LONDON | 1 | UNICREDIT BANK AG | 100,00 | |
| 311 | HVB PRINCIPAL EQUITY GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 312 | HVB PROFIL GESELLSCHAFT FUR PERSONALMANAGEMENT MBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 313 | HVB PROJEKT GMBH | MUNICH | 1 | HVB IMMOBILIEN AG | 94,00 | |
| | | | | UNICREDIT BANK AG | 6,00 | |
| 314 | HVB REALTY CAPITAL INC. | NEW YORK | 1 | UNICREDIT U.S. FINANCE LLC | 100,00 | |
| 315 | HVB SECUR GMBH | MUNICH | 1 | UNICREDIT GLOBAL BUSINESS SERVICES GMBH | 100,00 | |
| 316 | HVB SUPER LEASING EOOD | SOFIA | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 317 | HVB TECTA GMBH | MUNICH | 1 | HVB IMMOBILIEN AG | 94,00 | |
| | | | | UNICREDIT BANK AG | 6,00 | |
| 318 | HVB VERWA 1 GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 319 | HVB VERWA 4 GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 320 | HVB VERWA 4.4 GMBH | MUNICH | 1 | HVB VERWA 4 GMBH | 100,00 | |
| 321 | HVB-LEASING AIDA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 322 | HVB-LEASING ATLANTIS INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 323 | HVB-LEASING DANTE INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 324 | HVB-LEASING FIDELIO INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 325 | HVB-LEASING FORTE INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 326 | HVB-LEASING GARO KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 327 | HVB-LEASING HAMLET INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 328 | HVB-LEASING JUPITER KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 329 | HVB-LEASING LAMOND INGATLANHASZNOSITO KFT. | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 330 | HVB-LEASING MAESTOSO INGATLANHASZNOSITO KFT. | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 331 | HVB-LEASING NANO KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 332 | HVB-LEASING OTHELLO INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 333 | HVB-LEASING ROCCA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 334 | HVB-LEASING RUBIN KFT. | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 335 | HVB-LEASING SMARAGD KFT. | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 336 | HVB-LEASING SPORT INGATLANHASZNOSITO KOLATPOT FEOEOASSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 337 | HVB-LEASING ZAFIR KFT. | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 338 | HVBFF INTERNATIONAL GREECE GMBH | MUNICH | 1 | HVBFF INTERNATIONALE LEASING GMBH | 100,00 | |
| 339 | HVBFF INTERNATIONALE LEASING GMBH | MUNICH | 1 | HVBFF OBJEKT BETEILIGUNGS GMBH | 10,00 | |
| | | | | WEALTHCAP PEIA MANAGEMENT GMBH | 90,00 | |
| 340 | HVBFF OBJEKT BETEILIGUNGS GMBH | MUNICH | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100,00 | |
| 341 | HVBFF PRODUKTIONSHALLE GMBH I.L. | MUNICH | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100,00 | |
| 342 | HVZ GMBH & CO. OBJEKT KG | MUNICH | 1 | PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | 100,00 | |
| 343 | HYPO-BANK VERWALTUNGSZENTRUM GMBH | MUNICH | 1 | PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | 100,00 | |
| 344 | HYPO-BANK VERWALTUNGSZENTRUM GMBH & CO. KG OBJEKT ARABELLASTRASSE | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 100,00 | |
| 345 | HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH & CO. IMMOBILIEN-VERMIETUNGS KG | MUNICH | 1 | HVB PROJEKT GMBH | 80,00 | |
| 346 | HYPOVEREINS IMMOBILIEN EOOD | SOFIA | 1 | UNICREDIT BULBANK AD | 100,00 | |
| 347 | HYPOVEREINSFINANCE N.V. | AMSTERDAM | 1 | UNICREDIT BANK AG | 100,00 | |
| 348 | I-FABER SPA | MILAN | 1 | UNICREDIT SPA | 65,32 | |
| 349 | IMMOBILIARE PATETTA SRL | ROME | 1 | COMPAGNIA ITALPETROLI S.P.A. | 100,00 | |
| 350 | IMMOBILIARE TABACCAIA SRL | MASSA MARITTIMA | 1 | BORGO DI PEROLLA SRL | 100,00 | |
| 351 | IMMOBILIEN RATING GMBH | VIENNA | 1 | BANK AUSTRIA REAL INVEST GMBH | 61,00 | |
| | | | | UNICREDIT BANK AUSTRIA AG | 19,00 | |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 19,00 | |
| 352 | IMMOBILIENLEASING GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H. | 74,80 | 75,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 353 | INFISSER SRL | ROME | 1 | IMMOBILIARE PATETTA SRL | 100,00 | |
| 354 | INPROX CHOMUTOV, S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 355 | INPROX KARLOVY VARY, S.R.O. | PRAGUE | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 356 | INPROX KLADNO, S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 357 | INPROX POPRAD, SPOL. S.R.O. | BRATISLAVA | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 358 | INPROX SR I., SPOL. S R.O. | BRATISLAVA | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 359 | INTERKONZUM DOO SARAJEVO | SARAJEVO | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 360 | INTERNATIONALES IMMOBILIEN-INSTITUT GMBH | MUNICH | 1 | UNICREDIT BANK AG | 94,00 | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 361 | INTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | 1 | HVB IMMOBILIEN AG | 93,85 | |
| | | | | UNICREDIT BANK AG | 6,15 | |
| 362 | INTRO LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 100,00 | |
| 363 | IPSE 2000 S.P.A. (IN LIQUIDAZIONE) | ROME | 1 | UNICREDIT SPA | 50,00 | |
| 364 | IRFIS - FINANZIARIA PER LO SVILUPPO DELLA SICILIA S.P.A. | PALERMO | 1 | UNICREDIT SPA | 76,26 | |
| 365 | ISB UNIVERSALE BAU GMBH | BRANDENBURG | 1 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | 100,00 | |
| 366 | ISTRA D.M.C. DOO | UMAG | 1 | ISTRATURIST UMAG, HOTELIJERSTVO TURIZAM I TURISTICKA AGENCIJA DD | 100,00 | |
| 367 | ISTRATURIST UMAG, HOTELIJERSTVO TURIZAM I TURISTICKA AGENCIJA DD | UMAG | 1 | ZAGREBACKA BANKA DD | 71,80 | |
| 368 | IVONA BETEILIGUNGSVERWALTUNG GMBH | VIENNA | 1 | BA IMMO GEWINNSCHEIN FONDS | 100,00 | |
| 369 | JAUSERN-LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 370 | JOHA GEBAUDE-ERRICHTUNGS-UND VERMIETUNGSGESELLSCHAFT MBH | LEONDING | 1 | TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. | 99,03 | |
| 371 | JSC ATF BANK | ALMATY CITY | 1 | UNICREDIT BANK AUSTRIA AG | 99,67 | 99,74 |
| 372 | KADMOS IMMOBILIEN LEASING GMBH | VIENNA | 1 | RONDO LEASING GMBH | 99,80 | 100,00 |
| 373 | KAISERWASSER BAU-UND ERRICHTUNGS OG | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99,80 | 100,00 |
| 374 | KELLER CROSSING L.P. | ATLANTA | 1 | US PROPERTY INVESTMENTS INC. | 100,00 | |
| 375 | KINABALU FINANCIAL PRODUCTS LLP | LONDON | 1 | UNICREDIT BANK AG | 100,00 | 99,90 |
| 376 | KINABALU FINANCIAL SOLUTIONS LTD | LONDON | 1 | UNICREDIT BANK AG | 100,00 | |
| 377 | KLEA ZS-IMMOBILIENVERMIETUNG G.M.B.H. | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99,80 | 100,00 |
| 378 | KLEA ZS-LIEGENSCHAFTSVERMIETUNG G.M.B.H. | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99,80 | 100,00 |
| 379 | KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H. | VIENNA | 1 | CARD COMPLETE SERVICE BANK AG | 100,00 | |
| 380 | KUNSTHAUS LEASING GMBH | VIENNA | 1 | KUTRA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 5,00 | |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 95,00 | |
| 381 | KUTRA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99,80 | 100,00 |
| 382 | LAGERMAX LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 383 | LAGEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 384 | LARGO LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 1,00 | |
| | | | | VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H. | 98,80 | 99,00 |
| 385 | LASSALLESTRASSE BAU-, PLANUNGS-, ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99,00 | 100,00 |
| 386 | LEASFINANZ BANK GMBH | VIENNA | 1 | BACA LEASING UND BETEILGUNGSMANAGEMENT GMBH | 100,00 | |
| 387 | LEASFINANZ GMBH | VIENNA | 1 | LF BETEILIGUNGEN GMBH | 100,00 | |
| 388 | LEGATO LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74,80 | 75,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 389 | LELEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 390 | LF BETEILIGUNGEN GMBH | VIENNA | 1 | BACA LEASING UND BETEILGUNGSMANAGEMENT GMBH | 100,00 | |
| 391 | LIFE MANAGEMENT ERSTE GMBH | MUNICH | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100,00 | |
| 392 | LIFE MANAGEMENT ZWEITE GMBH | GRUNWALD | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100,00 | |
| 393 | LIFE SCIENCE I BETEILIGUNGS GMBH | MUNICH | 1 | HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG | 100,00 | |
| 394 | LIMITED LIABILITY COMPANY B.A. REAL ESTATE | MOSCOW | 1 | ZAO UNICREDIT BANK | 100,00 | |
| 395 | LINO HOTEL-LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 396 | LIPARK LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74,80 | 75,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 397 | LIVA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 398 | LLC AI LINE | MOSCOW | 1 | UNICREDIT SECURITIES INTERNATIONAL LIMITED | 99,90 | |
| 399 | LLC UKROTSBUD | KIEV | 1 | PUBLIC JOINT STOCK COMPANY UKRSOTSBANK | 99,00 | |
| 400 | LOCALMIND SPA | MILAN | 1 | UNICREDIT SPA | 95,76 | |
| 401 | LOCAT CROATIA DOO | ZAGREB | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 402 | LOWES LIMITED | NICOSIA | 1 | AI BETEILIGUNG GMBH | 100,00 | |
| 403 | LTD SI&C AMC UKRSOTS REAL ESTATE | KIEV | 1 | PUBLIC JOINT STOCK COMPANY UKRSOTSBANK | 100,00 | |
| 404 | M. A. V. 7., BANK AUSTRIA LEASING BAUTRAGER GMBH & CO.OHG. | VIENNA | 1 | UNICREDIT MOBILIEN LEASING GMBH | 98,04 | 100,00 |
| 405 | M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B. H. & CO. MCL THETA K | VIENNA | 1 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | 100,00 | |
| 406 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | VIENNA | 1 | BANK AUSTRIA REAL INVEST GMBH | 99,95 | |
| | | | | TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. | 0,05 | |
| 407 | MARKETING ZAGREBACKE BANKE DOO | ZAGREB | 1 | ZAGREBACKA BANKA DD | 100,00 | |
| 408 | MARTIANEZ COMERCIAL, SOCIEDAD ANONIMA | PUERTO DE LA CRUZ | 1 | UNICREDIT PEGASUS LEASING GMBH | 99,96 | 100,00 |
| 409 | MBC IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 410 | MC MARKETING GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 411 | MC RETAIL GMBH | VIENNA | 1 | MC MARKETING GMBH | 100,00 | |
| 412 | MENUETT GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 413 | MERIDIONALE PETROLI SRL | VIBO VALENTIA | 1 | COM.P.I.S. - COMPAGNIA PETROLIFERA ITALIA SUD SOCIETA' A RESPONSABILITA' LIMITATA | 98,66 | |
| 414 | MERKURHOF GRUNDSTUCKSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 415 | MEZZANIN FINANZIERUNGS AG | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 56,67 | |
| 416 | MIK BETA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 417 | MIK INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 418 | MILLETERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | 1 | HVB IMMOBILIEN AG | 100,00 | |
| 419 | MM OMEGA PROJEKTENTWICKLUNGS GMBH | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 420 | MOBILITY CONCEPT GMBH | OBERHACHING | 1 | UNICREDIT LEASING GMBH | 60,00 | |
| 421 | MOC VERWALTUNGS GMBH & CO. IMMOBILIEN KG | MUNICH | 4 | HVB PROJEKT GMBH | 23,00 | (3) |
| 422 | MOGRA LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74,80 | 75,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 423 | MOVIE MARKET BETEILIGUNGS GMBH | MUNICH | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100,00 | |
| 424 | MY BETEILIGUNGS GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 425 | NAGE LOKALVERMIETUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 426 | NATA IMMOBILIEN-LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 51,50 | |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 6,00 | |
| 427 | NF OBJEKT FFM GMBH | MUNICH | 1 | HVB IMMOBILIEN AG | 100,00 | |
| 428 | NF OBJEKT MUNCHEN GMBH | MUNICH | 1 | HVB IMMOBILIEN AG | 100,00 | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 429 | NF OBJEKTE BERLIN GMBH | MUNICH | 1 | HVB IMMOBILIEN AG | 100,00 | |
| 430 | NO. HYPO LEASING ASTRICTA GRUNDSTUCKVERMIETUNGS GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 95,00 | |
| 431 | NXP CO-INVESTMENT PARTNERS VIII L.P. | LONDON | 1 | HVB CAPITAL PARTNERS AG | 85,00 | |
| 432 | OCEAN BREEZE ENERGY GMBH & CO. KG | MUNICH | 4 | OCEAN BREEZE FINANCE S.A. - COMPARTMENT 1 | .. | (3) |
| 433 | OCEAN BREEZE FINANCE S.A. - COMPARTMENT 1 | LUXEMBOURG | 4 | UNICREDIT BANK AG | .. | (3) |
| 434 | OCT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 435 | OLG HANDELS- UND BETEILIGUNGSVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 100,00 | |
| 436 | OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT EGGENFELDENER STRASSE KG | MUNICH | 1 | HVB IMMOBILIEN AG | 94,00 | |
| | | | | UNICREDIT BANK AG | 6,00 | |
| 437 | OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT HAIDENAUPLATZ KG | MUNICH | 1 | HVB IMMOBILIEN AG | 94,00 | |
| | | | | UNICREDIT BANK AG | 6,00 | |
| 438 | OOO UNICREDIT LEASING | MOSCOW | 1 | UNICREDIT LEASING S.P.A. | 60,00 | |
| | | | | ZAO UNICREDIT BANK | 40,00 | |
| 439 | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 100,00 | |
| 440 | OTHMARSCHEN PARK HAMBURG GMBH & CO. CENTERPARK KG | MUNICH | 1 | HVB PROJEKT GMBH | 10,00 | |
| | | | | T & P FRANKFURT DEVELOPMENT B.V. | 30,00 | |
| | | | | T & P VASTGOED STUTTGART B.V. | 60,00 | |
| 441 | OTHMARSCHEN PARK HAMBURG GMBH & CO. GEWERBEPARK KG | MUNICH | 1 | HVB PROJEKT GMBH | 10,00 | |
| | | | | T & P FRANKFURT DEVELOPMENT B.V. | 30,00 | |
| | | | | T & P VASTGOED STUTTGART B.V. | 60,00 | |
| 442 | PALAIS ROTHSCHILD VERMIETUNGS GMBH & CO OG | VIENNA | 1 | SCHOELLERBANK AKTIENGESELLSCHAFT | 100,00 | |
| 443 | PARZHOF-ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 99,60 | 99,80 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 0,20 | |
| 444 | PAZONYI'98 INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 445 | PEKAO BANK HIPOTECZNY S.A. | WARSAW | 1 | BANK PEKAO SA | 100,00 | |
| 446 | PEKAO FAKTORING SP. ZOO | LUBLIN | 1 | BANK PEKAO SA | 100,00 | |
| 447 | PEKAO FINANCIAL SERVICES SP. ZOO | WARSAW | 1 | BANK PEKAO SA | 100,00 | |
| 448 | PEKAO FUNDUSZ KAPITALOWY SP. ZOO | WARSAW | 1 | BANK PEKAO SA | 100,00 | |
| 449 | PEKAO LEASING HOLDING S.A. | WARSAW | 1 | BANK PEKAO SA | 80,10 | |
| | | | | UNICREDIT LEASING S.P.A. | 19,90 | |
| 450 | PEKAO LEASING SP ZO.O. | WARSAW | 1 | BANK PEKAO SA | 36,49 | |
| | | | | PEKAO LEASING HOLDING S.A. | 63,51 | |
| 451 | PEKAO PIONEER P.T.E. SA | WARSAW | 1 | BANK PEKAO SA | 65,00 | |
| | | | | PIONEER GLOBAL ASSET MANAGEMENT SPA | 35,00 | |
| 452 | PEKAO TELECENTRUM SP. ZOO | KRAKOW | 1 | BANK PEKAO SA | 100,00 | |
| 453 | PELOPS LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 454 | PENSIONSKASSE DER HYPO VEREINSBANK VVAG | MUNICH | 4 | UNICREDIT BANK AG | .. | (3) |
| 455 | PESTSZENTIMREI SZAKORVOSI RENDELO KFT. | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 456 | PETROLI INVESTIMENTI SPA | CIVITAVECCHIA | 1 | COMPAGNIA ITALPETROLI S.P.A. | 100,00 | |
| 457 | PIANA LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |

| | | | | OWNERSHIP RELATIONSHIP | | |
|---|---|---|---|---|---|---|
| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | HELD BY | HOLDING % | VOTING RIGHTS (2) |
| 458 | PIONEER ALTERNATIVE INVESTMENT MANAGEMENT (BERMUDA) LIMITED | HAMILTON | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 459 | PIONEER ALTERNATIVE INVESTMENT MANAGEMENT LTD | DUBLIN | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 460 | PIONEER ALTERNATIVE INVESTMENT MANAGEMENT SGR PA | MILAN | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 461 | PIONEER ALTERNATIVE INVESTMENTS (ISRAEL) LTD | RAMAT GAN. | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 462 | PIONEER ALTERNATIVE INVESTMENTS (NEW YORK) LTD | DOVER | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 463 | PIONEER ASSET MANAGEMENT AS | PRAGUE | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 464 | PIONEER ASSET MANAGEMENT S.A.I. S.A. | BUCHAREST | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 97,43 | |
| | | | | UNICREDIT TIRIAC BANK S.A. | 2,57 | |
| 465 | PIONEER ASSET MANAGEMENT SA | LUXEMBOURG | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 466 | PIONEER FUNDS DISTRIBUTOR INC | BOSTON | 1 | PIONEER INVESTMENT MANAGEMENT INC | 100,00 | |
| 467 | PIONEER GLOBAL ASSET MANAGEMENT SPA | MILAN | 1 | UNICREDIT SPA | 100,00 | |
| 468 | PIONEER GLOBAL FUNDS DISTRIBUTOR LTD | HAMILTON | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 469 | PIONEER GLOBAL INVESTMENTS (AUSTRALIA) PTY LIMITED | SYDNEY | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 470 | PIONEER GLOBAL INVESTMENTS (HK) LIMITED IN LIQUIDATION | HONG KONG | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 471 | PIONEER GLOBAL INVESTMENTS (TAIWAN) LTD. | TAIPEI | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 472 | PIONEER GLOBAL INVESTMENTS LIMITED | DUBLIN | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 473 | PIONEER INSTITUTIONAL ASSET MANAGEMENT INC | WILMINGTON | 1 | PIONEER INVESTMENT MANAGEMENT USA INC. | 100,00 | |
| 474 | PIONEER INVESTMENT COMPANY AS | PRAGUE | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 475 | PIONEER INVESTMENT FUND MANAGEMENT LIMITED | BUDAPEST | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 476 | PIONEER INVESTMENT MANAGEMENT INC | WILMINGTON | 1 | PIONEER INVESTMENT MANAGEMENT USA INC. | 100,00 | |
| 477 | PIONEER INVESTMENT MANAGEMENT LIMITED | DUBLIN | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 478 | PIONEER INVESTMENT MANAGEMENT LLC | MOSCOW | 1 | PIONEER ASSET MANAGEMENT AS | 1,00 | |
| | | | | PIONEER GLOBAL ASSET MANAGEMENT SPA | 99,00 | |
| 479 | PIONEER INVESTMENT MANAGEMENT SHAREHOLDER SERVICES INC. | BOSTON | 1 | PIONEER INVESTMENT MANAGEMENT USA INC. | 100,00 | |
| 480 | PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ | MILAN | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 481 | PIONEER INVESTMENT MANAGEMENT USA INC. | WILMINGTON | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 482 | PIONEER INVESTMENTS AG | BERN | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 483 | PIONEER INVESTMENTS AUSTRIA GMBH | VIENNA | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 484 | PIONEER INVESTMENTS KAPITALANLAGEGESELLSCHAFT MBH | MUNICH | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100,00 | |
| 485 | PIONEER PEKAO INVESTMENT FUND COMPANY SA (POLISH NAME: PIONEER PEKAO TFI SA) | WARSAW | 1 | PIONEER PEKAO INVESTMENT MANAGEMENT SA | 100,00 | |
| 486 | PIONEER PEKAO INVESTMENT MANAGEMENT SA | WARSAW | 1 | BANK PEKAO SA | 49,00 | |
| | | | | PIONEER GLOBAL ASSET MANAGEMENT SPA | 51,00 | |
| 487 | PLANETHOME AG | UNTERFOHRI NG | 1 | UNICREDIT BANK AG | 100,00 | |
| 488 | PLANETHOME GMBH | MANNHEIM | 1 | PLANETHOME AG | 100,00 | |
| 489 | POLLUX IMMOBILIEN G.M.B.H. | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99,80 | |
| 490 | POMINVEST DD | SPLIT | 1 | ZAGREBACKA BANKA DD | 88,66 | 88,95 |
| 491 | PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 100,00 | |
| 492 | PORTIA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 100,00 | |

| | | | | OWNERSHIP RELATIONSHIP | | |
|---|---|---|---|---|---|---|
| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | HELD BY | HOLDING % | VOTING RIGHTS (2) |
| 493 | POSATO LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74,80 | 75,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 494 | PRELUDE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 98,80 | 99,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 1,00 | |
| 495 | PRIM Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 496 | PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL | KIEV | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 497 | PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H. | 74,80 | 75,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 498 | PRVA STAMBENA STEDIONICA DD ZAGREB | ZAGREB | 1 | ZAGREBACKA BANKA DD | 100,00 | |
| 499 | PUBLIC JOINT STOCK COMPANY UKRSOTSBANK | KIEV | 1 | PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL | 69,15 | 69,16 |
| | | | | UNICREDIT BANK AUSTRIA AG | 26,19 | 26,20 |
| 500 | PUBLIC JOINT STOCK COMPANY UNICREDIT BANK | KIEV | 1 | BANK PEKAO SA | 100,00 | |
| 501 | QUADEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 502 | QUART Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | CALG ANLAGEN LEASING GMBH | 99,80 | 100,00 |
| 503 | QUERCIA FUNDING SRL | VERONA | 1 | UNICREDIT SPA | 100,00 | |
| 504 | QUINT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 505 | RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. & CO OG | VIENNA | 1 | RAMSES-IMMOBILIENHOLDING GMBH | 0,20 | |
| | | | | UNICREDIT BANK AUSTRIA AG | 99,30 | |
| 506 | RANA-LIEGENSCHAFTSVERWERTUNG GMBH | VIENNA | 1 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | 99,90 | |
| 507 | REAL ESTATE MANAGEMENT POLAND SP. Z O.O. | WARSAW | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 508 | REAL INVEST IMMOBILIEN GMBH | VIENNA | 1 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | 100,00 | |
| 509 | REAL-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 510 | REAL-RENT LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 511 | REDSTONE MORTGAGES LIMITED | LONDON | 1 | UNICREDIT BANK AG | 100,00 | |
| 512 | REGEV REALITATENVERWERTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 513 | RHOTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | 1 | HVB IMMOBILIEN AG | 93,85 | |
| | | | | UNICREDIT BANK AG | 6,15 | |
| 514 | RIGEL IMMOBILIEN GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99,80 | |
| 515 | ROMA 2000 SRL | ROME | 1 | COMPAGNIA ITALPETROLI S.P.A. | 100,00 | |
| 516 | RONCASA IMMOBILIEN-VERWALTUNGS GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 90,00 | |
| 517 | RONDO LEASING GMBH | VIENNA | 1 | WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 100,00 | |
| 518 | ROSENKAVALIER 2008 GMBH | FRANKFURT | 4 | UNICREDIT BANK AG | .. | (3) |
| 519 | RSB ANLAGENVERMIETUNG GESELLSCHAFT M.B.H. | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99,80 | 100,00 |
| 520 | S.I.P.I.C. - SOCIETA' INDUSTRIALE PETROLIFERA ITALIA CENTRALE SRL | ROME | 1 | COMPAGNIA ITALPETROLI S.P.A. | 100,00 | |
| 521 | SALOME FUNDING PLC | DUBLIN | 4 | UNICREDIT BANK AG | .. | (3) |
| 522 | SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH | MUNICH | 1 | PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | 100,00 | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 523 | SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. OHG SAARLAND | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 100,00 | |
| 524 | SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. OHG VERWALTUNGSZENTRUM | MUNICH | 1 | PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | 97,78 | |
| | | | | TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT | 2,22 | |
| 525 | SANITA' - S.R.L. IN LIQUIDAZIONE | ROME | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 99,60 | |
| 526 | SANTA ROSA SAS | ROME | 1 | IMMOBILIARE PATETTA SRL | 99,42 | |
| | | | | SOCIETA' COLLE AURELIA IMMOBILIARE S.C.A.I. SRL | 0,58 | |
| 527 | SAS-REAL KFT. | BUDAPEST | 1 | UNICREDIT BANK HUNGARY ZRT. | 100,00 | |
| 528 | SCHOELLERBANK AKTIENGESELLSCHAFT | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 529 | SCHOELLERBANK INVEST AG | SALZBURG | 1 | SCHOELLERBANK AKTIENGESELLSCHAFT | 100,00 | |
| 530 | SECA-LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 74,80 | 75,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 531 | SEDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 532 | SEXT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99,80 | 100,00 |
| 533 | SHS LEASING GMBH | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 98,80 | 99,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 1,00 | |
| 534 | SIA UNICREDIT INSURANCE BROKER | RIGA | 1 | SIA UNICREDIT LEASING | 100,00 | |
| 535 | SIA UNICREDIT LEASING | RIGA | 1 | AS UNICREDIT BANK | 5,01 | |
| | | | | UNICREDIT LEASING S.P.A. | 94,99 | |
| 536 | SIGMA LEASING GMBH | VIENNA | 1 | CALG ANLAGEN LEASING GMBH | 99,40 | 99,60 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 0,40 | |
| 537 | SIMON VERWALTUNGS-AKTIENGESELLSCHAFT I.L. | MUNICH | 1 | UNICREDIT BANK AG | 99,98 | |
| 538 | SIRIUS IMMOBILIEN GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99,80 | |
| 539 | SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 5,00 | |
| | | | | SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG | 95,00 | |
| 540 | SOCIETA ' SPORTIVA TORREVECCHIA SRL | ROME | 1 | COMPAGNIA FONDIARIA ROMANA (C.F.R.) SRL | 100,00 | |
| 541 | SOCIETA' BENI CULTURALI A R.L. | ROME | 1 | FONDIARIA LASA SPA | 5,00 | |
| | | | | IMMOBILIARE PATETTA SRL | 95,00 | |
| 542 | SOCIETA' DEPOSITI COSTIERI - SO.DE.CO. SRL | ROME | 1 | COMPAGNIA ITALPETROLI S.P.A. | 100,00 | |
| 543 | SOCIETA' DI GESTIONI ESATTORIALI IN SICILIA SO.G.E.SI. S.P.A. IN LIQ. | PALERMO | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 80,00 | |
| 544 | SOCIETA' ITALIANA GESTIONE ED INCASSO CREDITI S.P.A. IN LIQUIDAZIONE | ROME | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 100,00 | |
| 545 | SOCIETA' PETROLIFERA GIOIA TAURO SRL | REGGIO CALABRIA | 1 | MERIDIONALE PETROLI SRL | 49,00 | |
| | | | | SOCIETA' DEPOSITI COSTIERI - SO.DE.CO. SRL | 51,00 | |
| 546 | SOCIETA' VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L. | ROME | 1 | IMMOBILIARE PATETTA SRL | 100,00 | |
| 547 | SOCIETA' VISSANA INDUSTRIA LAVORAZIONE ALIMENTARE S.V.I.L.A. A RESPONSABILITA' LIMITATA | VISSO | 1 | COMPAGNIA ITALPETROLI S.P.A. | 100,00 | |
| 548 | SOFIGERE SOCIETE PAR ACTIONS SIMPLIFIEE | PARIS | 1 | UNICREDIT SPA | 100,00 | |
| 549 | SOFIPA SOCIETA' DI GESTIONE DEL RISPARMIO (SGR) S.P.A. | ROME | 1 | UNICREDIT SPA | 100,00 | |
| 550 | SOLARIS VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG | MUNICH | 1 | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | 94,90 | |
| 551 | SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG | MUNICH | 1 | HVB PROJEKT GMBH | 100,00 | |

| | | | | OWNERSHIP RELATIONSHIP | | |
|---|---|---|---|---|---|---|
| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | HELD BY | HOLDING % | VOTING RIGHTS (2) |
| 552 | SONATA LEASING-GESELLSCHAFT M.B.H. | VIENNA | 1 | ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H. | 1,00 | |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 98,80 | 99,00 |
| 553 | SPECTRUM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 100,00 | |
| 554 | SPREE GALERIE HOTELBETRIEBSGESELLSCHAFT MBH | MUNICH | 1 | ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH | 100,00 | |
| 555 | SRQ FINANZPARTNER AG | BERLIN | 1 | DAB BANK AG | 82,25 | |
| 556 | STATUS VERMOGENSVERWALTUNG GMBH | SCHWERIN | 1 | UNICREDIT BANK AG | 100,00 | |
| 557 | STEWE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 24,00 | |
| | | | | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 75,80 | 76,00 |
| 558 | STRUCTURED INVEST SOCIETE ANONYME | LUXEMBOURG | 1 | UNICREDIT BANK AG | 100,00 | |
| 559 | STRUCTURED LEASE GMBH | HAMBURG | 1 | UNICREDIT LEASING GMBH | 100,00 | |
| 560 | SVIF UKRSOTSBUD | KIEV | 4 | PUBLIC JOINT STOCK COMPANY UKRSOTSBANK | .. | (3) |
| 561 | T & P FRANKFURT DEVELOPMENT B.V. | AMSTERDAM | 1 | HVB PROJEKT GMBH | 100,00 | |
| 562 | T & P VASTGOED STUTTGART B.V. | AMSTERDAM | 1 | HVB PROJEKT GMBH | 87,50 | |
| 563 | TENDER OPTION BONDS | NEW YORK | 4 | UNICREDIT BANK AG | .. | (3) |
| 564 | TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | MUNICH | 1 | HVB TECTA GMBH | 75,00 | |
| 565 | TERRONDA DEVELOPMENT B.V. | AMSTERDAM | 1 | HVB PROJEKT GMBH | 100,00 | |
| 566 | TERZ Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 567 | THE TRANS VALUE TRUST COMPANY LTD | TOKYO | 4 | UNICREDIT BANK AG | .. | (3) |
| 568 | TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT | MUNICH | 1 | PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | 99,67 | |
| 569 | TRANSTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | 1 | HVB IMMOBILIEN AG | 93,85 | |
| | | | | UNICREDIT BANK AG | 6,15 | |
| 570 | TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 571 | TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | BANK AUSTRIA REAL INVEST GMBH | 100,00 | |
| 572 | TREVI FINANCE N. 2 S.P.A. | CONEGLIANO (TREVISO) | 1 | UNICREDIT SPA | 60,00 | |
| 573 | TREVI FINANCE N. 3 S.R.L. | CONEGLIANO (TREVISO) | 1 | UNICREDIT SPA | 60,00 | |
| 574 | TREVI FINANCE S.P.A. | CONEGLIANO (TREVISO) | 1 | UNICREDIT SPA | 60,00 | |
| 575 | TRICASA GRUNDBESITZ GESELLSCHAFT MBH & CO. 1. VERMIETUNGS KG | MUNICH | 1 | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | 100,00 | |
| 576 | TRICASA GRUNDBESITZGESELLSCHAFT DES BURGERLICHEN RECHTS NR. 1 | MUNICH | 1 | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | 100,00 | |
| 577 | TRIESTE ADRIATIC MARITIME INITIATIVES SRL | TRIESTE | 3 | UNICREDIT SPA | 31,00 | |
| 578 | TRINITRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 579 | UCL NEKRETNINE D.O.O. | SARAJEVO | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 30,00 | |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 70,00 | |
| 580 | UCTAM BALTICS SIA | RIGA | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 100,00 | |
| 581 | UCTAM RK LIMITED LIABILITY COMPANY | ALMATY CITY | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 100,00 | |
| 582 | UCTAM RO SRL | BUCHAREST | 1 | UCTAM BALTICS SIA | 0,02 | |
| | | | | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 99,98 | |

| | | | | OWNERSHIP RELATIONSHIP | | |
|---|---|---|---|---|---|---|
| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | HELD BY | HOLDING % | VOTING RIGHTS (2) |
| 583 | UCTAM RU LIMITED LIABILITY COMPANY | MOSCOW | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 100,00 | |
| | | | | ZAO UNICREDIT BANK | .. | |
| 584 | UCTAM UKRAINE LLC | KIEV | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 99,90 | |
| 585 | UCTAM UPRAVLJANJE DOO | LJUBLJANA | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 100,00 | |
| 586 | UFFICIUM IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | KUTRA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 5,00 | |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 95,00 | |
| 587 | UGIS AUSTRIA GMBH | VIENNA | 1 | UNICREDIT GLOBAL INFORMATION SERVICES SOCIETA CONSORTILE PER AZIONI | 100,00 | |
| 588 | UNI IT SRL | TRENTO | 1 | UNICREDIT BUSINESS PARTNER SOCIETA' CONSORTILE PER AZIONI | 51,00 | |
| 589 | UNICOM IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 590 | UNICREDIT (CHINA) ADVISORY LIMITED | BEIJING | 1 | UNICREDIT BANK AG | 100,00 | |
| 591 | UNICREDIT AUDIT SOCIETA' CONSORTILE PER AZIONI | MILAN | 1 | FAMILY CREDIT NETWORK SPA | 0,02 | |
| | | | | FINECOBANK SPA | 0,01 | |
| | | | | IRFIS - FINANZIARIA PER LO SVILUPPO DELLA SICILIA S.P.A. | 0,01 | |
| | | | | PIONEER ALTERNATIVE INVESTMENT MANAGEMENT SGR PA | 0,01 | |
| | | | | PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ | 0,01 | |
| | | | | SOFIPA SOCIETA' DI GESTIONE DEL RISPARMIO (SGR) S.P.A. | 0,02 | |
| | | | | UNICREDIT BUSINESS PARTNER SOCIETA' CONSORTILE PER AZIONI | 0,01 | |
| | | | | UNICREDIT FACTORING SPA | 0,01 | |
| | | | | UNICREDIT GLOBAL INFORMATION SERVICES SOCIETA CONSORTILE PER AZIONI | 0,01 | |
| | | | | UNICREDIT REAL ESTATE SOCIETA' CONSORTILE PER AZIONI | 0,01 | |
| | | | | UNICREDIT SPA | 99,88 | |
| 592 | UNICREDIT AURORA LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 593 | UNICREDIT AUTO LEASING E.O.O.D. | SOFIA | 1 | UNICREDIT LEASING AD | 100,00 | |
| 594 | UNICREDIT BANK AD BANJA LUKA | BANJA LUKA | 1 | UNICREDIT BANK AUSTRIA AG | 92,92 | |
| 595 | UNICREDIT BANK AG | MUNICH | 1 | UNICREDIT SPA | 100,00 | |
| 596 | UNICREDIT BANK AUSTRIA AG | VIENNA | 1 | UNICREDIT SPA | 99,99 | |
| 597 | UNICREDIT BANK CZECH REPUBLIC A.S. | PRAGUE | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 598 | UNICREDIT BANK DD | MOSTAR | 1 | UNICREDIT BANK AUSTRIA AG | 24,40 | 24,29 |
| | | | | UNICREDIT SPA | 3,27 | 3,28 |
| | | | | ZAGREBACKA BANKA DD | 65,59 | 65,69 |
| 599 | UNICREDIT BANK HUNGARY ZRT. | BUDAPEST | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 600 | UNICREDIT BANK IRELAND PLC | DUBLIN | 1 | UNICREDIT SPA | 100,00 | |
| 601 | UNICREDIT BANK OJSC | BISHKEK | 1 | JSC ATF BANK | 97,14 | |
| 602 | UNICREDIT BANK SERBIA JSC | BELGRADE | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 603 | UNICREDIT BANK SLOVAKIA AS | BRATISLAVA | 1 | UNICREDIT BANK AUSTRIA AG | 99,03 | |
| 604 | UNICREDIT BANKA SLOVENIJA D.D. | LJUBLJANA | 1 | UNICREDIT BANK AUSTRIA AG | 99,99 | |
| 605 | UNICREDIT BETEILIGUNGS GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 606 | UNICREDIT BPC MORTGAGE S.R.L. | VERONA | 1 | UNICREDIT SPA | 60,00 | |
| 607 | UNICREDIT BROKER DOO SARAJEVO ZA BROKERSKE POSLOVE U OSIGURANJU | SARAJEVO | 1 | UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH | 100,00 | |
| 608 | UNICREDIT BROKER S.R.O. | BRATISLAVA | 1 | UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH | 19,68 | |
| | | | | UNICREDIT LEASING SLOVAKIA A.S. | 80,32 | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 609 | UNICREDIT BULBANK AD | SOFIA | 1 | UNICREDIT BANK AUSTRIA AG | 96,46 | |
| | | | | UNICREDIT SPA | .. | |
| 610 | UNICREDIT BUSINESS PARTNER GMBH | VIENNA | 1 | UNICREDIT BUSINESS PARTNER SOCIETA' CONSORTILE PER AZIONI | 100,00 | |
| 611 | UNICREDIT BUSINESS PARTNER S.R.O. | PRAGUE | 1 | UNICREDIT BUSINESS PARTNER SOCIETA' CONSORTILE PER AZIONI | 100,00 | |
| 612 | UNICREDIT BUSINESS PARTNER SOCIETA' CONSORTILE PER AZIONI | COLOGNO MONZESE | 1 | FINECOBANK SPA | .. | |
| | | | | PIONEER ALTERNATIVE INVESTMENT MANAGEMENT SGR PA | .. | |
| | | | | PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ | .. | |
| | | | | SOFIPA SOCIETA' DI GESTIONE DEL RISPARMIO (SGR) S.P.A. | .. | |
| | | | | UNICREDIT BANK AG | .. | |
| | | | | UNICREDIT FACTORING SPA | .. | |
| | | | | UNICREDIT REAL ESTATE SOCIETA' CONSORTILE PER AZIONI | .. | |
| | | | | UNICREDIT SPA | 100,00 | |
| | | | | UNIMANAGEMENT SCARL | .. | |
| 613 | UNICREDIT CA IB ROMANIA SRL | BUCHAREST | 1 | UNICREDIT BANK AUSTRIA AG | 99,99 | |
| | | | | UNICREDIT CAIB SLOVAKIA, A.S. | 0,01 | |
| 614 | UNICREDIT CA IB SECURITIES ROMANIA S.A. | BUCHAREST | 1 | BA-CA MARKETS & INVESTMENT BETEILIGUNG GMBH | 80,02 | |
| | | | | UNICREDIT TIRIAC BANK S.A. | 19,98 | |
| 615 | UNICREDIT CAIB CZECH REPUBLIC AS | PRAGUE | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 616 | UNICREDIT CAIB HUNGARY LTD | BUDAPEST | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 617 | UNICREDIT CAIB POLAND S.A. | WARSAW | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 618 | UNICREDIT CAIB SECURITIES UK LTD. | LONDON | 1 | UNICREDIT BANK AG | 100,00 | |
| 619 | UNICREDIT CAIB SERBIA LTD BELGRADE | BELGRADE | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 620 | UNICREDIT CAIB SLOVAKIA, A.S. | BRATISLAVA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 621 | UNICREDIT CAIB SLOVENIJA DOO | LJUBLJANA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 622 | UNICREDIT CAPITAL MARKETS LLC | NEW YORK | 1 | UNICREDIT U.S. FINANCE LLC | 100,00 | |
| 623 | UNICREDIT CONSUMER FINANCING AD | SOFIA | 1 | UNICREDIT BULBANK AD | 49,90 | |
| | | | | UNICREDIT SPA | 50,10 | |
| 624 | UNICREDIT CONSUMER FINANCING IFN S.A. | BUCHAREST | 1 | UNICREDIT SPA | 53,94 | |
| | | | | UNICREDIT TIRIAC BANK S.A. | 46,06 | |
| 625 | UNICREDIT CREDIT MANAGEMENT BANK SPA | VERONA | 1 | UNICREDIT SPA | 100,00 | |
| 626 | UNICREDIT CREDIT MANAGEMENT IMMOBILIARE S.P.A. | VERONA | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 100,00 | |
| 627 | UNICREDIT DELAWARE INC | DOVER | 1 | UNICREDIT SPA | 100,00 | |
| 628 | UNICREDIT DIRECT SERVICES GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 629 | UNICREDIT FACTORING EAD | SOFIA | 1 | UNICREDIT BULBANK AD | 100,00 | |
| 630 | UNICREDIT FACTORING SPA | MILAN | 1 | UNICREDIT SPA | 100,00 | |
| 631 | UNICREDIT FLEET MANAGEMENT S.R.O. | PRAGUE | 1 | UNICREDIT LEASING CZ, A.S. | 100,00 | |
| 632 | UNICREDIT FLEET MANAGEMENT S.R.O. | BRATISLAVA | 1 | UNICREDIT LEASING SLOVAKIA A.S. | 100,00 | |
| 633 | UNICREDIT FUGGETLEN BIZTOSITASKOZVETITO KFT | BUDAPEST | 1 | UNICREDIT BANK HUNGARY ZRT. | 25,20 | |
| | | | | UNICREDIT LEASING KFT | 74,80 | |
| 634 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | VIENNA | 1 | EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 635 | UNICREDIT GLOBAL BUSINESS SERVICES GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 636 | UNICREDIT GLOBAL INFORMATION SERVICES SOCIETA CONSORTILE PER AZIONI | MILAN | 1 | FAMILY CREDIT NETWORK SPA | .. | |
| | | | | FINECOBANK SPA | .. | |
| | | | | IRFIS - FINANZIARIA PER LO SVILUPPO DELLA SICILIA S.P.A. | .. | |
| | | | | PIONEER ALTERNATIVE INVESTMENT MANAGEMENT SGR PA | .. | |
| | | | | PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ | .. | |
| | | | | SOFIPA SOCIETA' DI GESTIONE DEL RISPARMIO (SGR) S.P.A. | .. | |
| | | | | UNICREDIT AUDIT SOCIETA' CONSORTILE PER AZIONI | .. | |
| | | | | UNICREDIT BANK AG | .. | |
| | | | | UNICREDIT BUSINESS PARTNER SOCIETA' CONSORTILE PER AZIONI | .. | |
| | | | | UNICREDIT FACTORING SPA | .. | |
| | | | | UNICREDIT REAL ESTATE SOCIETA' CONSORTILE PER AZIONI | .. | |
| | | | | UNICREDIT SPA | 100,00 | |
| | | | | UNIMANAGEMENT SCARL | .. | |
| 637 | UNICREDIT GLOBAL LEASING EXPORT GMBH | VIENNA | 1 | UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH | 100,00 | |
| 638 | UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH | VIENNA | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 639 | UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH | VIENNA | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 640 | UNICREDIT INGATLANLIZING ZRT | BUDAPEST | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 641 | UNICREDIT INSURANCE BROKER EOOD | SOFIA | 1 | UNICREDIT LEASING AD | 100,00 | |
| 642 | UNICREDIT INSURANCE BROKER SRL | BUCHAREST | 1 | BA-CA LEASING VERSICHERUNGSSERVICE GMBH | 99,80 | |
| 643 | UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA | LUXEMBOURG | 1 | UNICREDIT SPA | 100,00 | |
| 644 | UNICREDIT JELZALOGBANK ZRT. | BUDAPEST | 1 | UNICREDIT BANK HUNGARY ZRT. | 100,00 | |
| 645 | UNICREDIT KFZ LEASING GMBH | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 100,00 | |
| 646 | UNICREDIT LEASING (AUSTRIA) GMBH | VIENNA | 1 | UNICREDIT LEASING S.P.A. | 99,98 | 100,00 |
| 647 | UNICREDIT LEASING AD | SOFIA | 1 | HVB LEASING OOD | 40,22 | |
| | | | | UNICREDIT BULBANK AD | 24,37 | |
| | | | | UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH | 10,05 | |
| | | | | UNICREDIT LEASING S.P.A. | 25,36 | |
| 648 | UNICREDIT LEASING AVIATION GMBH | HAMBURG | 1 | UNICREDIT LEASING GMBH | 100,00 | |
| 649 | UNICREDIT LEASING BAUTRAGER GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 650 | UNICREDIT LEASING CORPORATION IFN S.A. | BUCHAREST | 1 | UNICREDIT LEASING S.P.A. | 80,00 | |
| | | | | UNICREDIT TIRIAC BANK S.A. | 20,00 | |
| 651 | UNICREDIT LEASING CROATIA D.O.O. ZA LEASING | ZAGREB | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 652 | UNICREDIT LEASING CZ, A.S. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 653 | UNICREDIT LEASING D.O.O. | SARAJEVO | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 654 | UNICREDIT LEASING FINANCE GMBH | HAMBURG | 1 | UNICREDIT LEASING GMBH | 100,00 | |
| 655 | UNICREDIT LEASING FLEET MANAGEMENT S.R.L. | BUCHAREST | 1 | UNICREDIT GLOBAL LEASING EXPORT GMBH | 10,00 | |
| | | | | UNICREDIT LEASING S.P.A. | 90,00 | |
| 656 | UNICREDIT LEASING FUHRPARKMANAGEMENT GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 657 | UNICREDIT LEASING GMBH | HAMBURG | 1 | UNICREDIT BANK AG | 100,00 | |
| 658 | UNICREDIT LEASING HUNGARY ZRT | BUDAPEST | 1 | BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. | 3,57 | |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 96,43 | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 659 | UNICREDIT LEASING IMMOTRUCK ZRT. | BUDAPEST | 1 | BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. | 29,17 | |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 70,83 | |
| 660 | UNICREDIT LEASING KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 661 | UNICREDIT LEASING LUNA KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 80,00 | |
| 662 | UNICREDIT LEASING MARS KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 80,00 | |
| 663 | UNICREDIT LEASING REAL ESTATE S.R.O. | BRATISLAVA | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 664 | UNICREDIT LEASING ROMANIA S.A. | BUCHAREST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| | | | | UNICREDIT TIRIAC BANK S.A. | .. | |
| 665 | UNICREDIT LEASING S.P.A. | BOLOGNA | 1 | UNICREDIT BANK AUSTRIA AG | 31,01 | |
| | | | | UNICREDIT SPA | 68,99 | |
| 666 | UNICREDIT LEASING SLOVAKIA A.S. | BRATISLAVA | 1 | UNICREDIT BANK SLOVAKIA AS | 19,90 | |
| | | | | UNICREDIT LEASING CZ, A.S. | 8,80 | |
| | | | | UNICREDIT LEASING S.P.A. | 71,30 | |
| 667 | UNICREDIT LEASING SRBIJA D.O.O. BEOGRAD | BELGRADE | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 668 | UNICREDIT LEASING TECHNIKUM GMBH | VIENNA | 1 | LF BETEILIGUNGEN GMBH | 99,80 | 100,00 |
| 669 | UNICREDIT LEASING TOB | KIEV | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 670 | UNICREDIT LEASING URANUS KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 80,00 | |
| 671 | UNICREDIT LEASING VERSICHERUNGSSERVICE GMBH & CO KG | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 672 | UNICREDIT LEASING, LEASING, D.O.O. | LJUBLJANA | 1 | UNICREDIT BANKA SLOVENIJA D.D. | 1,79 | |
| | | | | UNICREDIT LEASING S.P.A. | 98,21 | |
| 673 | UNICREDIT LOGISTICS SRL | VERONA | 1 | UNICREDIT SPA | 100,00 | |
| 674 | UNICREDIT LONDON INVESTMENTS LIMITED | LONDON | 1 | UNICREDIT BANK AG | 100,00 | |
| 675 | UNICREDIT LUNA LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 676 | UNICREDIT LUXEMBOURG FINANCE SA | LUXEMBOURG | 1 | UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA | 100,00 | |
| 677 | UNICREDIT LUXEMBOURG S.A. | LUXEMBOURG | 1 | UNICREDIT BANK AG | 100,00 | |
| 678 | UNICREDIT MERCHANT S.P.A. | ROME | 1 | UNICREDIT SPA | 100,00 | |
| 679 | UNICREDIT MOBILIEN LEASING GMBH | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 680 | UNICREDIT PARTNER D.O.O | ZAGREB | 1 | UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH | 20,00 | |
| | | | | UNICREDIT LEASING CROATIA D.O.O. ZA LEASING | 80,00 | |
| 681 | UNICREDIT PARTNER D.O.O BEOGRAD | BELGRADE | 1 | BA-CA LEASING VERSICHERUNGSSERVICE GMBH | 100,00 | |
| 682 | UNICREDIT PARTNER LLC | KIEV | 1 | UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH | 100,00 | |
| 683 | UNICREDIT PEGASUS LEASING GMBH | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 74,80 | 75,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 684 | UNICREDIT POIJIST'OVACI MAKLERSKA SPOL. S R.O. | PRAGUE | 1 | UNICREDIT LEASING CZ, A.S. | 100,00 | |
| 685 | UNICREDIT POLARIS LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 686 | UNICREDIT REAL ESTATE SOCIETA' CONSORTILE PER AZIONI | GENOA | 1 | FAMILY CREDIT NETWORK SPA | .. | |
| | | | | FINECOBANK SPA | .. | |
| | | | | IRFIS - FINANZIARIA PER LO SVILUPPO DELLA SICILIA S.P.A. | .. | |
| | | | | PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ | .. | |
| | | | | SOFIPA SOCIETA' DI GESTIONE DEL RISPARMIO (SGR) S.P.A. | .. | |
| | | | | UNICREDIT AUDIT SOCIETA' CONSORTILE PER AZIONI | .. | |
| | | | | UNICREDIT BANK AG | .. | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| | | | | UNICREDIT BUSINESS PARTNER SOCIETA' CONSORTILE PER AZIONI | .. | |
| | | | | UNICREDIT FACTORING SPA | .. | |
| | | | | UNICREDIT GLOBAL INFORMATION SERVICES SOCIETA CONSORTILE PER AZIONI | .. | |
| | | | | UNICREDIT SPA | 100,00 | |
| | | | | UNIMANAGEMENT SCARL | .. | |
| 687 | UNICREDIT RENT D.O.O. BEOGRAD | BELGRADE | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 688 | UNICREDIT SECURITIES INTERNATIONAL LIMITED | NICOSIA | 1 | AI BETEILIGUNG GMBH | 100,00 | |
| 689 | UNICREDIT TECHRENT LEASING GMBH | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 99,00 | |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 1,00 | |
| 690 | UNICREDIT TIRIAC BANK S.A. | BUCHAREST | 1 | ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H. | 0,01 | |
| | | | | BANK AUSTRIA-CEE BETEILIGUNGS GMBH | 0,01 | |
| | | | | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 0,01 | |
| | | | | UNICREDIT BANK AUSTRIA AG | 50,56 | |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 0,01 | |
| | | | | UNICREDIT LEASING ROMANIA S.A. | .. | |
| 691 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | VIENNA | 1 | UNICREDIT TURN-AROUND MANAGEMENT GMBH | 100,00 | |
| 692 | UNICREDIT TURN-AROUND MANAGEMENT GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 693 | UNICREDIT U.S. FINANCE LLC | WILMINGTON | 1 | UNICREDIT BANK AG | 100,00 | |
| 694 | UNICREDIT ZAVAROVALNO ZASTOPINSKA DRUZBA DOO | LJUBLJANA | 1 | UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH | 100,00 | |
| 695 | UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 99,80 | 100,00 |
| 696 | UNICREDIT-LEASING HOMONNA INGATLNHASZNOSITO KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 697 | UNICREDIT-LEASING HOSPES KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 698 | UNICREDIT-LEASING MIDAS INGATLANHASZNOSITO KARLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100,00 | |
| 699 | UNICREDIT-LEASING NEPTUNUS KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 96,35 | |
| 700 | UNICREDIT-LEASING ORION INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 701 | UNICREDIT-LEASING SATURNUS KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100,00 | |
| 702 | UNICREDITO ITALIANO CAPITAL TRUST III | NEWARK | 1 | UNICREDITO ITALIANO FUNDING LLC III | 100,00 | |
| 703 | UNICREDITO ITALIANO CAPITAL TRUST IV | NEWARK | 1 | UNICREDITO ITALIANO FUNDING LLC IV | 100,00 | |
| 704 | UNICREDITO ITALIANO FUNDING LLC III | DELAWARE | 1 | UNICREDIT SPA | 100,00 | |
| 705 | UNICREDITO ITALIANO FUNDING LLC IV | DELAWARE | 1 | UNICREDIT SPA | 100,00 | |
| 706 | UNIMANAGEMENT SCARL | TURIN | 1 | UNICREDIT GLOBAL INFORMATION SERVICES SOCIETA CONSORTILE PER AZIONI | 0,01 | |
| | | | | UNICREDIT SPA | 99,99 | |
| 707 | UNIVERSALE INTERNATIONAL POLAND SP.ZO.O. | WARSAW | 1 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | 100,00 | |
| 708 | UNIVERSALE INTERNATIONAL PROJEKTSZERVEZESI KFT. | BUDAPEST | 1 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | 100,00 | |
| 709 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 710 | UPI POSLOVNI SISTEM D.D. | SARAJEVO | 1 | UNICREDIT BANK DD | 48,80 | |
| | | | | ZANE BH DOO | 20,63 | |
| 711 | US PROPERTY INVESTMENTS INC. | DALLAS | 1 | UNICREDIT BANK AG | 100,00 | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 712 | V.M.G. VERMIETUNGSGESELLSCHAFT MBH | MUNICH | 1 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | 100,00 | |
| 713 | VANDERBILT CAPITAL ADVISORS LLC | WILMINGTON | 1 | PIONEER INSTITUTIONAL ASSET MANAGEMENT INC | 100,00 | |
| 714 | VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74,80 | 75,00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25,00 | |
| 715 | VERBA VERWALTUNGSGESELLSCHAFT MBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 716 | VERWALTUNGSGESELLSCHAFT KATHARINENHOF MBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 717 | VIENNA DC BAUTRAGER GMBH | VIENNA | 1 | WED WIENER ENTWICKLUNGSGESELLSCHAFT FUR DEN DONAURAUM AKTIENGESELLSCHAFT | 100,00 | |
| 718 | VIENNA DC TOWER 1 LIEGENSCHAFTSBESITS GMBH | VIENNA | 1 | WED DONAU- CITY GMBH | 100,00 | |
| 719 | VIENNA DC TOWER 2 LIEGENSCHSFTBESITS GMBH | VIENNA | 1 | WED DONAU- CITY GMBH | 100,00 | |
| 720 | VILLINO PACELLI SRL | ROME | 1 | IMMOBILIARE PATETTA SRL | 100,00 | |
| 721 | VUWB INVESTMENTS INC. | ATLANTA | 1 | BLUE CAPITAL FONDS GMBH | 100,00 | |
| 722 | WEALTH CAPITAL INVESTMENT INC. | COUNTRY OF NEW CASTLE | 1 | BLUE CAPITAL FONDS GMBH | 100,00 | |
| 723 | WEALTH MANAGEMENT CAPITAL HOLDING GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100,00 | |
| 724 | WEALTHCAP INITIATOREN GMBH | HAMBURG | 1 | WEALTH MANAGEMENT CAPITAL HOLDING GMBH | 100,00 | |
| 725 | WEALTHCAP INVESTORENBETREUUNG GMBH | MUNICH | 1 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | 100,00 | |
| 726 | WEALTHCAP PEIA KOMPLEMENTAR GMBH | MUNICH | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100,00 | |
| 727 | WEALTHCAP PEIA MANAGEMENT GMBH | MUNICH | 1 | UNICREDIT BANK AG | 6,00 | |
| | | | | WEALTH MANAGEMENT CAPITAL HOLDING GMBH | 94,00 | |
| 728 | WEALTHCAP REAL ESTATE MANAGEMENT GMBH | MUNICH | 1 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | 100,00 | |
| 729 | WEALTHCAP STIFTUNGSTREUHAND GMBH | HAMBURG | 1 | BLUE CAPITAL FONDS GMBH | 100,00 | |
| 730 | WED DONAU- CITY GMBH | VIENNA | 1 | WED WIENER ENTWICKLUNGSGESELLSCHAFT FUR DEN DONAURAUM AKTIENGESELLSCHAFT | 100,00 | |
| 731 | WED HOLDING GESELLSCHAFT M.B.H. | VIENNA | 3 | UNICREDIT BANK AUSTRIA AG | 48,06 | |
| 732 | WED WIENER ENTWICKLUNGSGESELLSCHAFT FUR DEN DONAURAUM AKTIENGESELLSCHAFT | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 38,00 | |
| | | | | WED HOLDING GESELLSCHAFT M.B.H. | 62,00 | |
| 733 | WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 734 | XELION DORADCY FINANSOWI SP. ZOO | WARSAW | 1 | BANK PEKAO SA | 50,00 | |
| | | | | UNICREDIT SPA | 50,00 | |
| 735 | Z LEASING ALFA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 736 | Z LEASING ARKTUR IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 737 | Z LEASING AURIGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 738 | Z LEASING CORVUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 739 | Z LEASING DORADO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | CALG GRUNDSTUCKVERWALTUNG GMBH | 99,80 | 100,00 |
| 740 | Z LEASING DRACO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 741 | Z LEASING GAMA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 742 | Z LEASING GEMINI IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 743 | Z LEASING HEBE IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GEBAUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. | 99,80 | 100,00 |

| | | | | OWNERSHIP RELATIONSHIP | | |
|---|---|---|---|---|---|---|
| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | HELD BY | HOLDING % | VOTING RIGHTS (2) |
| 744 | Z LEASING HERCULES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 745 | Z LEASING IPSILON IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 746 | Z LEASING ITA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 747 | Z LEASING JANUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 748 | Z LEASING KALLISTO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 749 | Z LEASING KAPA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 750 | Z LEASING LYRA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 751 | Z LEASING NEREIDE IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 752 | Z LEASING OMEGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99,80 | 100,00 |
| 753 | Z LEASING PERSEUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99,80 | 100,00 |
| 754 | Z LEASING SCORPIUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 755 | Z LEASING TAURUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. | 99,80 | 100,00 |
| 756 | Z LEASING VENUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 757 | Z LEASING VOLANS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99,80 | 100,00 |
| 758 | ZAGREB NEKRETNINE DOO | ZAGREB | 1 | ZAGREBACKA BANKA DD | 100,00 | |
| 759 | ZAGREBACKA BANKA DD | ZAGREB | 1 | UNICREDIT BANK AUSTRIA AG | 84,48 | |
| 760 | ZANE BH DOO | SARAJEVO | 1 | ZAGREB NEKRETNINE DOO | 100,00 | |
| 761 | ZAO LOCAT LEASING RUSSIA | MOSCOW | 1 | OOO UNICREDIT LEASING | 100,00 | |
| 762 | ZAO UNICREDIT BANK | MOSCOW | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| 763 | ZAPADNI TRGOVACKI CENTAR D.O.O. | RIJEKA | 1 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | 100,00 | |
| 764 | ZB INVEST DOO | ZAGREB | 1 | ZAGREBACKA BANKA DD | 100,00 | |
| 765 | ZETA FUNF HANDELS GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100,00 | |
| **A.2 COMPANIES RECOGNISED USING PROPORTIONATE CONSOLIDATION** | | | | | | |
| 1 | BA HYPO FINANCIRANJE D.O.O. ZA POSLOVANJE NEKRET- NINAMA | ZAGREB | 7 | HYPO-BA LEASING SUD GMBH | 50,00 | |
| 2 | EUROLEASE FINANCE, D.O.O. | LJUBLJANA | 7 | HYPO-BA LEASING SUD GMBH | 50,00 | |
| 3 | FIDES LEASING GMBH | VIENNA | 7 | CALG ANLAGEN LEASING GMBH | 50,00 | |
| 4 | HYBA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRTNINAMA | ZAGREB | 7 | HYPO-BA LEASING SUD GMBH | 50,00 | |
| 5 | HYPO-BA LEASING SUD GMBH | KLAGENFURT | 7 | UNICREDIT LEASING S.P.A. | 50,00 | |
| 6 | HYPO-BA PROJEKT, FINANCIRANJE D.O.O. | LJUBLJANA | 7 | HYPO-BA LEASING SUD GMBH | 50,00 | |
| 7 | HYPO-BA ZAGREB D.O.O. ZA POSLOVANJE NEKRETNINAMA | ZAGREB | 7 | HYPO-BA LEASING SUD GMBH | 50,00 | |
| 8 | INFORMATIONS-TECHNOLOGIE AUSTRIA GMBH IN LIQ. | VIENNA | 7 | UNICREDIT BANK AUSTRIA AG | 50,00 | |
| 9 | INPROX LEASING, NEPREMICNINE, D.O.O. | LJUBLJANA | 7 | HYPO-BA LEASING SUD GMBH | 50,00 | |
| 10 | INPROX OSIJEK D.O.O. | ZAGREB | 7 | HYPO-BA LEASING SUD GMBH | 50,00 | |
| 11 | KOC FINANSAL HIZMETLER AS | ISTANBUL | 7 | UNICREDIT BANK AUSTRIA AG | 50,00 | |
| 12 | MONTREAL NEKRETNINE D.O.O. | ZAGREB | 7 | HYPO-BA LEASING SUD GMBH | 50,00 | |
| 13 | ORBIT ASSET MANAGEMENT LIMITED | HAMILTON | 7 | PIONEER ALTERNATIVE INVESTMENT MANAGEMENT (BERMUDA) LIMITED | 50,00 | |
| 14 | RCI FINANCIAL SERVICES S.R.O. | PRAGUE | 7 | UNICREDIT LEASING CZ, A.S. | 50,00 | |
| 15 | STICHTING CUSTODY SERVICES KBN | AMSTERDAM | 7 | YAPI KREDI BANK NEDERLAND N.V. | 40,90 | |
| 16 | SYNERGA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNIN-AMA | ZAGREB | 7 | HYPO-BA LEASING SUD GMBH | 50,00 | |
| 17 | UNICREDIT MENKUL DEGERLER AS | ISTANBUL | 7 | KOC FINANSAL HIZMETLER AS | 50,00 | |
| | | | | YAPI KREDI FINANSAL KIRALAMA AO | .. | |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 18 | YAPI KREDI B TIPI YATIRIM ORTAKLIGI AS | ISTANBUL | 7 | YAPI KREDI YATIRIM MENKUL DEGERLER AS | 18,39 | |
| | | | | YAPI VE KREDI BANKASI AS | 4,54 | |
| 19 | YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY | BAKU | 7 | YAPI KREDI FINANSAL KIRALAMA AO | 0,04 | |
| | | | | YAPI KREDI YATIRIM MENKUL DEGERLER AS | 0,04 | |
| | | | | YAPI VE KREDI BANKASI AS | 40,82 | |
| 20 | YAPI KREDI BANK NEDERLAND N.V. | AMSTERDAM | 7 | YAPI KREDI HOLDING BV | 13,40 | |
| | | | | YAPI VE KREDI BANKASI AS | 27,50 | |
| 21 | YAPI KREDI DIVERSIFIED PAYMENT RIGHTS FINANCE COMPANY | ISTANBUL | 7 | YAPI VE KREDI BANKASI AS | 40,90 | |
| 22 | YAPI KREDI EMEKLILIK AS | ISTANBUL | 7 | YAPI KREDI FAKTORING AS | 0,01 | |
| | | | | YAPI KREDI SIGORTA AS | 38,40 | |
| | | | | YAPI KREDI YATIRIM MENKUL DEGERLER AS | 0,01 | |
| | | | | YAPI VE KREDI BANKASI AS | .. | |
| 23 | YAPI KREDI FAKTORING AS | ISTANBUL | 7 | YAPI KREDI FINANSAL KIRALAMA AO | 0,01 | |
| | | | | YAPI VE KREDI BANKASI AS | 40,88 | |
| 24 | YAPI KREDI FINANSAL KIRALAMA AO | ISTANBUL | 7 | YAPI KREDI FAKTORING AS | .. | |
| | | | | YAPI VE KREDI BANKASI AS | 40,43 | |
| 25 | YAPI KREDI HOLDING BV | AMSTERDAM | 7 | YAPI VE KREDI BANKASI AS | 40,90 | |
| 26 | YAPI KREDI INVEST LIMITED LIABILITY COMPANY | BAKU | 7 | YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY | 40,90 | |
| 27 | YAPI KREDI MOSCOW | MOSCOW | 7 | YAPI KREDI FINANSAL KIRALAMA AO | 0,06 | |
| | | | | YAPI VE KREDI BANKASI AS | 40,83 | |
| 28 | YAPI KREDI PORTFOY YONETIMI AS | BARBAROS | 7 | YAPI KREDI YATIRIM MENKUL DEGERLER AS | 35,71 | |
| | | | | YAPI VE KREDI BANKASI AS | 5,17 | |
| 29 | YAPI KREDI SIGORTA AS | ISTANBUL | 7 | YAPI KREDI FAKTORING AS | 3,25 | |
| | | | | YAPI KREDI YATIRIM MENKUL DEGERLER AS | 4,90 | |
| | | | | YAPI VE KREDI BANKASI AS | 30,27 | |
| 30 | YAPI KREDI YATIRIM MENKUL DEGERLER AS | ISTANBUL | 7 | YAPI KREDI FINANSAL KIRALAMA AO | .. | |
| | | | | YAPI VE KREDI BANKASI AS | 40,89 | |
| 31 | YAPI VE KREDI BANKASI AS | ISTANBUL | 7 | KOC FINANSAL HIZMETLER AS | 40,90 | |
| **A.3 VALUED AT EQUITY METHOD** | | | | | | |
| 1 | ADLER FUNDING LLC | NEW YORK | 8 | UNICREDIT BANK AG | 32,81 | |
| 2 | AIRPLUS AIR TRAVEL CARD VERTRIEBSGESELLSCHAFT M.B.H. | VIENNA | 8 | DINERS CLUB CEE HOLDING AG | 33,33 | |
| 3 | ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJE DOBROVOLJNIM | ZAGREB | 8 | ZAGREBACKA BANKA DD | 49,00 | |
| 4 | ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE OBVEZNIM | ZAGREB | 8 | ZAGREBACKA BANKA DD | 49,00 | |
| 5 | ANGER MACHINING GMBH | TRAUN | 8 | EK MITTELSTANDSFINANZIERUNGS AG | 49,00 | |
| 6 | AVIVA SPA | MILAN | 8 | UNICREDIT SPA | 49,00 | |
| 7 | BA GEBAUDEVERMIETUNGSGESELLSCHAFT MBH | VIENNA | 8 | BA GVG-HOLDING GMBH | 50,00 | |
| 8 | BANK FUR TIROL UND VORARLBERG AKTIENGESELLSCHAFT | INNSBRUCK | 8 | CABO BETEILIGUNGSGESELLSCHAFT M.B.H. | 37,53 | 41,70 |
| | | | | UNICREDIT BANK AUSTRIA AG | 9,85 | 4,93 |
| 9 | BANQUE DE COMMERCE ET DE PLACEMENTS SA | GENEVA | 8 | YAPI VE KREDI BANKASI AS | 30,67 | |
| 10 | BKS BANK AG (EHEM.BANK FUR KARNTEN UND STEIERMARK AG) | KLAGENFURT | 8 | CABO BETEILIGUNGSGESELLSCHAFT M.B.H. | 28,01 | 29,64 |
| | | | | UNICREDIT BANK AUSTRIA AG | 8,02 | 7,46 |
| 11 | CA IMMOBILIEN ANLAGEN AKTIENGESELLSCHAFT | VIENNA | 8 | UNICREDIT BANK AUSTRIA AG | 18,16 | |
| 12 | CASH SERVICE COMPANY | SOFIA | 8 | UNICREDIT BULBANK AD | 20,00 | |

| | | | | OWNERSHIP RELATIONSHIP | | |
|---|---|---|---|---|---|---|
| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | HELD BY | HOLDING % | VOTING RIGHTS (2) |
| 13 | CENTRAL POLAND FUND LLC | DELAWARE | 1 | BANK PEKAO SA | 53,19 | |
| 14 | CNP UNICREDIT VITA S.P.A. | MILAN | 8 | UNICREDIT SPA | 38,80 | |
| 15 | CONSORZIO SE.TEL. SERVIZI TELEMATICI IN LIQUIDAZIONE | NAPLES | 8 | UNICREDIT GLOBAL INFORMATION SERVICES SOCIETA CONSORTILE PER AZIONI | 33,33 | |
| 16 | CREDITRAS ASSICURAZIONI SPA | MILAN | 8 | UNICREDIT SPA | 50,00 | |
| 17 | CREDITRAS VITA SPA | MILAN | 8 | UNICREDIT SPA | 50,00 | |
| 18 | DA VINCI S.R.L. | ROME | 8 | FONDO SIGMA | 25,00 | |
| 19 | EUROPROGETTI & FINANZA S.P.A. IN LIQUIDAZIONE | ROME | 8 | UNICREDIT SPA | 39,79 | |
| 20 | FIDIA SGR SPA | MILAN | 8 | UNICREDIT SPA | 50,00 | |
| 21 | FONDIARIA - SAI SPA | TURIN | 8 | UNICREDIT SPA | 4,90 | 6,60 |
| 22 | FORSTINGER HANDEL UND SERVICE GMBH | VIENNA | 8 | EK MITTELSTANDSFINANZIERUNGS AG | 32,00 | |
| 23 | G.B.S. - GENERAL BROKER SERVICE S.P.A. | ROME | 8 | UNICREDIT SPA | 20,00 | |
| 24 | INCONTRA ASSICURAZIONI S.P.A. | MILAN | 8 | UNICREDIT SPA | 49,00 | |
| 25 | IPG-INDUSTRIEPARK GYOR PROJEKTIERUNGSGESELLSCHAFT M.B.H. | GERASDORF | 8 | UNICREDIT LEASING S.P.A. | 40,00 | |
| 26 | KAPITAL-BETEILIGUNGS AKTIENGESELLSCHAFT | VIENNA | 8 | UNICREDIT BANK AUSTRIA AG | 20,00 | |
| 27 | KRAJOWA IZBA ROZLICZENIOWA SA | WARSAW | 8 | BANK PEKAO SA | 34,44 | |
| 28 | MARINA CITY ENTWICKLUNGS GMBH | VIENNA | 8 | CABET-HOLDING-AKTIENGESELLSCHAFT | 25,00 | |
| 29 | MARINA TOWER HOLDING GMBH | VIENNA | 8 | CABET-HOLDING-AKTIENGESELLSCHAFT | 25,00 | |
| 30 | MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA | MILAN | 8 | UNICREDIT SPA | 8,66 | |
| 31 | MOLL HOLDING GESELLSCHAFT MBH | MUNICH | 8 | EK MITTELSTANDSFINANZIERUNGS AG | 49,00 | |
| 32 | MULTIPLUS CARD DOO ZA PROMIDZBU I USLUGE | ZAGREB | 8 | MARKETING ZAGREBACKE BANKE DOO | 25,00 | |
| 33 | NEEP ROMA HOLDING SPA | ROME | 8 | UNICREDIT SPA | 40,00 | |
| 34 | NOTARTREUHANDBANK AG | VIENNA | 8 | UNICREDIT BANK AUSTRIA AG | 25,00 | |
| 35 | OAK RIDGE INVESTMENT LLC | WILMINGTON | 8 | PIONEER INSTITUTIONAL ASSET MANAGEMENT INC | 49,00 | |
| 36 | OBERBANK AG | LINZ | 8 | CABO BETEILIGUNGSGESELLSCHAFT M.B.H. | 29,15 | 32,54 |
| | | | | UNICREDIT BANK AUSTRIA AG | 4,19 | 1,65 |
| 37 | OECLB HOLDING GMBH IN LIQ. | VIENNA | 8 | UNICREDIT BANK AUSTRIA AG | 18,51 | |
| 38 | OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT | VIENNA | 8 | CABET-HOLDING-AKTIENGESELLSCHAFT | 24,75 | |
| | | | | SCHOELLERBANK AKTIENGESELLSCHAFT | 8,26 | |
| | | | | UNICREDIT BANK AUSTRIA AG | 16,14 | |
| 39 | OSTERREICHISCHE HOTEL- UND TOURISMUSBANK GESELLSCHAFT M.B.H. | VIENNA | 8 | UNICREDIT BANK AUSTRIA AG | 50,00 | |
| 40 | OSTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH | VIENNA | 8 | UNICREDIT BANK AUSTRIA AG | 29,30 | |
| 41 | PAPCEL AS | LITOVEL | 8 | EK MITTELSTANDSFINANZIERUNGS AG | 33,74 | 34,00 |
| 42 | PAYLIFE BANK GMBH | VIENNA | 8 | CAFU VERMOGENSVERWALTUNG GMBH & CO. OG | 4,50 | |
| | | | | EUROVENTURES-AUSTRIA-CA-MANAGEMENT GESMBH | 5,78 | |
| | | | | UNICREDIT BANK AUSTRIA AG | 13,59 | |
| 43 | PIRELLI PEKAO REAL ESTATE SP. Z O.O. | WARSAW | 8 | BANK PEKAO SA | 25,00 | |
| 44 | SIA SPA | MILAN | 8 | UNICREDIT SPA | 24,07 | |
| 45 | SOCIETA' GESTIONE PER IL REALIZZO SPA IN LIQUIDAZIONE | ROME | 8 | IRFIS - FINANZIARIA PER LO SVILUPPO DELLA SICILIA S.P.A. | 0,05 | |
| | | | | UNICREDIT SPA | 26,38 | |
| 46 | SP PROJEKTENTWICKLUNG SCHONEFELD GMBH & CO.KG | STOCCARDA | 8 | UNICREDIT BANK AUSTRIA AG | 50,00 | |
| 47 | SVILUPPO GLOBALE GEIE | ROME | 8 | UNICREDIT SPA | 25,00 | |
| 48 | SW HOLDING SPA | ROME | 8 | UNICREDIT MERCHANT S.P.A. | 28,57 | 13,79 |

| | NAME | MAIN OFFICE | TYPE OF RELATIONSHIP (1) | OWNERSHIP RELATIONSHIP HELD BY | HOLDING % | VOTING RIGHTS (2) |
|---|---|---|---|---|---|---|
| 49 | TORRE SGR S.P.A. | ROME | 8 | PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ | 37,50 | |
| 50 | UNI GEBAUDEMANAGEMENT GMBH | LINZ | 8 | BA GVG-HOLDING GMBH | 50,00 | |
| 51 | V.A. HOLDING GMBH | VIENNA | 8 | EK MITTELSTANDSFINANZIERUNGS AG | 44,57 | |
| 52 | WIEN MITTE IMMOBILIEN GMBH | VIENNA | 8 | BA-CA WIEN MITTE HOLDING GMBH | 50,00 | |
| 53 | WIENER KREDITBURGSCHAFTSGESELLSCHAFT M.B.H. | VIENNA | 8 | UNICREDIT BANK AUSTRIA AG | 24,49 | |
| 54 | YAPI KREDI KORAY GAYRIMENKUL YATIRIM ORTAKLIGI AS | ISTANBUL | 8 | YAPI VE KREDI BANKASI AS | 30,45 | |

Notes to the table that shows the companies included in the scope of consolidation (line by line, proportional and valued at net equity method):

(1) Type of relationship:
1= majority of voting rights at ordinary shareholders' meeting;
2= dominant influence at ordinary shareholders' meeting;
3= agreements with other shareholders;
4= other types of control;
5= centralised management pursuant to paragraph 1 of art. 26 of "Legislative Decree 87/92";
6= centralised management pursuant to paragraph 2 of art. 26 of "Legislative Decree 87/92";
7= joint control;
8= associate companies.

(2) Voting rights available in general meeting. Voting rights are disclosed only if different from the percentage of ownership.
(3) Compliant with SIC 12 the company is consolidated
(4) According to shareholders' agreements, the "control" of Credit Ras Assicurazioni and Credit Ras Vita is assigned to the other shareholders. As regard other companies, control is not contractually assigned to any shareholder (financial and strategic management decisions are not subject to shareholders' unanimity). Therefore the conditions defined by IAS 31, § 3 for common control are not satisfied.

## Changes in the scope of consolidation

**Fully** consolidated entities, including the Parent Company, increased from 735 at December 31, 2010 to 765 at September 30, 2011 (+ 30 entities).
**Proportionately** consolidated entites, totaling 31, were 19 at December 31, 2010 (+ 12 entities).
Companies consolidated **at equity** increased from 45 at December 31, 2010 to 54 at September 30, 2011 (+ 9 entities).

### Wholly-owned subsidiaries

The following table shows the changes in equity investments in wholly-owned subsidiaries (consolidated line by line).

| Equity investments in wholly-owned subsidiaries (consolidated line by line): annual changes | Number of companies |
|---|---|
| **A. Opening balance** | **735** |
| **B. Increased by** | **59** |
| B1. Newly established companies | - |
| B2. Change of the consolidation method | 37 |
| B3. Entities consolidated for the first time in 2011 | 22 |
| **C. Reduced by** | **29** |
| C1. Disposal | 12 |
| C2. Change of the consolidation method | - |
| C3. Absorption by other Group entities | 17 |
| **D. Closing balance** | **765** |

Details of 2011 increases or reductions are presented below:

**Increases**

**Change of the consolidation method**

| COMPANY NAME | MAIN OFFICE |
|---|---|
| UNICREDIT LEASING TECHNIKUM GMBH | VIENNA |
| UCTAM UKRAINE LLC | KIEV |
| UNICREDIT TURN-AROUND MANAGEMENT GMBH | VIENNA |
| UCTAM RK LIMITED LIABILITY COMPANY | ALMATY CITY |
| VIENNA DC BAUTRAGER GMBH | VIENNA |
| VIENNA DC TOWER 1 LIEGENSCHAFTSBESITS GMBH | VIENNA |
| VIENNA DC TOWER 2 LIEGENSCHAFTSBESITS GMBH | VIENNA |
| UGIS AUSTRIA GMBH | VIENNA |
| UNICREDIT LOGISTICS SRL | VERONA |
| TRIESTE ADRIATIC MARITIME INITIATIVES SRL | TRIESTE |
| DC ELEKTRONISCHE ZAHLUNGSSYSTEME GMBH | VIENNA |
| CENTER HEINRICH-COLLIN-STRASSE1 VERMIETUNGS GMBH U.CO KEG | VIENNA |
| CALG 445 GRUNDSTUCKVERWALTUNG GMBH | VIENNA |
| TRANSTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH |
| VUWB INVESTMENTS INC. | ATLANTA |
| ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH |
| BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG | MUNICH |
| CUMTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH |
| SPREE GALERIE HOTELBETRIEBSGESELLSCHAFT MBH | MUNICH |

| COMPANY NAME | MAIN OFFICE |
|---|---|
| BIL IMMOBILIEN FONDS GMBH & CO OBJEKT PERLACH KG | MUNICH |
| H & B IMMOBILIEN GMBH & CO. OBJEKTE KG | MUNICH |
| HAWA GRUNDSTUCKS GMBH & CO. OHG HOTELVERWALTUNG | MUNICH |
| MILLETERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH |
| OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT EGGENFELDENER STRASSE KG | MUNICH |
| WEALTH CAPITAL INVESTMENT INC. | WILMINGTON |
| HVB EXPERTISE GMBH | MUNICH |
| HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG | MUNICH |
| HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH & CO. IMMOBILIEN-VERMIETUNGS KG | MUNICH |
| KELLER CROSSING L.P. | ATLANTA |
| LIFE SCIENCE I BETEILIGUNGS GMBH | MUNICH |
| OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT HAIDENAUPLATZ KG | MUNICH |
| SIMON VERWALTUNGS-AKTIENGESELLSCHAFT I.L. | MUNICH |
| ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK MOSE KG | OLDENBURG |
| ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK GREFRATH KG | OLDENBURG |
| HAWA GRUNDSTUCKS GMBH & CO. OHG IMMOBILIENVERWALTUNG | MUNICH |
| HVB PROFIL GESELLSCHAFT FUR PERSONALMANAGEMENT MBH | MUNICH |
| ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK KRAHENBERG KG | OLDENBURG |

Changes in consolidation method in the first nine months of 2011 are mainly related to transfers from item 100 Investments (8 subsidiaries of UniCredit Bank Austria Sub-Group, 24 of UniCredit Bank AG Sub-Group and 5 of other companies) to investments consolidated line by line .

**Entities consolidated for the first time in 2011**

| COMPANY NAME | MAIN OFFICE |
|---|---|
| UCTAM RO SRL | BUCAREST |
| IMMOBILIARE PATETTA SRL | ROME |
| SOCIETA' BENI CULTURALI A R.L. | ROME |
| BORGO DI PEROLLA SRL | MASSA MARITTIMA |
| COMPAGNIA FONDIARIA ROMANA (C.F.R.) SRL | ROME |
| FONDIARIA LASA SPA | ROME |
| INFISSER SRL | ROME |
| SANTA ROSA SAS | ROME |
| SOCIETA' VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L. | ROME |
| VILLINO PACELLI SRL | ROME |
| ROMA 2000 SRL | ROME |
| CAMPO DI FIORI SAS | ROME |
| IMMOBILIARE TABACCAIA SRL | MASSA MARITTIMA |
| SOCIETA ' SPORTIVA TORREVECCHIA SRL | ROME |
| COM.P.I.S. - COMPAGNIA PETROLIFERA ITALIA SUD SOCIETA' A RESPONSABILITA' LIMITATA | ROME |
| MERIDIONALE PETROLI SRL | VIBO VALENTIA |
| PETROLI INVESTIMENTI SPA | CIVITAVECCHIA |
| SOCIETA' PETROLIFERA GIOIA TAURO SRL | REGGIO CALABRIA |
| SOCIETA' DEPOSITI COSTIERI - SO.DE.CO. SRL | ROME |
| S.I.P.I.C. - SOCIETA' INDUSTRIALE PETROLIFERA ITALIA CENTRALE SRL | ROME |
| SOCIETA' VISSANA INDUSTRIA LAVORAZIONE ALIMENTARE S.V.I.L.A. A RESPONSABILITA' LIMITATA | VISSO |
| COMPAGNIA ITALPETROLI S.P.A. | ROME |

The entities consolidated for the first time as at September 30, 2011, except for UCTAM RO S.r.l., refer to the business combination with Compagnia Italpetroli and its subsidiaries, which involved the transfer from Investments in associates valued at equity method to Investments in subsidiaries consolidated line by line of the company Compagnia Italpetroli S.p.A..

**Reductions**

**Disposal**

| COMPANY NAME | MAIN OFFICE |
|---|---|
| EPSSILON LIEGENSCHAFTSDEVELOPMENT GMBH | VIENNA |
| GELDILUX-TS-2005 S.A. | LUXEMBOURG |
| SOFIMMOCENTRALE S.A. | BRUSSELS |
| BA-CA CONSTRUCTION LEASING OOO | SAINT PETERSBURG |
| BACA MINOS LEASING GMBH | VIENNA |
| BDR ROMA PRIMA IRELAND LTD | DUBLIN |
| BANCA AGRICOLA COMMERCIALE DELLA R.S.M. S.P.A. | BORGO MAGGIORE |
| BAC FIDUCIARIA SPA | DOGANA |
| HVB CAPITAL ASIA LIMITED | HONG KONG |
| UNICREDIT MEDIOCREDITO CENTRALE S.P.A. | ROME |
| ZAO IMB-LEASING | MOSCOW |
| UNIVERSALE INTERNATIONAL SPOL S.R.O. | PRAGUE |

The table above refers to disposals carried out during the first half of 2011 and liquidations of inactive companies.

## Absorption by other Group entities

| COMPANY NAME OF THE MERGERED ENTITY | MAIN OFFICE | | COMPANY NAME OF THE TAKING IN ENTITY | MAIN OFFICE |
|---|---|---|---|---|
| ASPRA FINANCE SPA | MILAN | >>> | UNICREDIT CREDIT MANAGEMENT BANK SPA | VERONA |
| HVB LEASING SLOVAKIA S.R.O. | BRATISLAVA | >>> | UNICREDIT LEASING REAL ESTATE S.R.O. | BRATISLAVA |
| UNICREDIT FACTORING PENZUGYI SZOLGALTATO ZRT | BUDAPEST | >>> | UNICREDIT BANK HUNGARY ZRT. | BUDAPEST |
| QUERCIA SOFTWARE SCPA | VERONA | >>> | UNICREDIT GLOBAL INFORMATION SERVICES SOCIETA CONSORTILE PER AZIONI | MILAN |
| UNIVERSALE BUCHHOLZ GBR | BERLIN | >>> | ISB UNIVERSALE BAU GMBH | BRANDENBURG |
| GRUWA GRUNDBAU UND WASSERBAU GMBH | BERLIN | >>> | ISB UNIVERSALE BAU GMBH | BRANDENBURG |
| ERSTE UNIPRO IMMOBILIEN-PROJEKTIERUNGSGESELLSCHAFTM.B.H. | BERLIN | >>> | ISB UNIVERSALE BAU GMBH | BRANDENBURG |
| ZWEITE UNIPRO IMMOBILIEN-PROJEKTIERUNGSGESELLSCHAFT M.B.H. | BERLIN | >>> | ISB UNIVERSALE BAU GMBH | BRANDENBURG |
| UIB UNIVERSALE BAU HOLDING GESELLSCHAFT M.B.H. | BRANDENBURG | >>> | ISB UNIVERSALE BAU GMBH | BRANDENBURG |
| IMMOBILIENFONDS UNIVERSALE 4 GBR | BERLIN | >>> | ISB UNIVERSALE BAU GMBH | BRANDENBURG |
| DRITTE UNIPRO IMMOBILIEN-PROJEKTIERUNGSGES.M.B.H. | BERLIN | >>> | ISB UNIVERSALE BAU GMBH | BRANDENBURG |
| IMMOBILIENFONDS UNIVERSALE WITTENBERGE GBR | BERLIN | >>> | ISB UNIVERSALE BAU GMBH | BRANDENBURG |
| UNIVERSALE INTERNATIONAL PROJEKTMANAGEMENT GMBH | BERLIN | >>> | ISB UNIVERSALE BAU GMBH | BRANDENBURG |
| PMG BAUPROJEKTMANAGEMENT GESELLSCHAFT M.B.H. & CO FINANZIERUNGS OEG | VIENNA | >>> | UNIVERSALE INTERNATIONAL REALITATEN GMBH | VIENNA |
| UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H. | VIENNA | >>> | UNIVERSALE INTERNATIONAL REALITATEN GMBH | VIENNA |
| BANK AUSTRIA GLOBAL INFORMATION SERVICES GMBH | VIENNA | >>> | UGIS AUSTRIA GMBH | VIENNA |
| TELEDATA CONSULTING UND SYSTEMMANAGEMENT GESELLSCHAFT M.B.H. | VIENNA | >>> | TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. | VIENNA |

The following table shows the Entities which changed their company name in 2011 first half.

## Entities line by line which changed the company name during 2011

| COMPANY NAME | MAIN OFFICE | COMPANY NAME | MAIN OFFICE |
|---|---|---|---|
| PUBLIC JOINT STOCK COMPANY UNICREDIT BANK (ex OPEN JOINT STOCK COMPANY UNICREDIT BANK) | KIEV | INFORMATIONS-TECHNOLOGIE AUSTRIA GMBH IN LIQ. (ex INFORMATIONS-TECHNOLOGIE AUSTRIA GMBH | VIENNA |
| QUERCIA SOFTWARE SCPA ( ex QUERCIA SOFTWARE SPA) | VERONA | UNIMANAGEMENT SCARL (ex UNIMANAGEMENT SRL) | TURIN |
| IRFIS - FINANZIARIA PER LO SVILUPPO DELLA SICILIA S.P.A. (ex IRFIS - MEDIOCREDITO DELLA SICILIA S.P.A. | PALERMO | UNICREDIT GLOBAL BUSINESS SERVICES GMBH (ex AB IMMOBILIENVERWALTUNGS-GMBH | MUNICH |
| POLLUX IMMOBILIEN G.M.B.H. (ex Z LEASING POLLUX IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | UNICREDIT TURN-AROUND MANAGEMENT GMBH (ex INDUSTRIE-IMMOBILIEN-VERWALTUNG GESELLSCHAFT M.B.H.) | VIENNA |
| UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH (ex UNICREDIT TURN-AROUND MANAGEMENT GMBH | VIENNA | CENTRAL EUROPEAN CONFECTIONERY HOLDINGS B.V. I.L. (ex CENTRAL EUROPEAN CONFECTIONERY HOLDINGS B.V.) | AMSTERDAM |
| DINERS CLUB CS S.R.O. (ex DINERS CLUB SLOVAKIA S.R.O.) | BRATISLAVA | KAISERWASSER BAU-UND ERRICHTUNGS OG (ex KAISERWASSER ERRICHTUNGS- UND BETRIEBSGESELLSCHAFT MBH) | VIENNA |

**Proportionately consolidated entities**
The following table shows the changes in equity investments in joint ventures (proportionately consolidated).

| Investments in joint ventures (recognized using proportionate consolidation): annual changes | Number of companies |
|---|---|
| **A. Opening balance** | **19** |
| **B. Increased by** | **12** |
| B1. Newly established companies | - |
| B2. Change of the consolidation method | 12 |
| B3. Entities consolidated for the first time in 2011 | - |
| **C. Reduced by** | **-** |
| C1. Disposal | - |
| C2. Change of the consolidation method | - |
| C3. Absorption by other Group entities | - |
| **D. Closing balance** | **31** |

Details of 2011 increases are presented below:

**Increases**

Change of the consolidation method

| COMPANY NAME | MAIN OFFICE | COMPANY NAME | MAIN OFFICE |
|---|---|---|---|
| BA HYPO FINANCIRANJE D.O.O. ZA POSLOVANJE NEKRET- NINAMA | ZAGREB | HYPO-BA ZAGREB D.O.O. ZA POSLOVANJE NEKRETNINAMA | ZAGREB |
| EUROLEASE FINANCE, D.O.O. | LJUBLJANA | INPROX LEASING, NEPREMICNINE, D.O.O. | LJUBLJANA |
| FIDES LEASING GMBH | VIENNA | INPROX OSIJEK D.O.O. | ZAGREB |
| HYBA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRTNINAMA | ZAGREB | MONTREAL NEKRETNINE D.O.O. | ZAGREB |
| HYPO-BA LEASING SUD GMBH | KLAGENFURT | SYNERGA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNIN-AMA | ZAGREB |
| HYPO-BA PROJEKT, FINANCIRANJE D.O.O. | LJUBLJANA | YAPI KREDI INVEST LIMITED LIABILITY COMPANY | BAKU |

This change concerns two Austrian leasing companies and their subsidiaries and refers to the transfer from Investments in joint ventures valued at cost to Investments in joint ventures proportionately consolidated; it also concerns a company of the Yapi Group.

**Companies consolidated at equity method**
The following table shows the changes in investments in companies subject to significant influence (valued at equity method).

| Equity investments in companies under significant influence: annual changes | Number of companies |
|---|---|
| **A. Opening balance** | **45** |
| **B. Increased by** | **14** |
| B1. Newly established companies | - |
| B2. Change of the consolidation method | 12 |
| B3. Entities consolidated for the first time in 2011 | 2 |
| **C. Reduced by** | **5** |
| C1. Disposal | 2 |
| C2. Change of the consolidation method | 3 |
| C3. Absorption by other Group entities | - |
| **D. Closing balance** | **54** |

Details of 2011 increases or reductions are presented below:

**Increases**

| Change of the consolidation method | | | |
|---|---|---|---|
| **COMPANY NAME** | **MAIN OFFICE** | **COMPANY NAME** | **MAIN OFFICE** |
| SW HOLDING SPA | ROME | MARINA TOWER HOLDING GMBH | VIENNA |
| BA GEBAUDEVERMIETUNGSGESELLSCHAFT MBH | VIENNA | ADLER FUNDING LLC | NEW YORK |
| CASH SERVICE COMPANY | SOFIA | SP PROJEKTENTWICKLUNG SCHONEFELD GMBH & CO.KG | STOCCARDA |
| KAPITAL-BETEILIGUNGS AKTIENGESELLSCHAFT | VIENNA | V.A. HOLDING GMBH | VIENNA |
| MARINA CITY ENTWICKLUNGS GMBH | VIENNA | UNI GEBAUDEMANAGEMENT GMBH | LINZ |
| WIENER KREDITBURGSCHAFTSGESELLSCHAFT M.B.H. | VIENNA | OSTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH | VIENNA |

Changes of the consolidation method in the first half of 2011 refer to transfers from Investments in associates valued at cost method (10 associates of sub-group Bank Austria, one associate af sub-group HVB and one of other companies) to Investments in associates valued at equity method.

| Entities consolidated for the first time in 2011 | |
|---|---|
| **COMPANY NAME** | **MAIN OFFICE** |
| NEEP ROMA HOLDING SPA | ROME |
| FONDIARIA - SAI SPA | TURIN |

**Reductions**

The disposals carried out in the 2011 refer to the company Nuova Teatro Eliseo SpA in Rome and Credanti Holdings Limited in Nicosia.

Changes in consolidation method refer to the transfer from Investments in associates valued at equity method to:

- Investments in joint ventures proportionately consolidated of the company Hypo-Ba Leasing Sud GMBH, Austria;
- Available for sale financial assets of the company RCG Holdings LLC, New York, as the significant influence on the subsidiary no longer exists;
- Investments consolidated line by line of the company Compagnia Italpetroli S.p.A..

## Section 4 – Subsequent Events

No material events have occurred after the balance sheet date that would make it necessary to change any of the information given in the Condensed Interim Consolidated Financial Statements as at September 30, 2011.

## Section 5 – Other Matters

Since 2011 the following principles or accounting interpretations have become effective:

- Amendments to IAS 32: Financial Instruments – Presentation – Classification of Rights issues (EU regulation 1293/2009);
- Amendments to IFRS1: Limited Exemption from comparative IFRS7 Disclosures for First-time adopters and consequent amendments to IFRS 7 “Financial Instruments Disclosures” (EU regulation 574/2010);
- Revised IAS 24: Related Party Disclosures (EU regulation 632/2010);
- Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement (EU regulation 633/2010);
- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments (EU regulation 662/2010);
- Improvements to IFRSs (EU regulaton 149/2011).

The revised IAS 24 extends, simplifies and clarifies the definition of related-party and the criteria to be followed in order to determine with precision the relations with the entity that prepares the financial statements. The new form also makes clear that the transactions with the subsidiaries of associates and joint ventures should also be reported.

The new IAS 24 also introduces reporting requirements concerning the existing relations between the entity that prepares the financial statements and its related-parties and exempts subsidiaries or entities on which a public body exerts significant influence from reporting obligation.

The other cases of related-party transactions introduced by IAS 24 are not subject to disclosure requirements pursuant to Consob “Regulations containing provisions relating to transactions with related parties” (adopted with Resolution no. 17221, later amended by Resolution no. 17389 of 2010, which are based on the definition of related-parties contained in the old IAS 24, in force when the Consob Regulation became effective).

For further information please refer to part H Related-Party Transactions of the explanatory notes.

These amendments, as well as those required by the other standards and interpretations mentioned, did not have any impact on balance sheet and income statement.

As at September 30, 2011 the IASB issued the following standards, amendments, interpretations or revisions:

- Amendment to IAS 1 – Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income (June 2011);
- Amendments to IAS 12 – Deferred tax: Recovery of Underlying Assets (December 2010);
- Amendment to IAS 19 – Employee Benefits (June 2011);
- IAS 27 revised: Separate Financial Statements (May 2011);
- IAS 28 revised: Investments in Associates and Joint Ventures (May 2011);
- Amendments to IFRS1 – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters (December 2010);
- Amendments to IFRS 7 Financial Instruments: Disclosures (October 2010);
- IFRS 9: Financial Instruments (November 2009);
- IFRS 10: Consolidated Financial Statement (May 2011)
- IFRS 11; Joint Arrangements (May 2011);
- IFRS 12: Disclosure of Interests in Other Entities (May 2011);
- IFRS 13: Fair value measurement (May 2011).

However, the alignment to these principles by the Group is subject to transposition thereof by the European Commission.

Starting from the calculation of supervisory capital as at June 30, 2010, the Group exercised the option (allowed by Banca d'Italia on May 18, 2010) to deduct all capital gain and losses arising out of changes in fair value recognized after December 31, 2019 in revaluation reserves in respect of debt securities issued by the Central Administrations of EU Countries and held as "financial assets available for sale".

The Board of Directors approved the Consolidated Interim Report as at September 30, 2011 on November 14, 2011 and authorized the publication.

The whole document is lodged with the competent offices and entities as required by law.

## A.2 – The Main Items of the Accounts

With regard to the classification and valuation of the main items, please refer to Part A..2 of the Notes to the Consolidated Accounts as at December 31, 2010. No changes have been made to these principles.

## A.3 – Information on fair value

This section presents a disclosure of reclassified financial instruments according to IAS 39 and information on fair value hierarchy as required by IFRS 7.

For a definition of fair value, as well as for information on the methodologies and processes adopted to measure it, see Part A.3 of the Notes to the 2010 Consolidated accounts. No changes occurred in this respect.

### A.3.1 Transfers between Portfolios

The amendments to IAS 39 and to IFRS 7 "Reclassification of financial assets" approved by the IASB in 2008 make it possible to reclassify certain financial assets, after their initial recognition, out of the HfT and AfS portfolios.

In particular, the following may be reclassified:

- those HfT or AfS financial assets that would have satisfied the definition specified by international accounting standards for the loan portfolio (if such assets were not classified as HfT or AfS respectively on initial recognition) if the entity intends, and is able, to hold them for the foreseeable future or until maturity;
- "only in rare circumstances" those HfT financial assets, which, at the time of their recording, did not satisfy the definition of loans.

The following  table (which is broken down by type of underlying asset and portfolio) provide the book value and fair value as at September 30, 2011 of assets which had been reclassified in H2 2008 and H1 2009.

The income/expenses that would have been recognized if such reclassifications had not occurred, as well as those effectively recognized through profit or loss or at equity are also provided.

These income/expenses before taxes are broken down into two categories: those arising "from measurement" (including any write-downs) and "other" (including interest and gains/losses on the disposal of the transferred assets.

As a result the overall impact before taxes that would have been recognized in the income statement as of September 30, 2011, if these assets had not been reclassified, would have been a gain of €467,711 thousand, while the impact actually recognized was a gain of €351,761 thousand.

**A.3.1.1 Reclassified financial assets: book value, fair value and effects on comprehensive income** (€ '000)

| Instruments type (1) | Accounting Portfolio before reclassification (2) | Accounting Portfolio after reclassification (3) | Carrying amount as at 09.30.2011 (4) | Fair Value as at 09.30.2011 (5) | Income/expenses absent reclassification (before taxes) From measurement (6) | Income/expenses absent reclassification (before taxes) Other (7) | Income/expense recognized during the period (before taxes) From measurement (8) | Income/expense recognized during the period (before taxes) Other (9) |
|---|---|---|---|---|---|---|---|---|
| **A. Debt securities** | | | **9,953,608** | **9,180,443** | **46,317** | **386,052** | **(5,690)** | **337,549** |
| | Held for trading | Available for sale | 2,861 | 2,861 | 133 | 363 | 133 | 387 |
| | Held for trading | Held to maturity | 187,359 | 190,945 | 350 | 6,169 | - | 5,743 |
| | Held for trading | Loans to Banks | 3,254,630 | 3,259,817 | (4,181) | 94,402 | (4,300) | 99,488 |
| | Held for trading | Loans to Customers | 6,270,532 | 5,503,612 | 62,092 | 242,846 | (1,523) | 200,347 |
| | Available for sale | Loans to Banks | - | - | - | 2,013 | - | 1,987 |
| | Available for sale | Loans to Customers | 238,226 | 223,208 | (12,077) | 40,259 | - | 29,597 |
| **B. Equity instruments** | | | - | - | - | - | - | - |
| | Held for trading | Available for sale | - | - | - | - | - | - |
| **C. Loans** | | | **487,013** | **510,924** | **14,754** | **20,588** | **-** | **19,902** |
| | Held for trading | Available for sale | - | - | - | - | - | - |
| | Held for trading | Held to maturity | - | - | - | - | - | - |
| | Held for trading | Loans to Banks | 170,683 | 172,559 | 1,205 | 7,005 | - | 6,817 |
| | Held for trading | Loans to Customers | 316,330 | 338,365 | 13,549 | 13,583 | - | 13,085 |
| | Available for sale | Loans to Banks | - | - | - | - | - | - |
| | Available for sale | Loans to Customers | - | - | - | - | - | - |
| **D.Units in investment funds** | | | - | - | - | - | - | - |
| | Held for trading | Available for sale | - | - | - | - | - | - |
| | | **Total** | **10,440,621** | **9,691,367** | **61,071** | **406,640** | **(5,690)** | **357,451** |

Debt securities reclassified in the loan with customers portfolio include structured credit products (other than derivative contracts and financial instruments with incorporated derivatives) for an amount of €4,852,862 thousand at September 30, 2011.

No further reclassifications were made during 2010 and the first nine months of 2011, therefore table A.3.1.2 "Reclassified financial assets: effects on comprehensive Income before reclassification" and information concerning item A.3.1.4 "Effective interest rate and cash flows expected from reclassified assets" are not provided.

### A.3.1.3. Transfer of financial assets held for trading

In application of the provisions of Article 2 of referenced EC Regulation 1004/2008, pursuant to which "the current financial crisis is considered to be such a rare circumstance which would justify the use of this possibility [reclassification] by companies" during the second half of 2008 and first half of 2009, the Group reclassified HfT financial assets consisting of structured credit products (other than derivatives) and other debt securities issued by governments, public entities, companies and financial institutions and covered bonds and *Pfandbriefe* other than derivative contracts and financial instruments containing embedded derivatives.

## A.3.2 Fair Value Hierarchy

IFRS 7 calls for classifying instruments being measured at fair value as a function of the ability to observe the inputs used for pricing.

To be specific, three levels are specified:

- Level 1: the fair value of instruments classified in this level is determined based on quotation prices observed in active markets;
- Level 2: the fair value of instruments classified in this level is determined based on valuation models that use inputs that can be observed in the market;
- Level 3: the fair value of instruments classified in this level is determined based on valuation models that primarily use inputs that cannot be observed in the market;

The following table shows a breakdown of financial assets and liabilities designated at fair value according to the above-mentioned levels.

**A.3.2.1 Accounting portfolios - breakdown by fair value levels** (€ '000)

| | Amounts as at 09.30.2011 | | | Amounts as at 12.31.2010 | | |
|---|---|---|---|---|---|---|
| **Financial Assets/Liabilities measured at fair value** | **Level 1** | **Level 2** | **Level 3** | **Level 1** | **Level 2** | **Level 3** |
| 1. Financial assets held for Trading | 25,467,976 | 108,553,255 | 5,986,278 | 32,622,072 | 86,116,427 | 3,812,903 |
| 2. Financial assets at fair value through P&L | 6,251,979 | 19,986,808 | 3,394,244 | 16,281,851 | 9,484,236 | 1,311,769 |
| 3. Available for sale financial assets | 36,661,784 | 12,475,442 | 5,490,704 | 34,542,540 | 15,252,294 | 5,308,356 |
| 4. Hedging derivative assets | 73,770 | 16,114,230 | 1 | 416 | 11,367,544 | 239 |
| **Total** | **68,455,509** | **157,129,735** | **14,871,227** | **83,446,879** | **122,220,501** | **10,433,267** |
| 1. Financial liabilities held for Trading | 12,119,838 | 120,316,500 | 5,297,742 | 12,980,446 | 97,446,943 | 3,671,747 |
| 2. Financial liabilities at fair value through P&L | - | 912,471 | - | - | 1,216,810 | 51,079 |
| 3. Hedging derivative liabilities | 5,360 | 12,433,642 | 78 | 1,091 | 9,679,759 | - |
| **Total** | **12,125,198** | **133,662,613** | **5,297,820** | **12,981,537** | **108,343,512** | **3,722,826** |

As at September 30, 2011, item 3. “Available-for-sale financial assets” - Level 1 included €121,201 thousand Greek Government securities with a nominal value of €287,900 thousand.

With regard to these positions, it should be noted that on July 21, 2011 the Council of the European Union approved a new government economic rescue package for Greece, which was to be accompanied by a bailout plan aimed at private sector and with voluntary participation (*Private Sector Involvement or PSI*).The proposal that received the greatest support from political authorities and financial institutions was the one published by *The Institute of International Finance (IIF)* on the same date.

During the approval of the Consolidated First Half Financial Report as at June 30, 2011, UniCredit positively considered to agree to the IIF proposal.
Therefore, the fair value was measured according to a “fundamental value” that incorporated the recovery expectations into the terms of the PSI.

In particular, the proposal provided for the swap of securities held in portfolio with new securities bearing different characteristics, whose estimated initial value would have produced a loss of 21% calculated by discounting the expected cash flows at a rate of 9%, described as “normalized” in the IIF document, on the grounds of the expectation that the international community will accept the program.

According to IAS/IFRS accounting standards, the granting by the lender of more favourable conditions for economic or legal reasons related to the beneficiary’s financial straits is objective evidence that a financial asset is impaired; therefore, at June 30, 2011, the negative reserve so created was reclassified under item 130.b) "Impairment losses on available-for-sale financial assets” of Income Statement.
The evolution of the country’s situation during the third quarter is now creating significant uncertainty as to whether the IIF proposal, based on the above-mentioned characteristics, will be implemented; indeed, alternative proposals are now being discussed which are likely to entail, for the participants in the restructuring plan, higher losses on the positions in comparison to those anticipated in the previous proposal.

In this context, the early stage of discussion of the alternative proposals for a Greek debt restructuring doesn’t allow a reliable assessment of the fair value of these positions; as a consequence, the only available information on the value of these positions is represented by market transactions, although their volume is not significant compared to the total value of the bonds issued.
Taking into account these recent developments, the valuation of the positions represented by Greek government securities classified as available-for-sale financial assets as at September 30, 2011 has therefore been updated by using the values observed on the market on that date, which fall into Level 1 of the fair value hierarchy.

Therefore, in addition to €79,468 thousand impairment losses on available-for-sale financial assets reported on June 30, 2011, on September 30 other €108,399 thousand were reported in the same item 130.b) of the Income Statement.

Lastly, it should be noted that the valuation of Greek government securities classified under held-to-maturity investments was also updated to reflect expectations of higher losses implicit in market prices recorded on September 30, 2011, consistent with the available-for-sale financial assets.

## A.3.3 Day One Profit/Loss

The value at which financial instruments are recognized is equal to their fair value on the same date.

The fair value of financial instruments, other than those designated at fair value through profit or loss, at their recognition date is usually assumed to be equal to the amount collected or paid.

For financial instruments held for trading and instruments designated at fair value, any difference from the amount collected or paid is posted under the appropriate items of the income statement.

The use of conservative valuation models, the processes for revising the models used and related parameters and value adjustments to reflect model risk ensure that the amount recognized in the income statement is not derived from the use of valuation parameters that cannot be observed.

More specifically, the calculation of value adjustments to reflect model risk ensures that the fair value portion of these instruments relating to the use of subjective parameters is not recognized in the profit and loss account, but changes the balance sheet value of these instruments.
Recognition of this portion in the profit and loss account is then made only when objective parameters are applied and therefore the adjustments are derecognized.

The balance of value adjustments to reflect model risk changed from €148,146 thousand at December 31, 2010 to €116,468 thousand at September 30, 2011.

# Part B – Consolidated Balance Sheet

# Part B – Consolidated Balance Sheet

## Assets

### Section 2 – Financial assets held for trading – Item 20

**2.1 Financial assets held for trading: product breakdown** (€ '000)

| Item/Values | Amounts as at 09.30.2011 | | | Amounts as at 12.31.2010 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **A) Financial assets (non-derivatives)** | | | | | | |
| **1. Debt securities** | **17,463,773** | **8,161,449** | **2,163,653** | **21,203,099** | **7,948,732** | **1,209,241** |
| 1.1 structured securities | 110,059 | 1,085,155 | 714,488 | 142,234 | 1,313,130 | 652,408 |
| 1.2 other debt securities | 17,353,714 | 7,076,294 | 1,449,165 | 21,060,865 | 6,635,602 | 556,833 |
| **2. Equity instruments** | **2,036,313** | **6,916** | **864,404** | **6,387,998** | **18,118** | **26,892** |
| **3. Units in investment funds** | **1,641,506** | **468** | **41,954** | **2,464,343** | **516** | **2,150** |
| **4. Loans** | **765** | **7,907,289** | **-** | **272** | **8,530,157** | **-** |
| 4.1 reverse repos | - | 7,642,018 | - | - | 8,350,058 | - |
| 4.2 other | 765 | 265,271 | - | 272 | 180,099 | - |
| **Total (A)** | **21,142,357** | **16,076,122** | **3,070,011** | **30,055,712** | **16,497,523** | **1,238,283** |
| **B) Derivative instruments** | | | | | | |
| **1. Financial derivatives** | **3,545,909** | **89,511,661** | **1,115,784** | **2,430,380** | **67,268,098** | **1,113,202** |
| 1.1 trading | 3,543,551 | 87,677,059 | 1,102,386 | 2,428,461 | 66,186,923 | 1,042,271 |
| 1.2 related to fair value option | - | 186,743 | 11,402 | - | 177,685 | 6,213 |
| 1.3 other | 2,358 | 1,647,859 | 1,996 | 1,919 | 903,490 | 64,718 |
| **2. Credit derivatives** | **779,710** | **2,965,472** | **1,800,483** | **135,980** | **2,350,806** | **1,461,418** |
| 2.1 trading | 779,710 | 2,951,378 | 1,753,674 | 135,980 | 2,342,783 | 1,434,501 |
| 2.2 related to fair value option | - | - | - | - | - | - |
| 2.3 other | - | 14,094 | 46,809 | - | 8,023 | 26,917 |
| **Total (B)** | **4,325,619** | **92,477,133** | **2,916,267** | **2,566,360** | **69,618,904** | **2,574,620** |
| **Total (A+B)** | **25,467,976** | **108,553,255** | **5,986,278** | **32,622,072** | **86,116,427** | **3,812,903** |

| | | |
|---|---|---|
| **Total Level 1, Level 2 and Level 3** | **140,007,509** | **122,551,402** |

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies – A.3 - Information on fair value.

Item 20 “Financial assets held for trading” shows an overall increase of €17,456 million. In particular:

- cash instruments decreased by €7,503 million;
- derivative instruments increased by €24,959 million.

With respect to **cash instruments** the €7,503 million decrease is attributable to**:**

- a €2,572 million reduction in Debt securities;
- a €3,525 million reduction in Equity securities;
- a €783 million reduction in Units in investment funds;
- a €623 million increase in Loans.

With respect to derivative instruments the €24,959 million increase is attributable to trading financial derivatives (+€22.665 million) and is mainly due to the fluctuations in market prices.

# Section 3 – Financial assets at fair value through profit or loss – Item 30

**3.1 Financial assets at fair value through profit or loss: product breakdown** (€ '000)

| Items/Values | Amounts as at 09.30.2011 | | | Amounts as at 12.31.2010 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **1. Debt securities** | **6,177,243** | **17,967,863** | **2,860,118** | **16,206,713** | **7,422,752** | **706,935** |
| 1.1 Structured securities | 2,667 | 38,397 | 42,324 | 2,515 | 16,399 | 86,306 |
| 1.2 Other debt securities | 6,174,576 | 17,929,466 | 2,817,794 | 16,204,198 | 7,406,353 | 620,629 |
| **2. Equity instruments** | **432** | **11** | **35,448** | **14,616** | **11** | **35,829** |
| **3. Units in investment funds** | **74,207** | **-** | **498,678** | **60,522** | **-** | **554,005** |
| **4. Loans** | **97** | **2,018,934** | **-** | **-** | **2,061,473** | **15,000** |
| 4.1 Structured | - | - | - | - | 2,029 | - |
| 4.2 Other | 97 | 2,018,934 | - | - | 2,059,444 | 15,000 |
| **Total** | **6,251,979** | **19,986,808** | **3,394,244** | **16,281,851** | **9,484,236** | **1,311,769** |

| | | |
|---|---|---|
| **Total Level 1, Level 2 and Level 3** | **29,633,031** | **27,077,856** |

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies - A.3 - Information on fair value.
In the first nine months of 2011 debt securities were transferred from level 1 to level 2 due to changes in market conditions that, resulting in a reduction in the number of contributors and in the widening of Bid/Ask spreads, influence valuation models.

The classification of investments into this portfolio is made to reduce the accounting mismatch connected to financial instruments measured (with changes in fair value) in the income statement in order to manage the risk profile.

# Section 4 – Available for sale financial assets – Item 40

**4.1 Available-for-sale financial assets: product breakdown** (€ '000)

| Items/Values | Amounts as at 09.30.2011 | | | Amounts as at 12.31.2010 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **1. Debt securities** | **35,976,564** | **12,248,029** | **2,424,685** | **33,774,791** | **14,784,264** | **2,643,018** |
| 1.1 Structured securities | 4,971 | 114,420 | 657,987 | 58,797 | 354,271 | 904,881 |
| 1.2 Other | 35,971,593 | 12,133,609 | 1,766,698 | 33,715,994 | 14,429,993 | 1,738,137 |
| **2. Equity instruments** | **512,779** | **27,757** | **1,904,494** | **570,631** | **121,516** | **1,648,356** |
| 2.1 Measured at fair value | 512,779 | 27,757 | 975,560 | 570,631 | 121,516 | 747,030 |
| 2.2 Carried at cost | - | - | 928,934 | - | - | 901,326 |
| **3. Units in investment funds** | **172,441** | **172,509** | **1,161,525** | **197,118** | **258,479** | **1,016,982** |
| **4. Loans** | **-** | **27,147** | **-** | **-** | **88,035** | **-** |
| **Total** | **36,661,784** | **12,475,442** | **5,490,704** | **34,542,540** | **15,252,294** | **5,308,356** |

| | | |
|---|---|---|
| **Total Level 1, Level 2 and Level 3** | **54,627,930** | **55,103,190** |

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies – A.3 - Information on fair value.

The sub-item *1.2 Other* includes Greek Government securities amounting to €287,900 thousand in face value. The book value of these securities at September 30, 2011was €121,201 thousand. See the preceding Part A – Accounting Policies – A.3.2 Fair Value Hierarchy for further information on the valuation method adopted.

## Section 5 – Held-to-maturity investments – Item 50

| Held-to-maturity investments: product breakdown | | (€ '000) |
|---|---|---|
| | Amounts as at | |
| | 09.30.2011 | 12.31.2010 |
| | Book Value | Book Value |
| **1. Debt securities** | **8,943,683** | **10,003,718** |
| - Structured securities | 22,180 | 42,579 |
| - Other securities | 8,921,503 | 9,961,139 |
| **2. Loans** | - | - |

The sub-item *1. Debt securities – other securities* include Greek Government securities amounting to €215,285 thousand in face value. The book value of these securities at September 30, 2011 amounted to €100,084 thousand, net of €118,859 thousand of value adjustments recorded in the income statement in the reference period. See the preceding Part A – Accountin Policies – A.3.2 Fair Value Hierarchy for further information on the valuation method adopted

## Section 6 – Loans and receivables with banks – Item 60

| 6.1 Loans and receivables with banks: product breakdown | | (€ '000) |
|---|---|---|
| | Amounts as at | |
| Type of transactions/Values | 09.30.2011 | 12.31.2010 |
| **A. Loans to central banks** | **10,805,384** | **13,559,497** |
| 1. Time deposits | 507,772 | 980,444 |
| 2. Compulsory reserves | 9,213,116 | 10,638,611 |
| 3. Reverse repos | 154,742 | 627,952 |
| 4. Other | 929,754 | 1,312,490 |
| **B. Loans to banks** | **61,668,429** | **56,655,955** |
| 1. Current accounts and demand deposits | 22,413,814 | 17,883,245 |
| 2. Time deposits | 4,326,272 | 4,471,049 |
| 3. Other loans | 29,819,248 | 27,841,283 |
| *3.1 Reverse repos* | *20,269,518* | *19,585,436* |
| *3.2 Finance leases* | *6,055* | *7,336* |
| *3.3 Other* | *9,543,675* | *8,248,511* |
| 4. Debt securities | 5,109,095 | 6,460,378 |
| *4.1 Structured* | *68,048* | *72,835* |
| *4.2 Other* | *5,041,047* | *6,387,543* |
| **Total carrying amount** | **72,473,813** | **70,215,452** |

| | | |
|---|---|---|
| **Total impaired assets** | **115,377** | **490,585** |

# Section 7 – Loans and receivables with customers – Item 70

For details see the Interim Report on Operations or Part E - Information on risks and related risk management policies - Credit quality.

**7.1 Loans and receivables with customers: product breakdown** (€ '000)

| Type of transactions/Values | Amounts as at | | | |
|---|---|---|---|---|
| | 09.30.2011 | | 12.31.2010 | |
| | Performing | Impaired | Performing | Impaired |
| 1. Current accounts | 56,957,162 | 7,325,705 | 52,489,229 | 7,326,698 |
| 2. Reverse Repos | 15,401,730 | 276 | 9,564,031 | - |
| 3. Mortgages | 175,705,217 | 14,989,978 | 180,418,816 | 13,734,424 |
| 4. Credit cards and personal loans, including wage assignement loans | 19,734,668 | 643,589 | 19,679,720 | 549,739 |
| 5. Finance leases | 30,016,521 | 3,697,746 | 29,922,535 | 3,280,457 |
| 6. Factoring | 8,679,204 | 296,940 | 9,454,702 | 314,024 |
| 7. Other transactions | 204,955,290 | 11,945,019 | 201,512,151 | 11,874,897 |
| 8. Debt securities | 11,952,995 | 144,803 | 15,183,037 | 348,900 |
| *8.1 Structured securities* | *4,204,867* | *107,879* | *4,416,755* | *146,830* |
| *8.2 Other debt securities* | *7,748,128* | *36,924* | *10,766,282* | *202,070* |
| **Total carrying amount** | **523,402,787** | **39,044,056** | **518,224,221** | **37,429,139** |

| | | |
|---|---|---|
| **Total carrying amount Performing and Impaired** | **562,446,843** | **555,653,360** |

The sub-item 7. Other transactions includes:

- €13,879 million for advances to ordinary customers;
- €33,550 million for pooled transactions;
- €65,615 million for other non-current account loans;
- €15,034 million advances to customer for import/export;
- €13,779 million "hot money" transactions.

Sub-items 7. "Other transactions" and 8.2 "Other Debt Securities" include €485 million and €414 million respectively arising from the "Trevi Finance", "Trevi Finance 2" and "Trevi Finance 3" securitization transactions, in respect of which the underlying assets were not re-recognized in the accounts, since the transactions were performed before January 1, 2002.

An Italian Government bond partly guarantees the securities of item 8.2 for €188 million.

The assets underlying these securitization transactions are non-performing loans, whose carrying amount was €794 million at September 30, 2011, as against a face value of €3,977 million.

## Section 10 –Investments in associates and joint ventures – Item 100

Investments in associates and joint ventures, which amounted to €3,963 million at year-end 2010, are €3,682 million as at September 30, 2011.

During the third quarter of 2011, adjustments were made to the book value of certain strategic investments in associates consolidated at net equity.

As required by IAS 28 and IAS 36, these impairment losses are produced by the decrease in the recoverable amount of the investments, due to the worsening of the financial market conditions during the third quarter of 2011 and the subsequent revision of income and financial forecasts for these companies used in the fundamental value model in order to assess their value in use.

This has had negative effects on the elements considered in the estimation of the recoverable amount, in particular:

- parameters used in the assessment, such as the discount rate adjusted for the specific risk of the sector and the environment where the entity operates;
- the value of the investment portfolios of financial instruments held by these associate entities;
- volumes and profit margins of the insurance and banking sectors.

Consequently, as at September 30, 2011 impairment losses on investments totaling € 480 million were recognized in the income statement.

These impairment losses relate respectively to:

- Mediobanca Banca di Credito Finanziario S.p.A. for €404 million;
- Fondiaria-SAI S.p.A. for €41 million;
- CNP UniCredit Vita S.p.A. for €35 million.

# Section 13 – Intangible assets – Item 130

**Intangible assets** are non-monetary, identifiable assets without physical substance. Held for multi-year use, they include goodwill and, among other intangible assets, trademarks, core deposits, customer relationships and software.
Goodwill is the excess of the acquisition cost of assets and liabilities comprising businesses or business branches over their net fair value as of the acquisition date.
As at September 30, 2011 intangible assets amounted to €15,563 million, down from €25,592 million as at December 31, 2010, following the impairment in 3Q 2011 (-€9,597 million), mainly attributable to goodwill.

**13.1 Intangible assets: breakdown** (€ '000)

| Assets/Values | Amounts as at 09.30.2011 | | Amounts as at 12.31.2010 | |
|---|---|---|---|---|
| | Finite Life | Indefinite Life | Finite Life | Indefinite Life |
| **A.1 Goodwill** | **X** | **11,528,615** | **X** | **20,428,073** |
| A.1.1 attributable to the Group | X | 11,528,615 | X | 20,428,073 |
| A.1.2 attributable to minorities | X | - | X | - |
| **A.2 Other intangible assets** | **3,893,412** | **140,975** | **4,093,063** | **1,071,023** |
| A.2.1 Assets carried at cost: | 3,893,412 | 140,975 | 4,093,063 | 1,071,023 |
| *a) Intangible assets generated internally* | *611,763* | - | *489,821* | - |
| *b) Other assets* | *3,281,649* | *140,975* | *3,603,242* | *1,071,023* |
| A.2.2 Assets valued at fair value: | - | - | - | - |
| *a) Intangible assets generated internally* | - | - | - | - |
| *b) Other assets* | - | - | - | - |
| **Total** | **3,893,412** | **11,669,590** | **4,093,063** | **21,499,096** |

| | | |
|---|---|---|
| **Total finite and indefinite life** | **15,563,002** | **25,592,159** |

| 13.2 Intangible assets: annual changes | | | | | | (€ '000) |
|---|---|---|---|---|---|---|
| | Changes in first nine months of 2011 | | | | | |
| | | Other Intangible Assets | | | | |
| | | Generated Internally | | Other | | |
| | Goodwill | Finite Life | Indefinite Life | Finite Life | Indefinite Life | Total |
| **A. Gross Opening Balance** | **22,927,113** | **907,877** | **-** | **7,153,150** | **1,071,023** | **32,059,163** |
| A.1 Net reductions | (2,499,040) | (418,056) | - | (3,549,908) | - | (6,467,004) |
| A.2 **Net opening balance** | **20,428,073** | **489,821** | **-** | **3,603,242** | **1,071,023** | **25,592,159** |
| **B. Increases** | **65,403** | **223,007** | **-** | **187,599** | **-** | **476,009** |
| B.1 Purchases | 53,672 | 74,010 | - | 135,695 | - | 263,377 |
| B.2 Increases in intangible assets generated internally | X | 146,239 | - | 372 | - | 146,611 |
| B.3 Write-backs | X | - | - | - | - | - |
| B.4 Increase in fair value | | - | - | - | - | - |
| *- in equity* | *X* | - | - | - | - | - |
| *- through profit or loss* | *X* | - | - | - | - | - |
| B.5 Positive exchange differences | 11,731 | 109 | - | 5,406 | - | 17,246 |
| B.6 Other changes | - | 2,649 | - | 46,126 | - | 48,775 |
| **C. Reductions** | **8,964,861** | **101,065** | **-** | **509,192** | **930,048** | **10,505,166** |
| C.1 Disposals | 1,801 | 2,001 | - | 5,812 | - | 9,614 |
| C.2 Write-downs | 8,669,490 | 86,778 | - | 414,348 | 927,894 | 10,098,510 |
| - amortization | X | 86,778 | - | 414,328 | - | 501,106 |
| - write-downs | 8,669,490 | - | - | 20 | 927,894 | 9,597,404 |
| *+ in equity* | *X* | - | - | - | - | - |
| *+ through profit or loss* | *8,669,490* | - | - | *20* | *927,894* | *9,597,404* |
| C.3 Reduction in fair value | | - | - | - | - | - |
| *- in equity* | *X* | - | - | - | - | - |
| *- through profit or loss* | *X* | - | - | - | - | - |
| C.4 Transfers to non-current assets held for sale | 775 | - | - | 1,880 | - | 2,655 |
| C.5 Negative exchange differences | 292,441 | 2,008 | - | 49,886 | 2,154 | 346,489 |
| C.6 Other changes | 354 | 10,278 | - | 37,266 | - | 47,898 |
| **D. Net Closing Balance** | **11,528,615** | **611,763** | **-** | **3,281,649** | **140,975** | **15,563,002** |
| D.1 Total net write-down | (11,151,293) | (587,583) | - | (3,735,081) | - | (15,473,957) |
| **E. Closing balance** | **22,679,908** | **1,199,346** | **-** | **7,016,730** | **140,975** | **31,036,959** |
| **F. Carried at cost** | **-** | **-** | **-** | **-** | **-** | **-** |

The Group does not use the revaluation model (fair value) to measure intangible assets.
*Other intangible assets – other – indefinite life* include trademarks (brands).
*Intangible assets – other – definite life* include:

- Customer Relationship e Core Deposits of €2,545 million;
- Software of €534 million;
- Licences, patents and similar rights of €84 million.

Please refer to the following pages for further details on adjustments for impairment of goodwill and other indefinite-useful-life intangible assets.

## Information on intangible assets noted during business combinations

The application of IFRS 3 to the accounting for business combinations revealed in the course of time significant amounts of intangible assets and goodwill. The following table shows the change in the values posted for the various intangible assets identified during the period, including the valuation effects described below.

| | | | | | (€ million) |
|---|---|---|---|---|---|
| **Intangible assets (except software)** | **TOTAL 2010** | **Amortization** | **Impairment** | **(*) Other changes** | **TOTAL 2011** |
| Trademarks | 1,071 | | (928) | (2) | 141 |
| Core deposits and customer relationships | 2,740 | (174) | | (20) | 2,545 |
| Goodwill | 20,428 | | (8,669) | (230) | 11.529 |
| **TOTAL** | **24,239** | **(174)** | **(9,597)** | **(252)** | **14,215** |

(*) due essentially to the exchange rate effect and to a goodwill arisen in the first nine months of 2011 amounting to €54 million.
Any discrepancies in this table and between data given in the above table and other information in Explanatory Notes are due to the effect of rounding.

**Trademarks** and **goodwill** are considered indefinite-life intangible assets. They are expected to contribute indefinitely to income flows.

The **other intangible assets** noted have finite useful lives, originally valued by discounting financial flows over the residual lifetime of the relationships in place on the date of the business combination from which they derive. Finite-life intangible assets are subject to amortization based on the associated useful life.

The types of intangible assets noted as a result of business combinations and the methods used to determine their associated fair value on the acquisition date are indicated below.

### Trademarks

The fair value of initial recognition of trademarks is determined using the "relief from royalty" method, which estimates their value based on the payments received for granting their use to third parties. Royalties are calculated by applying the royalty rate to the income flows (adjusted operating income of the items not associated with the trademarks themselves).

In summary, the method may be broken down into three stages:

- determination of the royalty rate (based on a comparison with similar cases or calculated analytically);
- application of the royalty rate to income flows;
- determination of the present value of royalties after taxes, calculated by applying a discount rate that takes into account the risk context of the trademark being valued.

Starting from 2007, the Group's trademark policy has been characterized by initiatives designed to strengthen the value of the UniCredit trademark, meanwhile preserving the local trademarks of the Group's banks. These initiatives include:

- the introduction of the UniCredit trademark in all countries where the Group operates, so that it is present alongside the local trademarks of the Group's banks;
- starting from 2009, the sponsorship of the UEFA Champions League;
- the recent launch of advertising campaigns focused on the UniCredit trademark in the major countries where the Group operates.

These initiatives have produced very positive results with respect to the perception of the UniCredit trademark in the markets where the Group is present.
In particular, the coexistence of the UniCredit trademark and the local trademarks represented a first step towards the use of a single UniCredit trademark. As part of this strategy aimed at creating a trademark architecture based on a single trademark, in line with the above-mentioned commercial initiatives and in light of their success, the Group resolved to implement a re-branding strategy, which in the short term will lead to the termination of the use of the trademarks listed in the table below, in order to focus on the use of the single trademark.

| **Country** | **Trademark** | **Book value (€ million)** |
|---|---|---|
| Italy | Banca di Roma<br>Banco di Sicilia | 149.5<br>86.8 |
| Germany | HypoVereinsbank | 241.1 |
| Austria | Bank Austria | 424.3 |
| **Total** | | 901.7 |

Pursuant to IAS 38, this decision involves the impairment of the respective recognized intangible assets. As a consequence, the 2011 third-quarter figures reflect the impairment of the book value of these trademarks, with an negative accounting impact of €643 million, net of related deferred tax.

Following the approval of the merger of Public Joint-Stock Company UniCredit Bank into Public Joint Stock Commercial Bank for Social Development Ukrsotsbank, a €26,2 million impairment charge on the value of the trademark of the latter company was recognized .

The residual value of indefinite-useful-life intangible assets (trademarks) referable to Fineco Bank and ATF Bank Kazakhstan is respectively €93 million and €48 million.

**Core Deposits**

The value of the Core Deposit comes from the fact that part of the short-term deposits of a bank (current accounts and savings deposits) and current account overdrafts remains deposited in the accounts for significant periods of time.
The useful life of the relationship is longer than the contract duration. The spread between the actual cost of deposits by means of Core Deposits and the cost of deposits at interbank market rates (the markdown) represents the most significant value component associated with this intangible asset. The income planning used to determine the fair value of Core Deposits also takes into account the fee component, which contributes to the total income from these relationships.
The determination of the fair value of this asset is based on the discounting of cash flows that represent the income margins generated by the deposits over the residual duration of the relationships in place on the date of acquisition. Inasmuch as these are finite-life assets, the associated value is amortized on a straight line over the expected duration of their economic benefit.
The average residual useful life of Core Deposits is 20 years.

**Customer Relationships**

*Assets under Management (AuM)*
The value of this intangible asset comes mainly from the ability of the company to obtain a profit from the placement of products that are related to the assets managed with its own customers.
The income flows used to value this asset when first posted are:
- for the placement banks, the fees granted by the producers;
- for the producers, the fees received from the customers, net of fees paid, mainly to the placement banks.

These fees are considered recurring, because they are tied to managed assets held by customers.
The average residual useful life of these intangible assets is 19 years.

*Assets under Custody (AuC)*
The value of this intangible asset comes mainly from the ability of the company to obtain a profit from customer assets under administration.
The income flows used to value this asset when first posted consist of the fees received for the work associated with assets under administration. These fees are considered recurring, because they are generated by the normal activity of customers acting on their own portfolios.
The average residual useful life of these intangible assets is 10 years.

*Life Insurance*
The value of this intangible asset comes mainly from the ability of the company to obtain a profit from the placement of products related to the "bancassurance" business with its own customers.
The income flows used to value this asset when first posted consist of the fees received for the work associated with the bancassurance business. These fees are considered recurrent because, from the point of view of the investor, they are similar to the products of managed/administered deposits.
The average residual useful life of these intangible assets is 25 years.

*Products*
This intangible asset relates to the profitability generated by trading on behalf of the asset management companies of the Group. The income flows used to evaluate this asset when first posted consist of the fees received for the brokerage work on behalf of the asset management companies themselves. These fees are considered recurring, because they are generated by the normal activity of the funds in which customers' deposits have been invested.
Furthermore, in some cases, the value of the asset is related to fees received for the disbursement of regional incentives.
The average residual useful life of these intangible assets is 4 years.

*Other*
This intangible asset includes all other types of so-called customer relationships, including by way of example those deriving from the ability of the company to obtain placement fees on third-party bonds and from securities auctions.
The average residual useful life of these intangible assets is 15 years.

The Group does not hold intangible assets acquired through public grants or intangible assets pledged against liabilities.

## Impairment testing of intangible assets during business combinations

In accordance with IAS 36, all **indefinite-useful-life** intangible assets, including goodwill, must be subjected at least annually to impairment testing to verify the recoverability of their value. For **finite-useful-life** intangible assets, possible loss of value must be determined each time indicators of loss appear.
Under IAS 36, impairment testing of intangible assets with indefinite lives must be performed at least annually and, in any case, whenever there is objective evidence of the occurrence of events that may have reduced their value. For UniCredit the trigger event is a market capitalization lower than Shareholders' Equity.
Recoverable value is the greater of the value in use (present value of future cash flows generated by the asset being valued) and the associated fair value, net of sales costs.

The recoverable value of intangible assets subject to impairment testing must be determined for the individual assets, unless both the following conditions exist:

- the value in use of the asset is not estimated to be close to the fair value, net of sales costs;
- the asset does not generate incoming cash flows largely independent of those coming from other assets.

If these conditions exist, the impairment test is conducted at the level of the Cash Generating Unit (CGU), as required by the cited accounting principle.

The impairment testing performed by the UniCredit Group by way of the determination of the value in use of the Cash Generating Units (CGU) as described below, includes both indefinite-useful-life intangible assets (goodwill and trademarks) and finite-useful-life intangible assets (core deposits and customer relationships), whenever the loss indicators provided for by the accounting principle occur.
We believe that core deposits and customer relationships cannot be subjected to separate impairment testing, because these assets do not generate cash flows independent of the cash flows from other assets.

To determine the value in use of intangible assets subject to impairment testing, IAS 36 requires that reference be made to cash flows for the assets under conditions that were current on the test date.

For the impairment testing, the value in use of the Cash Generating Units (CGU) to which these intangible assets are assigned must be calculated taking into account the cash flows for all assets and liabilities included in the CGU and not only those for which goodwill and/or the intangible asset were recorded when applying IFRS 3.

### Definition of Cash Generating Units (CGU)

Estimating the value in use for the purposes of any impairment testing of intangible assets, including goodwill, which do not generate cash flows except in conjunction with other business assets, requires that these assets first be attributed to operating units that are relatively autonomous in the business context (from the points of view of independent cash flows generated and of internal planning and reporting). These operating units are defined as Cash Generating Units (CGU).

In accordance with the provisions of IFRS 3 and IAS 36, for the purposes of impairment testing, goodwill has been allocated to the following operational Divisions of the Group, identified as CGUs:

- ***F&SME Networks (Italy, Germany, Austria and Poland)***, which includes *Mass Market*, *Affluent*, *Small Business* and SME clients, grouped according to their geographical location;
- ***F&SME Factories*** which includes, regardless of their geographical location, the following product lines: Leasing, Factoring, Asset Gathering and Consumer Finance;
- ***Corporate & Investment Banking*** (formerly Corporate and Markets & Investment Banking) which includes:
  - businesses with minimum annual revenues of €50 million;
  - the assets of the Group on financial markets and in Investment Banking (e.g., trading, distribution, structured derivatives, lending and syndication assets, mergers and acquisitions, private equity portfolio management, direct investment in the equity of listed and unlisted businesses);
- ***Private Banking***, which includes private clientele with medium-high financial liquidity, to whom we provide advisory and asset management services. The division uses traditional channels that are typical for this customer segment (private bankers) and innovative distribution models (networks of financial consultants and online banking and trading services);
- ***Asset Management***, which specializes in protecting and increasing the value of customer investments through a series of innovative financial solutions (UCITs, asset management, institutional investor portfolios, etc.);
- ***Central Eastern Europe*** *(CEE)*, which includes the businesses of the Group in the countries of Central and Eastern Europe (except Poland), including assets in Kazakhstan and Ukraine, which are subject to specific assessment;
- **Parent Company** and other companies.

The CGU is the lowest level for Group-level goodwill monitoring. The identified CGUs correspond to the organizational business units through which the Group develops its own activity and for which it provides segment reporting.

In the CGU "Central Eastern Europe" (CEE), additional tests were performed for each country where the Group operates. The allocation methodology adopted took into account synergies and expected results by the above organizational units.

The allocation of goodwill to the various CGUs called for two distinct phases:

- the first phase identified goodwill as the difference between the fair value of the purchase posted in the individual financial statement of the purchaser and the shareholders' equity at fair value after applying the purchase price method to the assets, liabilities and potential liabilities of the financial statement of the entity acquired (net of minority interests), assessed at fair value. This phase also took into consideration all fair value from transfers of companies or branches within the Group which took place as long as the purchase price allocation was provisional;
- the second phase allocated residual goodwill to the various CGUs, weighting them according to their respective fair value.

All identified goodwill has been allocated to the various CGUs.

### The book value of the CGUs

The book value of the CGUs is determined in accordance with the criterion used to determine their recoverable value. The recoverable value of the CGUs includes flows from their respective financial assets and liabilities, so the book value must also include the financial assets and liabilities generating those flows.
The book value of each CGU is determined based on its contribution to consolidated shareholders' equity, including minority interests. Specifically, the book value of the CEE CGUs is determined via the summation of the individual book values of each company in the consolidated financial statement (corresponding to their book Shareholders' Equity), taking into account any intangible assets noted at the time of purchase (net of later amortization and impairment) and the consolidation entries.

Because it would be excessively complex to determine the carrying amount of the other CGUs based on book values, it is necessary to use operational factors to break them down correctly. These factors are determined by the Capital Management operating unit of the Finance and Administration Planning Department. In any case, intangible assets are attributed to the CGUs in accordance with the available accounting information.

The carrying amount of the CGUs as of June 30, 2011, determined as described above, and the portions of goodwill and other intangible assets allocated to each of them are shown below. The values refer to the situation after impairment testing.

(€ million)

| Cash Generating Unit (CGU) | Value as at 09.30.2011 | of which Goodwill (Group Share) | of which Other Intangible Asset (*) |
|---|---|---|---|
| **F&SME** | 17,831 | 5,049 | 52 |
| ***of which:*** | | | |
| ***Network Italy*** | *8,401* | *3,333* | |
| ***Network Germany*** | *1,276* | *17* | |
| ***Network Austria*** | *1,539* | *282* | |
| ***Network Poland*** | *1,389* | *461* | |
| ***Factories*** | *5,228* | *956* | 52 |
| **Private Banking** | *829* | *418* | 10 |
| **Asset Management** | *1,472* | *1,300* | |
| **Corporate & Investment Banking (CIB)** | *19,725* | *2,525* | |
| **Central Eastern Europe (CEE)** | *15,064* | *2,237* | 38 |
| ***of which:*** | | *0* | |
| ***Ukraine*** | *551* | *(0)* | |
| ***Kazakhstan*** | *450* | *(0)* | *38* |
| **Group parent and other companies** | *7,417* | *(0)* | 1,682 |
| **Total** | **62,338** | **11,529** | **1,783** |

Any discrepancies in this table and between data given in the above table and other information in Explanatory Notes are due to the effect of rounding.
(*) Stated amounts are net of deferred taxes.

**Estimating cash flows to determine the value in use of the CGUs**

As noted, based on IAS 36, the impairment test for indefinite-life intangible assets must be performed at least annually and in any case whenever there is any indication that their value may be impaired. The referenced accounting principles require that the impairment test be carried out by comparing the book value of each CGU with its recoverable value. When the latter proves to be less than the book value, a write-down must be recorded in the financial statement. The recoverable value of the CGU is the greater of its fair value (net of sales costs) and the related value in use.

The recoverable amount relating to each CGU is the value in use and is determined on the basis of future cash flows expected from each CGU to which the goodwill has been allocated. These cash flows are estimated based on:

- updated macroeconomic scenarios;
- strategic plan for 2012-2015 submitted for approval to the Board of Directors on November 14, 2011.

Projections of future results were extended to 2020, in order to obtain an assessment of the earning capability of the Group and its ability to create value over time, notwithstanding the current macroeconomic downturn. These projections were developed by extrapolation for all CGUs and for the individual CEE countries.

Expected cash flow for 2020 represents the basis for calculating the Terminal Value, which represents the ability of the CGUs to generate future cash flows beyond that year. Based on the adopted methodology, Terminal Value is calculated as a perpetual income estimated on the basis of a normalized, economically sustainable cash flow, consistent with a constant or decreasing long-term growth rate (“g”), as required by the IAS/IFRS accounting standards.
The value in use is determined by discounting the financial flows at a rate that takes into account present market rates and the specific risks of the asset. Taking into consideration the different risk levels of their respective operating environments, we used different risk premiums for each CGU which were specific to the individual entity or operating sector. The discount rates included a component related to country risk.

The Board of Directors has approved the valuation procedure (impairment test) based on the financial flow estimates and additional assumptions, developed by the Management.

The following tables summarize the estimates of the main macroeconomic indicators, relative to the markets where the Group operates, used to validate the estimates of future financial flows.

Eurozone and USA

## Macroeconomic Scenario

| Real GDP | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|
| y/y % changes | | | | | | |
| **USA** | 3,0 | 1,5 | 1,5 | 2,3 | 2,3 | 2,1 |
| **Eurozone** | 1,7 | 1,6 | 0,8 | 1,6 | 1,8 | 1,1 |

| Inflation, avg | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|
| y/y % changes | | | | | | |
| **USA (CPI)** | 1,6 | 3,1 | 2,0 | 2,5 | 2,5 | 2,5 |
| **Eurozone (HICP)** | 1,6 | 2,6 | 1,9 | 2,0 | 2,0 | 1,9 |

| Italy | 2010 | 2011F | 2012F | 2013F | 2014F | 2015F |
|---|---|---|---|---|---|---|
| y/y % changes | | | | | | |
| **GDP** | **1,2** | **0,6** | **-0,3** | **0,4** | **1,2** | **0,8** |
| **Inflation (CPI)** | **1,5** | **2,6** | **1,9** | **2,0** | **2,0** | **1,9** |
| Unemployment rate | 8,4 | 8,0 | 8,0 | 8,2 | 7,9 | 7,4 |
| **Nominal GDP (bn euro)** | **1548** | **1598** | **1634** | **1682** | **1736** | **1783** |

| Germany | 2010 | 2011F | 2012F | 2013F | 2014F | 2015F |
|---|---|---|---|---|---|---|
| y/y % changes | | | | | | |
| **GDP** | **3,6** | **3,0** | **1,2** | **2,5** | **1,8** | **1,9** |
| **Inflation (CPI)** | **1,1** | **2,4** | **1,7** | **2,0** | **2,1** | **1,8** |
| Unemployment rate | 7,7 | 7,1 | 6,8 | 6,5 | 6,3 | 6,1 |
| **Nominal GDP (bn euro)** | **2477** | **2600** | **2679** | **2786** | **2876** | **2670** |

| Austria | 2010 | 2011F | 2012F | 2013F | 2014F | 2015F |
|---|---|---|---|---|---|---|
| y/y % changes | | | | | | |
| **GDP** | **2,1** | **3,3** | **1,397309** | **1,952177** | **1,859246** | **1,279193** |
| **Inflation (CPI)** | **1,9** | **3,2** | **2,2** | **2,0** | **1,9** | **1,7** |
| Unemployment rate | 4,4 | 4,2 | 4,1 | 4 | 3,9 | 4 |
| **Nominal GDP (bn euro)** | **284,4** | **300** | **310** | **323** | **335** | **345** |

**CEE countries**

| | GDP | | | Inflation (Avg) | | |
|---|---|---|---|---|---|---|
| | 2011 | 2012 | 2015 | 2011 | 2012 | 2015 |
| **Poland** | 4,0 | 3,1 | 4,0 | 4,1 | 2,9 | 3,5 |
| **Hungary** | 1,5 | 1,8 | 2,8 | 3,7 | 2,8 | 3,1 |
| **Czech Rep.** | 2,1 | 1,6 | 3,5 | 1,8 | 2,8 | 2,0 |
| **Slovakia** | 2,9 | 2,8 | 4,6 | 4,0 | 3,1 | 3,5 |
| **Slovenia** | 1,3 | 1,8 | 2,5 | 1,9 | 2,0 | 2,4 |
| **Lithuania** | 5,2 | 2,7 | 3,7 | 3,6 | 2,2 | 2,8 |
| **Latvia** | 5,2 | 2,6 | 3,5 | 2,8 | 3,0 | 2,4 |
| **Estonia** | 6,9 | 2,6 | 3,9 | 4,7 | 2,8 | 2,7 |
| **Bulgaria** | 2,3 | 2,6 | 4,0 | 4,3 | 1,5 | 2,7 |
| **Romania** | 1,8 | 2,5 | 3,5 | 6,3 | 4,2 | 3,5 |
| **Croatia** | 0,2 | 1,0 | 2,5 | 2,4 | 2,5 | 2,5 |
| **Bosnia-H.** | 1,8 | 1,5 | 3,6 | 3,7 | 2,8 | 2,4 |
| **Serbia** | 2,0 | 2,8 | 3,0 | 11,6 | 6,6 | 5,3 |
| **Turkey** | 5,9 | 3,2 | 4,8 | 6,1 | 7,7 | 6,2 |
| **Ukraine** | 4,2 | 3,0 | 4,6 | 10,2 | 9,6 | 7,0 |
| **Russia** | 4,2 | 3,9 | 3,7 | 8,7 | 7,0 | 5,2 |
| **Kazakhstan** | 7,0 | 6,2 | 7,2 | 8,7 | 7,0 | 7,2 |

| | Interbank rates | | | Exchange rates (Avg) | | |
|---|---|---|---|---|---|---|
| | 2011 | 2012 | 2015 | 2011 | 2012 | 2015 |
| **Poland** | 4,8% | 3,9% | 4,5% | 4,0 | 4,1 | 3,8 |
| **Hungary** | 5,8% | 5,7% | 5,6% | 270,9 | 267,4 | 255,0 |
| **Czech Rep.** | 1,0% | 1,7% | 2,4% | 24,3 | 24,2 | 24,0 |
| **Slovakia** | 1,9% | 2,9% | 2,1% | 30,1 | 30,1 | 30,1 |
| **Slovenia** | 1,9% | 2,9% | 2,1% | EUR | EUR | EUR |
| **Lithuania** | n.a | n.a | n.a | 3,5 | 3,5 | 3,5 |
| **Latvia** | 3,8% | 3,8% | 3,5% | 0,7 | 0,7 | 0,7 |
| **Estonia** | n.a | n.a | n.a | EUR | EUR | EUR |
| **Bulgaria** | 0,4% | 1,0% | 2,8% | 2,0 | 2,0 | 2,0 |
| **Romania** | 4,8% | 4,3% | 4,5% | 4,2 | 4,2 | 3,9 |
| **Croatia** | 0,9% | 2,2% | 2,4% | 7,4 | 7,4 | 7,3 |
| **Bosnia-H.** | 1,9% | 2,9% | 2,1% | 2,0 | 2,0 | 2,0 |
| **Serbia** | 11,3% | 10,3% | 8,5% | 102,5 | 102,7 | 105,0 |
| **Turkey** | 8,0% | 7,8% | 8,5% | 2,4 | 2,5 | 2,1 |
| **Ukraine** | 7,0% | 7,0% | 6,0% | 11,6 | 11,7 | 9,9 |
| **Russia** | 5,6% | 5,9% | 5,2% | 40,5 | 41,1 | 40,3 |
| **Kazakhstan** | 2,2% | 4,0% | 6,0% | 210,2 | 217,8 | 207,1 |

The calculation of the utility value for impairment testing purposes was conducted using a Discounted Cash Flow model (DCF). The cash flows were determined by subtracting from net profit (net of minority interests) the annual capital requirement generated by changes in risk-weighted assets.
This capital requirement is defined as the level of capitalization that the Group aspires to achieve in the long term, also in light of the minimum regulatory capital requirements.

The Discounted Cash Flow model used by the Group is based on three stages:

- first stage - from 2011 to 2015 - which uses the strategic plan submitted for approval to submitted for approval to the Board of Directors on November 14, 2011;
- intermediate period from 2016 to 2020: cash flows are extrapolated starting from the last period of explicit forecast (2015) using reducing growth rates up to those of the Terminal Value, applying a ceiling to profits such that the 2015 ratio of Net Profit to RWAs registrato is maintained;
- terminal value calculated using a nominal growth rate of 2%. The euro area's nominal GDP growth from 1996 to 2010 was 3.3% (1.7% real growth and ~1.6% inflation). The choice of nominal 2%, corresponding to ~ 0% real growth, was made for prudential reasons.

Goods destined for auxiliary and shared assets (corporate assets) were allocated to the CGU to which they refer, where applicable. For the indivisible portion of these assets, the recoverable value was verified at overall Group level.

Noting that the sustainability of cash flow projections used in the impairment test was valued in light of the updated macroeconomic situation as at the approval date of the impairment test, the following assumptions in relation to the principal profitability determinants adopted for the various CGU are outlined below: f

- ***F&SME Networks and Factories****:* Multi-channel banking strategies and cost reduction of the network are the key drivers in almost all countries.
  In Italy the aim is optimizing local coverage and preserving a high quality service for clients. Smaller branches, the consequence of multi-channel strategy, will be cheaper to run and will offer a better client experience by concentrating offer on value-added services.
  In Germany, the strategy aims to attract affluent clients and become 'best in class' in servicing family customers through a tailored / innovative advisory approach. The focus is on SME segment, especially on short-term loans, deposit growth and high value added services.
  In Austria the object is to reactivate sales effectiveness in order to preserve market shares through the implementation of initiatives on the affluent (advisory model) and SME (lean banking) segments.
  Poland remains a growth market for the division, being the strengthening of consumer finance, cards and leasing businesses and a strong push into SMEs key focus areas.
  Asset Gathering and the factory business, becoming a leader in public sector management and in large industrial groups, are a growth engine and a liquidity generator.

- ***Corporate & Investment Banking:*** Despite major structural changes due to roll out of new regulation, industry's restricted access to capital markets and higher funding costs, CIB business is exposed to a large and diversified corporate portfolio with material growth options and capable to deliver a steadier profitability. At the very time when the 'Universal' bank model is being questioned, UniCredit finds itself closer to what is currently considered as an 'optimal' CIB structure than most European peers.
  Growing the franchise is the core proposition of the CIB plan. Hence, the various initiatives are:
  - new disbursements incurred as a result of specific actions taken in order to achieve an adequate level of risk/profitability;
  - optimization of capital and liquidity through portfolios in run-off deemed to be non-strategic.

- ***Private Banking**: Several initiatives are embedded in the plan to further exploit Private Banking potential, leveraging on strong Group franchise and European footprint (CIB and F&SME feeding, CEE) enhancing cross divisional synergies and Group positioning.*

- ***Asset Management***: One driver of the plan is the development of the existing platform in order to capture growth opportunities in other product areas and geographic regions.
Another milestone is the re-shaping of the relationship and terms of engagement with third parties, including the level of rebates to the network, the service model, the operating autonomy and the compensation policy.

- ***Central Eastern Europe** (CEE):* CEE represents one of the key pillars of new plan and is confirmed as the growth engine for the Group. The plan places strong emphasis on the concept of diversification in the country approach with growth strategy expected to be driven by multi-channel development in almost all countries, focus on re-pricing and cross-selling to improve profitability. Consequently, an important pillar is the development of new sales channels (including internet and mobile banking).
Another key pillar is the enhancement of the cooperation with CIB and F&SME in order to better exploit cross-selling opportunities on high value products.
Tackling cost efficiency in the new environment of strong pressure on the revenue generation capacity is another milestone of the strategy in CEE. A specific cost optimization program has already started in the second half of 2011; moreover, further initiatives will be taken mainly targeting: a new branches service model with identification of most appropriate “sizing” and further back-office centralisation and optimization; enhancement of IT demand and supply management; optimisation of real estate costs and evaluation of potential disposal opportunities.

### Discount rates of cash flows

The main assumptions used by Management to calculate the CGUs’ recoverable value were as follows:

| CGU | Initial discount rate net of tax (Ke) | Final discount rate net of tax (Ke) | Nominal growth rate used to calculate Terminal Value |
|---|---|---|---|
| **CIB** | **12.13%** | **10.00%** | **2.00%** |
| **F&SME Network Italy** | **11.08%** | **10.00%** | **2.00%** |
| **F&SME Network Germany** | **11.08%** | **10.00%** | **2.00%** |
| **F&SME Network Austria** | **11.08%** | **10.00%** | **2.00%** |
| **F&SME Network Poland** | **14.10%** | **10.50%** | **2.00%** |
| **F&SME Network Factories** | **11.08%** | **10.00%** | **2.00%** |
| **Private Banking** | **10.74%** | **10.00%** | **2.00%** |
| **Asset Management** | **11.17%** | **10.00%** | **2.00%** |
| **Central Eastern Europe (CEE)** (1) | **17.07%** | **11.34%** | **2.00%** |
| *of which:* | | | |
| *JSC Ukrsotsbank (USB)* | 25.97% | 12.00% | 2.00% |
| *JFC ATF Bank (ATF)* | 16.21% | 12.00% | 2.00% |
| **Poland Market** (2) | **14.10%** | **10.50%** | **2.00%** |

(1) The discount rate used for the Central Eastern Europe CGU is the weighted arithmetic mean of the discount rates used for individual countries belonging to the individual business sector.
(2) Although since June 2010 Poland has been segmented (into CIB, Retail and Private Banking) and is no longer a separate CGU, each segment is still valued in local currency and according to the parameters of the country of operation.

As shown in the above table, future financial flows were discounted using a conservative estimate of the discount rate, incorporating the various risk factors linked to the business sector into the equity cost (Ke). The discount rate is a nominal rate, net of taxes.

In particular, the initial cost of capital of the Group and the individual sectors is the sum of the following:

- risk-free rate: the average over the last six years of the five-year euro swap rate. The six-year horizont was adopted in line with the average economic cycle in the euro zone;
- debt risk premium: the average over the last six years of the Credit Default Swap paid by UniCredit;
- risk premium on own equity: calculated using the option-based model, based on the volatility of UniCredit's share price over the last six years. For the business segments, the last six years' average volatility of the shares of banks operating in the same sector was taken, while also taking into account the benefits of differentiation.

The initial cost of capital, differentiated by CEE country, is the sum of the following:

- risk-free rate: the average over the last six years of the five-year local currency swap rate. If no swap rate was available, the most liquid and representative interbank rate was taken;
- country risk premium: the average Credit Default Swap paid by the country over the last six years (or shorter period in the absence of a sufficiently long history);
- risk premium on own equity: calculated using the option-based model, based on the volatility of UniCredit's share price over the last six years.

The cost of capital used in discounting cash flows converges to a specific value for each CGU. This value is determined taking into account the market's risk perception concerning the ability of the banking sector to generate returns in the long-term and the level of capitalization that the Group hopes to achieve in the long term. The terminal value cost of capital used differed depending on whether the CGU was located in Western Europe, in an Eastern European country that would enter the euro zone by 2018, or in another country.

Since this assessment is made particularly complex by the current macroeconomic and market environment affecting the financial sector and the resulting difficulty in making predictions about future long-term profitability, sensitivity analyses were conducted, assuming changes to the main parameters used in the impairment test.

The table below summarizes the percentage deviations of the basic assumptions adopted for the different CGU needed to make the recoverable value of the CGU equal to its value in the financial statements:

| CGU | Increase of the discount rate after taxes (Ke) (pp) | Increase of the core tier 1 ratio target (pp) | Decrease of the nominal growth rate for the calculation of Terminal Value (pp) | Decrease of annual earnings (pp) |
|---|---|---|---|---|
| F&SME Ntw IT | 3.2% | 8.0% | -10.4% | -28.3% |
| F&SME Ntw AU | 3.2% | 8.0% | -10.4% | -28.3% |
| F&SME Ntw GER | 3.2% | 8.0% | -10.4% | -28.3% |
| F&SME Ntw POL | 3.2% | 8.0% | -10.4% | -28.3% |
| F&SME Factories | 3.2% | 8.0% | -10.4% | -28.3% |
| CIB | 0.9% | 1.8% | -2.9% | -8.8% |
| Asset Management | 5.1% | 69.7% | -13.7% | -38.1% |
| Private Banking[1] | 15.5% | 47.1% | n. s. | -67.0% |
| Central Eastern Europe (Kazakhstan e Ucraina esclusi) | 1.3% | 3.2% | -4.3% | -12.4% |
| Ucraina | 0.6% | 2.9% | -1.4% | -6.5% |
| Kazakhstan | 0.6% | 2.9% | -1.4% | -6.5% |

(1) In view of the sector's high profitability level, the results of the sensitivity analysis are not significant.

The table below shows the variation of the total utility value of the Group resulting from a variation of one percentage point of the main parameters used in the DCF model.

| | 1% increase of the discount rate after taxes (Ke) | 1% increase of core tier 1 ratio target | 1% decrease of the nominal growth rate for the calculation of Terminal Value | 1% decrease of annual earnings |
|---|---|---|---|---|
| Change of Group utility value | -12.5% | -6.1% | -6.6% | -1.1% |

The percentage deviations of the basic assumptions adopted for the different CGUs needed to make the recoverable value of the CGU equal to its value in the financial statements are not indicated since, as explained below, all CGUs have been subject to impairment as at September 30, 2011.

**The results of the impairment test**
The impairment testing requires that the resulting impairment losses are attributed firstly by comparing the book value of assets and liabilities attributed to each CGU with its respective recoverable amount. Subsequently, the Group's total book value is compared with its recoverable amount; this comparison has revealed impairment losses which have been attributed to the various CGUs based on a conventional allocation method.

The impairment test conducted on the condensed interim financial statements as at September 30, 2011 highlighted the need for a goodwill impairment at Group level of 8,611 million. The write-down has been attributed to the goodwill on the following CGUs:
- Corporate & Investment Banking: -3,065 million;
- F&SME Network Italy: -1,178 million;
- F&SME Network Austria: -273 million;
- F&SME Network Germany: -279 million;
- F&SME Network Poland: -163 million;
- F&SME Factories: -1,244 million;
- Private Banking: -147 million;
- Asset Management: -462 million;
- CEE (escl. Kazakhastan and Ukraine): -791 million;
- Kazakhstan: -474 million;
- Ukraine: -489 million;

the remaining amount is to be considered attributed to Corporate Center.

The main reasons that during the impairment testing performed on September 30, 2011 led to the need for a goodwill impairment are related to the Group's new industrial plans, which necessarily take into account: on the one hand, the stricter regulation of the credit system and the subsequent raising of the minimum levels of regulatory capital set at individual banks (and consequently taken into consideration at CGU level), on the other, the macroeconomic environment, which is influenced by the downgrading of growth forecasts for the main countries where the Group operates and by the European sovereign debt crisis which broke out in the summer of 2011.

Further goodwill impairment charges amounting to €58 million must be added to the €8,611 million write-downs resulting from the new industrial plans, including Compagnia Italpetroli's €54 million arisen during the year, as also reported in Part G.

It must also be emphasized that the parameters and information used to verify the recoverability of goodwill (in particular the expected cash flows for the various CGU, and the discount rates used) are significantly influenced by the macroeconomic and market situation, which may be subject, to currently unpredictable changes. The effect that these changes may have on the estimated cash flows of the different CGU, as well as on the main assumptions made, could therefore lead to different results in the coming financial years with respect to those reported in this Consolidated Interim Repost as at September 2011.

## Section 15 – Non-current assets and disposal groups classified as held for sale – Item 150 (assets) and 90 (liabilities)

These items include non-current assets and the group of associated assets and liabilities (i.e. a group of units generating financial cash flow) whose sale is highly probable.
They are recognized at the lesser of the carrying amount and fair value net of disposal costs.
Balance sheet data at September 30, 2011, compared to Dicember 31,2011, does not include the Private Banking business of UniCredit Luxembourg SA, consisting mainly of customer deposits, and the equity investment in Banca Agricola Commerciale della R.S.M. S.p.A.. Figures as at September 30, 2011 refer mainly to IRFIS – Finanziaria per lo Sviluppo della Sicilia S.p.A.; please note that there are also the Italpetroli group's Business Oil and, into property, plant and equipment, two properties held by HVB Gesellschaft fur Gebaude MBH & CO KG ed Unicredit Bank AG.

**15.1 Non-current assets and disposal groups classified as held for sale: breakdown by type assets** (€ '000)

| | Amounts as at | |
|---|---|---|
| | 09.30.2011 | 12.31.2010 |
| **A. Individual assets** | | |
| A.1 Financial assets | 40,205 | 175,207 |
| A.2 Equity investments | 59,540 | 1,825 |
| A.3 Property, Plant and Equipment | 235,000 | 43,419 |
| A.4 Intangible assets | 2,655 | 1,376 |
| A.5 Other non-current assets | 38,293 | 554,187 |
| **Total A** | **375,693** | **776,014** |
| **B. Asset groups classified as held for sale** | | |
| B.1 Financial assets held for trading | - | - |
| B.2 Financial assets at fair value through profit or loss | - | - |
| B.3 Available for sale financial assets | - | - |
| B.4 Held to maturity investments | - | - |
| B.5 Loans and receivables with banks | - | - |
| B.6 Loans and receivables with customers | - | - |
| B.7 Equity investments | - | - |
| B.8 Property, Plant and Equipment | - | - |
| B.9 Intangible assets | - | - |
| B.10 Other assets | - | - |
| **Total B** | - | - |
| **Total A+B** | **375,693** | **776,014** |
| **C. Liabilities associated with assets classified as held for sale** | | |
| C.1 Deposits | 207,127 | 1,081,069 |
| C.2 Securities | - | 289,060 |
| C.3 Other liabilities | 52,581 | 24,640 |
| **Total C** | **259,708** | **1,394,769** |
| **D. Liabilities included in disposal groups classified as held for sale** | | |
| D.1 Deposits from banks | - | - |
| D.2 Deposits from customers | - | - |
| D.3 Debt securities in issue | - | - |
| D.4 Financial liabilities held for trading | - | - |
| D.5 Financial liabilities at fair value through profit or loss | - | - |
| D.6 Provisions | - | - |
| D.7 Other liabilities | - | - |
| **Total D** | - | - |
| **Total C+D** | **259,708** | **1,394,769** |

# Liabilities

## Section 1 – Deposits from banks – Item 10

**1.1 Deposits from banks: product breakdown** (€ '000)

| Type of transactions/Values | Amounts as at 09.30.2011 | Amounts as at 12.31.2010 |
|---|---|---|
| **1. Deposits from central banks** | **30,917,468** | **12,864,051** |
| **2. Deposits from banks** | **108,558,060** | **98,871,043** |
| 2.1 Current accounts and demand deposits | 18,069,030 | 16,509,612 |
| 2.2 Time deposits | 25,541,241 | 31,827,948 |
| 2.3 Loans | 57,704,406 | 43,847,885 |
| *2.3.1 repos* | *32,840,655* | *19,946,043* |
| *2.3.2 other* | *24,863,751* | *23,901,842* |
| 2.4 Liabilities in respect of commitments to repurchase treasury shares | 3,362 | - |
| 2.5 Other liabilities | 7,240,021 | 6,685,598 |
| **Total** | **139,475,528** | **111,735,094** |

The sub-item 2.3 Loans includes repos executed using proprietary securities issued by Group companies, which were eliminated from assets on consolidation.

## Section 2 – Deposits from customers – Item 20

**2.1 Deposits from customers: product breakdown** (€ '000)

| Type of transactions/Values | Amounts as at 09.30.2011 | Amounts as at 12.31.2010 |
|---|---|---|
| 1. Current accounts and demand deposits | 218,724,523 | 225,086,111 |
| 2. Time deposits | 107,176,134 | 109,201,857 |
| 3. Loans | 50,990,944 | 48,260,429 |
| 3.1 repos | 38,823,941 | 40,487,023 |
| 3.2 other | 12,167,003 | 7,773,406 |
| 4. Liabilities in respect of commitments to repurchase treasury shares | 594,707 | 565,458 |
| 5. Other liabilities | 15,030,512 | 19,134,336 |
| **Total** | **392,516,820** | **402,248,191** |

Loans also include liabilities relating to repos executed using proprietary securities issued by Group companies, which were eliminated from assets on consolidation.

## Section 3 – Debt securities in issue – Item 30

**Debt securities in issue: product breakdown** (€ '000)

| Type of securities/ Values | Amounts as at 09.30.2011 Balance Sheet Value | Amounts as at 12.31.2010 Balance Sheet Value |
|---|---|---|
| **A. Listed securities** | | |
| 1. Bonds | 148,730,920 | 145,516,953 |
| 1.1 structured | 6,877,613 | 7,412,138 |
| 1.2 other | 141,853,307 | 138,104,815 |
| 2. Other securities | 17,982,704 | 35,473,375 |
| 2.1 structured | 700,904 | 790,725 |
| 2.2 other | 17,281,800 | 34,682,650 |
| **Total** | **166,713,624** | **180,990,328** |

The sum of the sub-items 1.1 “Structured bonds” and 2.1 “Other structured securities” was equal to €7,579 million and accounted for 4.5% of total debt securities. They mainly refer to equity-linked instruments and, to a lesser extent, to interest-rate linked instruments. UniCredit S.p.A. is nearly the sole contributor to such instruments.

## Section 4 – Financial liabilities held for trading – Item 40

Financial liabilities held for trading: product breakdown (€ '000)

| Type of operations / Group components | Amounts as at 09.30.2011 | | | Amounts as at 12.31.2010 | | |
|---|---|---|---|---|---|---|
| | Fair Value | | | Fair Value | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **A. Financial liabilities** | | | | | | |
| 1. Deposits from banks | 556,574 | 423,753 | 106,935 | 1,362,465 | 375,709 | 161 |
| 2. Deposits from customers | 5,282,933 | 17,571,307 | 685,159 | 7,236,975 | 14,978,982 | 862 |
| 3. Debt securities | 172,680 | 9,054,222 | 689,400 | 86,685 | 11,056,788 | 300,776 |
| 3.1 Bonds | 172,680 | 6,705,268 | 654,038 | 86,685 | 7,500,979 | 281,684 |
| *3.1.1 Structured* | - | *5,683,079* | *358,360* | - | *6,437,326* | *17,449* |
| *3.1.2 Other* | *172,680* | *1,022,189* | *295,678* | *86,685* | 1,063,653 | *264,235* |
| 3.2 Other securities | - | 2,348,954 | 35,362 | - | 3,555,809 | 19,092 |
| *3.2.1 Structured* | - | *2,348,954* | *35,362* | - | *3,555,809* | *19,092* |
| *3.2.2 Other* | - | - | - | - | - | - |
| **Total A** | **6,012,187** | **27,049,282** | **1,481,494** | **8,686,125** | **26,411,479** | **301,799** |
| **B. Derivative instruments** | | | | | | |
| 1. Financial derivatives | 5,289,603 | 89,958,669 | 1,964,662 | 4,107,180 | 68,432,717 | 1,859,551 |
| 1.1 Trading | 5,289,263 | 87,849,176 | 1,721,315 | 4,105,795 | 66,891,861 | 1,706,886 |
| 1.2 Related to fair value option | - | 386,540 | 51,714 | - | 387,797 | 3,077 |
| 1.3 Other | 340 | 1,722,953 | 191,633 | 1,385 | 1,153,059 | 149,588 |
| 2. Credit derivatives | 818,048 | 3,308,549 | 1,851,586 | 187,141 | 2,602,747 | 1,510,397 |
| 2.1 Trading derivatives | 818,048 | 3,288,633 | 1,804,375 | 187,141 | 2,589,772 | 1,482,708 |
| 2.2 Related to fair value option | - | - | - | - | - | - |
| 2.3 Other | - | 19,916 | 47,211 | - | 12,975 | 27,689 |
| **Total B** | **6,107,651** | **93,267,218** | **3,816,248** | **4,294,321** | **71,035,464** | **3,369,948** |
| **Total A+B** | **12,119,838** | **120,316,500** | **5,297,742** | **12,980,446** | **97,446,943** | **3,671,747** |

| | | |
|---|---|---|
| **Total Level 1, Level 2 and Level 3** | **137,734,080** | **114,099,136** |

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies – A.3 - Information on fair value.

## Section 5 – Financial liabilities at fair value through profit or loss – Item 50

Financial liabilities at fair value through profit or loss: product breakdown (€ '000)

| Type of transactions/ Values | Amounts as at 09.30.2011 | | | Amounts as at 12.31.2010 | | |
|---|---|---|---|---|---|---|
| | Fair Value | | | Fair Value | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **1. Deposits from banks** | **-** | **-** | **-** | **-** | **-** | **-** |
| 1.1 Structured | - | - | - | - | - | - |
| 1.2 Others | - | - | - | - | - | - |
| **2. Deposits from customers** | **-** | **-** | **-** | **-** | **-** | **-** |
| 2.1 Structured | - | - | - | - | - | - |
| 2.2 Others | - | - | - | - | - | - |
| **3. Debt securities** | **-** | **912,471** | **-** | **-** | **1,216,810** | **51,079** |
| 3.1 Structured | - | 912,471 | - | - | 1,216,810 | 51,079 |
| 3.2 Others | - | - | - | - | - | - |
| **Total** | **-** | **912,471** | **-** | **-** | **1,216,810** | **51,079** |

| | | |
|---|---|---|
| **Total Level 1, Level 2 and Level 3** | **912,471** | **1,267,889** |

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies – A.3 - Information on fair value.

The classification into this portfolio refers to structured finance instruments and is made to reduce the accounting mismatch connected to financial instruments measured (with changes in fair value) in the income statement in order to manage the risk profile.

## Section 12 – Provisions for risks and charges – Item 120

As at September 30, 2011 **Provision for risks and charges** amounted to €8,615 million, an increase over end 2010 (€8,088 million).
The sub-item **2. Other provisions for risks and charges**, which amounted to €4,091 million at September 30, 2011, contains provisions for:

- legal disputes: provisions for legal disputes, cases in which the Group is a defendant, and post-insolvency clawback petitions. (See Part E – Section 4 "Operational Risk" – item B – "Legal risk" for further information concerning legal disputes);
- staff expenses: sundry HR costs;
- other: provisions for risks and charges not attributable to the above items. See the table 12.4 below for details.

**12.1 Provisions for risks and charges: breakdown** (€ '000)

| Items/Components | Amounts as at 09.30.2011 | Amounts as at 12.31.2010 |
|---|---|---|
| **1. Pensions and other post retirement benefit obligations** | **4,524,153** | **4,515,173** |
| **2. Other provisions for risks and charges** | **4,090,940** | **3,572,805** |
| 2.1 Legal disputes | 1,402,732 | 1,386,916 |
| 2.2 Staff expenses | 262,313 | 77,399 |
| 2.3 Other | 2,425,895 | 2,108,490 |
| **Total** | **8,615,093** | **8,087,978** |

As at September 30, 2011, item 2.2 Staff expenses includes provisions for early retirement incentives (€120 million attributable to Italy and €33 million attributable to Germany). The amount attributable to Italy covers:

- disbursements arising from the Memorandum of Understanding signed with the Trade Unions in October 2010. During the third quarter, at the conclusion of the accession process for the period 2011-2013, the implementation phase of the accession process was scheduled for the period 2014-2015 as provided for in the protocol;
- the rationalization of managerial staff resulting from staff reductions and reorganization processes proposed under the so-called One4C project. These reorganization plans, communicated in due time to the trade unions, entered the implementation phase during the third quarter of 2011.

**12.4 Provisions for risks and charges - other provisions - other** (€ '000)

| | Amounts as at 09.30.2011 | Amounts as at 12.31.2010 |
|---|---|---|
| **2.3 Other provisions for risks and charges - other** | | |
| - Real estate risks and costs | 370,547 | 368,158 |
| - Restructuring costs | 123,869 | 109,349 |
| - Out-of-court settlements and legal costs | 48,501 | 43,946 |
| - Allowances payable to agents | 131,500 | 122,484 |
| - Disputes regarding financial instruments and derivatives | 300,812 | 248,844 |
| - Tax disputes | 243,874 | 172,794 |
| - Costs for liabilities arising from equity investment disposals | 49,912 | 83,913 |
| - Other | 1,156,880 | 959,002 |
| **Total** | **2,425,895** | **2,108,490** |

Items "Disputes regarding financial instruments and derivatives" and "Other" contain, with reference to the book values as at December 31, 2010, reclassified amounts.

The residual sub-item "Other" includes € 528 million charges deriving from contract obligations (€ 425 million as of 31 December 2010).

# Section 15 – Group Shareholders' Equity– Items 140, 170, 180, 190, 200 and 220

As at September 30, 2011 **Group Shareholders' Equity**, including loss for the period of €9,320 million, amounted to €52,292 million, as against €64,224 million at end 2010.

The table below shows the breakdown of Group equity and changes over the previous financial year:

| Group capital: breakdown | | | | (€ '000) |
|---|---|---|---|---|
| | Amounts as at | | Changes | |
| | 09.30.2011 | 12.31.2010 | Amount | % |
| 1. Share capital | 9,649,245 | 9,648,791 | 454 | n.s. |
| 2. Share premium reserve | 39,322,433 | 39,322,433 | - | - |
| 3. Reserves | 15,720,012 | 15,186,462 | 533,550 | 3.5% |
| 4.Treasury shares | (7,190) | (4,197) | -2,993 | 71.3% |
| a. Parent Company | (2,440) | (2,440) | - | - |
| b. Subsidiaries | (4,750) | (1,757) | -2,993 | 170.3% |
| 5. Revaluation reserve | (3,071,773) | (1,252,787) | -1,818,986 | 145.2% |
| 6. Equity instruments | - | - | - | - |
| 7. Net profits (loss) | (9,320,401) | 1,323,343 | -10,643,744 | n.s. |
| **Total** | **52,292,326** | **64,224,045** | **-11,931,719** | **-18.6%** |

Item 3 "Reserves" includes the changes occurred during the period as a result of the revision of the criteria used by the Group to record certain amounts received by consolidated companies in order to provide a better report of their economic effects.

The €11,932 million **decrease in Group equity** is the result of:

- An increase in **reserves** due to:
  - the allocation to the reserve fund of the 2010 profit (€1,323 million), net of the dividends paid (€550 million) and of the allocation to the reserve for donations (€7.8 million) resolved by the Shareholders' meeting on April 29, 2011; €765 million
  - the use of the reserve for disbursment related to Cashes transaction *("canoni di usufrutto")*; (€127) million
  - the increase of the reserve for costs related to Share Based Payment €71 million
  - other changes, including the change in Treasury shares. (€179) million
- A change in the **revaluation reserve** due to::
  - a decrease in exchange-rate differences; (€1,075) million
  - a decrease in the value of available-for-sale financial assets; (€859) million
  - an increase in cash-flow hedge (€188 million) and increase of value in disposal groups classified as held for sale (€4 million); €192 million
  - a decrease in the reserve for the valuation of equity investments valued at equity method. (€76) million
- **Profit for the period** lower than in 2010. (€10,644) million

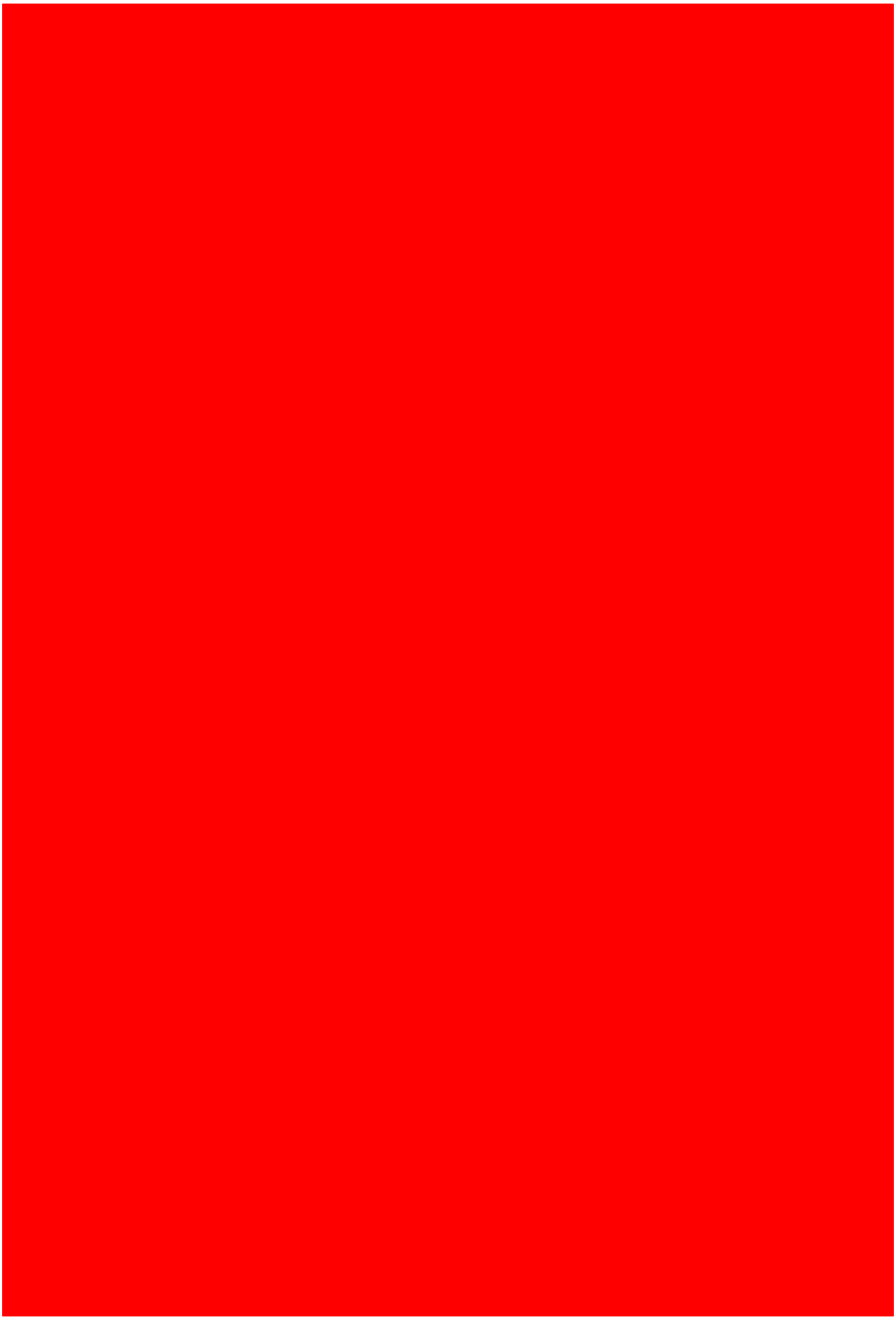
**15.4 Reserves from allocation of profit from previous year: other information** (€ '000)

| | Amounts as at | |
|---|---|---|
| | **09.30.2011** | **12.31.2010** |
| Legal Reserve | 1,517,514 | 1,439,180 |
| Statutory Reserve | 1,291,845 | 1,144,946 |
| Other Reserves | 12,910,653 | 12,602,336 |
| **Total** | **15,720,012** | **15,186,462** |

## 15.5 Other information

**Revaluation reserve: breakdown** (€ '000)

| | Amounts as at | |
|---|---|---|
| **Items/Types** | **09.30.2011** | **12.31.2010** |
| 1. Available-for-sale financial assets | (1,589,617) | (730,175) |
| 2. Property, plant and equipment | - | - |
| 3. Intangible assets | - | - |
| 4. Hedges of foreign investments | - | - |
| 5. Cash-flow hedges | 581,332 | 393,795 |
| 6. Exchange differences | (2,304,641) | (1,229,230) |
| 7. Non-current assets classified as held for sale | (663) | (5,185) |
| 8. Special revaluation laws | 277,020 | 277,020 |
| 9. Revaluation reserves of investments valued at net equity | (35,204) | 40,988 |
| **Total** | **(3,071,773)** | **(1,252,787)** |



# Part C – Consolidated Income Statement

# Part C – Consolidated Income Statement

## Section 1 – Interest income and expense – Items 10 and 20

**1.1 Interest income and similar revenues: breakdown** (€ '000)

| Items/Type | First nine months 2011 Debt securities | Loans | Other transactions | Total | First nine months 2010 Total |
|---|---|---|---|---|---|
| 1. Financial assets held for trading | 570,221 | 69,166 | 90,874 | 730,261 | 860,136 |
| 2. Financial assets at fair value through profit or loss | 519,125 | 62,676 | - | 581,801 | 216,250 |
| 3. Available-for-sale financial assets | 1,517,513 | 1,937 | - | 1,519,450 | 951,397 |
| 4. Held-to-maturity investments | 273,037 | 45 | - | 273,082 | 300,693 |
| 5. Loans and receivables with banks | 147,744 | 629,009 | - | 776,753 | 725,999 |
| 6. Loans and receivables with customers | 526,882 | 16,362,102 | - | 16,888,984 | 16,237,450 |
| 7. Hedging derivatives | X | X | 1,127,291 | 1,127,291 | 1,894,325 |
| 8. Other assets | X | X | 178,384 | 178,384 | 244,293 |
| **Total** | **3,554,522** | **17,124,935** | **1,396,549** | **22,076,006** | **21,430,543** |

The columns “Debt Securities” and “Loans” include interest income from impaired positions, other than income recognised under “write-backs”, amounting to €31,652 thousand and €789,410 thousand respectively.

**1.4 Interest expense and similar charges: breakdown** (€ '000)

| Items/Type | First nine months 2011 Debts | Securities | Other transactions | Total | First nine months 2010 Total |
|---|---|---|---|---|---|
| 1. Deposits from Central banks | (114,039) | X | - | (114,039) | (51,596) |
| 2. Deposits from banks | (1,067,295) | X | - | (1,067,295) | (924,037) |
| 3. Deposits from customers | (3,581,162) | X | - | (3,581,162) | (2,998,850) |
| 4. Debt securities in issue | X | (4,519,542) | - | (4,519,542) | (4,557,373) |
| 5. Financial liabilities held for trading | (103,012) | (177,401) | (433,519) | (713,932) | (706,045) |
| 6. Financial liabilities at fair value through profit or loss | - | (20,061) | - | (20,061) | (18,291) |
| 7. Other liabilities and funds | X | X | (324,287) | (324,287) | (422,338) |
| 8. Hedging derivatives | X | X | - | - | - |
| **Total** | **(4,865,508)** | **(4,717,004)** | **(757,806)** | **(10,340,318)** | **(9,678,530)** |

Following the merger in November 2010 - which entailed the absorption of certain placement entities by the issuer -, the data as at September 30, 2011 on the result arising from the placement of securities issued by UniCredit S.p.A. have been reclassified from “Fee and commission income” to “Interest expense and similar charges” (Interest expense and similar charges - 4. Debt securities in issue).

# Section 2 – Fee and commission income and expense – Items 40 and 50

| **2.1 Fee and commission income: breakdown** | | (€ '000) |
|---|---|---|
| | **First nine months** | |
| **Type of services/Values** | **2011** | **2010** |
| **a) guarantees given** | **462,834** | **441,299** |
| **b) credit derivatives** | **4,715** | **3,149** |
| **c) management, brokerage and consultancy services:** | **3,321,005** | **3,326,601** |
| 1.securities trading | 308,932 | 316,765 |
| 2. currency trading | 319,220 | 320,440 |
| 3. portfolio management | 1,219,539 | 1,251,909 |
| *3.1. individual* | *192,837* | *222,659* |
| *3.2. collective* | *1,026,702* | *1,029,250* |
| 4. custody and administration of securities | 157,898 | 182,908 |
| 5. custodian bank | 45,061 | 42,690 |
| 6. placement of securities | 408,838 | 382,710 |
| 7. reception and transmission of orders | 99,496 | 101,258 |
| 8. advisory services | 77,062 | 67,194 |
| *8.1 related to investments* | *39,084* | *32,225* |
| *8.2 related to financial structure* | *37,978* | *34,969* |
| 9. distribution of third party services | 684,959 | 660,727 |
| 9.1 portfolio management | 159,081 | 147,985 |
| *9.1.1. individual* | *2,832* | *5,067* |
| *9.1.2. collective* | *156,249* | *142,918* |
| 9.2. insurance products | 481,380 | 475,576 |
| 9.3. other products | 44,498 | 37,166 |
| **d) collection and payment services** | **1,367,924** | **1,342,484** |
| **e) securitization servicing** | **54,431** | **40,028** |
| **f) factoring services** | **66,577** | **71,578** |
| **g) tax collection services** | **-** | **-** |
| **h) management of multilateral trading facilities** | **-** | **42** |
| **i) management of current accounts** | **1,212,979** | **1,194,243** |
| **j) other services** | **1,131,723** | **1,189,203** |
| **Total** | **7,622,188** | **7,608,627** |

Following the merger in November 2010 - which entailed the absorption of certain placement entities by the issuer -, the data as at September 30, 2011 on the result arising from the placement of securities issued by UniCredit S.p.A. have been reclassified from "Fee and commission income"(Fee and commission income - 6. Placement of securities) to "Interest expense and similar charges".
Commissions formerly recognised under sub-item "9.1.1 distribution of third party services – portfolio management – individual" have been restated under item "c) management, brokerage and consultancy services", sub-items "3.1 portfolio management – individual" and "3.2 portfolio management - collective".
First nine months 2010 results have been restated accordingly.

Item j) "other services" mainly includes:

- commissions for loans amounting to 709 million;
- commissions for foreign operations and services totaling 79 million;
- commissions for other services to customers (e.g. treasury, merchant banking, etc.) of 117 million;
- commissions for ATM and credit card services – which are not included in item "collection and payment services" – amounting to 61 million.

| **2.2 Fee and commission expense: breakdown** | | (€ '000) |
|---|---|---|
| **Type of services/Values** | **First nine months** | |
| | **2011** | **2010** |
| **a) guarantees received** | **(105,793)** | **(132,533)** |
| **b) credit derivatives** | **(91,562)** | **(58,949)** |
| **c) management, brokerage and consultancy services:** | **(603,694)** | **(572,498)** |
| 1. trading financial instruments | (65,501) | (69,920) |
| 2. currency trading | (13,715) | (11,322) |
| 3. portfolio management: | (132,087) | (129,333) |
| *3.1. own portfolio* | *(96,066)* | *(96,777)* |
| *3.2. third party portfolio* | *(36,021)* | *(32,556)* |
| 4. custody and administration of securities | (140,487) | (128,123) |
| 5. placement of financial instruments | (70,453) | (43,622) |
| 6. off-site distribution of financial instruments, products and services | (181,451) | (190,178) |
| **d) collection and payment services** | **(374,483)** | **(344,488)** |
| **e) other services** | **(178,952)** | **(200,188)** |
| **Total** | **(1,354,484)** | **(1,308,656)** |

# Section 3 – Dividend income and similar revenue – Item 70

| **3.1 Dividend income and similar revenue: breakdown** | | | | (€ '000) |
|---|---|---|---|---|
| **Items/Revenues** | **First nine months 2011** | | **First nine months 2010** | |
| | **Dividends** | **Income from units in investment funds** | **Dividends** | **Income from units in investment funds** |
| A. Financial assets held for trading | 489,174 | 14,961 | 478,543 | 16,256 |
| B. Available for sale financial assets | 62,797 | 126,720 | 57,268 | 73,253 |
| C. Financial assets at fair value thought profit or loss | 30 | 276 | 28 | 614 |
| D. Investments | 5,264 | X | 8,617 | X |
| **Total** | **557,265** | **141,957** | **544,456** | **90,123** |
| **Total Dividends and Income from units in investment funds** | | **699,222** | | **634,579** |

# Section 4 – Gains and losses on financial assets and liabilities held for trading – Item 80

The table below shows a breakdown of item 80.

**Gains and losses on financial assets and liabilities held for trading** (€ million)

| Transactions/P&L Items | First nine months 2011 | First nine months 2010 | Change |
|---|---|---|---|
| Financial assets held for trading | (1,865) | 1,374 | -3,239 |
| Financial liabilities held for trading | 1,700 | 639 | 1,061 |
| Financial assets and liabilities in currency: exchange differences | 354 | 1,849 | -1,495 |
| Financial and credit derivatives | (185) | (3,614) | 3,429 |
| **Total** | **4** | **248** | **-244** |

**4.1 Gains and losses on financial assets and liabilities held for trading: breakdown** (€ '000)

| Transactions/P&L Items | First nine months 2011 Unrealized profits | Realized profits | Unrealized losses | Realized losses | Net Profit |
|---|---|---|---|---|---|
| **1. Financial assets held for trading** | **893,670** | **2,689,689** | **(2,728,481)** | **(2,720,517)** | **(1,865,639)** |
| 1.1 Debt securities | 558,214 | 1,013,949 | (1,688,372) | (673,664) | (789,873) |
| 1.2 Equity instruments | 218,201 | 1,028,674 | (881,493) | (1,379,407) | (1,014,025) |
| 1.3 Units in investment funds | 14,536 | 85,500 | (145,194) | (92,815) | (137,973) |
| 1.4 Loans | 8,282 | 7,172 | (2,706) | (4,353) | 8,395 |
| 1.5 Other | 94,437 | 554,394 | (10,716) | (570,278) | 67,837 |
| **2. Financial liabilities held for trading** | **1,995,570** | **409,313** | **(250,890)** | **(453,598)** | **1,700,395** |
| 2.1 Debt securities | 1,655,489 | 46,196 | (106,464) | (83,507) | 1,511,714 |
| 2.2 Deposits | - | - | - | - | - |
| 2.3 Other | 340,081 | 363,117 | (144,426) | (370,091) | 188,681 |
| **3. Other financial assets and liabilities: exchange differences** | **X** | **X** | **X** | **X** | **354,149** |
| **4. Derivatives** | **68,813,620** | **57,128,309** | **(69,035,747)** | **(57,097,353)** | **(185,073)** |
| 4.1 Financial derivatives: | 68,417,586 | 54,331,934 | (68,699,005) | (54,283,857) | (227,244) |
| *- on debt securities and interest rates* | *67,456,354* | *51,092,251* | *(68,356,200)* | *(50,835,052)* | *(642,647)* |
| *- on equity securities and share indices* | *908,281* | *922,242* | *(322,279)* | *(970,330)* | *537,914* |
| *- on currency and gold* | *X* | *X* | *X* | *X* | *6,098* |
| *- other* | *52,951* | *2,317,441* | *(20,526)* | *(2,478,475)* | *(128,609)* |
| 4.2 Credit derivatives | 396,034 | 2,796,375 | (336,742) | (2,813,496) | 42,171 |
| **Total** | **71,702,860** | **60,227,311** | **(72,015,118)** | **(60,271,468)** | **3,832** |

## Section 5 – Fair value adjustments in hedge accounting – Item 90

**5.1 Fair value adjustments in hedge accounting: breakdown** (€ '000)

| Profit Component/Values | First nine months 2011 | First nine months 2010 |
|---|---|---|
| **A. Gains on:** | | |
| A.1 Fair value hedging instruments | 14,737,634 | 3,308,314 |
| A.2 Hedged asset items (in fair value hedge relationship) | 1,396,135 | 1,169,423 |
| A.3 Hedged liability items (in fair value hedge relationship) | 25,003 | 414,722 |
| A.4 Cash-flow hedging derivatives | 7,827 | 4,600 |
| A.5 Assets and liabilities denominated in currency | 0 | 2,163 |
| **Total gains on hedging activities** | **16,166,599** | **4,899,222** |
| **B. Losses on:** | | |
| B.1 Fair value hedging instruments | (13,403,724) | (2,042,317) |
| B.2 Hedged asset items (in fair value hedge relationship) | (621,358) | (186,816) |
| B.3 Hedged liability items (in fair value hedge relationship) | (2,030,106) | (2,584,205) |
| B.4 Cash-flow hedging derivatives | (6,272) | (7,441) |
| B.5 Assets and liabilities denominated in currency | (2,773) | (1,108) |
| **Total losses on hedging activities** | **(16,064,233)** | **(4,821,887)** |
| **C. Net hedging result** | **102,366** | **77,335** |

## Section 7 – Gains and losses on financial assets/liabilities at fair value through profit or loss – Item 110

**Gains and losses on financial assets/liabilities at fair value** comprise net gains arising from the valuation of financial assets and liabilities recognized in the accounts, as well as credit and financial derivatives economically associated to them and already recognized under Financial assets/liabilities held for trading (sub-item Derivatives connected to the fair value option).

The table below summarizes the breakdown of item 110 for the comparable periods, as well as the related changes.

**Gains and losses in financial assets and liabilities at fair value through profit or loss: breakdown** (€ million)

| Transactions/P&L Items | First nine months 2011 | First nine months 2010 | Change |
|---|---|---|---|
| Financial assets | 320 | 451 | -131 |
| Financial liabilities | 67 | (10) | 77 |
| Financial assets and liabilities in currency: exchange differences | - | - | - |
| Financial and credit derivatives | (308) | (443) | 135 |
| **Total** | **79** | **(2)** | **81** |

**7.1 Net change in financial assets and liabilities at *fair value* through profit or loss: breakdown** (€ '000)

| Transactions/P&L Items | First nine months 2011 Unrealized profits | Realized profits | Unrealized losses | Realized losses | Net profit |
|---|---|---|---|---|---|
| **1. Financial assets** | **454,948** | **46,510** | **(146,070)** | **(35,133)** | **320,255** |
| 1.1 Debt securities | 310,873 | 40,655 | (92,019) | (34,585) | 224,924 |
| 1.2 Equity securities | 3 | 89 | (9) | (5) | 78 |
| 1.3 Units in investment funds | 12,987 | 5,766 | (16,137) | (241) | 2,375 |
| 1.4 Loans | 131,085 | - | (37,905) | (302) | 92,878 |
| **2. Financial liabilities** | **69,542** | **5,191** | **(5,295)** | **(2,480)** | **66,958** |
| 2.1 Debt securities | 69,421 | 5,191 | (5,295) | (2,480) | 66,837 |
| 2.2 Deposits from banks | 121 | - | - | - | 121 |
| 2.3 Deposits from customers | - | - | - | - | - |
| **3. Financial assets and liabilities in foreign currency: exchange differences** | X | X | X | X | **-** |
| **4. Credit and financial derivatives** | **52,310** | **3,553** | **(348,128)** | **(15,716)** | **(307,981)** |
| **Total** | **576,800** | **55,254** | **(499,493)** | **(53,329)** | **79,232** |

## Section 8 – Impairment losses – Item 130

**8.1 Impairment losses on loans and receivables: breakdown** (€ '000)

| Transactions/P&L Items | First nine months 2011 | | | | | | | | First nine months 2010 |
|---|---|---|---|---|---|---|---|---|---|
| | Write-downs | | | Write-backs | | | | | |
| | Specific | | | Specific | | Portfolio | | | |
| | Write-offs | Other | Portfolio | Interest | Other | Interest | Other | Total | Total |
| **A. Loans and receivables with banks** | **(7,503)** | **(1,527)** | **(7,853)** | **-** | **104,307** | **-** | **7,875** | **95,299** | **(99,913)** |
| - Loans | (103) | (1,527) | (7,853) | - | 104,307 | - | 7,696 | 102,520 | (98,407) |
| - Debt securities | (7,400) | - | - | - | - | - | 179 | (7,221) | (1,506) |
| **B. Loans and receivables with customers** | **(668,398)** | **(6,201,797)** | **(855,256)** | **338,595** | **2,053,338** | **-** | **806,493** | **(4,527,025)** | **(4,915,964)** |
| - Loans | (666,703) | (6,148,940) | (847,654) | 338,595 | 2,048,726 | - | 806,493 | (4,469,483) | (4,885,251) |
| - Debt securities | (1,695) | (52,857) | (7,602) | - | 4,612 | - | - | (57,542) | (30,713) |
| **C. Total** | **(675,901)** | **(6,203,324)** | **(863,109)** | **338,595** | **2,157,645** | **-** | **814,368** | **(4,431,726)** | **(5,015,877)** |

The columns "Write-backs: interest" disclose any increase in the presumed recovery value of impaired positions arising from interest accrued in the period on the basis of the original effective interest rate used to calculate write-downs.

## Section 11 – Administrative costs – Item 180

| **11.1 Payroll: breakdown** | | (€ '000) |
|---|---|---|
| | **First nine months** | |
| **Type of expenses/Sectors** | **2011** | **2010** |
| **1) Employees** | **(7,106,201)** | **(6,915,669)** |
| a) wages and salaries | (4,847,535) | (4,895,932) |
| b) social charges | (1,063,419) | (1,065,235) |
| c) severance pay | (135,916) | (170,286) |
| d) social security costs | - | (51,127) |
| e) allocation to employee severance pay provision | (44,257) | (50,196) |
| f) provision for retirement payments and similar provisions: | (254,204) | (238,962) |
| *- defined contribution* | *(5,997)* | *(2,909)* |
| *- defined benefit* | *(248,207)* | *(236,053)* |
| g) payments to external pension funds: | (181,787) | (169,562) |
| *- defined contribution* | *(179,283)* | *(146,330)* |
| *- defined benefit* | *(2,504)* | *(23,232)* |
| h) costs related to share-based payments | (70,568) | (12,928) |
| i) other employee benefits | (522,222) | (278,292) |
| l) recovery payments seconded employees | 13,707 | 16,851 |
| **2) Other staff** | **(80,840)** | **(100,188)** |
| **3) Directors and Statutory Auditors** | **(12,929)** | **(20,238)** |
| **4) Early retirement costs** | **-** | **(4)** |
| **Total** | **(7,199,970)** | **(7,036,099)** |

At September 30, 2011, payroll included early retirement incentives attributable to Italy (€120 million) and Germany (€33 million).
The portion attributable to Italy, allocated during the third quarter of 2011, covers:

- disbursements arising from the Memorandum of Understanding signed with the Trade Unions in October 2010. During the quarter, at the conclusion of the accession process for the period 2011-2013, the implementation phase of the accession process was planned for the period 2014-2015 as provided for by the Protocol;
- the rationalization of managerial staff resulting from staff reductions and reorganization processes proposed under the so-called One4C project. These reorganizations, communicated to the trade unions in due time, entered the implementation phase during the third quarter of 2011.

**11.5 Other administrative expenses: breakdown** (€ '000)

| Type of expenses/Sectors | First nine months 2011 | First nine months 2010 |
|---|---|---|
| **1) Indirect taxes and duties** | **(445,698)** | **(360,401)** |
| 1a. settled | (443,711) | (357,077) |
| 1b. unsettled | (1,987) | (3,324) |
| **2) Misceilaneous costs and expenses** | **(3,719,211)** | **(3,712,132)** |
| **a) advertising marketing and communication** | **(326,343)** | **(287,669)** |
| advertising - campaigns & media | (117,936) | (99,119) |
| advertising - point of sale comunication & direct marketing | (30,972) | (24,150) |
| advertising - promotional expenses | (37,007) | (31,226) |
| advertising - market and comunication researches | (16,017) | (13,765) |
| advertising - sponsorship | (78,757) | (78,197) |
| entertainment and other expenses | (32,387) | (31,701) |
| convention and internal comunications | (13,267) | (9,511) |
| **b) expenses related to credit risk** | **(184,286)** | **(190,162)** |
| legal expenses to credit recovery | (125,183) | (122,035) |
| credit information and inquiries | (30,690) | (30,913) |
| credit recovery services | (28,413) | (37,214) |
| **c) expenses related to personnel** | **(264,791)** | **(264,203)** |
| personnel area services | (4,760) | (4,735) |
| personnel training & recruiting | (40,659) | (45,654) |
| travel expenses and car rentals | (174,255) | (166,316) |
| premises rentals for personnel | (31,655) | (33,201) |
| expenses for personnel financial advisors | (13,462) | (14,297) |
| **d) Information & Communication Technology expenses** | **(874,280)** | **(868,970)** |
| lease of ICT equipment and software | (179,095) | (176,286) |
| supply of small IT items | (5,554) | (3,568) |
| ICT consumables (ICT) | (8,545) | (10,731) |
| telephone, swift & data transmission (ICT) | (129,831) | (147,759) |
| ICT services | (329,491) | (305,023) |
| financial information providers | (109,398) | (108,154) |
| repair and maintenance of ICT equipment | (112,366) | (117,449) |
| **e) consulting and professionals services** | **(316,428)** | **(257,497)** |
| technical consulting | (90,256) | (77,310) |
| professional services | (56,401) | (55,500) |
| management consulting | (52,404) | (35,775) |
| legal and notarial expenses | (117,367) | (88,912) |
| **f) real estate expenses** | **(1,007,328)** | **(1,036,811)** |
| internal and external surveillance of premises | (57,465) | (65,153) |
| real estate services | (17,797) | (18,107) |
| cleaning of premises | (63,396) | (64,930) |
| repair and maintenance of furniture, machinery, equipment | (42,319) | (39,647) |
| maintenance of premises | (92,057) | (92,655) |
| premises rentals | (577,105) | (590,817) |
| utilities | (157,189) | (165,502) |
| **g) other functioning costs** | **(745,755)** | **(806,820)** |
| insurance | (69,874) | (77,601) |
| office equipment rentals | (3,204) | (3,863) |
| postage | (109,455) | (118,626) |
| printing and stationery | (40,998) | (40,867) |
| administrative services | (164,043) | (221,788) |
| logistic services | (22,617) | (27,989) |
| transport of documents | (47,984) | (48,244) |
| supply of small office items | (11,123) | (13,302) |
| donations | (14,025) | (15,093) |
| association dues and fees | (158,920) | (94,580) |
| others expences - other | (103,512) | (144,867) |
| **Total (1+2)** | **(4,164,909)** | **(4,072,533)** |

## Section 12 – Provisions – Item 190

**Provisions for risks and charges** are due to expected charges deriving from post-insolvency clawback petitions, claims for damages, litigation and disputes of other nature. This item is updated according to litigation undergoing and its expected outcome.

**12.1 Net provisions for risks and charges: breakdown** (€ '000)

| Assets/P&L Items | First nine months 2011 | | | First nine months 2010 |
|---|---|---|---|---|
| | Provisions | Reallocation surplus | Total | Total |
| **1. Other provisions** | | | | |
| 1.1 legal disputes | (311,960) | 109,347 | (202,613) | (136,026) |
| 1.2 staff costs | (2) | - | (2) | - |
| 1.3 other | (540,114) | 72,145 | (467,969) | (157,225) |
| **Total** | **(852,076)** | **181,492** | **(670,584)** | **(293,251)** |

The sub-item "1.3 other" mainly refers to:

- costs deriving from contract obligations (€ 279 million o/w €103 million regarding one project in Germany);
- out-of-court disputes and legal expenses (€120 million);
- disputes concerning financial instruments/derivative (€69 million).

## Section 15 – Other operating net income– Item 220

Other operating net income is a residual item comprising sundry gains and expenses not attributable to other income statement items.

**Other operating net income: breakdown** (€ '000)

| P&L Items/Values | First nine months | |
|---|---|---|
| | 2011 | 2010 |
| Total other operating expense | (473,470) | (373,200) |
| Total other operating revenues | 1,072,060 | 1,018,800 |
| **Other operating net income** | **598,590** | **645,600** |

**15.1 Other operating expense: breakdown** (€ '000)

| Type of expense/Values | First nine months | |
|---|---|---|
| | 2011 | 2010 |
| Costs for operating leases | (122) | (227) |
| Non-deductible tax and other fiscal charges | (2,615) | (3,526) |
| Writedowns on improvements of goods third parties | (45,651) | (45,132) |
| Costs related to the specific service of financial leasing | (90,678) | (83,582) |
| Other | (334,404) | (240,733) |
| **Total other operating expense** | **(473,470)** | **(373,200)** |

The item "Other" includes:

- various settlements and indemnities of -€ 75 million;
- additional costs for the leasing business of -€ 37 million;
- various payments related to previous periods of -€ 15 million;
- non-banking business costs of -€ 24 million;
- charges relating to Group property of -€ 9 million;
- additional costs relating to customer accounts of -€ 10 million;
- new bank levy of -€ 75 million.

| 15.2 Other operating revenues: breakdown | | (€ '000) |
|---|---|---|
| | First nine months | |
| Type of revenue/Values | 2011 | 2010 |
| **A) Recovery of costs** | **360,569** | **319,814** |
| **B) Other revenues** | **711,491** | **698,986** |
| Revenue from administrative services | 59,142 | 72,190 |
| Revenues on rentals Real Estate investments (net of operating direct costs) | 100,420 | 128,257 |
| Revenues from operating leases | 113,425 | 121,627 |
| Recovery of miscellaneous costs paid in previous years | 16,399 | 8,306 |
| Revenues on financial leases activities | 119,535 | 115,818 |
| Other | 302,570 | 252,788 |
| **Total operating revenues (A+B)** | **1,072,060** | **1,018,800** |

The item “Other” includes:

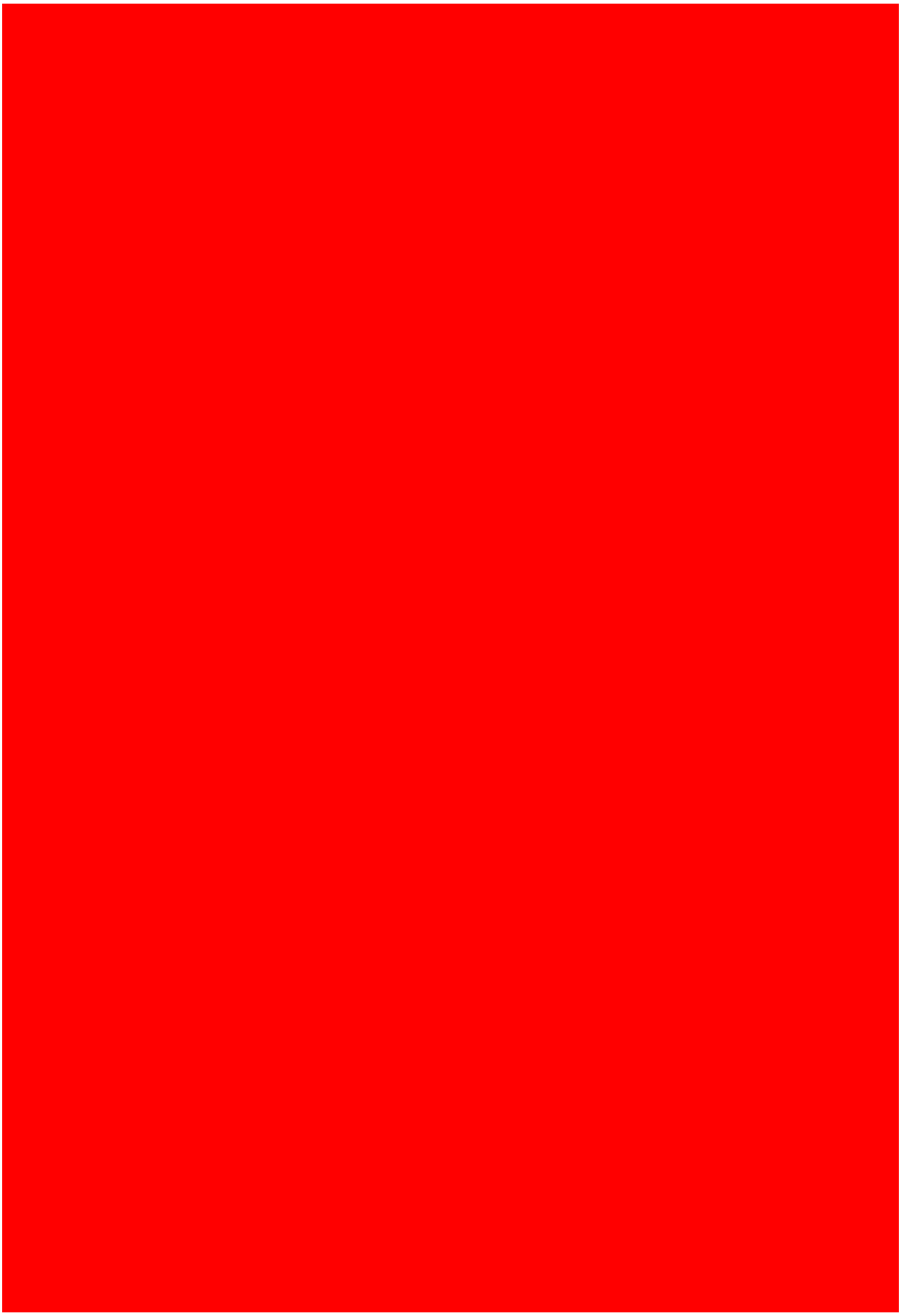
- additional income received from leasing business of € 47 million;
- non-banking business income of € 68 million;
- various income relating to Group property of € 16 million;
- various indemnities and compensation of € 59 million.

## Section 24 – Earnings per share

| Earnings per share | | |
|---|---|---|
| | FIRST NINE MONTHS 2011 | FIRST NINE MONTHS 2010 |
| Net profit (loss) for the period attributable to the Group *(thousands of euros)* [1] | (9.447.272) | 886,701 |
| Average number of outstanding shares [2] | 18,330,184,326 | 18,068,366,688 |
| Average number of potential dilutive shares | 1,519,002 | 2,370,738 |
| Average number of diluted shares | 18,331,703,328 | 18,070,737,426 |
| **Earnings per share €** | **-0.515** | **0.049** |
| **Diluted earnings per share €** | **-0.515** | **0.046** |

1. € 126,871 thousand was added to 2011 first nine months losses of € 9,320,401 thousand due to disbursements charged to equity made in connection with the contract of usufruct on own shares agreed under the ‘cashes’ transaction.
€ 115,810 thousand was deducted from 2010 first nine months net profit of € 1,002,511 thousand due to disbursements charged to equity made in connection with the contract of usufruct on own shares agreed under the ‘cashes’ transaction.

2. Net of the average number of treasury shares and of further 967,564,061 shares held under a contract of usufruct.



# Part E – Information on risks and related risk management policies



**Note:**
The disclosure (Pillar III of Basel 2) is published on UniCredit group's website (www.unicreditgroup.eu), as required by regulations (Banca d'Italia Circular letter n.263 issued on December 27th , 2006, Title 4, as amended).

# Part E – Information on risks and related risk management policies

“Part E – Information on risks and related risk management policies” only refers to the banking group.

Since insurance companies and other companies don’t represent a significant business - if compared to bankig group - there is no specific section of this document on their risks and related risk management policies.

## Risk Management in UniCredit group

UniCredit group monitors and manages its risks through rigorous methodologies and procedures proving to be effective through all phases of the economic cycle. The control and steering of the Group risks are exerted by the Parent Company Risk Management function (Group CRO), to which have been assigned the following tasks:

- optimizing asset quality and minimizing the cost of the relevant risks, in line with the risk / return targets assigned to each business area;
- defining, in cooperation with the CFO function, the Group’s risk appetite and its drill down at Division and LE level and evaluate the Group capital adequacy consistently with Basel 2 – Pillar III requirements;
- defining - in compliance with Basel 2 standards and Bank of Italy requirements - the Group rules, methodologies, guidelines, policies and strategies for risk management, and, in cooperation with the Organization department, the relevant processes and their implementation;
- setting up a credit and concentration risk control system both for single counterpart / economic groups and significant clusters (e.g. as industrial areas / economic sectors), monitoring and reporting the limits beforehand defined;
- defining and providing to the business areas and to the Legal Entities the valuation, managerial, monitoring and reporting criteria of the risks and ensuring the consistency of systems and control procedures both at Group and Legal Entity level;
- supporting the Business Areas to achieve their targets, contributing to products and to business development;
- verifying, by means of the initial and ongoing validation process, the adequacy of the risk measurement systems adopted throughout the Group, steering the methodological choices towards higher and homogeneous qualitative standards and controlling the coherence of the usage of the above systems within the processes;
- setting up an adequate system of preventive risk analysis, in order to quantify the impacts of a quick worsening of the economic cycle or of other shock factors (i.e. Stress Test) on the Group’s economic - financial structure. This holds for single risk types as well as their integration and comparison to available capital;
- creating a risk culture across the whole Group.

In light of the still challenging macroeconomic environment, a sound and effective risk management has highest priority within the Group. Therefore the Group Risk Management function has strengthen its risk governance model emphasizing the role of the "Portfolio Risk Managers" responsible for the steering, coordination and control activities of of the relevant risks, from a Group and cross – divisional perspective. Furthermore a specific point of reference for Italy, coherent with the new Holding Company organization model, has been created, through the set-up of the "CRO Italy", to whom the responsibilities related to credit, operational and reputational risks of the Italian perimeter, as well as the managerial coordination of Risk Management functions in the Italian Legal Entities, has been assigned.

Consistently with the Risk Management function architecture, and in order to strengthen the capacity of independent steering, coordination and control of Group risks, improving the efficiency and the flexibility on the risk decision process and addressing the interaction between the relevant risk stakeholders, three distinct levels of Risk Committees are in place:

- the "Group Risk Committee" being responsible for the Group strategic risk decisions;
- the "Group Portfolio Risks Committees", tasked with addressing, controlling and managing the different portfolio risks;
- the "Group Transactional Committees" that will be in charge of evaluating the single counterparts / transactions impacting the overall portfolio risk profile.

## Section 1 – Credit Risk

### Qualitative Information

The Group business and solidity in terms of profitability, capital and finance depend *inter alia* on the creditworthiness of its borrowers. The Group has therefore adopted procedures and rules that steer, govern and standardize the assessment and management of credit risk, in line with principles and best practice.

In order to simplify the Bank Top Management structure and to achieve a simplification in terms of Governance, while safeguarding the divisional size, as well as strengthen the geographical one, in the December 14th, 2010 Board of Directors meeting, it was decided to change the Bank organizational model.
Consequently, in February 22nd, 2011 Board of Directors meeting, it was decided the Risk Management Department reorganizatino in order to acknowledge a more "geographical focus".
The key reorganization principles are:

- consistence with the operative environment post One4C;
- simplification of the Governance structure, through shifting from three levels (Group Governance functios, SBA Risk Governance functions and Country Risk Management functions) to two governance layers (Group Risk Governance functions and Country Risk Management functions);
- create a specific point of reference for Italy coherently with the new Holding Company organization model, through the set up of the "CRO Italy" function, which has been assigned all the responsibilities related to the Italian perimeter, as well as the managerial coordination of risk management functions in the Italian Group Legal Entities;
- steering at Group level risks portfolio management (credit, operational, reputational, market), through the managerial coordination of Parent Company functions vis-à-vis the correspondent functions in the Group Legal Entities, in order to control and drive the risks portfolio at Country level.

The current model guarantees the steering ability, the coordination and the control of activities of some aggretated risks (so-called Portfolio Risks), through dedicated responsibility centers (Portfolio Risk Managers), completely focused and specialized on such risks, in Group and interdivisional perspective.

Also, in order to promptly detect and react to a possible deterioration of the credit quality of a counterparty, credit monitoring activities have been further strengthened, by focusing on the early dectection and and management of "increased risks" exposures.
The timely identification of such exposures allows to intervene at a phase preceding the potential default, when there is still the capability for repayment. Dedicated Group CRO functions perform the credit risk reporting at portfolio and individual counterparty level with the objective of analyzing the main risk components and their development over time, and thus to detect any signals of deterioration at an early stage in order to put in place the appropriate corrective actions.
The fundamental objective of the reporting and monitoring activities performed by the CRO function is the analysis of the main drivers and parameters of credit risk (exposure at default “EAD”, expected loss “EL”, migration, cost of risk etc.) in order to promptly initiate any counter-measures on portfolios, sub-portfolios or individual counterparts.

According to Pillar II guidelines, Group portfolio credit risk strategies continue to be an advanced risk management tool. Consistently both with the budget process and with Pillar II / risk appetite framework, they are aimed to provide the concrete deployment of risk appetite targets by Division and Legal Entity, considering the expected vulnerability of the Group credit portfolios to adverse economic downturns as well as the quantification of the sectorial concentration risk.

More generally, as part of credit risk strategy, vulnerability and Capital Adequacy support analysis are performed through the credit risk stress test (Pillar I and Pillar II). Portfolio risk management pays special attention to credit risk concentration in light of its importance within total assets.
Such concentration risk, according to the Basel 2 definition, consists of a single exposure or of a group of correlated exposures with the potential to generate losses of such magnitude as to prejudice the Group’s ability to carry on its normal business.

With specific reference to Credit Risk Mitigation, general guidelines are in force, issued by the Parent Company, to lay down Group-wide rules and principles that should guide, govern and standardise the credit risk mitigation and management, in line with Group principles and best practice, as well as in accordance with the relevant regulatory requirements.

Following the General Group Credit Risk Mitigation Guidelines all Legal Entities have adopted internal regulations, specifying processes, strategies and procedures for collateral management in accordance with group principles. In particular such internal regulations detail collateral eligibility, valuation and monitoring rules and ensure the soundness, legal enforceability and timely liquidation of valuable collateral according to each Country's local legal system.

The Italian Legal Entities involved in credit activities have implemented the Group Guidelines by the “Local Special Credit Policy-Credit Risk Mitigation-Guidelines for the Italian Legal Entities” which intends to define a common approach to CRM techniques, also providing managerial and operational instructions with particular reference to the regulations for the prudential supervision of Banks (Circular nr. 263) issued by the Bank of Italy.

## Quantitative Information

*A. Credit quality*

### A.1 Impaired and performing loans: amounts, writedowns, changes, distribution by business activity/region

Information contained in Part A.1 does not include equity instruments and units in investment funds.

**A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying value)** (€ '000)

| Portfolio/Quality | Banking group | | | | | Other companies | | Total |
|---|---|---|---|---|---|---|---|---|
| | Non-performing loans | Doubtful assets | Restructured exposures | Past-due | Other assets | Impaired | Others | |
| 1. Financial assets held for trading | 12,396 | 90,597 | 6,681 | 38,218 | 135,264,480 | - | 3,576 | 135,415,948 |
| 2. Available-for-sale financial assets | 40,237 | 126,353 | 22 | 28,322 | 49,961,923 | - | 519,568 | 50,676,425 |
| 3. Held-to-maturity financial instruments | 43 | 100,169 | - | - | 8,843,471 | - | - | 8,943,683 |
| 4. Loans and receivables with banks | 106,772 | 8,444 | 149 | 12 | 72,248,130 | - | 110,306 | 72,473,813 |
| 5. Loans and receivables with customers | 17,328,840 | 12,299,681 | 5,398,919 | 3,778,030 | 520,028,556 | 238,590 | 3,374,227 | 562,446,843 |
| 6. Financial assets at fair value through profit or loss | - | - | - | - | 29,024,155 | - | 100 | 29,024,255 |
| 7. Financial instruments classified as held for sale | - | - | - | - | 39,849 | - | 356 | 40,205 |
| 8. Hedging instruments | - | - | - | - | 16,188,001 | - | - | 16,188,001 |
| **Total 09.30.2011** | **17,488,288** | **12,625,244** | **5,405,771** | **3,844,582** | **831,598,565** | **238,590** | **4,008,133** | **875,209,173** |
| **Total 12.31.2010** | **16,104,873** | **13,827,009** | **4,050,959** | **3,715,407** | **795,033,759** | **453,449** | **5,584,846** | **838,770,302** |

The banking group portion does not include intercompany accounts (including those with companies which are not consolidated).

Figures provided in line "5. Loans and receivables with customers" correspond to the table "Loans and receivables with customers – Asset quality" in the Report on Operations.

The amount of item 7 corresponds to total financial assets of the table 15.1 "Non-current assets and disposal groups classified as held for sale" in part B – Consolidated Balance Sheet - Assets.

**A.1.2 Breakdown of credit exposures by portfolio and credit quality (gross and net values)** (€ '000)

| Portfolio/Quality | Impaired assets | | | Performing | | | |
|---|---|---|---|---|---|---|---|
| | Gross Exposure | Specific writedowns | Net exposure | Gross Exposure | Portfolio adjustments | Net exposure | Total (Net Exposure) |
| **A. Banking group** | | | | | | | |
| 1. Financial assets held for trading | 208,035 | 60,143 | 147,892 | X | X | 135,264,480 | 135,412,372 |
| 2. Available-for-sale financial assets | 296,393 | 101,459 | 194,934 | 49,963,679 | 1,756 | 49,961,923 | 50,156,857 |
| 3. Held-to-maturity financial instruments | 141,728 | 41,516 | 100,212 | 8,843,506 | 35 | 8,843,471 | 8,943,683 |
| 4. Loans and receivables with banks | 332,161 | 216,784 | 115,377 | 72,270,816 | 22,686 | 72,248,130 | 72,363,507 |
| 5. Loans and receivables with customers | 71,399,810 | 32,594,340 | 38,805,470 | 522,999,359 | 2,970,803 | 520,028,556 | 558,834,026 |
| 6. Financial assets at fair value through profit or loss | - | - | - | X | X | 29,024,155 | 29,024,155 |
| 7. Financial instruments classified as held for sale | - | - | - | 40,437 | 588 | 39,849 | 39,849 |
| 8. Hedging instruments | - | - | - | X | X | 16,188,001 | 16,188,001 |
| **Total A** | **72,378,127** | **33,014,242** | **39,363,885** | **654,117,797** | **2,995,868** | **831,598,565** | **870,962,450** |
| **B. Other consolidated companies** | | | | | | | |
| 1. Financial assets held for trading | - | - | - | X | X | 3,576 | 3,576 |
| 2. Available-for-sale financial assets | - | - | - | 519,568 | - | 519,568 | 519,568 |
| 3. Held-to-maturity financial instruments | - | - | - | - | - | - | - |
| 4. Loans and receivables with banks | - | - | - | 110,306 | - | 110,306 | 110,306 |
| 5. Loans and receivables with customers | 238,590 | - | 238,590 | 3,374,227 | - | 3,374,227 | 3,612,817 |
| 6. Financial assets at fair value through profit or loss | - | - | - | X | X | 100 | 100 |
| 7. Financial instruments classified as held for sale | - | - | - | 356 | - | 356 | 356 |
| 8. Hedging instruments | - | - | - | X | X | - | - |
| **Total B** | **238,590** | **-** | **238,590** | **4,004,457** | **-** | **4,008,133** | **4,246,723** |
| **Total 09.30.2011** | **72,616,717** | **33,014,242** | **39,602,475** | **658,122,254** | **2,995,868** | **835,606,698** | **875,209,173** |
| **Total 12.31.2010** | **68,433,512** | **30,281,815** | **38,151,697** | **652,477,030** | **3,132,451** | **800,618,605** | **838,770,302** |

Data concerning the banking Group are net of infragroup positions, including those with other entities included in the scope of consolidation.

The table below provides a breakdown of credit exposures being renegotiated, i.e. whose installment payment (both principal and interest) has been temporarily suspended in compliance with the general agreements entered by Banking Associations/Unions or with regulations prevailing in the countries where the Group operates. As at September 30, 2011 there are no such positions in the portfolios of financial assets other then loans to customers.

**Customer Loans - Exposures renegotiated under collective agreements** (€ '000)

| Portafolio/Quality | Performing | | | | | | | | | Total (Net Exposure) 09.30.2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Other performing | | | Past due 1-90 days | | | Past due 91-180 days | | | |
| Banking Group and other consolidated Companies | Gross Exposure | Portfolio adjustments | Net Exposure | Gross Exposure | Portfolio adjustments | Net Exposure | Gross Exposure | Portfolio adjustments | Net Exposure | |
| **5. Loans and receivables with customers (Item 70 BS)** | **495,969,270** | **2,473,749** | **493,495,521** | **28,891,591** | **412,062** | **28,479,529** | **1,512,727** | **84,994** | **1,427,733** | **523,402,783** |
| - Exposures renegotiated in application of collective agreements | 2,406,374 | 13,163 | 2,393,211 | 539,909 | 8,401 | 531,508 | 68,296 | 1,967 | 66,329 | 2,991,048 |
| - Other exposures | 493,562,896 | 2,460,586 | 491,102,310 | 28,351,682 | 403,661 | 27,948,021 | 1,444,431 | 83,027 | 1,361,404 | 520,411,735 |

**On - balance sheet credit exposure to banks: gross and net values** (€ '000)

| Exposure types / amounts | Amounts as at 09.30.2011 | | | |
|---|---|---|---|---|
| | Gross exposure | Specific writedowns | Portfolio adjustments | Net exposure |
| a) Non-performing loans | 303,569 | 196,797 | X | 106,772 |
| b) Doubtful loans | 15,015 | 6,356 | X | 8,659 |
| c) Restructured exposures | 13,780 | 13,631 | X | 149 |
| d) Past due | 12 | - | X | 12 |
| e) Other assets | 103,294,714 | X | 24,358 | 103,270,356 |
| **Total** | **103,627,090** | **216,784** | **24,358** | **103,385,948** |

The above data refer only to the Banking Group.
This table includes also exposures to banks classified in financial assets portfolios other than Loans and Receivables.

**On - balance sheet credit exposure to customers: gross and net values** (€ '000)

| Exposure types / amounts | Amounts as at 09.30.2011 | | | |
|---|---|---|---|---|
| | Gross exposure | Specific writedowns | Portfolio adjustments | Net exposure |
| a) Non-performing loans | 42,252,019 | 24,559,812 | X | 17,692,207 |
| b) Doubtful loans | 18,535,088 | 5,893,217 | X | 12,641,871 |
| c) Restructured exposures | 7,167,175 | 1,768,234 | X | 5,398,941 |
| d) Past due | 4,414,085 | 607,733 | X | 3,806,352 |
| e) Other assets | 629,378,175 | X | 2,971,510 | 626,406,665 |
| **Total** | **701,746,542** | **32,828,996** | **2,971,510** | **665,946,036** |

The above data refer only to the Banking Group including positions with the other entities included in the scope of consolidation.
This table includes also exposures to customers classified in financial assets portfolios other than Loans and Receivables.

# Information on Sovereign Exposures

In keeping with Consob Notice no. DEM/11070007 dated August 5, 2011 (which is based on ESMA Statement 2011/266 of July 28, 2011) on the information regarding listed companies' exposures to sovereign debt securities and loans to be included in financial statements, and with reference to the evolution of international markets also after the second quarter of 2011, a detailed description of the Group's sovereign exposures[1] as at September 30, 2011 is provided below.

Overall, the book value of sovereign debt securities as at September 30, 2011 amounted to €89,430 million, of which 91% concentrated in seven countries; Italy, with €38,847 million, represents 43% of the total. For each one of the seven countries, the table below shows the nominal value, the book value and the fair value of the exposures broken down by portfolio as at September 30, 2011.

| Breakdown of Sovereign Debt Securities by Country and Portfolio | | | (€ '000) |
|---|---|---|---|
| Country / portfolio | Amounts as at 09.30.2011 | | |
| | Nominal value | Book value | Fair Value |
| **- Italy** | **39,993,562** | **38,846,703** | **38,470,250** |
| financial assets/liabilities held for trading (net exposures[1]) | 12,177,078 | 11,639,021 | 11,639,021 |
| financial assets at fair value through profit or loss | 145,096 | 144,240 | 144,240 |
| available for sale financial assets | 23,873,024 | 23,296,473 | 23,296,473 |
| loans and receivables | 232,002 | 233,291 | 185,108 |
| held to maturity investments | 3,566,361 | 3,533,678 | 3,205,408 |
| **- Germany** | **25,667,538** | **26,710,847** | **26,733,181** |
| financial assets/liabilities held for trading (net exposures[1]) | 660,291 | 739,764 | 739,764 |
| financial assets at fair value through profit or loss | 22,910,189 | 23,854,641 | 23,854,641 |
| available for sale financial assets | 172,770 | 175,250 | 175,250 |
| loans and receivables | 1,921,288 | 1,938,213 | 1,960,434 |
| held to maturity investments | 3,000 | 2,979 | 3,092 |
| **- Poland** | **6,751,133** | **6,815,482** | **6,800,697** |
| financial assets/liabilities held for trading (net exposures[1]) | 25,953 | 23,248 | 23,248 |
| financial assets at fair value through profit or loss | 3,708 | 3,906 | 3,906 |
| available for sale financial assets | 5,181,290 | 5,254,043 | 5,254,043 |
| loans and receivables | 506,824 | 510,939 | 510,887 |
| held to maturity investments | 1,033,357 | 1,023,346 | 1,008,613 |
| **- Turkey ([2])** | **2,935,523** | **2,991,803** | **2,991,811** |
| financial assets/liabilities held for trading (net exposures[1]) | 60,114 | 108,723 | 108,723 |
| financial assets at fair value through profit or loss | - | - | - |
| available for sale financial assets | 882,898 | 916,061 | 916,061 |
| loans and receivables | - | - | - |
| held to maturity investments | 1,992,511 | 1,967,018 | 1,967,026 |
| **- Austria** | **2,313,604** | **2,370,760** | **2,452,017** |
| financial assets/liabilities held for trading (net exposures[1]) | 31,575 | -64,696 | -64,696 |
| financial assets at fair value through profit or loss | 54,827 | 63,322 | 63,322 |
| available for sale financial assets | 1,972,797 | 2,178,403 | 2,178,403 |
| loans and receivables | - | - | - |
| held to maturity investments | 254,404 | 193,731 | 274,989 |
| **- Spain** | **2,160,772** | **2,053,590** | **2,052,359** |
| financial assets/liabilities held for trading (net exposures[1]) | 201,034 | 103,334 | 103,334 |
| financial assets at fair value through profit or loss | 407,117 | 383,596 | 383,596 |
| available for sale financial assets | 1,536,884 | 1,550,195 | 1,550,195 |
| loans and receivables | - | - | - |
| held to maturity investments | 15,736 | 16,466 | 15,234 |
| **- Czech Republic** | **1,653,934** | **1,680,100** | **1,680,100** |
| financial assets/liabilities held for trading (net exposures[1]) | 423,074 | 418,735 | 418,735 |
| financial assets at fair value through profit or loss | 4,549 | 4,664 | 4,664 |
| available for sale financial assets | 1,225,902 | 1,256,284 | 1,256,284 |
| loans and receivables | - | - | - |
| held to maturity investments | 409 | 417 | 417 |
| **Total on-balance sheet exposures** | **81,476,065** | **81,469,284** | **81,180,415** |

([1]) including exposures in Credit Derivatives.

([2]) amounts recognized using proportionate consolidation with reference to the ownership percentage for exposures held by joint ventures.

[1] Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies. ABSs are not included.

The weighted duration of the sovereign bonds shown in the table above, divided by the so-called banking[2] and trading book, is the following:

| Weighted duration | | (years) |
|---|---|---|
| | Banking book | Trading book |
| - Italy | 3,70 | 0,48 |
| - Germany | 2,28 | 5,54 |
| - Poland | 4,28 | -4,58 |
| - Turkey | 5,34 | 1,62 |
| - Austria | 6,97 | 0,50 |
| - Spain | 3,85 | 0,57 |
| - Czech Republic | 4,26 | 1,18 |

The remaining 9% of the total of sovereign debt securities, amounting to €7,961 million with reference to the book values as at September 30, 2011, is divided into 43 countries, among which the US (€273 million), Ireland (€59 million) and Portugal (€52 million).

These exposures were not subject to impairment at September 30, 2011, with the exception of those towards Greece, whose book amount after the impairment totals €234 million (of which €121 million classified under available-for-sale financial assets, €100 million under held to maturity financial assets and €13 million under financial assets held for trading and those at fair value through profit or loss). See Part A – A.3.2 Fair Value Hierarchy and Part B - Section 4 – Available-for-sale financial assets and Section 5 – Held to maturity investments of the Explanatory Notes for further details on the exposures towards Greece, the evaluation method and the consequent economic effects in the first nine months of 2011.

The fair values used for the evaluation of sovereign debt exposure as at September 30, 2011 are classified as level 1 or level 2. The exposures towards Greece held in available-for-sale financial assets are categorized as level 1 in the fair value hierarchy. Likewise, the recoverable amount of held-to-maturity investments is calculated based on market prices as at September 30, 2011, as specified in the above-mentioned Part A - A.3.2 Fair Value Hierarchy.

The table below shows the classification of bonds belonging to the banking book and their percentage incidence on the total of the portfolio under which they are classified.

| Breakdown of Sovereign Debt Securities by Portfolio | | | | | (€ '000) |
|---|---|---|---|---|---|
| | Amounts as at 09.30.2011 | | | | |
| | Financial asstes at fair value | Available for sale financial asstes | Loans | Held to maturity investments | Total |
| Book value | 25,689,682 | 39,029,954 | 2,742,061 | 7,343,847 | 74,805,544 |
| % Portfolio | 86.69% | 71.45% | 0.43% | 82.11% | 10.27% |

In addition to the exposures to sovereign debt securities, loans[3] given to central and local governments and governmental bodies must be taken into account.

[2] The banking book includes assets at fair value through profit or loss, available-for-sale assets, held to maturity assets and loans.
[3] Tax items are not included.

The table below shows the total amount as at September 30, 2011 of loans given to countries towards which the overall exposure exceeds €200 million, representing more than 96% of the total.

| Breakdown of Sovereign Loans by Country | (€ '000) |
|---|---|
| Country | Amounts as at 09.30.2011 |
| | Book value |
| - Germany ([1]) | 10,196,584 |
| - Italy | 8,181,473 |
| - Austria ([2]) | 5,424,318 |
| - Croatia | 1,836,609 |
| - Poland | 1,422,927 |
| - Indonesia | 615,111 |
| - Slovenia | 272,834 |
| - Turkey ([3]) | 264,627 |
| - Hungary | 233,585 |
| - Brazil | 220,073 |
| **Total on-balance sheet exposures** | **28,668,142** |

([1]) of which 1,949,292 in financial assets held for trading and those at fair value through profit or loss.

([2]) of which 241,662 in financial assets at fair value through profit or loss.

([3]) amounts recognized using proportionate consolidation with reference to the ownership percentage for exposures held by joint ventures.

Eventually it should be noted that derivatives are traded within the ISDA master agreement and accompanied by Credit Support Annexes, which provide for the use of cash collaterals or low-risk eligible securities.

For more details on the sensitivity analysis of credit spreads and on the results of the stress test please refer to the "Greece default" Scenario, "Sovereign Debt Tension" Scenario and the "Widespread Contagion" Scenario in chapters 2.7 and 2.8. of the following Section 2 - Market risk, while for liquidity management policies see Section 3 - Liquidity risk.

# Information on Structured Credit Products and Trading Derivatives with customers

The deterioration of US subprime loans was one of the main causes of the financial markets crisis, which started in H2 2007.
This deterioration caused a general widening of credit spreads and a gradual transformation of the securitized credits market into an illiquid market characterized by forced sales.
Given this situation the market's need for information on the exposures held by banks increased with structured credit products being traded directly or through SPVs.
This need was advocated also by several international and Italian organisms and regulators (viz., the Financial Stability Board, the CEBS – Committee of European Banking Supervisors, Banca d'Italia and CONSOB) which asked banks to increase their disclosure based on a proposal deriving from the analysis of the best practices on disclosure and reporting.
Starting from the 2008 first-half report, the Group provides the following disclosure on consolidated SPEs (Special Purpose Entities), structured credit products, trading derivatives with customers and fair value measurement policies, whereas information on liquidity risk, sensitivity analysis and stress testing of the trading book, is given in Sections 2 and 3 below.
A glossary of terms and acronyms is included in the annexes hereto.

## 1. Structured Credit Products

A detailed description of the Group's business in structured credit products is provided below. We firstly analyze the Group's activity as "originator" (through SPVs) of the assets underlying securitization transactions and then the activity of other consolidated and non-consolidated SPVs, which have different underlying assets.
Information on the exposures to monoline insurers and leveraged finance, as well as details on the methods to calculate the fair value of structured credit products are also given below.

### 1.1 The Group as Originator

The Group's origination consists of the sale of on-balance sheet receivables portfolios to vehicles set up as securitization companies under Law 130/99 or similar non-Italian legislation.
The buyer finances the purchase of the receivables portfolios by issuing bonds of varying seniority and transfers its issue proceeds to the Group.
The yield and maturity of the bonds issued by the buyer therefore mainly depend on the cash flow expected from the assets being sold.
As a further form of security to bondholders, these transactions may include special types of credit enhancement, e.g., subordinated loans, financial guarantees, standby letters of credit or over-collateralization.

The Group's objectives when carrying out these transactions are usually the following:

- to free up economic and regulatory capital by carrying out transactions that reduce capital requirements under current rules by reducing credit risk
- to reduce funding costs given the opportunity to issue higher-rated bonds with lower interest rates than ordinary senior bonds and
- to originate securities that can be used to secure repos with Banca d'Italia and the ECB (i.e. counterbalancing capacity).

The Group carries out both traditional securitizations whereby the receivables portfolio is sold to the SPV and synthetic securitizations which use credit default swaps to purchase protection over all or part of the underlying risk of the portfolio.

The Group makes limited use of this type of transactions. The amount of securitized loans[4], net of the transactions in which the Group has acquired all the liabilities issued by the SPVs (the so-called self-securitizations), accounts for 3.25% of the Group's credit portfolio. Self-securitizations in turn account for 6.03% of the loan portfolio.

A Covered Bond (OBG – Obbligazioni Bancarie Garantite) Program was launched in 2008 under the provisions of Italian Law 130/99. The underlying residential mortgage loans were transferred to an SPE set up for this purpose and included in the Banking Group. Twelve tranches of OBG totaling €10.23 billion were issued, of which 1 billion retained in the Group.

As at 30 September 2011 similar covered bonds under German law (Pfandbriefe) amounted to €36,683,577 thousand, of which €24,578,706 thousand were backed by mortgage loans and €12,104,871 thousand by loans to the public sector.

Under traditional securitizations the Group retains the first loss in the form of junior bonds or similar exposure and in some cases provides further credit enhancement as described above. This enables the Group to benefit from the portion of the sold receivables' yield in excess of the yield due to the senior and mezzanine tranches.

Retention by the Group of the first loss risk and the corresponding yield means that most of the risk and return on the portfolio is retained. Consequently these transactions are recognized in the accounts as loans and no profits arising out of the transfer of the assets are recognized and the sold receivables are not derecognized.

Synthetic securitizations also entail retention of the receivables subject to credit default protection on the balance sheet. The swap is recognized in the accounts, as well as any other retained interest.

The following table shows the Group's retained **gross and net cash exposure** under securitizations in which it was the originator, subdivided according to whether or not the receivables were derecognized in the accounts.

The amounts given are mainly interests retained by the originator, net of self-securitizations. ABSs arising out of securitizations and held in the Corporate & Investment Banking Division's and UniCredit Bank Ireland's portfolio are also shown.

[4]We refer to loans sold, also synthetically, but not derecognized from balance sheet.

| Exposures deriving from the securitization of own assets | | | |
|---|---|---|---|
| | Balance sheet exposure as at | | |
| | 09.30.2011 | | 12.31.2010 |
| | Gross exposure (*) | Net exposure (**) | Net exposure (**) |
| - Assets sold totally derecognized | 3,048,260 | 1,069,687 | 1,125,085 |
| - Assets sold but not derecognized | 2,296,733 | 2,951,846 | 4,172,491 |
| - Synthetic transactions | 5,106,266 | 5,060,249 | 9,949,648 |
| **Total** | **10,451,259** | **9,081,782** | **15,247,224** |

(*) The gross exposure correspond to "risk retained", which is measured as the difference betwwen the assets sold and the corresponding liabilities as at the sale date.

(**) The net exposure includes the sold loans' amount of yield due but not received in excess of amounts paid on securities places at third counterparties.

Retained tranches break down according to **the level of subordination** as follows:

| Exposures deriving from the securitization of own assets broken down by subordination degree | | | | | |
|---|---|---|---|---|---|
| | Amounts as at | | | | |
| | 09.30.2011 | | | | 12.31.2010 |
| | Senior | Mezzanine | Junior | Total | Total |
| **Balance sheet exposure** | **6,358,393** | **1,485,607** | **1,237,782** | **9,081,782** | **15,247,224** |
| - Assets sold totally derecognized | 117,273 | 679,139 | 273,275 | 1,069,687 | 1,125,085 |
| - Assets sold but not derecognized | 1,792,719 | 221,914 | 937,213 | 2,951,846 | 4,172,491 |
| - Synthetic transactions | 4,448,401 | 584,554 | 27,294 | 5,060,249 | 9,949,647 |
| **Guarantees given** | **-** | **19,850** | **-** | **19,850** | **42,623** |
| - Assets sold totally derecognized | - | 19,850 | - | 19,850 | 42,623 |
| - Assets sold but not derecognized | - | - | - | - | - |
| - Synthetic transactions | - | - | - | - | - |
| **Credit facilities** | **-** | **99,191** | **30,220** | **129,411** | **160,074** |
| - Assets sold totally derecognized | - | 99,191 | - | 99,191 | 129,854 |
| - Assets sold but not derecognized | - | - | 30,220 | 30,220 | 30,220 |
| - Synthetic transactions | - | - | - | - | - |

The transactions included under "Assets sold and derecognized" are those in which the Group, while retaining most of the risk and return of the underlying receivables, nevertheless derecognized them because the transaction was prior to January 1st, 2002. On first adoption of IFRS the option permitted by IFRS 1 that allows assets sold before January, 1st 2004 not to be re-recognized, regardless of the amount of risk and return retained, was taken.

Cash exposures not derecognised decreased to €2,952 million as at 30 September 2011 from €4,172 million as at 31 December 2010 due to both the completion of the Geldilux-TS-2008 transaction and the changes in portfolio holdings.

Moreover, the decrease in cash exposures concerning synthetic transactions from €9,950 million in December 2010 to €5,060 million in September 2011 was mainly due to the finalization of the Provide-A-2005-1 and Cordusio SME 2008-1 transactions and to a lesser extent to the development of the other transactions.

Beside the exposures indicated in the table above, the Group has also carried out traditional transactions concerning performing loans by purchasing the liabilities issued by the SPVs (so-called self-securitizations) for a total amount of €38,3126,620 thousand.

Two transactions of this type totalling €8,941 million were handled during the first nine months of 2011: Locat SV – Serie 2011, which had as underlyings real estate, business assets and motor vehicle lease agreemets, and Consumer One, which had as underlyings Italian consumer loans.

However, assessment and monitoring of risk underlying securitizations are performed with regard not to exposure to the SPV but rather to the sold receivables, which are monitored continuously by means of Interim reports showing status of the receivables and repayment performance.

The following tables give a breakdown of the Group's retained (i.e., non-derecognized) receivables **by region and asset quality**, and **by traditional** (excluding self-securitizations), **and synthetic securitizations**.

**Securitized assets broken down by geographical area**

| | Amounts as at 09.30.2011 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Italy | Germany | Austria | Other EU Countries | Others European Countries (NON EU) | America | Asia | Rest of the world | Total |
| **Assets sold but not derecognized** | | | | | | | | | |
| - Residential mortgage loans | 7,513,042 | - | - | - | - | - | - | - | **7,513,042** |
| - Leasing | 2,191,701 | - | - | - | - | - | - | - | **2,191,701** |
| - SME loans | - | - | - | - | - | - | - | - | **-** |
| - Corporate loans | 1,000 | 2,693,149 | - | 6,909 | 1,905 | - | - | - | **2,702,963** |
| - Others | - | - | - | - | - | - | - | - | **-** |
| **Total** | **9,705,743** | **2,693,149** | **-** | **6,909** | **1,905** | **-** | **-** | **-** | **12,407,706** |

**Securitized assets broken down by geographical area**

| | Amounts as at 09.30.2011 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Italy | Germany | Austria | Other EU Countries | Others European Countries (NON EU) | America | Asia | Rest of the world | Total |
| **Synthetic transactions** | | | | | | | | | |
| - Residential mortgage loans | - | 3,235,042 | - | - | - | - | - | - | **3,235,042** |
| - Commercial mortgage loans | - | 680,520 | - | - | - | - | - | - | **680,520** |
| - SME loans | 48,523 | 2,478,474 | 972,904 | 3,743 | - | - | - | - | **3,503,644** |
| - Corporate loans | 28,490 | 87,870 | 342,649 | 7,283 | - | - | - | - | **466,292** |
| - Others | - | 321,370 | 5,280 | - | - | - | - | - | **326,650** |
| **Total** | **77,013** | **6,803,276** | **1,320,833** | **11,026** | **-** | **-** | **-** | **-** | **8,212,148** |

**Securitized assets broken down by asset quality**

| | Amounts as at 09.30.2011 | | |
|---|---|---|---|
| | Other assets (performing) | Impaired assets | Total |
| **Assets sold but not derecognized** | | | |
| - Residential mortgage loans | 7,224,029 | 289,013 | **7,513,042** |
| - Leasing | 1,865,603 | 326,098 | **2,191,701** |
| - SME loans | - | - | **-** |
| - Corporate loans | 2,701,390 | 1,573 | **2,702,963** |
| - Others | - | - | **-** |
| **Total** | **11,791,022** | **616,684** | **12,407,706** |

**Securitized assets broken down by asset quality**

| | Amounts as at 09.30.2011 | | |
|---|---|---|---|
| | Other assets (performing) | Impaired assets | Total |
| **Synthetic transactions** | | | |
| - Residential mortgage loans | 3,173,511 | 61,531 | **3,235,042** |
| - Commercial mortgage loans | 672,486 | 8,034 | **680,520** |
| - SME loans | 3,284,898 | 218,746 | **3,503,644** |
| - Corporate loans | 423,878 | 42,415 | **466,293** |
| - Others | 318,098 | 8,551 | **326,649** |
| **Total** | **7,872,871** | **339,277** | **8,212,148** |

Funded securitization structures originated by the Group have as underlyings residential mortgages originated in Italy corporate loans originated in Germany and leasing granted to Italian counterparties. Synthetic securitization structures have mainly residential mortgages and loans to Corporate and Small Medium Entities originated in UE countries as underlyings.

Performing assets account for 95.03% of traditional securitizations' portfolio and 95.87% of synthetic transactions' portfolio.

The Group is not an originator of securitizations having as underlying US residential mortgages, neither prime nor subprime nor Alt-A.
The fair value of assets sold and not derecognized exceeds the carrying amount by over €1,140 million.

## 1.2 Other Consolidated SPVs

SPVs which do not perform securitization transactions of Group assets, but whose risks are mainly borne by the Group, which also receives their returns, are consolidated as well, even if they do not belong to the Banking Group.

Consolidation of these vehicles is required by IAS 27, and by the related interpretation SIC 12.
Starting from 2007, the consolidation perimeter includes vehicle companies sponsored by the Group and issuing commercial papers (so-called Asset Backed Commercial Paper Conduits) and set up both as multi-seller customer conduits to give clients access to the securitization market, and as arbitrage conduits.
In particular, Arabella Finance Ltd., Salome Funding Ltd. and Black Forest Funding Corp. are Customer Conduits, while Bavaria Universal Funding Corp. falls within the category of Arbitrage conduits.

It should be noted that UniCredit Bank AG bought Bavaria Universal Funding Corp's portfolio holdings on May 31, 2011 and that on September 30 the vehicle company was in the process of being closed down. Consequently, the structured credit products acquired by UniCredit Bank AG from Bavaria Universal Funding Corp. are now included in the investments indicated in the following section 1.3 Other non-consolidated SPVs.

Additionally, also the following vehicles are now included in consolidation, as they now meet the requirements provided by the above mentioned SIC 12 and the consolidation requirements under IFRS (see Part A – Accounting Policies, Section 3 – Consolidation Procedures and Scope): Altus Alpha Plc, Elektra Purchase no. 1 Ltd, Elektra Purchase no. 18 Ltd, Grand Central Funding Corp., Redstone Mortgages Plc, The Trans Value Trust Company Ltd (SFCG Scudetto) and a further 11 vehicles operating in Tender Option Bond (TOB).

It should be noted that the vehicle company Redstone Mortgages Plc, already consolidated in accordance to SIC 12, was fully acquired by UniCredit Bank AG on March 28, 2011, following the authorization issued by Banca d'Italia, and incorporated in the Group on the same date.

Customer conduits require the formation and management of a bankruptcy-remote company (i.e., one that would be immune from any financial difficulties of the originator) which directly or indirectly buys receivables created by companies outside the Group.
The receivables underlying these transactions are not bought directly by the conduit set up by the Group, but by a purchase company which in turn is wholly funded by the conduit by means of commercial paper or medium term notes.
In some circumstances purchase companies fund further SPVs which buy loan portfolio.

The main purpose of these transactions is to give corporate clients access to the securitization market and thus to lower funding costs than would be borne with direct funding.
Arbitrage conduits require the formation and management of an SPV that buys highly rated corporate bonds, asset-backed securities and loans.
The purpose is to achieve a profit on the spread between the yield on the assets held, usually medium/long-term, and the short/medium-term securities issued to fund the purchase.
The conduits' purchase of assets is financed by short-term commercial paper and medium-term note issues.

Payment of interest and redemption of the securities issued by the conduit therefore depends on cash flow from the receivables purchased (credit risk) and the ability of the conduit to roll over or replace its market funding on maturity (liquidity risk).

To guarantee prompt redemption of the securities issued by the conduit, these transactions are guaranteed by a standby letter of credit covering the risk of default both of specific assets and of the whole program.
The underwriters of issued securities also benefit from security provided by specific liquidity lines which the conduit may use if it unable to place new commercial paper to repay maturing paper, e.g. during market turmoil.

These liquidity lines may not however be used to guarantee redemption of securities issued by the conduit in the event of default by the underlying assets.

In its role as sponsor, the Group selects the asset portfolios purchased by conduits or purchase companies, provides administration of the assets and both standby letters of credit and liquidity lines.

For these services the Group receives fees and also benefits from the spread between the return on the assets purchased by the SPV and the securities issued.

Starting from H2 2007 the securities issued by these conduits experienced a significant contraction in investor demand. The Group has consequently purchased directly all their outstanding commercial paper.

L'evoluzione di tale situazione, che reached its peak in December 2008 with a balance sheet exposure of €5,268 million, is shown in the table below which discloses the exposures to conduits sponsored by the Group.

| Exposures sponsored by the Group | Amounts as at 09.30.2011 | Amounts as at 12.31.2010 |
|---|---|---|
| **Balance sheet exposures** | **2,677,934** | **1,543,835** |
| - Arabella Finance Ltd (*) | 1,951,499 | 155,647 |
| - Bavaria Universal Funding Corp | - | 581,088 |
| - Salome Funding Ltd | 726,435 | 807,100 |
| **Credit facilities** | **1,537,876** | **2,076,619** |
| - Arabella Finance Ltd (*) | 1,480,583 | 1,954,829 |
| - Bavaria Universal Funding Corp | - | 51,675 |
| - Salome Funding Ltd | 57,293 | 70,115 |

(*) including positions towards Black Forest Funding Corp.

The lines of credit shown are the difference between total credit lines granted and the amount of commercial paper underwritten by the Group. This figure is the additional risk exposure incurred by the Group and arising from commercial paper purchased by third parties and commitments to purchase further assets under the program.
Cash exposures are commercial paper purchased by the Group*.* These exposures are fully consolidated and therefore not visible in the consolidated accounts.

The assets of the above-mentioned SPVs are as follows: investment fund units for Altus Alpha Plc, loans for the purchase of aircrafts for Elektra Purchase n° 1 Ltd, da finanziamenti per acquisto di immobili commerciali per Elektra n° 18 Ltd, intercompany repurchase agreements for Grand Central Funding Corp., warehousing portfolio of UK mortgage loans for Redstone Mortgages Plc, Japanese mortgage loans for The Trans Value Trust Company Ltd, while Tender Option Bond vehicles operate in bonds issued by US local authorities and municipalized companies.
Due to its activity of loan and credit lines underwriting and the subscription of liabilities issued by these vehicles, also in these cases the Group bears most of the risk and receives most of the returns on this business.

It should be noted that as at September 30, 2011 both the aforementioned 11 vehicles operating in Tender Option Bond and the SPVs Elektra Purchase no. 1 Ltd and Elektra Purchase no. 18 Ltd, towards which the Group has no more exposures at that date, are in the process of being closed down.

The following table shows the amount of **exposures towards other consolidated SPVs**.

| Exposures toward other consolidated SPV | | |
|---|---|---|
| | Amounts as at 09.30.2011 | Amounts as at 12.31.2010 |
| **Balance sheet exposures** | **2,180,809** | **2,791,583** |
| - Altus Alpha Plc | 453,564 | 677,772 |
| - Elektra Purchase n. 1 Ltd | - | 12,832 |
| - Elektra Purchase n. 18 Ltd | - | 275,002 |
| - Grand Central Funding Corp | 78 | 75 |
| - Redstone Mortgages Plc | 1,464,579 | 1,582,427 |
| - The Trans Value Trust Company Ltd (SFCG Scudetto) | 262,588 | 241,571 |
| - TOB Trusts | - | 1,904 |
| **Credit facilities** | **11,331** | **238,430** |
| - Altus Alpha Plc | - | - |
| - Elektra Purchase n. 1 Ltd | - | - |
| - Elektra Purchase n. 18 Ltd | - | - |
| - Grand Central Funding Corp | 11,331 | 11,376 |
| - Redstone Mortgages Plc | - | - |
| - The Trans Value Trust Company Ltd (SFCG Scudetto) | - | - |
| - TOB Trusts | - | 227,054 |

According to the line-by-line consolidation method, the following items should be recognized in Consolidated Accounts:

- assets held by consolidated vehicles in place of the loans provided to them or the liabilities subscribed by Group companies , now eliminated on consolidation
- loans to purchase companies for non-consolidated subordinated vehicles.

The consolidated Accounts include the substance of the assets in the books of the non-consolidated purchase companies because they are wholly financed by the consolidated conduits.

The following table gives the amount of the **consolidated SPVs' assets by region**.

| Consolidated SPVs' assets broken down by geographical area | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Amounts as at 09.30.2011 | | | | | | | | |
| | Consolidated SPVs | | | | | | | | |
| | Italy | Germany | Austria | Other UE Countries | Other European Countries (non UE) | America | Asia | Rest of the world | Total |
| - Residential mortgage loans | - | - | - | 1,406,217 | - | - | 231,455 | - | **1,637,672** |
| - Commercial mortgage loans | - | - | - | 606,630 | - | - | - | - | **606,630** |
| - Leasing | - | 861,718 | - | - | - | - | - | - | **861,718** |
| - Credit cards | - | - | - | - | - | - | - | - | **-** |
| - Consumer loans | 528,587 | - | - | 215,509 | - | - | - | - | **744,095** |
| - SME loans | - | - | - | - | - | - | - | - | **-** |
| - State related entities | - | - | - | - | - | - | - | - | **-** |
| - Others | 100,173 | 314,962 | - | 306,053 | - | 366,319 | 31,133 | - | **1,118,640** |
| - RMBS | - | - | - | - | - | - | - | - | **-** |
| - CMBS | - | - | - | - | - | - | - | - | **-** |
| - CDO | - | - | - | - | - | - | - | - | **-** |
| - CLO / CBO | - | - | - | - | - | - | - | - | **-** |
| - Corporate bonds | - | - | - | - | - | - | - | - | **-** |
| - Municipal and local Government bonds | - | - | - | - | - | - | - | - | **-** |
| - Investement funds | 1,621 | - | - | 104,151 | - | - | - | 242,813 | **348,585** |
| **Total** | **630,381** | **1,176,680** | **-** | **2,638,559** | **-** | **366,319** | **262,588** | **242,813** | **5,317,340** |

The item "Others" comprises corporate loans and short-term commercial loans.

The quality of assets held by consolidated vehicles, which are mainly mortgage loans, corporate and commercial loans, is carried out by specific units using a look-through approach with the aim of analyzing the performance of the underlying receivables portfolios.
As at September 30, 2011 impaired loans were €409,837 thousand, attributable to Redstone Mortgage Plc and The Trans Value Trust Company.

The **residual life of consolidated vehicles' underlyings** is given in the following table. Average residual life is in most cases under one year or over five years.

**Consolidated SPVs' assets broken down by residual life**

| | Amounts as at 09.30.2011 | | | |
|---|---|---|---|---|
| **Remaining average life** | **Less than 1 year** | **1 to 5 years** | **Over 5 years** | **Total** |
| - Residential mortgage loans | 409,837 | - | 1,227,835 | 1,637,672 |
| - Commercial mortgage loans | - | 606,630 | - | 606,630 |
| - Leasing | 861,718 | - | - | 861,718 |
| - Credit cards | - | - | - | - |
| - Consumer loans | 744,095 | - | - | 744,095 |
| - SME loans | - | - | - | - |
| - State related entities | - | - | - | - |
| - Others | 1,059,671 | 58,969 | - | 1,118,640 |
| - RMBS | - | - | - | - |
| - CMBS | - | - | - | - |
| - CDO | - | - | - | - |
| - CLO / CBO | - | - | - | - |
| - Corporate bonds | - | - | - | - |
| - Municipal and local Government bonds | - | - | - | - |
| - Investement funds | 348,585 | - | - | *348,585* |
| **Total** | **3,423,906** | **665,599** | **1,227,835** | **5,317,340** |

Assets recognized in financial statements, due to consolidation of vehicles, are a marginal portion of the Group's assets.

The following table shows these **assets by balance sheet classification** and **as a percentage of total assets** in the same class.

**Consolidated SPVs broken down by type of financial assets portfolio**

| | Amounts as at 09.30.2011 | | | | | |
|---|---|---|---|---|---|---|
| | **Financial assets held for trading** | **Financial assets measured at Fair Value** | **Loans and receivables** | **Financial assets held to maturity** | **Financial assets available for sale** | **Total** |
| Balance sheet amount | 348,585 | - | 4,968,755 | - | - | **5,317,340** |
| % IAS portfolio | 0.25% | 0.00% | 0.78% | 0.00% | 0.00% | **0.61%** |

## 1.3 Other non-consolidated SPVs

The Group is also an investor in structured credit instruments issued by vehicles which are not consolidated, as these instruments do not bear most of the risk and do not receive most of the return on the operations carried out by SPVs.

These exposures are mainly held on the books of the Corporate and Investment Banking Division (CIB) and Unicredit Bank Ireland.

This business was particularly affected by the difficult situation on the financial markets, which began in 2007 and determined a transformation of the structured credit product market into an illiquid market.

Against this background, in 2008 the Group ring-fenced these products in a specific Global ABS Portfolio managed with the aim of maintaining the holdings, also in view of the fact that the underlyings have good fundamentals. This portfolio is subject to monitoring and reporting of both credit risk and market risk.

This new strategy has been reflected in the accounts through the reclassification of most of these positions in the item "loans and receivables to customers" occurred for the most part in the second half of 2008 and, for the remaining, in the first half 2009. See Section 1.4 for information about the effects of this reclassification.

This portfolio shows the following characteristics:

- high seniority with an insignificant percentage of junior positions;
- predominance of residential mortgage-backed securities and commercial mortgage-backed securities;
- an insignificant portion of products has US Subprime or Alt-A mortgages as underlyings;
- high rating (over 92% of the positions is classified as "investment grade")
- mainly concentrated in EU Countries.

**Main features of structured credit portfolio** (€ '000)

| | 09.30.2011 | | | | 12.31.2010 | | | |
|---|---|---|---|---|---|---|---|---|
| *Measurement* | **FV/P&L** | **FV/Equity** | **Amortised cost** | **Total** | **FV/P&L** | **FV/Equity** | **Amortised cost** | **Total** |
| Net exposure | 576,677 | 183,533 | 6,030,455 | | 549,482 | 83,835 | 6,695,916 | |
| *Seniority* | **Senior** | **Mezzanine** | **Junior** | | **Senior** | **Mezzanine** | **Junior** | |
| Net exposure | 5,131,918 | 1,543,500 | 115,247 | | 5,879,301 | 1,424,792 | 25,140 | |
| *Asset class* | **RMBS/CMBS** | **CDO/CLO** | **Other ABS and Loans** | 6,790,665 | **RMBS/CMBS** | **CDO/CLO** | **Other ABS and Loans** | 7,329,233 |
| Net exposure | 4,272,997 | 1,754,582 | 763,086 | | 4,606,602 | 1,680,442 | 1,042,189 | |
| *Underlying* | **US Subprime** | **US Alt-A** | **Other** | | **US Subprime** | **US Alt-A** | **Other** | |
| Net exposure | 5,679 | 6,288 | 6,778,698 | | 27,195 | 14,339 | 7,287,699 | |
| *Rating %* | **AAA** | **Other investment grade** | **Non investment grade** | | **AAA** | **Other investment grade** | **Non investment grade** | |
| % on net exposure | 36.91% | 55.80% | 7.29% | 100% | 41.89% | 52.47% | 5.64% | 100% |
| *Country %* | **US** | **European** | **Other** | | **US** | **European** | **Other** | |
| % on net exposure | 14.20% | 80.27% | 5.53% | | 10.60% | 83.35% | 6.05% | |

The following table gives Group's **exposure** to these instruments, which is limited, viz. 0,78% of **total financial instruments**.

**Structured credit product exposures broken down by type of financial assets portfolio** (€ '000)

| | Balance sheet exposure as at | | | | | | |
|---|---|---|---|---|---|---|---|
| | 09.30.2011 | | | | | | 12.31.2010 |
| | **Financial assets held for trading** | **Financial assets measured at Fair Value** | **Loans and receivables** | **Financial assets held to maturity** | **Financial assets available for sale** | **Total** | **Total** |
| Balance sheet amount | 490,450 | 86,227 | 5,787,705 | 242,750 | 183,533 | **6,790,665** | **7,329,233** |
| % IAS portfolio | 0.35% | 0.29% | 0.91% | 2.71% | 0.34% | **0.78%** | **0.87%** |

A breakdown of the Group's gross and net exposure to structured credit products

| **Structured credit product exposures** | | (€ '000) |
|---|---|---|
| | **Amounts as at 09.30.2011** | |
| **Exposure type** | **Gross exposure (nominal amount)** | **Net exposure (carrying amount)** |
| RMBS | 3,198,166 | 3,082,591 |
| CMBS | 1,266,611 | 1,190,406 |
| CDO | 422,746 | 270,898 |
| CLO/CBO | 1,732,693 | 1,483,684 |
| ABS others | 623,534 | 484,661 |
| Loans | 278,425 | 278,425 |
| **Total** | **7,522,175** | **6,790,665** |

Cash exposure, as mentioned, consists almost entirely of asset backed securities amounting to € 6,512,240 thousand mainly held in the Global ABS portfolio in the books of the Corporate and Investment Banking (CIB) and UniCredit Bank Ireland.

Following tables reports, respectively for ABS, loans and guarantees, the exposure amount together with their seniority.

The tables do not show the ABSs originated by UniCredit securitizations, whether synthetic or traditional. These are shown in the table given in the 'Group as Originator' section above.

| **Structured credit product exposures broken down by subordination degree** | | | | (€ '000) |
|---|---|---|---|---|
| | **Amounts as at 09.30.2011** | | | |
| **Exposure type** | **Senior** | **Mezzanine** | **Junior** | **Total** |
| - RMBS | 2,593,517 | 489,074 | - | 3,082,591 |
| *- Prime* | *2,384,063* | *370,557* | - | *2,754,620* |
| *- Subprime* | *3,000* | *1,137* | - | *4,137* |
| *- Nonconforming* | *206,454* | *117,380* | - | *323,834* |
| - CMBS | 871,647 | 318,759 | - | 1,190,406 |
| - CDO | 161,858 | 108,917 | 123 | 270,898 |
| *- CDO of ABS / CDO of CDO* | *1,540* | *22,221* | 1 | *23,762* |
| *- CDO Balance Sheet* | *135,376* | - | - | *135,376* |
| *- CDO Market Value* | - | - | - | - |
| *- CDO Preferred Stock* | - | *57,297* | - | *57,297* |
| *- CDO Synthetic Arbitrage* | - | - | *1* | *1* |
| *- CRE CDO* | *15,033* | *7,444* | - | *22,477* |
| *- CDO others* | *9,909* | *21,955* | *121* | *31,985* |
| - CLO/CBO | 951,748 | 503,106 | 28,830 | 1,483,684 |
| *- CLO SME* | *95,174* | *75,716* | *919* | *171,809* |
| *- CLO arbitrage/balance sheet* | *334,641* | *101,766* | *2,056* | *438,463* |
| *- CLO / CBO altri* | *521,933* | *325,624* | *25,855* | *873,412* |
| - Consumer loans | 154,158 | 8,728 | - | 162,886 |
| - Credit cards | - | - | - | - |
| - Student loans | 77,321 | 54,519 | 4,160 | 136,000 |
| - Leasing | 79,084 | 37,524 | - | 116,608 |
| - Others | 28,107 | 22,873 | 18,187 | 69,167 |
| **Total balance sheet exposures** | **4,917,440** | **1,543,500** | **51,300** | **6,512,240** |

| Loans and guarantees | | | | | | | | (€ '000) |
|---|---|---|---|---|---|---|---|---|
| | Amounts as at 09.30.2011 | | | | | | | |
| | On Balance Sheet Exposures | | | | Off balance sheet Exposures | | | |
| Exposure type | Senior | Mezzanine | Junior | Total | Senior | Mezzanine | Junior | Total |
| **Loans** | **214,478** | **-** | **63,947** | **278,425** | **-** | **-** | **-** | **-** |
| - Residential mortgages | 207,702 | - | - | 207,702 | - | - | - | - |
| - Commercial mortgages | - | - | - | - | - | - | - | - |
| - CDO | 6,776 | - | - | 6,776 | - | - | - | - |
| - CLO | - | - | - | - | - | - | - | - |
| - Credit Cards | - | - | - | - | - | - | - | - |
| - Consumer loans | - | - | - | - | - | - | - | - |
| - Student Loans | - | - | 62,973 | 62,973 | - | - | - | - |
| - Others | - | - | 974 | 974 | - | - | - | - |
| **Guarantees given** | - | - | - | - | - | - | - | - |
| **Credit facilities** | **-** | **-** | **-** | **-** | **15,350** | **-** | **-** | **15,350** |

Table “Structured Credit product exposures broken down by subordination degree” includes structured credit products acquired by UniCredit Bank AG from Bavaria Universal Funding Corp. on May 31, 2011, previously disclosed among the underlying exposures in Section “1.2 – Other consolidated SPV”.

The above table presents the Group’s exposure to SPEs, including guarantees given and lines of credit.

This support is generally given when structuring securitizations for third parties as manager or arranger of the transactions.

At September 30, 2011 the Group’s exposure in structured credit products was €6,790,665 thousand, a reduction of over 7% from December 31, 2010 when the figure was €7,329,233 thousand.

The exposure in ABSs fell from €7,094,116 thousand at December 31, 2010 to €6,512,240 thousand. Also exposure in the form of loans to vehicles increased from €235,117 thousand at December 31 to €278,425 thousand. Unutilized portion of credit lines and guarantees given amounts to €15,350 thousand.

In addition to reported exposures, the Group is exposed to Credit Default Swaps having structured credit products as underlyings. These instruments have a positive fair value of € 33,189 thousand and a notional amount of € 144,082 thousand.

The good credit quality of this portfolio is borne out by the fact that over 81% of these instruments are rated A or better and over 36% of the portfolio is triple-A rated.

At December 31, 2010 over 86% of these exposures were rated A and over 41% of the portfolio was rated triple-A.

Over 80% of the exposure is toward countries belonging to European Union.
Exposure to Greece, Ireland, Portugal and Spain accounts for 21.50%, most of which concerns exposures to Spanish underlying assets (12.58%).

The following tables give a breakdown of the **net exposure** at September 30 2011, **by instrument, rating and region**.

| Structured credit product exposures broken down by rating class | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Exposure type** | **AAA** | **AA** | **A** | **BBB** | **BB** | **B** | **CCC** | **CC** | **C** | **NR** |
| RMBS | 39.33% | 23.35% | 17.91% | 12.27% | 5.17% | 1.02% | 0.95% | 0.00% | 0.00% | 0.00% |
| CMBS | 16.44% | 29.04% | 33.88% | 17.33% | 3.31% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| CDO | 6.70% | 50.72% | 0.32% | 11.27% | 2.96% | 4.49% | 20.32% | 2.79% | 0.43% | 0.00% |
| CLO/CBO | 56.72% | 21.98% | 12.72% | 3.21% | 2.71% | 0.34% | 0.38% | 0.00% | 0.00% | 1.94% |
| Other ABS | 28.08% | 28.77% | 12.44% | 20.08% | 3.19% | 1.33% | 0.00% | 0.00% | 0.17% | 5.94% |
| **Total** | **36.91%** | **25.62%** | **18.51%** | **11.67%** | **4.03%** | **0.84%** | **1.38%** | **0.12%** | **0.03%** | **0.89%** |

| Structured credit product exposures broken down by geographical area | | | | | | |
|---|---|---|---|---|---|---|
| **Exposure type** | **Italy** | **Other UE Countries** | **Other European Countries (non UE)** | **Asia** | **USA** | **Rest of the world** |
| RMBS | 9.28% | 82.13% | 0.00% | 0.87% | 0.35% | 7.37% |
| CMBS | 5.24% | 79.06% | 0.00% | 1.23% | 13.58% | 0.89% |
| CDO | 0.00% | 18.56% | 0.00% | 0.70% | 80.39% | 0.35% |
| CLO/CBO | 0.03% | 64.85% | 2.68% | 0.00% | 27.21% | 5.23% |
| Other ABS | 30.70% | 42.23% | 0.00% | 0.00% | 27.07% | 0.00% |
| **Total** | **7.64%** | **72.02%** | **0.61%** | **0.66%** | **14.20%** | **4.87%** |

The Group's portfolio includes the following:

**RMBSs:** Residential mortgage backed securities are notes issued by SPVs whose redemption depends on the performance of residential mortgages securitized by a non-Group originator.
An insignificant portion of these instruments has US Subprime or Alt-A mortgages as underlyings.

The following table shows the main characteristics of these instruments as at September 30, 2011 and December 31, 2010.

| **RMBS** | | |
|---|---|---|
| | **09.30.2011** | **12.31.2010** |
| Gross Exposure | 3,198,166 | 3,489,018 |
| Net Exposure | 3,082,591 | 3,352,143 |
| %AAA | 39.33% | 57.80% |
| %Investment grade | 53.53% | 39.48% |
| % Sub Investment grade | 7.14% | 2.72% |
| % USA | 0.35% | 0.81% |
| % Europe | 91.41% | 89.82% |
| % Rest of the world | 8.24% | 9.37% |
| thereof US Subprime | 4,137 | 16,085 |
| there of US Alt-A | 6,288 | 10,740 |

**CMBSs:** Commercial mortgage backed securities are notes issued by SPVs whose redemption depends on the performance of commercial mortgages securitized by a non-Group originator.

The following table shows the main characteristics of these instruments as at September 30, 2011 and December 31, 2010.

| CMBS | | |
|---|---|---|
| | **09.30.2011** | **12.31.2010** |
| Gross Exposure | 1,266,611 | 1,376,162 |
| Net Exposure | 1,190,406 | 1,254,459 |
| %AAA | 16.44% | 26.43% |
| %Investment grade | 80.25% | 70.75% |
| % Sub Investment grade | 3.31% | 2.82% |
| % USA | 13.58% | 7.36% |
| % Europe | 84.30% | 88.98% |
| % Rest of the world | 2.12% | 3.66% |
| thereof US Subprime | 0 | 0 |
| there of US Alt-A | 0 | 0 |

**CDOs:** Collateralized debt obligations are notes with varying seniority issued by SPVs in respect of debt instruments, including structured credit instruments (CDOs of ABS).

As with all asset-backed securities, redemption of these notes depends on the performance of the underlying assets and any additional security.

The purpose of these instruments is to benefit from the spread between the notes' yield and that of the assets.

An insignificant portion of these instruments has US Subprime or Alt-A mortgages as underlyings.

The following table shows the main characteristics of these instruments as at September 30, 2011 and December 31, 2010.

| CDO | | |
|---|---|---|
| | **09.30.2011** | **12.31.2010** |
| Gross Exposure | 422,746 | 550,312 |
| Net Exposure | 270,898 | 352,534 |
| %AAA | 6.70% | 5.91% |
| %Investment grade | 62.31% | 62.09% |
| % Sub Investment grade | 30.99% | 32.00% |
| % USA | 80.39% | 72.71% |
| % Europe | 18.56% | 20.91% |
| % Rest of the world | 1.05% | 6.38% |
| thereof US Subprime | 1,542 | 11,110 |
| there of US Alt-A | - | 3,599 |

**CLO/CBO**: these instruments are notes issued by SPVs in respect of loans (Collateralized Loan Obligations – CLOs) and corporate bonds (Collateralized Bond Obligations – CBO).

The following table shows the main characteristics of these instruments as at September 30, 2011 and December 31, 2010.

| CLO/CBO | 09.30.2011 | 12.31.2010 |
|---|---|---|
| Gross Exposure | 1,732,693 | 1,650,326 |
| Net Exposure | 1,483,684 | 1,327,908 |
| %AAA | 56.72% | 11.90% |
| %Investment grade | 37.91% | 80.35% |
| % Sub Investment grade | 5.37% | 7.75% |
| % USA | 27.21% | 20.01% |
| % Europe | 67.56% | 76.80% |
| % Rest of the world | 5.23% | 3.19% |
| thereof US Subprime | 0 | 0 |
| there of US Alt-A | 0 | 0 |

**Other ABS:** These instruments are structured credit products issued by SPVs in respect of consumer loans, student loans, leasing loans and other loans.

The following table shows the main characteristics of these instruments as at September 30, 2011 and December 31, 2010.

| Other ABS | 09.30.2011 | 12.31.2010 |
|---|---|---|
| Gross Exposure | 623,534 | 904,296 |
| Net Exposure | 484,661 | 807,072 |
| %AAA | 28.08% | 64.88% |
| %Investment grade | 61.29% | 27.96% |
| % Sub Investment grade | 10.63% | 7.16% |
| % USA | 27.07% | 13.68% |
| % Europe | 72.93% | 85.80% |
| % Rest of the world | 0.00% | 0.52% |
| thereof US Subprime | 0 | 0 |
| there of US Alt-A | 0 | 0 |

*Exposure to US Subprime and Alt-A Mortgages*

The Group's exposure to US subprime and Alt-A mortgages was restricted to the above RMBSs and CDOs with these underlyings.

The Group has no mortgages classified as sub-prime in its loan book nor guarantees of such exposure.

The following table summarizes exposure to US Subprime and Alt-A mortgages, which was €11,697 thousand at September 30, 2011, i.e. a decrease from December 31, 2010 when this figure was €41,534 thousand.

| US Subprime and Alt-A exposures | | | (€ '000) |
|---|---|---|---|
| | Amounts as at 09.30.2011 | | |
| Underlying / exposure type | CDO of ABS | RMBS | Total |
| US Alt-A | - | 6,288 | 6,288 |
| US Subprime | 1,542 | 4,137 | 5,679 |
| **Total** | **1,542** | **10,425** | **11,967** |

Instruments with US subprime underlyings hae a coverage ratio of 82,5%. Instruments with Alt-A mortgages underlyings have a coverage ratio of 11%.

Percentage **composition of the vintage** of **US Subprime and Alt-A** exposures is reported in the following tables.

| US Subprime and Alt-A percentage of exposures broken down by vintage | | | |
|---|---|---|---|
| **Underlying / vintage** | **Before 2005** | **2005** | **2006** |
| US Alt-A | 99.87% | 0.00% | 0.13% |
| US Subprime | 20.74% | 68.35% | 10.91% |
| **Total** | **30.93%** | **59.55%** | **9.52%** |

## 1.4 Reclassification of Structured Credit Products

In 2008 and in H1 2009 most structured credit products were reclassified from financial assets held for trading or available for sale to "loans and receivables with customers", pursuant to the amendments to IAS 39 endorsed by Regulation EC 1004/2008 (see Part A.3.1. Transfers between portfolios).

The following table shows the amounts of these instruments which were subject to reclassification, the amounts which would have been recognized in the year if they had not been reclassified, as well as the amounts actually recognized in the year.

| Accounting Portfolio before reclassification | Accounting Portfolio after reclassification | Carrying amount as at 09.30.2011 | Fair Value as at 09.30.2011 | Income/expenses absent reclassification (before taxes) | | Income/expense recognized during the period (before taxes) | |
|---|---|---|---|---|---|---|---|
| | | | | From measurement | Other | From measurement | Other |
| Available for sale | Loans to customers | 108,820 | 97,279 | -12,926 | 34,503 | 0 | 24,251 |
| Held for Trading | Loans to customers | 4,744,042 | 4,030,389 | 72,552 | 189,410 | 1,405 | 126,406 |
| | **Total** | **4,852,862** | **4,127,668** | **59,626** | **223,913** | **1,405** | **150,657** |

These data include a non-significant amount of asset backed securities from own synthetic securitizations or in respect of which the underlying assets were derecognized from the balance sheet.

## 1.5 The Fair Value of Structured Credit Products

Structured credit products classified as financial assets held for trading, designated at fair value and available for sale are valued at their market value, in line with the general rules described in Part A.3 Information on Fair Value of notes to 2010 Consolidated accounts.

The deterioration of market conditions since H2 2007 made it particularly complex to valuate these products due to the gradual disappearance of a liquid secondary market characterized by executable prices that could be used for valuation purposes.

As described in Part A.3, in order to react to this new market environment, the Group has resorted to *Indipendent Price Verification* and *Fair Value Adjustment* processes.

In respect of structured credit products, this process requires that the prices for trading positions be verified monthly by Risk Management units that are independent from the units that assume the risk exposure, and that the fair value be adjusted in order to consider the subjectivity resulting from the use of illiquid parameters.

As a result of the valuation process described above, structured credit products are valued by using as a reference the prices of the main price providers (MarkIt). However, these valuations should be considered as “second-level” as they are not necessarily executable (for further information on fair value levels see Part A.3.2. Fair Value Hierarchy).

Absent this type of prices for the instrument being valued, its fair value is determined by using cash-flow discounting models.

These models discount the instrument’s estimated cash flows at a rate that considers an adequate risk spread, whose determination is therefore fundamental for the valuation process.

In particular, the spread used is the average spread applied to instruments which are similar to that being valued in terms of asset class, rating, underlying geography.

Where it is impossible to identify similar instruments, the spread is anyway determined by considering instruments which are similar to that being valued, adjusted (through interpolation and extrapolation processes) to take into account the differences noted.

The value resulting from the described valuation models is based on inputs and prices which are not necessarily executable on the market.

The value is therefore subject to further fair value adjustments to consider the risks associated to the use of non-executable inputs and prices.

This adjustment, which is proportionate to the observability of prices/inputs used in the valuation, is determined according to the economic effects of a one notch downgrade of the instrument being valued, i.e. the use of a spread which is appropriate to a level of rating immediately lower than that used.

The fair value determined by using these valuation techniques is classified as level-2 or level-3 according to the degree of similarity between the spread and the instrument being valued, and the consequent significance of the calculated value adjustments.

85.69% of the portfolio is priced using level 2 methods and the remaining 14.31% according to level 3 methods.

| Structured credit product exposures: fair value hierarchy | | |
|---|---|---|
| **Exposure type** | **Level 2** | **Level 3** |
| RMBS | 99.39% | 0.61% |
| CMBS | 91.65% | 8.35% |
| CDO | 0.00% | 100.00% |
| CLO | 86.27% | 13.73% |
| Other ABS | 63.91% | 36.09% |
| **Total** | **85.69%** | **14.31%** |

## 1.6 Group Exposure to Monoline Insurers

The Group has limited exposure to monoline insurers.
It is not the usual practice of the Group to manage credit risk arising from ABS exposures through credit derivatives, or other guarantees with monoliners.
The Group has direct exposure to certain baskets of names which include monoliners.

The following table gives the amount of these **exposures** by **monoliner**.

| Exposures to monoliners | | (€ '000) |
|---|---|---|
| | **Amounts as at** | |
| **Counterparty** | **09.30.2011** | **12.31.2010** |
| AMBAC Financial Group | - | 12,802 |
| Assured Guaranty Corporation | 47 | 2,136 |
| MBIA Insurance Corporation | 66,066 | 27,898 |
| Radian Group Inc. | 58,195 | 338 |
| The PMI Group Inc. | 9,500 | - |
| **Total** | **133,808** | **43,174** |

The Group's portfolio includes asset-backed securities and other debt securities amounting to €597,750 thousand, which are guaranteed also by monoline insurers.

## 1.7 Group Exposure to Leveraged Finance

As part of its lending business, the Group grants loans or credit lines that may be classified as leveraged finance, in that they finance the acquisition of significant stakes in target companies, which are usually subsequently absorbed by the borrower.

Repayment and debt service depend largely on the cash flow generated by the new company post-absorption.

These transactions bear good yields in terms of both interest and fees. However, the risk is higher given the borrower's greater leverage.

The Group is generally involved in leveraged finance through participation in syndicated loans made by a banking syndicate.

As at September 2011, the net book value of these transactions, mainly carried out by Corporate and Investment Banking (CIB), amounted to €8,371 million.

These exposures are monitored continuously for credit quality by analyzing the borrower's business performance indicators and fulfillment of budget objectives in order to detect any lasting impairment losses.

In the case of further future syndications through the sale of a portion of the loan to third parties, at the same paying a portion of fees already received, these fees are not recognized as income.

## 2. OTC Trading Derivatives with Customers

The business model governing OTC derivatives trading with customers provides for centralization of market risk in the CIB Division, while credit risk is assumed by the Group company which, under the divisional or geographical segmentation model, manages the relevant customer's account.
The Group's operational model provides for customer trading derivatives business to be carried on, as part of each subsidiary's operational independence:

- by commercial banks and divisions (Retail, F&SME, Asset Management) that close transaction in OTC derivatives in order to provide non-institutional clients with products to manage currency, interest-rate and price risk. Under these transactions, the commercial banks transfer their market risks to the CIB Division by means of equal and opposite contracts, retaining only the relevant counterparty risk. The commercial banks also place or collect orders on behalf of others for investment products with embedded derivatives (e.g., structured bonds);
- by the CIB Division operating with large corporates and financial institutions, in respect of which it assumes and manages both market and counterparty risk;
- by CEE Banks, which transact business directly with their customers.

UniCredit group trades OTC derivatives on a wide range of underlyings, e.g.: interest rates, currency rates, share prices and indexes, commodities (precious metals, base metals, petroleum and energy materials) and credit rights.

OTC derivatives offer considerable scope for personalization: new payoff profiles can be constructed by combining several OTC derivatives (for example, a plain vanilla IRS with one or more plain vanilla or exotic options). The risk and the complexity of the structures obtained in this manner depend on the respective characteristics of the components (reference parameters and indexation mechanisms) and the way in which they are combined.

Credit and market risk arising from OTC derivatives business is controlled by the Chief Risk Officer competence line (CRO) in the Parent and/or in the Division or subsidiary involved. This control is carried out by means of guidelines and policies covering risk management, measurement and control in terms of principles, rules and processes, as well as by setting VaR limits.

This business with non-institutional clients does not entail the use of margin calls, whereas with institutional counterparties (dealt with by the CIB Division) recourse may be made to credit risk mitigation techniques, for example "netting" and/or collateral agreements.

It should be noted that write-downs and write-backs of derivatives to take account of counterparty risk are determined in line with the procedure used to assess other credit exposure, specifically:

- performing exposure to non-institutional clients is valued in most cases in terms of annual PD (Probability of Default) and LGD (Loss Given Default), in order to obtain a value in terms of 'expected loss' to be used for items designated and measured at fair value;
- non-performing positions are valued in terms of estimated expected future cash flow according to specific indications of impairment (which are the basis for the calculation of the amount and timing of the cash flow).

Here follows the breakdown of balance-sheet asset item 20 "Financial assets held for trading" and of balance-sheet liability item 40 "Financial liability held for trading".

To make the distinction between customers and banking counterparties, the definition contained in Banca d'Italia Circular No. 262 as firstly updated on November 18, 2009 (which is used for the preparation of the accounts) was used as a reference.

Structured products were defined as derivative contracts that incorporate in the same instrument forms of contracts that generate exposure to several types of risk (with the exception of cross currency swaps) and/or leverage effects.

The balance of item 20 "Financial assets held for trading" of the consolidated accounts with regard to derivative contracts totaled € 99,719 million (with a notional value of € 1,933,782 million) including € 40,256 million with customers. The notional value of derivatives with customers amounted to € 471,844 million including € 452,707 million in plain vanilla (with a fair value of € 39,227 million) and € 19,137 million in structured derivatives (with a fair value of € 1,029 million). The notional value of derivatives with banking counterparties totaled € 1,461,938 million (fair value of € 59,463 million) including € 134,077 million related to structured derivatives (fair value of € 2,058 million).

Customers entered into a total of 3,188 structured derivative contracts with the Group that are reported in balance-sheet asset item 20 "Financial assets held for trading". Of these, the largest 20 customers in terms of exposure cover 19% of overall exposure (generating exposure of € 192 million for the Group).

The balance of item 40 "Financial liabilities held for trading" of the consolidated accounts with regard to derivative contracts totaled € 103,191 million (with a notional value of € 1,952,624 million) including € 35,896 million with customers. The notional value of derivatives with customers amounted to € 266,816 million including € 254,377 million in plain vanilla (with a fair value of € 35,525 million) and € 12,439 million in structured derivatives (with a fair value of € 371 million). The notional value of derivatives with banking counterparties totaled € 1,685,808 million (fair value of € 67,295 million) including € 131,745 million related to structured derivatives (fair value of € 1,694 million).

## Section 2 – Market Risk

Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Group's portfolio, including the assets held both in the trading book, as well as those posted in the banking book, both on the operations characteristically involved in commercial banking and in the choice of strategic investments. Market risk management within UniCredit group accordingly includes all activities related to cash transactions and capital structure management, both for the Parent Company, as well as for the individual companies making up the Group.

In order to simplify the Top Management structure of the Bank and to achieve a simplification of the governance, while safeguarding the divisional size, as well as strengthen the geographical one, during the Board of Directors' meeting on the 14th December 2010, it was decided to change the Bank's organizational model.
Consequently, at the Board of Directors of the February 22nd 2011 meeting, it was decided the reorganization of Risk Management functions in order to acknowledge, in particular, a higher weight to "geographical focusing".

The current model guarantees the ability to steer, to coordinate and to control the activities of some aggregated risks (so-called Portfolio Risks), through dedicated responsibility centers (Portfolio Risk Managers), completely focused and specialized on such risks, under a Group and interdivisional perspective.

According to this reorganization, the structures at first level of reporting to "Group Risk Management", dedicated to market risk governance, are:

- "Group Trading Risks", regarding market risk related to Trading Book positions;
- "Group Balance Sheet & Liquidity Risk", regarding market risk related to Banking Book positions.

## Market Risk – Trading Book

## Risk Management Strategies and Processes

The Parent Company's Board of Directors lays down strategic guidelines for taking on market risks by calculating capital allocation for the Parent Company and its subsidiaries, depending on risk appetite and value creation objectives in proportion to risks assumed.
Group Risks Committee provides advice and recommendations in respect of decisions taken by the Chief Executive Officer and in drawing up proposals made by the Chief Executive Officer to the Board of Directors with regard to the following:

- the Group's risk appetite, including capitalization objectives, capital allocation criteria, risk-taking capacity, cost of equity and dividends policy, as well as internal capital limits;
- general strategies for the optimization of risks, general guidelines and general policies for Group risk management;
- internal models for measuring all types of risks to calculate regulatory capital;
- structure of limits by type of risk;
- strategic policies and funding plans.

Similarly, it decides on the following:

- the definition of guidelines relative to Group financial policies (asset and liability management strategies, including the Group-wide duration profile);
- the allocation of risk to the Business Units and to the Entities, specific risk-related guidelines and strategies and consequently setting of limits for achieving objectives in terms of risk appetite and limits by type of risk;
- methods for the measurement and control of the Group's aggregate risks (deriving from the aggregation of individual types of risk);
- guidelines, policies and strategies for real estate risk, financial investment risk and business risk;
- intervention plans in the event of critical aspects shown in the initial validation reports and over time;
- topics involving the implementation of "Basel 2" standards, as well as the respective project and process activities.

The Group Risk Committee comprises the following members: the Chief Executive Officer (Chairman of the Committee), the Deputy General Managers, the Chief Risk Officer (chairs the Committee in the absence of the Chief Executive Officer) and the Chief Financial Officer, the Legal & Compliance Officer, the CEE Division Program Officer, and the Human Resources Officer. The Head of the Group Internal Audit Department also attends meetings of the Risk Committee, but is not entitled to vote.

### Structure and Organization of the Risk Management function

With reference to trading book risks governance, that is market risk originated by the functions within the Group that are authorized to manage trading positions, the "Group Trading Risks" department has been created, as responsible for the governance and control of these type of risks at Group level, through the definition of the strategies and the limits, the drafting process of the related Group Regulations and the monitoring for their implementation at Group's Legal Entities level, the development of the methodologies for measuring the risks, the execution of the stress-test activities and the portfolio analysis.
The aforementioned department is also responsible for a managerial coordination, within its area of competence, of the corresponding functions at Group's Legal Entities level, according to Internal Regulations ("GMGR[5]" and "GMGR Evolution") and to address the choice of the correct pricing methodologies/models for financial instruments by coordinating activities for the development of pricing libraries and their integration in the front-office systems.

5 "Group Managerial Golden Rules".

This control is ensured through an organizational structure that consists, in particular, in the following units:

- “Group Market Risk Management” unit responsible for:
  - coordinating (in cooperation with the Legal Entities’ Market Risk functions) the iterative process for setting of global and granular limits to be submitted for approval to the Committees and competent deliberative Bodies, both at local and at Parent Company level;
  - monitoring day-by-day global and granular limits, activating escalation process in the event of limits being reached or overtaken, determining also the right countermeasures/mitigation actions to be taken, if necessary;
  - analyzing day-by-day P&L on the basis of the reports provided by Group Entities;
  - defining the IPV[6] and FVA[7] methodologies that the Group Entities will adopt.
- *“Products Evaluation, Special Projects & Support”* unit responsible for:
  - defining the stress test program through the definition of new scenarios, the aggregation of the stress tests results supplied by the Group Legal Entities, the analysis of the stress tests results and the identification of suitable corrective actions (such as risk mitigation activities, generation of new scenarios);
  - ensuring market risk reporting providing an updated view, at Group level, of the risks both in normal and stress scenarios.
- “Market Risk Policies Methodologies & Architecture ” unit responsible for:
  - developing methodologies for market risks management (e.g. VaR, Stressed VaR, Incremental Risk Charge, Comprehensive Risk Measure, Credit Counterparty Risk, Expected Positive Exposure, etc.), making sure the models used within the Group are mutually consistent;
  - drawing up Group rules concerning trading risks;
  - verifying that operating policies on market risks issued by the Legal Entities are coherent and compliant with the strategies and the Group rules defined by “Group Trading Risks” department;
  - monitoring, in coordination with “Group Risk Policies” according to the current Group internal regulation, the approval and implementation, within the Group Legal Entities, of the Group rules on market risk;
  - monitoring the results of the back testing carried out by the Legal Entities and of the back testing done at a consolidated level.

## Role of Committees

With reference to market risk governance, the responsible Committees are:

- Group Risk Committees;
- Group Market Risk Committee;
- Group Assets & Liabilities Committee.

The Group Risk Committee is responsible for strategic risk decisions at Group level. Proposes to the Board of Directors the structure of limits by type of risk.

The “Group Market Risk Committee” is responsible for monitoring market risks at Group level, for evaluating the impact of transactions – approved by the competent Bodies - significantly affecting the overall market risk portfolio profile, for submitting to the “Group Risk Committee” - for approval or information - market risk strategies, policies, methodologies and limits as well as regular reporting on market risk portfolio.
The Committee is responsible moreover for ensuring consistency in market risk policies, methodologies and practices across Divisions, Business Units and Legal Entities. It controls and monitors the Group market risk portfolio.

6 Independent Price Valuation.
7 Fair Value Adjustment.

The “Group Assets and Liabilities Committee” (hereafter Group ALCO) is responsible for monitoring liquidity risk, interest rate and FX risks for the banking book, submitting to the “Group Risk Committee”, for either approval or information, the strategies for assets and liabilities management - including duration profile at Group level – the overall overview of the Group ALM positioning, as well as strategies, policies, methodologies and limits for liquidity, *Banking book* interest rate and FX risks.
The Committee is responsible for ensuring consistency in liquidity, *Banking book* interest rate and FX risk policies, methodologies and practices across Regional Liquidity Centers, Divisions, Business Units and Legal Entities, with the objective to optimize the utilization of financial resources such as liquidity and capital and to reconcile the demand for them with business strategies across the Group. It monitors the evolution of assets and liabilities of the whole Group and the execution of the funding plan. It analyses the impact of interest rate movements, liquidity constraints and foreign exchange exposures.

## Scope of application and risk measurement and reporting systems

During the first three quarters of 2011, the Group continued to develop and expand of existing models with the aim of achieving increasing accuracy in the representation of the Group’s risk profiles for portfolios of complex financial products.

The monitoring of these risk profiles was made even more efficient and rapid with the introduction of individual risk limits, in addition to VaR limits, in relation to primary investment banking operations.

In the same way, and in an effort to achieve product/portfolio assessments based on more rigorous standards of prudence, methodologies for establishing valuation reserves for loan products were refined and made more specific with a special focus on structured loans.

Within the organizational context described above, the policy implemented by the UniCredit group within the scope of market risk management is aimed at the gradual adoption and use of common principles, rules and processes in terms of appetite for risk, ceiling calculations, model development, pricing and risk model scrutiny.

Market Risk Management department is specifically required to ensure that principles, rules and processes are in line with industry best practice and consistent with standards and uses in the various countries in which they are applied.
The main tool used by UniCredit group to measure market risk on trading positions is Value at Risk (VaR), calculated using the historical simulation method.

In addition to VaR limits, specific risk boundaries for CIB Division are set in terms of:
1. “Loss Warning Levels” that are defined as the 60 days rolling period Accumulated Economic P&L of a risk taker. They apply at Division and Legal Entity levels.

2. “Stress Test Warning Levels” that represent the maximum economic loss the Group is prepared to accept out of the “pivot” Stress Test Scenario: this being the scenario defined by Market Risk Management as the most appropriate from time to time, according to expected market conditions and prevailing portfolio risk features. They apply at Division and Legal Entity levels.

The purpose is to detect exposures which may threaten Group economic results and perhaps viability of the business model by gaining a specific focus on second order risks (non linearity) which normally are not captured by VaR but may turn into actual losses under certain conditions.

3. “Granular Market Limits” that are set for the most relevant business units/desks. They indipendently exist of, but act in concert with above Market Risk limitations and operate in a consolidated fashion across the Legal Entities, if applicable. In order to control more effectively and more specifically different risk types, desks and products, these limits are generally associated to granular sensitivity or stress-related limits.

### Hedging policies and risk mitigation

Weekly meetings occur at CIB Division top management level to discuss the main risk drivers of portfolios’ performance.

On a monthly basis a set of risk indicators is provided to the Group Risk Committee through the Enterprise Risk Management Report. These include VaR usages, Sensitivities and Stress test results.

At the same time limit breaches are reported both to the Group Market Risk Committee and to the Group Risk Committee, the escalation process being ruled by the Special Group Policy for Market Risk Limits Management of Trading Book activities which defines the nature of the various thresholds/limits applied as well as the relevant bodies to involve to establish the most appropriate course of action to restore exposure within the approved limits.

If required focus is provided from time to time on the activity of a specific business line/desk in order to ensure the highest level of comprehension and discussion of the risks in certain areas which are deemed to deserve particular attention.

### Internal Model for Price, Interest Rate and Exchange Rate Risk of the Regulatory Trading Book

Within the organizational context described above, the policy implemented by the UniCredit group within the scope of market risk management, and in particular with reguard the interest risk management, is aimed at the gradual adoption and use of common principles, rules and processes in terms of appetite for risk, ceiling calculations, model development, pricing and risk model scrutiny.

GroupTrading Risks department is required to ensure that principles**,** rules and processes are in line with industry best practice and consistent with standards and uses in the various countries in which they are applied.
The main tool used by the UniCredit group to measure market risk on trading positions is Value at Risk (VaR), calculated using the historical simulation method.

The historical simulation method provides for the daily revaluation of positions on the basis of trends in market prices over an appropriate observation period. The empirical distribution of profits/losses deriving there from is analyzed to determine the effect of extreme market movements on the portfolios. The distribution value at the percentile corresponding to the fixed confidence interval represents the VaR measurement. The parameters used to calculate the VaR are as follows: 99% confidence interval; 1 day time horizon; daily update of time series; observation period of 500 days. Use of a 1-day time-horizon makes it possible to make an immediate comparison between profits/losses realized.

For the calculation of capital requirements, it was approved the full use of internal models approach based on VaR for UCB AG (UniCredit Bank AG) and BA AG (UniCredit Bank Austria AG). In the calculation functions of capital, UniCredit S.p.A. uses on the contrary the standardized approach for calculating capital requirements related to trading positions related to the Parent Company, UCI Ireland (UniCredit Bank Ireland Plc) and Bank Pekao SA. As part of the progressive extension of the internal models approach to all Group Entities, however, the VaR is already used for the management of market risk in these latter companies. The standardized measurement method is also applied to the calculation of capital requirements covering the risk of holding banking book exposure in foreign currencies for the subsidiaries that do not perform trading activities.

Apart from use in calculating capital requirements on market risks, internal models are applied to all positions included in the trading book to perform back testing, through the continuous comparison of the bank's daily VaR measures with the subsequent daily profit or loss. This test consists of comparing the estimated expected loss with clean P&L data, i.e. simulated changes in portfolio value that would occur were end-of-day positions to remain unchanged.

Trading portfolios are subject to stress tests according to a wide range of scenarios for managerial reporting, which are described in paragraph 2.9 below. According to national regulations, some relevant scenarios are also a matter of regulatory reporting on a quarterly basis. Moreover, substitute risk measures, i.e. sensitivities, defined stress scenarios or the indication of nominal amounts, are considered and included in the regulatory reporting for the estimation of risks that are not covered by the VaR simulation of UCB AG internal model.

As for internal scenario analysis policies and procedures (i.e. "stress testing"), these procedures have been entrusted to the individual legal entities. Overall, however, a set of scenarios common to the Group as a whole, is applied to all positions in order to check on a monthly basis the potential impact that their occurrence could have on the global trading portfolio.

Shown below are the VaR data on the overall market risk for the managerial trading book. Please note that for BA Group and UCB AG all relevant figures are computed within the new internal model.

In aggregating the various risk profiles of the different risk taking units of the Group, the diversification arising from positions taken by Group companies, which have adopted different internal models, has conservatively been disregarded when calculating the overall risk.

The following table gives the VaR for the aggregate risk of the trading portfolio. As stated, UniCredit group uses a VaR internal model to control market risk on the trading book. VaR, being a single metric, thus quantifies overall market risk, which means that breaking it down into interest rate risk, price risk and exchange rate risk components is superfluous.

**Risk on trading book**

September 30, 2011

| **Daily VaR on Trading Book** | | | | | (€ million) |
|---|---|---|---|---|---|
| | | **2011** | | | **2010** |
| | **09.30.2011** | **AVERAGE** | **MAX** | **MIN** | **AVERAGE** |
| UniCredit Spa | 2.4 | 2.4 | 3.9 | 1.1 | 2.6 |
| UCI - Ireland | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Fineco Bank | 0.2 | 0.2 | 0.3 | 0.1 | 0.2 |
| Bank Pekao SA | 0.4 | 0.6 | 0.9 | 0.3 | 0.8 |
| BA Group | 8.4 | 9.9 | 15.1 | 5.4 | 10.4 |
| UCB AG | 32.4 | 26.5 | 44.4 | 16.8 | 26.8 |
| **UniCredit Group Total (1)** | **44.0** | **39.7** | **55.3** | **28.0** | **41.0** |

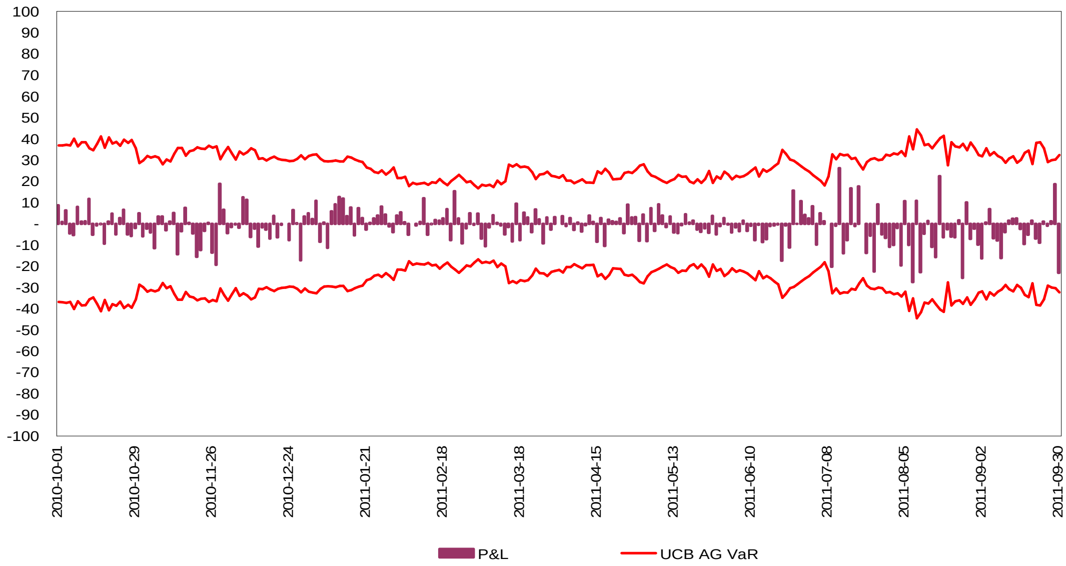
(1) Total Var is computed as simply the sum of the different components, without taking into account differentiation effect among the various Entitles.

**Changes in Risk**

In the first three quarters of 2011, UniCredit group's market risk remained relatively stable, although, in particular in Q3, some renewed volatility of credit spreads occurred which still represent the principal risk factor characterizing the overall exposure. Volatility also affected other risk factors (interest rate risk, share prices and exchange rate risk). At the same time the strategy of gradual reduction of exposure to non-core businesses has proceeded in line with set targets.

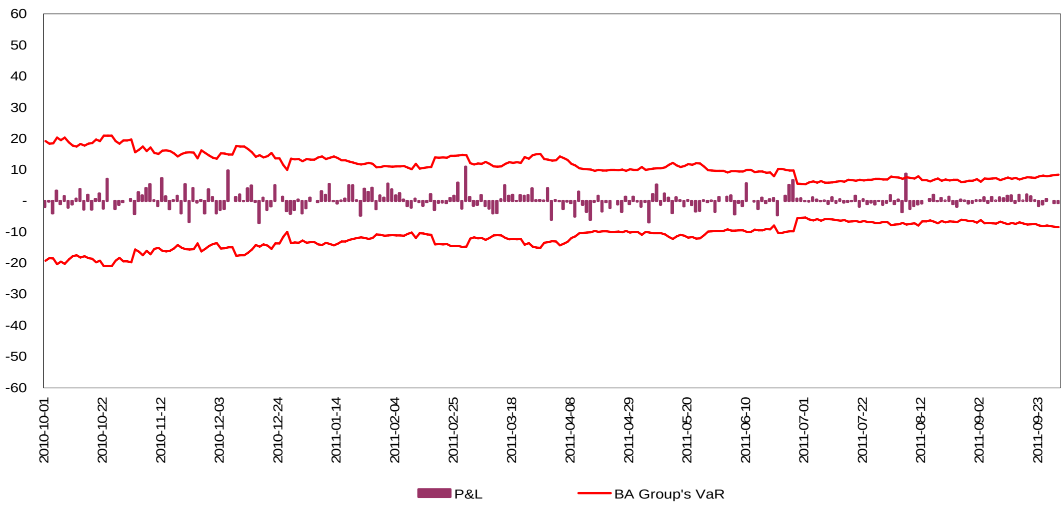
Following graphs present trends in back-testing results referred to the market risk on the trading book. VaR results for the last twelve months are compared to the theoretical profit and loss for each main risk taker unit:

**UCB AG**




In UCB AG no overdrafts were recorded in the first three quarters of 2011.

**BA AG**



In BA AG no negative overdrafts were recorded in the first three quarters of 2011; a positive overdraft occurred on August the 8th.

*2.1 Interest Rate Risk – Regulatory trading book*

## Qualitative Information

A. General aspects

Interest rate risk on tranding book exposure arises from financial positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion. Apart from use of internal models in calculating capital requirements on market risks, risk positions in the Group are monitored and subject to limits assigned to the portfolios on the base of managerial responsabilities and not purely on regulatory criteria.

B. Risk Management Processes and Measurement Methods

Both for a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer also to introduction on internal models.

The Group conducts sensitivity analysis weekly to determine the effect on the income statement of changes in the value of individual risk factors or several risk factors of the same type. The analysis covers the CIB division's entire portfolio (both trading and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time. Results are reported to Top Management on a weekly basis.

In addition to the sensitivity of financial instruments to changes in the underlying risk factor, the Group also calculates sensitivity to the volatility of interest rates assuming a positive of 50% or negative change of 30% in volatility curves or matrixes.

## Quantitative Information

Sensitivity to changes in interest rates is determined using both parallel shifts of interest-rate curves and changes in the curve slope itself.
The curves are analyzed using parallel shifts of ±1 basis point, ±10bps and ±100bps.

For each 1bp shift, sensitivity is calculated for a series of time-buckets.
Sensitivity for changes in the slope of the rate curve is analyzed by clockwise turning (Turn CW ), i.e. an increase in short-term rates and a simultaneous fall in long-term rates, and by counter-clockwise turning (Turn CCW ), whereby short-term rates fall and long-term rates rise.

Currently, clockwise and counter-clockwise turning use the following absolute increases/decreases:

- +50bps/-50bps for the one-day bucket;
- 0 bps for the one-year bucket;
- -50bps/+50bps for the 30-year plus bucket;
- for each of the above buckets, the change to be set is found by linear interpolation.

€ millions

| Interest Rates | +1BPS less than 3 months | +1BPS 3 months to 1 year | +1BPS 1 year to 2 years | +1BPS 2 years to 5 years | +1BPS 5 years to 10 years | +1BPS over 10 years | +1 BPS Total | -100 BPS | -10 BPS | +10 BPS | +100 BPS | CW | CCW |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total** | **0.1** | **0.7** | **0.3** | **0.6** | **-0.1** | **0.2** | **1.9** | **9.3** | **-6.0** | **2.5** | **61.2** | **-20.9** | **10.8** |
| of which: EUR | 0.3 | 0.8 | 0.1 | 0.5 | -0.0 | 0.1 | **1.9** | 23.9 | -5.6 | 1.4 | 53.0 | -9.4 | 0.6 |
| USD | -0.1 | -0.0 | 0.1 | -0.0 | 0.1 | 0.0 | **0.0** | -5.5 | -0.3 | 0.3 | 1.5 | -7.6 | 6.1 |
| GBP | -0.0 | -0.1 | 0.1 | -0.0 | 0.0 | 0.0 | **0.0** | -1.0 | -0.1 | 0.1 | 0.9 | -1.5 | 1.5 |
| CHF | -0.1 | 0.0 | -0.0 | 0.0 | -0.2 | 0.2 | **0.0** | 2.1 | 0.5 | 0.3 | 2.9 | -2.5 | 3.2 |
| JPY | -0.0 | -0.0 | -0.1 | 0.1 | -0.0 | 0.0 | **-0.0** | -3.8 | 0.2 | -0.2 | -1.8 | -0.6 | 0.0 |

With respect to the sensitivity to the volatility of interest rates, EUR remains the main risk factor.
With respect to the first half of 2011 figures, -30% volatility scenario would imply a theoretical profit of 33.4 EUR million instead of 15.1 EUR million. The +50% volatility scenario on the other hand would lead to a loss of 71.4 EUR million instead of a profit of 34.1 EUR million.

**€ million**

| | -30% | +50% |
|---|---|---|
| **Interest Rates** | **33.4** | **-71.4** |
| of which: EUR | 32.4 | -70.8 |
| USD | 0.0 | 0.5 |
| GBP | -0.0 | 0.0 |
| CHF | 0.5 | -0.3 |
| JPY | 0.1 | -0.1 |

### *2.2 Interest Rate Risk – Banking Book*

## Qualitative Information

A. General aspects, operational processes and methods for measuring interest rate risk

Interest rate risk consists of changes in interest rates that are reflected in:

- interest income sources, and thus, the bank's earnings (cash flow risk);
- the net present value of assets and liabilities, due to their impact on the present value of future cash flows (fair value risk).

The Group measures and monitors the interest rate risk on a daily basis. The position estimates for interest rate risk include assumptions for assets and liabilities that do not have a well defined maturity, such as sight and savings deposits.
Interest rate risk arises from business operations and strategic investment decisions (banking book).

The sensitivity of net interest income calculated on the basis of a parallel and instantaneous shock of the interest rate curve of 100bp is €171 million at the end of Q3 2011 (or -€363 in case of a reduction). The slight difference respect to June 2011 is mainly due to the cyclical behavior of floater instruments. This value highlights the effect of rate changes on the banking book, without considering any future changes in the asset and liabilities composition.

As of 30 September 2011, the sensitivity of the economic value of the assets to an instantaneous and parallel rate change of +1 bp is -€2.32 million[8]. The change in sign is mainly driven by a refinement on the underlying assumption for behavioral models.

These measures include an estimate of prepayments and the risk generated by sight and save deposits with customers, whose stability and partial and delayed capacity to react to interest rate changes were analysed on the basis of a wide series of historical data.

[8] Excluding UC Leasing, UC Factoring and other smaller companies

The main sources of interest rate risk can be classified as follows:

- repricing risk: risk resulting from differences in interest reset date of assets and liabilities. Mismatches in interest reset dates lead to yield curve risk. This refers to the risk resulting from exposure of the bank's positions to changes in the slope and shape of the yield curve. A related risk is basis risk. This risk resulting from the imperfect correlation in lending and borrowing interest rate changes for different instruments that may also show similar repricing characteristics;
- optional risk: risk resulting from implicit or explicit options in the banking book positions.

The limit framework includes both value sensitivity as well as net interest income sensitivity measures. In additions thresholds have been set for VaR to measure the combined risk in the banking and trading book. The method for VaR calculations is in line with the methodology described for the trading book, based on sensitivities to interest rate fluctuations calculated taking into account information from the behavioral models.

### *2.3 – Price Risk – Regulatory trading book*

## Qualitative Information

A. General aspects

As described above, price risk related to equities, commodities, investment funds and related derivative products included in the trading book, originates from positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion.
Price risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTCs and recourse to security lending. Volatility trading strategies are implemented using options and complex derivatives.

B. Risk Management Processes and Measurement Methods

Both for a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer to introduction on internal models. The sensitivity analysis covers the CIB division's entire portfolio (both trading and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time.

**Quantitative Information**

Share-price sensitivity is expressed in two ways:

- as a "Delta cash-equivalent", i.e. the euro equivalent of the quantity of the underlying that would expose to the same risk arising from its actual portfolio;
- as the economic result of a rise or fall in spot prices of 1%, 5%, 10% and 20%.

The Delta cash-equivalent and the Delta 1% (i.e. the economic impact of a 1% rise in spot prices) are calculated both for each geographical region (assuming that all stock markets in each region are perfectly correlated) and on the total (assuming therefore that all stock markets are perfectly correlated). The sensitivity arising from changes of 5%, 10% and 20% is calculated solely on the total.

In addition, sensitivity to commodity price changes is calculated according to the above criteria. Given its secondary importance as compared to other risk exposures, this is calculated as a single class.

€ million

| | Delta Cash-equivalent | -20% | -10% | -5% | -1% | +1% | +5% | +10% | +20% |
|---|---|---|---|---|---|---|---|---|---|
| **Equities** | | | | | | | | | |
| **All markets** | **17.5** | **9.8** | **5.8** | **2.7** | **0.6** | **-0.6** | **-2.9** | **-7.4** | **-24.8** |
| Europe | -66.8 | | | | | -0.7 | | | |
| US | -27.3 | | | | | -0.3 | | | |
| Japan | -2.8 | | | | | -0.0 | | | |
| United Kingdom | -0.7 | | | | | -0.0 | | | |
| Switzerland | 5.4 | | | | | 0.1 | | | |
| CEE | 24.1 | | | | | 0.2 | | | |
| Others | 5.5 | | | | | 0.1 | | | |
| **Commodities** | | | | | | | | | |
| **All markets** | **-11.4** | **2.3** | **1.1** | **0.6** | **0.1** | **-0.1** | **-0.6** | **-1.1** | **-2.3** |

Sensitivity to stock market movements increased with respect to the first half 2011. Sensitivity to a drop in equities' volatility increased as well; in particular the -30% volatility scenario would imply a hypothetical loss of 34.4 EUR million.

€ million

| | -30% | +50% |
|---|---|---|
| **Equities** | **-34.4** | **-4.5** |

*2.4 Price Risk – Banking Book*

### Qualitative Information

A. General aspects, Price Risk Management Processes and Measurement Methods

Banking book price risk primarily originates from equity interests held by the Parent Company and its subsidiaries as a stable investment, as well as units in mutual investment funds not included in the trading book in so far as they are also held as a stable investment. In the whole banking book portfolio assessment this kind of risk is also considered.

*2.5 Exchange Rate Risk – Regulatory trading book*

### Qualitative Information – Regulatory trading book

A. General aspects, Risk Management Processes and Measurement Methods

As described above, risk relating to exchange rates and related derivative products included in the trading book, originates from positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion.
Risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTC. Volatility trading strategies are implemented using options.

Both for a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer to introduction on internal models. The sensitivity analysis covers the CIB division's entire portfolio (both trading and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time.

### Quantitative Information – Regulatory trading book

Exchange-rate sensitivity assesses the economic impact of the appreciation or depreciation by 1%, 5% and 10% of each currency against all the others. Exposure to the various currencies is indicated as the “Delta cash equivalent” in euros: this is the euro equivalent of the currency amount which would expose the bank to the same exchange-rate risk arising in its actual portfolio.

**€ million**

| Exchange rates | Delta Cash-Equivalent | -10% | -5% | -1% | +1% | +5% | +10% |
|---|---|---|---|---|---|---|---|
| EUR | | -7.4 | -3.9 | -1.6 | 2.1 | 11.9 | 21.5 |
| USD | -92.6 | 31.8 | 15.3 | 1.5 | -0.9 | -3.9 | -4.0 |
| GBP | -149.3 | 15.0 | 7.0 | 1.4 | -1.5 | -5.8 | -8.3 |
| CHF | 25.1 | -10.1 | -2.7 | -0.3 | 0.3 | 0.9 | -4.8 |
| JPY | -3.8 | 3.6 | 1.1 | 0.2 | -0.0 | 1.3 | 4.8 |

With respect to first half 2011, exposure to EUR_JPY volatility increased while exposure to EUR_USD remained stable.

**€ million**

| | -30% | +50% |
|---|---|---|
| **Exchange Rates** | **-2.3** | **4.5** |
| of which: EUR_USD | -3.3 | 4.9 |
| EUR_JPY | -2.1 | 4.2 |
| CHF_EUR | 2.3 | 0.1 |
| PLN_USD | 0.6 | -0.8 |
| JPY_USD | -0.7 | 0.2 |
| EUR_ZAR | 0.3 | -0.4 |
| EUR_GBP | -0.2 | -0.4 |
| AUD_JPY | 0.1 | -0.2 |

## *2.6 Exchange Rate Risk - Banking Book*

### Qualitative Information – Banking Book

A. General aspects, Exchange Rate Risk Management Processes and Measurement Methods

Exchange rate risk originates both from banks in the Group operating in currency areas other than the Eurozone and from positions taken by specialist centers holding the Group's market risk within the limits assigned.

In the latter case, exchange risk originates from currency trading activities performed through the negotiation of the various market instruments and is constantly monitored and measured by using internal models developed by Group Entities. These models are, in addition, used to calculate capital requirements on market risks.

B. Hedging Exchange Rate Risk

The Group performs hedge strategies for profits and dividends arising from its subsidiaries not belonging to the Eurozone. The hedging strategies takes into account market circumstances.

*2.7 – Credit Spread Risk – Regulatory trading book*

### Qualitative Information

A. General aspects

As described above, risk relating to credit spreads and related credit derivative products included in both trading book, originates from positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion.
Risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTC.

B. Risk Management Processes and Measurement Methods

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer to introduction on internal models. The sensitivity analysis covers the CIB division's entire portfolio (both trading and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time.

### Quantitative Information

Credit spread sensitivity is calculated by assuming a worsening of creditworthiness seen in a parallel shift of +1bp, +10bps, +100bps in the credit spread curves.

These sensitivities are calculated both inclusively, assuming a parallel shift of all the credit spread curves, and in respect of specific rating classes and economic sectors.

In addition to the foregoing, the sensitivity resulting from a deterioration of creditworthiness (i.e. a change of relative +50%) or an improvement (i.e. a change of relative -50%) is calculated. In this case the shape of the credit spread curves has also changed, since the change in bps of higher spreads will be greater than that of lower spreads.

In this regard, the creditworthiness deterioration scenario (by relative +50%) would imply an increased hypothetical loss of 868.7 million (September 2011) from €752.9 million (June 2011). The main contribution is the exposure towards ABS and MBS whose credit spread curves widened dramatically throughout the last three months. Nonetheless, the performance is also affected by Jumbo, Pfandbriefe and Financial Services sectors increased exposure.

€ million

| | +1BP less than 6 months | +1BP 6 months to 2 years | +1BP 2 years to 7 years | +1BP over 7 years | +1 BPS Total | +10BPS | +100BPS | -50% | +50% |
|---|---|---|---|---|---|---|---|---|---|
| **Total** | **-0.2** | **-1.3** | **-2.6** | **-1.8** | **-6.3** | **-63.1** | **-628.2** | **1,079.8** | **-868.7** |
| **Rating** | | | | | | | | | |
| AAA | -0.1 | -0.5 | -1.3 | -1.2 | -3.4 | -34.0 | -330.9 | 533.7 | -437.5 |
| AA | -0.0 | -0.4 | -0.5 | -0.1 | -1.0 | -10.3 | -101.0 | 165.4 | -133.6 |
| A | -0.1 | -0.0 | -0.8 | -0.4 | -1.3 | -12.5 | -129.0 | 267.8 | -206.0 |
| BBB | -0.0 | -0.3 | -0.1 | -0.1 | -0.6 | -6.4 | -59.6 | 89.0 | -73.4 |
| BB | 0.0 | -0.1 | 0.1 | -0.0 | 0.0 | 0.3 | 2.4 | 21.0 | -14.3 |
| B | -0.0 | -0.0 | 0.1 | -0.0 | 0.0 | 0.3 | 3.1 | 2.6 | -2.4 |
| CCC and NR | 0.0 | -0.0 | -0.1 | -0.0 | -0.1 | -0.0 | -0.2 | 0.3 | -0.3 |
| **Sector** | | | | | | | | | |
| Non Dev. Sovereigns & Related | -0.0 | -0.1 | -0.1 | -0.1 | -0.3 | | | 27.8 | -25.3 |
| ABS and MBS | -0.0 | -0.1 | -0.5 | -0.7 | -1.7 | | | 576.3 | -441.3 |
| Jumbo and Pfandbriefe | -0.0 | -0.3 | -0.8 | -0.6 | -1.7 | | | 186.7 | -156.4 |
| Financial Services | -0.1 | -0.6 | -1.3 | -0.4 | -2.4 | | | 229.7 | -201.4 |
| All Corporates | 0.0 | -0.3 | 0.1 | -0.0 | -0.2 | | | 56.0 | -43.1 |
| *-Automotive* | 0.0 | -0.0 | -0.0 | -0.0 | -0.1 | | | 9.6 | -8.4 |
| *-Consumer Goods* | 0.0 | -0.1 | 0.0 | -0.0 | -0.1 | | | 1.7 | -1.3 |
| *-Pharmaceutical* | 0.0 | -0.0 | 0.0 | -0.0 | 0.0 | | | 2.8 | -1.7 |
| *-Industries* | -0.0 | -0.0 | 0.0 | -0.0 | -0.0 | | | 10.7 | -8.4 |
| *-Telecommunications* | -0.0 | -0.0 | -0.0 | -0.0 | -0.0 | | | 15.2 | -11.4 |
| *-Utilities and Energy Sources* | -0.0 | 0.0 | 0.0 | -0.0 | -0.0 | | | 8.5 | -4.9 |
| *-All other Corporates* | 0.0 | -0.0 | -0.0 | 0.0 | -0.0 | | | 7.8 | -7.3 |
| **Total Develope Sovereigns** | | | | | **-8.3** | **-82.6** | | | |
| Developed Sovereigns | | | | | -0.3 | -3.1 | | | |
| Developed Sovereigns related | | | | | -8.0 | -79.5 | | | |

## *2.8 Stress Tests*

Stress tests complement the sensitivity analysis and VaR results in order to assess the potential risks in a different way. Stress test performs the evaluation of a portfolio under both simple scenarios (assuming change to single risk factors) and complex scenarios (assuming simultaneous changes in a number of risk factors).

What follows contains the description and the results of complex scenarios, which combine changes in interest rate, price, exchange-rate and credit spread risk factors. Both for description and results of simple scenarios, please refer to paragraphs 2.1, 2.3, 2.5, 2.7. As far as complex scenarios are concerned, so far, different scenarios have been applied to the whole CIB portfolio on a monthly basis and reported to Top Management. In addition, a number of new scenarios have been defined as part of the “Group-wide” stress test exercise and are applied to the whole trading book.

**“Greece Default” Scenario**

The Greece Default scenario was introduced at the beginning of 2010 as a consequence of the growing worries about the prospect of the current Greece crisis could possibly forcing Greek Sovereign debt to default.
As a consequence of Greece sovereign debt default, European peripheral countries’ sovereign debt is expected to suffer the most vis-à-vis other EU countries. CEE countries and Turkey are assumed to be put under severe pressure. Flight to quality is foreseen especially towards Germany and US Govenment debts.
To account for the low liquidity in the market, the time horizon for this scenario was extended to cover a period of one quarter.

In terms of macro-economic variables, this scenario assumes:

- credit spreads are expected to deteriorate substantially across the board (rating/sector) with low credit ratings assumed to be hit the most;
- European stock markets to plunge (fall); this would combine with an increase in equity volatilities. US markets instead are expected to slightly gain;
- USD interest rate curve is expected to steepen while EUR interest rate curve is expected to flatten. In this scenario, an increase in interest rate volatilities is also assumed;
- USD is expected to appreciate, mostly against EUR.

“**Sovereign Debt Tension” Scenario**

In this scenario, introduced in June 2010, we envisage the occurrence of an escalation of the sovereign debt crisis. In some European countries (e.g. Spain), concerns about the vulnerability of banks and about the solvency of government may eventually feed on each other in a potentially explosive combination. In a Eurozone-wide dimension, stress on the sovereign debt markets of the so-called peripheral countries poses a threat to the balance sheets of many banks in other European countries. In such a scenario, the EMU sovereign debt crisis would have spillover effects on the US economy as well and the flight-to-quality would lead to a further bond rally on both sides of the Atlantic. In terms of financial market variables, this scenario assumes:

- credit spreads: as for sovereign, higher risk aversion would imply a tightening of core issuers versus swap, while periphery would be under massive pressure resulting in a credit spread widening. In general, credit spreads would shoot up close to levels seen during Lehman crisis, with financial instruments most severely hit;
- world stock markets to plunge (fall); this would combine with an increase in equity volatilities;
- USD and EUR interest rate curve are expected to flatten. In this scenario, an increase in interest rate volatilities is also assumed;
- USD is expected to appreciate, mostly against EUR and a depreciation of CEE currencies against EUR.

**“Widespread Contagion” Scenario**

This scenario, introduced in December 2010, assumes an escalation of the debt crisis towards a systemic level, with severe contagion spreading to Spain and Italy. Large-scale purchases of government bond ECB is not able to stop the widening of sovereign spreads leading to severe disruption in the Eurozone financial markets and a consequent massive tightening in financial conditions area-wide.

The financial shock is amplified due to the strong linkages between Eurozone countries and causes a deeper recession than the one envisaged under the “Sovereign Tension” scenario. Outside the Eurozone, financial conditions tighten as well, but the magnitude of market stress is not enough to trigger a full-blown recession.

This scenario assumes, for the macro-economic variables, the following changes:

- ECB reacts lowering the “refi” rate by 50bp and EUR/USD mid/long term rates fall (flight-to-quality), thus determining a curve flattening, in response to the deteriorated growth and inflation outlook. GBP curve is expected to steepen, reflecting a negative perception by investors on the capabilities to achieve further consolidation in the fiscal side;
- on the FX front, the Fed should trim only marginally the EUR/USD downside; EUR/GBP may suffer as well as sterling may be perceived as a EMU hedge. Both the JPY and the CHF mark a significant appreciation;
- as for credit spreads, sovereigns experience a dramatic widening (especially PIIGS) with the exception of Germany and US (flight-to-quality); spreads of financials and corporates widen accordingly;
- increasing risk aversion will be a penalizing factor for risky assets, weighing on the performance of major Equity indices which also experience higher level of volatilities.

**“Emerging Markets Slowdown” Scenario**

This scenario, introduced in June 2011, covers the period 2011, 2012 and 2013. It assumes a shock coming from the real economy, namely a severe emerging economies slowdown in the growth rate starting in 2011 and intensifying during 2012. This negatively affects EMU GDP growth and, to a lesser extent, the US, where the weight of the manufacturing sector and trade openness is lower. As a result of weaker economic activity and lower oil prices, inflation would slow down. The combination of weaker GDP growth and lower inflation would lead to a considerable slowdown in the normalization of monetary policy rates.

In terms of macro-economic variables, this scenario assumes:

- credit spreads: as for European sovereign spreads worsening is not severe compared to the Sovereign Tensions scenario because the shock should affect credit-risk premium only indirectly. The shock would reflect more on oil companies which are not included in the iTraxx main. The widening of the iTraxx Financial Senior and Sub is also important.
- the shock has no impact on the Japanese yield curve. The impact on the US, EU and UK curves is that of a fall in yields which will flatten as the time bucket increases. This reflects the worsening growth outlook and the resulting more benign inflation outlook. The Euribor curve is the most reactive of the three as the risk aversion gives further support to Bunds.
- the performance of stock markets will lower and equity volatilities will increase.
- the EUR is expected to depreciate against the USD, JPY and CHF (because of the demand for safe-havens) and to appreciate versus the others European currencies and TRY.

**Stress Test on trading book**
September 30, 2011

| Scenario | | | | (€ million) |
|---|---|---|---|---|
| | 2011 | | | |
| 09.30.2011 | **Greece Default** | **Sovereign Debt Tension** | **Widespread Contagion** | **Emerging Markets Slowdown** |
| UniCredit Spa | -52 | -257 | -461 | -52 |
| UCI - Ireland | 0 | 0 | 0 | 0 |
| Fineco Bank | 0 | 0 | -1 | -1 |
| Pekao | 1 | -15 | -15 | -11 |
| BA Group | -65 | -121 | -106 | -11 |
| UCB AG | -90 | -704 | -1,074 | -711 |
| **UniCredit Group Total** | **-206** | **-1,097** | **-1,658** | **-786** |

## Section 3 – Liquidity Risk

*A. General aspects, operational processes and methods for measuring liquidity risk*

### Definition of Liquidity Risk

Liquidity risk is defined as the risk that the Group may find itself unable to fulfil its expected or unexpected payment obligations (by cash or delivery) without jeopardizing its day-to day operations or its financial condition. The risk may be triggered by various internal or external factors.

### The key principles of the UniCredit group's liquidity risk management model

The Group aims to be liquid at all times, namely to maintain liquidity at the level enabling to conduct safe operations. The objective is to fund its operations at the best rate conditions under normal operating circumstances, and to remain in a position to meet payment obligations in the event of a liquidity crisis.
To this end, the Group complies accurately with the legal and regulatory provisions imposed by the national Central Banks and by the national authorities of each country where it operates.
A liquidity crisis may be defined as an event which would prevent the Group from having the means to fulfil its payment obligations. This would be detrimental to relationship with our customers that is based on their trust that the bank is able to repay its obligations timely.

Given the Group's international presence, the management's point of view is that local laws and local regulation applicable to each Group company are to be observed, but they are not sufficient to manage overall liquidity risk. For this reason, in addition to local legal and regulatory requirements the Group, through the Parent Company and under the responsibility of its Group Risk Management, defines policies and metrics to be applied at the Group-wide level, as to ensure that liquidity position of any entity meets the requirements of the Group.

Regarding liquidity management, the Group is organized on a managerial perspective, according to the concept of the Liquidity Centres as defined below.
The Liquidity Centres are legal entities that act in their responsibility as liquidity hub and which are in charge of the liquidity management and concentration process of liquidity flows of the Legal Entities falling within their perimeter of responsibility. The Liquidity Centres are in charge of the funding optimization carried out on the relevant local markets and are responsible to coordinate the access to short term and medium long term markets of the legal entities belonging to their perimeter. Finally, Liquidity Centres are also in charge of the implementation of the Group's liquidity rules at local level in line with Group's Governance Guideline and Policy and with local regulations.
A particularly important role is played by the Parent Company, as a "supervisory and overarching liquidity centre" with its role of steering, coordinating, and controlling all the aspects regarding liquidity for the whole Group. The Parent Company, moreover, acts as the Liquidity Centre Italy.
Given that the liquidity available at country level could be subject to restrictions due to legal, regulatory and political constraints, a guiding principle within the Group's liquidity policy is the liquidity self-sufficiency. That is, each Legal Entity (in particular those located in a country different from the one of its Liquidity Centre of reference), has to maintain an adequate level of liquidity self-sufficiency in an on-going basis and under stressed conditions. Nevertheless, each Legal Entity should strive to exploit its strengths, in order to optimize the cost of funds of the Group.
This type of organization allows the Group that the Legal Entities are self-sufficient by accessing the local and global markets for liquidity in a controlled and coordinated way, whilst optimizing: i) the liquidity surpluses and deficits within the Group's Legal Entities; ii) the overall costs of funding across the Group.

The independent controls and independent reporting on the liquidity risks are assigned to the Risk Management function which is autonomous from the operating functions that manage the positions and take the liquidity exposures. This is in line with the requirement of Bank of Italy in its release of "Circolare 263" in December 2006 and subsequent amendments.
In this respect, at Group level, three main functions are identified in the management of the liquidity: the "Risk Management" function (within the CRO competence line), the "Finance" function (within the CFO competence line), and the "Treasury" function (within the "Markets Business Unit"), each with different roles and responsibilities. In particular, the operational responsibilities reside in the Finance and the Treasury functions, while the oversight responsibilities reside in Risk Management function.

More specifically, Group Treasury acts as main coordinator in the management of infra-group flows, stemming from liquidity deficits or surplus of the various Group's Legal Entities, and applies the appropriate transfer prices to such funds movements. By doing so, Group Treasury ensures a disciplined and efficient access to the markets.

Optimisation of liquidity risks is pursued through the setting of specific limits on the standard banking activity of transforming short, medium and long-term maturities. This is implemented in accordance with legal and regulatory framework in each country and internal rules and policies of the Group companies through management models in place within the individual Liquidity Centres.

Such models are subject to analyses carried out by the local Risk Management or equivalent structure with the same responsibilities in coordination with the Group's Risk Management to ensure that they comply with the metrics and the objectives of the Group's Liquidity Framework.
Moreover, the regional rules must conform to national law and regulatory requirements.

**Techniques for risk measurement, internal capital determination and stress testing**

It is generally accepted that liquidity risk cannot be mitigated by capital. As such liquidity risk does not add to the economic capital usage, nevertheless it is considered as an important risk category also for the risk appetite determination of the Group. Liquidity risk, for its particular nature, is addressed by means of gap analyses, liquidity stress testing, and complementary measures (mainly through a set of ratios: e.g. loan to deposit, leverage). In particular gap analyses are performed within two distinct time horizons:

- liquidity mismatch approach on a daily basis, which controls for the short term liquidity risk arising from the overnight up to a 3 months maturity;
- gap ratios on a monthly basis, which control the medium to long term risk (structural liquidity) from the 1Y maturity onwards.

**The liquidity metrics**

The Group's Liquidity Framework is based upon the Liquidity Risk Mismatch Model which is characterized by the following fundamental principles:

1. Short-term liquidity risk management (operational liquidity), which considers the events that will impact upon the Group's liquidity position from 1 day up to one year. The primary objective is to maintain the Group's capacity to fulfill its ordinary and extraordinary payment obligations while minimizing the relevant costs;
2. Medium/long term structural liquidity risk management (structural risk), which considers the events that will impact upon the Group's liquidity position over one year. The primary objective is to maintain an adequate ratio between "medium/long term" liabilities and medium to long-term assets, with a view to avoiding pressures on short-term funding sources (both current and future), while in the meantime optimizing the cost of funding;
3. Stress tests: liquidity risk is a low probability, high impact event. Therefore stress testing is an excellent tool to reveal potential vulnerabilities in the Balance Sheet. The Bank uses several scenarios ranging from general market crisis to idiosyncratic crisis, and combinations hereof;
4. Additional metrics: starting from 2010 also "loan to deposit ratio" is an additional metric within the Risk Appetite framework as set by UniCredit group's Board of Directors.

In this context, the Parent Company takes into account all of the assets, liabilities, off-balance sheet positions and present and future events which generate certain or potential cash flows for the Group, thereby protecting the Group Banks/Entities from risks related to the transformation of maturity.

**Short term liquidity management**

Consolidated short-term liquidity management aims at ensuring that the Group remains in a position to fulfill its cash payment obligations, whether expected or unexpected, focused on the exposure for the first 12 months.

The standard measures taken for such purposes are the following:

- management of the access to payment systems (operational liquidity management);
- management of cash payments to be made and monitoring of the level of liquidity reserves and the extent of their utilization (analysis and active management of the maturity ladder).

These principles are applicable at Group level and have to be used across the Liquidity Centres

The Group adopts also the indicator "Cash Horizon" as a synthetic indicator of the short term liquidity risk levels; this indicator is monitored through the operative Maturity Ladder, which measures the cash-in and outflows affecting the monetary base. The Cash Horizon identifies the number of days after which the relevant Entity is not longer able to meet its liquidity obligations as expressed in the operative Maturity Ladder, after having exhausted the available Counterbalancing Capacity. The objective of the Group during the reporting period has been to guarantee a cash horizon of at least 3 months.
The Cash Horizon is one of the liquidity metrics included in the Group's Risk Appetite Framework.

**Structural liquidity management**

The Group's structural liquidity management aims to limit refinancing exposures with respect to maturities exceeding one year and thus reducing refinancing needs in the shorter term. The structural Liquidity Ratio over 1 year is one of the liquidity metrics included in the Group's Risk Appetite Framework. The maintenance of an adequate ratio between medium to long-term liabilities and assets aims to avoid pressures on short-term sources, whether present or future.

The standard measures taken for such purposes are the following:

1. the spreading of the maturity of funding operations in order to reduce the usage of less stable funding sources, while in the meantime optimizing the cost of funding (integrated management of strategic liquidity and tactical liquidity);
2. the financing of growth through strategic funding activities, setting the most appropriate maturities (Yearly Funding Plan);
3. the balancing of medium- to long-term wholesale funding requirements with the need to minimize costs, by diversifying sources, national markets, currencies of issuance and instruments used (realization of the Yearly Funding Plan).

**Liquidity Stress Test**

Stress testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/or movement in a set of financial variables. As a forward looking tool, liquidity stress testing diagnostic the institution's liquidity risk. In particular the results of the Stress tests are used to:

- assess the adequacy of liquidity limits both in quantitative and qualitative terms;
- planning and carrying out alternative sourcing transactions for purposes of off-setting liquidity outflows;
- structuring/modifying the liquidity profile of the Group's assets;
- providing support to the development of the liquidity contingency plan.

In order to execute Stress tests that are consistent across the Liquidity Centres, the Group has a centralised approach to stress testing, requiring each local Liquidity Centre to run the same scenario set under the coordination of the Group Risk Management. At the Liquidity Centre level the use of statistical/quantitative behavioural models are accepted, provided they are validated by the local Risk Management or equivalent structure with same responsibilities. The Group runs liquidity scenarios and sensitivity analyses on a regular basis, the latter by assessing the impact on an institution's financial condition of a move in one particular risk factor, the source of the shock not being identified, whereas scenario tests tend to consider the impact of simultaneous moves in a number of risk factors, based on a hypothetical, well defined and consistent stress scenario.

**Liquidity scenarios**

At macro level the Group identifies three basic different classes of potential liquidity crisis:

1. market (<u>systemic</u>, global o sector) related crisis: Market Downturn Scenario. This scenario consists of a sudden turmoil in a monetary and capital market, which may be caused by closure (or limited access) to market/settlement system, critical political events, country crisis, credit crunch, etc.;
2. <u>specific</u> to the Group, or part of it: name crisis, and downgrade scenarios; the assumption could be operational risk, event related to the worsen perception of the Group reputation risk and a downgrade in UniCredit S.p.A. rating;
3. a <u>combination</u> of market and specific crisis: combined scenario. The survival period of the combined liquidity stress test scenario is one of the liquidity metrics included in the Group's Risk Appetite Framework.

The results of the stress test may highlight the needs of setting up specific limits concerning, for instance, unsecured funding, the ratio between cash-in/cash-out flows and counterbalancing capacity, the ratio between eligible and non-eligible securities, among others.

**Additional liquidity risk measures**

In addition, within the Group's Risk Appetite framework, at divisional level the loans to deposits ratio are monitored.

**Monitoring and reporting**

The short term liquidity limits and the cash horizon are monitored and reported on a daily basis. The structural liquidity ratios and its exposure against limits are monitored and reported on a monthly basis. The survival period and liquidity stress test are reported and monitored on a weekly basis.

**Mitigation factors**

The main liquidity mitigation factors for UniCredit group are:

- an accurate short term and medium to long term liquidity planning monitored monthly;
- an effective Contingency Liquidity Policy (CLP) with feasible and up-to-date Contingency Action Plan (CAP) to be executed in case of market crisis;
- a liquidity buffer to face unexpected outflows;
- robust and regular up to date stress testing performed on a high frequency.

**Funding Plan**

The Funding Plan plays a fundamental role in the overall liquidity management influencing both the short term and the structural position. The Funding Plan, defined at each level (i.e. Group, Liquidity Center and Legal Entity level), is developed consistently with a sustainable uses and sources analysis both on short term and structural position. One of the objectives of accessing the medium and long term channels is to avoid also the pressure on the short term liquidity position. The Funding Plan is updated at least on a yearly basis and is approved by the Board of Directors. Moreover, it is aligned with the Budgeting process and the Risk Appetite framework.
The Parent Company is the responsible for accessing the market for Group Bank Capital Instruments.
The Parent Company, through the Planning Finance and Administration (PFA) function, coordinates the market access of the Liquidity Centres and Legal Entities, while the Liquidity Centres coordinate the access of the Legal Entities falling within their perimeter.
Each Legal Entity or Liquidity Centre, under the responsibility of PFA, can access the markets for medium and long term funding, in order to increase its self-sufficiency, exploit market opportunities and functional specialization, safeguarding the optimization of cost of funds of the Group.

PFA is responsible for the elaboration of the Funding Plan. Risk Management is responsible for providing an independent assessment of the Funding Plan.

**Group Contingency Liquidity Policy**

A liquidity crisis is a high impact, low probability event. Therefore, a crisis-mode governance model that can be activated effectively in case of crisis according to an approved procedure has to be defined. In order to be able to proceed timely, a set of mitigating actions have to be pre-defined. Depending on the situation some of these actions can then be approved for execution.

The ability to act in time is essential to minimize the potentially disruptive consequences of a liquidity crisis. The analytics of the Stress tests will form a valuable tool to identify the expected consequences and to define up front the most suitable actions in a certain crisis scenario. In combination with Early Warning Indicators (EWI) the organisation may even be able to reduce the liquidity effects in the initial stages of a crisis.

Liquidity crises usually develop quickly and the relevant signals may be either difficult to interpret or may even be lacking; it is, therefore, important to identify clearly players, powers, responsibilities, communication and reporting criteria, in order to increase significantly the probability of overcoming the state of emergency successfully. A liquidity crisis could be classified as systemic (e.g. overall capital and money market disruption) or specific (e.g. specific within the sphere of the bank), or a combination of both.

The Group Contingency Liquidity Policy (CLP) has the objective of ensuring effective interventions starting from the very outset (initial hours) of the liquidity crisis, through the clear identification of individuals, powers, responsibilities, communication, and reporting criteria, with a view of increasing significantly the probability of successfully overcoming the state of emergency. This is achieved through:

- activation of extraordinary liquidity governance and operating model;
- consistent internal and external communication;
- a set of available standby mitigating liquidity actions;
- a set of early warning indicators that may point towards a developing crisis.

A fundamental part of the Contingency Liquidity Policy is the Contingency Funding Plan. Such a plan consists of a set of potential but concrete management actions. Such actions should be described in terms of a menu of actions together with sizes, instruments, and timing of execution aimed at improving the bank’s liquidity position mainly during times of crisis. The Contingency Funding Plan has to be developed on the basis of the annual Funding Plan. Group Risk Committee (GRC) gives the final approval and decides whether the Board of Directors has to be informed.

**Early Warning Indicators**

A system of Liquidity Early Warning Indicators is necessary in order to continuously monitor situations of stress, which may, among others, be originated by market, sector or name specific events. That is, they could be based either on macroeconomic or microeconomic variables, internal or external, depending on the prevailing macroeconomic context, and by taking into account the monetary policy of the Central Banks. The system of Liquidity Early Warning Indicators should support the management decisions in case of deteriorating or stressed situations. The associated reports should communicate in an efficient manner the main results of the indicators.

## Section 4 – Operational Risk

### Qualitative Information

*A. General aspects, operational processes and methods for measuring operational risk*

### Operational risk

Operational risk is the risk of loss due to errors, infringements, interruptions, damages caused by internal processes or personnel or systems or caused by external events. This definition includes legal and compliance risks, but excludes strategic and reputational risk.

For example, losses arising from the following can be defined as operational: internal or external fraud; employment practices and workplace safety; client claims; products distribution; fines and penalties due to regulation breaches; damage to the company's physical assets; business disruption and system failures; process management.

### Group operational risk framework

UniCredit group sets the operational risk management framework as a combination of policies and procedures for controlling, measuring and mitigating the operational risk of the Group and controlled entities.
The operational risk policies, applying to all Group entities, are common principles defining the roles of the company bodies, the operational risk management function as well as the relationship with other functions involved in operational process.

The Parent company coordinates the Group entities according to the internal regulation and the Group operational risk control rulebook. Specific risk committees (Risk Committee, ALCO, Operational Risk Committee) are set up in the entities to monitor risk exposure, mitigating actions and measurement and control methods.

The methodologies for data classification and completeness verification, scenario analysis, risk indicators, reporting and capital at risk measurement on set by the Parent Company Group Operational & Reputational Risks department and applies to all Group entities. A pivot element of the risk control framework is the operational risk management application, allowing the collection of the data required for operational risk control and capital measurement.
The results from the various elements of the operational risk framework are as much as possible translated into actions that mitigate operational risk. In this way and through the years, the framework has evolved from a control system to a practice aimed at managing and mitigating the risk.

The compliance of the Group operational risk control and measurement system with external regulations and Group standards is assessed through an internal validation process under the responsibility of the Group Internal Validation department of the Parent Company, independent from the Group Operational & Reputational Risks department.

In March 2008, UniCredit group received authorization to use the AMA model (Advanced Measurement Approach) for calculating operational risk capital. The use of this method will in time be rolled out to the main entities of the Group.

## Organizational structure

Senior Management is responsible for approving all aspects relating to the Group operational risk framework, verifying the adequacy of the measurement and control system and is regularly updated on changes to the risk profile and operational risk exposure, with support from the appropriate risk committees if required.

The Group Operational & Reputational Risks Committee, chaired by the head of Group Credit, Operational & Reputational Risks is made up of permanent and guest members. The list of participants of the Committee has been updated in 2011, also in the light of the changes in the Group Risk Management department.

The mission of the Group Operational & Reputational Risks Committee relative to operational risk, is to define proposals and opinions for the Group Risk Committee, for:

- the Group risk appetite, including the goals and criteria of the operational risk capital allocation in the Group;
- the structure and definition of limits for Group operational risk for achieving risk allocation targets across Division, Business Units, Legal Entities and portfolios;
- initial approval and fundamental modifications of risk control and measurement systems and applications for operational risk, including possible action plans, processes, IT and data quality requirements, supported by the related internal validations;
- overall strategies for operational risk optimization, “Governance Guidelines” and general “Policies” for the management of Group operational risk;
- action plans to address possible critical findings related to risk control and measurement system resulting from “Group Internal Validation” and Internal Audit activities;
- status update of relevant Basel 2 project activities on operational risk topics;
- ICAAP topics for operational risks;
- yearly Regulatory Internal Validation Report.

The Group Operational & Reputational Risks Committee, relative to operational risk, meets with approval functions instead for the following topics:

- special operational risk “Policies”;
- corrective actions for balancing the Group operational risk positions, including the planned mitigation actions, within the limits defined by the competent bodies;
- Group insurance strategies, including renewals, limits and deductibles;
- initial approval and fundamental modifications of the methodologies for the measurement and control of operational risk, supported by the related internal validations.

In the Parent Company, the Group Operational & Reputational Risks department is part of Group Risk Management (Group CRO) and supervises and manages the overall profile of the operational and reputational risks in the Group by defining the strategies, methodologies and limits. It coordinates and steers the operational risk management functions in the Group entities, also by issuing Policies that are approved and implemented by the entities’ competent governing bodies.

Regarding the operational risk management function, the department has two organizational units. The Operational Risk Methodologies and Control unit is responsible for the methodologies, the calculation model for the Group operational capital at risk, the guidelines for operational risk control activities and the user specifications for the Group operational risk management IT application; it executes the capital at risk calculation for regulatory and ICAAP purposes as well as the capital allocation to the single Group entities. It is also supporting and controlling the legal entities’ Operational Risk Management functions, in order to verify that Group standards are met in the implementation of control processes and methodologies.

The Operational Risk Strategies and Mitigation unit is responsible for the definition and monitoring of the risk limits and for the identification of strategies and mitigation actions and the monitoring of their implementation, including insurance strategies. This comprises the identification of products and processes that entail a particular, high level of operational risk, detecting the necessary mitigation actions and the monitoring of their results.

The Operational Risk Management functions of the controlled entities provide specific operational risk training to staff, also with the use of intranet training programs, and are responsible for the correct implementation of the Group framework elements.

### Internal validation process

In compliance with regulations, an internal validation process for the operational risk control and measurement system has been set up at the Parent Company and in the relevant Group entities in order to verify the conformity with regulations and Group standards. This process is responsibility of the Pillar II Risks and Operational Risk Validation unit, within the Group Internal Validation department.

Group methodologies for measuring and allocating the capital at risk are validated at Parent Company level by the abovementioned unit, while the implementation of the operational risk control and management system within the relevant entities is validated by the local Operational Risk Management functions following the technical instructions and policies issued by the Group Internal Validation Department.

The results of the local assessments are annually verified by the Group Internal Validation department which also performs additional analysis on data and documentation. Detailed reports are then submitted to the Group CRO for the release of specific Non Binding Opinions to the relevant subsidiaries. The local validation report, together with the opinion of the Parent Company and the Internal Audit report is submitted to the entities' competent Governing Bodies for approval.

All the validation outcomes on the operational risk control and measurement system, both at Parent Company and controlled entities level, are annually consolidated within the Group Validation report which, along with the annual Internal Audit report, is presented to the UniCredit Board of Directors.
Periodical reporting on validation activities is submitted also to the Group Operational & Reputational Risks Committee.

### Reporting

A reporting system has been developed, by Parent Company, to inform senior management and relevant control bodies on the Group operational risk exposure and the risk mitigation actions.
In particular, quarterly (or more frequent) updates are provided on operational losses, capital-at-risk estimates, the main initiatives undertaken to mitigate operational risk in the various business areas, operational losses suffered in the credit linked processes ("cross-credit" losses). A summary of the trend of the most critical risk indicators is distributed each month.

The results of the main scenario analyses carried out at Group level and the relevant mitigation actions undertaken are also submitted to the attention of the Group Operational & Reputational Risks Committee.

### Operational risk management

Operational risk management exploits a number of tools like process reengineering to reduce the risk exposure and insurance policies management, by defining proper deductibles and policies' limits. Regularly tested business continuity plans assure operational risk management in case of interruption of main business services.

In the Legal entities, the Risk Committee (or other bodies in accordance to local regulations) reviews risks tracked by the Operational Risk functions with the support of functions involved in daily operational risk control and monitors the risk mitigation initiatives.

### Risk capital measurement and allocation mechanism

UniCredit developed an internal model for measuring the capital requirements. The system for measuring operational risk is based on internal loss data, external loss data (consortium and public data), scenario loss data and risk indicators.

Capital at risk is calculated per event type class, at Group level. For each risk class, severity and frequency of loss data are separately estimated to obtain the annual loss distribution through simulation, considering also insurance coverage. The severity distribution is estimated on internal, external and scenario loss data, while the frequency distribution is determined using only the internal data. An adjustment for key operational risk indicators is applied to each risk class. Annual loss distributions of each risk class are aggregated through a copula functions based method. Capital at risk is calculated at a confidence level of 99.9% on the overall loss distribution for regulatory purposes and at a confidence level of 99.97% for economic capital purposes.

Through an allocation mechanism, the individual legal entities' capital requirements are identified, reflecting the entities' risk exposure.

The AMA approach has been formally approved by the Supervisory Authority and is being rolled out in all the relevant Group entities. The entities not yet authorised to use the advanced methods contribute to the consolidated capital requirement on the basis of the standard (TSA) or basic (BIA) model.

*B. Legal Risks*

UniCredit S.p.A. and other UniCredit Group companies are involved in legal proceedings.
From time to time, past and present directors, officers and employees may be involved in civil or criminal proceedings the details of which the UniCredit Group may not lawfully know about or communicate.
The Group is also required to deal appropriately with various legal and regulatory requirements in relation to issues such as conflicts of interest, ethical issues, anti-money laundering laws, US and international sanctions, privacy and information security rules and others.
Failure to do so may lead to additional litigation and investigations and subject the Group to damages claims, regulatory fines, other penalties or reputational damage.
In addition, one or more Group companies is subject to investigations by the relevant supervisory authority in a number of Countries in which it operates.
These include investigations relating to aspects of systems and controls and instances of actual and potential regulatory infringement by the relevant Group companies or its clients.
In many cases, there is substantial uncertainty regarding the outcome of the proceedings and the amount of any possible losses. These cases include criminal proceedings, administrative proceedings brought by the relevant supervisory authority and claims in which the petitioner has not specifically quantified the penalties requested (for example, in putative class action in the United States). In such cases, given the infeasibility of predicting possible outcomes and estimating losses (if any) in a reliable manner, no provisions have been made. However, where it is possible to reliably estimate the amount of possible losses and the loss is considered likely, provisions have been made in the financial statements based on the circumstances and consistent with international accounting standards IAS.
To protect against possible liabilities that may result from pending lawsuits (excluding labour law, tax cases or credit recovery actions), the UniCredit group has set aside a provision for risks and charges of € 1,403 million as at September 30, 2011. The estimate for reasonably possible liabilities and this provision are based upon currently available information but, given the numerous uncertainties inherent in litigation, involve significant elements of judgment. In some cases it is not possible to form a reliable estimate, for example where proceedings have not yet been initiated or where there are sufficient legal and factual uncertainties to make any estimate purely speculative. Therefore, it is possible that this provision may not be sufficient to entirely meet the legal costs and the fines and penalties that may result from pending legal actions, and the actual costs of resolving pending lawsuits may prove to be substantially higher.
Consequently it cannot be excluded that an unfavourable outcome of such legal proceedings or such investigations may have a negative impact on the results of the UniCredit Group and/or its financial situation.
Set out below is a summary of information relating to matters involving the UniCredit group which are not considered groundless or in the ordinary course. Please note that labour law, tax and credit recovery actions are excluded from this section.

**Madoff**

*Background*

In March 2009 Bernard L. Madoff (Madoff), former chairman of the NASDAQ Exchange and owner of Bernard L. Madoff Investment Securities LLC (BMIS), a broker-dealer registered with the Securities Exchange Commission (the SEC) and the Financial Industry Regulatory Authority (FINRA), pled guilty to crimes, for which he was sentenced to 150 years in prison, that included securities fraud, investment adviser fraud, and providing false information to the SEC in connection with his operation of what has been described as a Ponzi scheme. In December of 2008, shortly after Madoff's arrest, a bankruptcy administrator (the SIPA Trustee) for the liquidation of BMIS was appointed in accordance with the U.S. Securities Investor Protection Act of 1970.

Following Madoff's arrest, several criminal and civil suits were filed in various countries against financial institutions and investment advisers by, or on behalf of, investors, intermediaries acting as brokers for investors and public entities in relation to losses incurred.

As at the date of Bernard L. Madoff's arrest, and since mid-2007, the Alternative Investments division of Pioneer (PAI), an indirect subsidiary of UniCredit S.p.A. acted as investment manager and/or investment adviser for the Primeo funds (including the Primeo Fund Ltd (now in Official Liquidation) Primeo)) and various funds-of-funds (FoFs) , which were non-U.S. funds that had invested in other non-U.S funds with accounts at BMIS. Pioneer also owned the founder shares of Primeo since 2007. Previously, the investment advisory functions had been performed by BA Worldwide Fund Management Ltd (BAWFM), an indirect subsidiary of UniCredit Bank Austria AG (BA). For a period of time, BAWFM had previously performed investment advisory functions for Thema International Fund plc, a non-U.S. fund that invested in BMIS.

UniCredit Bank AG (then HypoVereinsbank) issued tranches of debt securities whose potential yield was calculated based on the yield of a hypothetical structured investment (synthetic investment) in the Primeo funds. Some BA customers purchased shares in Primeo funds that were held in their accounts at BA. BA owned a 25 percent stake in Bank Medici AG (Bank Medici), a defendant in certain proceedings described below. Bank Medici is alleged to be connected, inter alia, to the Herald Fund SPC, a non-U.S. fund that invested in BMIS.

*Proceedings In The United States*
*Purported Class Actions.* UniCredit S.p.A., BA, PAI and Pioneer Global Asset Management S.p.A. (PGAM), a UniCredit S.p.A. subsidiary have been named among some 70 defendants in three putative class action lawsuits filed in the United States District Court for the Southern District of New York (the Southern District) between January and March 2009, purporting to represent investors in three investment fund groups (the "Herald" funds, "Primeo" and the "Thema" funds) which were invested, either directly or indirectly, in BMIS.

The three cases were later consolidated for pretrial purposes and in February of 2010 amended complaints were filed in each case. In April of 2011, permission was sought from the Court further to amend each of the three complaints, principally to withdraw certain claims under the United States federal securities laws, and, in one case, to add a claim under the United States Racketeer Influenced and Corrupt Organizations Act (RICO), as further described below.

The amended "Herald" complaint claims on behalf of investors in Herald Fund SPC-Herald USA Segregated Portfolio One and/or Herald (Lux) on 10 December 2008, or who invested in those funds from 12 January 2004, to 10 December 2008. It is now principally alleged that defendants, including UniCredit S.p.A., BA and Bank Medici breached common law duties by failing to safeguard the claimants' investment in the face of "red flags" that, it is claimed, should have alerted them to Madoff's fraud. The plaintiffs have requested the Court's permission to add claims that defendants, including UniCredit S.p.A., violated RICO by allegedly participating in a plan to enrich themselves by feeding investors' money into Madoff's Ponzi scheme.
The plaintiffs allege that the proposed class lost approximately $2.0 billion in the Madoff Ponzi scheme, which they seek to recover trebled under RICO.

The amended "Primeo" complaint claims on behalf of investors in Primeo Select Fund and/or Primeo Executive Fund on 10 December 2008, or who invested in those funds from 12 January 2004, to 12 December 2008. It is now principally alleged that the defendants, including UniCredit S.p.A., BA, Bank Medici, BAWFM, PAI and PGAM breached common law duties misrepresenting the monitoring that would be done of Madoff and claimants' investments and disregarding "red flags" of Madoff's fraud.

The amended “Thema” complaint claims on behalf of investors in Thema International Fund plc and/or Thema Fund on 10 December 2008, or who invested in those funds from 12 January 2004 to 14 December 2008. It is now principally alleged that defendants including UniCredit S.p.A., BAWFM and Bank Medici committed common law torts by, inter alia, recklessly or knowingly making or failing to prevent untrue statements of material fact and/or failing to exercise due care in connection with the claimants' investments in the Thema fund.

In the Herald, Primeo and Thema cases, the plaintiffs seek damages in unspecified amounts (other than under RICO in the case of the Herald complaint, as noted above), interest or lost profits punitive damages, costs and attorneys’ fees, as well as an injunction preventing defendants from using fund assets to defend the action or otherwise seeking indemnification from the funds.

The Court set a schedule to consider the defendants' motions to dismiss each of the three putative class actions as well as the plaintiffs' latest requests to amend their pleadings. Briefing on these matters is ongoing and will be completed by the end of October of 2011, with oral argument to follow on a schedule to be established by the Court.

*Claims by the SIPA Trustee*
In December of 2010, the SIPA Trustee filed two cases (the "HSBC" and the "Kohn" case, respectively) in the United States Bankruptcy Court in the Southern District of New York against several dozen defendants. Both cases were later removed to the non-bankruptcy federal trial court in the Southern District at the request of UniCredit S.p.A., PAI and certain other defendants.

In the HSBC case, the SIPA Trustee sought to recover from some 60 defendants, including UniCredit S.p.A., BA, BAWFM, PAI, and Bank Medici seeking amounts to be determined at trial, allegedly representing so-called avoidable transfers to initial transferees of funds from BMIS, subsequent transfers of funds originating from BMIS (in the form of alleged management, performance, advisory, administrative and marketing fees, among other such payments, said to exceed $400 million in aggregate for all defendants), and compensatory and punitive damages against certain defendants on a joint and several basis, including the five abovementioned, alleged to be in excess of $2 billion. In addition to avoidable transfers, the SIPA Trustee sought to recover in the HSBC action unspecified amounts (said to exceed several billion dollars) for common law claims of unjust enrichment, aiding and abetting BMIS's breach of fiduciary duty and BMIS's fraud and contribution. However, on July 28, 2011, the Southern District Court dismissed at the request of UniCredit S.p.A., PAI, BA and certain other defendants the common law claims for aiding and abetting Madoff's fraud and breach of fiduciary duty, for unjust enrichment and for contribution. On August 26, 2011, the SIPA Trustee filed a notice of appeal as to the July 28, 2011 ruling, and the appeal remains pending.

In the Kohn case, the SIPA Trustee seeks to recover from more than 70 defendants, including UniCredit S.p.A., BA, PGAM, BAWFM, Bank Medici, Bank Austria Cayman Islands, and several persons affiliated with UniCredit S.p.A. and BA, unspecified avoidable transfers from BA as an initial transferee from BMIS and as from UniCredit S.p.A, BA and other UniCredit S.p.A. affiliated defendants as subsequent transferees of funds likewise originating from BMIS. The complaint further asserts common law claims, including unjust enrichment and conversion, as well as violations of the RICO statute as the alleged result of the defendants' directing investors' money into Madoff's Ponzi scheme. The SIPA Trustee seeks treble damages under RICO (three times the reported net $19.6 billion losses allegedly suffered by all BMIS investors on a joint and several basis), alleged retrocession fees, management fees, custodial fees, compensatory, exemplary and punitive damages, and costs of suit.

UCG and several of its affiliates moved to dismiss the common law and RICO claims, and oral argument on that application took place on October 5, 2011. A decision by the Southern District Court is expected in the near future.

The putative class actions as well as the actions brought by the SIPA Trustee are in their initial stages. UniCredit S.p.A. and its affiliated defendants intend to continue defending these proceedings vigorously.

*Proceedings Outside The United States*
On July 22, 2011, the Joint Official Liquidators of Primeo (the Primeo Liquidators) issued a writ of summons against PAI in the Grand Court of the Cayman Islands, Financial Services Division. In that claim, the Primeo Liquidators allege that PAI is liable under the terms of an investment advisory agreement between Primeo and PAI as a result of alleged breaches of duties by PAI and also as a result of alleged acts and omissions by BMIS for which PAI is alleged to be vicariously liable. The Primeo Liquidators also allege that fees paid to PAI were paid under a mistake of fact and claim restitution from PAI of those fees. In aggregate, the Primeo Liquidators claim approximately $262 million plus additional unquantified damages, as well as interest and costs.

Civil proceedings were initiated in Austria related to Madoff's fraud in which BA, among others, was named as a defendant. The plaintiffs invested in funds that, in turn, invested directly or indirectly with BMIS. The judgments handed down so far in these lawsuits have been in favour of BA.

A criminal investigation is ongoing in Austria in relation to the Madoff case. This investigation, which includes BA as well as other persons, was initiated by a complaint filed by the FMA (the Austrian Financial Market Authority) to the Austrian prosecutor.
Subsequently complaints were filed by purported investors in funds which were invested, either directly or indirectly with BMIS. These complaints allege, amongst other things, that BA breached provisions of the Austrian Investment Fund Act as prospectus controller of Primeo. . This investigation is still at an early stage and no indictments have been issued.

Legal proceedings were brought in Germany against UniCredit Bank AG regarding synthetic debt securities issued by UniCredit Bank AG and connected to Primeo. One of these lawsuits has since been abandoned by the plaintiff.

A Chilean investor in synthetic debt securities connected to Primeo has filed a complaint with the Chilean prosecutor. The case is at an investigative phase only. No indictments have been issued. Written questions have been addressed to seven employees or former employees of UniCredit S.p.A. or its affiliates.

*Subpoenas and Investigations*
UniCredit and several of its subsidiaries have received subpoenas orders and requests to produce information and documents from the SEC, the U.S. Department of Justice and the SIPA Trustee in the United States, the Austrian Financial Market Authority, the Irish Supervisory Authority for financial markets and BaFin in Germany related to their respective investigations into Madoff's fraud. Similar such subpoenas, orders and requests may be received in the future by UniCredit S.p.A. its affiliates, and some of their employees or former employees, in the foregoing markets or in places where proceedings related to Madoff investments are pending from time to time.

*Certain potential consequences*
In addition to the foregoing proceedings stemming from the Madoff case against UniCredit S.p.A., its subsidiaries and some of their respective employees and former employees, additional Madoff-related actions have been threatened and may be filed in the future in said countries or in other countries by private investors or local authorities. The pending or future actions may have negative consequences for the UniCredit Group.

UniCredit S.p.A. and its subsidiaries intend to defend themselves vigorously against the Madoff-related claims and charges.

For the time being it is not possible to estimate reliably the timing and results of the various actions, nor determine the level of responsibility, if any responsibility exists. Presently, in compliance with international accounting standards, no provisions have been made for specific risks associated with Madoff disputes.

**Proceedings related to and arising out of the purchase of HVB by UniCredit - damages claims**
On 27 June 2007, the HVB annual Shareholders' Meeting passed a resolution to claim damages against UniCredit S.p.A., its legal representatives, and (former) members of HVB's management board and supervisory board, alleging damage to HVB due to the sale of its shareholding in Bank Austria and the Business Combination Agreement (BCA) entered into with UniCredit S.p.A. during the integration process. A Special Representative (the "Special Representative") was appointed to take this forward. Although a shareholder, UniCredit SpA was prohibited from voting at the meeting.

On 20 February 2008, the Special Representative filed a claim against UniCredit S.p.A and others, requiring the return of the shares in BA to HVB along with compensation to HVB for any additional losses suffered and, in the alternative €13.9 billion in damages. The claim was subsequently amended to include an additional amount of €2.98 billion (plus interest) in addition to any damage that may have resulted from the capital increase resolved by HVB in April 2007 in the contest of contributing of the allegedly overvalued banking business of the former UBM to HVB.

The Special Representative has now been removed and no longer has the authority to take forward these claims. The claims have not been formally removed as yet and a decision will be taken by HBV on next steps.

**Cirio**
In April 2004, the extraordinary administration of Cirio Finanziaria S.p.A. (formerly Cirio S.p.A.) served notice on Sergio Cragnotti and various banks, including Capitalia S.p.A. (absorbed by UniCredit S.p.A.) and Banca di Roma S.p.A. (now UniCreidit S.p.A.), of a petition to declare invalid an allegedly illegal agreement with Cirio S.p.A. regarding the sale of the dairy company Eurolat to Dalmata S.r.l. (Parmalat). The extraordinary administration subsequently requested that Capitalia S.p.A. and Banca di Roma S.p.A. jointly refund €168 million and that all defendants jointly pay damages of €474 million. In the alternative, it sought the revocation of the settlement made by Cirio S.p.A. and/or repayment by the banks of the amount paid for the agreement in question, on the grounds of "undue profiteering".

Despite no preliminary investigation being conducted, in February 2008, the Court ordered Capitalia S.p.A. (currently UniCredit S.p.A.) and Sergio Cragnotti to pay €223.3 million plus currency appreciation and interest from 1999. UniCredit appealed the decision. It also requested a stay of execution of the lower court's judgment which was successfully obtained in January 2009. The next hearing is scheduled on 11 November 2014.

Provisions have been made for an amount considered appropriate to the current risk of the proceedings.

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In April 2007, certain Cirio group companies in extraordinary administration filed a petition against Capitalia S.p.A. (now UniCredit S.p.A.), Banca di Roma S.p.A., UBM (now UniCredit S.p.A.) and other banks for compensation for damage resulting from their role as arrangers of bond issues by Cirio group companies, although, according to the claimants, they were already insolvent at the time.

Damages were quantified as follows:

- the damages incurred by the petitioners due to a worsening of their financial condition were calculated within a range of €421.6 million to €2.082 billion (depending upon the criteria applied);
- the damages incurred because of the fees paid to the lead managers for bond placements were calculated at a total of €9.8 million;
- the damages, to be determined during the proceedings, incurred by Cirio Finanziaria S.p.A. (former Cirio S.p.A.), for losses related to the infeasibility of recovering, through post-bankruptcy clawback, at least the amount used between 1999 and 2000 to cover the debt exposure of some of the Cirio group companies,

plus interest and currency revaluation from the date owed to the date of payment.

In the ruling of 3 November 2009 the judge denied the claimants' claim that the companies of the Cirio group in extraordinary administration be held jointly liable for reimbursement of legal expenses, in favour of the defendant banks. The extraordinary administration has appealed against the ruling and the hearing for the conclusions is set for 27 January 2016.

UniCredit S.p.A.believes the action to be groundless. Accordingly no provisions have been made.

**Qui tam Complaint against Vanderbilt LLC and other UniCredit group companies**
On 14 July 2008, claimants Frank Foy and his wife filed a complaint on behalf of the State of New Mexico (Qui Tam Statute) seeking recovery of false claims for payment made upon the State in relation to certain investments made by the New Mexico Educational Retirement Board (ERB) and the State of New Mexico Investment Council (SIC) in Vanderbilt Financial LLC (VF), an indirect UniCredit S.p.A. investee company. The complaint states that Frank Foy was the Chief Investment Officer of ERB and that he submitted his resignation in March 2008.

The claimants have standing to sue on behalf of the State of New Mexico under the State qui tam statute, the New Mexico Fraud Against Taxpayers Act (FATA) and seek compensation for damages in an amount of USD 360 million. The claimants assert that the Vanderbilt VF defendants (see below) and the other defendants persuaded ERB and SIC to invest USD 90 million in Vanderbilt products (i) by knowingly providing false information on the nature and risk level of the VF investment and (ii) by guaranteeing improper contributions to the Governor of the State of New Mexico, Bill Richardson, and other State officials, to convince them to make the investment. In addition to the entire initial investment of USD 90 million (as consequential damages), Foy requests an additional USD 30 million for loss of profit.

Defendants include – *inter alia* – the following:

- Vanderbilt Capital Advisors, LLC (VCA), a wholly-owned indirect subsidiary of Pioneer Investment Management USA Inc. (PIM US);
- Vanderbilt Financial, LLC (VF), a special purpose vehicle in which PIM US has an 8 per cent. holding (VF has since been liquidated);
- Pioneer Investment Management USA Inc. (PIM US), a wholly-owned subsidiary of PGAM;
- Pioneer Global Asset Management S.p.A. (PGAM), a wholly-owned subsidiary of UniCredit S.p.A.;
- UniCredit S.p.A.;
- various directors and officers of VCA, VF and PIM US;
- law firms, external auditors, investment banks and State of New Mexico officials.

At present, an assessment on the economic impact that may result from the proceedings is premature and thus no provisions have been made.

The complaint was originally served on the American companies, including VCA, PIM US (both part of UniCredit Group) and VF, and the natural persons called as defendants. On 24 September 2009 UniCredit S.p.A. and on 17 December 2009 PGAM were also served.
All the defendants filed motions to dismiss on procedural and substantive grounds.

On 8 March 2010, the Foys filed a purported amended complaint seeking to add one additional claimant, several additional defendants, and over 50 additional claims. Foy also sought to put in issue other Vanderbilt CDOs in which the State of New Mexico public funds invested and which increased the claimed losses from USD 90 million to USD 243.5 million. The defendants have challenged whether the amended complaint was properly filed, and on 26 March 2010, the court ruled that it will not consider the amended complaint, and the defendants need not respond to it, until after the court has addressed the previously submitted motions to dismiss the original complaint.

On 28 April 2010, Judge Pfeffer issued an order dismissing all of the claims brought by the original complaint. The Judge had already expressed concerns that retroactive application of the New Mexico Qui Tam Statute ("FATA") would violate prohibitions against constitutional ex post facto protections, and this was the basis for his ruling dismissing all the FATA claims. The Judge also dismissed Foy's claims under the state Unfair Practices Act (UPA) on grounds that claims were based on securities transactions not within the scope of the protections offered by the UPA.

In May 2010, Foy filed a package of seven motions requesting Judge Pfeffer to reconsider the dismissal on various grounds and, alternatively, requesting him to certify the legal question regarding the retroactive application of FATA for an interlocutory appeal to the New Mexico State Appeals Court. The Vanderbilt defendants and the other defendants filed oppositions to all of these motions, and asked the Court to strike the amended complaint and dispose of the entire case. On 2 September 2010, Judge Pfeffer issued his decisions. He certified the legal question for interlocutory appeal, but ordered the claimant to strip the amended complaint of all allegations that were inconsistent with his rulings that FATA could not be applied retroactively and that no claims survived under the UPA.

Foy filed a request for interlocutory review with the New Mexico Court of Appeals on 16 September 2010 and the revisions to the amended complaint with the lower court on 17 September 2010. The defendants opposed the request for interlocutory appeal. On October 21st, the NM Court of Appeals refused Foy's request for an interlocutory appeal. On February 7, 2011, the court ruled that Foy could proceed with the amended complaint to the extend it challenged conduct occurring after FATA's effective date. On March 31, 2011, all of the Group defendants filed motions to dismiss the remaining claims, and the individual defendants, PGAM and UniCredit S.p.A., also filed renewed motions to dismiss based on lack of personal jurisdiction.

On May 6, 2011, the Attorney General of the State of New Mexico exercised its right to intervene in a qui tam case brought under FATA and moved to dismiss all of the claims in the Foy litigation alleging that the SIC had made investments following improper contributions to state officials – the "pay to play" claims. Foy opposed the AG's action. The Group defendants took no position on the AG's motion, which, even if successful, would leave intact most of the surviving claims against them. At a hearing on August 17, 2011, Judge Pfeffer ruled in the Attorney General's favor; however, no written orders have yet issued.

On or around August 30, 2011, a related development occurred in a second lawsuit brought by Foy under FATA against a different group of financial services companies, Foy v. Austin Capital Management ("Austin"). The Austin court had followed Judge Pfeffer in refusing to apply FATA retroactively, but while the NM Court of Appeals had refused to review that decision in Foy, it agreed to hear the issue on appeal in Austin. A decision is not expected for many months, but when issued, it will apply to Foy as well.

On October 4, 2011, Judge Pfeffer issued a series of identical orders deferring decision on the various defendants' personal jurisdiction motions and permitting discovery to go forward on facts relevant to those motions. The parties have begun discussions aimed at clarifying the scope and timing of permitted discovery.

In January 2010, a purported class or derivative action entitled Donna J. Hill vs. Vanderbilt Capital Advisors, LLC, was filed in the state court in Santa Fe, New Mexico. the lead claimant, a beneficiary of the New Mexico Educational Retirement Fund (the Fund), seeks to recover on behalf of the Fund or its plan participants the money that the Fund lost on its investment in Vanderbilt Financial, LLC (VF).

In February 2010, a parallel case by another plan participant, entitled Michael J. Hammes vs. Vanderbilt Capital Advisors, LLC, was filed in the same court making virtually identical allegations. The Hill and Hammes cases make factual allegations similar to those asserted in the Foy case, but they bring their claims under common law theories of fraud, breach of fiduciary duty (against the Educational Retirement Board (ERB) members), and aiding and abetting breaches of duty by those board members.

The Hill and Hammes cases originally named VCA, VF, PIM US and various current or former officers and directors of VCA, VF and/or PIM, several current or former ERB board members and other parties unconnected to Vanderbilt. Neither PGAM nor UniCredit were named as defendants in these cases. In February 2010, the Hill case was removed by one of the ERB board member defendants to the United States District Court for the District of New Mexico. Subsequently, the deadline for defendants to respond was indefinitely extended in the Hammes case by agreement of the parties. Hammes remains in state court. In addition, the Hill claimants' agreed to dismiss from the case, without prejudice (so reinstatement is possible), PIM US and the individual officers named as defendants. Neither the Hill nor Hammes complaint specifies the amount of damages claimed, but the total invested by the ERB in VF was USD 40 million; moreover this amount is subsumed within the damages claimed in the Foy lawsuit. On 31 August 2010 the Vanderbilt defendants filed a motion to dismiss all of the claims in Hill. Claimants opposed the motion, and a hearing was held in NM federal district court on 29 October 2010. Some months later, plaintiffs informed the court that the ERB Board had met and determined not to enter the case.
After requesting and obtaining updates from the Vanderbilt defendants regarding the progress in Foy, on September 30, 2011, the Hill court issued a lengthy opinion dismissing the federal court case for lack of subject matter jurisdiction and remanding it to New Mexico state court. The opinion contains a detailed, negative commentary on the plaintiffs' standing to bring suit, but does not rule on the issue. The case will be transferred to the state court docket, where it could be consolidated with Hammes.

**Divania S.r.l.**
In 2007, Divania S.r.l. (now in bankruptcy) filed a suit in the Court of Bari Italy against UniCredit Banca d'Impresa S.p.A. (then redenominated UniCredit Corporate Banking S.p.A. and, following the implementation of the One4C project,now merged into UniCredit S.p.A.) alleging violations of law and regulation in relation to certain rate and currency derivative transactions created between January 2000 and May 2005 first by Credito Italiano S.p.A. and subsequently by UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.).

The petition requests that the contracts be declared non existent, or failing that, null and void or to be cancelled or terminated and that UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.) pay the claimant a total of €276.6 million as well as legal fees and interest. It also seeks to set aside a settlement the parties reached in 2005 under which Divania S.r.l had agreed to renounce any claims in respect of the transactions.

UniCredit S.p.A. rejects the claimant's demands. Without prejudice to its rejection of liability, it maintains that the amount claimed has been calculated by aggregating all the debits made (for an amount much larger than the actual amount), without taking into account the credits received that significantly reduce the claimant's demands.

In April 2010 the report of the Court named expert witness submitted a report which broadly confirms UniCredit's position stating that there was a loss on derivatives amounting only to about €6,400,000 (which would increase to about €10,884,000 should the out-of-court settlement, challenged by the claimant, be judged unlawful and thus null and void). The expert opinion states that interest should be added in an amount between €4,137,000 (contractual rate) and €868,000 (legal rate).

UniCredit S.p.A. has made a provision for an amount consistent with the lawsuit risk.

Another two law suits have also been filed by Divania, one for €68.9 million and the second for €1.6 million. Both are considered to be groundless and therefore no provisions have been made.

Due to Divania S.r.l.'s insolvency, which was declared in June 2011, these proceedings are, or will be, stayed.

**Acquisition of Cerruti Holding Company S.p.A. by Fin.Part S.p.A.**
At the beginning of August 2008, the Trustee in Bankruptcy of Fin.Part S.p.A. (Fin.Part) brought a civil action against UniCredit S.p.A., UniCredit Banca S.p.A. (now UniCredit S.p.A.), UniCredit Corporate Banking S.p.A. (now UniCredit S.p.A.) and one other bank not belonging to the UniCredit group for contractual and tortious liability. Fin.Part's claim against each of the defendant banks, jointly and severally or alternatively, each to the extent applicable, is for damage allegedly suffered by Fin.Part and its creditors as a result of the acquisition of Cerruti Holding Company S.p.A. (Cerruti) by Fin Part.

The claimant alleges that the financial obligations arising out of the acquisition financing brought about Fin Part's bankruptcy and that the banks therefore acted unlawfully.

The claim is for €211 million.plus all fees, commissions and interest earned in relation to the allegedly unlawful activities.

On 23 December 2008 the Trustee in Bankruptcy of C Finance S.A. intervened in the case. It maintains that C Finance S.A. was insolvent at the time of its establishment and that it was the banks and their executives, in devising and executing the transaction, who contributed in causing C Finance S.A. to become insolvent. Accordingly, it seeks damages as follows: a) the total bankruptcy liabilities (€308.1 million); or, alternatively, b) the amounts disbursed by C Finance S.A. to Fin.Part and Fin.Part International (€193 million); or, alternatively, c) the amount collected by UniCredit S.p.A. (€123.4 million).

The banks are also requested to pay damages for the amounts collected (equivalent to €123.4 million, plus €1.1 million in fees and commissions) for the alleged invalidity and illegality of the transaction in question and the payment of Fin.Part's debts to UniCredit S.p.A. using the proceeds from the C Finance S.A. bond issue. In addition, the claimant alleges that the transaction was a means for evading Italian law regarding limits and procedures for bond issues.

In January 2009, the judge rejected a writ of attachment against the defendant not belonging to UniCredit group.
The hearing for the conclusions is set for 20 December 2011.

In addition, on 2 October 2009, the receivership of Fin.Part subpoenaed in the Court of Milan UniCredit Corporate Banking S.p.A. (now UniCredit S.p.A.), in order that (i) the invalidity of the “payment” of €46 million made in September 2001 by Fin.Part to the former Credito Italiano be recognised and consequently, (ii) the defendant be sentenced to return such amount in that it relates to an exposure granted by the bank as part of the complex financial transaction under dispute in the prior proceedings. The hearing for the conclusions is set for 20 December 2011.

UniCredit S.p.A, on the basis, inter alia, of the information supplied by their legal counsel, believes the claims are groundless and/or lacking in an evidentiary basis. Provisions have been made for an amount considered adequate to cover the costs.

**Valauret S.A.**
In 2001, Valauret S.A. and Hughes de Lasteyrie du Saillant, bought shares in the French company Rhodia S.A. They filed a civil claim in 2004 for losses resulting from the drop in the Rhodia S.A. share price between 2002 and 2003, allegedly caused by earlier fraudulent actions by members of the company’s board of directors and others.

BA (as successor to Creditanstalt) was joined as the fourteenth defendant in 2007 on the basis that Creditanstalt was banker to one of the defendants.

Valauret S.A. is seeking damages of €129.8 million in addition to legal costs and Hughes de Lasteyrie du Saillant damages of €4.39 million.

In 2006, before the action was extended to BA, the civil proceedings were stayed following the opening of criminal proceedings by the French State which are ongoing. In December 2008, the civil proceedings were also stayed against BA.

In BA’s opinion, the claim is groundless and no provisions have been made.

**Treuhandanstalt**
BA has joined in litigation in Switzerland in support of the defendant AKB Privatbank Zürich AG (formerly known as BA (Schweiz) AG and then a subsidiary of BA) in a suit brought by Bundesanstalt für vereinigungsbedingte Sonderaufgaben (BvS). BvS is one of the successors of the former Treuhandanstalt a German public body responsible for managing the assets of the former East Germany.

BvS claims that BA’s former subsidiary is liable for the unauthorised transfer of funds from the accounts of two former East German companies by their former CEO in the early 1990s. BvS claims damages of approximately €128 million, plus interest dating back to 1992, plus costs.

On 25 June 2008, the Zurich District Court in large part rejected BvS’s claim Both parties appealed the judgment. On 25 March 2010, the Court of Appeal of Zurich granted BvS’s appeal and ordered BA and its former subsidiary to pay approximately €230 million (calculated as of 30 March 2010).

BA and its former subsidiary filed an appeal before the Court of Cassation of the Zurich Canton and also requested, inter alia, a stay of execution. The stay was granted. The Court of Cassation's decision is still pending. A further appeal is possible to the Federal Court.

On 1 February 2011 BA filed an application for the revision of the judgment of the Court of Appeal of Zurich (based on new facts in order to obtain the dismissal of BvS’s claim and, in alternative, to reduce the amount claimed) with the Court of Appeal of Zurich. The Court has stayed this proceeding pending any final decision on the merits..

A provision has been made for an amount consistent with the currently estimated risk of the lawsuit.

**Association of small shareholders of NAMA d.d. in bankruptcy; Slobodni sindiKat**
Zagrebacka banka (ZABA) is being sued in the Zagreb Municipal Court by two parties: (i) the association of small shareholders of NAMA d.d. in bankruptcy; and (ii) Slobodni SindiKat. It is said that ZABA violated the rights of NAMA d.d., as minority shareholder of ZABA by, inter alia, not distributing to NAMA d.d. profits in the form of ZABA shares. The claimants seek shares in compensation or alternatively damages of approximately €124 million.

ZABA maintains that the claimants do not have legal standing in that they have never been ZABA shareholders, nor the holders of the rights allegedly violated.

On 16 November 2009, the judge rejected the claimants' claim, without dealing with the merits, on the basis that the claimants did not have standing. The decision has been appealed

No provisions have been made.

**GBS S.p.A.**
At the beginning of February 2008, General Broker Service S.p.A. (GBS S.p.A.) initiated arbitration proceedings against UniCredit S.p.A. for the alleged unlawful behaviour of the Bank with regards to the insurance brokerage relationship allegedly deriving from the exclusive agreement signed in 1991.

In a decision issued on 18 November 2009, UniCredit S.p.A. was ordered to pay GBS S.p.A. €144 million, as well as legal costs and the costs of an expert's report. UniCredit S.p.A. determined that the decision ordered by the arbitrator was unsound and groundless, and has lodged an appeal together with a request for a stay of execution.

On 8 July 2010 the Court granted a stay of execution in respect of amounts exceeding €10 million. UniCredit S.p.A. paid such amount, pending the outcome of the appeal. The next hearing is scheduled for 5 November 2013.

A provision has been made for an amount consistent with what currently appears to be the potential risk resulting from the award issued.

**ADDITIONAL RELEVANT INFORMATION**
The following section sets out further pending proceedings against UniCredit S.p.A. and other companies of the UniCredit group that UniCredit considers relevant and which, at present, are not characterised by known economic demand or for which the economic request cannot be quantified.

**Proceedings arising out of the purchase of HVB by UniCredit SpA and the group reorganisiation**

**(1) Voidance action challenging the transfer of shares of Bank Austria Creditanstalt AG (BA) held by HVB to UniCredit S.p.A. (Shareholders' Resolution of 25 October 2006)**
Numerous minority shareholders of HVB have filed petitions challenging the resolutions adopted by HVB's Extraordinary Shareholders' Meeting of 25 October 2006 approving various Sale and Purchase Agreements (SPA) transferring the shares held by HVB in BA and in HVB Bank Ukraine to UniCredit S.p.A. and the shares held by HVB in International Moscow Bank and AS UniCredit Bank Riga to BA and the transfer of the Vilnius and Tallin branches to AS UniCredit Bank Riga, asking the Court to declare these resolutions null and void. The actions are based on purported defects in the formalities relating to the calling for and conduct of the Extraordinary Shareholders' Meeting held 25 October 2006, and on the allegation that the sale price for the shares was too low. In the course of this proceeding, certain shareholders asked the Regional Court of Munich to state that the BCA, entered into between HVB and UniCredit S.p.A. should be regarded as a de facto domination agreement.

In the judgment of 31 January 2008, the Court declared the resolutions passed at the Extraordinary Shareholders' Meeting of 25 October 2006 to be null and void for formal reasons. The Court did not express an opinion on the issue of the alleged inadequacy of the purchase price but expressed the opinion that the BCA entered into between UniCredit S.p.A. and HVB in June 2005 should have been submitted to HVB's Shareholders' Meeting as it represented a "concealed" domination agreement.

HVB filed an appeal against this judgment since it is believed that the provisions of the BCA would not actually be material with respect to the purchase and sale agreements submitted to the Extraordinary Shareholders' Meeting of 25 October 2006, and that the matter concerning valuation parameters would not have affected the purchase and sales agreements submitted for the approval of the shareholders' meeting. HVB also believes that the BCA is not a "concealed" domination agreement, due in part to the fact that it specifically prevents entering into a domination agreement for five years following the purchase offer.

The HVB shareholder resolution could only become null and void when the Court's decision becomes final.

Moreover, it should be noted that in using a legal tool recognised under German law, and pending the aforementioned proceedings, HVB asked the Shareholders' Meeting held on 29 and 30 July 2008 to reconfirm the resolutions that were passed by the Extraordinary Shareholders' Meeting of 25 October 2006 (so-called Confirmatory Resolutions) and contested. If these Confirmatory Resolutions became final and binding, they would make the alleged improprieties in the initial resolutions irrelevant.

The Shareholders' Meeting approved these Confirmatory Resolutions, which, however, were in turn challenged by several shareholders in August 2008. In February 2009, an additional resolution was adopted that confirmed the adopted resolutions.

In the judgment of 10 December 2009, the Court rejected the voidance action against the first Confirmatory Resolutions adopted on 29 and 30 July 2008. Appeals filed by several former shareholders against this judgment were rejected by Higher Regional Court of Munich on 22 December 2010. The case is now pending before the German Federal Supreme Court. A final judgment has not yet been issued.

In light of the above events, the appeal proceedings initiated by HVB against the judgment of 31 January 2008 were suspended until a final judgment is issued in relation to the Confirmatory Resolutions adopted by HVB's Shareholders' Meeting of 29 and 30 July 2008.

**(2) Squeeze-out of HVB minority shareholders (Appraisal Proceedings)**
Approximately 300 former minority shareholders of HVB filed a request to have a review of the price obtained in the squeeze-out (Appraisal Proceedings). The dispute mainly concerns profiles regarding the valuation of HVB.
The first hearing took place on 15 April 2010. The proceedings are still pending and are expected to last for a number of years.

**(3) Squeeze-out of Bank Austria's minority shareholders**
After a settlement was reached on all legal challenges to the transaction in Austria, the resolution passed by the BA shareholders' meeting approving the squeeze-out of the ordinary shares held by minority shareholders (with the exception of the so-called "golden shareholders") was recorded in the Vienna Business Register on 21 May 2008.

The minority shareholders received the squeeze-out payment of approximately €1,045 million including the related interest.

Severa shareholders then initiated proceedings with the Commercial Court of Vienna claiming that the squeeze-out price was inadequate, and asking the Court to review the adequacy of the amount paid (appraisal proceedings).

Accordingly, the Commercial Court of Vienna and the so-called Gremium are currently dealing with the case on the merits.

In addition to the Court proceedings , a minority shareholder has initiated a parallel arbitration procedure before an Arbitral Tribunal. If the outcome of the arbitration is unfavourable for UniCredit S.p.A., a negative impact for the Group cannot be excluded.

**Cirio and Parmalat criminal proceedings**

Between the end of 2003 and the beginning of 2004, criminal investigations of some former Capitalia group (now UniCredit group) officers and managers were conducted in relation to the insolvency of the Cirio group. This resulted in certain executives and officers of the former Capitalia S.p.A. (now UniCredit S.p.A.) being committed to trial.

Cirio S.p.A.'s extraordinary administration and several bondholders joined the criminal proceedings as civil complainants without quantifying the damages claimed. UniCredit S.p.A., also as the universal successor of UniCredit Banca di Roma S.p.A., was cited as "legally liable".

On 23 December 2010, UniCredit S.p.A.– without any admission of responsibility – proposed a settlement to approximately 2,000 bondholders.

In March 2011 Cirio S.p.A.'s extraordinary administration filed its conclusions against all defendants and against UniCredit S.p.A.as "legally liable"– all the defendants jointly and severally – requesting damages in an amount of €1,9 billion. UniCredit believes the request is groundless both in fact and law and the officers involved in the proceedings in question maintain that they performed their duties in a legal and proper manner.

Negotiations aimed at settling all Cirio related matters in their entirety have to date proved unsuccessful and, on 4 July 2011 the Court of Rome ordered UniCredit, together with the individuals involved, to pay the extraordinary administration €200 million. The reasons for the Court's decision are yet to be released. An appeal will be considered once the reasons are known.

With regard to the insolvency of the Parmalat group, from the end of 2003 to the end of 2005, certain executives and officers of the former Capitalia S.p.A. (now UniCredit S.p.A.), who had been committed for trial within the scope of three distinct criminal proceedings known as "Ciappazzi", "Parmatour" and "Eurolat".

Companies of the Parmalat group in extraordinary administration and numerous Parmalat bondholders are the claimants in the civil suits in the aforementioned proceedings. All of the civil claimants' lawyers have reserved the right to quantify damages at the conclusion of the first instance trials.

In the "Ciappazzi" and "Parmatour" proceedings, several companies of the UniCredit group have been cited as legally liable. The proceedings are in the discussion phase.

Upon execution of the settlement of 1 August 2008 between UniCredit group and Parmalat S.p.A., and as Parmalat group companies are in extraordinary administration, all civil charges were either waived or revoked.

The officers involved in the proceedings in question maintain that they performed their duties in a legal and proper manner.

On 11 June 2010, UniCredit reached an agreement with the Association of Parmalat Bondholders of the Sanpaolo IMI group (the Association) aimed at settling, without any admission of responsibility, the civil claims brought against certain banks of the UniCredit group by the approximately 32,000 Parmalat bondholders who are members of the Association. In October 2010 that agreement has been extended to the other bondholders who had joined the criminal proceedings as civil complainants (approximately 5,000).

For the Parmalat and Cirio cases provisions have been made for an amount consistent with what currently appears to be the potential risk of liability for UniCredit S.p.A. as legally liable.

**Medienfonds**
Various customers bought shares in VIP Medienfonds 4 Gmbh & Co. KG (Medienfonds).
HVB did not sell shares in the fund, but granted loans to all private investors for a part of the amount invested in the fund; moreover, to collateralize the fund, HVB assumed specific payment obligations of certain film distributors with respect to the fund
When certain expected tax benefits associated with this type of investment were revoked, many investors brought various kinds of legal proceedings against HVB and others. The investors argue that HVB did not disclose to them the risks of the tax treatment being revoked and assert HVB, together with other parties, including the promoter of the fund, is responsible for the alleged errors in the prospectus used to market the fund. Additionally some plaintiffs invoke also rights under German consumer protection laws.

The courts of first and second instance have passed various sentences, of which several were unfavourable for HVB and there is one case pending before the German Federal Court.

The District High Court of Munich is dealing with the issue relating to prospectus liability through a specific procedure pursuant to the Capital Markets Test Case Act (*Kapitalanleger-Musterverfahrensgesetz*). A decision is expected in December 2011.

Aside from the civil proceedings, the fiscal courts have not yet issued a final decision as to whether the tax benefits were rightfully revoked.

HVB has made provisions which are, at present, deemed to be appropriate.

**CODACONS Class actions**
With a petition served on 5 January 2010, CODACONS (Coordination of the associations for the defence of the environment and the protection of consumer rights), on behalf of one of its applicants, submitted a class action to the Court of Rome against UniCredit Banca di Roma S.p.A. (now UniCredit S.p.A.) pursuant to article 140-bis of the Consumer Code (Legislative Decree no. 206 dated 6 September 2005). This action, which was brought for an amount of €1,250 (plus unspecified non-material damages), is based on the allegations of AGCM, according to which Italian banks would have compensated for the abolition of maximum overdraft commission by introducing new and more costly commissions for clients. The applicant asked the Court of Rome to allow the action specifying the criteria for being included in the class action and setting a period of not more than 120 days within which the parties may join the class action. If the Court considers the class action admissible, the amount requested could significantly increase based on the number of adhesions of current account holders of UniCredit Banca di Roma S.p.A. who consider that they have suffered damages as a result of the behaviour at issue.

Another class action – together with a request to join the two actions – was filed on 9 August 2010 by CODACONS on behalf of one of its members, before the Court of Rome against UniCredit Banca di Roma S.p.A. (now UniCredit S.p.A.) based on the same claims and asking for an amount of €1,110 (including non-material damages).

The only difference between the two actions is that this claimant had a credit current account.

The Court of Rome, in two separate decisions taken on 25 March 2011, granting UniCredit's the motions, rejected the request to join filed by CODACONS and dismissed the two class actions.
In July 2011 the CODACONS appealed both decisions in the Court of Appeal of Rome, the first hearing is set for11 January 2012.

UniCredit S.p.A. believes it has consistently operated in compliance with the law in relation to its commission policy.

**Derivatives**

In Germany and Italy, there is a tendency for derivative contracts to be challenged most notably by non-institutional investors where those contracts are out of the money. This is affecting the financial sector generally and is not specific to UniCredit and its group companies. Due to the current uncertainty, it is impossible to assess the full impact of such challenges on the Group.

**Other Potential Claims**

The Bank's international operations expose it to increasing requirements and scrutiny under a range of both domestic and international regulatory regimes. As a result, the Bank is and may become involved in regulatory inquiries covering various areas including economic sanctions and anti-money-laundering regulations. Such inquiries may continue over significant periods of time before being closed and may result in sanctions, fines or other judicial or regulatory actions.

*C. Risks arising from tax disputes related to structured finance transactions*
The 2010 Consolidated Financial Statements - "Part E - Information on risks and related risk management policies" gives an account of some assessment notices related to structured finance transactions carried out in 2004 and 2005.

The notices were given to UniCredit S.p.A. on its own behalf and in its capacity as the holding company of Capitalia S.p.A., UniCredit Banca S.p.A., Banco di Sicilia S.p.A. and UniCredit Banca di Roma S.p.A.

As reported in the 2010 Consolidated Financial Statements - "Part E - Information on risks and related risk management policies", in financial years 2007, 2008 and 2009, in differing amounts and subject to differing pricing conditions, UniCredit Banca S.p.A., UniCredit Corporate Banking S.p.A. and UniCredit Banca di Roma S.p.A. carried out a certain type of structured finance transaction with the Milan Branch of the British bank Barclays Plc.

This type of transaction – which has been called "Brontos" by the British bank – consists in a Repo carried out between the Milan Branch of Barclays Plc and the aforementioned banks of the UniCredit Group, with underlying financial instruments denominated in Turkish lira issued by a Luxembourg company wholly-owned by the Barclays Group.

In the first half of 2009, the Milan prosecutor's office launched an investigation with respect to such transactions and is examining the alleged criminal offense pursuant to Art. 3 of Legislative Decree No. 74 of March 10, 2000, and Articles 81 and 112, clauses 1 and 2, of the Penal Code. On October 18, 2011, at the request of the the Milan prosecutor's office, the preliminary investigations judge served UniCredit S.p.A. with an interim Freezing order, further to art. 321, section 2 of the Code of Criminal Procedure, for the total amount of €245,956,118.49 exercisable on the accounts of UniCredit S.p.A. with the Bank of Italy, Milan branch. This order has been appealed by the Bank. On October 27, 2011 both the external counsel acting for the individuals who are being investigated, as well as the individuals themselves were officially told that the prosecutor had concluded his investigations; from that date the external counsel were thus able to start a close examination of all the evidence at disposal of the Milan prosecutor's office.

Starting from March 2011 the Italian Tax Police (Guardia di Finanza) started a tax assessment of structured finance transactions executed by Group Banks in the years 2006, 2007, 2008 and 2009, including the "Brontos" transaction described above. Following the assessment, on June 21, 2011 the Italian Tax Police (Guardia di Finanza) served on UniCredit S.p.A. the tax audit reports related to the aforementioned transactions, broken down by year and by company name. The reports show a tax liability totaling €445 million, of which €269 million related to the "Brontos" transaction and €176 million related to the other above-mentioned structured finance transactions carried out from 2006 to 2008.

With respect to the transactions other than "Brontos", after careful examination of all available information and any costs/opportunities, UniCredit S.p.A. has deemed it appropriate:

- to reject all charges regarding financial year 2004, for which no provisions have been made;
- to make a tax settlement proposal in May 2011 with regard to financial year 2005 and pay a total of €106 million (of which €27 million were sanctions and interests);
- to make, on the basis of the financial statements as at June 30, 2011, an adequate provision for the financial years 2006 and 2007, also taking into account their similarity to those which have been settled with regard to 2005 or any other relevant circumstances .

With reference to the so-called "Brontos" transaction, UniCredit is examining its position, in particular:

- in respect of penal implications, it is carrying out, through its lawyers and within the time prescribed by law, a close examination of the documentation filed by the Milan prosecutor's office at the conclusion of the investigation;
- in respect of tax implications, it has rejected the tax audit reports by filing defense briefs at the competent offices of the Revenue Agency during the month of August 2011.

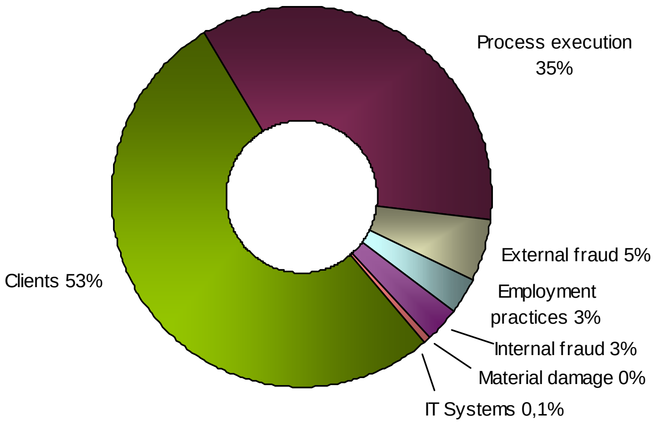
Given the ongoing investigations and the decision not to agree, at least for now, to a tax settlement proposal, in light of the available information, with reference to the so-called Brontos operations, UniCredit has recently reaffirmed – also in conjunction with the notification of the Freezing order - its belief in the correctness of its actions and continues, therefore, to examine its position also with a view to the preparation of its financial statements.

## Quantitative Information

Detailed below is the percentage composition, by type of event, of operational risk sources as defined by the New Basel Capital Accord and acknowledged by the New regulations for the prudential supervision of banks issued by the Bank of Italy in December 2006 (Circular No. 263/2006) and in successive updates.

The major categories are as follows:

- internal fraud: losses owing to unauthorized activity, fraud, embezzlement or violation of laws, regulations or business directives that involve at least one internal member of the bank;
- external fraud: losses owing to fraud, embezzlement or violation of laws by subjects external to the bank;
- employment practices and workplace safety: losses arising from actions in breach of employment, health and workplace safety laws or agreements, from personal injury compensation payments or from cases of discrimination or failure to apply equal treatment;
- clients, products and professional practices: losses arising from non-fulfillment of professional obligations towards clients or from the nature or characteristics of the products or services provided;
- damage from external events: losses arising from external events, including natural disasters, acts of terrorism and vandalism;
- business disruption and system failures: losses owing to business disruption and system failures or interruptions;
- process management, execution and delivery: losses owing to operational or process management shortfalls, as well as losses arising from transactions with commercial counterparties, sellers and suppliers.




In the first 9 months of 2011, the main source of operational risk in terms of accounted operational losses was "Clients, products and professional practices", a category which includes losses arising from the non-fulfillment of professional obligations towards clients or from the nature or characteristics of the products or services provided, as well as any sanctions for violating tax regulations. The second largest contribution to losses came from errors in "process management, execution and delivery" due to operational or process management shortfalls. There were also, losses stemming from external fraud, employment practices and internal fraud. The residual risk categories were damage to physical assets from external events and IT systems related problems.

## Section 5 – Other risks

The Group has identified risks inherent its own asset and liability positions and its operations, singling out the following types of risk in addition to the credit, market, operational and liquidity risks already mentioned:

- **business risk**: this derives from changes in earnings not due to market, credit or operational risks, but to changes in the competitive environment and in customer behavior. Specifically, it mainly concerns future changes in earnings and their impact on the Group's value and capitalization levels.
- **real estate risk**: this risk comprises potential losses from adverse fluctuations in the market value of the real estate portfolio owned by the Group. Customers' properties subject to mortgage and leased property are not included.
- **financial investment risk**: this represents the potential loss in value of non-speculative financial investments made in non-Group companies which are not included in the scope of consolidation. Trading book positions are not taken into consideration.
- **strategic risk**: this arises from unexpected changes in the competitive environment, from the failure to recognize ongoing trends in the banking sector or from making incorrect conclusions regarding these trends.
- **reputational risk**: this is the current or future risk of a decline in profits as a result of a negative perception of the bank's image by customers, counterparties, bank shareholders, investors or the Regulator.

Once the significant risks have been identified, the best qualitative and quantative method for analyzing them is determined. Quantitative measurement is carried out using:

- estimated economic capital;
- Stress tests.

Economic capital is the capital the Group needs to hold to bear risks associated with its positions and operations and is calculated in relation to both individual and combined risk categories consistent with the target rating. Business, real estate and financial investment risk are measured using economic capital, since the amount of capital determined may be used to cover potential losses. Moreover, risks quantifiable via economic capital (including credit, market and operational risk) are also considered in internal capital measurement as described in the next section. Strategic and reputational risk are managed through a qualitative approach.
The multi-dimensional nature of risk necessitates stress testing in addition to the measurement of economic capital. This is done not only to estimate losses in certain scenarios, but also to understand the impact of the factors causing these losses.
Stress tests are performed for individual risk categories as well as for their aggregation, by simulating combined changes in risk factors.
The combined Stress test estimate considers both the amount of individual risks in stressed scenarios, as well as with the reduction of the benefit of diversification in crisis conditions.

## Internal Capital Adequacy Assessment Process (ICAAP)

In accordance with the Basel 2 recommendations, measuring risk profile is a fundamental element of the capital adequacy process.

The Group's approach to the capital adequacy assessment entails five stages:

- risk governance;
- perimeter definition and risk identification;
- risk profile assessment;
- risk appetite setting and capital allocation;
- monitoring and reporting.

The capital adequacy process is of fundamental importance within the Group and therefore requires an adequate risk management system ensuring the involvement of Senior Management and appropriate assignment of ICAAP activities to the organizational functions.
Risk profile measurement is carried out using the internal capital, which is determined by aggregating the economic capital related to the types of risk described above, net of diversification benefits, plus a cushion that takes into account the variability of the economic cycle and the risk model, with reference to the quality of the data and the accuracy of the models.

Risk appetite can be defined as the long- and short-term variability in results that Senior Management is willing to accept in support of a particular strategy.
The risk appetite framework adopted by UniCredit comprises three areas:

- capital adequacy;
- profitability and risks;
- liquidity and funding.

Capital adequacy is the balance between capital and assumed risk, with a view to both the First and Second Pillar, for the latter the relevant metric is the Risk Taking Capacity, that is the ratio of available capital (Available Financial Resources, AFR) to internal capital.

The Stress test on risks is run considering scenario impacts on available capital, which represents the Group capacity to stand further losses in stressed conditions.
Risk appetite and set targets are then subject to monitoring and reporting to the appropriate committees.
The Parent Company is required to submit an ICAAP Report drawn up in accordance with the Bank of Italy's guidelines and to provide an overview of the main Group entities.

## Reputational risk

Reputational risk is identified as the current or future risk of a decline in profits as a result of a negative perception of the Bank's image by customers, counterparties, bank shareholders, investors or the Regulator.

In August 2010 the UniCredit S.p.A. Board of Directors approved the Group Reputational Risk Governance Guidelines, which aim at defining a general set of principles and rules for measuring and controlling reputational risk. In the Parent Company the Reputational Risk Methodologies and Control unit is formally appointed within the Group Operational and Reputational Risks department..

The Governance Guidelines were distributed to the UniCredit group legal entities for implementation, through a letter signed by the CEO and the Head of Group Risk Management.

The primary role of Reputational Risk Methodologies and Control is:

- developing methodologies for the measurement and control of reputational risk (RRM), facilitating the task of identifying, valuing and measuring such risk;
- monitoring the implementation – in the legal entities – of methodologies of reputational risk (general guidelines for the management and control of reputational risk), defining the tasks to be carried out on a regular basis;
- proposing mitigation actions to the competent functions and bodies;
- defining the methodology for evaluating the reputational risk of products.

Moreover, the set up of the Group Operational & Reputational Risk Committee, reporting to the Group Risk Committee, ensures consistency in reputational risk policies, methodologies and practices across Divisions/Business Units and legal entities, controlling and monitoring the Reputational Risk portfolio, at Group level. Furthermore the Transactional Credit Committees are in charge of evaluating possible reputational risks inherent transactions, on the basis of the current reputational risk guidelines and policies.

Finally, in December 2010 the Group Risk Committee approved the Reputational Risk Special Policy – Non Co-operative Jurisdictions (NCJs) - which aims to define rules and principles for managing new business in NCJs in order to support the UniCredit group to safeguard itself from tax and reputational risk-taking. This policy is in addition to the already existing "Defense/Weapons Industry" and "Nuclear Energy" Reputational Risk Special Policies.

# Part F – Consolidated Shareholders' Equity

# Part F – Information on Shareholders' Equity

## Section 1 – Consolidated Shareholders' Equity

### A. Qualitative information

The UniCredit Group has made a priority of capital management and allocation (for both regulatory and economic capital) on the basis of the risk assumed in order to expand the Group's operations and create value. These activities are part of the Group planning and monitoring process and comprise:

- planning and budgeting processes:
  - proposals as to risk propensity and capitalisation objectives;
  - analysis of risk associated with value drivers and allocation of capital to business areas and units;
  - assignment of risk-adjusted performance objectives;
  - analysis of the impact on the Group's value and the creation of value for shareholders;
  - preparation and proposal of the financial plan and dividend policy;
- monitoring processes
  - analysis of performance achieved at Group and business unit level and preparation of management reports for internal and external use;
  - analysis and monitoring of limits;
  - analysis and performance monitoring of the capital ratios of the Group and individual companies.

The Group has set itself the goal of generating income in excess of that necessary to remunerate risk (cost of equity), and thus of creating value, so as to maximise the return for its shareholders in terms of dividends and capital gains (total shareholder return). This is achieved by allocating capital to various business areas and business units on the basis of specific risk profiles and by adopting a methodology based on risk-adjusted performance measurement (RAPM), which will provide, in support of planning and monitoring processes, a number of indicators that will combine and summarise the operating, financial and risk variables to be considered.

Capital and its allocation are therefore extremely important for strategy, since capital is the object of the return expected by investors on their investment in the Group, and also because it is a resource on which there are external limitations imposed by regulatory provisions.

The definitions of capital used in the allocation process are as follows:

- Risk or employed capital: This is the equity component provided by shareholders (employed capital) for which a return that is greater than or equal to expectations (cost of equity) must be provided;
- Capital at risk: This is the portion of capital and reserves that is used (the budgeted amount or allocated capital) or was used to cover (at period-end - absorbed capital) risks assumed to pursue the objective of creating value.

Capital at risk is dependant on the propensity for risk and is based on the target capitalization level which is also determined in accordance with the Group's credit rating.

If capital at risk is measured using risk management methods, it is defined as economic capital, if it is measured using regulatory provisions, it is defined as regulatory capital. In detail:

- Economic capital is the portion of equity that is actually at risk, which is measured using probability models over a specific confidence interval.
- Regulatory capital is the component of total capital represented by the portion of shareholders' equity put at risk (Core Equity or Core Tier 1) that is measured using regulatory provisions.

Economic capital and regulatory capital differ in terms of their definition and the categories of risk covered. The former is based on the actual measurement of exposure assumed, while the latter is based on schedules specified in regulatory provisions.

The relationship between the two different definitions of capital at risk can be obtained by relating the two measures to the Group's target credit rating (AA- by S&P) which corresponds to a probability of default of 0.03%. Thus, economic capital is set at a level that will cover adverse events with a probability of 99.97% (confidence interval), while regulatory capital is quantified on the basis of a Core Tier 1 target ratio in line with that of major international banking groups with at least the same target rating and keeping into account the effects of the supervisory regulations that will be adopted (Basel 3, Global Systemically Important Financial Institutions: G-SIFIs, etc.).

Thus, during the application process the "double track" approach is used which assumes that allocated capital is the greater of economic capital and core tier 1 capital at both the consolidated and business area or business unit levels.

If economic capital is higher, this approach makes it possible to allocate the actual capital at risk that regulators have not yet been able to incorporate, and if regulatory capital is higher, it is possible to allocate capital in keeping with regulatory provisions.
The starting point for the capital allocation process is consolidated capital attributable to the Group.

The purpose of the capital management function performed by the Capital Management unit of Planning, Finance and Administration is to define the target level of capitalisation for the Group and its companies in line with regulatory restrictions and the propensity for risk.

Capital is managed dynamically: the Capital Management unit prepares the financial plan, monitors capital ratios for regulatory purposes and anticipates the appropriate steps required to achieve its goals. On the one hand, monitoring is carried out in relation to both shareholders' equity and the composition of capital for regulatory purposes (Core Tier 1, Tier 1, Lower and Upper Tier 2 and Tier 3 Capital), and on the other hand, in relation to the planning and performance of risk-weighted assets (RWA).

The dynamic management approach aims to identify the investment and capital-raising instruments and hybrid capital instruments that are most suitable for achieving the Group's goals. If there is a capital shortfall, the gaps to be filled and capital generation measures are indicated, and their cost and efficiency are measured using RAPM. In this context, value analysis is enhanced by the joint role played by the Capital Management unit in the areas of regulatory, accounting, financial, tax-related, risk management and other aspects and the changing regulations[1] affecting these aspects so that an assessment and all necessary instructions can be given to other Group HQ areas or the companies asked to perform these tasks.

[1] E.g. Basel 3, G-SIFIs, IAS/IFRS etc.

## Section 2 – Shareholders’ Equity and banking regulatory ratios

### 2.1 Regulatory framework

The UniCredit group’s prudential scope of consolidation is based on regulatory rules (Bank of Italy regulations n. 263/2006 and n. 155/1991, as subsequent updates).
In this scope have to be enclosed the subsidiaries with the following characteristics:

- banks, financial companies and ancillary banking services companies directly or indirectly controlled to which the line-by-line consolidation method is applied;
- banks, financial companies and ancillary banking services companies directly or indirectly participated for a share equal or more than the 20% when they are jointly controlled with other entities, to these subsidiaries has to be applied the proportional consolidation method
- banks or financial companies directly or indirectly participated for a share equal or more than the 20% or anyway subjected to significant influence; to these subsidiaries has to be applied the equity method;
- companies, different from banks, financial companies and ancillary banking services companies directly or indirectly controlled exclusively or jointly or subjected to significant influence, to these subsidiaries has to be applied the equity method.

In accordance with the mentioned regulations, equity interests over 10% in banking and financial companies are deducted from the capital for regulatory purposes; other equity investments are recognized as risk-weighted assets.

It has to be underlined that the prudential scope of consolidation is different from the one defined by IAS/IFRS rules.

## 2.2 Capital for regulatory purposes

*A. Qualitative information*

1. Tier 1

The following instruments are included in tier 1:

| INTEREST RATE | MATURITY | STARTING DATE OF PREPAYMENT OPTION | AMOUNT IN ORIGINAL CURRENCY (mln) | | AMOUNT INCLUDED IN REGULATORY EQUITY (euro '000) | STEP-UP | OPTION TO SUSPEND INTEREST PAYMENT | ISSUED THROUGH A SPV SUBSIDIARY |
|---|---|---|---|---|---|---|---|---|
| 9.375% | 31-Dec-50 | Jul-20 | EUR | 500 | 496,369 | yes | yes | no |
| 7.055% | perpetual | Mar-12 | EUR | 600 | 324,253 | yes | yes | yes |
| 4.028% | perpetual | Oct-15 | EUR | 750 | 749,400 | yes | yes | yes |
| 5.396% | perpetual | Oct-15 | GBP | 300 | 311,758 | yes | yes | yes |
| 8.5925% | 31-Dec-50 | Jun-18 | GBP | 350 | 366,449 | yes | yes | no |
| 8.125% | 31-Dec-50 | Dec-19 | EUR | 750 | 750,000 | yes | yes | no |
| 8.741% | 30-Jun-31 | Jun-29 | USD | 300 | 89,576 | no | yes | yes |
| 7.760% | 13-Oct-36 | Oct-34 | GBP | 100 | 39,712 | no | yes | yes |
| 9.000% | 22-Oct-31 | Oct-29 | USD | 200 | 67,606 | no | yes | yes |
| 3.500% | 31-Dec-31 | Dec-29 | JPY | 25,000 | 240,871 | no | yes | yes |
| 10y CMS (°) +0,10%, cap 8,00 % | perpetual | Oct-11 | EUR | 250 | 248,337 | no | yes | no |
| 10y CMS (°) +0,15%, cap 8,00 % | perpetual | Mar-12 | EUR | 150 | 148,929 | no | yes | no |
| **TOTAL** | | | | | **3,833,260** | | | |

(°) Constant Maturity Swap

2. Tier 2

The following table shows upper tier 2 instruments, which account for more then 10% of the total issued amount:

| INTEREST RATE | MATURITY | STARTING DATE OF PREPAYMENT OPTION | AMOUNT IN ORIGINAL CURRENCY (mln) | | AMOUNT INCLUDED IN REGULATORY EQUITY (euro '000) | STEP-UP | OPTION TO SUSPEND INTEREST PAYMENT |
|---|---|---|---|---|---|---|---|
| 3.95% | 01-Feb-16 | not applicable | EUR | 900 | 892,231 | not applicable | yes (°) |
| 5.00% | 01-Feb-16 | not applicable | GBP | 450 | 518,233 | not applicable | yes (°) |
| 6.70% | 05-Jun-18 | not applicable | EUR | 1,000 | 996,491 | not applicable | yes (°) |
| 6.10% | 28-Feb-12 | not applicable | EUR | 500 | 499,874 | not applicable | yes (°) |

(°) -- if dividend is not paid, payment of intertest is suspended (deferral of interest)
-- if losses take share capital and reserves under the threshold set by Bank of Italy to authorize banking business, face value and interests are proportionally reduced

3. Tier 3

There are no values to be disclosed.

## *B. Quantitative information*

**Regulatory Capital Breakdown** (€ '000)

| REGULATORY CAPITAL | 09.30.2011 | 12.31.2010 |
|---|---|---|
| **A. Tier 1 before prudential filters** | **46,400,464** | **46,646,150** |
| A.1 Tier 1 positive items: | 71,522,714 | 72,391,578 |
| *A.1.1 - Capital* | *9,592,142* | *9,974,637* |
| *A.1.2 - Share premium account* | *38,582,700* | *41,085,295* |
| *A.1.3 - Reserves* | *16,519,479* | *16,126,727* |
| *A.1.4 - Innovative capital instruments and non-innovative capital instruments with maturity date* | *496,369* | *496,293* |
| *A.1.5 - Non-innovative capital instruments computable up to the limit of 50% (°)* | *2,983,000* | - |
| *A.1.6 - Instruments subject to transitional provisions (grandfathering) (°°)* | *3,349,024* | *3,855,889* |
| *A.1.7 - Net income of the year/Interim profit* | - | *852,737* |
| A.2 Tier 1 negative items: | *(25,122,250)* | *(25,745,428)* |
| *A.2.1 - Treasury stocks* | *(7,764)* | *(4,218)* |
| *A.2.2 - Goodwill* | *(12,707,832)* | *(21,687,385)* |
| *A.2.3 - Other intangible assets* | *(3,210,839)* | *(4,053,825)* |
| *A.2.4 - Loss of the year/Interim loss* | *(9,195,815)* | - |
| *A.2.5 - Other negative items:* | - | - |
| ** Value adjustments calculated on the supervisory trading book* | - | - |
| ** Others* | - | - |
| **B. Tier 1 prudential filters** | **(419,165)** | **(1,091,687)** |
| B.1 Positive IAS/IFRS prudential filters (+) | 67,498 | 55,632 |
| B.2 Negative IAS/IFRS prudential filters (-) | (486,663) | (1,147,319) |
| **C. Tier 1 capital gross of items to be deducted (A+B)** | 45,981,299 | 45,554,463 |
| **D. Items to be deducted** | **2,441,981** | **2,517,321** |
| **E. Total TIER 1 (C-D)** | **43,539,318** | **43,037,142** |
| **F. Tier 2 before prudential filters** | **17,680,601** | **18,317,190** |
| F.1 Tier 2 positive items: | **19,252,177** | **18,856,974** |
| *F.1.1 - Valuation reserves of tangible assets* | - | - |
| *F.1.2 - Valuation reserves of available-for-sale securities* | *297,566* | *222,335* |
| *F.1.3 - Non-innovative capital instruments not eligible for inclusion in Tier 1 capital* | - | - |
| *F.1.4 - Innovative capital instruments not eligible for inclusion in Tier 1 capital* | - | - |
| *F.1.5 - Hybrid capital instruments* | *3,307,679* | *3,307,134* |
| *F.1.6 - Tier 2 subordinated liabilities* | *14,542,567* | *14,606,208* |
| *F.1.7 - Surplus of the overall value adjustments compared to the expected losses* | *826,502* | *443,434* |
| *F.1.8 - Net gains on participating interests* | - | - |
| *F.1.9 - Other positive items* | *277,863* | *277,863* |
| F.2 Tier 2 negative items: | *(1,571,576)* | *(539,784)* |
| *F.2.1 - Net capital losses on participating interests* | (43,324) | - |
| *F.2.2 - Loans* | - | - |
| *F.2.3 - Other negative items* | *(1,528,252)* | *(539,784)* |
| **G. Tier 2 prudential filters:** | *(148,783)* | *(111,168)* |
| G.1 Positive IAS/IFRS prudential filters (+) | **-** | **-** |
| G.2 Negative IAS/IFRS prudential filters (-) | (148,783) | (111,168) |
| **H. Tier 2 capital gross of items to be deducted (F+G)** | 17,531,818 | 18,206,022 |
| **I. Items to be deducted from Tier 2** | **2,441,981** | **2,517,321** |
| **L. Total TIER 2 (H-I)** | **15,089,837** | **15,688,701** |
| **M. Deductions from Tier 1 and Tier 2** | **1,035,015** | **1,071,064** |
| **N. Capital for regulatory purposes (E+L-M)** | **57,594,140** | **57,654,779** |
| **O. Tier 3 Capital** | **-** | **-** |
| **P. Capital for regulatory purposes included Tier 3 (N+O)** | **57,594,140** | **57,654,779** |

(°) The ordinary shares underlying to the "CASHES" transaction and the related share premium account are reclassified under "*Non-innovative capital instruments computable up to the limit of 50%*", for a total amount of €2,983,000 thousands. The CASHES are equity-linked instruments, issued for a countervalue of €2,983,000 thousands in February 2009 by The Bank of New York (Luxembourg) SA, with a maturity on December 15, 2050 and convertible, under certain conditions, into 967,564,061 ordinary shares of UniCredit S.p.A. underwritten by Mediobanca in the context of the capital increase approved by the UniCredit Extraordinary Shareholders' Meeting on November 14, 2008. Therefore, since such shares are already issued, they are fully loss absorbing as any other ordinary share.

(°°) Includes €12,133 thousands of savings shares.

## 2.3 Capital adequacy

### A.Qualitative information

See the above "Section 1 – Consolidated Shareholders' Equity" for qualitative information on the procedures adopted by the Banking Group to assess the adequacy of regulatory capital supporting current and future activities.

### B. Quantitative information

**Capital Adequacy** (€ '000)

| Categories/Items | Non Weighted assets | | Weighted assets/requirements | |
|---|---|---|---|---|
| | 09.30.2011 | 12.31.2010 | 09.30.2011 | 12.31.2010 |
| **A. RISK ASSETS** | | | | |
| **A.1 Credit and counterparty risk** | **882,884,923** | **875,576,304** | **383,019,387** | **395,636,268** |
| 1. Standardized approach | 370,295,204 | 407,916,124 | 187,364,482 | 216,239,490 |
| 2. IRB approaches | 496,723,843 | 444,552,841 | 191,273,081 | 173,791,755 |
| *2.1 Foundation* | *18,860,611* | - | *12,163,866* | - |
| *2.2 Advanced* | *477,863,232* | *444,552,841* | *179,109,215* | *173,791,755* |
| 3. Securitizations | 15,865,876 | 23,107,339 | 4,381,824 | 5,605,023 |
| **B. CAPITAL REQUIREMENTS** | | | | |
| **B.1 Credit and counterparty risk** | | | **30,641,551** | **31,650,901** |
| **B.2 Market Risk** | | | **929,414** | **716,179** |
| 1. Standardized approach | | | 233,615 | 302,209 |
| 2. Internal models | | | 695,799 | 413,970 |
| 3. Concentration risk | | | - | - |
| **B.3 Operational risk** | | | **4,067,603** | **4,020,892** |
| 1. Basic indicator approach (BIA) | | | 340,679 | 281,675 |
| 2. Traditional standardized approach (TSA) | | | 265,161 | 475,782 |
| 3. Advanced measurement approach (AMA) | | | 3,461,763 | 3,263,435 |
| **B.4 Other capital requirements** | | | **-** | **-** |
| **B.5 Other calculation elements** | | | **362,301** | **-** |
| **B.6 Total capital requirements** | | | **36,000,869** | **36,387,972** |
| **C. RISK ASSETS AND CAPITAL RATIOS** | | | | |
| **C.1 Risk Weighted Assets** | | | **450,010,862** | **454,849,656** |
| **C.2 TIER 1 capital/Risk Weighted Assets (TIER 1 capital ratio)** | | | **9.68%** | **9.46%** |
| **C.3 Capital for regulatory purposes (included TIER 3)/Risk Weighted Assets (Total capital ratio)** | | | **12.80%** | **12.68%** |

# Part G – Business Combinations

# Part G – Business Combinations

## Section 1 - Business combinations completed in the period

### 1.1 Business Combinations

Business Combinations with counterparties outside the Group are carried out using the "purchase method" prescribed by IFRS 3 – Business Combination.

In August 2011 the Group has acquired control of Compagnia ItalPetroli S.p.A., through the purchase of another 51% stake bringing its full investment to 100%, in the context of a wider transaction that has determined the sale of AS Roma S.p.A. by Compagnia Italpetroli to Neep Roma Holding S.p.A.

The Business Combination transaction has determined the recognition of goodwill for €53.8 million and equal to the difference between:

- Cost of the investment, equal to € 30 million and
- Fair Value of assets and liabilities of Compagnia Italpetroli determined contextually with the First Time Adoption by the company of IFRS. The net assets arising from First Time Adoption of IFRS has been further adjusted so to consider the inter-company share of the gains arisen from the sale of AS Roma to Neep Holding and other inter-company relationship.

Goodwill has been fully impaired on September 30, 2011, due to the absence of business plans and considering the intention to liquidate the investment.

# Part H – Related-Party Transactions

# Part H – Related-Party Transactions

UniCredit's well-established operating policy is to constantly comply with principles of transparency and substantial correctness and to follow fair procedures in conducting related-party transactions in line with the legal and regulatory provisions applicable at the time of such transactions.

In particular, as a listed issuer UniCredit adopted the "Related-party transactions procedures" which provide for preliminary and conclusive rules with respect to transactions with related parties initiated by UniCredit S.p.A., including those conducted through subsidiary companies, as well as the manner in which information is disclosed to management and the market. In accordance with the "Regulation on related-party transactions" issued by Italy's CONSOB Resolution 17221 of March 12, 2010 (as amended/ supplemented), the aforementioned procedures, which can be found on UniCredit's web site (www.unicreditgroup.eu) – identify the following requirements:

- independence of UniCredit's Directors asked to express their opinions on related-party transactions;
- boundary of UniCredit's related parties;
- major related-party transactions;
- instances of exemption and exclusion utilised by UniCredit;
- the manner in which related-party transactions are started and approved, even when they are initiated by Italian or foreign subsidiary companies;
- the manner and timing information on related-party transactions is conveyed to independent Directors as well as Administration and Regulatory Bodies;
- transparency obligations towards Management, Regulatory Authorities and the market.

Notwithstanding compliance with the rule referred to in article 2391 of the Italian Civil Code concerning Directors' interests, the provision in article 136 of Legislative Decree 385/93 (Consolidated Banking Act) must also be applied to banks and companies belonging to the UniCredit group. In accordance with the Consolidated Banking Act, corporate representatives (or the companies which are majority-owned by them or where they perform administrative, governing and controlling functions as well as related subsidiary or controlling companies) may take on obligations towards companies they manage, run or control or other companies belonging to the Group where financing transactions are involved, only subject to a unanimous decision by the concerned bank's or company's administrative body that is taken by a vote in favour by all members of the Audit Committee and, where applicable, with the Parent Company's approval.

In this context, it must be pointed out that during the period under consideration no related-party transaction that would qualify as major according to the "Related-party transactions procedures" referred to earlier was carried out. In the first nine months of 2011, transactions were carried out within the group and/or generally with Italian and foreign related parties that fall within the ordinary course of business and related financial activity; as a rule, they were executed on the same terms and conditions as those applied to transactions entered into with independent third parties. Intra-group transactions were carried out based on assessments of a mutual economic advantage, and the determination of applicable terms and conditions took place in compliance with substantial correctness, keeping in mind the common goal of creating value for the entire UniCredit group. The same principle was also applied to intra-group services, combined with the principle of charging for such services at minimal rate solely to recover related production costs.

The following table sets out the assets, liabilities, guarantees and commitments as at September 30, 2011, for each group of related parties, pursuant to IAS 24.

| **Related party transactions** | | | | | | | **(€ '000)** |
|---|---|---|---|---|---|---|---|
| | **AMOUNT AS AT 09.30.2011** | | | | | | |
| | **NON-CONSOLIDATED SUBSIDIARIES** | **NON-CONSOLIDATED JOINT VENTURES** | **ASSOCIATES** | **KEY MANAGEMENT PERSONNEL** | **OTHER RELATED PARTIES** | **TOTAL** | **% ON CONSOLIDATED** |
| Financial asset held for trading | - | - | 287,934 | - | - | 287,934 | 0.21% |
| Financial asset designated at fair value | - | - | 42,702 | - | - | 42,702 | 0.14% |
| Available for sale financial asset | 39 | 45 | 78,728 | - | - | 78,812 | 0.14% |
| Held to maturity investments | - | - | - | - | - | - | 0.00% |
| Loans and receivables with banks | - | 2,537 | 819,283 | - | 3,042,957 | 3,864,777 | 5.33% |
| Loans and receivables with customers | 21,005 | 8,154 | 1,634,636 | 2,808 | 48,378 | 1,714,981 | 0,30% |
| Other assets | 1,026 | 114 | 27,473 | - | 10,907 | 39,520 | 0.32% |
| **Total Assets** | **22,070** | **10,850** | **2,890,756** | **2,808** | **3,102,242** | **6,028,726** | **0.68%** |
| Deposits from banks | - | 14,346 | 11,264,515 | - | 2,986 | 11,281,847 | 8.09% |
| Deposits from customers | 36,852 | 7,728 | 499,048 | 5,959 | 125,849 | 675,436 | 0.17% |
| Debt securities in issue | - | - | 168,469 | - | - | 168,469 | 0.06% |
| Other liabilities | 234 | 1 | 11,772 | 7 | 24,468 | 36,482 | 0.15% |
| **Total Liabilities** | **37,086** | **22,075** | **11,943,804** | **5,966** | **153,303** | **12,162,234** | **1.41%** |
| Guarantees given and commitments | 385 | 2,100 | 117,840 | - | 717,208 | 837,533 | 0.45% |

The following table sets out the impact of transactions with related parties on the main income statement items, for each group of related parties.

| **Related party transactions: Profit and Loss items** | | | | | | | (€ '000) |
|---|---|---|---|---|---|---|---|
| | **FIRST NINE MONTHS 2011** | | | | | | |
| | **NON-CONSOLIDATED SUBSIDIARIES** | **NON-CONSOLIDATED JOINT VENTURES** | **ASSOCIATES** | **KEY MANAGEMENT PERSONNEL** | **OTHER RELATED PARTIES** | **TOTAL** | **% ON CONSOLIDATED** |
| Interest income and similar revenues | 940 | 177 | 41,511 | 56 | 11,019 | 53,703 | 0.24% |
| Interest expense and similar charges | (1,313) | (112) | (191,927) | (39) | (3,354) | (196,745) | 1.90% |
| Fee and commission income | 150 | 10 | 445,498 | 66 | 34,146 | 479,870 | 6.30% |
| Fee and commission expense | (567) | (1) | (43,565) | (5) | (9,086) | (53,224) | 3.93% |
| Impairment losses on: | (90) | - | (1,324) | - | (8) | *(1,422)* | 0.03% |
| *a) loans* | *(105)* | - | *(1,324)* | - | *(8)* | *(1,437)* | *0.04%* |
| *d) other financial assets* | *15* | - | - | - | - | *15* | *-0.02%* |
| Operating costs | (746) | (734) | (17,928) | - | (4,750) | (24,158) | 0.18% |

Note that the “Key management personnel” are persons having authority and responsibility for planning, directing, and controlling UniCredit’s activities, directly or indirectly (i.e. members of the Board of Directors, including the Chief Executive Officer, the Standing Auditors, members of the Executive Management Committee and the Head of Internal Audit in office during the period under consideration).

The “Other related parties” category includes:

- close family members of key management personnel (i.e. those family members who, as is expected, may influence – or be influenced by – the person in question);
- companies controlled (or jointly controlled) by, or associated with, key management personnel or their close family members;
- Group employee post-employment benefit plans.

As required by the Commission Regulation (EU) No. 632/2010 of July 19, 2010, the revised IAS 24 – which extends, simplifies and clarifies the definition of related party and the criteria aimed at identifying correctly the nature of the relationship with the reporting entity – is applied to financial reporting for annual periods beginning on or after January 1, 2011. The revised version of IAS 24 also makes clear that the provided information must relate, *inter alia*, to the transactions entered into with the subsidiaries of associates and of joint ventures.
The revised IAS 24 also requires disclosures about the existing relationships between the reporting entity and its related parties and provides exemption from disclosure for entities controlled or subject to significant influence by a state.

Not all related-parties falling into the definition provided by IAS 24 are subject to disclosure requirements pursuant to Consob “Regulations containing provisions relating to transactions with related parties” (adopted with Resolution No. 17221, later amended by Resolution no. 17389 of 2010, which are based on the definition of related party contained in the old IAS 24, in force when the Consob Regulation became effective).

Lastly, it should be noted that the associate Fondiaria-SAI holds an interest in UniCredit S.p.A. amounting to less than 0.1%

# Part I – Share-Based Payments

# Part I – Share-Based Payments

## A. Qualitative Information

### 1. Description of payment agreements based on own equity instruments

#### 1.1 Outstanding instruments

Group Medium & Long Term Incentive Plans for selected employees include the following categories:

- ***Equity-Settled Share Based Payments***;
- ***Cash Settled Share Based Payments***[1].

The first category includes the following:

- **Stock Options** allocated to selected Top & Senior Managers and Key Talents of the Group;
- **Performance Stock Options & Performance Shares** allocated to selected Top & Senior Managers and key talents of the Group and represented respectively by options and free UniCredit ordinary shares that the Parent Company undertakes to grant, conditional upon achieving performance targets set at Group and strategic area level in the strategic plan and any amendments thereto approved by the Parent Company's Board;
- **Employee Share Ownership Plan (ESOP)** that offers to eligible Group employees the possibility to buy UniCredit ordinary shares with the following advantages: granting of free ordinary shares ("Discount Shares" and "Matching Shares" or, for the second category, rights to receive them) measured on the basis of the shares purchased by each Participant ("Investment Shares") during the "Enrolment Period" . The granting of free ordinary shares is subordinated to vesting conditions (other than market conditions) stated in the Plan Rules.
- **Group Executive Incentive System** that offer to eligible Group Executive and Risk Takers a variable remuneration for which payments will be made in four years. For the first two years the beneficiary will receive the payment by cash and for the second two years they will receive the payment by Unicredit shares; the payment are related to the achievement of performance condition (other than marked conditions) stated in the Plan Rules.

The second category includes synthetic "Share Appreciation Rights" linked to the share-value and performance results of some Group-Companies[2].

[1] Linked to the economic value of instruments representing a subsidiary's Shareholders' Equity.
[2] Pioneer Global Asset Management in September 2011.

## 1.2 Measurement model

*1.2.1 Stock Options & Performance Stock Options*

The Hull and White Evaluation Model has been adopted to measure the economic value of *Stock & Performance Stock Options*.
This model is based on a trinomial tree price distribution using the Boyle's algorithm and estimates the early exercise probability on the basis of a deterministic model connected to:

- reaching a Market Share Value equals to an exercise price- multiple (**M**);
- probability of beneficiaries' early exit (**E**) after the end of the Vesting Period.

The following table shows the measurements and parameters used in relation to the *Performance Stock Options* granted in 2011

### Measurement of Performance Stock Options 2011

| | **Performance Stock Options 2011** |
|---|---|
| Exercise Price [€] | 1.8392 |
| UniCredit Share Market Price [€] | 1.8392 |
| Date of granting Board resolution (*Grant Date*) | 22-Mar-2011 |
| Vesting Period Start-Date | 1-Jan-2011 |
| Vesting Period End-Date | 31-Dec-2013 |
| Expiry Date | 31-Dec-2020 |
| Exercise price – Multiple (**M**) | 1.5 |
| Post Vesting Exit-Rate (**E**) | 3.73% |
| Dividend Yield | 2.583% |
| Volatility | 42.755% |
| Risk Free Rate | 3.314% |
| **Performance Stock Options' Fair Value per unit at Grant Date [€]** | **0.6019** |

Parameters are calculated as follows:

- **Exit Rate**: annual percentage of Stock Options forfeited due to termination;
- **Dividend Yield**: next four years average dividend-yield;
- **Volatility**: historical daily average volatility for a period equals to four years;
- **Exercise Price**: arithmetic mean of the official market price of UniCredit shares during the month preceding the granting Board resolution;
- **UniCredit Share Market Price**; set equals to the Exercise Price, in consideration of the "*at-the-money*" allocation of Stock Options at the date of the grant.

### *1.2.2 Other equity instruments (Performance Shares)*

The economic value of Performance Shares is measured considering the share market price at the grant date less the present value of the future dividends during the performance period. Parameters are estimated by applying the same model used for Stock Options measurement.

The following table shows the measurements and parameters used in relation to the *Performance Shares* granted in 2011.

**Measurement of Performance Share 2011**

| | **Performance Share 2011** |
|---|---|
| Date of granting Board resolution (*Grant Date*) | 22-Mar-2011 |
| Vesting Period Start-Date | 1-Jan-2011 |
| Vesting Period End-Date | 31-Dec-2013 |
| UniCredit Share Market Price [€] | 1.8392 |
| Economic Value of Vesting conditions [€] | -0.1272 |
| **Performance Shares' Fair Value per unit at Grant Date [€]** | **1.7120** |

### *1.2.3 Employee Share Ownership Plan*

Both for Discount Shares and Matching Shares (or rights to receive them) the fair value will be measured at the end of the Enrolment Period according to the weighed average price paid by Participants to buy the Investment Shares on the market.
All Profit and Loss and Net Equity effects related to ESOP 2010 will be booked as follows:

- during 2011 for Discount Shares;
- during the three-year period 2012-2014 for Matching Shares (or rights to receive them).

### *1.2.4 Group Executive Incentive System*

The amount of the incentive will be determined on the basis of the achievement of quantitative and qualitative goals stated by the plan. In particular, the overall evaluation of the employee's relevant goals will be expressed as a percentage, from a minimum of 0% to a maximum of 150% (non market vesting conditions).
This percentage, adjusted by the application of a risk/opportunity factor - Group Gate - at first payment, multiplied by the bonus opportunity will determine the actual amount that will be paid to the beneficiary.

The economic and equity effects will be receipt on the basis of instruments' vesting period.

# B. Quantitative Information

## Effects on Profit and Loss

All Share-Based Payment granted after November 7, 2002 which *vesting period* ends after January 1, 2005 are included within the scope of the IFRS2.
Financial liabilities related to cash-settled payment plans have been recognized if not yet settled on January 1, 2005.

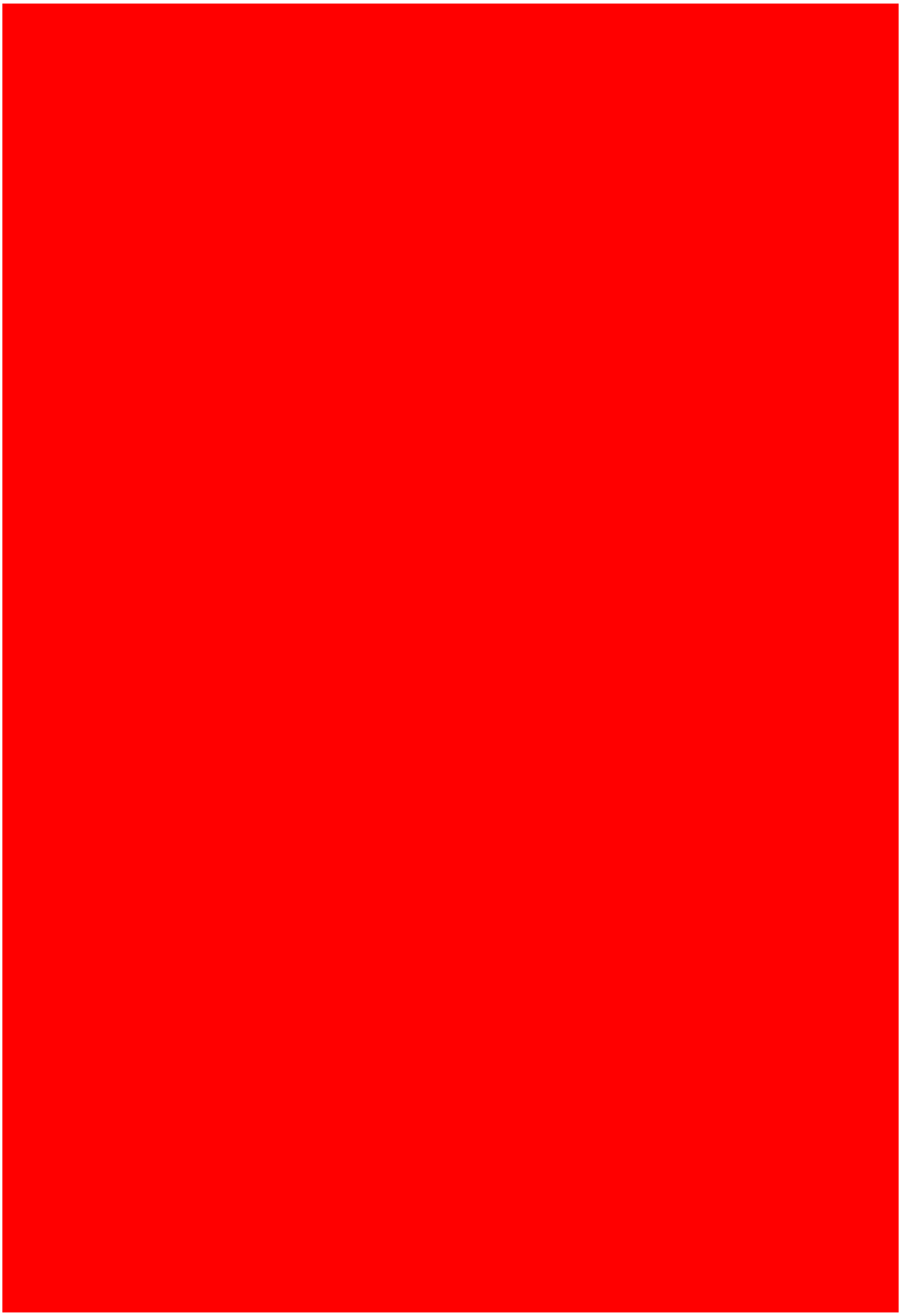
## Financial statement presentation related to share based payments

**(euro/000)**

| | 30th September 2011 | | 30th September 2010 | |
|---|---|---|---|---|
| | **Total** | **Vested Plans** | **Total** | **Vested Plans** |
| Costs | **71,249** | | **12,443** | |
| *- connected to Equity Settled Plans*[1] | 71,115 | | 13,445 | |
| *- connected to Cash Settled Plans*[2] | *134* | | *(1,002)* | |
| Debts for Cash Settled Plans | **581** | **13** | **4,453** | **948** |
| *-of which Intrinsic Value* | | - | | *151* |

1. Significant increase in costs is mainly due to the new plans LTI and Group Executive Incentive, issued during this year.

2. Partly included in "Staff expenses – other staff" in keeping with the recognition of other monetary charges connected to the remuneration of services provided by beneficiaries. The revenue booked in 2010 arises from the decrease of liabilities related to synthetic cash-settled "*Share Appreciation Rights*" linked to the share-value and performance of some Group-Companies.



# Part L – Segment Reporting

# Part L – Segment Reporting

## Organizational structure

The format for segment information reflects the organizational structure currently used in management reporting for monitoring the Group's results, which is broken down into the following business segments: F&SME Network Italy, F&SME Network Germany, F&SME Network Austria e F&SME Network Poland, F&SME Factories, Corporate & Investment Banking (CIB), Private Banking, Asset Management, CEE e Group Corporate Center (including Global Banking Services, Corporate Centre, and consolidation adjustments not assigned to the single business segments).

### Family & Small Medium Enterprise Division (F&SME)

The F&SME Division is composed of several core functions with different roles.
The objective of the Business lines *F&SME Network* in *Italy, Germany, Austria and Poland* is to be the preferred banking partner for customers in the mass market, affluent, small and medium enterprises segments, to contribute to sustainable growth in market share and returns as a result of high levels of customer satisfaction.
The Product Line *Consumer Finance* directly supervises the reference business in Italy and coordinates the divisional structures of the foreign branches specialised in consumer credit and revolving cards.
The Product Line *Leasing* is responsible for coordination of leasing activities within the Group.
The Product Line *Factoring* is responsible for coordination of factoring activities within the Group and directly supervises the reference business in Italy. The business of Factoring consists in the extending credit against commercial invoices assigned by customers. Through factoring, companies may obtain access to credit by assigning their invoices and benefitting from a series of additional services (management, collection, credit insurance).
The *Asset Gathering* includes the specialized banks (FinecoBank in Italy, DAB Bank in Germany and DAT Bank in Austria) that offer the banking and investment services of traditional banks, differentiating themselves for the specialization in the online trading business and a pronounced vocation towards technological innovation. Moreover *Asset Gathering* uses its network of independent financial advisors to provide innovative and qualified financial services, thanks to a range of multibrand products characterised by efficiency and specialization.

### Corporate & Investment Banking (CIB)

The Corporate & Investment Banking (CIB) Division is dedicated to corporate customers with sales of over €50 million and UniCredit Group's institutional customers, by offering services in the 22 countries where the Group operates. The business model adopted is based on a matrix structure that calls for a clear separation of coverage and distribution areas (networks) from product lines that centralize the know-how on the entire range of products and services offered, i.e. Financing & Advisory (F&A), Markets and Global Transaction Banking (GTB).
Through direct management of dedicated distribution networks (CIB Networks), foreign branches and bank branch offices in the major financial centres, and structures dedicated to trans-border business development, CIB is able to provide its customers with access to UniCredit group's main markets, differentiating its offer in accordance with the various customer segments it serves.
At the Group level, the competence centres dedicated to product development (Product Lines) allow the CIB to follow its customers through various stages of their business life, providing support for regular business activities, growth and international expansion projects, and restructuring phases where necessary, thanks to a wide range of dedicated financial products and services – from traditional lending and servicing operations that are typical of commercial banking to more complex and high value-added services.

The CIB's Product Lines are:

- **Financing & Advisory (F&A):** this Product Line is responsible for activities related to lending and advisory services for companies and institutional customers. Products range from plain vanilla to the more sophisticated, such as Corporate Finance & Advisory, Syndications, Leveraged Buy-Out Finance, Project & Commodity Finance, Real Estate Finance, Shipping Finance and Principal Investments. In order to make maximum use of the platform common to debt products and capital management solutions, F&A also gives UniCredit group direct access to the capital market (Equity and Debt Capital Markets).
- **Markets:** competence centre for products and activities related to Rates, FX, and Credit markets, both on the primary and secondary market.
- **Global Transaction Banking (GTB):** this Product Line relates to Cash Management products, Trade Finance, Structured Trade and Export Finance, and Global Securities Services.

## Private Banking

The operations of the Private Banking Division primarily target medium-to-high net worth private customers by providing advisory services and wealth management solutions using a 360° approach. The Division operates in five countries (Italy, Germany, Austria, Luxembourg and Poland) through a network of more than 1,200 private bankers located in about 250 branches throughout those countries.

## Asset Management

Asset Management is well-known for its Pioneer Investments brand, the asset management company within the UniCredit Group specialising in the management of customer investments worldwide.
The Business Line is a partner of many leading international financial institutions and offers investors a full range of innovative financial solutions, including mutual funds, hedge funds, assets under administration, portfolios for institutional investors and structured products.

In 2010 the Parent Company had started a project involving the strategic review of Pioneer group to identify the most suitable strategic option for improving the efficiency of its asset management company and maximising its value for the benefit of both customers and shareholders.
Following an in-depth analysis of the benefits linked to the various strategic options, it was found that the best solution for Pioneer Investments was to focus on organic growth.
Consequently, Pioneer Investments has begun this process by developing a focused strategic plan designed to bring about further improvement in the quality of its product range as well as maintain the world-class service it offers its customers.

## Central Eastern Europe (CEE)

The CEE area comprises the businesses of the Group in the following 18 countries: Azerbaijan, Bosnia & Herzegovina, Bulgaria, Czech Republic, Croatia, Estonia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine. Being a Top-5-bank in many of these countries, UniCredit group is among the leaders in the region, offering a full range of products and services to retail and corporate customers.

Results by business segment are reported using the format of a condensed income statement consistently with the Interim Report on Operations.
The income statement by business segments was compiled by combining the income statements of the companies, or – where a company operates in more than one business – of the businesses forming a part of individual business areas or lines, after applying their respective write-downs and adjustments for intra-group transactions.

The following rules were applied to determine the individual business segment results for subsidiaries with businesses in more than one segment (UniCredit S.p.A., UniCredit Bank Austria AG, UniCredit Bank AG, UniCredit Luxembourg SA, HVB Immobilien AG, HVB Global Asset Company LP, Geldilux SA) making it possible to integrate directly attributable income and expense:

- the refinancing cost of loans and revenue from use of funds gathered by business units were determined on the basis of the internal transfer rates defined by the relevant Group's policies;
- capital was allocated to individual business units in proportion to risk-weighted assets and remunerated at 10.93% after tax;
- the costs incurred centrally on behalf of business units were allocated on the basis of actual consumption, while overhead costs were allocated in proportion based on the direct and indirect costs of individual business units, their revenues and FTEs.

Comparative figures have been restated to take into account the following changes in business segments perimeters as well as the new method of disclosure of data on Poland: in particular, the move of Asset Gathering from Private Banking to Retail, and the incorporation of the former Corporate Banking and Markets & Investment Banking divisions into CIB.
See the Interim Report on Operations for comments on operations and results by business segment.

# A – Primary Segment

## Segment Reporting by Business Segment – 2011

**A.1 - Breakdown by business segment: income statement**

| | F&SME NETWORK ITALY | F&SME NETWORK GERMANY | F&SME NETWORK AUSTRIA | F&SME NETWORK POLAND | F&SME FACTORIES | CORPORATE & INVESTMENT BANKING | PRIVATE BANKING | ASSET MANAGEMENT | CENTRAL EASTERN EUROPE | GROUP CORPORATE CENTER | CONSOLIDATED GROUP TOTAL 30.09.2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Net interest | 2,865,751 | 828,889 | 539,328 | 482,362 | 1,071,652 | 3,887,043 | 214,642 | 8,168 | 2,423,377 | (703,501) | 11,617,710 |
| Dividends and other income from equity investments | - | 3,529 | 2,392 | 6 | 27,131 | 152,928 | 3,445 | 3,528 | 11,353 | 129,132 | 333,444 |
| Net fees and commissions | 2,250,195 | 363,894 | 325,420 | 349,576 | 310,108 | 1,252,836 | 461,724 | 583,674 | 897,113 | (526,836) | 6,267,704 |
| Net trading, hedging and fair value income | 14,427 | 73 | 171 | 33,655 | 9,515 | 724,126 | 3,429 | (1,067) | 120,963 | (200,123) | 705,169 |
| Net other expenses/income | (32,951) | 21,534 | 7,083 | 3,676 | 67,259 | (11,413) | (1,628) | 8,874 | 76,285 | 45,007 | 183,726 |
| **OPERATING INCOME** | **5,097,422** | **1,217,919** | **874,394** | **869,275** | **1,485,665** | **6,005,520** | **681,612** | **603,177** | **3,529,091** | **(1,256,321)** | **19,107,753** |
| Payroll costs | (1,652,195) | (405,438) | (263,111) | (216,986) | (286,750) | (859,771) | (228,276) | (205,321) | (769,875) | (2,143,787) | (7,031,510) |
| Other administrative expenses | (1,832,329) | (672,957) | (393,913) | (283,236) | (362,326) | (1,180,987) | (204,645) | (129,168) | (715,422) | 1,621,903 | (4,153,080) |
| Recovery of expenses | 244,179 | 2,578 | - | 1,027 | 25,261 | 10,771 | 11,987 | 8,889 | 317 | 55,560 | 360,569 |
| Amortisation, depreciation and impairment losses on tangible and intangible assets | (63,224) | (4,360) | (8,035) | (28,819) | (26,494) | (20,218) | (4,128) | (20,958) | (150,542) | (510,757) | (837,535) |
| **Operating expenses** | **(3,303,569)** | **(1,080,177)** | **(665,059)** | **(528,014)** | **(650,309)** | **(2,050,205)** | **(425,062)** | **(346,558)** | **(1,635,522)** | **(977,081)** | **(11,661,556)** |
| **OPERATING PROFIT** | **1,793,853** | **137,742** | **209,335** | **341,261** | **835,356** | **3,955,315** | **256,550** | **256,619** | **1,893,569** | **(2,233,402)** | **7,446,197** |
| Net writedowns of loans and provisions for guarantees and commitments | (1,386,428) | (28,016) | (157,833) | (70,808) | (454,960) | (1,618,655) | (5,178) | - | (758,717) | (51,981) | (4,532,576) |
| **OPERATING NET PROFIT** | **407,425** | **109,726** | **51,502** | **270,453** | **380,396** | **2,336,660** | **251,372** | **256,619** | **1,134,852** | **(2,285,383)** | **2,913,621** |
| Provision for risks and charges | (43,064) | (11,344) | 6,257 | 3 | (9,910) | (253,823) | (5,496) | (744) | (16,131) | (336,332) | (670,584) |
| Integration costs | (51,934) | - | - | - | (6,695) | (24,517) | (9,106) | (4,435) | (2,159) | (81,445) | (180,291) |
| Net income from investments | - | (43) | 2,581 | 14 | (10,758) | (15,144) | (1,081) | 451 | 5,932 | (525,214) | (543,262) |
| **PROFIT BEFORE TAX** | **312,427** | **98,339** | **60,340** | **270,470** | **353,033** | **2,043,176** | **235,689** | **251,891** | **1,122,494** | **(3,228,374)** | **1,519,484** |

The Condensed Income Statement by business segment has been reclassified as in the Interim Report on Operations.

**A.2 - Breakdown by business segment: balance sheet amounts and RWA** (€ thousand)

| | F&SME NETWORK ITALY | F&SME NETWORK GERMANY | F&SME NETWORK AUSTRIA | F&SME NETWORK POLAND | F&SME FACTORIES | CORPORATE & INVESTMENT BANKING | PRIVATE BANKING | ASSET MANAGEMENT | CENTRAL EASTERN EUROPE | GROUP CORPORATE CENTER (*) | TOTALE CONSOLIDATO 30.09.2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance Sheet Amounts** | | | | | | | | | | | |
| **LOANS AND RECEIVABLES WITH CUSTOMERS** | 128,076,492 | 44,274,414 | 21,381,490 | 8,999,430 | 54,120,393 | 216,658,369 | 7,409,029 | 43 | 67,632,493 | 13,894,690 | **562,446,843** |
| **DEPOSITS FROM CUSTOMERS** | 91,460,558 | 40,464,674 | 23,218,829 | 11,698,753 | 14,934,519 | 90,800,325 | 23,760,873 | - | 55,755,990 | 40,422,299 | **392,516,820** |
| **DEBT CERTIFICATES** | 3,635,160 | 718,672 | - | 371,201 | 4,671,685 | 15,333,120 | 931,133 | - | 3,843,012 | 137,209,641 | **166,713,624** |
| **TOTAL RISK WEIGHTED ASSETS** (BASEL 2) | 57,821,428 | 14,608,014 | 13,304,860 | 8,183,045 | 47,620,099 | 186,484,975 | 4,413,128 | 1,797,044 | 82,034,026 | 33,744,322 | **450,010,939** |

**A.3 - Staff**

| | F&SME NETWORK ITALY | F&SME NETWORK GERMANY | F&SME NETWORK AUSTRIA | F&SME NETWORK POLAND | F&SME FACTORIES | CORPORATE & INVESTMENT BANKING | PRIVATE BANKING | ASSET MANAGEMENT | CENTRAL EASTERN EUROPE | GROUP CORPORATE CENTER (*) | TOTALE CONSOLIDATO 30.09.2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **STAFF (KFS group on a proportional basis)** | | | | | | | | | | | |
| Employees (FTE) | 30,574 | 7,485 | 3,916 | 14,101 | 6,192 | 9,453 | 3,034 | 1,959 | 41,473 | 32,350 | **150,537** |
| **STAFF (KFS group fully considered)** | | | | | | | | | | | |
| Employees (FTE) | 30,574 | 7,485 | 3,916 | 14,101 | 6,192 | 9,474 | 3,034 | 1,959 | 51,466 | 32,350 | **160,552** |

# Segment Reporting by Business Segment – 2010

**A.1 - Breakdown by business segment: income statement** (€ thousand)

| | F&SME NETWORK ITALY | F&SME NETWORK GERMANY | F&SME NETWORK AUSTRIA | F&SME NETWORK POLAND | F&SME FACTORIES | CORPORATE & INVESTMENT BANKING | PRIVATE BANKING | ASSET MANAGEMENT | CENTRAL EASTERN EUROPE | GROUP CORPORATE CENTER | CONSOLIDATED GROUP TOTAL 30.09.2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Net interest | 2,787,639 | 769,866 | 531,800 | 423,309 | 988,703 | 3,866,487 | 173,339 | 4,596 | 2,459,606 | (266,820) | 11,738,525 |
| Dividends and other income from equity investments | - | 4,268 | 1,017 | 4 | 22,672 | 104,707 | 2,661 | 3,025 | 9,866 | 115,187 | 263,407 |
| Net fees and commissions | 2,136,645 | 370,330 | 331,865 | 341,540 | 341,890 | 1,126,566 | 484,394 | 605,374 | 880,680 | (319,313) | 6,299,971 |
| Net trading, hedging and fair value income | 8,308 | 89 | (885) | 33,300 | 20,456 | 776,457 | 3,272 | 1,819 | 75,800 | 80,706 | 999,322 |
| Net other expenses/income | (15,181) | (8,055) | 980 | 4,345 | 58,181 | 48,927 | 721 | (1,528) | 43,938 | 166,884 | 299,212 |
| **OPERATING INCOME** | **4,917,411** | **1,136,498** | **864,777** | **802,498** | **1,431,902** | **5,923,144** | **664,387** | **613,286** | **3,469,890** | **(223,356)** | **19,600,437** |
| Payroll costs | (1,708,383) | (389,429) | (252,443) | (211,661) | (269,763) | (867,030) | (224,750) | (202,499) | (733,145) | (2,150,093) | (7,009,196) |
| Other administrative expenses | (1,881,910) | (651,322) | (369,039) | (283,845) | (359,905) | (1,166,963) | (203,368) | (137,274) | (692,319) | 1,673,874 | (4,072,071) |
| Recovery of expenses | 225,513 | 3,530 | - | 790 | 27,978 | 7,407 | 6,558 | 9,619 | 565 | 37,854 | 319,814 |
| Amortisation, depreciation and impairment losses on tangible and intangible assets | (67,618) | (2,868) | (8,650) | (28,323) | (26,063) | (27,592) | (4,213) | (24,844) | (151,665) | (500,735) | (842,571) |
| **Operating expenses** | **(3,432,398)** | **(1,040,089)** | **(630,132)** | **(523,039)** | **(627,753)** | **(2,054,178)** | **(425,773)** | **(354,998)** | **(1,576,564)** | **(939,100)** | **(11,604,024)** |
| **OPERATING PROFIT** | **1,485,013** | **96,409** | **234,645** | **279,459** | **804,149** | **3,868,966** | **238,614** | **258,288** | **1,893,326** | **(1,162,456)** | **7,996,413** |
| Net writedowns of loans and provisions for guarantees and commitments | (1,427,562) | (91,945) | (209,598) | (87,528) | (551,768) | (1,724,873) | (3,231) | - | (977,050) | (67,160) | (5,140,715) |
| **OPERATING NET PROFIT** | **57,451** | **4,464** | **25,047** | **191,931** | **252,381** | **2,144,093** | **235,383** | **258,288** | **916,276** | **(1,229,616)** | **2,855,698** |
| Provision for risks and charges | (43,913) | 8,045 | (183) | 234 | (9,517) | (16,782) | (4,653) | (1,113) | (29,784) | (195,585) | (293,251) |
| Integration costs | (9,535) | - | - | - | (69) | (3,148) | (904) | (8,659) | (2,760) | (2,335) | (27,410) |
| Net income from investments | (708) | 7 | 9,543 | 2 | 407 | 61,432 | (753) | (616) | 38,537 | 11,622 | 119,473 |
| **PROFIT BEFORE TAX** | **3,295** | **12,516** | **34,407** | **192,167** | **243,202** | **2,185,595** | **229,073** | **247,900** | **922,269** | **(1,415,914)** | **2,654,510** |

The Condensed Income Statement by business segment has been reclassified as in the Interim Report on Operations.

**A.2 - Breakdown by business segment: balance sheet amounts and RWA** (€ thousand)

| | F&SME NETWORK ITALY | F&SME NETWORK GERMANY | F&SME NETWORK AUSTRIA | F&SME NETWORK POLAND | F&SME FACTORIES | CORPORATE & INVESTMENT BANKING | PRIVATE BANKING | ASSET MANAGEMENT | CENTRAL EASTERN EUROPE | GROUP CORPORATE CENTER (*) | TOTALE CONSOLIDATO 31.12.2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance Sheet Amounts** | | | | | | | | | | | |
| **LOANS AND RECEIVABLES WITH CUSTOMERS** | 125,707,680 | 46,884,813 | 22,121,595 | 8,764,088 | 54,459,925 | 212,825,863 | 6,969,601 | 44 | 66,308,446 | 11,611,305 | **555,653,360** |
| **DEPOSITS FROM CUSTOMERS** | 92,156,607 | 39,068,745 | 23,516,078 | 12,845,108 | 15,499,705 | 99,517,884 | 23,958,623 | - | 53,750,446 | 41,934,995 | **402,248,191** |
| **DEBT CERTIFICATES** | 5,191,937 | 183,114 | - | 320,872 | 89,227 | 31,726,876 | 1,015,874 | - | 3,151,941 | 139,310,487 | **180,990,328** |
| **TOTAL RISK WEIGHTED ASSETS** (BASEL 2) | 52,945,320 | 15,446,743 | 16,325,082 | 7,905,179 | 46,379,806 | 198,594,059 | 4,368,316 | 1,896,226 | 79,177,820 | 31,811,106 | **454,849,656** |

**A.3 - Staff**

| | F&SME NETWORK ITALY | F&SME NETWORK GERMANY | F&SME NETWORK AUSTRIA | F&SME NETWORK POLAND | F&SME FACTORIES | CORPORATE & INVESTMENT BANKING | PRIVATE BANKING | ASSET MANAGEMENT | CENTRAL EASTERN EUROPE | GROUP CORPORATE CENTER (*) | TOTALE CONSOLIDATO 31.12.2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **STAFF (KFS group on a proportional basis)** | | | | | | | | | | | |
| Employees (FTE) | 31,895 | 7,511 | 3,748 | 14,260 | 5,850 | 9,578 | 3,018 | 1,877 | 41,803 | 32,643 | **152,183** |
| **STAFF (KFS group fully considered)** | | | | | | | | | | | |
| Employees (FTE) | 31,895 | 7,511 | 3,748 | 14,260 | 5,850 | 9,599 | 3,018 | 1,877 | 51,608 | 32,643 | **162,009** |

# Certification

# Condensed Interim Consolidated Financial Statements Certification pursuant to Art. 81-ter of Consob Regulation no.11971 of May 14, 1999, as amended

1.The undersigned Federico Ghizzoni (as Chief Executive Officer) and Marina Natale (as the Manager charged with preparing the financial reports), of UniCredit S.p.A., taking into consideration Article 154-bis (subparagraph 3 and 4) of Italian Legislative Decree of February 24th 1998 n.58, do hereby certify:

- the adequacy in relation to the Legal Entity features and
- the actual application

of the administrative and accounting procedures employed to draw up the Condensed Interim Consolidated Financial Statements in the first nine months of the financial year 2011.

2. The adequacy of administrative and accounting procedures employed to draw up the Condensed Interim Consolidated Financial Statements as at September 30, 2011, has been evaluated applying a model defined by UniCredt S.p.A. coherent with “Internal Controls – Integrated Framework” (CoSO) and “Control Objective for IT and Related Technologies” (Cobit), which represent international commonly accepted standards for internal control system and, in particular, for financial reporting.

3. The undersigned also certify that:

3.1 The Condensed Interim Consolidated Financial Statements as at September 30, 2011:

a) were prepared in compliance with applicable international accounting standards recognized by the European Community pursuant to European Parliament and Council Regulation no.1606/2002 of 19 July 2002;
b) correspond to results of the books and accounts records;
c) were prepared according to Article 9 of the Legislative Decree N.38/05, and are suitable to provide a fair and correct representation of the situation of the assets and liabilities, the economic and financial situation of the issuer and the group of companies included in the scope of consolidation.

3.2 The Interim Report on Operations includes a reliable analysis of the most significant events occurring in the first nine months of the financial year and their impact on the Condensed Interim Consolidated Financial Statements, together with a description of the main risks and uncertainties concerning the remaining three months of the year. The Condensed Interim Consolidated Financial Statements contain a reliable analysis of information on significant related party transactions.

Milan, November 14, 2011

| FEDERICO GHIZZONI | MARINA NATALE |
| --- | --- |
| _____________________________ | _____________________________ |