

Notes to the Consolidated Accounts

Part A) Accounting Policies

A1) General

Section 1 - Statement of Compliance with IFRS

These consolidated Accounts have been compiled according to the accounting principles issued as at December 31, 2008 by the International Accounting Standards Board (IASB), including all interpretations of SIC and IFRIC, endorsed by the European Commission, as provided for by the European Union Regulation no. 1606/2002, which was transposed in Italian law by the Legislative Decree no. 38 dated February 28, 2005 (see Section 5 - Other matters).

This report is part and parcel of the Annual Financial Statements under section 154-ter, paragraph 1 of the Single Finance Act (TUF, Leg. Decree no. 58 dated 24/2/1998).

Banca d'Italia, whose powers as per LD #87/92 in relation to banks' and regulated financial companies' Accounts were confirmed in the above-mentioned LD, laid down the formats for the Accounts and the Notes to the Accounts in its circular #262 dated December 22, 2005.

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).

The consolidated accounts comprise the Balance Sheet, the Income Statement, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement (compiled using the indirect method), the Notes to the Accounts and annexes, accompanied by the Directors' Report on Operations.

Figures are given in **thousands of euros**.

The business combination with Capitalia Group became effective as from October 1st, 2007, with the merger by absorption of Capitalia S.p.A. into UniCredit S.p.A. Therefore income statement data as at December 31, 2007 include the results of former Capitalia Group Companies for the period from October 1st to December 31, 2007. For a comparison of the results as at December 31, 2008 with those of the restated 2007 Accounts including former Capitalia Group Companies, please see the Annual Review, where condensed accounts are used, of which the reconciliation to official accounts is presented in Annex 1.

As noted in the Report on Operations, these Accounts were compiled on 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 2007.

Items at December 31, 2007 Reclassified

PPA (Purchase Price Allocation)

The first consolidation of the former Capitalia Group was performed, according to the requirements of IFRS 3 – Business Combinations, by allocating the purchase price at the fair value of acquired assets, liabilities and contingent liabilities. The initial accounting recognition of the business combination in 2007 consolidated accounts was calculated only temporarily. The purchase price allocation was completed within 12 months as required by IFRS 3. Changes in the fair value of acquired assets, liabilities and contingent liabilities, which had been previously recognized, determined the need to adjust balance sheet figures of the former Capitalia Group, which have been considered in the 2007 first consolidation, and consequently of balance sheet figures and income statement figures as at December 31, 2007 used for comparative purposes, as described in part G of these notes to the consolidated accounts.

Leasing

Further to instructions received from Banca d'Italia treatment of leases of 'assets under construction' and 'assets awaiting lease' has changed. This reclassification was also made with reference to the balances at December 31, 2007. See also A2) "The Main Items of the Accounts".

Mediobanca

With reference to the Mediobanca S.p.A. shares from Capitalia, in accordance with the recognized change in the subsidiary's governance structures, these were reclassified from item 40, "Available for sale financial assets", to item 100, "Equity investments". This reclassification was also made with reference to the balances at December 31, 2007, in accordance with IFRS.

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 the largest value-based items in the consolidated Accounts at December 31, 2008, 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 December 31, 2008. Valuation was particularly complex given the current macro-economic and market situation, which evince unusual volatility in all the financial data indispensable for valuation, and the consequent difficulty in making performance forecasts, even for the short term, in relation to the mentioned financial parameters which significantly affect estimates.

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 they concern that period. If the reappraisal concerns both current and future periods it is recognized in both current and future periods as appropriate.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

Section 3 - Consolidation Procedures and Scope

The following were the consolidation procedures and principles adopted in drawing up the consolidated accounts as at December 31, 2008.

Consolidated accounts

For the preparation of the consolidated accounts the following sources were used:

- UniCredit SpA Accounts (draft) as at December 31, 2008.
- The draft Accounts as at December 31, 2008 of other fully consolidated subsidiaries (excluding those indicated in the next bullet point) duly condensed and adjusted in order to take account of consolidation needs and, where necessary, to align them to the IAS/IFRS. If the drafts had not been approved yet at the date of preparation of the Accounts, the Q4 results authorized by the appropriate corporate bodies were used, and then they were checked against the relevant accounts subsequently approved.
- For the companies belonging to the Leasing Sub-Group and reporting to UniCredit Global Leasing SpA:
 - The sub-consolidated accounts of Austrian subsidiaries, i.e. UniCredit Leasing GMBH (former Bank Austria Creditanstalt Leasing GMBH) and its subsidiaries.
 - The sub-consolidated accounts of the CEE subsidiaries, i.e. all direct and indirect subsidiaries of the Parent Company UniCredit Global Leasing SpA located in CEE countries.
 - The draft Accounts of Locat SpA and its subsidiaries.

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.

The accounts and explanatory notes of the main fully consolidated subsidiaries prepared under IFRS are subject to audit by leading audit companies.

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, transactions, income and expenses 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.

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.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

The following table shows the companies included in the scope of consolidation.

Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation)					
NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
A. COMPANY					
A.1 Line by line method					
UNICREDIT SPA	ROME		CAPOGRUPPO		
A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG	MUNICH	1	GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND)	66.67	
ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. OBERBAUM CITY KG	MUNICH	1	SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	100.00	98.11
ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. PARKKOLONNADEN KG	MUNICH	1	A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG	100.00	98.11
ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. STUTTGART KRONPRINZSTRASSE KG	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	98.11
AI BETEILIGUNG GMBH	WIEN	1	UNICREDIT CAIB AG	100.00	
ALEXANDERSSON REAL ESTATE I B.V.	MUNICH	1	ANWA GESELLSCHAFT FUR ANLAGENVERWALTUNG MBH	100.00	
ALINT 458 GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	BAD HOMBURG	1	UNICREDIT GLOBAL LEASING SPA	100.00	
ALLEGRO LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
ALLIB LEASING S.R.O.	PRAGUE	1	UNICREDIT GLOBAL LEASING SPA	100.00	
ALLIB NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA	ZAGREB	1	UNICREDIT GLOBAL LEASING SPA	100.00	
ALLIB ROM S.R.L.	BUCHAREST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
ALMS LEASING GMBH.	SALZBURG	1	UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
ALPINE CAYMAN ISLANDS LTD. (ex UNICREDIT BANK CAYMAN ISLANDS LTD.)	GEORGE TOWN	1	UNICREDIT BANK AUSTRIA AG (ex BANK AUSTRIA CREDITANSTALT AG)	100.00	
ALV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
ANI LEASING IFN S.A.	BUCHAREST	1	UNICREDIT GLOBAL LEASING EXPORT GMBH	10.01	
			UNICREDIT GLOBAL LEASING SPA	89.99	
ANTARES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
ANWA GESELLSCHAFT FUR ANLAGENVERWALTUNG MBH	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	1.15	
			HVB IMMOBILIEN AG	93.85	
ARABELLA FUNDING LTD. (JERSEY)	JERSEY	4	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	⁽³⁾
ARGENTAUROS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	100.00	
ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H.	WIEN	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
ARRONDA IMMOBILIENVERWALTUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	100.00	
ARTIST MARKETING ENTERTAINMENT GMBH	WIEN	1	MY BETEILIGUNGS GMBH	100.00	
AS UNICREDIT BANK	RIGA	1	UNICREDIT BANK AUSTRIA AG (ex BANK AUSTRIA CREDITANSTALT AG)	100.00	
ASPRA FINANCE SPA	MILAN	1	UNICREDIT SPA	100.00	
ASSET MANAGEMENT GMBH	WIEN	1	UNICREDIT BANK AUSTRIA AG (ex BANK AUSTRIA CREDITANSTALT AG)	100.00	
ATF BANK KYRGYZSTAN OJSC	BISHKEK	1	JSC ATF BANK	95.84	
ATF CAPITAL B.V.	ROTTERDAM	1	JSC ATF BANK	100.00	
ATLANTERRA IMMOBILIENVERWALTUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	90.00	

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
AUFBAU DRESDEN GMBH	MUNICH	1	HVB PROJEKT GMBH	100.00	
AUSTRIA LEASING GMBH	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	0.40	
			GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.40	99.60
AUTOGYOR INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
AWT HANDELS GESELLSCHAFT M.B.H.	WIEN	1	AWT INTERNATIONAL TRADE AG	100.00	
AWT INTERNATIONAL TRADE AG	WIEN	1	UNICREDIT BANK AUSTRIA AG (ex BANK AUSTRIA CREDITANSTALT AG)	100.00	
BA- ALPINE HOLDINGS, INC.	WILMINGTON	1	ALPINE CAYMAN ISLANDS LTD. (ex UNICREDIT BANK CAYMAN ISLANDS LTD.)	100.00	
BA CA LEASING (DEUTSCHLAND) GMBH	BAD HOMBURG	1	UNICREDIT GLOBAL LEASING SPA	94.90	
BA CA SECUND LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BA CREDITANSTALT BULUS EOOD	SOFIA	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
BA/CA-LEASING BETEILIGUNGEN GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
BA/CA-LEASING FINANZIERUNG GMBH	WIEN	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	100.00	
BAC FIDUCIARIA SPA	DOGANA	1	BANCA AGRICOLA COMMERCIALE DELLA R.S.M. S.P.A.	100.00	
BA-CA ADAGIO LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BA-CA ADMINISTRATION SERVICES GMBH	WIEN	1	UNICREDIT BANK AUSTRIA AG (ex BANK AUSTRIA CREDITANSTALT AG)	100.00	
BA-CA ANDANTE LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
BACA BARBUS LEASING DOO	LJUBLJANA	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BACA CENA IMMOBILIEN LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BACA CHEOPS LEASING GMBH	WIEN	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
BA-CA CONSTRUCTION LEASING OOO	ST. PETERSBURG	1	RSB ANLAGENVERMIETUNG GESELLSCHAFT M.B.H.	100.00	
BA-CA FINANCE (CAYMAN) II LIMITED	GEORGE TOWN	1	ALPINE CAYMAN ISLANDS LTD. (ex UNICREDIT BANK CAYMAN ISLANDS LTD.)	100.00	
BA-CA FINANCE (CAYMAN) LIMITED	GEORGE TOWN	1	ALPINE CAYMAN ISLANDS LTD. (ex UNICREDIT BANK CAYMAN ISLANDS LTD.)	100.00	
BACA GIOCONDO NEKRETNINE D.O.O., SARAJEVO	SARAJEVO	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BACA HYDRA LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BA-CA INFRASTRUCTURE FINANCE ADVISORY GMBH	WIEN	1	ZETA FUNF HANDELS GMBH	100.00	
BACA KOMMUNALLEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
BACA LEASING ALFA S.R.O.	PRAGUE	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BACA LEASING CARMEN GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BA-CA LEASING DREI GARAGEN GMBH	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	
BACA LEASING GAMA S.R.O.	PRAGUE	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BA-CA LEASING MAR IMMOBILIEN LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BA-CA LEASING MODERATO D.O.O.	LJUBLJANA	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BA-CA LEASING POLO, LEASING D.O.O.	LJUBLJANA	1	UNICREDIT GLOBAL LEASING SPA	100.00	

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
BACA LEASING UND BETEILGUNGSMANAGEMENT GMBH (EX CALG 434 GRUNDSTUCKVER)	WIEN	1	CALG IMMOBILIEN LEASING GMBH	98.80	99.00
			UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
BA-CA LEASING VERSICHERUNGSSERVICE GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
BA-CA MARKETS & INVESTMENT BETEILIGUNG GMBH	WIEN	1	UNICREDIT BANK AUSTRIA AG (ex BANK AUSTRIA CREDITANSTALT AG)	100.00	
BACA MINERVA LEASING GMBH	WIEN	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BACA MINOS LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BACA NEKRETNINE DOO	BANJA LUKA	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BA-CA PRESTO LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BACA ROMUS IFN S.A.	BUCHAREST	1	UNICREDIT GLOBAL LEASING EXPORT GMBH	10.01	
			UNICREDIT GLOBAL LEASING SPA	89.99	
BACAL ALPHA DOO ZA POSLOVANJE NEKRETNINAMA	ZAGREB	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BACAL BETA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA	ZAGREB	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BACA-LEASING AQUILA INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BACA-LEASING GEMINI INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BACA-LEASING HERKULES INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASA	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BACA-LEASING MIDAS INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
BACA-LEASING NERO INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BACA-LEASING OMIKRON INGATLANHASZNOSTO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BACA-LEASING URSUS INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BA-CREDITANSTALT LEASING ANGLA SP. Z O.O.	WARSAW	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BA-CREDITANSTALT LEASING DELTA SP. Z O.O.	WARSAW	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	25.00	
			UNICREDIT LEASING (AUSTRIA) GMBH	75.00	
BA-CREDITANSTALT LEASING ECOS SP. Z O.O.	WARSAW	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
BAL CARINA IMMOBILIEN LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BAL DEMETER IMMOBILIEN LEASING GMBH	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
BAL HESTIA IMMOBILIEN LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BAL HORUS IMMOBILIEN LEASING GMBH	WIEN	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
BAL HYPNOS IMMOBILIEN LEASING GMBH	WIEN	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
BAL LETO IMMOBILIEN LEASING GMBH	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
BAL OSIRIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
BAL PAN IMMOBILIEN LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BAL SOBEK IMMOBILIEN LEASING GMBH	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
BALEA SOFT GMBH & CO. KG	HAMBURG	1	HVB LEASING GMBH	100.00	

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
BALEA SOFT VERWALTUNGSGESELLSCHAFT MBH	HAMBURG	1	HVB LEASING GMBH	100.00	
BANCA AGRICOLA COMMERCIALE DELLA R.S.M. S.P.A.	BORGO MAGGIORE	1	UNICREDIT PRIVATE BANKING SPA	85.35	
BANCO DI SICILIA SPA (ex UNICREDIT SERVIZI RETAIL TRE SPA)	PALERMO	1	UNICREDIT SPA	100.00	
BANK AUSTRIA CREDITANSTALT LEASING BAUTRAGER GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BANK AUSTRIA CREDITANSTALT LEASING IMMOBILIENANLAGEN GMBH	WIEN	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
BANK AUSTRIA CREDITANSTALT WOHNBAUBANK AG	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	
BANK AUSTRIA GLOBAL INFORMATION SERVICES GMBH	WIEN	1	INFORMATION-TECHNOLOGIE AUSTRIA GMBH	20.00	
			UNICREDIT BANK AUSTRIA AG	80.00	
BANK AUSTRIA HUNGARIA BETA LEASING KORLATOLT FELELOSSEGU TSRSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
BANK AUSTRIA LEASING HERA IMMOBILIEN LEASING GMBH	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
BANK AUSTRIA LEASING IKARUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BANK AUSTRIA LEASING MEDEA IMMOBILIEN LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
BANK AUSTRIA REAL INVEST GMBH	WIEN	1	UNICREDIT BANK AUSTRIA AG	94.95	
BANK AUSTRIA TRADE SERVICES GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	
BANK PEKAO SA	WARSAW	1	UNICREDIT SPA	59.28	
BANKHAUS NEELMEYER AG	BREMA	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
BANKING TRANSACTION SERVICES S.R.O.	PRAGUE	1	UNICREDIT BANK AUSTRIA AG	100.00	
BANKPRIVAT AG	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	
BARODA PIONEER ASSET MANAGEMENT COMPANY LTD	MUMBAI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
BAULANDENTWICKLUNG GDST 1682/8 GMBH & CO OEG	WIEN	1	CALG ANLAGEN LEASING GMBH	1.00	
			CALG IMMOBILIEN LEASING GMBH	99.00	
BAVARIA UNIVERSAL FUNDING CORP.(BUFCO)	DELAWARE	4	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	⁽³⁾
BAYERISCHE HYPO- UND VEREINSBANK AG	MUNICH	1	UNICREDIT SPA	100.00	
BAYERISCHE WOHNUNGSGESELLSCHAFT FUR HANDEL UND INDUSTRIE MBH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
BDK CONSULTING	LUCK	1	UNICREDIT BANK LTD	100.00	
BDR ROME PRIMA IRELAND LTD	DUBLIN	1	UNICREDIT SPA	99.90	
BETATERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	6.15	
			HVB IMMOBILIEN AG	93.85	
BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG	HAMBURG	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
BLACK FOREST FUNDING CORP.	DELAWARE	4	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	⁽³⁾
BLUE CAPITAL EQUITY GMBH	HAMBURG	1	BLUE CAPITAL GMBH	100.00	
BLUE CAPITAL EQUITY MANAGEMENT GMBH	HAMBURG	1	BLUE CAPITAL EQUITY GMBH	100.00	
BLUE CAPITAL FONDS GMBH	HAMBURG	1	BLUE CAPITAL GMBH	100.00	

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
BLUE CAPITAL GMBH	HAMBURG	1	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
BLUE CAPITAL USA IMMOBILIEN VERWALTUNGS GMBH	HAMBURG	1	BLUE CAPITAL FONDS GMBH	100.00	
BODEHEWITT AG & CO. KG	GRUNWALD	1	BAYERISCHE HYPO- UND VEREINSBANK AG	72.25	
BORDER LEASING GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	WIEN	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
BOX 2004 S.P.A.	ROME	1	UNICREDIT SPA	100.00	
BREAKEVEN SRL	VERONA	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	100.00	
BREWO GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	WIEN	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
BULBANK LEASING EAD	SOPIA	1	UNICREDIT BULBANK AD	49.00	
			UNICREDIT GLOBAL LEASING SPA	51.00	
CA IB D.D.	ZAGREB	1	ZAGREBACKA BANKA DD	100.00	
CA IB INVEST D.O.O	ZAGREB	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
CA IB SECURITIES (UKRAINE) AT	KIEV	1	UNICREDIT CAIB AG	100.00	
CABET-HOLDING-AKTIENGESELLSCHAFT	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	
CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	WIEN	1	CABET-HOLDING-AKTIENGESELLSCHAFT	100.00	
CAC REAL ESTATE, S.R.O.	PRAGUE	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CAC-IMMO SRO	CESKE BUDEJOVICE	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CA-LEASING ALPHA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CA-LEASING BETA 2 INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CA-LEASING DELTA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CA-LEASING EPSILON INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CA-LEASING EURO, S.R.O.	PRAGUE	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CA-LEASING KAPPA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CA-LEASING LAMBDA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CA-LEASING OMEGA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CA-LEASING OVUS S.R.O.	PRAGUE	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CA-LEASING PRAHA S.R.O.	PRAGUE	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CA-LEASING SENIOREN PARK GMBH	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
CA-LEASING TERRA POSLOVANJE Z NEPREMICNINAMI D.O.O.	LJUBLJANA	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CA-LEASING YPSILON INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CA-LEASING ZETA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CALG 307 MOBILIEEN LEASING GMBH	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
			UNICREDIT LEASING (AUSTRIA) GMBH	1.00	

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
CALG 443 GRUNDSTUCKVERWALTUNG GMBH	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
			CALG IMMOBILIEN LEASING GMBH	1.00	
CALG 451 GRUNDSTUCKVERWALTUNG GMBH	WIEN	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
CALG ALPHA GRUNDSTUCKVERWALTUNG GMBH	WIEN	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
CALG ANLAGEN LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
CALG ANLAGEN LEASING GMBH & CO GRUNDSTUCKVERMIETUNG UND -VERWALTUNG KG	MUNICH	1	CALG ANLAGEN LEASING GMBH	99.90	100.00
CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	WIEN	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
CALG GAMMA GRUNDSTUCKVERWALTUNG GMBH	WIEN	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
CALG GRUNDSTUCKVERWALTUNG GMBH	WIEN	1	CALG IMMOBILIEN LEASING GMBH	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
CALG HOTELGRUNDSTUCKVERWALTUNG GRUNDUNG 1986 GMBH	WIEN	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CALG IMMOBILIEN LEASING GMBH	WIEN	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
CALG MINAL GRUNDSTUCKVERWALTUNG GMBH	WIEN	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
CAL-PAPIER INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
CARD COMPLETE SERVICE BANK AG	WIEN	1	UNICREDIT BANK AUSTRIA AG	50.10	
CDM CENTRALNY DOM MAKLECKI PEKAO SA	WARSAW	1	BANK PEKAO SA	100.00	
CENTAR KAPTOL DOO	ZAGREB	1	ZAGREBACKA BANKA DD	100.00	
CENTRUM KART SA	WARSAW	1	BANK PEKAO SA	100.00	
CHARADE LEASING GESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
CHEFREN LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
CIVITAS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
CJSC BANK SIBIR	OMSK CITY	1	JSC ATF BANK	100.00	
COMMUNA - LEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	WIEN	1	REAL-LEASE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	99.80	100.00
CONTRA LEASING-GESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
			JAUSERN-LEASING GESELLSCHAFT M.B.H.	25.00	
CORDUSIO SOCIETÀ FIDUCIARIA PER AZIONI	MILAN	1	UNICREDIT PRIVATE BANKING SPA	100.00	
CUKOR INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
DAB BANK AG	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	76.36	
DEBO LEASING IFN S.A.	BUCHAREST	1	UNICREDIT GLOBAL LEASING EXPORT GMBH	10.01	
			UNICREDIT GLOBAL LEASING SPA	89.99	
DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGSGMBH & CO. GROSSKUGEL BAUABSCHNITT ALPHA MANAGEMENT KG	MUNICH	1	HVB PROJEKT GMBH	100.00	

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT BETA MANAGEMENT KG	MUNICH	1	HVB PROJEKT GMBH	100.00	
DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT GAMMA MANAGEMENT KG	MUNICH	1	HVB PROJEKT GMBH	100.00	
DIRANA LIEGENSCHAFTSVERWERTUNGSGESELLSCHAFT MBH	WIEN	1	UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H.	100.00	
DIREKTANLAGE.AT AG	SALZBURG	1	DAB BANK AG	100.00	
DLB LEASING, S.R.O.	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
DLV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
DOMUS BISTRO GMBH	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	
DOMUS CLEAN REINIGUNGS GMBH	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	
DOMUS FACILITY MANAGEMENT GMBH	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	
DRITTE UNIPRO IMMOBILIEN-PROJEKTIERUNGSGES.M.B.H.	BERLIN	1	UNIVERSALE INTERNATIONAL PROJEKTMANAGEMENT GMBH	100.00	
DUODEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
ENDERLEIN & CO. GMBH	BIELEFELD	1	PLANETHOME AG	100.00	
ENTASI SRL	ROME	1	UNICREDIT SPA	100.00	
ERSTE UNIPRO IMMOBILIEN-PROJEKTIERUNGSGESELLSCHAFT M.B.H.	BERLIN	1	UNIVERSALE INTERNATIONAL PROJEKTMANAGEMENT GMBH	100.00	
EUROFINANCE 2000 SRL	ROME	1	UNICREDIT SPA	100.00	
EURO-IMMOPROFIL	MUNICH	4	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	(3)
EUROLEASE AMUN IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
EUROLEASE ANUBIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
EUROLEASE ISIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
EUROLEASE MARDUK IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
EUROLEASE RA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. & CO OEG	WIEN	1	UNICREDIT BANK AUSTRIA AG	99.30	
EUROPA FACILITY MANAGEMENT LTD.	BUDAPEST	1	EUROPA FUND MANAGEMENT (EUROPA BEFEKTETESI ALAPKEZELO RT)	99.60	
			PIONEER INVESTMENT FUND MANAGEMENT LIMITED	0.40	
EUROPA FUND MANAGEMENT (EUROPA BEFEKTETESI ALAPKEZELO RT)	BUDAPEST	1	PIONEER INVESTMENT FUND MANAGEMENT LIMITED	100.00	
EXPANDA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
FACTORBANK AKTIENGESELLSCHAFT	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	
FIDES IMMOBILIEN TREUHAND GESELLSCHAFT M.B.H.	WIEN	1	WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
FINANSE PLC.	LONDON	1	BANK PEKAO SA HOLDING SP.Z.O.O.	100.00	...

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
FINECO CREDIT S.P.A.	MILAN	1	UNICREDIT BANCA PER LA CASA SPA	100.00	
FINECO LEASING S.P.A.	BRESCIA	1	UNICREDIT SPA	100.00	
FINECO PRESTITI S.P.A.	MILAN	1	UNICREDIT CONSUMER FINANCING BANK SPA	100.00	
FINECO VERWALTUNG AG	FRANKFURT	1	UNICREDIT SPA	100.00	
FINECOBANK SPA	MILAN	1	UNICREDIT SPA	100.00	
FMC LEASING INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
FMZ SAVARIA SZOLGALTATO KFT	BUDAPEST	1	UNICREDIT LEASING KFT	75.00	
FMZ SIGMA PROJEKTENTWICKLUNGS GMBH	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
FOLIA LEASING GESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
FONDO SIGMA	ROME	4	UNICREDIT SPA	100.00	⁽³⁾
FUGATO LEASING GESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
G.N.E. GLOBAL GRUNDSTUCKSVERWERTUNG GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	WIEN	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
GBS GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	WIEN	1	CALG ANLAGEN LEASING GMBH	99.00	100.00
GEBAUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
			UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
GELDILUX-TS-2005 S.A.	LUXEMBOURG	4	HVB BANQUE LUXEMBOURG SOCIETE ANONYME	100.00	⁽³⁾
GELDILUX-TS-2007 S.A.	LUXEMBOURG	4	HVB BANQUE LUXEMBOURG SOCIETE ANONYME	100.00	⁽³⁾
GELDILUX-TS-2008 S.A.	LUXEMBOURG	4	HVB BANQUE LUXEMBOURG SOCIETE ANONYME	100.00	⁽³⁾
GEMEINDELEASING GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	37.30	37.50
			CALG IMMOBILIEN LEASING GMBH	37.50	
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
GEMMA VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG	MUNICH	4	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	100.00	6.00 ⁽³⁾
GIMMO IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH	MUNICH	1	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	100.00	
GLAMAS BETEILIGUNGSVERWALTUNGS GMBH & CO ALPHA KEG	WIEN	4	CALG IMMOBILIEN LEASING GMBH	...	33.33 ⁽³⁾
			UNICREDIT LEASING (AUSTRIA) GMBH	99.80	66.67 ⁽³⁾
GOLF- UND COUNTRY CLUB SEDDINER SEE IMMOBILIEN GMBH	BERLIN	1	HVB PROJEKT GMBH	94.00	
GROSSKUGEL IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	100.00	

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND)	MUNICH	1	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	98.24	
GRUNDSTUCKSVERWALTUNG LINZ-MITTE GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. & CO. KG.	BREGENZ	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
GRUWA GRUNDBAU UND WASSERBAU GMBH	BERLIN	1	UNIVERSALE INTERNATIONAL REALITATEN GMBH	100.00	
H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	10.00	
			WEALTH MANAGEMENT CAPITAL HOLDING GMBH	90.00	
H.F.S. IMMOBILIENFONDS GMBH	MUNICH	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
H.F.S. LEASINGFONDS DEUTSCHLAND 7 GMBH & CO. KG	MUNICH	4	HVB PROJEKT GMBH	99.92	0.18 ⁽³⁾
			WEALTHCAP REAL ESTATE MANAGEMENT GMBH	0.08	⁽³⁾
H.F.S. LEASINGFONDS DEUTSCHLAND 1 GMBH & CO. KG (IMMOBILIENLEASING)	MUNICH	4	HVB IMMOBILIEN AG	99.92	⁽³⁾
			WEALTHCAP REAL ESTATE MANAGEMENT GMBH	0.08	⁽³⁾
HAUS VIOLA SONNENBLUME SENIORENBETREUUNGSGESELLSCHAFT MBH & CO KEG	WIEN	1	BA-CA ADAGIO LEASING GMBH	...	33.33
			UNICREDIT LEASING (AUSTRIA) GMBH	99.80	66.67
HERKU LEASING GESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
HOKA LEASING-GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
			WOM GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	74.80	75.00
HOLDING SP.Z.O.O.	WARSAW	1	BANK PEKAO SA	100.00	
HONEU LEASING GESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.66	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	24.89	
HVB - LEASING PLUTO KFT	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB ALTERNATIVE ADVISORS LLC	NEW YORK	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB ALTERNATIVE FINANCIAL PRODUCTS AG IN ABWICKLUNG	WIEN	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB ASSET MANAGEMENT HOLDING GMBH	MUNICH	1	HVB VERWA 4 GMBH	100.00	
HVB AUTO LEASING EOOD	SOFIA	1	HVB LEASING OOD	100.00	
HVB BANQUE LUXEMBOURG SOCIETE ANONYME	LUXEMBOURG	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB CAPITAL ASIA LIMITED	HONG KONG	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB CAPITAL LLC	WILMINGTON	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB CAPITAL LLC II	WILMINGTON	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB CAPITAL LLC III	WILMINGTON	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB CAPITAL LLC VI	WILMINGTON	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB CAPITAL LLC VIII	WILMINGTON	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB CAPITAL PARTNERS AG	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
HVB CESAR D.O.O. BEOGRAD	BELGRADO	1	BA EUROLEASE	30.00	
			BETEILIGUNGSGESELLSCHAFT M.B.H. UNICREDIT LEASING (AUSTRIA) GMBH	70.00	
HVB FIERO LEASING OOD	SOFIA	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB FUNDING TRUST II	WILMINGTON	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB FUNDING TRUST VIII	WILMINGTON	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB GLOBAL ASSETS COMPANY L.P.	NEW YORK	1	BAYERISCHE HYPO- UND VEREINSBANK AG	4.99	
HVB HONG KONG LIMITED	HONG KONG	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB IMMOBILIEN AG	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB INFORMATION SERVICES GMBH	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB INVESTITIONSBANK GMBH	HAMBURG	1	HVB LEASING GMBH	100.00	
HVB INVESTMENTS (UK) LIMITED	CAYMAN ISLANDS	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB LEASING CPB D.O.O.	SARAJEVO	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	30.00	
			UNICREDIT LEASING (AUSTRIA) GMBH	70.00	
HVB LEASING CZECH REPUBLIC S.R.O.	PRAGUE	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB LEASING GMBH	HAMBURG	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB LEASING MAX INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB LEASING OOD	SOFIA	1	UNICREDIT BULBANK AD	10.00	
			UNICREDIT LEASING (AUSTRIA) GMBH	90.00	
HVB LEASING SLOVAKIA S.R.O.	BRATISLAVA	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB PROJEKT GMBH	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	6.00	
			HVB IMMOBILIEN AG	94.00	
HVB SUPER LEASING EOOD	SOFIA	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB TECTA GMBH	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	6.00	
			HVB IMMOBILIEN AG	94.00	
HVB U.S. FINANCE INC.	NEW YORK	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB VERWA 4 GMBH	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
HVB VERWA 4.4 GMBH	MUNICH	1	HVB VERWA 4 GMBH	100.00	
HVB-LEASING AIDA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING ATLANTIS INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING DANTE INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING FIDELIO INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING FORTE INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING GARO KFT	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING HAMLET INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING JUPITER KFT	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING LAMOND INGATLANHASZNOSITO KFT.	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
HVB-LEASING MAESTOSO INGATLANHASZNOSITO KFT.	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING NANO KFT	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING OTHELLO INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING ROCCA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING RUBIN KFT.	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING SMARAGD KFT.	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVB-LEASING SPORT INGATLANHASZNOSITO KOLATPOT FEEOASSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
HVB-LEASING ZAFIR KFT.	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
HVZ GMBH & CO. OBJEKT KG	MUNICH	1	PORTIA GRUNDSTUCKS- VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
HYPERION IMMOBILIENVERMIETUNGSGESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT BANK AUSTRIA AG	99.00	100.00
HYPO (UK) HOLDINGS LIMITED I.L.	LONDON	1	BAYERISCHE HYPO- UND VEREINSBANK AG HVB IMMOBILIEN AG	100.00 ...	
HYPO-BANK VERWALTUNGSZENTRUM GMBH & CO. KG OBJEKT ARABELLASTRASSE	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
HYOVEREINS IMMOBILIEN EOOD	SOFIA	1	UNICREDIT BULBANK AD	100.00	
HYOVEREINSFINANCE N.V.	AMSTERDAM	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
I-FABER SPA	MILAN	1	UNICREDIT SPA	65.32	
IMMOBILIENFONDS UNIVERSALE 4 GBR	BERLIN	1	ERSTE UNIPRO IMMOBILIEN- PROJEKTIERUNGSGESELLSCHAFT M.B.H.	99.25	
			ZWEITE UNIPRO IMMOBILIEN- PROJEKTIERUNGSGESELLSCHAFT M.B.H.	0.25	
IMMOBILIENFONDS UNIVERSALE WITTENBERGE GBR	BERLIN	1	DRITTE UNIPRO IMMOBILIEN- PROJEKTIERUNGSGES.M.B.H.	95.00	
IMMOBILIENLEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	WIEN	1	ARNO GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
INPROX CHOMUTOV, S.R.O.	PRAGUE	1	UNICREDIT GLOBAL LEASING SPA	100.00	
INPROX KARLOVY VARY, S.R.O.	PRAGUE	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
INPROX Kladno, S.R.O.	PRAGUE	1	UNICREDIT GLOBAL LEASING SPA	100.00	
INPROX POPRAD, SPOL. S.R.O.	BRATISLAVA	1	UNICREDIT GLOBAL LEASING SPA	100.00	
INPROX SR I., SPOL. S.R.O.	BRATISLAVA	1	UNICREDIT GLOBAL LEASING SPA	100.00	
INTERKONZUM DOO SARAJEVO	SARAJEVO	1	BACA GIOCONDO NEKRETNINE D.O.O., SARAJEVO	100.00	
INTERNATIONALES IMMOBILIEN-INSTITUT GMBH	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	94.00	
INTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG HVB IMMOBILIEN AG	6.15 93.85	
INTRO LEASING GESELLSCHAFT M.B.H.	WIEN	1	PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	100.00	
IPSE 2000 S.P.A.	ROME	1	UNICREDIT SPA	50.00	
IRFIS - MEDIOCREDITO DELLA SICILIA S.P.A.	PALERMO	1	BANCO DI SICILIA SPA	76.26	
ISB UNIVERSALE BAU GMBH	BRANDENBURGO	1	UNIVERSALE INTERNATIONAL REALITATEN GMBH	100.00	

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
ISTRA GOLF DOO	UMAG	1	ISTRATURIST UMAG, HOTELIJERSTVO I TURIZAM DD	100.00	
ISTRATURIST UMAG, HOTELIJERSTVO I TURIZAM DD	UMAG	1	ZAGREBACKA BANKA DD	71.80	
JAUSERN-LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
JOHA GEBAUDE-ERRICHTUNGS-UND VERMIETUNGSGESELLSCHAFT MBH	LEONDING	1	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	99.03	
JOINT STOCK COMMERCIAL BANK FOR SOCIAL DEVELOPMENT UKRSOTSBANK	KIEV	1	PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL	82.12	82.15
			UNICREDIT BANK AUSTRIA AG	12.35	
JSC ATF BANK	ALMATY CITY	1	UNICREDIT BANK AUSTRIA AG	99.60	99.86
KADMOS IMMOBILIEN LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
KAMILLE SENIORENRESIDENZ IMMOBILIEN G.M.B.H. & CO. KEG	WIEN	1	BA-CA ADAGIO LEASING GMBH	...	33.33
			UNICREDIT LEASING (AUSTRIA) GMBH	99.80	66.66
KHR PROJEKTENTWICKLUNGSGESELLSCHAFT MBH & CO. OBJEKT BORNITZSTRASSE I KG	MUNICH	1	HVB PROJEKT GMBH	100.00	
KUNSTHAUS LEASING GMBH	WIEN	1	KUTRA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	5.00	
			UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
KUTRA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	WIEN	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
KYNESTE S.P.A.	ROME	1	UNICREDIT SPA	100.00	
LAGERMAX LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
LAGEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
LARGO LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
			VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.	98.80	99.00
LASSALLESTRASSE BAU-, PLANUNGS-, ERRICHTUNGS-UND VERWERTUNGSGESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT BANK AUSTRIA AG	99.00	100.00
LEASFINANZ BANK GMBH	WIEN	1	BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH (EX CALG 434 GRUNDSTUCKVERWALTUNG)	100.00	
LEASFINANZ GMBH	WIEN	1	LF BETEILIGUNGEN GMBH	100.00	
LEGATO LEASING GESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
LELEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
LF BETEILIGUNGEN GMBH	WIEN	1	BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH (EX CALG 434 GRUNDSTUCKVERWALTUNG)	100.00	
LFL LUFTFAHRZEUG LEASING GMBH	HAMBURG	1	HVB LEASING GMBH	100.00	
LIMITED LIABILITY COMPANY B.A. REAL ESTATE	MOSCOW	1	ZAO UNICREDIT BANK	100.00	
LINO HOTEL-LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
LIPARK LEASING GESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
LIVA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
LOCALMIND SPA	MILAN	1	UNICREDIT SPA	95.76	
LOCAT CROATIA DOO	ZAGREB	1	UNICREDIT GLOBAL LEASING SPA	100.00	
LOWES LIMITED	NICOSIA	1	AI BETEILIGUNG GMBH	100.00	
M. A. V. 7., BANK AUSTRIA LEASING BAUTRAGER GMBH & CO.OHG.	WIEN	1	UNICREDIT MOBILIEN LEASING GMBH	98.04	100.00
MARKETING ZAGREBACKE BANKE DOO	ZAGREB	1	ZAGREBACKA BANKA DD	100.00	
MARTIANEZ COMERCIAL, SOCIEDAD ANONIMA	PUERTO DE LA CRUZ	1	UNICREDIT PEGASUS LEASING GMBH	99.96	100.00
MBC IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
MC MARKETING GMBH	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	
MC RETAIL GMBH	WIEN	1	MC MARKETING GMBH	100.00	
MENUETT GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
MIK BETA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
MIK INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
MM OMEGA PROJEKTENTWICKLUNGS GMBH	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
MOBILITY CONCEPT GMBH	UNTERHACHING	1	HVB LEASING GMBH	60.00	
MOC VERWALTUNGS GMBH & CO. IMMOBILIEN KG	MUNICH	4	HVB PROJEKT GMBH	23.00	(3)
MOGRA LEASING GESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
MY BETEILIGUNGS GMBH	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	
NAGE LOKALVERMIETUNGSGESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
NATA IMMOBILIEN-LEASING GESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	51.50	
			UNICREDIT LEASING (AUSTRIA) GMBH	6.00	
NO. HYPO LEASING ASTRICTA GRUNDSTUCKVERMIETUNGS GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
OCEAN BREEZE ENERGY GMBH & CO. KG	MUNICH	4	OCEAN BREEZE FINANCE S.A.	100.00	(3)
OCEAN BREEZE FINANCE S.A.	LUXEMBOURG	4	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	(3)
OCT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
OLG HANDELS- UND BETEILIGUNGSVERWALTUNGSGESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
OLG INDUSTRIEGUTER LEASING GMBH & CO. KG.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	86.12	100.00
OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT OSTRAGEHEGE KG	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	6.00	
			HVB IMMOBILIEN AG	94.00	
OOO UNICREDIT LEASING	MOSCOW	1	ZAO UNICREDIT BANK	100.00	
OPEN SAVING PENSIOON FUND OTAN JSC	ALMATY CITY	1	JSC ATF BANK	83.08	
ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	100.00	

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
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	
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	
PARUS GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
PARZHOF-ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.60	99.80
			UNICREDIT LEASING (AUSTRIA) GMBH	0.20	
PAZONYI'98 INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
PEKAO AUTO FINANSE SA	WARSAW	1	PEKAO LEASING HOLDING S.A.	100.00	
PEKAO BANK HIPOTECZNY S.A.	WARSAW	1	BANK PEKAO SA	99.96	
			HOLDING SP.Z.O.O.	0.04	
PEKAO FAKTORING SP. ZOO	LUBLIN	1	BANK PEKAO SA	100.00	
PEKAO FINANCIAL SERVICES SP. ZOO	WARSAW	1	BANK PEKAO SA	100.00	
PEKAO FUNDUSZ KAPITALOWY SP. ZOO	WARSAW	1	BANK PEKAO SA	100.00	
PEKAO LEASING HOLDING S.A.	WARSAW	1	BANK PEKAO SA	80.10	
			UNICREDIT GLOBAL LEASING SPA	19.90	
PEKAO LEASING I FINANSE S.A.	WARSAW	1	PEKAO LEASING HOLDING S.A.	100.00	
PEKAO LEASING SP ZO.O.	WARSAW	1	BANK PEKAO SA	100.00	
PEKAO PIONEER P.T.E. SA	WARSAW	1	BANK PEKAO SA	65.00	
			PIONEER GLOBAL ASSET MANAGEMENT SPA	35.00	
PEKAO TELECENTRUM SP. ZOO	KRAKOW	1	BANK PEKAO SA	100.00	
PELOPS LEASING GESELLSCHAFT M.B.H.	WIEN	1	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	99.80	100.00
PENSIONSKASSE DER HYPO VEREINSBANK VVAG	MUNICH	4	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	(3)
PESTSZENTIMREI SZAKORVOSI RENDELO KFT.	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
PIANA LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
PIONEER ALTERNATIVE INVESTMENT MANAGEMENT (BERMUDA) LIMITED	HAMILTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER ALTERNATIVE INVESTMENT MANAGEMENT LTD	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER ALTERNATIVE INVESTMENT MANAGEMENT SGR PA	MILAN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER ALTERNATIVE INVESTMENTS (ISRAEL) LTD	TEL AVIV	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER ALTERNATIVE INVESTMENTS (NEW YORK) LTD	DOVER	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER ASSET MANAGEMENT AS	PRAGUE	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER ASSET MANAGEMENT S.A.I. S.A.	BUCHAREST	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	96.03	
			UNICREDIT TIRIAC BANK S.A.	3.97	
PIONEER ASSET MANAGEMENT SA	LUXEMBOURG	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER CZECH FINANCIAL COMPANY SRO	PRAGUE	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER FUNDS DISTRIBUTOR INC	BOSTON	1	PIONEER INVESTMENT MANAGEMENT INC	100.00	
PIONEER GLOBAL ASSET MANAGEMENT SPA	MILAN	1	UNICREDIT SPA	100.00	
PIONEER GLOBAL FUNDS DISTRIBUTOR LTD	HAMILTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
PIONEER GLOBAL INVESTMENTS (AUSTRALIA) PTY LIMITED	MELBOURNE	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER GLOBAL INVESTMENTS (HK) LIMITED	HONG KONG	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER GLOBAL INVESTMENTS (TAIWAN) LTD.	TAIPEI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER GLOBAL INVESTMENTS LIMITED	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER INSTITUTIONAL ASSET MANAGEMENT INC	WILMINGTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
PIONEER INVESTMENT COMPANY AS	PRAGUE	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER INVESTMENT FUND MANAGEMENT LIMITED	BUDAPEST	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER INVESTMENT MANAGEMENT INC	WILMINGTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
PIONEER INVESTMENT MANAGEMENT LIMITED	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER INVESTMENT MANAGEMENT LLC	MOSCOW	1	PIONEER CZECH FINANCIAL COMPANY SRO	1.00	
			PIONEER GLOBAL ASSET MANAGEMENT SPA	99.00	
PIONEER INVESTMENT MANAGEMENT SHAREHOLDER SERVICES INC.	BOSTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ	MILAN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER INVESTMENT MANAGEMENT USA INC.	WILMINGTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER INVESTMENTS AG	BERNA	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER INVESTMENTS AUSTRIA GMBH	WIEN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER INVESTMENTS KAPITALANLAGEGESELLSCHAFT MBH	MUNICH	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
PIONEER PEKAO INVESTMENT FUND COMPANY SA (POLISH NAME: PIONEER PEKAO TFI SA)	WARSAW	1	PIONEER PEKAO INVESTMENT MANAGEMENT SA	100.00	
PIONEER PEKAO INVESTMENT MANAGEMENT SA	WARSAW	1	BANK PEKAO SA	49.00	
			PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
PLANETHOME AG	UNTERFOHRING	1	BAYERISCHE HYPO- UND VEREINSBANK AG	90.86	100.00
PLANETHOME GMBH	MANNHEIM	1	PLANETHOME AG	100.00	
PMG BAUPROJEKTMANAGEMENT GESELLSCHAFT M.B.H. & CO FINANZIERUNGS OEG	WIEN	1	RANA-LIEGENSCHAFTSVERWERTUNG GMBH	99.90	
			UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H.	0.10	
POLIMAR 13 SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	WARSAW	1	UNICREDIT GLOBAL LEASING SPA	100.00	
POLIMAR 6 SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	WARSAW	1	UNICREDIT GLOBAL LEASING SPA	100.00	
POMINVEST DD	SPLIT	1	ZAGREBACKA BANKA DD	88.66	88.95
PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
POSATO LEASING GESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
PRELUDE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
			UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
PRIM Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL	KIEV	1	UNICREDIT BANK AUSTRIA AG	100.00	

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	WIEN	1	ARNO GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
PRVA STAMBENA STEDIONICA DD ZAGREB	ZAGREB	1	ZAGREBACKA BANKA DD	100.00	
QUADEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
QUART Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
QUERCIA FUNDING SRL	VERONA	1	UNICREDIT CORPORATE BANKING SPA	65.00	
QUERCIA SOFTWARE SPA	VERONA	1	UNICREDIT GLOBAL INFORMATION SERVICES SPA	100.00	
QUINT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
RANA-LIEGENSCHAFTSVERWERTUNG GMBH	WIEN	1	UNIVERSALE INTERNATIONAL REALITATEN GMBH	99.90	
REAL ESTATE MANAGEMENT POLAND SP. Z O.O.	WARSAW	1	UNICREDIT GLOBAL LEASING SPA	100.00	
REAL-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
REAL-RENT LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
REGEV REALITATENVERWERTUNGSGESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
RONCASA IMMOBILIEN-VERWALTUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	90.00	
RONDO LEASING GMBH	WIEN	1	WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
ROSENKAVALIER 2008 GMBH	MUNICH	4	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	⁽³⁾
RSB ANLAGENVERMIETUNG GESELLSCHAFT M.B.H.	WIEN	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
RWF REAL - WERT GRUNDSTUCKSVERMIETUNGSGESELLSCHAFT M.B.H. & CO. OBJEKT	WIEN	1	CALG IMMOBILIEN LEASING GMBH	99.83	
			EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	0.17	
S+R INVESTIMENTI E GESTIONI (S.G.R.) SPA	MILAN	1	UNICREDIT CORPORATE BANKING SPA	100.00	
SALOME FUNDING LTD. (JERSEY)	DUBLIN	4	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	⁽³⁾
SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. OHG VERWALTUNGSZENTRUM	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	97.78	
			TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	2.22	
SCHOELLERBANK AKTIENGESELLSCHAFT	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	
SECA-LEASING GESELLSCHAFT M.B.H.	WIEN	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
SEDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	BA-CA ADAGIO LEASING GMBH	...	33.33
			UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
SENIORENWOHNHEIM TROFAIACH GESELLSCHAFT MBH & CO KEG	LOEBEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	66.67
SEXT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
SHOPPING CENTER GYOR ERRICHTUNGS- UND BETRIEBSGESELLSCHAFT M.B.H.	BUDAPEST	1	BACA-LEASING MIDAS INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	95.00	
			UNICREDIT GLOBAL LEASING EXPORT GMBH	5.00	

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
SHS LEASING GMBH	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
			UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
SIA UNICREDIT INSURANCE BROKER	RIGA	4	SIA UNICREDIT LEASING	100.00	(3)
SIA UNICREDIT LEASING	RIGA	1	AS UNICREDIT BANK	49.00	
			UNICREDIT GLOBAL LEASING SPA	51.00	
SIGMA LEASING GMBH	WIEN	1	CALG ANLAGEN LEASING GMBH	99.40	99.60
			UNICREDIT LEASING (AUSTRIA) GMBH	0.40	
SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	5.00	
			SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG	95.00	
SOFIGERE SOCIETE PAR ACTIONS SIMPLIFIEE	PARIGI	1	UNICREDIT SPA	100.00	
SOFIPA SOCIETÀ DI GESTIONE DEL RISPARMIO (SGR) S.P.A.	ROME	1	UNICREDIT SPA	100.00	
SOLARIS VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG	MUNICH	1	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	94.90	
SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG	MUNICH	1	HVB PROJEKT GMBH	100.00	
SONATA LEASING-GESELLSCHAFT M.B.H.	WIEN	1	ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H.	1.00	1.00
			UNICREDIT LEASING (AUSTRIA) GMBH	98.80	
SPECTRUM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	WIEN	1	WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
SRQ FINANZPARTNER AG	BERLIN	1	DAB BANK AG	52.52	
STEWES GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	WIEN	1	PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	24.00	
			UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	75.80	76.00
STRUCTURED LEASE GMBH	GRUNWALD	1	HVB LEASING GMBH	100.00	
T & P FRANKFURT DEVELOPMENT B.V.	AMSTERDAM	1	HVB PROJEKT GMBH	87.50	
T & P VASTGOED STUTTGART B.V.	AMSTERDAM	1	HVB PROJEKT GMBH	87.50	
TELEDATA CONSULTING UND SYSTEMMANAGEMENT GESELLSCHAFT M.B.H.	WIEN	1	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	100.00	
TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	MUNICH	1	HVB TECTA GMBH	75.00	
TERZ Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
TIME TRUCKS LASTWAGEN- UND AUFLIEGER VERMIETUNGS- UND LEASINGGES.M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	99.67	
TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	WIEN	1	BANK AUSTRIA REAL INVEST GMBH	100.00	
TREVI FINANCE N. 2 S.P.A.	CONEGLIANO (TREVISO)	1	UNICREDIT SPA	60.00	

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
TREVI FINANCE N. 3 S.R.L.	CONEGLIANO (TREVISO)	1	UNICREDIT SPA	60.00	
TREVI FINANCE S.P.A.	CONEGLIANO (TREVISO)	1	UNICREDIT SPA	60.00	
UFFICIUM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	KUTRA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	5.00	
			UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
UIB UNIVERSALE BAU HOLDING GESELLSCHAFT M.B.H.	BRANDENBURG	1	ISB UNIVERSALE BAU GMBH	100.00	
UNI IT SRL	LAVIS	1	UNICREDIT BUSINESS PARTNER SOCIETA PER AZIONI	51.00	
UNICOM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
UNICREDIT (SUISSE) BANK SA	LUGANO	1	UNICREDIT PRIVATE BANKING SPA	100.00	
UNICREDIT AUDIT SPA	MILAN	1	UNICREDIT SPA	100.00	
UNICREDIT AUTO LEASING E.O.O.D.	SOFIA	1	UNICREDIT LEASING AD	100.00	
UNICREDIT BANCA DI ROME SPA	ROME	1	UNICREDIT SPA	100.00	
UNICREDIT BANCA PER LA CASA SPA	MILAN	1	UNICREDIT SPA	100.00	
UNICREDIT BANCA SPA	BOLOGNA	1	UNICREDIT SPA	100.00	
UNICREDIT BANCASSURANCE MANAGEMENT & ADMINISTRATION SRL	MILAN	1	UNICREDIT SPA	100.00	
UNICREDIT BANK AD BANJA LUKA	BANJA LUKA	1	UNICREDIT BANK AUSTRIA AG	90.93	
UNICREDIT BANK AUSTRIA AG	WIEN	1	UNICREDIT SPA	99.99	
UNICREDIT BANK CZECH REPUBLIC A.S.	PRAGUE	1	UNICREDIT BANK AUSTRIA AG	100.00	
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
UNICREDIT BANK HUNGARY ZRT.	BUDAPEST	1	UNICREDIT BANK AUSTRIA AG	100.00	
UNICREDIT BANK IRELAND PLC	DUBLIN	1	UNICREDIT SPA	100.00	
UNICREDIT BANK LTD	LUCK	1	BANK PEKAO SA	100.00	
UNICREDIT BANK SERBIA JSC	BELGRADO	1	UNICREDIT BANK AUSTRIA AG	99.92	
UNICREDIT BANK SLOVAKIA AS	BRATISLAVA	1	UNICREDIT BANK AUSTRIA AG	99.03	
UNICREDIT BANKA SLOVENIJA D.D.	LJUBLJANA	1	UNICREDIT BANK AUSTRIA AG	99.99	
UNICREDIT BROKER D.O.O	ZAGREB	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	20.00	
			UNICREDIT LEASING CROATIA D.O.O. ZA LEASING	80.00	
UNICREDIT BROKER S.R.O.	BRATISLAVA	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	19.68	
			UNICREDIT LEASING SLOVAKIA A.S.	80.32	
UNICREDIT BROKER SPA	MILAN	1	UNICREDIT CORPORATE BANKING SPA	100.00	
UNICREDIT BULBANK AD	SOFIA	1	UNICREDIT BANK AUSTRIA AG	92.08	
			UNICREDIT SPA	...	
UNICREDIT BUSINESS PARTNER SOCIETA PER AZIONI	COLOGNO MONZESE	1	UNICREDIT SPA	100.00	
UNICREDIT CA IB ROMENIA SRL	BUCHAREST	1	UNICREDIT CAIB AG	99.97	
			UNICREDIT CAIB SLOVAKIA, A.S.	0.03	
UNICREDIT CAIB AG	WIEN	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GMBH	100.00	
UNICREDIT CAIB CZECH REPUBLIC AS	PRAGUE	1	UNICREDIT CAIB AG	100.00	

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
UNICREDIT CAIB HUNGARY LTD	BUDAPEST	1	UNICREDIT CAIB AG	100.00	
UNICREDIT CAIB POLAND S.A.	WARSAW	1	UNICREDIT CAIB AG	100.00	
UNICREDIT CAIB SECURITIES UK LTD.	LONDON	1	UNICREDIT CAIB AG	100.00	
UNICREDIT CAIB SERBIA LTD BELGRADE	BELGRADO	1	UNICREDIT CAIB AG	100.00	
UNICREDIT CAIB SLOVAKIA, A.S.	BRATISLAVA	1	UNICREDIT CAIB AG	100.00	
UNICREDIT CAIB SLOVENIJA DOO	LJUBLJANA	1	UNICREDIT CAIB AG	100.00	
UNICREDIT CAIB UK LTD.	LONDON	1	UNICREDIT CAIB AG	100.00	
UNICREDIT CONSUMER FINANCING AD	SOPIA	1	UNICREDIT BULBANK AD	49.90	
			UNICREDIT CONSUMER FINANCING BANK SPA	50.10	
UNICREDIT CONSUMER FINANCING BANK SPA	MILAN	1	UNICREDIT SPA	100.00	
UNICREDIT CORPORATE BANKING SPA	VERONA	1	UNICREDIT SPA	100.00	
UNICREDIT CREDIT MANAGEMENT BANK SPA	VERONA	1	UNICREDIT SPA	100.00	
UNICREDIT CREDIT MANAGEMENT IMMOBILIARE S.P.A.	ROME	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	100.00	
UNICREDIT DELAWARE INC	DOVER	1	UNICREDIT SPA	100.00	
UNICREDIT FACTORING EAD	SOPIA	1	UNICREDIT BULBANK AD	100.00	
UNICREDIT FACTORING SPA	MILAN	1	UNICREDIT CORPORATE BANKING SPA	100.00	
UNICREDIT FLEET MANAGEMENT S.R.O.	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
UNICREDIT FLEET MANAGEMENT S.R.O.	BRATISLAVA	1	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
UNICREDIT FUGGETLEN BIZTOSITASKOZVETITO KFT	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	25.20	
			UNICREDIT LEASING KFT	74.80	
UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	WIEN	1	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	99.80	100.00
UNICREDIT GLOBAL INFORMATION SERVICES SPA	MILAN	1	UNICREDIT SPA	100.00	
UNICREDIT GLOBAL LEASING EXPORT GMBH	WIEN	1	UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH	100.00	
UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH	WIEN	1	UNICREDIT GLOBAL LEASING SPA	100.00	
UNICREDIT GLOBAL LEASING SPA	MILAN	1	UNICREDIT BANK AUSTRIA AG	32.59	
			UNICREDIT SPA	67.41	
UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	WIEN	1	UNICREDIT GLOBAL LEASING SPA	100.00	
UNICREDIT INGATLANLIZING ZRT	BUDAPEST	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
UNICREDIT INSURANCE BROKER OOD	SOPIA	1	HVB LEASING OOD	80.00	
			UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	20.00	
UNICREDIT INSURANCE BROKER SRL	BUCHAREST	1	BA-CA LEASING VERSICHERUNGSSERVICE GMBH	99.80	
UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	LUXEMBOURG	1	UNICREDIT SPA	100.00	
UNICREDIT IRELAND FINANCIAL SERVICES PLC	DUBLIN	1	UNICREDIT BANK IRELAND PLC	100.00	
UNICREDIT JELZALOGBANK ZRT.	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
UNICREDIT KFZ LEASING GMBH	WIEN	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	100.00	
UNICREDIT LEASING (AUSTRIA) GMBH	WIEN	1	UNICREDIT GLOBAL LEASING SPA	99.98	100.00
UNICREDIT LEASING AD	SOPIA	1	UNICREDIT BULBANK AD	49.00	
			UNICREDIT GLOBAL LEASING SPA	51.00	
UNICREDIT LEASING AUTO BULGARIA EOOD	SOPIA	1	BULBANK LEASING EAD	100.00	
UNICREDIT LEASING CORPORATION IFN S.A.	BUCHAREST	1	UNICREDIT GLOBAL LEASING SPA	80.00	
			UNICREDIT TIRIAC BANK S.A.	20.00	

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
UNICREDIT LEASING CROATIA D.O.O. ZA LEASING	ZAGREB	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
UNICREDIT LEASING CZ, A.S.	PRAGUE	1	UNICREDIT GLOBAL LEASING SPA	100.00	
UNICREDIT LEASING D.O.O.	SARAJEVO	1	UNICREDIT GLOBAL LEASING SPA	100.00	
UNICREDIT LEASING FLEET MANAGEMENT S.R.L.	BUCHAREST	1	UNICREDIT GLOBAL LEASING EXPORT GMBH	10.00	
			UNICREDIT GLOBAL LEASING SPA	90.00	
UNICREDIT LEASING FUHRPARKMANAGEMENT GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
UNICREDIT LEASING HUNGARY ZRT	BUDAPEST	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	2.00	
			UNICREDIT LEASING (AUSTRIA) GMBH	98.00	
UNICREDIT LEASING IMMOTRUCK ZRT.	BUDAPEST	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	30.00	
			UNICREDIT LEASING (AUSTRIA) GMBH	70.00	
UNICREDIT LEASING KFT	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
UNICREDIT LEASING LUNA KFT	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	80.00	
UNICREDIT LEASING MARS KFT	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	80.00	
UNICREDIT LEASING REAL ESTATE S.R.O.	BRATISLAVA	1	UNICREDIT GLOBAL LEASING SPA	100.00	
UNICREDIT LEASING ROMENIA IFN S.A.	BUCHAREST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
			UNICREDIT TIRIAC BANK S.A.	...	
UNICREDIT LEASING S.P.A.	BOLOGNA	1	UNICREDIT GLOBAL LEASING SPA	90.84	
			UNICREDIT SPA	9.16	
UNICREDIT LEASING SLOVAKIA A.S.	BRATISLAVA	1	UNICREDIT BANK SLOVAKIA AS	19.90	
			UNICREDIT GLOBAL LEASING SPA	71.30	
			UNICREDIT LEASING CZ, A.S.	8.80	
UNICREDIT LEASING SRBIJA D.O.O. BEOGRAD	BELGRADO	1	UNICREDIT GLOBAL LEASING SPA	100.00	
UNICREDIT LEASING TOB	KIEV	1	UNICREDIT GLOBAL LEASING SPA	100.00	
UNICREDIT LEASING URANUS KFT	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	80.00	
UNICREDIT LEASING, LEASING, D.O.O.	LJUBLJANA	1	UNICREDIT BANKA SLOVENIJA D.D.	3.63	
			UNICREDIT GLOBAL LEASING SPA	96.37	
UNICREDIT LUNA LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
UNICREDIT LUXEMBOURG FINANCE SA	LUXEMBOURG	1	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	99.93	100.00
UNICREDIT MEDIOCREDITO CENTRALE S.P.A.	ROME	1	UNICREDIT SPA	100.00	
UNICREDIT MERCHANT S.P.A.	ROME	1	UNICREDIT SPA	100.00	
UNICREDIT MOBILIEN LEASING GMBH	WIEN	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
UNICREDIT PARTNER D.O.O BEOGRAD	BELGRADO	1	BA-CA LEASING VERSICHERUNGSSERVICE GMBH	100.00	
UNICREDIT PARTNER LLC	KIEV	4	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	100.00	(3)
UNICREDIT PEGASUS LEASING GMBH	WIEN	1	CALG IMMOBILIEN LEASING GMBH	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
UNICREDIT POJIST'OVACI MAKLERSKA SPOL. S R.O.	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
UNICREDIT POLARIS LEASING GMBH	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
UNICREDIT PRIVATE BANKING SPA	TURIN	1	UNICREDIT SPA	100.00	
UNICREDIT REAL ESTATE ADVISORY SRL	VERONA	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	51.00	
UNICREDIT REAL ESTATE SPA	GENOVA	1	UNICREDIT SPA	100.00	
UNICREDIT RENT D.O.O. BEOGRAD	BELGRADO	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
UNICREDIT SECURITIES INTERNATIONAL LIMITED	NICOSIA	1	AI BETEILIGUNG GMBH	100.00	

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
UNICREDIT TECHRENT LEASING GMBH	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.00	
			UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
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 ROMENIA IFN S.A.	...	
UNICREDIT ZAVAROVALNO ZASTOPINSKA DRUZBA DOO	LJUBLJANA	4	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	100.00	(3)
UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
UNICREDIT-LEASING HOMONNA INGATLNHASZNOSITO KFT	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
UNICREDIT-LEASING HOSPES KFT	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
UNICREDIT-LEASING NEPTUNUS KFT	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	96.35	
UNICREDIT-LEASING SATURNUS KFT	BUDAPEST	1	UNICREDIT GLOBAL LEASING SPA	100.00	
UNICREDITO ITALIANO CAPITAL TRUST I	NEWARK	1	UNICREDIT SPA	100.00	
UNICREDITO ITALIANO CAPITAL TRUST II	NEWARK	1	UNICREDIT SPA	100.00	
UNICREDITO ITALIANO CAPITAL TRUST III	NEWARK	1	UNICREDITO ITALIANO FUNDING LLC III	100.00	
UNICREDITO ITALIANO CAPITAL TRUST IV	NEWARK	1	UNICREDITO ITALIANO FUNDING LLC IV	100.00	
UNICREDITO ITALIANO FUNDING LLC I	DOVER	1	UNICREDIT SPA	100.00	
UNICREDITO ITALIANO FUNDING LLC II	DOVER	1	UNICREDIT SPA	100.00	
UNICREDITO ITALIANO FUNDING LLC III	DELAWARE	1	UNICREDIT SPA	100.00	
UNICREDITO ITALIANO FUNDING LLC IV	DELAWARE	1	UNICREDIT SPA	100.00	
UNIMANAGEMENT SRL	TURIN	1	UNICREDIT SPA	100.00	
UNIVERSALE BUCHHOLZ GBR	BERLIN	1	DRITTE UNIPRO IMMOBILIEN-PROJEKTIERUNGSGES.M.B.H.	33.33	
			UNIVERSALE INTERNATIONAL PROJEKTMANAGEMENT GMBH	66.17	
UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H.	WIEN	1	UNIVERSALE INTERNATIONAL REALITATEN GMBH	100.00	
UNIVERSALE INTERNATIONAL POLAND SP.ZO.O.	WARSAW	1	UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H.	99.57	
			UNIVERSALE INTERNATIONAL REALITATEN GMBH	0.43	
UNIVERSALE INTERNATIONAL PROJEKTMANAGEMENT GMBH	BERLIN	1	UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H.	100.00	
UNIVERSALE INTERNATIONAL PROJEKTSZERVEZESI KFT.	BUDAPEST	1	UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H.	99.69	
			UNIVERSALE INTERNATIONAL REALITATEN GMBH	0.31	
UNIVERSALE INTERNATIONAL REALITATEN GMBH	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
UNIVERSALE INTERNATIONAL SPOL S.R.O., PRAG	PRAGUE	1	UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H.	100.00	
UPI POSLOVNI SISTEM DOO	SARAJEVO	1	UNICREDIT BANK DD	48.80	
			ZANE BH DOO	20.63	
V.M.G. VERMIETUNGSGESELLSCHAFT MBH	MUNICH	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
VANDERBILT CAPITAL ADVISORS LLC	NEW YORK	1	PIONEER INSTITUTIONAL ASSET MANAGEMENT INC	100.00	
VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.	WIEN	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
VEREINSBANK VICTORIA BAUSPAR AKTIENGESELLSCHAFT	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	70.00	
WAVE SOLUTIONS INFORMATION TECHNOLOGY GMBH	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	
WEALTH MANAGEMENT CAPITAL HOLDING GMBH	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	100.00	
WEALTHCAP INVESTORENBETREUUNG GMBH	MUNICH	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
WEALTHCAP PEIA MANAGEMENT GMBH	MUNICH	1	BAYERISCHE HYPO- UND VEREINSBANK AG	6.00	
			WEALTH MANAGEMENT CAPITAL HOLDING GMBH	94.00	
WEALTHCAP REAL ESTATE MANAGEMENT GMBH	MUNICH	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
XELION DORADCY FINANSOWI SP. ZOO	WARSAW	1	BANK PEKAO SA	50.00	
			UNICREDIT SPA	50.00	
Z LEASING ALFA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
Z LEASING ARKTUR IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
Z LEASING AURIGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
Z LEASING CORVUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	99.80	100.00
Z LEASING DORADO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	CALG GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
Z LEASING DRACO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
Z LEASING GAMA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
Z LEASING GEMINI IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
Z LEASING HEBE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	GEBAUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	99.80	100.00
Z LEASING HERCULES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
Z LEASING IPSILON IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
Z LEASING ITA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
Z LEASING JANUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
Z LEASING KALLISTO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
Z LEASING KAPA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
Z LEASING KSI IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
Z LEASING LYRA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
Z LEASING NEREIDE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
Z LEASING OMEGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
Z LEASING PERSEUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
Z LEASING POLLUX IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT BANK AUSTRIA AG	99.80	
Z LEASING RIGEL IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT BANK AUSTRIA AG	99.80	
Z LEASING SCORPIUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
Z LEASING SIRIUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT BANK AUSTRIA AG	99.80	
Z LEASING TAURUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	99.80	100.00
Z LEASING VENUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
Z LEASING VOLANS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	WIEN	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
ZABA TURIZAM DOO	ZAGREB	1	ZAGREBACKA BANKA DD	100.00	
ZAGREB NEKRETNINE DOO	ZAGREB	1	ZAGREBACKA BANKA DD	100.00	
ZAGREBACKA BANKA DD	ZAGREB	1	UNICREDIT BANK AUSTRIA AG	84.21	84.44
ZANE BH DOO	SARAJEVO	1	ZAGREB NEKRETNINE DOO	100.00	
ZAO IMB-LEASING	MOSCOW	1	ZAO UNICREDIT BANK	100.00	
ZAO LOCAT LEASING RUSSIA	MOSCOW	1	UNICREDIT GLOBAL LEASING SPA	32.99	
			UNICREDIT LEASING S.P.A.	67.01	
ZAO UNICREDIT ATON	MOSCOW	1	AI BETEILIGUNG GMBH	99.50	
			UNICREDIT SECURITIES INTERNATIONAL LIMITED	0.50	
ZAO UNICREDIT BANK	MOSCOW	1	UNICREDIT BANK AUSTRIA AG	100.00	
ZB INVEST DOO	ZAGREB	1	ZAGREBACKA BANKA DD	100.00	
ZETA FUFN HANDELS GMBH	WIEN	1	UNICREDIT BANK AUSTRIA AG	100.00	
ZWEITE UNIPRO IMMOBILIEN-PROJEKTIERUNGSGESELLSCHAFT M.B.H.	BERLIN	1	UNIVERSALE INTERNATIONAL PROJEKTMANAGEMENT GMBH	100.00	

continued: (Investments in Subsidiaries and interests in joint ventures (recognised using proportionate consolidation))

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP ¹	OWNERSHIP RELATIONSHIP		VOTING RIGHTS ²
			HELD BY	HOLDING %	
A.2 COMPANIES RECOGNISED USING PROPORTIONATE CONSOLIDATION					
INFORMATIONS-TECHNOLOGIE AUSTRIA GMBH	WIEN	7	ASSET MANAGEMENT GMBH	...	
			PIONEER INVESTMENTS AUSTRIA GMBH	...	
			UNICREDIT BANK AUSTRIA AG	49.99	
KOC FINANSAL HIZMETLER AS	ISTANBUL	7	UNICREDIT BANK AUSTRIA AG	50.00	
ORBIT ASSET MANAGEMENT LIMITED	HAMILTON	7	PIONEER ALTERNATIVE INVESTMENT MANAGEMENT (BERMUDA) LIMITED	50.00	
STICHTING CUSTODY SERVICES KBN	AMSTERDAM	7	YAPI KREDI BANK NEDERLAND NV	40.90	
TLX SPA	MILAN	7	UNICREDIT SPA	50.00	
UNICREDIT MENKUL DEGERLER AS	ISTANBUL	7	KOC FINANSAL HIZMETLER AS	50.00	
YAPI KREDI AZERBAIJAN	BAKU	7	YAPI KREDI FINANSAL KIRALAMA AO	0.04	
			YAPI KREDI YATIRIM MENKUL DEGERLER AS	0.04	
			YAPI VE KREDI BANKASI AS	40.82	
YAPI KREDI BANK NEDERLAND NV	AMSTERDAM	7	YAPI KREDI HOLDING BV	13.40	
			YAPI VE KREDI BANKASI AS	27.50	
YAPI KREDI EMEKLILIK AS	ISTANBUL	7	YAPI KREDI FAKTORING AS	0.02	
			YAPI KREDI SIGORTA AS	38.40	
			YAPI KREDI YATIRIM MENKUL DEGERLER AS	0.02	
			YAPI VE KREDI BANKASI AS	...	
YAPI KREDI FAKTORING AS	ISTANBUL	7	YAPI KREDI FINANSAL KIRALAMA AO	...	
			YAPI VE KREDI BANKASI AS	40.88	
YAPI KREDI FINANSAL KIRALAMA AO	ISTANBUL	7	YAPI KREDI FAKTORING AS	...	
			YAPI VE KREDI BANKASI AS	40.43	
YAPI KREDI HOLDING BV	AMSTERDAM	7	YAPI VE KREDI BANKASI AS	40.90	
YAPI KREDI MOSCOW	MOSCOW	7	YAPI KREDI FINANSAL KIRALAMA AO	0.06	
			YAPI VE KREDI BANKASI AS	40.83	
YAPI KREDI PORTFOY YONETIMI AS	BARBAROS	7	YAPI KREDI YATIRIM MENKUL DEGERLER AS	35.70	
			YAPI VE KREDI BANKASI AS	5.17	
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	
YAPI KREDI YATIRIM MENKUL DEGERLER AS	ISTANBUL	7	YAPI KREDI FINANSAL KIRALAMA AO	...	
			YAPI VE KREDI BANKASI AS	40.89	
YAPI KREDI YATIRIM ORTAKLIGI AS	ISTANBUL	7	YAPI KREDI YATIRIM MENKUL DEGERLER AS	18.39	
			YAPI VE KREDI BANKASI AS	4.54	
YAPI VE KREDI BANKASI AS	ISTANBUL	7	KOC FINANSAL HIZMETLER AS	40.90	

(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.

(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 fully consolidated.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

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 Consolidated Accounts. Please see the Report on Operations for a description of the major significant subsequent events that occurred after the balance-sheet date.

Section 5 - Other Matters

Since 2008 the following principles or accounting interpretations have become effective:

- IFRIC 11: IFRS 2 - Group and Treasury Share Transactions (transposed into EC regulation 611/2007);
- Amendments to IAS 39 and IFRS 7 "Reclassification of Financial Instruments" (transposed into EC regulation 1004/2008).

The interpretation of IFRIC 11 clarifies the accounting recognition of share based payments made with equity instruments issued by the Parent or by other Subsidiaries. In this respect we note that the Group has already been using accounting policies, in line with interpretation instructions, and therefore the adoption thereof did not affect the consolidated Accounts.

Changes to IAS 39 and IFRS 7 introduce the opportunity to condense financial assets "held for trading" and "held for sale" and require the disclosure of additional information on condensed assets. For a description of the implementation of these changes in the 2008 Accounts see Chapters 1 to 4 in Part A.2 relating to the main items and Part B) Assets.

The European Commission also transposed some accounting principles which have become effective after December 31, 2008, for which the Group did not avail itself of the possibility to implement them in advance.

These principles are:

- IAS 1: Presentation of Financial Statements (transposed into regulation EC 1274/2008);
- IAS 23: Borrowing costs (transposed into EC regulation 1260/2008);
- Amendments to IAS 32: Financial Instruments: Disclosure and Presentation and to IAS 1: Presentation of Financial Statements - (transposed into EC regulation 53/2009);
- Amendments to IFRS 1: First-time Adoption of IFRS and to IAS 27: Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate (transposed into EC regulation 69/2009);
- Amendment to IFRS 2: Share-Based Payment (transposed into EC regulation 1261/2008);
- IFRS 8: Operating Segments (transposed into EC regulation 1358/2007);
- IFRIC 13: Customer Loyalty Programmes (transposed into EC regulation 1262/2008);
- IFRIC 14: The limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (transposed into EC regulation 1263/2008);
- Improvements to IFRSs (transposed into EC regulation 70/2009).

The required changes are under examination. We do not in any case believe that these standards will have any significant impact on our income statement or balance sheet.

As at 31 December 2008 the IASB had issued or reviewed the following accounting principles:

- Amendments to IAS 27: Consolidated and Separate Financial Statements;
- Amendments to IAS 39: Financial Instruments - Eligible Hedged Items;
- Amendments to IAS 39: Reclassification of Financial Assets - Effective Date and Transition;
- IFRS 1: First-time Adoption of IFRS
- IFRS 3: Business Combinations;

- IFRIC 12: Service Concession Arrangements;
- IFRIC 15: Agreements for the Construction of Real Estate;
- IFRIC 16: Hedges of a Net Investment in a Foreign Operation;
- IFRIC 17: Distribution of a Non-Cash Assets to Owners;
- IFRIC 18: Transfers of Assets from Customers.

However, the adoption of these principles by the Group is subject to transposition thereof by the European Union.

The consolidated accounts are audited by KPMG S.p.A. pursuant to LD 58/98 and the resolution passed by the Shareholders' Meeting on May 10, 2007, as are the accounts of UniCredit SpA, the Parent Company.

The UniCredit Group published its consolidated financial half-year report at June 30, 2008, its consolidated quarterly reports at 31 March and September 30, 2008 within the legal time limits and as prescribed by CONSOB, and the Consolidated Financial Report as at September 30, included in the Prospectus filed with Consob at December 23, 2008.

The Board of Directors approved these Accounts on March 17, 2009 and authorized the publication of the essential figures. The whole document is lodged with the competent offices and entities as required by law.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

A2) The Main Items of the Accounts

1 - Held-for-Trading Financial Assets (HfT)

A financial asset is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- a derivative (except for derivatives which constitute financial guarantees, see Section 18, and derivatives designated as hedging instruments - see Section 6).

On initial recognition an HfT financial asset is measured at its fair value excluding transaction costs and income which are directly recognized in profit and loss even when directly attributable to the acquisition or issue of the financial asset.

After initial recognition these financial assets are measured at their fair value through profit or loss.

A gain or loss arising from sale or redemption or a change in the fair value of a HfT financial asset is recognised in profit or loss in item 80 "Gains (losses) on financial assets and liabilities held for trading", with the exception of financial derivatives relating to a fair value option of which gains and losses, whether realised or measured, are booked in item 110. "Gains (losses) on financial assets/liabilities at fair value through profit and loss" (please see Ch. 5). If the fair value of a financial asset falls below zero, it is recognised in item 40 "Financial liabilities held for trading".

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (usually called the 'underlying');
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

An embedded derivative is separated from the host contract and recognised as a derivative if:

- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid (combined) instrument is not measured at fair value through profit or loss.

If it is necessary to separate an embedded derivative from its host contract, but it is not possible to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the entire combined contract is treated as an HfT financial asset or financial liability.

When an embedded derivative is separated, the host contract is recognised according to its category.

EC Regulation 1004 dated October 15, 2008 transposed the changes to IAS 39 and IFRS 7 “Financial instruments: disclosures” approved by the IASB. These changes are retroactive to July 1, 2008 and allow the bank, after initial recognition, to reclassify certain “held for trading” and “available for sale” financial assets.

The following assets may be reclassified:

- held for trading or available for sale financial assets, which would have complied with the IAS definition of loans and receivables (if these assets had not been initially classified as held for trading or available for sale respectively), provided that the Entity intends and has the capacity to hold these assets for the foreseeable future or to maturity.
- Only “in rare circumstances” HfT assets, which did not comply with the loans and receivables definition when they were recognized, may be reclassified. Article 2 of the EC Regulation also states that “the current financial crisis is considered to be such a rare circumstance which would justify the use of this option [reclassification] by companies”.

Therefore in 2008 the Group reclassified certain held-for-trading financial assets other than derivatives or financial instruments with embedded derivatives. For details on composition and reclassification see Section 3 and 4 and Part B) Assets.

The assets identified were recognized at fair value on the date of reclassification, without reconsidering the impacts already recognized in the Income Statement as at the same date.

2 - Available-for-sale Financial Assets (AfS)

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments, financial assets held for trading or financial assets at fair value through profit or loss. These assets are held for an indefinite period of time and for the purpose of ensuring liquidity and responding to changes in interest rates, exchange rates and prices.

AfS financial assets are money market instruments, other debt instruments or equity instruments.

On initial recognition, an AfS financial asset is measured at fair value plus transaction costs and income directly attributable to the instrument, less fees and commissions.

Interest on interest-bearing instruments is recognised at amortised cost using the effective interest rate method.

In subsequent periods available-for-sale financial assets are measured at fair value, the interest at amortized cost being recognized in the income statement. Gains or losses arising out of changes in fair value are recognised in equity item 140 “Revaluation reserves” - except losses due to impairment and exchange rate gains or losses on monetary items (debt instruments) which are recognised under item 130.b) “Impairment losses on AfS available for sale financial assets” and item 80 “Gains (losses) on financial assets and liabilities held for trading” respectively - until the financial asset is sold, at which time cumulative gains and losses are recognised in profit or loss in item 100(b) “Gains (losses) on disposal or repurchase of AfS financial assets”.

Equity instruments (shares) not listed in an active market and whose fair value cannot be reliably determined are valued at cost. If there is objective evidence of an impairment loss on an available-for-sale financial asset, the cumulative loss that had been recognised directly in equity item 140 “Revaluation reserves”, is removed from equity and recognised in profit or loss under item 130(b) “Impairment losses (b) Available for sale financial assets”.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

In respect of debt instruments, any circumstances indicating that the borrower is experiencing financial difficulties which could prejudice the collection of the principal or interest, represent an impairment loss.

Lasting loss of value of equity instruments is assessed on the basis of indicators such as fair value below cost and adverse changes in the environment in which the company operates, as well as the issuer's debt service difficulties.

If the fall in fair value below cost is more than 50% or lasts for more than 18 months, the loss of value is normally considered lasting. If however the fall in the fair value of the instrument is over 20% but less than or equal to 50% or continues for no less than 9 but no longer than 18 months, the Group analyses further income and market indicators.

If the results of the analysis are such as to prejudice the recovery of the amount originally invested, a lasting loss of value is recognized.

The amount taken to profit and loss is the difference between the carrying amount (acquisition cost less any impairment loss already recognized in profit or loss) and current fair value.

Where instruments are valued at cost, the amount of the loss is determined as the difference between their carrying value and the present value of estimated future cash flows, discounted at the current market yield on similar financial assets.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed and the amount of the reversal is recognised in the same profit or loss item. The reversal cannot result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale are not reversed through profit or loss, but recognised at equity, even when the reasons for impairment no longer obtain.

With reference to the changes to IAS 39 and IFRS 7 "Reclassification of financial assets" as described under section 1, in 2008 the Group reclassified AfS financial assets. Please see sections 3 and 4 and Part B) - Assets for details as to the composition and effects of these reclassifications.

Prior gains and losses arising from changes in fair value up to the reclassification date were recognized in equity and amortized through profit and loss for the residual life of the reclassified assets.

3 - Held to Maturity Investments (HtM)

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity for which there is the positive intention and ability to hold to maturity.

If, during the financial year, more than an insignificant amount of held-to-maturity investments are sold or reclassified before maturity, the remaining HtM financial assets are reclassified as available-for-sale and no financial assets are classified as HtM investments for the two following financial years, unless the sales or reclassifications:

- are so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- occur after substantially all of the financial asset's original principal has been collected through scheduled payments or prepayments;
- are attributable to an isolated event that is beyond the reporting entity's control, is non-recurring and could not have been reasonably anticipated.

After initial recognition at its fair value, which will usually be the price paid including transaction costs and income directly attributable to the acquisition or provision of the financial asset (even if not yet settled), a held-to-maturity financial asset is measured at amortised cost using the effective interest method. A gain or loss is recognised in profit or loss in item 100(c) "Gains (losses) on disposal of HtM financial assets" when the financial asset is derecognised.

If there is objective evidence that a held-to-maturity investment is impaired, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted using the original effective interest rate of the financial asset. The carrying amount of the asset is reduced accordingly and the loss is recognised in profit or loss under item 130(c) "Impairment losses (c) held-to-maturity investments".

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed. The reversal cannot result in a carrying amount of the financial asset in excess of what the amortised cost would have been had the impairment not been recognised. The amount of the reversal is recognised in the same profit or loss item.

With reference to the changes to IAS 39 and IFRS 7 "Reclassification of financial assets" as described under section 1, since in 2008 the "rare circumstances" prescribed by the standard prevailed, previously HFT financial assets were reclassified to maturity.

Please see part B) - Assets for details as to the composition and effects of these reclassifications.

These reclassifications entail a closer alignment of accounting classification and management strategy, in that they reflect the changes in the intention and ability to hold these assets to maturity and not to sell them in the short term.

The Directors believe that their intrinsic value is above fair value, considering the significant negative impact that fair value has suffered due to the reduced liquidity of the market.

The assets selected were recognized at their fair value on the reclassification date without resoring the effects already recognized in the income statement at that date.

Subsequently these assets were valued at amortised cost, adjusted where necessary to take into account any reductions in value or write-backs resulting from valuation.

4 - Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised on the date of contract signing, which normally coincides with the date of disbursement to the borrower.

These items include debt instruments with the same characteristics and the net value of finance leases of assets under construction or awaiting lease, provided the leases have the characteristics of contracts entailing the transfer of risk.

Previously the value of these leases was recognized in item 120 "Tangible assets - to be used in the business - Other".

For comparability purposes, the December 2007 figures were reclassified according to the new principles.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

After initial recognition at fair value, which usually is the price paid including transaction costs and income which are directly attributable to the acquisition or issuance of the financial asset (even if not paid), a loan or receivable is measured at amortised cost using the effective interest method, allowances or reversals of allowances being made where necessary on remeasuring.

A gain or loss on loans and receivables that are not part of a hedging relationship is recognised in profit or loss:

- when a loan or receivable is derecognised: in item 100 (a) "Gains (losses) on disposal";

or:

- when a loan or receivable is impaired: in item 130 (a) "Impairment losses (a) loans and receivables".

Interest on loans and receivables is recognised in profit or loss on an accruals basis under item 10 "Interest income and similar revenue".

Delay interest is taken to the income statement on collection or receipt.

A loan or receivable is deemed impaired when it is considered that it will probably not be possible to recover all the amounts due according to the contractual terms, or equivalent value.

Allowances for impairment of loans and receivables are based on the present value of expected net cash flows of principal and interest less recovery costs and any prepayments received; in determining the present value of future cash flows, the basic requirement is the identification of estimated collections, the timing of payments and the rate used.

The amount of the loss on impaired exposure classified as non-performing, doubtful or restructured according to the categories specified below, is the difference between the carrying value and the present value of estimated cash flows discounted at the original interest rate of the financial asset. If the original interest rate on a financial asset discounted for the first time in the year of changeover to IFRS, was not available, or obtaining it would have been too costly, the average interest rate on unimpaired positions in the year in which the original impairment of the asset was recognised, is used. This rate is maintained in all later years.

Recovery times are estimated on the basis of any repayment schedules agreed with the borrower or included in a business plan or reasonably predicted, based on historical recovery experience observed for similar classes of loans, taking into account the type of loan, the geographical location, the type of security and any other factors considered relevant.

Loans and receivables are reviewed to identify those that, following events occurring after initial recognition, display objective evidence of possible impairment. These problem loans are reviewed and analysed periodically at least once a year. Any subsequent change vis-à-vis initial expectations of the amount or timing of expected cash flows of principal and interest causes a change in allowances for impairment and is recognised in profit or loss in item 130(a) "Impairment losses (a) loans and receivables".

In the Notes to the Accounts, write-downs of impaired loans are classified as analytical in the relevant income statement item even when the calculation is flat-rate or statistical.

If the quality of the loan or receivable has improved and there is reasonable certainty that principal and interest will be recovered in a timely manner according to contractual terms, a reversal is made in the same profit or loss item, within the amount of the amortised cost that there would have been if there had been no impairments.

Derecognition of a loan or receivable in its entirety is made when the loan or receivable is deemed to be irrecoverable or is written off. Write-offs are recognised directly in profit or loss under item 130(a) "Impairment losses (a) loans and receivables" and reduce the amount of the principal of the loan or receivable. Reversals of all or part of previous impairment losses are recognised in the same item.

Impaired loans and receivables are divided into the following categories:

- **Non-performing loans** - formally impaired loans, being exposure to insolvent borrowers, even if the insolvency has not been recognised in a court of law, or borrowers in a similar situation: measurement is on a loan-by-loan or portfolio basis;
- **Doubtful loans** - exposure to borrowers experiencing temporary difficulties, which the Group believes may be overcome within a reasonable period of time. Doubtful loans also include loans not classified as non-performing granted to borrowers other than government entities where the following conditions are met:
 - They have fallen due and remained unpaid for more than 270 days.
 - The amount of the above exposure to the same borrower and other defaulted payments that are less than 270 days overdue, is at least 10% of the total exposure to that borrower.

Doubtful loans are valued analytically when special elements make this advisable or by applying analytically flat percentages on a historical or stochastic basis in the remaining cases.

- **Restructured loans** - exposure to borrowers with whom a rescheduling agreement has been entered into including renegotiated pricing at interest rates below market, the conversion of part of a loan into shares and/or reduction of principal: measurement is on a loan-by-loan basis, including discounted cost due to renegotiation of the interest rate at a rate lower than the original contractual rate.
- **Past-due loans** - total exposure to any borrower not included in the other categories, who at the balance-sheet date has expired facilities or unauthorised overdrafts that are more than 90 days past due.

Retail loans to public-sector entities and companies resident or established in Italy are considered impaired where there are overdue or unauthorised exposures for more than 180 instead of 90 days.

Total exposure is recognised in this category if, at the balance-sheet date, either:

- the expired or unauthorised borrowing;

or:

- the average daily amount of expired or unauthorised borrowings during the last preceding quarter are equal to or exceed 5% of total exposure.

Overdue exposures are valued at a flat rate on a historical or stochastic basis by applying where available the risk rating referred to LGD under Basel 2.

Collective assessment is used for groups of loans for which individually there are no indicators of impairment, but to which latent impairment can be attributed, inter alia on the basis of the risk factors in use under Basel II.

Each loan with similar characteristics in terms of credit risk - in relation to loan type, the borrower's sector of economic activity, geographical location, type of security or other relevant factors - is assessed in terms of its PD (Probability of Default) and LGD (Loss Given Default); these are uniform for each class of loan.

The procedure adopted supplements Basel 2 directives with IFRS, which do not include future losses on loans and receivables which have not been sustained, but do take into account losses already sustained but not reported at the time of measurement, on the basis of past experience of losses on assets having a similar credit risk to the assets being measured.

The average time elapsed from deterioration of borrowers' financial condition to the recognition of impairment losses, in relation to any homogeneous group of exposures, is the Loss Confirmation Period.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

The portfolio valuation is the product of the risk factors used under Basel 2 (with a one-year time horizon) and the above loss confirmation periods expressed as part of a year and diversified according to asset class on the basis of the characteristics and development level of the credit processes.

If these indicators are not available, estimated value and standard loss percentages, based on internal historical series and sectoral studies, shall be used.

Allowances for unsecured loans to residents of countries experiencing debt service difficulties, where the transfer risk is not included in the rating system applied, are generally determined, country by country, with the aim of attributing latent impairment on the basis of shared parameters.

Allowances for impairment reduce the loan or receivables carrying amount. The risk inherent in off-balance-sheet items, such as loan commitments, is recognised in profit or loss under item 130(d) "Impairment losses (d) other financial assets" offsetting the liability item 120(b) "Provisions: other provisions" (except for losses due to impairment of guarantees and comparable credit derivatives under IAS 39, offsetting item 100 "Other liabilities").

Loans and receivables also include, as "Assets sold but not derecognised", loans securitised after 1 January 2002 which cannot be derecognised under IAS 39 (see Section 18 - Other Information - Derecognition).

Corresponding amounts received for securitised loans net of the amount of any retained risk (issued securities retained in the portfolio) are recognised in liability items 10 "Deposits from banks" and 20 "Deposits from customers".

Both assets and liabilities are measured at amortised cost and interest received is recognised through profit or loss.

Impairment losses on retained risk securities (arising out of securitisation transactions carried out by the entity) are recognised in item 130(a) "Impairment losses (a) loans and receivables".

With reference to the changes to IAS 39 and IFRS 7 "Reclassification of financial assets" as described under section 1, the following were reclassified:

- Hft financial assets which on initial recognition did not meet the IFRS criteria for loans and receivables, following the occurrence in 2008 of the rare circumstances prescribed by the standard;
- AfS financial assets which would have met the criteria for loans and receivables if they had not been designated AfS on initial recognition.

Please see part B) - Assets for details as to the composition and effects of these reclassifications.

These reclassifications ensure a closer alignment of accounting classification and management strategy, in that they reflect the changes in the intention and ability to hold these assets for the foreseeable future and not to sell them in the short term.

The Directors believe that their intrinsic value is above fair value, considering the significant negative impact that fair value has suffered due to the reduced liquidity of the market.

The assets selected were recognized at their fair value on the reclassification date without restoring the effects already recognized in the income statement at that date.

Subsequently these assets were valued at amortised cost, adjusted where necessary to take into account any reductions in value or write-backs resulting from valuation.

5 - Financial Instruments at Fair Value through Profit and Loss (FiaFV)

Any financial asset may be designated as a financial instrument measured at fair value through profit and loss on initial recognition, except for the following:

- investments in equity instruments for which there is no price quoted in active markets and whose fair value cannot be reliably determined;
- derivatives.

FiaFV include non-HfT financial assets, but whose risk is:

- connected with debt positions measured at fair value (see also item 15 "Financial liabilities at fair value through profit and loss");
- and managed by the use of derivatives not treatable as hedges.

FiaFV are accounted for in a similar manner to HfT financial assets (see Section 1), however gains and losses, whether realised or not, are recognised in item 110 "Gains (losses) on financial assets and liabilities measured at fair value".

6 - Hedge Accounting

Derivative hedging instruments are of three types:

- **Fair value hedge:** a hedge of the exposure to changes in fair value of a recognised asset or liability, or an identifiable portion of such an asset or liability;
- **Cash flow hedge:** a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction which could affect profit or loss;
- **Hedge of a net investment** in a foreign operation.

A hedging relationship qualifies for hedge accounting if there is formal designation and documentation of the hedging relationship including the risk management objective, the strategy for undertaking the hedge, and how the hedging instrument's effectiveness will be assessed. It is necessary to assess the hedges effectiveness, at inception and in subsequent periods, in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. A hedge is regarded as highly effective if, at the inception of the hedge and in subsequent periods, it is determined prospectively to remain highly effective, i.e. that the hedge ratio is within a range of 80-125 per cent.

The hedge is assessed on an ongoing basis and thus must prospectively remain highly effective throughout the financial reporting periods for which the hedge was designated.

The assessment of effectiveness is made at each balance-sheet date or other reporting date.

If the assessment does not confirm the effectiveness of the hedge, from that time on hedge accounting is discontinued in respect of the hedge and the hedging derivative is reclassified as a held-for-trading instrument.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

Hedge accounting is discontinued prospectively if the hedge is terminated or no longer highly effective; the hedging instrument expires or is sold, terminated or exercised; the hedged item is sold, expires or is repaid; or it is no longer highly probable that the forecast transaction will occur.

Hedging instruments are so designated when identifiable with an ultimate counterparty outside the Group.

Hedging derivatives are measured at fair value. Specifically:

- **Fair Value Hedging** - an effective fair value hedge is accounted for as follows: the gain or loss from remeasuring the hedging instrument at fair value is recognised through profit or loss in item 90 "Fair value adjustments in hedge accounting"; the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised through profit or loss in the same item. If the hedging relationship is terminated for reasons other than the sale of the hedged item, the difference between the carrying amount of the hedged item on termination of the hedging and the carrying amount it would have had if the hedge had never existed, is recognised through profit or loss in interest receivable or payable over the residual life of the original hedge, in the case of interest-bearing instruments; if the financial instrument does not bear interest, the difference is recognised in profit or loss under item 90 "Fair value adjustments in hedge accounting". If the hedged item is sold or repaid, the unamortised portion of fair value is at once recognised through profit or loss in the item 100. "Gains (losses) on disposal or repurchase";
- **Cash Flow Hedging** - the portion of the gain or loss on a cash flow hedging instrument that is determined to be an effective hedge is recognised initially in equity item 140 "Revaluation reserves". The ineffective portion of the gain or loss is recognised through profit or loss in item 90 "Fair value adjustments in hedge accounting". If a cash flow hedge is determined to be no longer effective or the hedging relationship is terminated, the cumulative gain or loss on the hedging instrument that remains recognised in "Revaluation reserves" from the period when the hedge was effective remains separately recognised in "Revaluation reserves" until the forecast transaction occurs or is determined to be no longer possible; in the latter case gains or losses are transferred through profit or loss to 80 "Gains and losses on financial assets/liabilities held for trading";
- **Hedging a Net Investment in a Foreign Operation** - hedges of a net investment in a foreign operation are accounted for similarly to cash flow hedges:
 - the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in item 140 "Revaluation reserves" through the statement of changes in equity;
 - the ineffective portion is however recognised through profit or loss in item 90 "Fair value adjustments in hedge accounting".

The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognised directly in equity is recognised through profit or loss on disposal of the foreign operation;

- **Macro-hedged Financial Assets (Liabilities)** - IAS 39 allows a fair-value item hedged against interest rate fluctuations to be not only a single asset or liability, but also a monetary position made up of a number of financial assets or liabilities (or parts of them); accordingly, a group of derivatives can be used to offset fair-value fluctuations in hedged items due to changes in market rates. Macrohedging may not be used for net positions resulting from the offsetting of assets and liabilities.

As for fair value hedges, macrohedging is considered highly effective if, at the inception of the hedge and in subsequent periods, changes in the fair value attributable to the hedged position are offset by changes in fair value of the hedging instrument and if the hedge ratio is within the range of 80-125 per cent.

Net changes - gains or losses - in the fair value of macrohedged assets and liabilities are recognised in asset item 90 and liability item 70 respectively and offset the profit and loss item 90 "Fair value adjustments in hedge accounting".

The ineffectiveness of the hedging arises to the extent that the change in the fair value of the hedging item differs from the change in the fair value of the hedged monetary position. The extent of hedge ineffectiveness is in any case recognised in profit and loss item 90 "Fair value adjustments in hedge accounting".

If the hedging relationship is terminated, for reasons other than the sale of the hedged items, the remeasurement of these items is recognised through profit or loss in interest payable or receivable, for the residual life of the hedged financial assets or liabilities.

If the latter are sold or repaid, unamortised fair value is at once recognised through profit and loss in item 100 "Gains (losses) on disposal or repurchase".

7 - Equity Investments

The principles governing the recognition and measurement of equity investments under IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investments in Associates, and IAS 31 Interests in Joint Ventures, are given in detail in Part A.1, Section 3 - Consolidation Procedures and Scope.

Remaining interests other than subsidiaries, associates and joint ventures, and interests recognised in items 150 "Non-current assets and disposal groups held for sale" and 90 "Liabilities included in disposal groups classified as held for sale" (see Section 10) - are classified as AfS financial assets or financial assets at fair value through profit and loss and treated accordingly (see Sections 2 and 5).

8 - Property, Plant and Equipment (Tangible Assets)

The item includes:

- land
- buildings
- furniture and fixtures
- plant and machinery
- other machinery and equipment
- leasehold improvements

and is divided between:

- assets used in the business
- assets held as investments.

Assets used in the business are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period. This category also (conventionally) includes assets to be let or under construction and to be leased under a finance lease, only for those finance leases which provide for retention of risk by the lessor until the acceptance of the asset by the lessee and the start of rentals under the finance lease, (see also section 4 for finance leases with risk transfer).

The item includes assets used by the Group as lessee under a finance lease, or let/hired out by the Group as lessor under an operating lease.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

Leasehold improvements (included in the above items) are leasehold improvements and costs relating to property, plant and equipment which can be separately identified, usually borne in order to make leased premises fit for the expected use.

Improvements and additional expenses relating to property, plant and equipment which cannot be separately identified, are recognised in item 160 "Other assets".

Assets held for investment purposes are properties covered by IAS 40, i.e. properties held (owned or under a finance lease) in order to derive rentals and/or a capital gain.

Property, plant and equipment are initially recognised at cost including all costs directly attributable to bringing the asset into use (transaction costs, professional fees, direct transport costs incurred in bringing the asset to the desired location, installation costs and dismantling costs).

Subsequent costs are added to the carrying amount or recognised as a separate asset only when it is probable that there will be future economic benefits in excess of those initially foreseen and the cost can be reliably measured.

All other expenses borne at a later time (e.g. normal maintenance costs) are recognised in the year they are incurred in profit and loss items:

180(b) "General and administrative expenses", if they refer to assets used in the business;

or:

220 "Other net operating income", if they refer to property held for investment.

After being recognised as an asset, an item of property, plant and equipment is carried at cost less any accumulated depreciation and any cumulative impairment losses.

Exceptions are made for property investments underlying liabilities whose yield is linked to their fair value. For these latter assets the fair value model as per IAS 40 paragraph 32A is used.

An item with a finite useful life is subject to straight-line depreciation.

Residual useful life is usually assessed as follows:

Buildings	max. 50 years;
Movables	max. 25 years;
Electronic equipment	max. 15 years;
Other	max. 10 years;
Leasehold Improvements	max. 25 years.

An item with an indefinite useful life is not depreciated, nor is an asset the residual value of which is equal to or greater than its carrying amount.

Land and buildings are recognised separately, even if acquired together. Land is not depreciated since it usually has an indefinite useful life. Buildings, conversely, have a finite useful life and are therefore subject to depreciation.

The useful life of an asset is reviewed at each accounting period-end at least and, if expectations differ from previous estimates, the depreciation amount for the current and subsequent financial years is adjusted accordingly.

If there is objective evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e., the present value of future cash flow expected to originate from the asset. Any value adjustment is recognised in profit and loss item 200 "Impairment/ write-backs on property, plant and equipment".

If the value of a previously impaired asset is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there had been no losses recognised on the prior-year impairment.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or sale in the future and any difference between sale proceeds and carrying value is recognised in profit and loss item 270 "Gains (losses) on disposal of investments".

9 - Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance, controlled by the Group and from which future economic benefits are probable.

Intangible assets are principally goodwill, software, brands and patents.

This item also includes intangible assets used by the Group as lessee under finance leases or as lessor under operating leases (rental/hire). Intangible assets other than goodwill are recognised at purchase cost, i.e. including any cost incurred to bring the asset into use, less accumulated amortisation and impairment losses.

An intangible asset with a finite life is subject to straight-line amortisation over its estimated useful life.

Residual useful life is usually assessed as follows:

Software max. 10 years;

Other intangible assets max. 20 years.

Intangible assets with an indefinite life are not amortized.

If there is objective evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any impairment loss is recognised in profit and loss item 210 "Impairment/ write-backs on intangible assets".

For an intangible asset with indefinite life even if there are no indications of impairment, the carrying amount is compared annually with its recoverable value. If the carrying amount is greater than the recoverable value, the difference is recognised in profit and loss item 210 "Impairment/write-backs on intangible assets".

If the value of a previously impaired intangible asset, other than goodwill is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there were no losses recognised on the prior-year impairment.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or sale in the future and any difference between sale proceeds and carrying value is recognised in the profit and loss item 270 "Gains (losses) on disposal of investments".

Goodwill

Goodwill is the excess of the cost of a business combination over the net fair value of the identifiable assets and other items acquired at the acquisition date.

Goodwill is recognised at cost less any cumulative impairment losses and is not amortised.

Goodwill is impairment tested annually, as for other intangible assets with an indefinite useful life. To this end it is allocated to the Group's business divisions identified as the Cash Generating Units (CGUs). Goodwill is monitored by the CGUs at the lowest level in line with its business model.

Impairment losses on goodwill are recognised in profit and loss item 260 "Impairment losses on goodwill". In respect of goodwill, no write-backs are allowed.

10 - Non-Current Assets Held for Sale

Non-current assets and the group of associated liabilities (i.e. a group of units generating financial cash flow) whose sale is highly probable, are recognised in item 150 "Non-current assets and disposal groups held for sale" and item 90 "Liabilities associated with held-for-sale assets" respectively at the lesser of the carrying amount and fair value net of disposal costs.

The balance of revenue and expense relating to discontinued assets and liabilities (dividends, interest, etc.) and of their measurement as determined above, net of current and deferred tax, is recognised in the item 310 "Gains (losses) on groups of assets held for sale net of tax".

11 - Current and Deferred Tax

Income tax, calculated in accordance with local tax regulations, is recognised as a cost in relation to the taxable profit for the same period.

A deferred tax asset (item 140 b) is recognised for all deductible temporary differences to the extent that it is probable that in the future taxable profit will be available against which the asset can be utilised, unless it arises from the initial recognition of an asset or a liability in a transaction which:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences, unless the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
 - is not a business combination; and
 - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are recognised at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the time of recognition.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries or associates, and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- the Parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures, to the extent that, and only to the extent that, it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when owed to (or by) the same tax authority and the right to offset is recognised in law.

Current and deferred tax is recognised in profit and loss item 290 "Tax expense (income) related to profit or loss from continuing operations", except tax referred to items debited or credited directly to equity, in the same or another year, such as those relating to AfS financial assets or to changes in the fair value of cash flow hedging instruments, the changes in value of which are recognised directly in the revaluation reserves net of tax.

12 - Provisions for Risks and Charges

Retirement Payments and Similar Obligations

Retirement provisions - i.e. provisions for employee benefits paid after leaving employment - are classified as defined contribution plans or defined-benefit plans according to the economic nature of the plan.

In detail:

- Defined-benefit plans provide a series of benefits depending on factors such as age, years of service and compensation needs. Under this type of plan actuarial and investment risks are borne by the company.
- Defined-contribution plans are plans under which the company makes fixed contributions. Benefits are the result of the amount of contributions paid and return on contributions invested. The employer has no risk under this type of plan, since it has no legal or implicit obligation to make further contributions, should the plan assets not be sufficient to provide benefit to all employees. Therefore, under this type of plan actuarial and investment risks are borne by the employee.

Defined-benefit plans are present-valued by an external actuary using the unit credit projection method.

This method distributes the cost of benefits uniformly over the employees working life. Obligations are the present value of average future benefits pro rata to the ratio of years of service to seniority at the time of benefit payment.

The amount recognised as a liability in item 120(a) is the present value of the obligation at the Balance Sheet Date, plus or minus any actuarial gains or losses not recognised in the Accounts under the 'corridor' method, which permits non-recognition of these when they do not exceed 10% of the present value of the obligation, less any pension charges relating to benefits already provided but not recognised, less the fair value at the Balance Sheet Date of plan assets due to settle the obligations directly.

The discount rate used to present-value obligations (whether financed or not) relating to benefits to be provided after retirement varies according to the country where the liabilities are allocated and is determined on the basis of market yield at the Balance Sheet Date of prime issuers' bonds with an average life in keeping with that of the relevant liability.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

Other Provisions

Provisions for risks and charges are recognised when:

- The entity has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no liability is recognised.

The amounts recognised as provisions are the best estimate of the expenditure required to settle the present obligation. The risks and uncertainties that inevitably surround the relevant events and circumstances are taken into account in reaching the best estimate of a provision.

Where the effect of the temporary value of money is material, the amount of a provision should be the present value of the expenditure expected to be required to settle the obligation. The discount rate used is a pre-tax rate that reflects current market assessments of the temporary value of money and the risks specific to the liability.

Provisions are reviewed periodically and adjusted to reflect the current best estimate. If it becomes clear that it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

A provision is used only for expenditures for which the provision was originally recognised.

Allocations made in the year are recognised in profit and loss item 190 "Provisions for risks and charges" and include increases due to the passage of time; they are also net of any re-attributions.

"Other provisions" also include obligations relating to benefits due to agents, specifically supplementary customer portfolio payments, merit payments, contractual payments and payments under non-competition agreements, which are measured as per defined benefit plans; accordingly these obligations are calculated using the unit credit projection method (see above under Retirement Payments and Similar Obligations).

13 - Liabilities, Securities in Issue and Subordinated Loans

Liabilities, securities in issue and subordinated loans are initially recognised at fair value, which is normally the consideration received less transaction costs directly attributable to the financial liability. Subsequently these instruments are measured at amortised cost using the effective interest method.

Hybrid debt instruments relating to equity instruments, foreign exchange, credit instruments or indexes, are treated as structured instruments. The embedded derivative is separated from the host contract and recognised as a derivative, provided that separation requirements are met, and recognised at fair value. Any subsequent changes in fair value are recognised in profit and loss item 80 "Gains (losses) on financial assets and liabilities held for trading".

The difference between the total amount received and the fair value of the embedded derivative is attributed to the host contract.

Instruments convertible into treasury shares imply recognition, at the issuing date, of a financial liability and of the equity part, recognised in item 160 "Equity instruments", if a physical delivery settles the contract.

The equity part is measured at the residual value, i.e., the overall value of the instrument less the separately determined value of a financial liability with no conversion clause and the same cash flow.

The financial liability is recognised at amortised cost using the effective interest method.

Securities in issue are recognized net of repurchased amounts; the difference between the carrying value of the liability and the amount paid to buy it in is taken to profit and loss under item 100.d) "Gains (losses) on buy-ins of financial liabilities". Subsequent replacement by the issuer is considered as a new issue and generates no gains or losses.

14 - Financial Liabilities Held for Trading

Financial liabilities held for trading include:

- derivatives that are not recognised as hedging instruments;
- obligations to deliver financial assets sold short;
- financial liabilities issued with an intention to repurchase them in the near term;
- financial liabilities that are part of a portfolio of financial instruments considered as a unit and for which there is evidence of a recent pattern of trading.

A HFT liability, including a derivative, is measured at fair value initially and for the life of the transaction, except for a derivative liability settled by delivery of an unlisted equity instrument whose fair value cannot reliably be measured, which is measured at cost.

15 - Financial Liabilities at Fair Value through Profit and Loss

Financial liabilities, as well as financial assets, could also be designated on initial recognition as measured at fair value, provided that:

- this designation eliminates or considerably reduces a lack of uniformity as between different methods of measurement of assets and liabilities and related gains or losses;

or

- a group of financial assets, financial liabilities or both are managed and measured at fair value under risk management or investment strategy which is internally documented with the entity's Board of Directors or equivalent body.

These transactions are recognised as per HFT financial liabilities, gains and losses, whether realised or not, being recognised in item 110 "Gains (losses) on financial assets and liabilities at fair value through profit and loss".

16 - Foreign Currency Transactions

A foreign currency transaction is recognised at the spot exchange rate of the transaction date. Foreign currency monetary assets and liabilities are translated at the closing rate of the period.

Exchange differences arising from settlement of monetary items at rates different from those of the transaction date and unrealised exchange rate differences on foreign currency assets and liabilities not yet settled, other than assets and liabilities designated as measured at fair value and hedging instruments, are recognised in profit and loss item 80 "Gains and losses on financial assets and liabilities held for trading".

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

Exchange rate differences arising on a monetary item that forms part of an entity's net investment in a foreign operation whose assets are located or managed in a country or currency other than the euro are initially recognised in the entity's equity, and recognised in profit or loss on disposal of the net investment.

Non-monetary assets and liabilities recognised at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated at the closing rate. The exchange differences are recognised:

- in profit and loss if the asset is HfT; or
- in revaluation reserves if the asset is AfS.

Hedges of a net investment in a foreign operation are recognised similarly to cash flow hedges:

- the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in revaluation reserves;
- the ineffective portion is however recognised in profit and loss item 90 "Fair value adjustments in hedge accounting".

The assets and liabilities of fully consolidated foreign entities are translated at the closing exchange rate of each period. Gains and losses are translated at the average exchange rate for the period. Differences arising from the use of spot and weighted average exchange rates and from the remeasurement of a foreign operation's assets at the closing rate of the period are recognised in the revaluation reserves.

Any goodwill arising on the acquisition of a foreign operation whose assets are located or managed in a currency other than the euro, and any fair value adjustments of the carrying amounts of assets and liabilities are treated as assets and liabilities of the foreign operation, expressed in the functional currency of the foreign operation and translated at the closing rate.

On the disposal of a foreign operation, the cumulative amount of the exchange rate differences relating to the foreign operation are recognised in profit or loss when the gain or loss on disposal is recognised.

17 - Insurance Assets and Liabilities

IFRS 4 defines an insurance contract as a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

These policies are recognised briefly as follows:

- in profit and loss item 160 "Other income (net) from insurance activities": gross premium including all amounts due during the year under insurance contracts, net of cancellations. Premium transferred to reinsurers during the year is also recognised in this item;
- in the liability item 130 "Insurance reserves": contractual obligations to policyholders, calculated analytically contract by contract using the prospective method, on the basis of demographic and financial projections currently used by the market;
- in the asset item 110 "Insurance reserves attributable to reinsurers": reinsurers' liabilities.

18 - Other Information

Business Combinations

A business combination is the bringing together of separate entities or businesses into one reporting entity.

A business combination may result in a Parent-subsidary relationship in which the acquirer is the Parent and the acquiree a subsidiary of the acquirer.

A business combination may involve the purchase of the net assets, including any goodwill, of another entity rather than the purchase of the equity of the other entity (mergers).

IFRS 3 requires that all business combinations shall be accounted for by applying the purchase method, that involves the following steps:

- identifying an acquirer;
 - measuring the cost of the business combination;
- and
- allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed.

The cost of a business combination is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

The acquisition date is the date on which the acquirer effectively obtains control of the acquiree. When this is achieved through a single exchange transaction, the date of exchange coincides with the acquisition date. However, a business combination may involve more than one exchange transaction, for example when it is achieved in stages by successive share purchases. When this occurs:

- the cost of the combination is the aggregate cost of the individual transactions; and
- the date of exchange is the date of each exchange transaction (i.e. the date that each individual investment is recognised in the financial statements of the acquirer), whereas the acquisition date is the date on which the acquirer obtains control of the acquiree.

The acquirer shall, at the acquisition date, allocate the cost of a business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria.

The acquirer shall recognise the acquiree's identifiable assets, liabilities and contingent liabilities separately at the acquisition date only if they satisfy the following criteria at that date:

- in the case of an asset other than an intangible asset, it is probable that any associated future economic benefits will flow to the acquirer, and its fair value can be measured reliably;
- in the case of a liability other than a contingent liability, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and its fair value can be measured reliably;
- in the case of an intangible asset or a contingent liability, its fair value can be measured reliably.

Positive difference between the cost of the business combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities so recognised is accounted for as goodwill.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

After initial recognition, goodwill is measured at cost and tested for impairment at least annually.

If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the acquirer shall reassess the fair values and recognise immediately any excess remaining after that reassessment in profit or loss.

Fair Value

It is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The fair value of financial instruments listed in active markets is determined starting from the official prices of the most advantageous market to which the Group has access (*Mark to Market*).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from a pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If a published price quotation in an active market does not exist for a financial instrument in its entirety, but active markets exist for its component parts, fair value is determined on the basis of the relevant market prices for the component parts.

If market prices are not available, the Group adopts mark to model valuation using generally accepted methods. These models include techniques based on discounting future cash flow and calculations of volatility and are revised both during development and regularly thereafter to ensure full and continuing consistency.

The methods adopted use inputs based on prices formed in recent transactions involving the instrument to be valued or the prices of instruments with similar characteristics in terms of risk profile.

These prices are important for the purposes of determining significant parameters for credit risk, liquidity risk and price risk of the instrument under valuation.

Reference to these market parameters limits the discretionality of the valuation and at the same time ensures that the resulting fair value can be verified.

If for one or more risk factors it is not possible to refer to market data, the valuation models adopted use calculations based on historical data.

As a further guarantee of the objectivity of the valuations provided by the valuation model the Group carries out:

- Independent Price Verification (IPV) and
- Fair Value Adjustment - FVA.

Independent Price Verification is performed monthly by Risk Management units that are independent of the units that have assumed the exposure.

IPV consists of comparison with and adjustment of the price of the day to valuations obtained from market participants.

For unlisted instruments IPV takes infoprovider prices as its reference, giving greater weight to the prices that are considered more representative of the instruments being valued.

IPV includes: the 'executability' of the transaction at the observed price, if any; the number of contributors, the degree of similarity of the financial instruments, consistency between prices obtained from different sources and the process followed by the infoprovider when obtaining the price.

In addition to Independent Price Verification, Fair Value Adjustment (the calculation of further write-downs of reporting amounts, recognized in the accounts in order to provide for risk relating to illiquid positions and valuation model risk) is also performed.

Financial instruments are recognized at fair value on the balance-sheet date. With instruments held for trading (see sections 1 and 14) or valued at fair value (see sections 5 and 15), any difference from the amount received or paid is recognized in the income statement under the appropriate item.

The above-described valuation model review processes and the related parameters, value adjustments for model risk and the use of prudent valuation models ensure that the amount taken to the income statement does not result from the use of non-observable parameters.

The fair value on recognition of financial instruments other than those mentioned above is assumed to be the same as the amount received or paid.

Derecognition

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's balance sheet.

Before evaluating whether, and to what extent, derecognition is appropriate, under IAS 39 an entity should determine whether the relevant conditions apply to a financial asset in its entirety or to a part of a financial asset. The standard is applied to a part of financial assets being transferred if, and only if, the part being considered for derecognition meets one of the following conditions:

- the part comprises only specifically identified cash flows from a financial asset (or a group of assets), e.g. interest cash flows from an asset;
- the part comprises a clearly identified percentage of the cash flows from a financial asset, e.g., a 90 per cent share of all cash flows from an asset;
- the part comprises only a fully proportionate (pro rata) share of specifically identified cash flow, e.g. 90 per cent share of interest cash flows from an asset.

In all other cases, the standard is applied to the financial asset in its entirety (or to the group of similar financial assets in their entirety).

An entity shall derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the contractual rights to receive the cash flows of the financial asset to a non-Group counterparty.

Rights to cash flow are considered to be transferred even if contractual rights to receive the asset's cash flow are retained but there is an obligation to pay this cash flow to one or more entities and all the following conditions are fulfilled (pass-through agreement):

- there is no obligation on the Group to pay amounts not received from the original asset;
- sale or pledge of the original asset is not allowed, unless it secures the obligation to pay cash flow;
- the Group is obliged to transfer forthwith all cash flows received and may not invest them, except for liquidity invested for the short period between the date of receipt and that of payment, provided that the interest accrued in that period is paid on.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

Recognition is also subject to verification of effective transfer of all the risks and rewards of ownership of the financial asset (true sale). If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the asset (or group of assets) and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Conversely, if the entity substantially retains all the risks and rewards of ownership of the asset (or group of assets), the entity shall continue to recognise the transferred asset(s). In this case it is necessary to recognise a liability corresponding to the amount received under the transfer and subsequently recognise all income accruing on the asset or expense accruing on the liability.

The main transactions that do not allow, under the above rules, total derecognition of a financial asset are securitisations, repurchase transactions (buy-ins) and stock lending.

In the case of securitisations the Group does not derecognise the financial asset on purchase of the equity tranche or provision of other forms of support of the structure which result in the Group retaining the credit risk of the securitised portfolio.

In the case of repurchase transactions and stock lending, the assets transacted are not derecognised since the terms of the transaction entail the retention of all their risks and rewards.

Treasury Shares

Treasury shares held are deducted from equity. The difference between the price on later sale of treasury shares and the related post-tax repurchase cost is recognised directly in equity.

Finance Leases

Finance leases effectively transfer all the risks and benefits of ownership of an asset to the lessee. Ownership of the asset is transferred to the lessee, however not necessarily at contract maturity.

The lessee acquires the economic benefit of the use of the leased asset for most of its useful life, in exchange for a commitment to pay an amount approximately equivalent to the fair value of the asset and related finance costs. Recognition in the lessor's accounts is as follows:

- in assets, the value of the loan, less the principal of lease payments due and paid by the lessee;
- in profit or loss, interest received.

See Sections 8 - Property, Plant and Equipment and 9 - Intangible Assets below for treatment of the lessee's assets.

Factoring

Loans acquired in factoring transactions with recourse are recognised to the extent of the advances granted to customers on their consideration. Loans acquired without recourse are recognised as such once it has been established that there are no contractual clauses that would invalidate the transfer of all risks and benefits to the factor.

Repo Transactions

Securities received in a transaction that entails a contractual obligation to sell them at a later date or delivered under a contractual obligation to repurchase are neither recognised nor derecognised. In respect of securities purchased under an agreement to resell, the consideration is recognised as a loan to customers or banks, or as an asset held for trading. In respect of securities held in a repurchase agreement, the liability is recognised as due to banks or customers, or as a HfT financial liability. Revenue from these loans, being the coupons accrued on the securities and the difference between the sale/purchase and resale/repurchase prices, is recognised in profit or loss through interest income and expenses on an accruals basis.

These transactions can only be offset if, and only if, they are carried out with the same counterparty and provided that such offset is provided for in the underlying contracts.

Italian Staff Severance Pay (Trattamento di fine rapporto - "TFR")

The "TFR" provision for Italy-based employee benefits is to be construed as a "post-retirement defined benefit". It is therefore recognised on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Section 12 under Retirement Payments and Similar Obligations).

Following pension reform by Law 252/2005, TFR installments accrued to 12.31.2006 stay in the employer and are considered a post-employment defined benefit plan therefore incurring actuarial valuation, though with simplified actuarial assumptions, i.e., forecast future pay rises are not considered.

TFR installments accrued since 01.01.2007 (date of Law 252's coming into effect) are, at the employees discretion, either paid into a pension fund or left in the company and (where the company has in excess of 50 employees) paid into an INPS Treasury fund by the employer, and are considered a defined-contribution plan.

Costs relating to TFR accruing in the year are taken to income statement item 180.a) "Payroll" and include interest accrued in the year (interest cost) on the obligation already existing at the date of the reform and the accrued installments for the year paid into the complementary pension scheme or to the Treasury fund of INPS.

Actuarial gains (losses), i.e., the difference between the liabilities' carrying value and the present value of the obligation at the end of the period are recognised according to the 'corridor' method, i.e., only when they exceed 10% of the present value of the obligation at the period-end. Any surplus is taken to the income statement and amortized over the residual working life of the employees who are members of the plan, as from the following financial year.

Share-Based Payment

Equity-settled payments made to employees in consideration of services rendered, using equity instruments comprise:

- Stock options
- Performance shares (i.e. awarded on attainment of certain objectives)
- Restricted shares (i.e. subject to a lock-up period).

Considering the difficulty of reliably measuring the fair value of the services acquired against equity-settled payments, reference is made to the fair value of the instruments themselves, measured at the date of the allocation.

This fair value is recognised as cost in profit and loss item 180 "Administrative costs" offsetting the liability item 170 "Reserves", on an accruals basis over the period in which the services are acquired.

The fair value of a cash-settled share-based payment, the services acquired and the liability incurred are measured at the fair value of the liability, recognised in item 100 "Other liabilities". The fair value of the liability, as long as it remains unsettled, is remeasured at each balance sheet date and all changes in fair value are recognised in profit and loss item 180 "Administrative costs".

Other Long-term Employee Benefits

Long-term employee benefits - e.g. long-service bonuses, paid on reaching a predefined number of years' service - are recognised in item 100 "Other liabilities" on the basis of the measurement at the Balance Sheet Date of the liability, also in this case determined by an external actuary using the unit credit projection method (see Section 12 - Provisions for risks and charges - retirement payments and similar obligations). Gains (losses) on this type of benefit are recognised at once through profit or loss, without using the 'corridor' method.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

Guarantees and Credit Derivatives in the Same Class

On first recognition guarantees given are recognized at fair value, which usually corresponds to the amount received when the guarantee is issued.

Guarantees given and credit derivatives in the same class as prescribed by IAS 39 (i.e. contracts under which the issuer makes pre-established payments in order to compensate the guaranteed party or buyer of protection for losses sustained due to default by a debtor on the maturity of a debt instrument) are initially and subsequently (on remeasurement following impairment losses) recognised in item 100 "Other liabilities".

After initial recognition, guarantees given are recognized at the greater of the initially recognized value, net of any amortized portion, and the estimated amount required to meet the obligation.

The effects of valuation, related to any impairment of the underlying, are recognized in the same balance-sheet item contra item 130.d "Write-downs and write-backs due to impairment of other financial transactions" in the income statement.

Income Statement

Interest Income and Expense

Interest and similar income accrue on cash, HFT assets and liabilities and assets and liabilities at fair value through profit and loss, AFS financial assets, HtM investments, loans and receivables, deposits, and securities in issue.

Interest income and expense are recognised through profit or loss with respect to all instruments measured at amortised cost, using the effective interest method.

Interest also includes:

the net credit or debit balance of differentials and margins on financial derivatives:

- hedging interest-bearing assets and liabilities;
- HFT but linked for business purposes to assets and liabilities designated as measured at fair value (fair value option);
- linked for business purposes to HFT assets and liabilities paying differentials or margins on several maturities.

Fees and Commissions

Fees and commissions are recognised on an accruals basis.

Securities trading commission is recognised at the time the service is rendered. Investment portfolio management fees, advisory fees and investment fund management fees are recognised on a pro-rata temporis basis.

Fees included in amortised cost used to calculate effective interest rates are not included under fees and commissions, since they are part of the effective interest rate.

Dividends

Dividends are recognised in profit or loss in the financial year in which their distribution has been approved.

Relevant IFRS Definitions

The main definitions introduced by IFRS are described below, other than those dealt with in previous sections.

Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

The effective interest method is a method of allocating the interest income or interest expense over the life of a financial asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Commissions forming an integral part of the effective interest rate include loan drawdown fees or underwriting fees relating to a financial asset not designated at fair value, e.g., fees received as compensation for the assessment of the issuer's or borrower's financial situation, for valuation and registration of security, and generally for the completion of the transaction (management fees).

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Impairment of financial assets

At each balance sheet date an entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

It may not be possible to identify a single, discrete event that caused the impairment. Rather the combined effect of several events may have caused the impairment.

Losses expected as a result of future events, no matter how likely, are not recognised.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to our attention about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting a concession to the borrower which the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; however, the disappearance of an active market due to the fact that a company's financial instruments are no longer traded publicly is no evidence of impairment; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - adverse changes in the payment status of borrowers in the group; or
 - national or local economic conditions that correlate with defaults on the assets in the group.

Notes to the Consolidated Accounts (CONTINUED)

Part A) Accounting Policies (CONTINUED)

Objective evidence of impairment for an investment in an equity instrument includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment may not be recovered. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit and loss item 130 "Impairment losses" and the asset's carrying value is reduced.

If the terms of a loan, receivable or held-to-maturity investment are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the modification of terms. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. If a loan, receivable or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

A reduction in the fair value of a financial asset below its cost or amortised cost is not necessarily an indication of impairment (e.g. reduction in the fair value of an investment in a debt instrument resulting from an increase in the riskfree interest rate).

Objective evidence of impairment is initially assessed individually; however, if it is determined that there is no objective evidence of individual impairment, the asset is included in a group of financial assets with similar credit risk characteristics and assessed collectively.

Formula-based approaches and statistical methods may be used to assess impairment losses on a group of financial assets. Models used incorporate the time value of money, and consider cash flows over the entire residual life of the asset (not just the following year) and do not give rise to an impairment loss on initial recognition of a financial asset. They take into account losses already sustained but not manifest in the group of financial assets at the time of measurement, on the basis of past experience of losses on assets having a similar credit risk to the group of assets being measured.

The process of estimating impairment losses considers all credit exposures, not only those of low credit quality, which reflect a serious impairment.

Reversals of impairment losses

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed and the amount of the reversal is recognised in profit and loss item 130 "Impairment losses" except in the case of AfS equity instruments (see Section 2 above).

The reversal shall not result - at the date the impairment is reversed - in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised.

