UniCredit

Make it simple. It's *easy* with UniCredit.

UniCredit S.p.A.
2009 Reports and Accounts

We UniCredit people are committed to generating value for our customers.

As a leading European bank, we are dedicated to the development of the communities in which we live, and to being a great place to work.

We aim for excellence and we consistently strive to be easy to deal with.

These commitments will allow us to create sustainable value for our shareholders.

UniCredit

Times change, but commitments do not. We emerged from 2009 with a renewed sense of purpose and direction. What was important to us before is even more important today. Namely, our customers.

Accordingly, we developed a new mission statement in 2009 to reinforce those principles and practices that we believe to be drivers of greater customer centricity. Emphasized in this mission is the desire to make banking as easy as possible for our customers by offering the kind of simple, straightforward solutions that can assist them in achieving their financial goals reliably and efficiently.

This is what we call “real-life banking”. It means providing our clients with more than just financial services by giving them the right support at the right time and in the right way. It is about looking our customers in the eye, working closely with them to assess their real-life needs, and then using our expertise to deliver effective solutions through smooth and easy interactions.

We believe that our rigorous dedication to simplicity and transparency will continue to advance excellence in all that we do. It will also maintain and grow the trust of our customers - a trust that is exemplified in the following pages.

This year’s report features photographs and personal stories from UniCredit Group customers across Europe, highlighting the concrete role that our company has played in their lives. Each of these individuals, who represent the foundation upon which we are structuring our shared future, has told us about a time we made their life easier.

UniCredit S.p.A.
2009 Reports and Accounts

Dace Markeviča
Uralchem Trading Sia
Corporate Banking Client - Latvia

«Uralchem Trading has the assurance that every time, even when it comes to fairly simple banking transactions like payments, UniCredit Bank will look for and find mutually beneficial solutions. The bank's professional staff always offers helpful advice on successful business operations, thereby laying the foundation for mutual trust and a long-term partnership.»

It's easy with UniCredit.

Board of Directors, Board of Statutory Auditors and External Auditors

Board of Directors

Dieter Rampl	**Chairman**
Luigi Castelletti	**Deputy Vice Chairman**
Farhat Omar Bengdara Vincenzo Calandra Buonaura Fabrizio Palenzona	**Vice Chairmen**
Alessandro Profumo	**Chief Executive Officer**
Giovanni Belluzzi Manfred Bischoff Enrico Tommaso Cucchiani Donato Fontanesi Francesco Giacomin Piero Gnudi Friedrich Kadrnoska Marianna Li Calzi Salvatore Ligresti Luigi Maramotti Antonio Maria Marocco Carlo Pesenti Lucrezia Reichlin Hans-Jürgen Schinzler Theodor Waigel Anthony Wyand Franz Zwickl	**Directors**
Lorenzo Lampiano	**Company Secretary**

Board of Statutory Auditors

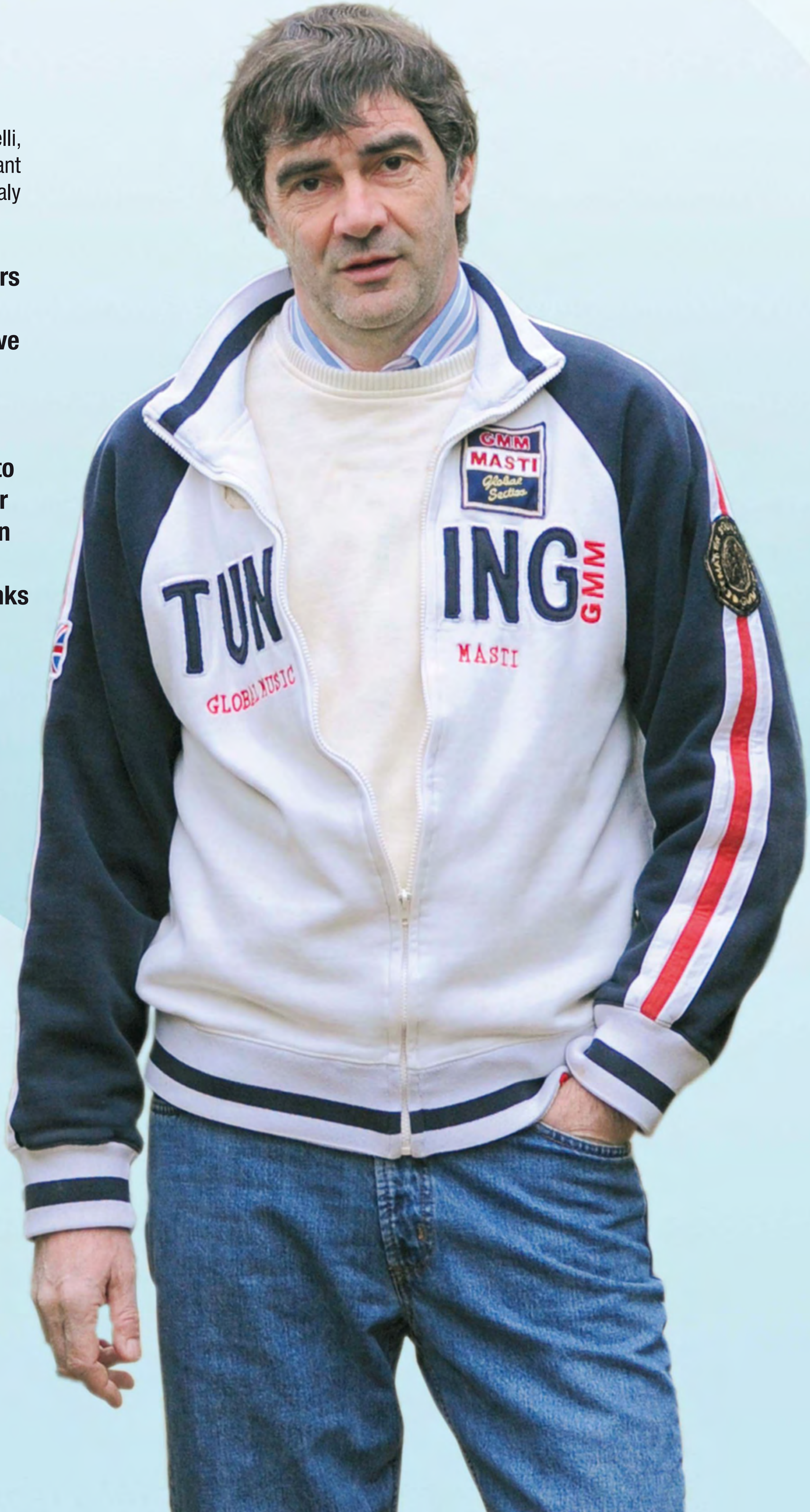
Giorgio Loli	**Chairman**
Gian Luigi Francardo Siegfried Mayr Aldo Milanese Vincenzo Nicastro	**Statutory Auditors**
Massimo Livatino Giuseppe Verrascina	**Substitute Auditors**
KPMG S.p.A.	**External Auditors**
Marina Natale	**Nominated Official in charge of Drawing up Company Accounts**

UniCredit
Italian Joint Stock Company
Registered Office: Rome, Via A. Specchi, 16
General Management: Milan, Piazza Cordusio
Registration number in the Rome Trade and Companies Register,
Tax Code and VAT No. 00348170101
Entered in the Register of Banks
Parent Company of the UniCredit Banking Group
Banking Group Register No. 3135.1
Member of the Interbank Deposit Protection Fund
Capital Stock: €9,648,790,961.50 fully paid in

Secondino Lamparelli,
ReviPlant
Retail Client - Italy

«In 1999, my partners and I started a garden center in the hills above Moncalieri, Turin. Our innovative, customer-oriented approach enabled us to become a major player in this business and an important part of our local community. Thanks to our relationship with UniCredit and its guidance, we have expanded and are still growing.»

It's easy with UniCredit.



Contents

Note to the Report on Operations:
The following conventional symbols have been used in the tables:
- **A dash** (-) indicates that the item/figure is inexistent;
- **Two stops** (..) or **(n.s.)** when the figures do not reach the minimum considered significant or are not in any case considered significant;
- **"N.A."** indicates that the figure is not avalailable.

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

2009 Report on Operations

Introduction

To the Shareholders,

During fiscal year 2009, given the changing economic and financial environment, foundations were laid to ensure that the Group has the tools necessary to position itself favorably in the market and take timely advantage of opportunities arising from future economic growth. In this pursuit, there have been both capital increases, which were also made to strengthen the capital ratios, as well as a project to review the divisional model in order to increase customer satisfaction and territorial presence.
In the first months of 2009, the following asset-strengthening measures were implemented, as approved by the Board of Directors in October 2008:

- Firstly, the capital increase approved by the UniCredit Shareholders' Meeting on November 14, 2008 was implemented, by virtue of which 972,225,376 new ordinary shares were offered as options to the holders of UniCredit ordinary and savings shares from January 5 to 23, at a ratio of 4 ordinary shares for every 55 ordinary and/or savings shares held, at a unit issuance price of €3.083 per share, with a share premium of €2.583.
  On February 23, 2009, at the end of the offering period for the unexercised option rights on the stock exchange, the capital increase was completed with Mediobanca's underwriting of 967,578,184 UniCredit ordinary shares pursuant to the security agreement entered into by it with the obligation to underwrite a quantity of newly issued shares corresponding to the unexercised option rights. Nearly all of the shares underwritten by Mediobanca were used to support the issuance of financial instruments (the so-called CASHES).
  Thus, the capital increase of €2,997,370,834.21 was fully subscribed, including €486,112,688.00 in share capital and €2,511,258,146.21 in share premium;
- Subsequently, on March 17, the UniCredit Board of Directors passed a resolution to be submitted to the Shareholders' Meeting for an allocation of profits to the shareholders by attributing newly issued UniCredit shares (so-called scrip dividends) deriving from a free increase in share capital pursuant to Article 2442 of the Civil Code by drawing on a special reserve established at the time of the approval of the allocation of profits for fiscal year 2008.
  As a result, on April 29 an extraordinary session of the Shareholders' Meeting approved a free capital increase with a nominal value of €1,218,815,136.50 with the issuance of 2,435,097,842 ordinary shares and 2,532,431 savings shares with a unit nominal value of €0.50 each. In particular, 29 new ordinary shares were attributed for every 159 ordinary shares already owned and 7 new savings shares for every 60 savings shares held; these shares were made available to shareholders on May 21, 2009 (quoted "ex" from May 18, 2009).
  With the aim of raising capital ratios to the levels of the top competitors in the international and European environment, while ensuring that the Group has the ability to position itself favorably on the market and take timely advantage of opportunities for future growth, the extraordinary session of the Shareholders' Meeting held on November 16 resolved to:
- increase the share capital by a total maximum amount of €4 billion, including any eventual premium, by issuing ordinary shares with regular dividend entitlement and a nominal value of €0.50 each, to be offered as options to holders of the company's ordinary and savings shares pursuant to Article 2441 of the Civil Code,
- grant the necessary powers to the Board of Directors to establish the procedures and timing of such capital increase and, in particular, to determine near the beginning of the public offering and on the basis of the market conditions then prevailing, the subscription price of the shares (including share premium) and, thereafter, the number of shares to be issued and the related option allocation ratio.

With respect to corporate transactions, consistent with implementation of the Group's new organizational model within the scope of the GBS Strategic Business Area, disposals of the following business units have been carried out:

- "Group ICT," agreed on February 23 with an effective date of March 1, to UGIS, involving the transfer of 46 employees and the related capital items (about €2 million);
- "HR Business Unit," agreed on September 28 with an effective date of October 1, to UniCredit Business Partner, involving the transfer of 276 employees and the related capital items (about €11.4 million);
- "Regulators' Reporting Business Unit," agreed on September 28 with an effective date of November 1, to UniCredit Business Partner, involving the transfer of 12 employees and the related capital items (about €0.7 million);
- "Pension Funds Real Estate Management," agreed on December 16 with an effective date of January 1, 2010, to UniCredit Real Estate, involving the transfer of 21 employees and the related capital items (about €2 million);

Summary information on the balance sheet and income statement as at December 31, 2009 and for the preceding fiscal year is given below.

It has to be noted that Income Statement as at December 31, 2008 includes, due to the merger and the following transfer effected on November 1, 2008, the economic results of the first 2008 ten months generated by UniCredit Banca, Banca di Roma, Banco di Sicilia e Bipop Carire. The comparison between 2009 and 2008 has been affected by this asymmetry. To compare 2009 and 2008, it is necessary to refer to comments to the single income voices, to which reference is therefore made, where 2008 has been recalculated properly.

Condensed Accounts

Condensed Balance Sheet

(€ million)

	AMOUNTS AS AT		CHANGE	
	12.31.2009	12.31.2008	AMOUNT	PERCENT
Assets				
Cash and cash balances	5,914	33	+5,881	n.s.
Financial assets held for trading	6,352	9,005	-2,653	-29.5%
Loans and receivables with banks	203,963	208,439	-4,476	-2.1%
Loans and receivable with customers	51,665	36,519	+15,146	+41.5%
Financial investments	83,833	80,078	+3,755	+4.7%
Hedging instruments	4,411	2,110	+2,301	+109.1%
Property, plant and equipment	33	38	-5	-13.2%
Goodwill	8,739	8,739	-	-
Other intangible assets	31	33	-2	-6.1%
Tax assets	5,563	6,077	-514	-8.5%
Non-current assets and disposal groups classified as held for sale	-	-	-	-
Other assets	2,452	5,019	-2,567	-51.1%
Total assets	**372,956**	**356,090**	**+16,866**	**+4.7%**
Liability and shareholders' equity				
Deposits from banks	159,607	157,703	+1,904	+1.2%
Deposits from customers and debt securities in issue	147,007	131,527	+15,480	+11.8%
Financial liabilities held for trading	2,939	3,893	-954	-24.5%
Financial liabilities designated at fair value	-	-	-	-
Hedging instruments	5,045	3,929	+1,116	+28.4%
Provisions for risks and charges	1,258	1,490	-232	-15.6%
Tax liabilities	615	2,665	-2,050	-76.9%
Liabilities included in disposal group classified as held for sale	-	-	-	-
Other liabilities	2,393	3,893	-1,500	-38.5%
Shareholders' equity:	54,092	50,990	+3,102	+6.1%
- capital and reserves	*53,958*	*47,818*	*+6,140*	*+12.8%*
- available-for-sale assets fair value reserve and cash-flow hedging reserve	*83*	*-109*	*+192*	*n.s.*
- net profit (loss)	*51*	*3,281*	*-3,230*	*-98.4%*
Total liabilities and shareholders' equity	**372,956**	**356,090**	**+16,866**	**+4.7%**

Condensed Income Statement

(€ million)

	YEAR		CHANGE	
	2009	2008	€M	PERCENT
Net interest	-587	3,426	-4,013	n.s.
Dividends and other income from equity investments	1,324	2,973	-1,649	-55.5%
Net interest income	**737**	**6,399**	**-5,662**	**-88.5%**
Net fees and commissions	46	2,465	-2,419	-98.1%
Net trading, hedging and fair value income	117	-288	+405	n.s.
Net other expenses/income	157	-131	+288	n.s.
Net non-interest income	**320**	**2,046**	**-1,726**	**-84.4%**
OPERATING INCOME	**1,057**	**8,445**	**-7,388**	**-87.5%**
Payroll costs	-552	-2,948	+2,396	-81.3%
Other administrative expenses	-537	-2,492	+1,955	-78.5%
Recovery of expenses	73	348	-275	-79.0%
Amortisation, depreciation and impairment losses on intangible and tangible assets	-8	-91	+83	-91.2%
Operating costs	**-1,024**	**-5,183**	**+4,159**	**-80.2%**
OPERATING PROFIT (LOSS)	**33**	**3,262**	**-3,229**	**-99.0%**
Net provisions for risks and charges	-105	-402	+297	-73.9%
Integration costs	-17	-66	+49	-74.2%
Net write-downs of loans and provisions for guarantees and commitments	-108	-285	+177	-62.1%
Net income from investments	-205	-286	+81	-28.3%
PROFIT (LOSS) BEFORE TAX	**-402**	**2,223**	**-2,625**	**n.s.**
Income tax for the year	453	1,058	-605	-57.2%
NET PROFIT (LOSS) FOR THE YEAR	**51**	**3,281**	**-3,230**	**-98.4%**

Operations[1]

Human Resources

Personnel changes

As of December 31, 2009, the staff of UniCredit S.p.A. totaled 4,159 employees compared to 4,107 employees as of December 31, 2008. After the growth phase resulting from the merger with the Capitalia Group and from the centralization in UniCredit S.p.A. of the Retail Bonks' coordination (UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia), staff levels stabilized in 2009. In 2009 the areas most affected by further centralization and reorganization have been Risk Management and Identity and Communication, as well as the creation of the Security Service Line.

Corporate transactions during the year resulted in:
- the transfer of 46 employees to UniCredit Global Information Services due to the sale of the "Group ICT";
- the transfer of 12 employees to UniCredit Business Partner due to the sale of the Regulators Reporting business unit;
- the transfer of 276 employees to UniCredit Business Partner due to the sale of the HR business unit.

The implementation of the leaving incentive program continued (solidarity fund and individuals entitled to pensions), and led to the departure of 80 employees during the year. Furthermore, the reorganization process, which was begun in 2008, will continue until the right sizing of staff levels is achieved. At the same time, further transfers from and to Group companies and normal turnover led to the current composition as shown in the table below which provides a breakdown of staff by category (data include foreign branches).

Category

	12.31.2009		12.31.2008		CHANGE	
	TOTAL	*OF WHICH: OUTSIDE ITALY*	TOTAL	*OF WHICH: OUTSIDE ITALY*	IN TOTAL	PERCENT
Senior Management	604	*99*	601	*93*	+3	+0.5%
Management - 3rd and 4th grade	1,310	*82*	1,257	*92*	+53	+4.2%
Management - 1st and 2nd grade	936	*18*	868	*30*	+68	+7.8%
Other Staff	1,309	*63*	1,381	*103*	-72	-5.2%
Total	**4,159**	***262***	**4,107**	***318***	**+52**	**+1.3%**
of which, Part-time staff	*196*	-	*259*	-	*-63*	*-24.3%*

The tables below provide a breakdown of personnel by seniority and age group. 52% of UniCredit SpA staff members (compared to 51% at December 31, 2008) have a university degree (primarily in economics, business, banking or law).

42% of staff were women (compared to 43% at December 31, 2008).

Breakdown by seniority

	12.31.2009		12.31.2008		CHANGE	
	NUMBER	PERCENT	NUMBER	PERCENT	AMOUNT	PERCENT
Up to 10	2,049	49.3%	1,954	47.6%	+95	+4.9%
From 11 to 20 years	615	14.8%	630	15.3%	-15	-2.4%
From 21 to 30 years	928	22.3%	908	22.1%	+20	+2.2%
Over 30	567	13.6%	615	15.0%	-48	-7.8%
Total	**4,159**	**100.0%**	**4,107**	**100.0%**	**+52**	**+1.3%**

Breakdown by age

	12.31.2009		12.31.2008		CHANGE	
	NUMBER	PERCENT	NUMBER	PERCENT	AMOUNT	PERCENT
Up to 30	404	9.7%	475	11,6%	-71	-14,9%
From 31 to 40 years	1.378	33.1%	1.331	32,4%	+47	+3,5%
From 41 to 50 years	1.311	31.5%	1.325	32,2%	-14	-1,1%
Over 50	1.066	25.7%	976	23,8%	+90	+9,2%
Total	**4.159**	**100.0%**	**4.107**	**100,0%**	**+52**	**+1,3%**

Reference should be made to the section "Our Staff" in the Sustainability Report for coverage of training, management growth, industrial relations, environment and work safety.

1. A description of the macroeconomic scenario is provided in the report on operations of the consolidated 2009 Annual Report.

Main Business Areas

At the Parent Company, specific business activities are being performed related to the Group's treasury operations (Group Finance Department) and the CIB (Corporate & Investment Banking), with particular focus on the operations of Global Transaction Banking (GTB) and the Foreign Branches, which are described in detail in the sections below, and in relation to governance and coordination activities whose functions continue to grow.

Group Finance Department

As specified by the Group Liquidity Policy approved by the Parent Company's Board of Directors on March 21, 2007 and later revised by the same Board on June 25, 2008, the Group Finance Area performs planning, coordination and control functions based on a model that centralizes specialized functions and capabilities to benefit the entire Group. These functions cover liquidity risk management, asset and liability management, the monitoring of the operating performance of portfolios under the responsibility of the Department (especially treasury), and the financing of commercial activities within the Group.

In order to address the liquidity crisis that affected international capital markets, in 2009, the Group Finance Department completed the strategy to strengthen the liquidity profile, which was started in 2008 after the default of the investment bank Lehman Brothers. This strategy was implemented at the Parent Company level and coordinated in measures taken at the level of individual Regional Liquidity Centers (UniCredit A.G., Bank Austria and Bank Pekao). Among other things, this strategy consists of:

- a plan to generate new cash reserves (€15,600 million at the Parent Company level, and €20,700 million at the Group level) using, in particular, the assets on the balance sheets of banks through securitization transactions retained within the Group (e.g., Cordusio 6);
- the expansion of short-term issue programs both in euros (€7,300 million raised from French CDs, an increase of €2,600 million over year-end 2008) and in dollars ($9,200 million raised from US CPs, an increase of $6,500 million over year-end 2008);
- providing incentives for time deposits through the commercial networks of the Italian banks (+€6,300 million over year-end 2008 through demand deposits, repos, CDs and time deposits) thereby optimizing funding cost at the consolidated level;
- improving the Group's capital ratios by participating in the process to structure the Cashes bond issue (€3,000 million) and the capital increase finalized in February 2010 (€4,000 million).

In addition, the Group Finance Department enhanced liquidity risk management by redefining, together with appropriate areas of the Group's Risk Management departments, the Group Liquidity Policy approved by the Parent Company's Board of Directors on April 28, 2009. The new policy redefined:

- limits for short and long-term assets in Euro and in all currencies;
- principles for the calculation and management of unexpected outflows of cash;
- the characteristics of securities to be included in the two main components of the so-called counterbalancing capacity (eligible and marketable assets);
- the role of the Parent Company as the lender of last resort in the event of a liquidity crisis.

The Group's banks are organized by Liquidity Centers that correspond to the four major financial centers where the Group operates: Milan, Munich, Vienna and Warsaw.

The finance model used by the parent company calls for centralization of the liquidity requirements and surpluses generated by liquidity centers in the cash pooling system, which is brokered through an internal automated market managed by Group Treasury.

Revenues of the internal electronic liquidity market (IT Market Place) totaled about €650,000 million in 2009, a decline of 40% from 2008 (on a like-for-like basis). The decrease was mainly due to lower needs to finance the Group's commercial assets (loans to customers). This platform, which was launched in 2007, is qualified to price all segments of the monetary curve (up to a one-year maturity) in all hard currencies and the main soft currencies under market conditions. Through the IT Market Place, the Group Finance Department continually satisfies the financial requirements of the Regional Liquidity Centers totaling 23 Group banks and companies.

In the area of Italian customer deposits in the form of demand deposits, the Group Finance Department adopted a model to enhance such deposits called *c/c Accessorio*, and it paid subsidiary banks a liquidity bonus for their ability to maintain demand deposits over time.

In addition, the Group Finance Department completed intercompany transactions with maturities of over one year. These transactions were carried out through the granting of loans and subscription of bonds issued by subsidiaries totaling €51,914 million and through the receipt of intercompany loans totaling €5,480 million provided by subsidiaries.

Main Business Areas (Continued)

The funding of business activity involves close coordination of the Liquidity Centers and the Group Finance Department to promote coordinated access to the markets (including local markets) where market conditions, product type and customer type could reduce the consolidated cost of funding based on the functional specialization principle. Only the Parent Company can access public financial markets.

Funding has increased the company's indebtedness in the capital markets from €122,334 million at the end of 2008 to €131,096 million at the end of 2009.

As regards the execution of the Group's annual Funding Plan, UniCredit achieved the deposit target objectives established as part of the annual funding plan. In particular, the Parent Company issued senior and subordinated securities for a total of €22,870 million in the medium- and long-term segment, pursuing its strategy of diversification by geographic area, currency and instrument followed in recent years. As a part of this business, UniCredit introduced OBGs in the Italian market with benchmark issues of €3,500 million, thereby increasing the efficiency of deposit costs. The pricing of these bonds reflected the real cost of funding incurred for each maturity by UniCredit in capital markets. The policy applied in the area of intra-group transfer prices covers this pricing.

In the MTS market, the average daily turnover of repo transactions was €3,878 million compared to €4,829 million in 2008.

The stabilization of liquidity conditions in financial markets has nearly eliminated refinancing at the European Central Bank with a net decrease of €47,700 million compared to December 31, 2008 at the Group level.

In the meantime, the inventory of eligible Group securities at central banks, which serves as a liquidity reserve that can be used immediately, reached a level of €100,000 million (including liquid assets in the form of loans to customers that are eligible for refinancing, so-called ABACO loans). In the area of securitizations, the bank continued to create new asset-backed securities that can be used as counterbalancing capacity for a total of €4,644 million.

In 2009, the Group Finance Department carried out activities designed to improve the risk/return profile of its assets and liabilities at both Parent and consolidated level, by means of exchange-rate risk hedges of non-euro dividends and income to be received from foreign subsidiaries and affiliates. In addition, transactions involving direct and indirect equity investments were entered into in order to make capital utilization more efficient.

CIB Area

The creation of the Corporate, Investment Banking & Private Banking SBA at the Group level also had an impact on the Parent's operations. In particular, the main result of this change was the combination and resulting reorganization of the previous Corporate and Markets & Investment Banking Divisions into the new Corporate & Investment Banking Division with the strategic aim of streamlining the management structure of the various businesses in this area and centralizing skills in terms of:
- understanding the needs of corporate and institutional customers through a local distribution network that specializes in specific customer segments;
- creating skill centers at the Group level dedicated to product development and providing related advisory services to the sales network in the activities of providing products and services to customers;
- mitigating risks by taking a global view of a customer relationship and adopting standard risk measurement methodologies and specialized product skills.

The new CIB organizational model is based on a matrix structure that is characterized by the clear separation of sales-related skills (so-called coverage, which are the purview of distribution networks in reference markets: Italy Network, Germany Network, Austria Network, Poland Network, which has been operational since January 1, 2010, and the Financial Institution Group), and by product skills centralized in so-called Product Lines that are responsible for the entire range of products offered by CIB, in particular:
- **Financing & Advisory**, the skill center for all business areas involved in corporate and institutional lending and advisory services;
- **Markets**, which is responsible for the Rates, FX and Equities products, Capital Markets operations and operations related to lending markets and Corporate Treasury Sales (CTS), in addition to serving as a preferential channel for the UniCredit Group to access international financial markets;
- **Leasing**, which is responsible for coordinating all activities for the structuring, pricing and sale of leasing products within the Group;
- **Global Transaction Banking (GTB)** is the UniCredit business area that offers solutions in the area of Cash Management & eBanking, Trade Finance, Supply Chain Management, Structured Trade and Export Finance, and Global Securities Services.

More specifically, GTB units at the Parent Company are able to provide both domestic and international banking products and services through the services of over 2,000 dedicated specialists available in the 22 European countries where the Group operates.

Despite the extremely turbulent international situation, the Transactional Sales & Trade Services unit continued to successfully promote GTB services to correspondent banks with a growth in market share in key countries. At the same time, collaboration agreements continued to be expanded with leading banking groups with the aim of facilitating the operations of our customers who intend to locate their business or manufacturing activities abroad. In addition, there was a particular emphasis on the management of intragroup settlements in order to improve service for customers. The clearing of Euro and major EEC currencies was further developed leading to the acquisition of key customers.

Despite the difficult international economic situation, Trade Finance operations also reported an increase in market share in Germany, Austria and Italy. The Group also expanded its role as a strategic partner in the EEC area by providing high-value-added services such as supply chain management.

Finally, in 2009, in the Cash Management & Electronic Banking business, significant funds were invested in the Payments area in order to bring processes, systems and products up to the new European standards (SEPA, PSD). The goals achieved in this area were the implementation of the SEPA Direct Debit and the adaptation of products to the Payment Service Directive.

There was continued development and evolution of global platforms making it possible to provide better coverage of international cash management services in both EEC and Western European countries with the collaboration of IBOS. In the electronic banking area, the Global E-Banking project was completed in 2009. This area will roll out its new product at the beginning of 2010.

Branches and Representative Offices abroad

The integration of the foreign branches and representative offices of the former Capitalia was completed at the end of 2008, and, in 2009, the focus was on streamlining the Group's foreign network.

In fact, when reviewing its global operating model for the Corporate & Investment Banking & Private Banking SBA, whose goals include the reduction of non-strategic assets and operations, the company approved and launched a plan to restructure the Group's international network with the aim of maintaining only those units with strong operations and strategic significance. In particular, it was decided to close branches in Paris, Madrid and Hong Kong in 2010, as well as the representative office in Tunis (already done), which is compensated with the opening of a new office in Tripoli, Libya.

Thus, at the end of 2009, UniCredit SpA maintained 7 Branches abroad, including 3 being closed, 1 Permanent Establishment and 6 Representative Offices.

UniCredit S.p.A. International network

BRANCHES	PERMANENT ESTABLISHMENT	REPRESENTATIVE OFFICES
PRC - Hong Kong	AUSTRIA - Vienna	BELGIUM - Brussels
PRC - Shanghai		BRAZIL - Sao Paulo
GERMANY - Munich		PRC - Beijing
UNITED KINGDOM - London		PRC - Guangzhou
UNITED STATES - New York		INDIA - Mumbai
FRANCIA - Paris		LIBYA - Tripoli
SPAIN - Madrid		

Governance and Coordination Activities

In addition to the specific business activities indicated above are the governance and planning activities carried out by Group HQ for the entire Group. In order to continually improve its ability to perform these duties, in 2009, the Parent Company was involved in several activities aimed at enhancing the reorganization process begun in 2008 such as:

- the strengthening of Competence Lines such as Finance (CFO), Human Resources (HR), Organization and Communication; in 2009, this effort was focused on the greater importance given by individual managers to various decision-making processes and responsibilities in terms of creating and managing the budget. This was in addition to the development of project-related activities aimed at improving performance by making the projects implemented centrally available to the entire Group. In addition, the company continued the process of strengthening the Compliance Area and departments devoted to Risk Management by centralizing governance and control units in order to develop a single, comprehensive strategy;
- the implementation of the new organizational model based on the establishment of the Retail, Corporate Investment Banking & Private Banking (CIB & PB) and Global Banking Services (GBS) strategic business areas (SBAs) with a particular focus on the reorganization of the CIB & PB area, which was already covered in detail in the section on the "Main Business Areas". As regards the Retail SBA, in addition to strengthening its dedicated units, which occurred in November 2008, the Household Financing (HHF) units were also enhanced in order to coordinate the operations of this product line for the entire Group.

Loans to Customers

Loans to customers reached €51,665 million at December 31, 2009, an increase of €15,146 million compared to the amount at the end of 2008.

Loans and receivables with customers

(€ million)

	AMOUNTS AS AT		CHANGE	
	12.31.2009	12.31.2008	AMOUNT	PERCENT
Performing loans	29,523	28,999	+524	+1.8%
Impaired assets	200	240	-40	-16.7%
Repos	13,535	-	+13,535	-
Debt securities	8,407	7,280	+1,127	+15.5%
Total loans and receivables with customers	**51,665**	**36,519**	**+15,146**	**+41.5%**
of which:				
units operating in Italy	*49,496*	*32,973*	*+16,523*	*+50.1%*
units operating abroad	*2,169*	*3,546*	*-1,377*	*-38.8%*

Of this increase, €16,523 million was due to units operating in Italy (+50%), while the activity of units operating abroad declined by €1,377 million (-39%).

In general, the further increase should be viewed in light of several repos at Cassa Compensazione e Garanzia at the end of the fiscal year (up €13,535 million).

In particular, this subdivision has experienced the following changes:

- Current accounts declined by € 97 million;
- Repos, as already mentioned, increased by €13,535 million;
- Mortgages increased by €431 million;
- Other financing transactions increased by €190 million;
- Debt securities increased €1,127 million.

Credit quality

Impaired loans to Customers (by tipe)

(€ million)

	NON-PERFORMING LOANS	DOUBTFUL LOANS	TOTAL	RESTRUCTURED LOANS	PAST-DUE LOANS	IMAPAIRED LOANS
Face value	480	156	636	..	-	636
as a percentage of total loans	*0.92%*	*0.30%*	*1.22%*	..	-	*1.22%*
Write-downs	379	57	436	..	-	436
coverage ratio	*78.96%*	*36.54%*	*68.55%*	..	-	*68.55%*
Carrying value	101	99	200	..	-	200
as a percentage of total loans	*0.20%*	*0.19%*	*0.39%*	..	-	*0.39%*

At year-end 2009, impaired net loans to customers totaled €200 million compared to €240 million at year-end 2008, ultimately down compared to the volumes at the end of 2007 (€985 million) deriving from positions existing at the absorbed company Capitalia Spa. It is noted that a large part of portfolio was transferred to the subsidiary Aspra Finance during 2008. The further reduction in volumes registered in 2009 indicates a continuation of careful management and recovery actions. It is also noted that there has been improvement in both of the coverage indicators as well, i.e. on non-performing loans (2009 index at 79.0% compared to 70.6% in 2008) and on doubtful loans (2009 index at 36.5% compared to 33.3% in 2008).

Deposits from Customers and Debt Securities in Issue

Deposits from customers and debt securities in issue, equaling €147,007 million, were up €15,480 million from the end of 2008.

Deposits from customers and debt securities in issue

(€ million)

	AMOUNTS AS AT		CHANGE	
	12.31.2009	12.31.2008	AMOUNT	PERCENT
Deposits from customers	15,911	9,193	+6,718	+73.1%
Debt securities in issue	131,096	122,334	+8,762	+7.2%
Total deposits from customers and debt securities in issue	**147,007**	**131,527**	**+15,480**	**+11.8%**
of which:				
units operating in Italy	*110,017*	*102,284*	*+7,733*	*+7.6%*
units operating abroad	*36,990*	*29,243*	*+7,747*	*+26.5%*

Deposits from customers were €15,911 million, an increase of €6,718 million compared to the previous year. The change is attributable to an increase in time deposits (up €2,522 million) as well as in repos (up €3,643 million).
In particular:
- Current accounts and demand deposits increased by €848 million;
- Time deposits increased by €2,522 million;
- Repos with customers increased by €3,643 million, mainly due to deals done with Cassa di Compensazione e Garanzia;
- Other types of deposits declined by €295 million.

Debt securities in issue, equaling €131,096 million, posted an increase of €8,762 million over the previous fiscal year.
In particular:
- Structured bonds issued and subscribed by customers declined by €1,768 million;
- Other bonds subscribed by customers increased by €7,848 million;
- Other structured securities increased by €8 million;
- Other non-structured securities increased €2,674 by million.

Financial Investments

Financial investments of €83,833 million were up by €3,755 million over year-end 2008.

Financial investments

(€ million)

	AMOUNTS AS AT		CHANGE	
	12.31.2009	12.31.2008	AMOUNT	PERCENT
Financial assets at fair value through profit or loss	435	318	+117	+36.8%
Available-for-sale financial assets	9,427	3,284	+6,143	+187.1%
of which: - equity investments	*819*	*1,005*	*-186*	*-18.5%*
- debt securities, equity instruments and investments funds units	*8,608*	*2,279*	*+6,329*	*+277.7%*
Held-to-maturity investments	4,059	6,623	-2,564	-38.7%
Equity investments	69,912	69,853	+59	+0.1%
Total financial investments	**83,833**	**80,078**	**+3,755**	**+4.7%**
of which:				
units operating in Italy	*83,651*	*79,932*	*+3,719*	*+4.7%*
units operating abroad	*182*	*146*	*+36*	*+24.7%*

Held-to-maturity financial assets, equal to €4,059 million, went down €2,564 million over year-end 2008. The decline was due to the redemption of several securities that reached maturity.

The available-for-sale financial assets went up €6,143 million, mainly due to the increase in debt securities and UCITS units.

Equity investments included in this portfolio this year recorded a total decrease of €186 million, comprised mainly of (i) -€282 million in account deduction relating to various disposals including Banco Sabadell (-€237 million, which after write-downs of €52 million reflected in the income statement, resulted in gains of €30 million on disposal), Bank BPH (-€13 million, after write-downs of €3 million reflected in the income statement and gains of €10 million on disposal), SI Holding (-€5 million, after posting the €15 million gains on disposal), and Finaosta and Finmolise (-€23 million, reflecting €11 million in gains on disposal in the income statement), (ii) +€70 million from the net positive change in the fair value adjustment of miscellaneous investments (including €45 million on the London Stock Exchange), (iii) +€41 million from net valuation of Bank of Valetta, after posting an adjustment of €26 million to the income statement, (iv) -€17 million through value adjustments posted to the income statement in relation to investments in Investimenti Infrastrutture and Gemina.

In total, €68 million in gains on disposal were obtained on the investments included in this portfolio during 2009, while write-downs of €101 million were posted to the income statement.

Equity investments in subsidiaries and associated companies reached €69,912 million, with a year-on-year increase of €59 million attributable to the following main factors: (i) an increase in the book value of CNP UniCredit Vita (up €141 million) resulting from the acquisition by another subsidiary of a further stake in that company, an acquisition meant to unify the entire stake (38.8%) in CNP under the Parent Company; (ii) a €24 million increase in the book value of Banca Pekao from payment of the second variable tranche of the Bank BPH acquisition price, the capitalization of €8 million in ancillary expenses connected with UniCredit Bank AG, (iii) write-downs of investments in MCC (€97 million) and in Fineco Verwaltung (€23 million).

A summary description of the operations of the main subsidiaries in the Group's different business sectors is provided in the report on operations included in the consolidated Annual Report, to which reference is therefore made.

Interbank business

In 2009, the Holding Company continued to be a net lender in the interbank market, but still reduced the balance between loan and deposit entries by €6,380 million from 2008. This result was due to an increase in deposits from Banks (€1,904 million) and a decline in loans to Banks (down €4,476 million).

More specifically, the decline of €4,476 million in loans disbursed to banks compared to 2008 was due to the following:

- a decline of €42,780 million in current accounts and demand deposits, such a decline, mainly due to the accounts with UniCredit Corporate Banking and with UniCredit Family Financing Bank, is linked to a restructuring of the sources of funding of these two companies with the goal to assure them more stable and structured funding;
- an increase of about €37,689 million in senior and subordinated bonds in the Loans & Receivables portfolio, mainly issued by Group companies (UniCredit Corporate Bank and UniCredit Family Financing Bank) to fund the structural liquidity position;

The increase of €1,904 million in deposits from banks was instead due to:

- A decline of €17,924 million in deposits from central banks;
- An increase of €11,322 million in current accounts and demand deposits;
- An increase of €4,729 million in time deposits;
- A decline of €2,292 million in repos;
- An increase of €6,069 million in other financing transactions.

The contribution from the foreign area was stable during the year, showing a €313 million reduction in loans to banks and a €602 million increase in deposits from banks.

Interbank position

(€ million)

	AMOUNTS AS AT		CHANGE	
	12.31.2009	12.31.2008	AMOUNT	PERCENT
Loans and receivables with banks	**203,963**	**208,439**	**-4,476**	**-2.1%**
units operating in Italy	*202,860*	*207,023*	*-4,163*	*-2.0%*
units operating abroad	*1,103*	*1,416*	*-313*	*-22.1%*
Deposits from banks	**159,607**	**157,703**	**+1,904**	**+1.2%**
units operating in Italy	*149,641*	*148,339*	*+1,302*	*+0.9%*
units operating abroad	*9,966*	*9,364*	*+602*	*+6.4%*
NET INTERBANK POSITION	**44,356**	**50,736**	**-6,380**	**-12.6%**
units operating in Italy	*53,219*	*58,684*	*-5,465*	*-9.3%*
units operating abroad	*-8,863*	*-7,948*	*-915*	*+11.5%*

Shareholders' Equity and Capital Ratios

Shareholders' equity

As at December 31, 2009, shareholders' equity amounted to €54,092 million, compared to €50,990 million at the end of the previous fiscal year. The increases were mainly attributable to the subscription of the capital increase resolved by the extraordinary session of the Shareholders' Meeting of November 14, 2008 (€2,997 million, with €2,511 million representing the premium) and to positive changes in the revaluation reserves for available-for-sale financial assets and cash flow hedges (+€192 million). These increases were partially offset by the posting to reserves of ancillary expenses of this capital increase (-€67 million) and of the usufruct fee relating to financial instruments (so-called "CASHES"), to the service of which nearly all of the shares subscribed by Mediobanca were applied, also in conjunction with the cited capital increase (-€131 million).

Shareholders' equity

(€ million)

Balance as at 12.31.2008	**50,990**
Increases:	
- share capital increase by scrip issue and share premiums	2,997
- net profit for the year	51
- other changes	253
Decreases:	
- paid-out dividends	1
- other changes	198
Balance as at 12.31.2009	**54,092**

Main Shareholders

Share capital, which was fully subscribed and paid in, totalled €8,389,869,514.00, consisting of 16,779,739,028 shares of €0.50 each including 16,755,500,045 ordinary shares and 24,238,983 savings shares.
As at December 31, 2009, the shareholder register showed the following:

- There are approximately 463,000 shareholders;
- Domestic shareholders own about 41% of capital and foreign shareholders 59%.
- 86% of ordinary share capital is held by legal entities and the remaining 14% by individuals.

As at December 31, 2009, the principal shareholders were as follows:

Principal UniCredit shareholders

SHAREHOLDER	ORDINARY SHARES	% OWNED [1]
1. Mediobanca S.p.A. - Piazzetta E. Cuccia, 1 - Milan	991,211,860	5.916%
(of which with right of usufruct in favour of UniCredit S.p.A.)	*967,564,061*	*5.775%*
2. Cassa di Risparmio Verona, Vicenza, Belluno e Ancona Foundation	959,568,552	5.727%
3. Central Bank of Libya Group	728,019,024	4.345%
4. BlackRock Inc.	637,245,466	3.803%
5. Carimonte Holding S.p.A.	528,667,846	3.155%
6. Cassa Risparmio di Torino Foundation	527,777,185	3.150%
7. Allianz Group	344,532,417	2.056%

1. As a percentage of ordinary capital.

Treasury shares

Treasury shares stock is unchanged vis a vis December 2008. No transactions have been done during 2009.

Treasury shares

Number of ordinary shares as at 12.31.2009	476,000
Face value per share €	0,50
Total face value €	238,000
% on capital stock	..
Carrying value as at 12.31.2009 €	2,440,001

Capital for regulatory purposes and capital ratios

Capital for regulatory purposes amounted to €58,932 million, of which €45,511 million is Tier 1 Capital, compared with €56,125 million at December 31, 2008.

The ratio of capital for regulatory purpose to total risk.weighted assents was 59,02% - not a very significant figure, since it reflects the Company's particular capital structure.

Income Statement

Operating Profit

Income statement figures for 2009 were compared with "restated" accounting entries for 2008 up to operating profit, eliminating the impact of the merger of Capitalia Partecipazioni, UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia and Bipop Carire into UniCredit on November 1, 2008 and UniCredit's concurrent transfer of the divisions as follows:

- Retail Banking to the three retail banks (UniCredit Banca, UniCredit Banca di Roma and Banco di Sicilia) each of them with specific regional responsibilities for northern Italy, central and southern Italy and Sicily respectively;
- the Private Banking business to UniCredit Private Banking;
- the Corporate business to UniCredit Corporate Banking;
- mortgages and loans to UniCredit Banca per la Casa and UniCredit Consumer Financing Bank respectively.

It should be noted that the data reported include figures for the Parent Company as well as those for applicable operations at foreign branches in New York, London, Munich, Paris, Madrid, Hong Kong and Shanghai.

Operating profit

(€ million)

	YEAR			CHANGE FROM RESTATED	
	2009 CARRYING AMOUNT	2008 CARRYING AMOUNT	2008 RESTATED	€M	PERCENT
Net interest	-587	3,426	-1,564	+ 977	- 62.5%
Dividends and other income from equity investments	1,324	2,973	2,825	- 1,501	- 53.1%
Net interest income	**737**	**6,399**	**1,261**	**- 524**	**- 41.6%**
Net fees and commissions	46	2,465	56	- 10	- 17.9%
Net trading, hedging and fair value income	117	-288	-323	+ 440	n.s.
Net other expenses/income	157	-131	-150	+ 307	n.s.
Net non-interest income	**320**	**2,046**	**-417**	**+ 737**	**n.s.**
OPERATING INCOME	**1,057**	**8,445**	**844**	**+ 213**	**+ 25.2%**
Payroll costs	-552	-2,948	-469	- 83	+ 17.7%
Other administrative expenses	-537	-2,492	-448	- 89	+ 19.9%
Recovery of expenses	73	348	53	+ 20	+ 37.7%
Amortisation, depreciation and impairment losses on intangible and tangible assets	-8	-91	-10	+ 2	- 20.0%
Operating costs	**-1,024**	**-5,183**	**-874**	**- 150**	**+ 17.2%**
OPERATING PROFIT	**33**	**3,262**	**-30**	**+ 63**	**n.s.**

Net Interest Income

Net interest income stood at €737 million, representing the difference between net interest of -€587 million and dividends and other income from equity investments of €1,324 million. Of this figure, €1,281 million related to Group companies and €43 million to non-Group companies. The comparable amount for the 2008 statement was a total of €1,261 million, consisting of net interest of -€1,564 million and dividends and other income from equity investments of €2,825 million.

Net interest increased by €977 million compared with the previous year. The increase was largely attributable to lower market rates in 2009 than in the same period in 2008 which led to lower costs for financing equity investments and a profit from managing the cash position in the short term, including the return on securities (e.g., average three-month Euribor in 2009 was 1.23% compared to 4.64% in 2008).

The portion of dividends and other income from equity investments related to Group companies was down (-€1.481 million) primarily due to the fact that Bank of Austria, Pekao and HVB did not distribute dividends; this was partially offset by the positive contribution of UCI Real Estate, Banca di Roma and Banco di Sicilia. However, the component related to non-group companies was down by €24 million resulting mainly from lower dividends paid by Banco Sabadell (sold in Q4 2009), and by Athena Private Equity Fund.

Operating Profit (Continued)

Net non-Interest Income

Net non-interest income stood at €320 million, an improvement of €737 million over the previous period due to the positive contribution made by net trading, hedging and fair value income in the amount of €117 million and the balance of other operating income and costs of €157 million and net commissions of €46 million.

Net trading, hedging and fair value income totaled €117 million, compared with a loss of €323 million in the previous period. The profit for 2009 was generated mainly in two areas: profits from certain strategic positions of the Parent Company totaling €137 million, which were partially offset by the valuation and trading loss on treasury transactions of -€20 million. The former of these components includes (i) €92 million from the purchase of an option on UniCredit shares that occurred last year at the time treasury shares were sold; (ii) €41 million from the revaluation of the investment in Pioneer Funds; (iii) €12 million for the mark-to-market for the Bank Pekao securities option resulting from the option granted to the Polish government (transaction completed on June 30, 2009), (iv) -€8 million as the cost of hedging against the exchange rate risk on profits related to Bank Pekao.

The balance of other operating income and costs was a positive €157 million compared to a net loss of €150 million in the previous period (which was negatively affected by costs that could not be capitalized related to the BACA squeeze-out (-€55 million) and provisions for lawsuits of the former Capitalia Group totaling €14 million). Of the 2009 net profit, €142 million was attributable to reimbursements for services rendered to the Retail Division (prior to the merger, these services were managed by UniCredit Banca), €22 million from the derecognition of Trevi junior securities and the resulting reporting of these securities at the higher value of the securities used to secure them.

Net commissions totaled €46 million, which was down slightly from the €56 million reported last year as a result of the greater impact of recurring commission expenses paid to cover Asset-Backed Securities (ABS), i.e., short-term securities secured by collateral (-€36 million in 2009 compared to -€8 million in 2008), despite the positive performance of commissions earned from the Global Transaction Banking business (€57 million in 2009 compared to €51 million in 2008).

Operating costs

Taking into account expense recoveries, operating costs totaled €1,024 million compared to €874 million in 2008, an increase of about €150 million due to the strengthening of the Parent Company's organizational structure as a result of absorbing several governance units from the Retail Division as well as the centralization of certain departments belonging to the CRO competence line. Payroll costs totaled €552 million (an increase of €83 million over the €469 million reported in 2008), and other administrative expenses totaled €537 million (an increase of €89 million over the €448 million reported in 2008), which was partially offset by higher expense recoveries of €73 million, an increase of €20 million over the 2008 figure.

The increase in payroll costs was mainly due to the higher percentage of the fixed component, although the variable component declined. The increase in other administrative expenses was instead largely the result of higher intragroup costs, primarily in relation to UCI Real Estate, due to the disposal of properties and the subsequent impact on rent payments, higher costs for ICT services, and higher advertising, marketing and communication costs, especially in relation to the sponsorship of the UEFA Champions League. Lastly, the increase in expense recoveries was largely due to recoveries of legal expenses related to loans underlying the Trevi securities; this increase was offset by the concurrent deterioration in provisions for loan losses following the change in the accounting methodology for reporting these.

Operating profit

Operating profit totaled €33 million, an increase of €63 million over the loss of €30 million in 2008 as a result of revenue growth.

Net Profit

In the table below, the steps from operating profit to net profit have been reclassified for illustrative purposes.

Net profit (loss)

(€ million)

	YEAR			CHANGE FROM RESTATED	
	2009	2008			
	CARRYING AMOUNT	CARRYING AMOUNT	RESTATED	€M	PERCENT
Operating profit (loss)	**33**	**3,262**	**-30**	**+ 63**	**n.s.**
Net provisions for risks and charges	-105	-402	-154	+ 49	- 31.8%
Integration costs	-17	-66	-	- 17	n.s.
Net write-downs of loans and provisions for guarantees and commitments	-108	-285	-300	+ 192	- 64.0%
Net income from investments	-205	-286	-276	+ 71	-25.7%
PROFIT (LOSS) BEFORE TAX	**-402**	**2,223**	**-760**	**+ 358**	**- 47.1%**
Income tax for the year	453	1,058	1,850	- 1,397	- 75.5%
NET PROFIT (LOSS) FOR THE YEAR	**51**	**3,281**	**1,090**	**- 1,039**	**- 95.3%**

Provisions for risks and charges

Provisions for risks and charges, which totaled €105 million compared to €154 million in 2008, were mainly for legal and tax disputes in addition to claims related to companies in bankruptcy, a portion of which are related to non-performing loans sold to Aspra Finance, for which a hold-harmless clause has been issued by the Parent Company.

Net write-downs of loans and provisions for guarantees and commitments

Net impairment losses on loans and provisions for guarantees and commitments totaled €108 million, an improvement of €192 million from the €300 million reported for 2008 due to impairment losses on non-performing loans.

Integration costs

Integration costs totaled €17 million, and were mainly related to the reorganization of the foreign branches, and to a lesser extent, the discounting to present value of costs associated with staff leaving incentives resulting from previous integration processes related to HVB-BACA and Capitalia.

Net income from investments

The net loss from investments totaled €205 million, an improvement of €71 million over the €276 million loss reported in 2008. This figure consisted of €276 million in impairment losses on equity investments and gains of €71 million from sales of equity investments.

In particular, in 2009, the following items were reported:
- impairment losses on equity investments totaling €276 million, due primarily to Medio Credito Centrale (€97 million), Banco Sabadell (€52 million), Athena Private Equity Fund (€29 million), Bank of Valletta (€26 million), Fineco Verwaltung (€23 million), Investimenti Infrastrutture (€14 million), Fondo Immobiliare Sigma (€11 million), and the Princess Fund (€9 million).
- Sale of equity investments totaling €71.2 million due to Banco Sabadell (€30 million), SI Holding (€15 million), Finaosta (€10 million), BPH (€10 million) and CE.BI. Centrale Bilanci (€2 million).

Income tax

Income taxes for the year were a positive figure of €453 million, a decrease of €1,397 million compared to the €1,850 million reported in 2008. It has to be noted that Profit for 2008 was positively affected by Decree Law No. 185 of 11/29/08, which was converted to Law No. 2 of 2/10/09) regarding the realignment between Civil and Fiscal by taxpayer, as UniCredit Spa,so called IAS adopter.

Net profit

The company's net profit stood at €51 million, representing a decrease of €1,039 million from the €1,090 million reported the previous year.

Other Information

Transactions with Group Companies

The table below shows the assets, including equity interests, liabilities, guarantees and commitments outstanding as at December 31, 2009, in respect of direct and indirect subsidiaries and companies subject to significant influence.

(€ million)

	ASSETS	LIABILITIES	GUARANTEES AND COMMITMENTS
Subsidiaries	294,234	173,053	48,856
Companies subject to significant influence	2,136	17	-

Security Plan

As required by the Personal Data Protection Code, i.e. Legislative Decree 196/2003 (Rule 26 in Annex B: "Technical Specifications concerning Minimum Security Measures"), the Bank now has a Security Plan as prescribed by Rule 19 of Annex B, which will be updated for the year 2010 by March 31, 2010.

Report on corporate governance and proprietary structures

Within the meaning of Art. 123-bis par. 3 of Legislative Decree 58 dated February 24, 1998, the Report on Corporate Governance and Proprietary Structures is available in the "Governance" section of the UniCredit website (http://www.unicreditgroup.eu/it/Governance/corporate_governance_report.htm).

Risks

Risks and uncertainties that the Group has to face in the present circumstances are fully described in the consolidated annual report.

Shares held by Directors, Statutory Auditors, General Managers and other Key Management Personnel

The table below provides information pursuant to Section 79 of Consob Regulation 11971 of May, 14 1999, as subsequently amended and supplemented (last amendment: Consob Resolution 15520 of July, 27 2006).

Shares held by directors, statutory auditors, general managers and other key managemen personnel

				NUMBER OF SHARES			
POSITION HELD	LAST, FIRST NAME	INTEREST IN	TYPE OF SHARE	HELD AT END-2008 (1)	ACQUIRED DURING THE YEAR	SOLD DURING THE YEAR	HELD AT END-2009 (1)
LIST OF DIRECTORS FROM JANUARY 1 UNTIL DECEMBER 31, 2009							
Chairman	Rampl Dieter	UniCredit	ord.	227,795	41,547 [2]	-	269,342
Vice Chairman (i)	Calandra Buonaura Vincenzo	UniCredit	ord.	39,606	7,223 [2]	-	46,829
Vice Chairman	Palenzona Fabrizio	UniCredit	ord.	-	-	-	-
Managing Director/CEO	Profumo Alessandro	UniCredit	ord.	2,852,842	520,329 [2]	-	3,373,171
Director	Bischoff Manfred	UniCredit	ord.	7,500	1,367 [2]	-	8,867
Director	Cucchiani Enrico Tommaso	UniCredit	ord.	-	-	-	-
Director	Fontanesi Donato	UniCredit	ord.	-	-	-	-
Director	Giacomin Francesco	UniCredit	ord.	-	-	-	-
Director	Gnudi Piero	UniCredit	ord.	152,907	27,888 [2]	-	180,795
	indirectly held (spouse)	UniCredit	ord.	272,846	49,764 [2]	-	322,610
	indirectly held (other)	UniCredit	ord.	514,000	93,748 [2]	100,000	507,748
Director	Kadrnoska Friedrich	UniCredit	ord.	-	-	-	-
Director	Li Calzi Marianna	UniCredit	ord.	-	-	-	-
Director	Ligresti Salvatore	UniCredit	ord.	-	-	-	-
Director	Maramotti Luigi	UniCredit	ord.	5,610,556	1,023,311 [2]	-	6,633,867
Director	Marocco Antonio Maria	UniCredit	ord.	49,200	8,961 [2]	-	58,161
Director	Pesenti Carlo	UniCredit	ord.	-	25,000	-	
					4,553 [2]	-	29,553
Director	Schinzler Hans-Jürgen	UniCredit	ord.	-	-	-	-
Director (ii)	Wyand Anthony	UniCredit	ord.	-	-	-	-
	indirectly held (spouse)	UniCredit	ord.	14,000	1,016	-	-
					2,738 [2]	-	17,754
Director	Zwickl Franz	UniCredit	ord.	4,000	729 [2]	-	4,729

Shares held by Directors, Statutory Auditors, General Managers and other Key Management Personnel (Continued)

Shares held by directors, statutory auditors, general managers and other key management personnel - continued

POSITION HELD	LAST, FIRST NAME	INTEREST IN	TYPE OF SHARE	NUMBER OF SHARES			
				HELD AT END-2008 (1)	ACQUIRED DURING THE YEAR	SOLD DURING THE YEAR	HELD AT END-2009 (1)
DIRECTORS FROM JANUARY 1 UNTIL APRIL 29, 2009							
Deputy Vice Chairman	Gutty Gianfranco	UniCredit	ord.	151,000	-	-	151,000
Vice Chairman	Bellei Franco	UniCredit	ord.	70,000	-	-	70,000
Vice Chairman	Libonati Berardino	UniCredit	ord.	1	-	-	1
Director	Kley Max Dietrich	UniCredit	ord.	-	-	-	-
Director	von Bomhard Nikolaus	UniCredit	ord.	-	-	-	-
DIRECTORS FROM APRIL 29 UNTIL DECEMBER 31, 2009							
Deputy Vice Chairman	Luigi Castelletti	UniCredit	ord.	-	-	-	-
Vice Chairman	Farhat Omar Bengdara	UniCredit	ord.	-	-	-	-
Director	Giovanni Belluzzi	UniCredit	ord.	-	-	-	-
Director	Lucrezia Reichlin	UniCredit	ord.	-	-	-	-
Director	Theodor Waigel	UniCredit	ord.	-	-	-	-
BOARD OF STATUTORY AUDITORS							
Chairman	Loli Giorgio	UniCredit	ord.	30,000	5,471 [2]	-	35,471
	indirectly held (spouse)	UniCredit	risp.	20,000	2,333 [2]	-	22,333
Statutory Auditor	Francardo Gian Luigi	UniCredit	ord.	-	-	-	-
Statutory Auditor	Mayr Siegfried	UniCredit	ord.	-	-	-	-
Statutory Auditor	Milanese Aldo	UniCredit	ord.	-	-	-	-
Statutory Auditor	Nicastro Vincenzo	UniCredit	ord.	5,195	947 [2]	-	6,142
KEY MANAGEMENT PERSONNEL		UniCredit	ord.	3,180,262	726,834 [3 4]	50,152	3,856,944
		PGAM	ord.	-	29,788	29,788	-
		Pekao	ord.	25,000	40,000	60,000	5,000

(1) or start/end date of position if not the same as the reference periods indicated.
(2) shares received in 2009 following UniCredit's capital increase
(3) of which 546,494 shares received in 2009 following the Issuer's free capital increase
(4) of which 177,783 "free ordinary shares" assigned in 2009 in execution of the Medium/Long Term Incentive Plan for Group employees, as decided by the Board of Directors of Nov, 18 2005.
(i) Vice Chairman from April 29, 2009
(ii) Director from April 29, 2009.

Subsequent Events and Outlook

Subsequent Events

To implement the resolution made by the extraordinary session of the Shareholders' Meeting of November 16, 2009, on January 7, 2010 the Board of Directors determined the final conditions for the capital increase through options, including the subscription price, the option ratio, and the maximum number of shares to be offered.

In the period for the exercise of the option rights, from January 11 to 29 in Italy and Germany and from January 14 to 29 in Poland, newly issued UniCredit ordinary shares were offered to shareholders holding UniCredit ordinary or savings shares at the price of €1.589 per share, of which €1.089 represented share premium, with an option ratio of 3 newly issued ordinary shares for every 20 ordinary and/or savings shares held. At the end of the option exercise period, 2,472,338,679 new UniCredit ordinary shares were subscribed, equal to 98.23% of the shares included in the option offering.

Unexercised option rights were then offered by UniCredit on the MTA (electronic share market) of Borsa Italiana S.p.A. pursuant to Art. 2441, paragraph 3 of the Civil Code; all of these rights were acquired during the first session on February 8, 2010; the outcome of the offering on the stock exchange was the subscription of 44,550,771 new UniCredit ordinary shares, while 3 shares remained unopted and were then subscribed by BofA Merrill Lynch, by virtue of the security agreement assumed by the latter for subscription of the capital increase on behalf of an underwriting consortium coordinated and led by BofA Merrill Lynch itself and by UniCredit Bank A.G., Milan Branch.

As a result of the transactions involving the capital increase by option, 2,516,889,453 new ordinary shares were issued to increase the share capital by €1,258,444,726.50 for a total amount - including the share premium - of €3,999,337,340.82. The capital increase was entered into the Company Register on February 24.

Subsequent Events and Outlook (Continued)

Outlook

The external macroeconomic environment has been characterized by initial signs of recovery, which began at the end of 2009, and which, on the basis of the most recent estimates, will continue to strengthen during 2010 as well. Money market rates should rise slightly and move toward official reference rates, which will result in largely unchanged interest income. In addition to tracking the external macroeconomic situation, the company monitors and manages costs using specific streamlining measures which began in 2009 and will continue in 2010.

Furthermore, in order to be able to respond to changing customer expectations and the requirement of staying close to local needs which have arisen in the new situation of international banking, last December the Group initiated the development of a new organizational and business model specifically for UniCredit's markets in Italy, Germany and Austria: the One 4 C Program.

The Program's objectives are summarized as follows:
- To improve customer satisfaction in all customer segments by changing the current business model and corporate culture
- To further enhance the Group's closeness to local communities in Italy by improving our dialogue with them through the use of tools that enable us to understand regional and local needs better
- To change the structure of our Italian entities in line with the new business model.

As a result of the review and as part of it, in March it was considered the opportunity to change the Group's corporate structure in Italy by bringing all the business carried on by the main Group's banks in Italy under UniCredit SpA.

In line with the objectives of the One 4 C Program, UniCredit SpA will therefore serve the Italian market as a whole and all its customer segments, and to this end it will be organized in four specialized business segments, viz.:

1. Households, dedicated to private individuals.

2. SMEs, i.e. businesses with annual turnover of up to €50 million.

3. Corporate Banking, for businesses with annual turnover in excess of €50 million.

4. Private Banking, for clients with assets in excess of €500,000.

These changes will, we think, strengthen the Group's present divisional model and further increase customer satisfaction, by promoting more highly specialized skill-sets, greater simplicity and faster response times, and closer ties to the local communities in which the Group operates, driven by more effective organization and greater autonomy in the branches.

The One 4 C Program also provides for UniCredit's organizational structure to be redesigned in line with the new business model by appointing cross-divisional Regional Chairmen to interface with key figures in their region and act as a single reference point for the needs of all local stakeholders, whether external or internal.

Milan, March 16, 2010

BOARD OF DIRECTORS

Chairman
DIETER RAMPL

CEO
ALESSANDRO PROFUMO

József Varga,
Valid Dental-Medical Nagykereskedöház Kft.
Retail Client - Hungary

**«We had already been enjoying a good relationship with UniCredit for several years when our employees raised the idea of opening retail bank accounts that offered favorable terms on fees and interest rates.
After we contacted UniCredit Bank, they offered us the opportunity to open new accounts as part of a special "Employee Benefit Package" to the great satisfaction of my employees.»**

It's easy with UniCredit.

Proposal to the Shareholders' Meeting

To the Shareholders:
On the basis of the Report on Operations accompanying these Accounts, we ask you to approve the Accounts of UniCredit S.p.A. as at December 31, 2009 being the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement and Notes to the Accounts, as submitted by the Board of Directors, as a whole and the individual entries thereof.
Appropriation of net profit:

2009 Income Statement showed net profits,	**€ 51,000,672.35**

which we propose to distribute as follows:

to the Reserve pursuant to art. 6, paragraph 2 of Legislative Decree 38/2005		€ 10,506,967.67
to the Legal Reserve pursuant to art. 32 of the Articles of Association		€ 5,100,067.24
to the Reserve associated with the medium-term incentive programme for Group staff approved by the Board of Directors		€ 20,000,000.00
to the Statutory Reserve		€ 15,393,637.44
to Shareholders: - 6.00% of par value of € 9,152,651,439.50 equal to € 0.030 for each of the 18,305,302,879 ordinary shares (*) to be distributed only to the shares outstanding on the coupon date of the dividend, other than own shares	€ 549,159,086.37	
- 9.00% - that is 6.00% for ordinary shares plus a further 3% of par value of 12,119,491.50 savings shares (equal to € 0.045 for each of the 24,238,983 savings shares)	€ 1,090,754.24	€ 550,249,840.61
after a drawing from Statutory Reserve in the amount of		-€ 550,249,840.61
		€ 51,000,672.35

* Comprises 16,755,500,045 ordinary shares already issued as at 12.31.2009 and 2,517,842,895 ordinary shares issued in 2010 cum dividend for FY 2009, net of 476,000 treasury shares held by UniCredit SpA at 12.31.2009 and 967,564,061 underlying the financial instruments known as 'cashes' issued at the time of the February 2009 capital increase.

Milan, March 16, 2010

BOARD OF DIRECTORS

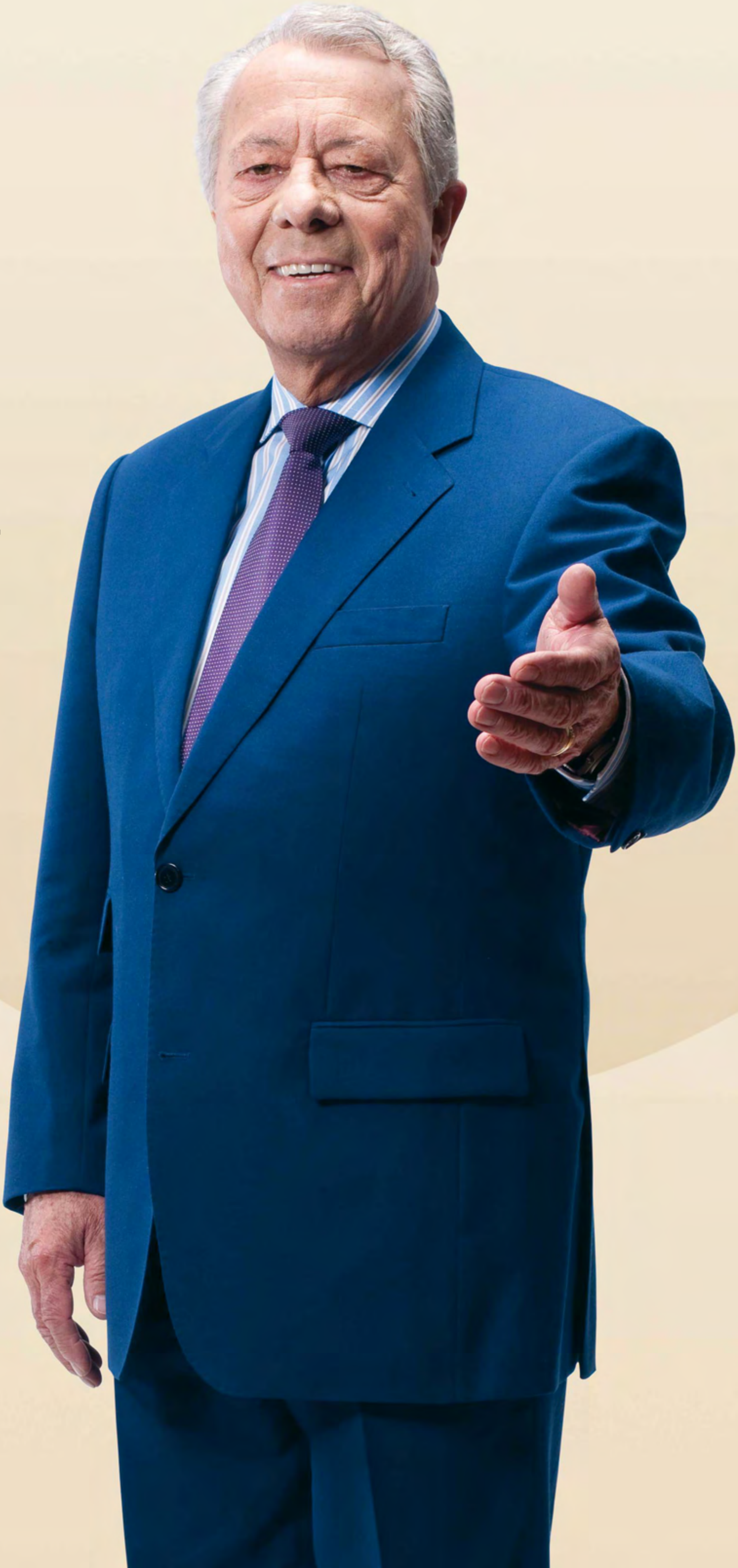
Chairman
DIETER RAMPL

CEO
ALESSANDRO PROFUMO

Friedrich Frey,
Private Banking Client - Austria

**«In my long experience as a customer, decisions at the bank have always been made in a quick and professional way.
I appreciate their simple solutions for my investments, which allow me to focus on the important things in life.»**

It's easy with UniCredit.



Company Accounts and Annexes

Company Accounts

Company Accounts

Balance Sheet

(€)

ASSETS	12.31.2009	12.31.2008
10. Cash and cash balances	5,914,198,837	33,406,999
20. Financial assets held for trading	6,351,494,995	9,004,620,633
30. Financial assets at fair value through profit or loss	434,836,657	318,008,018
40. Available-for-sale financial assets	9,427,373,124	3,284,636,861
50. Held-to-maturity investments	4,058,611,221	6,622,865,723
60. Loans and receivables with banks	203,963,077,806	208,438,532,642
70. Loans and receivables with customers	51,665,371,007	36,518,992,685
80. Hedging derivatives	4,202,838,573	2,038,583,031
90. Changes in fair value of portfolio hedged financial assets (+/-)	207,709,128	71,457,550
100. Equity investments	69,912,252,747	69,852,748,035
110. Property, plant and equipment	33,450,267	37,846,644
120. Intangible assets:	8,769,837,985	8,771,798,523
of which:		
- goodwill	*8,738,566,004*	*8,738,566,004*
130. Tax assets:	5,563,162,554	6,076,925,808
a) current tax assets	*1,562,237,945*	*1,393,430,870*
b) deferred tax assets	*4,000,924,609*	*4,683,494,938*
140. Non-current assets and disposal groups classified as held for sale	-	39,930
150. Other assets	2,452,119,545	5,019,962,725
Total assets	**372,956,334,446**	**356,090,425,807**

LIABILITIES AND SHAREHOLDERS' EQUITY	12.31.2009	12.31.2008
10. Deposits from banks	159,607,448,714	157,703,378,386
20. Deposits from customers	15,910,630,033	9,192,910,564
30. Debt securities in issue	131,096,433,266	122,334,037,484
40. Financial liabilities held for trading	2,938,532,101	3,893,113,076
60. Hedging derivatives	3,585,294,550	2,914,023,126
70. Changes in fair value of portfolio hedged financial liabilities (+/-)	1,459,548,939	1,014,635,139
80. Tax liabilities:	614,680,769	2,665,342,753
a) current tax liabilities	*549,495,417*	*2,131,139,237*
b) deferred tax liabilities	*65,185,352*	*534,203,516*
100. Other liabilities	2,306,490,095	3,811,715,339
110. Provision for employee severance pay	87,196,726	81,590,898
120. Provisions for risks and charges:	1,258,130,128	1,490,015,910
a) post-retirement benefit obligations	*878,845,645*	*916,397,140*
b) other provisions	*379,284,483*	*573,618,770*
130. Revaluation reserves	359,821,467	168,228,357
160. Reserves	8,712,157,020	6,788,218,163
170. Share premium	36,581,540,453	34,070,282,307
180. Share capital	8,389,869,514	6,684,287,462
190. Treasury shares (-)	(2,440,001)	(2,440,001)
200. Net Profit or Loss (+/-)	51,000,672	3,281,086,844
Total liabilities and shareholders' equity	**372,956,334,446**	**356,090,425,807**

Income Statement

(€)

ITEMS	12.31.2009	12.31.2008
10. Interest income and similar revenues	7,042,375,198	19,268,768,404
20. Interest expense and similar charges	(7,629,546,878)	(15,842,899,080)
30. Net interest margin	**(587,171,680)**	**3,425,869,324**
40. Fee and commission income	120,469,114	2,653,701,150
50. Fee and commission expense	(74,589,256)	(188,308,495)
60. Net fees and commissions	**45,879,858**	**2,465,392,655**
70. Dividend income and similar revenue	1,324,235,436	2,974,650,605
80. Gains and losses on financial assets and liabilities held for trading	96,295,424	(240,012,518)
90. Fair value adjustments in hedge accounting	-	(6,459,172)
100. Gains and losses on disposal of:	56,433,751	(320,079,591)
a) loans	*5,917,276*	*(421,852,146)*
b) available-for-sale financial assets	*73,841,628*	*94,735,951*
c) held-to-maturity investments	*(24,741)*	*-*
d) financial liabilities	*(23,300,412)*	*7,036,604*
110. Gains and losses on financial assets/liabilities at fair value through profit or loss	43,930,385	(49,685,146)
120. Operating income	**979,603,174**	**8,249,676,157**
130. Impairment losses on:	(243,624,549)	(432,523,126)
a) loans	*(37,280,324)*	*172,638,633*
b) available-for-sale financial assets	*(156,196,885)*	*(568,940,173)*
c) held-to-maturity investments	*-*	*19,916*
d) other financial assets	*(50,147,340)*	*(36,241,502)*
140. Net profit from financial assets	**735,978,625**	**7,817,153,031**
150. Administrative costs:	(1,105,241,021)	(5,505,886,217)
a) staff expenses	*(567,252,095)*	*(3,013,418,467)*
b) other administrative expenses	*(537,988,926)*	*(2,492,467,750)*
160. Provisions for risks and charges	(106,328,425)	(401,879,424)
170. Impairment/write-backs on property, plant and equipment	(5,217,184)	(56,917,050)
180. Impairment/write-backs on intangible assets	(2,696,709)	(34,384,323)
190. Other net operating income	204,139,094	216,823,807
200. Operating costs	**(1,015,344,245)**	**(5,782,243,207)**
210. Profit (loss) of associates	(122,564,532)	187,185,159
240. Gain and losses on disposal of investments	26,103	1,353,427
250. Total profit or loss before tax from continuing operations	**(401,904,049)**	**2,223,448,410**
260. Tax expense (income) related to profit or loss from continuing operations	452,904,721	1,057,638,434
270. Total profit or loss after tax from continuing operations	**51,000,672**	**3,281,086,844**
290. Net Profit or Loss for the year	**51,000,672**	**3,281,086,844**

Statement of comprehensive income

(€)

	12.31.2009	12.31.2008
10. Net Profit or Loss for the period	**51,000,672**	**3,281,086,844**
Other comprehensive income after tax		
20. Available-for-sale financial assets	241,389,854	(153,008,359)
30. Property, plant and equipment	-	-
40. Intangible assets	-	-
50. Hedges of foreign invstments	-	-
60. Cash flow hedges	(49,796,744)	(15,884,989)
70. Exchange differences	-	-
80. Non-current assets classified held for sale	-	-
90. Actuarial gains (losses) on definited benefit plans	-	-
100. Changes in valuation reserve pertaining to equity method investments:	-	-
110. Total of other comprehensive income after tax	**191,593,110**	**(168,893,348)**
120. Comprehensive income (Item 10+110)	**242,593,782**	**3,112,193,496**

Accounts (Continued)

Statement of changes in Shareholders' Equity as at 12.31.2009

(€)

	BALANCE AS AT 12.31.2008	CHANGE IN OPENING BALANCE	BALANCE AS AT 1.1.2009	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES DURING THE PERIOD								SHAREHOLDERS' EQUITY AS AT 12.31.2009
							SHAREHOLDERS' EQUITY TRANSACTIONS							
				RESERVES	DIVIDENDS	CHANGES IN RESERVES	ISSUE OF NEW SHARES	ACQUISITION OF TREASURY SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES	STOCK OPTIONS	COMPREHENSIVE INCOME STATEMENT AT 12.31.2009	
Share capital:	6,684,287,462	-	6,684,287,462	-	-	-	1,705,582,052	-	-	-	-	-	-	8,389,869,514
a) ordinary shares	6,673,434,186	-	6,673,434,186	-	-	-	1,704,315,836	-	-	-	-	-	-	8,377,750,022
b) other shares	10,853,276	-	10,853,276	-	-	-	1,266,216	-	-	-	-	-	-	12,119,492
Share premium	34,070,282,307	-	34,070,282,307	-	-	-	2,511,258,146	-	-	-	-	-	-	36,581,540,453
Reserves:	6,788,218,163	-	6,788,218,163	3,280,544,180	-	4,255,792	(1,417,842,859)	-	-	-	-	56,981,744	-	8,712,157,020
a) from profits	(199,099,370)	-	(199,099,370)	3,280,544,180	-	270,956	(1,219,469,363)	-	-	-	-	-	-	1,862,246,403
b) other	6,987,317,533	-	6,987,317,533	-	-	3,984,836	(198,373,496)	-	-	-	-	56,981,744	-	6,849,910,617
Revaluation reserves:	168,228,357	-	168,228,357	-	-		-	-	-	-	-	-	191,593,110	359,821,467
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	(2,440,001)	-	(2,440,001)	-	-	-	-	-	-	-	-	-	-	(2,440,001)
Net Profit (Loss) for the year	3,281,086,844	-	3,281,086,844	(3,280,544,180)	(542,664)	-	-	-	-	-	-	-	51,000,672	51,000,672
Shareholders' equity	50,989,663,132	-	50,989,663,132	-	(542,664)	4,255,792	2,798,997,339	-	-	-	-	56,981,744	242,593,782	54,091,949,125

Statement of changes in Shareholders' Equity as at 12.31.2008

(€)

	BALANCE AS AT 12.31.2007	CHANGE IN OPENING BALANCE	BALANCE AS AT 1.1.2008	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES DURING THE PERIOD								SHAREHOLDERS' EQUITY AS AT 12.31.2008
							SHAREHOLDERS' EQUITY TRANSACTIONS							
				RESERVES	DIVIDENDS	CHANGES IN RESERVES	ISSUE OF NEW SHARES	ACQUISITION OF TREASURY SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES	STOCK OPTIONS	COMPREHENSIVE INCOME STATEMENT AT 12.31.2009	
Share capital:	6.682.682.748	-	6.682.682.748	-	-	-	1.604.714	-	-	-	-	-	-	6.684.287.462
a) ordinary shares	6.671.829.472	-	6.671.829.472	-	-	-	1.604.714	-	-	-	-	-	-	6.673.434.186
b) other shares	10.853.276	-	10.853.276	-	-	-	-	-	-	-	-	-	-	10.853.276
Share premium	33.707.908.266	-	33.707.908.266	-	-	-	6.398.329	355.975.712	-	-	-	-	-	34.070.282.307
Reserves:	8.260.251.637	-	8.260.251.637	212.712.095	(1.786.311.190)	472.546.422	-	(424.217.893)	-	-	-	53.237.092	-	6.788.218.163
a) from profits	1.959.832.311	-	1.959.832.311	212.712.095	(1.786.311.190)	197.323	-	(585.529.909)	-	-	-	-	-	(199.099.370)
b) other	6.300.419.326	-	6.300.419.326	-	-	472.349.099	-	161.312.016	-	-	-	53.237.092	-	6.987.317.533
Revaluation reserves:	450.256.676	-	450.256.676	-	-	(113.134.971)	-	-	-	-	-	-	(168.893.348)	168.228.357
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	(358.415.712)	-	(358.415.712)	-	-	-	-	355.975.711	-	-	-	-	-	(2.440.001)
Net Profit (Loss) for the year	1.857.513.504	-	1.857.513.504	(212.712.095)	(1.644.801.409)	-	-	-	-	-	-	-	3.281.086.844	3.281.086.844
Shareholders' equity	50.600.197.119	-	50.600.197.119	-	(3.431.112.599)	359.411.451	8.003.043	287.733.530	-	-	-	53.237.092	3.112.193.496	50.989.663.132

Accounts (Continued)

Cash Flow Statement

(€)

	12.31.2009	12.31.2008
A. OPERATING ACTIVITIES		
1. Operations	**-1,200,281,929**	**-2,880,798,577**
- profit (loss) for the period (+/-)	51,000,672	3,281,086,844
- profit (loss) of merged companies (+/-)	-	-2,925,418,171
- capital gains/losses on financial assets/liabilities held for trading and on assets/liabilities at fair value through profit and loss (+/-)	-215,478,233	-122,225,078
- capital gains/losses on hedging transactions (+/-)	-	3,180,876
- net write-offs/write-backs due to impairment (+/-)	251,085,753	607,363,512
- net write-offs/write-backs on tangible and intangible assets (+/-)	7,913,894	10,129,875
- provisions and other income/expenses (+/-)	103,052,003	-27,673,478
- tax not paid (+/-)	-481,013,997	-1,096,641,462
- other adjustements	-916,842,021	-2,610,601,495
2. Liquidity generated/absorbed by financial assets	**-12,673,502,737**	**-78,608,916,264**
- financial assets held for trading	3,344,596,981	1,828,919,766
- financial assets at fair value through profit and loss	-73,337,271	-314,350,303
- available-for-sale financial assets	-5,795,161,361	-340,775,913
- loans and receivables with banks	4,459,222,231	-68,076,858,699
- loans and receivables with customers	-15,184,687,394	-13,735,737,566
- other assets	575,864,077	2,029,886,451
3. Liquidity generated/absorbed by financial liabilities	**13,244,381,012**	**82,570,458,717**
- deposits from banks	1,904,070,328	80,513,026,519
- deposits from customers	6,717,507,651	1,235,600,141
- debt securities in issue	8,762,395,782	11,299,266,369
- financial liabilities held for trading	-1,474,065,453	-3,545,188,962
- financial liabilities designated at fair value through profit or loss	-	-6,016,375,929
- other liabilities	-2,665,527,296	-915,869,421
Net liquidity generated/absorbed by operating activities	**-629,403,654**	**1,080,743,876**
B. INVESTING ACTIVITIES		
1. Liquidity generated by:	**4,704,549,845**	**5,516,348,885**
- sales of equity investments	230,819,184	549,056,237
- collected dividends on equity investments	1,282,854,440	2,771,618,840
- sales of financial assets held to maturity	3,189,871,114	75,000,000
- sales of property, plant and equipment	1,005,104	18,424,271
- sales of intangible assets	-	471,340
- disposal of businesses	3	2,101,778,197
2. Liquidity absorbed by:	**-1,052,026,450**	**-6,941,675,712**
- purchases of equity investments	-405,841,327	-2,994,778,115
- purchases of financial assets held to maturity	-643,172,035	-3,853,261,762
- purchases of tangible assets	-2,228,653	-58,256,180
- purchases of intangible assets	-784,435	-35,379,655
- purchase of businesses	-	-
Net liquidity generated/absorbed by investing actvities	**3,652,523,395**	**-1,425,326,827**
C. FINANCING ACTIVITIES		
- issue/purchase of treasury shares	2,798,997,338	-221,551,154
- issue/purchase of equity instruments	-	-
- distribution of dividends and other purposes	-542,664	-3,431,112,599
Net liquidity generated/absorbed by financing actvities	**2,798,454,674**	**-3,652,663,753**
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD	**5,821,574,415**	**-3,997,246,704**

LEGEND:
(+) generated;
(-) absorbed

Reconciliation

(€)

	12.31.2009	12.31.2008
Cash and cash equivalents at the beginning of the year	**33,406,999**	**4,026,899,006**
Net liquidity generated/absorbed during the period	5,821,574,415	-3,997,246,704
Cash and cash equivalents: effect of exchange differences	59,217,423	3,754,697
Cash and cash equivalents at the end of the period	**5,914,198,837**	**33,406,999**

LEGEND:
(+) generated;
(-) absorbed

Notes to the Accounts

Part A - Accounting Policies

Part A - Accounting policies

A1 - General

Section 1 - Statement of compliance with IFRS

These 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 28 February 2005 (see Section 4 - 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 22 December 2005. On November 18, 2009 Banca d'Italia issued a first amendment to this Circular, which implemented the amendments to IAS/IFRS and aligned Italian banks' financial statements to the FINREP framework. In this respect, see Section 2 – Preparation Criteria below, as well as Part A2 concerning the main items in the accounts.

Section 2 - Preparation criteria

As mentioned above, these Accounts have been prepared in accordance with the IFRS endorsed by the European Commission up to December 31, 2009, pursuant to the above-mentioned Regulation 1606/2002.

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 accounts comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income (introduced in June 2009 following the implementation of the new IAS 1 "Presentation of Financial Statements" through the EC Regulation 1274/2008), 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.

Moreover, as already stated in "Other Information" in the Report on Operation, the "Report on Corporate Governance and Proprietary Structures" is available in the "Governance" section of the UniCredit website (http://www.unicreditgroup.eu/it/Governance/corporate_governance_report.htm).

Unless otherwise specified, figures are given in **thousands of euros**. In accordance with Banca d'Italia Circular no. 262/2005, **items and tables for which there is no significant information to be disclosed are not included in these Notes.**

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 2008.

First amendment dated November 18, 2009 to Banca d'Italia Circular 262/2005

Following the above-mentioned first amendment to Banca d'Italia Circular 262/2005 the following changes were applied to the financial statements and the tables included in the notes to the accounts:

Statement of Comprehensive Income

Under the new version of IAS 1, the Statement of Comprehensive Income, starting from profit (loss) for the period, presents items of income and expense which were not recognized in the net profit or loss, in compliance with international financial reporting standards. These items are changes in evaluation for the period contra valuation reserves (after tax) and relate to: available-for-sale financial assets; property, plant and equipment; intangible assets; hedges of foreign investments; cash-flow hedges; exchange differences; actuarial gains (losses) on employee defined-benefit plans.
They also include reclassification adjustments, i.e. amounts reclassified in profit or loss for the period, which were recognised in other comprehensive income in the current or previous periods.

The above mentioned changes in evaluation are indicated separately if they refer to non-current assets classified as held for sale and to associates valued at equity.

In addition, Part D of the Notes to the Consolidated Accounts, which was previously dedicated to "Segment Reporting," is now called "Consolidated Statement of Comprehensive Income," and in fact, contains a table showing the income components.

Segment Reporting is now covered in the new Part L of the Notes to Accounts.

Introduction of the new Part A3 -
The newly introduced *Part A.3) Information on fair value* presents a disclosure of reclassified financial instruments according to IAS 39 and information on fair value hierarchy as required by IFRS 7.

Disclosure of Impaired assets and Assets sold but not derecognized
The disclosure of financial assets does not include the sub-items previously presented in respect of "impaired assets" and "assets sold but not derecognized".

Balances as at December 31, 2008 for these two asset types were reclassified according to a breakdown based on the type of product.

Similarly, the items "Deposits from banks" and "Deposits from customers" do not include the sub-items concerning "liabilities for assets sold but not derecognized", whose balances as at December 31, 2008 were included in "Other liabilities", except for liabilities associated with reverse repos, which are still disclosed separately.

The income statement was also changed by eliminating the sub-item "Financial assets sold but not derecognized" from item 10 "Interest income," and the sub-item "Financial liabilities for assets sold but not derecognized" from item 20 "Interest expense." The balances of these sub-items at December 31, 2008 were then reclassified in the applicable classification portfolios.

Review of the disclosure concerning derivative instruments
The disclosure on derivative instruments presented in *Part E - Risks and related risk management policies* was reorganized in order to align it to the FINREP regulatory reporting framework under IAS/IFRS.

Risk and uncertainty due to use of estimated figures
IFRS 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; 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 Accounts at December 31, 2008, as required by the accounting standards and regulations detailed above. 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, 2009. Valuation was particularly complex given the continuing 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 is recognised in the period in which it is carried out, provided that it concerns that period. If the reappraisal concerns both current and future periods it is recognised in both current and future periods as appropriate.

Section 3 - Subsequent events
No substantial events have occurred after the balance sheet date that would make it necessary to change the information given in the Accounts as at December 31, 2008.
Further details and informations are represented in the consolidated annual report.

Section 4 - Other matters
It should be noted that as a part of the reorganisation of the operations of the Group's Italian commercial banks which was legally finalized on November 1, 2008, but with effect for accounting and tax purposes from January 1, 2008, UniCredit Banca S.p.A., UniCredit Banca di Roma S.p.A., Banco di Sicilia S.p.A. and Bipop Carire S.p.A. were merged into UniCredit S.p.A..

On the same effective date, November 1, 2008, certain businesses, which had belonged to the above banks, were transferred to UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia, UniCredit Banca per la Casa (now UniCredit Family Financing Bank), UniCredit Corporate Banking, UniCredit Private Banking and UniCredit Real Estate in keeping with the referenced reorganisation and based on the divisional business model already applied to UniCredit's banks before the acquisition of Capitalia.

Part A - Accounting Policies (Continued)

As a result of these transactions, UniCredit S.p.A income statement figures as at December 31, 2008, provided for comparison purposes, include the results of the banks absorbed effective January 1, 2008.

The Report on Operations provides a comparison of the operating results as at December 31, 2009 with pro-forma results for the previous year, which had been restated by eliminating the impact of the above mentioned business combinations occurred in 2008.
It should be noted that reclassified accounts are used in the Report on Operations, and a reconciliation with official accounts is provided in Annex 1.

Since 2009 the following principles or accounting interpretations have become effective:
- Improvements to IFRSs (EC regulation 70/2009) (excluding revisions to IFRS1 and IFRS5);
- IAS 1: Presentation of Financial Statements (transposed into EC regulation 1274/2008);
- IAS 23: Borrowing costs (EC regulation 1260/2008);
- Amendments to IAS 32: Financial Instruments - Disclosure and Presentation and IAS1: Presentation of Financial Statements – Puttable Financial Instruments and Obligation Arising on Liquidation (EC regulation 53/2009);
- Amendments to IFRS 1: First-time Adoption of International Financial Reporting Standards and to IAS 27: Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly-controlled Entity or Associate (EC regulation 69/2009);
- Amendments to IFRS 2: Share-Based Payment (EC regulation 1261/2008);
- Amendments to IFRS 4: Insurance contracts and to IFRS 7 Improving Disclosures about Financial Instruments (EC regulation 1165/2009);
- IFRS 8: Operating Segments (EC regulation 1358/2007);
- Amendments to IAS 39 and to IFRS 7: Reclassification of Financial Assets – Effective Date and Transition (CE regulation 824/2009);
- Amendments to IFRIC 9: Reassessment of Embedded Derivatives and to IAS 39: Financial Instruments: Recognition and Measurement (EC regulation 1171/2009);
- IFRIC 13: Customer Loyalty Programmes (EC regulation 1262/2008);
- IFRIC 14: The limit of a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (EC regulation 1263/2008).

As regards the new version of IAS 1 “Presentation of Financial Statements” and the adoption of the statement of comprehensive income, see Section 2 above - General Principles.

In addition, it should be noted that the revisions to IFRS 7 include the requirement that valuations at fair value be classified on the basis of a hierarchy of levels that reflects the significance of the inputs used in the valuations.

Both these revisions are included in those incorporated in the referenced first amendment to Circular 262/2005 of Banca d’Italia (see Section 1).

The adoption of the other standards and interpretations cited also had no effect on the balance sheet or income statement of the UniCredit S.p.A financial statements.

The European Commission also transposed some accounting principles which have become effective after December 31, 2009, for which UniCredit did not avail itself of the possibility to implement them in advance.

These principles are:
- Improvements to IFRSs (EC regulation 70/2009) (only for revisions to IFRS1 and IFRS5);
- IAS 27: Consolidated and Separate Financial Statements (EC regulation 494/2009);
- Revised IFRS 1: First Time Adoption of IFRSs (EC regulation CE 1136/2009);
- IFRS 3: Business Combination (EC regulation 495/2009);
- IFRIC 12: Service Concession Arrangements (EC regulation 254/2009);
- IFRIC 15: Agreements for the Construction of Real Estate (Reg. CE 636/2009);
- IFRIC 16: Hedges of a Net Investment in a Foreign Operation (EC regulation 460/2009);
- IFRIC 17: Distribution of Non-Cash Assets to Owners (EC regulation 1142/2009);
- IFRIC 18: Trasfers of Assets from Customers (EC regulation 1164/2009);
- Amendments to IAS 32: Financial Instruments – Presentation – Classification of Rights issues (EC regulation 1293/2009);
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (EC regulation 839/2009).

It should also be noted that the new IFRS 3: Business Combinations:
- specifies, that in the event control is acquired by purchasing interests in the company in successive phases, these must be measured at fair value on the date control is acquired, with any differences in valuation posted to the income statement;
- indicates that transaction costs incurred as a part of business combination transactions must be recorded in the income statement;
- provides further clarifications concerning the valuation, on the purchase date, of assets and liabilities acquired;
- introduces the requirement to measure at fair value any amounts that the purchaser must pay to the seller upon the occurrence of predetermined circumstances following the acquisition date.

In keeping with the revision of IFRS 3, the IASB also revised IAS 27 indicating, among other things, that if there is a loss of control over a subsidiary, the seller must record any remaining interest at fair value with differences posted to the income statement.

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 December 31, 2009 the IASB had issued or reviewed the following accounting principles:
- Amendments to IFRSs;
- Amendments to IFRS 2: Group Cash-settled Share-Based Payment Transactions;
- Amendments to IFRS 1: Additional Exemptions for First-Time Adopters;
- Revised IAS 24: Related Party Disclosures;
- Amendments to IFRIC 14 - Prepayments of a Minimum Funding Requirement;
- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments;
- IFRS 9: Financial Instruments.

However, the adoption of these principles by UniCredit S.p.A is subject to transposition thereof by the European Union.

These 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.

The Board of Directors approved these Accounts on March 16, 2010 and authorized the publication of the essential figures.

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

A2 - The Main Items of the Accounts

1 - Financial Assets held for trading (HfT)

A financial asset is classified as held for trading if it is:
1. acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
2. 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;
3. a derivative (except for derivatives which constitute financial guarantees, see Section 17, and derivatives designated as hedging instruments designated hedging instruments - see Section 6).

When an HfT financial asset is recognised initially, it is measured at its fair value excluding transaction costs and income which shall be directly recognised 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:
1. 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');
2. 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;
3. 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.

Part A - Accounting Policies (Continued)

An embedded derivative is separated from the host contract and recognised as a derivative if:
1. the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
2. a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
3. 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 a financial asset or financial liability at fair value through profit or loss.

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

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 amortised cost being recognized in the income statement. Gains or losses arising out of changes in fair value are recognised in equity item 130 “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”.

The fair value changes recorded in item 130 “Revaluation reserves” are also reported in the Statement of Comprehensive Income.

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 130 “Revaluation reserves”, is removed from equity and recognised in profit or loss under item 130(b) “Impairment losses (b) Available for sale financial assets”.
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 last 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, UniCredit 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 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.

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:

a) 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;
b) occur after substantially all of the financial asset's original principal has been collected through scheduled payments or prepayments;
c) 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 that exceeds 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.

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 of disbursement to the borrower.

These items include debt instruments with the same characteristics or that are subject to portfolio reclassification in accordance with the rules of IAS 39 (see Part A.3.1 below - Transfers between portfolios).

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.

Part A - Accounting Policies (Continued)

In the first year of the transition to IAS/IFRS (2005) and subsequently, if the original interest rate of a financial asset being discounted cannot be found, or if finding it would be excessively onerous, the average rate was applied that was recorded for positions with similar characteristics, which had not deteriorated in the year in which the original deterioration of the asset concerned occurred. For all fixed-rate positions, the rate determined in this manner was also held constant in future 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 impaired 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 specific in the relevant income statement item even when the calculation is flat-rate or statistical, as indicated below.

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.

When the bank enters in a deal exchanging a loan or a receivable already booked with shares throughout a debt/equity swap, this needs, before exchanging, the valuation of those loans or receivables vis a vis the conversion agreement undersigned. Reference is done to the following A.3 chapter for any clarification necessary regarding the methods used to fix fair value of the shares coming out from these deals. Any negative difference between the value of the loans or receivables and the value of the shares is charged directly to Profit and Losses in Impairment Losses.

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 generally on a loan-by-loan basis or, for loans singularly not significant, on a portfolio basis for homogeneous categories of loans;
- **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 (or for more than 150 or 180 days for consumer credit exposure with an original term of less than 36 months, or 36 months or over, respectively);
  - 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, which 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 unauthorized 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 Loss Given Default (LGD) under Basel II.

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 methods used combine Basel 2 recommendations and IFRS. The latter exclude future loan losses, not yet sustained, but include losses already sustained even if they were not manifest at the date of measurement, on the basis of past experience of losses on assets with a similar risk profile to that of the assets being measured.

The parameter for the average period from deterioration of a borrower's financial condition and its classification as an impaired loan is the *Loss Confirmation Period*.

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 receivable's 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) “Provision: 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, according to the applicable product breakdown , loans securitised after January 1, 2002 which cannot be derecognised under IAS 39.

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” as “Liabilities in respect of assets sold but not derecognised”.

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”.

5 - Financial Instruments at Fair Value through Profit or 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”);
• 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:
a) 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;
b) 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;
c) Hedge of a net investment in a foreign operation.

Part A - Accounting Policies (Continued)

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 hedge's 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.

In addition, the hedging relationship ceases when 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 instuments are so designated when identifiable with an ultimate counterparty outside the Group.

Hedging derivatives are measured at fair value. Specifically:

1. **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" at once.
   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";
2. **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 130 "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 (losses) on financial assets and liabilities held for trading". The fair value changes recorded in item 130 "Revaluation reserves" are also disclosed in the Statement of Comprehensive Income.
3. **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 130 "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. The fair value changes recorded in item 130 "Revaluation reserves" are also disclosed in the Statement of Comprehensive Income.
4. **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 contained in 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

Equity investments are equity instruments and consequently defined as financial instruments under IAS 32.

Investments in equity instruments made with the intention of establishing or maintaining a long-term operational relationship with the investee are strategic investments.

The following are the types of equity investment:

Subsidiaries

Subsidiaries are entities of which:

- The parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity 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.

Associates

An associate is a company over which the investor has significant influence and which is neither a subsidiary nor an interest in a joint venture.
If an investor holds, directly or indirectly, 20 per cent or more of the voting power of another company, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case.

If the investor holds, directly or indirectly, less than 20 per cent of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

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 the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Investments in subsidiaries, associates and joint ventures are measured at cost.

The purchase price of an equity investment is the sum of:

- the fair value, at the date of acquisition, of the assets sold, liabilities assumed and equity instruments issued by the purchaser in exchange for control of the investee

and

- any cost directly attributable to the acquisition.

If there is reason to believe that the value of an equity investment is impaired, the recoverable value of the investment is estimated, taking into account its fair value if it is a listed instrument or its value in use if the investment is in an unlisted company. The value in use of an unlisted company is determined where possible using internal measurement models in general use in financial business.

If there is evidence that an equity investment may have become impaired, its carrying value is compared with its recoverable value, which is determined on the basis of its value in use, in turn calculated by means of valuation models in general use in financial business, which discount expected future cash flow from the equity investment.

If it is not possible to obtain sufficient information the value in use is considered to be the net worth of the company.

If the recovery value is less than the carrying value, the difference is recognised through profit or loss in item 210. “Profit (loss) of associates”. If the reasons for impairment are removed following a subsequent event occurring after the recognition of impairment, writebacks are made through same profit or loss item.

Equity investments considered strategic investments not covered by the above definitions and not recognised in item 140. “Non-current assets and disposal groups held for sale” or item 90. “Liabilities associated with assets held for sale” (see Section 10), are classified as available for sale financial assets or financial assets measured at fair value, and treated accordingly (see Sections 2 and 5).

Part A - Accounting Policies (Continued)

8 - Property, Plant and Equipment

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 (any finance leases with transfer of risk are recognized as loans and receivables).

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

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 identifiable and not separable are recognised in item 150 “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:
150(b) “General and administrative expenses”, if they refer to assets used in the business;
or
190 “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.

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

Residual useful life is usually assessed as follows:

Buildings	max. 33 years;
Moveables	max. 7 years;
Electronic equipment	max. 12 years;
Other	max. 7 years;
Leasehold Improvements	max. 15 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 170 “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; any difference between sale proceeds and carrying value is recognised in profit and loss item 240 "Gains (losses) on disposal of investments".

9 - Intangible Assets

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

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

This item also includes intangible assets used 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. 5 years;
Other intangible assets	max. 5 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 180 "Impairment/write-backs on intangible assets".

For an intangible fixed 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 180 "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.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or sale in the future; any difference between sale proceeds and carrying value is recognised in the profit and loss item 240 "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 arising on the acquisition of a company being merged or absorbed is recognised as an intangible asset. Goodwill arising from the acquisition of subsidiaries, non-controlling interests and joint ventures is implicit in the acquisition cost and, therefore, shall be recognised through investment in associates and joint ventures.

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

Goodwill is tested for impairment annually, as for other intangible assets with an indefinite life. To this end it is allocated to the equity investment according to the Group's business areas model, which is the lowest level at which goodwill is monitored.

Impairment losses on goodwill are recognised in profit and loss item 230 "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 140 "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.

Part A - Accounting Policies (Continued)

The balance of revenue and expense relating to these assets and liabilities (dividends, interest etc.) and of their measurement as determined above, net of current and deferred tax, is recognised in the item 280 “Gains (losses) on groups of assets held for sale net of tax”.

The revaluation reserves relating to Non-current assets held for sale, which are recorded as a contra item to changes in value relevant for this purpose (see A.1 – General, Section 2 General Principles), are reported separately in the Statement of Comprehensive Income.

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 130b) 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 (item 80b) 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:
  1. is not a business combination; and
  2. 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 260 “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 tax 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 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 employee’s 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 and 10% of the fair value of any plan asset, less any pension charges relating to benefits already provided but not recognized, 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.

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 160 “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 and Securities in Issue

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 150 “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.

Part A - Accounting Policies (Continued)

It has to be noted that there are no liabilities and securities in issue that include covenants that would cause default or restructuring events. There are no debts instruments involving convertibility to equity instruments (under IASB IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, as issued by the IASB but not yet endorsed by the EU).

14 - Financial Liabilities Held for Trading

Financial liabilities held for trading include:
a) derivatives that are not recognised as hedging instruments;
b) obligations to deliver financial assets sold short;
c) financial liabilities issued with an intention to repurchase them in the near term;
d) 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, like financial assets may 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".

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".

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.

All exchange differences recorded under revaluation reserves in shareholders' equity are also reported in the Statement of Comprehensive Income.

17 - 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-subsidiary 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:
(a) identifying an acquirer;
(b) measuring the cost of the business combination; and
(c) 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.

If the business combination involves more than one exchange transaction, 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, 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:
(a) 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;
(b) 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;
(c) 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.

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.

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 third party.

Part A - Accounting Policies (Continued)

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 Bank 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 Bank 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.

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 Bank 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 Bank 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
Changes in treasury shares are reported as a direct contra item to shareholders' equity, i.e. as a reduction to the latter in the amount of any purchases, and as an increase in the amount of any sales.
If, that is, treasury shares are subsequently sold, the difference between the sale price of treasury shares and the related post-tax repurchase cost is also recognized directly as a contra item to shareholders' 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. In respect of securities held in a repurchase agreement, the liability is recognised as due to banks or customers. 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 employee's 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 150.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 150 "Administrative costs" offsetting the liability item 160 "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 150 "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.

Guarantees and credit derivatives in the same class

Guarantees and credit derivatives in the same class measured under 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.

Profit and Loss

Interest Income and Expense

Interest income and expense and similar income and expense items relate to liquid assets, as well as financial instruments of a monetary nature (held for trading, measured at fair value through profit or loss or available for sale), HtM financial assets, 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.

Part A - Accounting Policies (Continued)

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 the profit and loss account for the 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:
(a) significant financial difficulty of the issuer or obligor;
(b) a breach of contract, such as a default or delinquency in interest or principal payments;
(c) 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;
(d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
(e) 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
(f) 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:
(i) adverse changes in the payment status of borrowers in the group; or
(ii) national or local economic conditions that correlate with defaults on the assets in the group.

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 risk¬free 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 temporary 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.

Part A - Accounting Policies (Continued)

A.3 - Information on Fair Value

Fair value 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.

For financial instruments listed in active markets, fair value is determined on the basis of official prices in the most advantageous market to which UniCredit 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, dealer, broker, agency that determines prices 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 quotations are not available, UniCredit uses valuation models (Mark to Model) in keeping with generally accepted methods used by the market. Valuation models include techniques based on the discounting of future cash flows and on volatility estimates, and they are subject to revision both during their development and periodically in order to ensure they remain valid over time.

These methods use inputs based on prices set in recent transactions for the instrument being valued and/or prices/quotations for instruments having similar characteristics in terms of risk profile.

In fact, these prices/quotations are relevant for determining significant parameters in terms of the credit risk, liquidity risk and price risk of the instrument being valued.

Reference to these "market" parameters makes it possible to limit the discretionary nature of the valuation, and 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 employed use estimates based on historical data as inputs.

A.3.1 Transfers between Portfolios

In Regulation No. 1004 of October 15, 2008, the European Commission transposed the revisions to IAS 39 and IFRS 7 "Reclassification of financial assets" approved by the IASB. These revisions, which apply retroactively starting July 1, 2008, make it possible to reclassify certain financial assets, after their initial recognition, out of the HfT and AfS portfolios.

In particular, the following may be reclassified:

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

The following tables (which are broken down by type of underlying asset and portfolio) provide the book value and fair value as at December 31, 2009 of assets which had been reclassified in H2 2008 and H1 2009. The income/expenses that would have been recognized if such reclassifications had not occurred, as well as those effectively recognized through profit or loss or at equity are also provided.

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

As a result the overall impact before taxes that would have been recognized in the income statement as of December 31, 2009, if these assets had not been reclassified, would have been a loss of €2,668 thousand, while the impact actually recognized was a gain of €9,028 thousand.

A.3.1.1 Reclassified financial assets: book value, fair value and effects on comprehensive income

INSTRUMENTS TYPE	ACCOUNTING PORTFOLIO BEFORE RECLASSIFICATION	ACCOUNTING PORTFOLIO AFTER RECLASSIFICATION	CARRYING AMOUNT AS AT 12.31.2009	FAIR VALUE AS AT 12.31.2009	INCOME/EXPENSES ABSENT RECLASSIFICATION (BEFORE TAXES)		INCOME/EXPENSE RECOGNIZED DURING THE PERIOD (BEFORE TAXES)	
					FROM MEASUREMENT	OTHER	FROM MEASUREMENT	OTHER
Debt securities	Financial assets held for trading	Loans and receivables with banks	35,850	35,198	1,287	3,349	-	2,489
Debt securities	Financial assets held for trading	Loans and receivables with customers	3,689	3,448	(282)	779	-	1,656
Debt securities	Available-for-sale financial assets	Loans and receivables with customers	173,698	159,275	(13,569)	5,768	-	4,883
Total			**213,237**	**197,921**	**(12,564)**	**9,896**	**-**	**9,028**

Assets transferred to loans to customers comprise structured credit products (other than derivatives).

Additionally, as regards assets which were transferred from the AfS portfolio in 2009 for a total carrying amount of €173,698 thousand, the following table shows the capital gains or losses before taxes which were recognized in 2009 (through profit or loss or at net equity respectively) and in 2008 up until the moment when they were transferred.

Only the 2008 figure is provided as these assets were reclassified on January 1, 2009 with a negative effect on equity of €27,398 thousand.

A.3.1.2 Reclassified financial assets: effects on comprehensive income before the reclassification

INSTRUMENTS TYPE	ACCOUNTING PORTFOLIO BEFORE RECLASSIFICATION	ACCOUNTING PORTFOLIO AFTER RECLASSIFICATION	GAINS/LOSSES RECOGNIZED IN P&L		GAINS/LOSSES RECOGNIZED IN OCI	
			12.31.2009	12.31.2008	12.31.2009	12.31.2008
Debt securities	Available-for-sale financial assets	Loans and receivables with customers	-	-	-	(27,398)
Total			**-**	**-**	**-**	**(27,398)**

A.3.1.3. Transfer of financial assets held for trading

In application of the provisions of Article 2 of referenced EC Regulation 1004/2008, pursuant to which “the current financial crisis is considered to be such a rare circumstance which would justify the use of this possibility [reclassification] by companies,” during the second half of 2008 and first half of 2009, UniCredit S.p.A reclassified HfT financial assets consisting of structured credit products (other than derivatives) and debt securities issued by governments, public entities, companies and financial institutions other than derivative contracts and financial instruments containing embedded derivatives, for a total book value of €213,237 thousand as at December 31, 2009.

A.3.1.4. Effective interest rate and cash flows expected from reclassified assets

At the reclassification date, cash flows expected from reclassified assets until their maturity totalled €197,720 thousand, with an average implicit effective interest rate of 2,9%.

A.3.2 Fair Value Hierarchy

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

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

The following tables show a breakdown of financial assets and liabilities designated at fair value according to the above-mentioned levels, as well as the annual changes of Level 3 assets or liabilities.

Part A - Accounting Policies (Continued)

A.3.2.1 - Accounting portfolios - breakdown by fair value levels

FINANCIAL ASSETS/LIABILITIES CARRIED AT FAIR VALUE	12.31.2009			12.31.2008		
	L1	L2	L3	L1	L2	L3
1. Financial assets held for Trading	3,485,496	2,279,457	586,542	4,659,517	2,319,323	2,025,781
2. Financial assets at fair value through P&L	387,973	13,541	33,323	277,154	-	40,854
3. Available for sale financial assets	7,943,865	584,634	898,874	1,961,695	-	1,322,942
4. Hedging derivative assets	-	4,202,838	-	-	2,038,583	-
Total	**11,817,334**	**7,080,470**	**1,518,739**	**6,898,366**	**4,357,906**	**3,389,577**
1. Financial liabilities held for Trading	117,536	2,416,781	404,215	183,870	3,102,693	606,550
2. Financial liabilities at fair value through P&L	-	-	-	-	-	-
3. Hedging derivative Liabilities	-	3,585,207	87	-	2,914,023	-
Total	**117,536**	**6,001,988**	**404,302**	**183,870**	**6,016,716**	**606,550**

Legend:
L1 = Level 1
L2 = Level 2
L3 = Level 3

The increase in assets whose fair value is classified as Level 1 was attributable to the purchase of Italian government bonds classified as available for sale, while in respect of assets whose fair value is classified as Level 2 the increase in derivative instruments was due to the change in transaction volumes and market conditions from 2008.

A.3.2.2 Annual changes in financial assets at fair value level 3

	FINANCIAL ASSETS				
	HELD FOR TRADING	AT FAIR VALUE TROUGHT P&L	AVAILABLE FOR SALE	HEDGING DERIVATIVES	TOTAL
1.Opening balances	**2,025,781**	**40,854**	**1,322,942**	**-**	**3,389,577**
2. Increases	**179,270,561**	**1,834**	**161,225**	**-**	**179,433,620**
2.1 Purchases	1,966	-	12,361	-	14,327
2.2 Profits recognized in	179,268,569	1,811	54,542	-	179,324,922
2.2.1 Income Statement	179,268,569	1,811	27,439	-	179,297,819
- of which Unrealized gains	*364,097*	*1,811*	-	-	*365,908*
2.2.2 Equity	-	-	27,103	-	27,103
2.3 Transfer from other levels	-	-	70,470	-	70,470
2.4 Other increases	26	23	23,852		23,901
3. Decreases	**180,709,800**	**9,365**	**585,293**	**-**	**181,304,458**
3.1 Sales	178,904,691	9,042	54,252	-	178,967,985
3.2 Redemptions	1,498,841	-	30,366	-	1,529,207
3.3 Losses recognized in:	304,052	-	63,859	-	367,911
3.3.1 Income Statement:	304,052	-	59,079	-	363,131
- of which Unrealized losses	*303,065*	-	*58,020*	-	*361,085*
3.3.2 Equity		-	4,780	-	4,780
3.4 Transfer to other levels	506	1	236,297	-	236,804
3.5 Other decreases	1,710	322	200,519	-	202,551
4. Closing balances	**586,542**	**33,323**	**898,874**	**-**	**1,518,739**

A.3.2.3 Annual changes in financial liabilities at fair value level 3

	FINANCIAL LIABILITIES			
	HELD FOR TRADING	AT FAIR VALUE TROUGHT P&L	HEDGING DERIVATIVES	TOTAL
1.Opening balances	**606,550**	**-**	**-**	**606,550**
2. Increases	**178,992,261**	**-**	**87**	**178,992,348**
2.1 Issuance	-	-	-	-
2.2 Losses recognized in:	178,992,261	-	87	178,992,348
2.2.1 Income Statement	178,992,261	-	87	178,992,348
- of which Unrealized losses	*6,366*	-	*87*	*6,453*
2.2.2 Equity	-	-	-	-
2.3 Transfer from other levels	-	-	-	-
2.4 Other increases	-	-	-	-
3. Decreases	**179,194,596**	**-**	**-**	**179,194,596**
3.1 Redemptions	178,985,896	-	-	178,985,896
3.2 Purchases	-	-	-	-
3.3 Profits recognized in:	115,740	-	-	115,740
3.3.1 Income Statement	115,740	-	-	115,740
- of which Unrealized gains	*115,740*	-	-	*115,740*
3.3.2 Equity	-	-	-	-
3.4 Transfer to other levels	92,960	-	-	92,960
3.5 Other decreases	-	-	-	-
4. Closing balances	**404,215**	**-**	**87**	**404,302**

A.3.3 Day One Profit/Loss

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

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

For financial instruments held for trading (see sections 1 and 14 of Part A.2 above) and instruments designated at fair value (see sections 5 and 15 of Part A.2 above), any difference from the amount collected or paid is posted under the appropriate items of the income statement.

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

Part B - Balance Sheet

Part B - Balance Sheet (Amounts in thousands of €)

Assets

Section 1 - Cash and cash balances - Item 10

1.1 Cash and cash balances: breakdown

	12.31.2009	12.31.2008
a) Cash	96	97
b) Demand deposits with Central banks	5,914,103	33,310
Total	**5,914,199**	**33,407**

Section 2 - Financial assets held for trading - Item 20

2.1 Financial assets held for trading: product breakdown

	12.31.2009			12.31.2008		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
A) Financial assets (non-derivatives)						
1. Debt securities	3,485,458	357	489	4,659,517	-	1,500,545
1.1 Structured securities	-	-	-	51	-	-
1.2 Other debt securities	3,485,458	357	489	4,659,466	-	1,500,545
2. Equity instruments	-	-	-	-	-	-
3. Units in investment fund	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repos	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	**3,485,458**	**357**	**489**	**4,659,517**	**-**	**1,500,545**
B) Derivative instruments						
1. Financial derivatives	38	2,279,100	585,976	-	2,319,323	525,203
1.1 trading	38	2,007,247	186,511	-	1,919,349	119,519
1.2 fair value hedges	-	-	-	-	-	-
1.3 other	-	271,853	399,465	-	399,974	405,684
2. Credit derivatives	-	-	77	-	-	33
2.1 trading	-	-	-	-	-	-
2.2 fair value hedges	-	-	-	-	-	-
2.3 other	-	-	77	-	-	33
Total (B)	**38**	**2,279,100**	**586,053**	**-**	**2,319,323**	**525,236**
Total (A+B)	**3,485,496**	**2,279,457**	**586,542**	**4,659,517**	**2,319,323**	**2,025,781**

"Financial derivatives: other" comprises: (i) derivatives embedded in structured financial instruments, where the host has been classified in a category other than held-for-trading or fair value option and (ii) derivatives that, for economic purposes, are associated with banking book instruments.

2.2 Financial assets held for trading: breakdown by issuer/borrower

ITEMS/VALUES	12.31.2009	12.31.2008
A. FINANCIAL ASSETS (NON-DERIVATIVES)		
1. Debt securities	**3,486,304**	**6,160,062**
a) Governments and central banks	3,485,459	4,659,328
b) Other public-sector entities	482	647
c) Banks	357	1,498,589
d) Other issuers	6	1,498
2. Equity instruments	**-**	**-**
a) Banks	-	-
b) Other issuers:	-	-
- Insurance companies	-	-
- Financial companies	-	-
- Non-financial institutions	-	-
- Other	-	-
3. Units in investments fund	**-**	**-**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public-sector entities	-	-
c) Banks	-	-
d) Other issuers	-	-
Total A	**3,486,304**	**6,160,062**
B. DERIVATIVE INSTRUMENTS		
a) Banks		
- fair value	1,669,723	2,192,010
b) Customers		
- fair value	1,195,468	652,549
Total B	**2,865,191**	**2,844,559**
Total (A+B)	**6,351,495**	**9,004,621**

2.3 Financial assets held for trading: annual changes

	12.31.2009				
CHANGES/UNDERLYING ASSETS	DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMENT FUNDS	LOANS	TOTAL
A. Opening balance	**6,160,062**	**-**	**-**	**-**	**6,160,062**
B. Increases	**907,707**	**9**	**-**	**-**	**907,716**
B.1 Purchases	716,994	9	-	-	717,003
B.2 Positive changes in fair value	5,491	-	-	-	5,491
B.3 Other changes	185,222	-	-	-	185,222
C. Reductions	**3,581,465**	**9**	**-**	**-**	**3,581,474**
C.1 Sales	225	9	-	-	234
C.2 Redemptions	3,534,329	-	-	-	3,534,329
C.3 Negative changes in fair value	17,709	-	-	-	17,709
C.4 Transfers to other portfolios:	-	-	-	-	-
C.5 Other changes	29,202	-	-	-	29,202
D. Closing balance	**3,486,304**	**-**	**-**	**-**	**3,486,304**

Part B - Balance Sheet (Continued)

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

3.1 Financial assets at fair value through profit or loss: product breakdown

ITEMS/VALUES	12.31.2009 LEVEL 1	12.31.2009 LEVEL 2	12.31.2009 LEVEL 3	12.31.2008 LEVEL 1	12.31.2008 LEVEL 2	12.31.2008 LEVEL 3
1. Debt securities	6	13,541	2	19,483	-	9,344
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	6	13,541	2	19,483	-	9,344
2. Equity instruments	-	-	33,321	-	-	31,510
3.Units in investment funds	387,967	-	-	257,671	-	-
4. Loans	-	-	-	-	-	-
4.1 Structured	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total	**387,973**	**13,541**	**33,323**	**277,154**	**-**	**40,854**
Cost	***347,012***	***13,185***	***31,512***	***332,152***	***-***	***40,785***

3.2 Financial assets at fair value through profit or loss: breakdown by issuer/borrower

ITEMS/VALUES	12.31.2009	12.31.2008
1. Debt securities	**13,549**	**28,827**
a) Governments and central banks	-	-
b) Other public-sector entities	6	3
c) Banks	13,542	28,823
d) Other issuers	1	1
2. Equity instruments	**33,321**	**31,510**
a) Banks	-	-
b) Other issuers:	33,321	31,510
- insurance companies	-	-
- financial companies	-	-
- non-financial companies	33,321	31,510
- other	-	-
3. Units in investment funds	**387,967**	**257,671**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public-sector entities	-	-
c) Banks	-	-
d) Other entities	-	-
Total	**434,837**	**318,008**

3.3 Financial assets at fair value through profit or loss: annual changes

	12.31.2009 DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMENT FUNDS	LOANS	TOTAL
A. Opening balance	**28,827**	**31,510**	**257,671**	**-**	**318,008**
B. Increases	**1,560**	**1,811**	**130,339**	**-**	**133,710**
B.1 Purchases	-	-	89,331	-	89,331
B.2 Positive changes in fair value	715	1,811	40,965	-	43,491
B.3 Other changes	845	-	43	-	888
C. Reductions	**16,838**	**-**	**43**	**-**	**16,881**
C.1 Sales	-	-	-	-	-
C.2 Redemptions	15,405	-	-	-	15,405
C.3 Negative changes in fair value	-	-	-	-	-
C.4 Other changes	1,433	-	43	-	1,476
D. Closing balances	**13,549**	**33,321**	**387,967**	**-**	**434,837**

Section 4 - Available-for-sale financial assets - Item 40

4.1 Available-for-sale financial assets: product breakdown

	12.31.2009			12.31.2008		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**7,508,856**	**584,611**	**141,579**	**1,394,438**	**-**	**481,478**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other	7,508,856	584,611	141,579	1,394,438	-	481,478
2. Equity instruments	**274,212**	**23**	**549,406**	**424,560**	**-**	**585,637**
2.1 Measured at fair value	274,212	23	263,367	424,560	-	299,581
2.2 Carried at cost	-	-	286,039	-	-	286,056
3. Units in investment funds	**160,797**	**-**	**207,889**	**142,697**	**-**	**255,827**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**7,943,865**	**584,634**	**898,874**	**1,961,695**	**-**	**1,322,942**

Available for sale financial assets include securities purchased by some of our internal pension funds, which do not have legal status or independent own means: further detail is provided in the annexes to the Accounts.

4.2 Available-for-sale financial assets: breakdown by issuer/borrower

ITEMS/VALUES	12.31.2009	12.31.2008
1. Debt securities	**8,235,046**	**1,875,916**
a) Governments and central banks	7,491,888	960,022
b) Other public-sector entities	1,598	8,483
c) Banks	653,987	640,742
d) Other issuers	87,573	266,669
2. Equity instruments	**823,641**	**1,010,197**
a) Banks	505,932	703,333
b) Other issuers:	317,709	306,864
- insurance companies	4,605	5,551
- financial companies	222,787	209,872
- non-financial companies	90,317	91,441
- other	-	-
3. Units in investment funds	**368,686**	**398,524**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public-sector entities	-	-
c) Banks	-	-
d) Other entities	-	-
Total	**9,427,373**	**3,284,637**

4.3 Available-for-sale financial assets subject to micro-hedging

ITEMS/VALUES	12.31.2009	12.31.2008
1. Financial assets subject to micro-hedging of fair value	**8,045,420**	**1,125,313**
a) Interest rate risk	8,045,420	1,125,313
b) Price risk	-	-
c) Currency risk	-	-
d) Credit risk	-	-
e) Multiple risks	-	-
2. Financial assets subject to micro-hedging of cash flows	**-**	**-**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	-	-
Total	**8,045,420**	**1,125,313**

Part B - Balance Sheet (Continued)

4.4 Available-for-sale financial assets (other than assets sold and not derecognised or impaired assets): annual changes

	12.31.2009				
	DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMENT FUNDS	LOANS	TOTAL
A. Opening balance	**1,875,916**	**1,010,197**	**398,524**	**-**	**3,284,637**
B. Increases	**7,338,976**	**229,557**	**98,375**	**-**	**7,666,908**
B.1 Purchases	6,819,219	10,322	46,662	-	6,876,203
B.2 Positive changes in fair value	332,212	76,013	22,572	-	430,797
B.3 Write-backs	-	-	-	-	-
- through profit or loss	-	X	-	-	-
- in equity	-	-	-	-	-
B.4 Trasfers from other portfolios:	-	-	-	-	-
B5.Other changes	187,545	143,222	29,141	-	359,908
C. Decreases	**979,846**	**416,113**	**128,213**	**-**	**1,524,172**
C1. Sales	421,606	282,401	77,047	-	781,054
C2.Redemptions	193,322	-	-	-	193,322
C.3 Negative changes in fair value	391	4,054	1,693	-	6,138
C.4 Impairments	-	109,679	46,518	-	156,197
- through profit or loss	-	109,679	46,518	-	156,197
- in equity	-	-	-	-	-
C.5 Transfers to other portfolios	173,308	-	-	-	173,308
C.6 Other changes	191,219	19,979	2,955	-	214,153
D. Closing balance	**8,235,046**	**823,641**	**368,686**	**-**	**9,427,373**

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

5.1 Held-to-maturity investments: breakdown

	12.31.2009 TOTAL				12.31.2008 TOTAL			
		FAIR VALUE				FAIR VALUE		
TYPE OF TRANSACTION/ VALUES	CARRYING VALUE	LEVEL 1	LEVEL 2	LEVEL 3	CARRYING VALUE	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	4,058,611	3,465,089	519,493	129,555	6,622,866	4,164,150	-	2,330,748
1.1 Structured securities	-	-	-	-	-	-	-	-
1.2 Other securities	4,058,611	3,465,089	519,493	129,555	6,622,866	4,164,150	-	2,330,748
2. Loans	-	-	-	-	-	-	-	-
Total	**4,058,611**	**3,465,089**	**519,493**	**129,555**	**6,622,866**	**4,164,150**	**-**	**2,330,748**

5.2 Held-to-maturity investments: breakdown by debtors/issuers

TYPE OF TRANSACTIONS/VALUES	12.31.2009	12.31.2008
1. Debt securities	**4,058,611**	**6,622,866**
a) Governments and central banks	3,410,543	6,053,835
b) Other public-sector entities	49,927	-
c) Banks	598,141	569,031
d) other	-	-
2. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public-sector entities	-	-
c) Banks	-	-
d) other	-	-
Total	**4,058,611**	**6,622,866**

5.4 Held-to-maturity investments: annual changes

	12.31.2009		
	DEBT SECURITIES	LOANS	TOTAL
A. Opening balance	**6,622,866**	**-**	**6,622,866**
B. Increases	**805,587**	**-**	**805,587**
B.1 Purchases	643,172	-	643,172
B.2 Write-backs	-	-	-
B.3 Trasfer from other portfolios:	-	-	-
B.4 Other changes	162,415	-	162,415
C. Decreases	**3,369,842**	**-**	**3,369,842**
C.1 Sales	-	-	-
C.2 Redemptions	3,189,871	-	3,189,871
C.3 Write-downs	-	-	-
C.4 Trasfer to other portfolios	-	-	-
C.5 Other changes	179,971	-	179,971
D. Closing balances	**4,058,611**	**-**	**4,058,611**

Section 6 - Loans and receivables with banks - Item 60

6.1 Loans and receivables with banks: product breakdown

TYPE OF TRANSACTIONS/VALUES	12.31.2009	12.31.2008
A. Loans to Central Banks	**1,871,875**	**8,241,901**
1. Time deposits	5,082	7,378
2. Compulsory reserves	1,865,692	7,294,822
3. Repos	-	937,919
4. Other	1,101	1,782
B. Loans to Banks	**202,091,203**	**200,196,631**
1. Current accounts and demand deposits	21,285,845	64,065,566
2. Time deposits	54,764,542	53,308,602
3. Other loans	47,444,505	41,915,073
3.1 Repos	29,860,369	28,825,495
3.3 Other	17,584,136	13,089,578
4. Debt securities	78,596,311	40,907,390
4.1 Structured	-	-
4.2 Other	78,596,311	40,907,390
Total (carrying value)	**203,963,078**	**208,438,532**
Total (fair value)	***204,563,129***	***207,063,680***

Part B - Balance Sheet (Continued)

Section 7 - Loans and receivables with customers - Item 70

7.1 Loans and receivables with customers: product breakdown

TYPE OF TRANSACTIONS/VALUES	12.31.2009 NOT IMPAIRED	12.31.2009 IMPAIRED	12.31.2008 NOT IMPAIRED	12.31.2008 IMPAIRED
1. Current accounts	129,963	74,671	227,155	1,776
2. Repos	13,534,664	-	-	-
3. Mortgages	6,221,243	18,323	5,789,744	53,182
4. Credit cards and personal loans, incl. loans guaranteed by salary	-	423	-	-
5. Finance leases	-	-	-	-
6. Factoring	-	-	-	-
7. Other transactions	23,172,424	107,057	22,982,152	185,454
8. Debt securities	8,406,603	-	7,279,530	-
8.1 Structured	-	-		-
8.2 Other	8,406,603	-	7,279,530	-
Total (carrying value)	**51,464,897**	**200,474**	**36,278,581**	**240,412**
Total (fair value)	***50,693,311***	***200,474***	***35,480,175***	***240,412***

Item 2. Repos include some tansactions with Cassa Compensazione e Garanzia.

Items 7. Other transactions and 8.2 Other Debt Securities include respectively €622,670 thousand and €421,296 thousand arising from "Trevi Finance", "Trevi Finance 2" and "Trevi Finance 3" securitization transaction, in respect of which the underlying assets were not re-recognized in the accounts, since the transactions date from before January 1, 2002 (see also section 4 - Loans and Receivables in Part A) Accounting Policies). An Italian Government Bond partly guarantees the securities for €170,001 thousand.
The assets underlying these securitization transactions are non-performing loans, which book value was 1,005,198 on the balance-sheet date, whereas their face value was €4,577,783 thousand.

7.2 Loans and receivables with customers: breakdown by issuers/borrowers

TYPE OF TRANSACTIONS/VALUES	12.31.2009 NOT IMPAIRED	12.31.2009 IMPAIRED	12.31.2008 NOT IMPAIRED	12.31.2008 IMPAIRED
1. Debt securities issued by:	**8,406,603**	**-**	**7,279,530**	**-**
a) Governments	6,148	-	713	-
b) Other public-sector entities	34,769	-	23,032	-
c) Other issuers	8,365,686	-	7,255,785	-
- non-financial companies	74,796	-	3,130	-
- financial companies	8,231,878	-	7,207,651	-
- insurance companies	59,012	-	45,004	-
- other	-	-	-	-
2. Loans to:	**43,058,294**	**200,474**	**28,999,051**	**240,412**
a) Governments	-	-	5,596	-
b) Other public-sector entities	946	78,447	1,418	86,872
c) Other entities	43,057,348	122,027	28,992,037	153,540
- non-financial companies	3,199,659	113,415	5,237,387	153,263
- financial companies	39,700,534	379	23,709,486	-
- insurance companies	103,402	-	4,846	-
- other	53,753	8,233	40,318	277
Total	**51,464,897**	**200,474**	**36,278,581**	**240,412**

Section 8 - Hedging derivatives - Item 80

8.1 Hedging derivatives: breakdown by hedges risk and fair value hierarchy

	12.31.2009				12.31.2008			
	FAIR VALUE				FAIR VALUE			
	LEVEL 1	LEVEL 2	LEVEL 3	VN	LEVEL 1	LEVEL 2	LEVEL 3	VN
A) Financial derivatives	**-**	**4,202,838**	**-**	**90,865,039**	**-**	**2,038,583**	**-**	**56,253,977**
1) Fair value	-	3,444,480	-	66,704,621	-	1,652,631	-	35,627,748
2) Cash flow	-	758,358	-	24,160,418	-	385,952	-	20,626,229
3) Foreign assets	-	-	-	-	-	-	-	-
B) Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flow	-	-	-	-	-	-	-	-
Total	**-**	**4,202,838**	**-**	**90,865,039**	**-**	**2,038,583**	**-**	**56,253,977**

8.2 Hedging derivatives: breakdown by hedged assets and risk

	12.31.2009								
	FAIR VALUE						CASH-FLOW HEDGES		
	MICRO-HEDGE								
TRANSACTIONS/ TYPE OF HEDGES	INTEREST RATE RISK	CURRENCY RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISKS	MACRO-HEDGE	MICRO-HEDGE	MACRO-HEDGE	FOREIGN ASSETS
1. Available-for-sale financial assets	4,366	-	-	-	-	X	-	X	X
2. Loans and receivables	-	-	-	X	-	X	-	X	X
3. Held-to-maturity investments	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	24,330	X	105	X
5. Other transactions	-	-	-	-	-	X	-	X	-
Total assets	**4,366**	**-**	**-**	**-**	**-**	**24,330**	**-**	**105**	**-**
1. Financial liabilities	-	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	3,415,784	X	758,253	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**3,415,784**	**-**	**758,253**	**-**
1. Expected transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	X	X	-

Section 9 - Changes in fair value of portfolio hedged financial assets - Item 90

9.1 Changes to macro-hedged financial assets: breakdown by hedged portfolio

CHANGES TO HEDGED ASSETS/VALUES	12.31.2009	12.31.2008
1. Positive changes	**212,042**	**71,457**
1.1 of specific portfolios:	-	-
a) loans and receivables	-	-
b) available-for-sale financial assets	-	-
1.2 overall	212,042	71,457
2. Negative changes	**(4,333)**	**-**
2.1 of specific portfolios:	-	-
a) loans and receivables	-	-
b) available-for-sale financial assets	-	-
2.2 overall	(4,333)	-
Total	**207,709**	**71,457**

Part B - Balance Sheet (CONTINUED)

9.2 Assets subject to macro-hedging of interest-rate risk: breakdown

HEDGED ASSETS	12.31.2009	12.31.2008
1. Loans and receivables	-	-
2. Available-for-sale financial assets	-	-
3. Portfolio	996,258	1,585,845
Total	**996,258**	**1,585,845**

Section 10 - Equity investments - Item 100

10.1 Equity investments in subsidiaries, joint ventures or companies under significant influence: information on shareholders' equity

NAME	MAIN OFFICE	EQUITY % (*)	VOTING RIGHTS
A. Subsidiaries			
1. Aspra Finance S.p.A.	Milan	100.00%	
2. Banco di Sicilia S.p.A.	Palermo	100.00%	
3. Bank Pekao S.A.	Warsaw	59.25%	
4. BdR Roma Prima Ireland Ltd	Dublin	99.90%	
5. Box 2004 S.p.A.	Rome	100.00%	
6. Entasi S.r.l.	Rome	100.00%	
7. Eurofinance 2000 S.r.l.	Rome	100.00%	
8. Fineco Leasing S.p.A.	Brescia	100.00%	
9. Fineco Verwaltung AG	Frankfurt am Main	100.00%	
10. FinecoBank S.p.A.	Milan	100.00%	
11. I-Faber Società per Azioni	Milan	65.32%	
12. IPSE 2000 S.p.A.	Rome	50.00%	
13. Localmind S.p.A.	Milan	95.76%	
14. Pioneer Global Asset Management S.p.A.	Milan	100.00%	
15. Sicilia Convention Bureau S.r.l.	Catania	100.00%	
16. Sofigere Société par Actions Simplifiée	Parigi	100.00%	
17. SOFIPA Società di Gestione del Risparmio (SGR) S.p.A.	Roma	100.00%	
18. Trevi Finance N. 2 S.p.A.	Conegliano (TV)	60.00%	
19. Trevi Finance N. 3 S.r.l.	Conegliano (TV)	60.00%	
20. Trevi Finance S.p.A.	Conegliano (TV)	60.00%	
21. UniCredit Audit Società consortile per azioni (formerly UniCredit Audit S.p.A.)	Milan	99.80% (A)	
22. UniCredit Banca di Roma S.p.A.	Rome	100.00%	
23. UniCredit Banca S.p.A.	Bologna	100.00%	
24. UniCredit Bancassurance Management & Administration Società consortile a responsabilità limitata (formerly UniCredit Bancassurance Management & Administration S.r.l.)	Milan	99.93% (B)	
25. UniCredit Bank AG (formerly Bayerische Hypo- und Vereinsbank AG)	Munich	100.00%	
26. UniCredit Bank Austria AG	Vienna	99.99%	
27. UniCredit Bank D.D.	Mostar	3.27% (C)	3.28%
28. UniCredit Bank Ireland P.l.c.	Dublin	100.00%	
29. UniCredit Bulbank A.D.	Sofia	.. (D)	
30. UniCredit Business Partner Società Consortile per Azioni (formerly UniCredit Business Partner Società per Azioni)	Cologno Monzese (MI)	53.07% (E)	
31. UniCredit Corporate Banking S.p.A.	Verona	100.00%	
32. UniCredit Credit Management Bank S.p.A.	Verona	97.81% (F)	100.00%
33. UniCredit Delaware Inc.	Dover (Delaware)	100.00%	
34. UniCredit Family Financing Bank S.p.A. (formerly UniCredit Consumer Financing Bank S.p.A.)	Milano	100.00%	
35. UniCredit Global Information Services Società consortile per azioni (formerly UniCredit Global Information Services S.p.A.)	Milano	65.26% (G)	
36. UniCredit International Bank (Luxembourg) S.A.	Luxembourg	100.00%	
37. UniCredit Leasing S.p.A. (formerly Locat S.p.A.)	Bologna	68.99% (H)	
38. UniCredit Mediocredito Centrale S.p.A.	Rome	100.00%	
39. UniCredit Merchant S.p.A.	Rome	100.00%	
40. UniCredit Private Banking S.p.A.	Turin	100.00%	

10.1 Equity investments in subsidiaries, joint ventures or companies under significant influence: information on shareholders' equity

NAME	MAIN OFFICE	EQUITY % (*)	VOTING RIGHTS
A. (Subsidiaries) Continued			
41. UniCredit Real Estate Società consortile per azioni (formerly UniCredit Real Estate S.p.A.)	Genova	100.00% (I)	
42. UniCredito Italiano Capital Trust I	Newark (Delaware)	100.00%	
43. UniCredito Italiano Capital Trust II	Newark (Delaware)	100.00%	
44. UniCredito Italiano Funding LLC I	Dover (Delaware)	100.00%	
45. UniCredito Italiano Funding LLC II	Dover (Delaware)	100.00%	
46. UniCredito Italiano Funding LLC III	Wilmington (Delaware)	100.00%	
47. UniCredito Italiano Funding LLC IV	Wilmington (Delaware)	100.00%	
48. Unimanagement S.r.l.	Turin	100.00%	
49. Xelion Doradcy Finansowi Sp.zo.o.	Warsaw	50.00% (J)	
B. Joint ventures			
1. TLX S.p.A. (now Euro TLX SIM S.p.A.)	Milan	50.00%	
C. Companies under significant influence			
1. Aviva S.p.A.	Milan	49.00%	
2. Capitalia Assicurazioni S.p.A.	Milan	49.00%	
3. CNP UniCredit Vita S.p.A.	Milan	38.80%	
4. Creditras Assicurazioni S.p.A.	Milan	50.00%	
5. Creditras Vita S.p.A.	Milan	50.00%	
6. Fidia - Fondo Interbancario d'Investimento Azionario S.G.R. S.p.A.	Milan	50.00%	
7. G.B.S. General Broker Service S.p.A.	Rome	20.00%	
8. Istituto per l'Edilizia Economica e Popolare di Catania S.p.A. (in liquidazione)	Catania	20.00%	
9. Mediobanca - Banca di Credito Finanziario S.p.A.	Milan	8.66%	
10. Metis S.p.A.	Milan	22.65%	
11. Nuova Teatro Eliseo S.p.A.	Rome	41.02%	
12. SE.TE.SI Servizi Telematici Siciliani S.p.A.	Palermo	40.49%	
13. SIA-SSB S.p.A.	Milan	24.07%	
14. Società Gestione per il Realizzo S.p.A. (in liquidazione)	Rome	26.38% (K)	
15. Sviluppo Globale GEIE	Rome	25.00%	

(*) The equity stake is held by Parent Company and does not include any stake held by other Group companies
(A) The remaining 0.2% stake is held by various Group companies.
(B) The remaining 0.07% stake is held by various Group banks.
(C) A further 89.98% stake is held directly and indirectly by UniCredit Bank Austria AG (89.97% with voting rights)
(D) UniCredit S.p.A. held 0.004%. A further 92.1% is held by UniCredit Bank Austria AG.
(E) The residual interest of 46.93% is held as follows:
- 28.81% by UniCredit Bank Austria AG,
- 18.11% by UniCredit Bank AG and
- a fractional interest by various Group entities.
(F) UniCredit Credit Management Bank S.p.A. holds 175,000 treasury shares, being 2.19% of issued capital.
(G) The remaining 34.74% stake is held as follows:
- 10.02% by UniCredit Bank Austria AG,
- 24.72% by UniCredit Bank AG and
- a fractional interest by various Group entities.
(H) The remaining 31.01% is held by UniCredit Bank Austria AG.
(I) A fractional interest by various Group entities.
(J) The remaining 50% is held by Bank Pekao S.A.
(K) A further 0.05% is held by IRFIS - Mediocredito della Sicilia S.p.A.

Part B - Balance Sheet (Continued)

10.2 Equity investments in subsidiaries, joint ventures or companies under significant influence: information on the accounts

NAME	TOTAL ASSETS	TOTAL REVENUES	NET PROFIT (LOSS) *	SHAREHOLDERS' EQUITY	CARRYING VALUE	FAIR VALUE
A. Subsidiaries						
1. Aspra Finance S.p.A.	4,413,207	48,153	-294,254	470,813	350,006	X
2. Banco di Sicilia S.p.A.	14,921,651	892,707	14,894	422,168	365,400	X
3. Bank Pekao S.A.	30,921,676	2,458,047	599,894	4,377,529 (1)	4,471,405	X
4. BdR Roma Prima Ireland Ltd	37,997	1,344	1,320	37,981	37,936	X
5. Box 2004 S.p.A.	7,873	309	53	7,640 (2)	8,394	X
6. Entasi S.r.l.	95	152	-	11	10	X
7. Eurofinance 2000 S.r.l.	149	143	-	31 (2)	35	X
8. Fineco Leasing S.p.A.	5,428,317	185,714	7,636	158,594 (2)	223,047	X
9. Fineco Verwaltung AG	172,467	1,411	4,323	171,976	171,099	X
10. FinecoBank S.p.A.	14,406,235	684,847	43,843	352,106 (2)	1,082,837	X
11. I-Faber Società per Azioni	17,533	16,671	3,751	12,496 (3)	9,700	X
12. IPSE 2000 S.p.A.	24,110	94	-244	20,744	9,933	X
13. Localmind S.p.A.	2,792	271	32	2,688	1,712	X
14. Pioneer Global Asset Management S.p.A.	2,385,377	299,694	239,046	2,358,379	2,276,079	X
15. Sicilia Convention Bureau S.r.l.	190	8	-444	75	,,	X
16. Sofigere Société par Actions Simplifiée	8,831	1,443	100	144	144	X
17. SOFIPA Società di Gestione del Risparmio (SGR) S.p.A.	8,553	4,469	-462	6,649 (2)	7,272	X
18. Trevi Finance N. 2 S.p.A.	206	116	-	154	74	X
19. Trevi Finance N. 3 S.r.l.	201	83	2	171	93	X
20. Trevi Finance S.p.A.	167	116	-	114	51	X
21. UniCredit Audit Società consortile per azioni (formerly UniCredit Audit S.p.A.)	38,305	55,439	544	4,226	2,224	X
22. UniCredit Banca di Roma S.p.A.	50,734,418	2,842,399	216,967	1,425,911	1,327,750	X
23. UniCredit Banca S.p.A.	77,252,223	3,942,016	81,851	1,811,217	1,670,715	X
24. UniCredit Bancassurance Management & Administration Società consortile a responsabilità limitata (formerly UniCredit Bancassurance Management & Administration S.r.l.)	7,790	11,851	608	2,730	52	X
25. UniCredit Bank AG (formerly Bayerische Hypo- und Vereinsbank AG)	309,076,100	16,068,405	1,632,955	20,966,895	19,181,789	X
26. UniCredit Bank Austria AG	129,590,160	6,436,293	106	13,077,113 (3)	21,706,116	X
27. UniCredit Bank D.D.	1,767,453	140,259	15,015	188,605	1,495	X
28. UniCredit Bank Ireland P.l.c.	22,053,985	802,571	131,179	2,265,984	2,142,340	X
29. UniCredit Bulbank A.D.	5,889,546	423,262	99,577	836,456	25	X
30. UniCredit Business Partner Società Consortile per Azioni (formerly UniCredit Business Partner Società per Azioni)	402,074	369,374	9,254	63,294 (4)	49,151	X
31. UniCredit Corporate Banking S.p.A.	101,939,435	4,929,195	-398,924	6,854,628	6,321,887	X
32. UniCredit Credit Management Bank S.p.A.	207,730	147,870	40,055	120,284	72,047	X
33. UniCredit Delaware Inc.	2,489,820	8,701	79	225	18	X
34. UniCredit Family Financing Bank S.p.A. (formerly UniCredit Consumer Financing Bank S.p.A.)	106,686,303	4,202,067	57,401	2,741,766	2,527,638	X
35. UniCredit Global Information Services Società consortile per azioni (formerly UniCredit Global Information Services S.p.A.)	934,880	1,332,895	28,292	356,055	175,725	X
36. UniCredit International Bank (Luxembourg) S.A.	4,013,331	177,809	8,556	219,593 (5)	305,443	X
37. UniCredit Leasing S.p.A. (formerly Locat S.p.A.)	21,246,702	910,468	84,476	1,592,632	900,508	X
38. UniCredit Mediocredito Centrale S.p.A.	7,026,133	276,197	5,014	729,738 (2)	732,334	X
39. UniCredit Merchant S.p.A.	483,756	21,100	6,254	383,481	367,743	X
40. UniCredit Private Banking S.p.A.	10,711,720	482,058	63,580	364,480	281,108	X

10.2 Equity investments in subsidiaries, joint ventures or companies under significant influence: information on the accounts

NAME	TOTAL ASSETS	TOTAL REVENUES	NET PROFIT (LOSS) *	SHAREHOLDERS' EQUITY	CARRYING VALUE	FAIR VALUE
A. (Subsidiaries) Continued						
41. UniCredit Real Estate società consortile per azioni (formerly UniCredit Real Estate S.p.A.)	3,923,152	1,532,001	542,309	1,797,058	1,169,869	X
42. UniCredito Italiano Capital Trust I	550,479	45,792	-	1	1	X
43. UniCredito Italiano Capital Trust II	319,248	28,818	-	1	1	X
44. UniCredito Italiano Funding LLC I	550,481	45,792	-	2	2	X
45. UniCredito Italiano Funding LLC II	319,249	28,818	-	1	1	X
46. UniCredito Italiano Funding LLC III	763,892	30,657	412	1,665	1	X
47. UniCredito Italiano Funding LLC IV	344,021	18,427	164	763	1	X
48. Unimanagement S.r.l.	8,573	5,785	-2,221	521	110	X
49. Xelion Doradcy Finansowi Sp.zo.o.	2,778	5,851	-2,085	1,854	940	X
B. Joint ventures						
1. TLX S.p.A. (now Euro TLX SIM S.p.A.)	6,980	13,031	-	4,868 (4)	2,500	X
C. Companies under significant influence						
1. Aviva S.p.A. (A)	8,565,847	1,690,164	20,642	704,899	335,255	
2. Capitalia Assicurazioni S.p.A. (B)	114,760	13,628	387	10,813	5,202	
3. CNP UniCredit Vita S.p.A. (A)	12,633,649	2,583,444	-37,511	297,654 (2)	276,122	
4. Creditras Assicurazioni S.p.A. (A)	238,679	25,006	5,196	23,556	7,225	
5. Creditras Vita S.p.A. (A)	16,628,294	3,177,049	25,311	379,730	169,023	
6. Fidia - Fondo Interbancario d'Investimento Azionario SGR S.p.A. (B)	9,917	510	-451	6,323	3,006	
7. G.B.S. General Broker Service S.p.A. (C)	20,367	10,080	40	1,485	270	
8. Istituto per l'Edilizia Economica e Popolare di Catania S.p.A. (in liquidazione) (D)	3,510	135	70	3,489	..	
9. Mediobanca - Banca di Credito Finanziario S.p.A. (E)	59,259,300	1,348,000	167,100	4,973,400 (6)	1,079,371	627,467
10. Metis S.p.A. (F)	69,532	118,241	-1,887	6,627 (3)	5,607	
11. Nuova Teatro Eliseo S.p.A. (D)	7,159	6,537	-7	833	342	
12. SE.TE.SI Servizi Telematici Siciliani S.p.A. (B)	4,125	4,872	-53	289	..	
13. SIA-SSB S.p.A. (D)	276,426	325,404	16,732	168,487 (2/3)	73,503	
14. Società Gestione per il Realizzo S.p.A. (in liquidazione) (D)	59,760	16,954	8,839	41,548	2,566	
15. Sviluppo Globale GEIE	8,537	8,632	124	520	..	
					69,912,253	

* Amount included in Shareholders' Equity (see next column).
(A) Figures from first-half report at 06/30/2009.
(B) Figures from balance sheet at 09/30/2009.
(C) Figures from accounts at 06/30/2009.
(D) Figures from accounts at 12/31/2008.
(E) Figures from first-half report at 12/31/2009.
(F) Figures from first-half report at 06/30/2009. Shareholders' Equity includes the €5 million capital increase completed in Q4 2009.

In respect of the above table, please note that:
- The figures of each subsidiary are taken from duly approved 2009 annual accounts. If 2009 figures are not available, the figures given are from the latest approved accounts or balance sheet. Non-euro subsidiaries' figures are converted at year-end exchange rates.
- The difference between carrying value and the lower value of the fraction of net equity is due to:
  (1) Higher market capitalisation.
  (2) The purchase price determined on absorption of Capitalia in line with IFRS 3 - Business Combinations.
  (3) A higher price paid on acquisition or increase in the equity interest (including all related costs) maintained in the accounts for the reasons underlying the original payment.
  (4) The subsidiary's higher enterprise value.
  (5) The price of Capitalia Luxembourg S.A., which was determined on absorption of Capitalia in line with IFRS 3 - Business Combinations.
  (6) Unchanged profits forecasts for Mediobanca's business and equity investments.

Part B - Balance Sheet (Continued)

10.3 Investments in associates and joint ventures: annual changes

	12.31.2009	12.31.2008
A. Opening balance	**69,852,748**	**72,332,657**
B. Increases	**3,033,638**	**16,604,319**
B.1 Purchases	212,028	12,942,926
of which: business combinations	-	*2,810,525*
B.2 Write-backs	-	36,017
B.3 Revaluation	-	-
B.4 Other changes	2,821,610	3,625,376
C. Decreases	**2,974,133**	**19,084,228**
C.1 Sales	3,629	16,405,743
of which: business combinations	-	*16,081,495*
C.2 Write-downs	125,814	28,992
C.3 Other changes	2,844,690	2,649,493
D. Closing balance	**69,912,253**	**69,852,748**
E. Total revaluation	**-**	**-**
F. Total write-downs	**231,455**	**43,659**

Sub-items B.4 and C.3 Other changes take into account the effects of business combinations which led to significant changes in the carrying amount of the associates involved. However, these changes did not impact the balance of item 100 Investments in associates and joint ventures, as they concerned inter-company transactions.

10.4 Commitments relating to equity investments in subsidiaries

The following commitments were outstanding at December 31, 2009:

- Undertakings to pay: (i) €1.5 million to our subsidiary UniManagement S.r.l. to cover losses foreseen for 2010 and (ii) fresh capital of €0.9 million to our subsidiary Sicilia Convention Bureau S.r.l. to cover start-up costs.

- An undertaking to set up a subsidiary in Brazil in support of the activity of UniCredit's São Paulo representative office within the overall restructuring of the Group's foreign network. The new company will have capital of some €0.2 million.

10.6 Commitments relating to equity investments in companies under significant influence

The following commitment was outstanding at December 31, 2009:

- An undertaking to take a minority stake in Grameen Italia S.p.A. (a company newly formed in partnership with the Grameen Trust; it will offer microcredit to small businesses with the aim of promoting social development in the less privileged sections of the population) for some €0.5 million plus a further financial contribution of €4.5 million to cover start-up costs.

Section 11 - Property, plant and equipment - Item 110

11.1 Property, plant and equipment: breakdown of assets valued at cost

ASSETS/VALUES	12.31.2009	12.31.2008
A. Assets for operational use		
1.1 Owned	**25,421**	**28,714**
a) Land	-	5
b) buildings	3,375	2,949
c) equipment	16,421	17,054
d) electronic systems	5,551	8,524
e) other	74	182
1.2 Leased	**-**	**-**
a) Land	-	-
b) buildings	-	-
c) equipment	-	-
d) electronic systems	-	-
e) other	-	-
Total A	**25,421**	**28,714**
B. Held-for-investment assets		
2.1 Owned	**8,029**	**9,132**
a) land	3,129	3,758
b) buildings	4,900	5,374
2.2 Leased	**-**	**-**
a) land	-	-
b) buildings	-	-
Total B	**8,029**	**9,132**
Total (A + B)	**33,450**	**37,846**

11.2 Property, plant and equipment: breakdown of assets measured at fair value or revalued

For the measurement of property, plant and equipment, the Company does not apply the revaluation model.

Part B - Balance Sheet (Continued)

11.3 Property, plant and equipment used in the business: annual changes

	12.31.2009					
	LAND	BUILDINGS	EQUIPMENT	ELECTRONIC SYSTEMS	OTHER	TOTAL
A. Gross opening balance	**5**	**3,204**	**57,507**	**73,617**	**4,706**	**139,039**
A.1 Net decreases	-	(255)	(40,453)	(65,093)	(4,524)	(110,325)
A.2 Net opening balance	**5**	**2,949**	**17,054**	**8,524**	**182**	**28,714**
B. Increases	**-**	**507**	**817**	**856**	**102**	**2,282**
B.1 Purchases	-	-	802	829	59	1,690
B.2 Capitalised expenditure on improvements	-		-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Increase in fair value:	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
B.5 Positive Exchange differences	-	-	-	-		-
B.6 Transfer from properties held for investment	-	-	-	-	-	-
B.7 Other changes	-	507	15	27	43	592
C. Decreases	**5**	**81**	**1,450**	**3,829**	**210**	**5,575**
C.1 Disposals	-	-	24	68	55	147
C.2 Depreciation	-	64	1,408	3,671	74	5,217
C.3 Impairment losses:	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-		-	-
C.4 Reductions of fair value	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
C.5 Negative exchange difference	-	-	4	83	1	88
C.6 Transfers to:	5	17	-	-	-	22
a) property, plant and equipment held for investment	5	17	-	-	-	22
b) assets held for sale	-	-	-	-	-	-
C.7 Other changes	-	-	14	7	80	101
D. Net closing balance	**-**	**3,375**	**16,421**	**5,551**	**74**	**25,421**
D.1 Total net write-downs	-	(319)	(41,832)	(68,749)	(4,331)	(115,231)
D.2 Gross closing balance	**-**	**3,694**	**58,253**	**74,300**	**4,405**	**140,652**
E. Carried at cost	-	-	-	-	-	-

11.4 Property, plant and equipment held for investment: annual changes

	12.31.2009		
	LAND	BUILDINGS	TOTAL
A. Gross opening balance	**3,758**	**5,374**	**9,132**
B. Increases	**5**	**40**	**45**
B.1 Purchases	-	23	23
B.2 Capitalised expenditure on improvements	-	-	-
B.3 Increase in fair value	-	-	-
B.4 Write-backs	-	-	-
B.5 Positive exchange differences	-	-	-
B.6 Transfer from properties used in the business	5	17	22
B.7 Other changes	-	-	-
C. Decreases	**634**	**514**	**1,148**
C.1 Disposals	-	-	-
C.2 Depreciation	-	-	-
C.3 Reductions of fair value	-	-	-
C.4 Impairment losses	-	-	-
C.5 Negative exchange differences	128	182	310
C.6 Transfers to other asset portfolios	-	-	-
a) Properties used in the business	-	-	-
b) Non-current assets classified as held-for-sale	-	-	-
C.7 Other changes	506	332	838
D. Closing balances	**3,129**	**4,900**	**8,029**
E. Measured at fair value	**-**	**-**	**-**

Section 12 - Intangible assets - Item 120

12.1 Intangible assets: detail by type of assets

	12.31.2009		12.31.2008	
	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE
A.1 Goodwill	X	8,738,566	X	8,738,566
A.2 Other intangible assets:	31,272	-	33,233	-
A.2.1 Assets valued at cost	31,272	-	33,233	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	31,272	-	33,233	-
A.2.2 Assets measured at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**31,272**	**8,738,566**	**33,233**	**8,738,566**

Goodwill recognised at 12.31.2009 arose from the absorption of Capitalia, which was concluded on October 1, 2007, and the subsequent reorganisation of the Italian subsidiaries carried out in 2008 and described in that year's report on operations.

Under IAS 36 intangible assets with an indefinite useful life shall be tested for impairment annually by comparing the carrying amount of the assets with their recoverable amount, irrespective of whether there is any indication of impairment.

Goodwill is an intangible asset with indefinite useful life not generating cash flow, therefore it is necessary to calculate the recoverable amount of the Cash Flow Generating Unit (CGU) it belongs to. Goodwill arising out of business combinations was allocated as from the acquisition date to the cash flow generating units, which are expected to benefit from integration synergies, irrespective of whether other assets or liabilities of the absorbed company are allocated to these units.

For a description of the goodwill allocation methods to CGUs and the relevant impairment test see Part B - Consolidated Balance Sheet of the Consolidated Accounts.

Part B - Balance Sheet (Continued)

12.2 Intangible assets: annual changes

	12.31.2009					
		OTHER INTANGIBLE ASSETS: GENERATED INTERNALLY		OTHER INTANGIBLE ASSETS: OTHER		
	GOODWILL	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE	TOTAL
A. Gross Opening Balance	**8,738,566**	**-**	**-**	**205,686**	**-**	**8,944,252**
A.1 Net decreases	-	-	-	(172,453)	-	(172,453)
A.2 Net opening balance	**8,738,566**	**-**	**-**	**33,233**	**-**	**8,771,799**
B. Increases	**-**	**-**	**-**	**784**	**-**	**784**
B.1 Purchases	-	-	-	746	-	746
B.2 Increases in intangible assets generated internally	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 Increase in fair value	-	-	-	-	-	-
- in equity	X	-	-	-	-	-
- through profit or loss	X	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	38	-	38
C. Decreases	**-**	**-**	**-**	**2,745**	**-**	**2,745**
C.1 Disposals	-	-	-	-	-	-
C.2 Write-downs	-	-	-	2,697	-	2,697
- Depreciation	X	-	-	2,697	-	2,697
- write-downs	-	-	-	-	-	-
+ Net Equity	X	-	-	-	-	-
+ Profit and loss account	-	-	-	-	-	-
C.3 Reductions of fair value	-	-	-	-	-	-
- in equity	X	-	-	-	-	-
- through profit or loss	X	-	-	-	-	-
C.4 Trasfers to non-current assets held-for-sale	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	48	-	48
C.6 Other changes	-	-	-	-	-	-
D. Net Closing Balance	**8,738,566**	**-**	**-**	**31,272**	**-**	**8,769,838**
D.1 Total net write-downs	-	-	-	(175,068)	-	(175,068)
E. Gross Closing Balance	**8,738,566**	**-**	**-**	**206,340**	**-**	**8,944,906**
F. Carried at cost	-	-	-	-	-	-

Section 13 - Tax assets and tax liabilities - Item 130 (assets) and 80 (liabilities)

13.1 Deferred tax assets: breakdown

DEFERRED TAX ASSETS RELATED TO:	12.31.2009	12.31.2008
Assets/liabilities held for trading	36	51,931
Other financial instruments	161,142	241,091
Hedging derivatives / changes in fair value of portfolio hedged items	32,526	278,822
Investments in associates and joint ventures	4,316	18,685
Property, plant and equipment / intangible assets	2,397,176	2,401,729
Provisions	182,151	240,071
Write-downs on loans	739,427	795,452
Other assets / liabilities	28,891	132,689
Loans and receivables with banks and customers	178,013	198,799
Taxes losses caried forward	275,816	245,816
Other	1,431	78,410
Total	**4,000,925**	**4,683,495**

13.2 Deferred tax liabilities: breakdown

DEFERRED TAX LIABILITIES RELATED TO:	12.31.2009	12.31.2008
Loans and receivables with banks and customers	-	-
Assets/liabilities held for trading	-	44,920
Hedging derivatives / changes in fair value of portfolio hedged items	9,373	275,525
Investments in associates and joint ventures	2,444	691
Other financial instruments	35,884	104,134
Property, plant and equipment/intangible assets	4,099	29,500
Other assets / liabilities	13,385	2,064
Deposits from banks and customers	-	-
Other	-	77,370
Total	**65,185**	**534,204**

13.3 Deferred tax assets: annual changes (balancing P&L)

	12.31.2009	12.31.2008
1. Opening balance	**4,622,011**	**1,644,219**
2. Increases	**140,765**	**3,917,946**
2.1 Deferred tax assets arising during the year	140,765	2,592,790
a) relating to previous years	-	-
b) due to change in accounting policies	-	-
c) write-backs	-	-
d) other	140,765	2,592,790
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	1,325,156
of which: business combinations	-	*1,157,564*
3. Decreases	**918,317**	**940,154**
3.1 Deferred tax assets derecognised during the year	798,941	605,812
a) reversals of temporary differences	798,941	605,812
b) write-downs of non-recoverable items	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	119,376	334,342
of which: business combinations	-	*285,413*
4. Final amount	**3,844,459**	**4,622,011**

Part B - Balance Sheet (Continued)

13.4 Deferred tax liabilities: annual changes (balancing P&L)

	12.31.2009	12.31.2008
1. Opening balance	**531,240**	**659,886**
2. Increases	**2,662**	**297,408**
2.1 Deferred tax liabilities arising during the year	2,662	29,655
a) relating to previous years	-	-
b) due to change in accounting policies	-	-
c) other	2,662	29,655
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	267,753
of which: business combinations	-	*233,144*
3. Decreases	**516,417**	**426,054**
3.1 Deferred tax liabilities derecognised during the year	516,417	211,914
a) reversals of temporary differences	516,417	211,914
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	214,140
of which: business combinations	-	*55,608*
4. Final amount	**17,485**	**531,240**

13.5 Deferred tax assets: annual changes (balancing Net Equity)

	12.31.2009	12.31.2008
1. Opening balance	**61,484**	**59,800**
2. Increases	**151,547**	**135,580**
2.1 Deferred tax assets arising during the year	32,171	128,191
a) relating to previous years	-	-
b) due to change in accounting policies	-	-
c) other	32,171	128,191
2.2 New taxes or increase in tax rates	-	-
2.3 Other increases	119,376	7,389
of which: business combinations	-	*7,389*
3. Decreases	**56,565**	**133,896**
3.1 Deferred tax assets derecognised during the year	15,950	1,916
a) reversals of temporary differences	15,950	1,916
b) writedowns of non-recoverable items	-	-
c) due to change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	40,615	131,980
of which: business combinations	-	*15,447*
4. Final amount	**156,466**	**61,484**

13.6 Deferred tax liabilities: annual changes (balancing Net Equity)

	12.31.2009	12.31.2008
1. Opening balance	**2,964**	**35,307**
2. Increases	**46,297**	**4,774**
2.1 Deferred tax liabilities arising during the year	46,297	295
a) relating to previous years	-	-
b) due to change in accounting policies	-	-
c) other	46,297	295
2.2 New taxes or increase in tax rates	-	-
2.3 Other increases	-	4,479
of which: business combinations	-	*4,479*
3. Decreases	**1,561**	**37,117**
3.1 Deferred tax liabilities derecognised during the year	1,561	24,273
a) reversal of temporary differences	481	24,273
b) due to change in accounting policies	-	-
c) other	1,080	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	12,844
of which: business combinations	-	*308*
4. Final amount	**47,700**	**2,964**

13.7 Other information

National Tax Consolidation Rules

Legislative Decree No. 344 of December 12, 2003, on corporate income tax (IRES) reform, introduced income tax for groups of companies on the basis of national consolidated tax rules.

The national consolidated tax scheme, which is optional and has a term of three tax years and is subject to certain requirements (controlling interest, identical financial years), has been significantly revised by Law No. 244 of December 24, 2007 (2008 Finance Act), which eliminated consolidation adjustments that allowed:
- the complete exclusion of dividends distributed within the scope of consolidation instead of an exemption of 95%;
- the deductibility of interest expenses on financing entered into for the acquisition of equity interests in consolidated companies, instead of partial non-deductibility on the basis of the equity owned calculated pro-rata;
- the right to make tax-neutral transfers of individual assets and business units, i.e. without giving rise to taxable capital gains.

Thus, at present, the participation in the national tax consolidation scheme provides the following benefits of an economic and/or financial nature:
- the immediate offsetting of taxable earnings and losses generated by companies included in the scope of consolidation;
- the total deductibility of interest expenses accrued by banks and other financial entities payable to other participating entities (banks and other financial entities), although only up to total interest expense accrued by such entities and payable to entities not participating in the tax consolidation scheme (Law No. 133/2008);
- the total deductibility of interest expense accrued by non-banking and non-financial entities to other such participating entities, if and to the extent to which the other companies participating in the tax consolidation scheme report excess, and thus not fully utilized, gross operating profit (2008 Finance Act) for the same tax period.

Part B - Balance Sheet (Continued)

At the end of 2009, the companies for which the option was applied for the national tax consolidation scheme were as follows:
- UniCredit Banca - Bologna
- UniCredit Banca di Roma - Roma
- UniCredit Corporate Banking - Verona
- UniCredit Private Banking - Turin
- UniCredit Factoring - Milan
- Pioneer Global Asset Management - Milan
- Pioneer Alternative Investment Management - Milan
- Pioneer Investment Management - Milan
- Fineco Bank - Milan
- UniCredit Leasing - Bologna
- UniCredit Credit Management Bank - Verona
- Fineco Leasing - Brescia
- UniCredit MedioCredito Centrale - Rome
- UniCredit Family Financing Bank - Milan
- UniCredit Merchant - Rome
- Aspra Finance - Milan
- I-Faber - Milan
- Cordusio Fiduciaria - Milan
- UniCredit Real Estate - Genoa
- UniCredit Global Information Services - Milan
- UniCredit Business Partner - Cologno Monzese (MI)
- UniCredit Audit - Milan
- UniManagement - Turin
- Ipse 2000 - Rome

2009 Tax dispute

With regard to the information provided in previous accounts concerning the VAT audit that involved:
- for financial year 2000, the company, on its own behalf and as the company absorbing Cassamarca, Cariverona, Rolo Banca 1473 and Banca CRT,
- for financial year 2001, the company, on its own behalf and as the company absorbing Cassamarca, Rolo Banca 1473, Banca CRT and Cassa di Risparmio di Trieste,
- for financial year 2002, the company as the company absorbing Banca CRT,

it should be noted that:
- for financial year 2000, all disputes were discussed with the relevant Provincial Tax Commissions with a favorable outcome for the company.

  All the decisions were appealed by the tax bureaus: four disputes were discussed with the relevant Regional Tax Commissions (Banca CRT, Cariverona, Cassamarca and Rolo Banca 1473), all of which resulted in a favorable outcome for the company.

  The tax bureau has appealed in the Supreme Court against the judgments relating to Cariverona and Banca CRT; the periods for appealing against the two other judgments are still running;
  - for financial year 2001, all disputes were discussed with the relevant Provincial Tax Commissions, all with a favorable outcome for the company.
  - for financial year 2002, the dispute was discussed with the relevant Provincial Tax Commission with a favorable outcome for the company.

It has to be noted, moreover, that the former Banco di Sicilia, merged in Holding in 2008, had three pending litigations about the reimbursement of 1984 and 1985 tax credits (IRPEG). Two of them have been discussed before Palermo Commissione Tributaria Regionale (Regional Tax Commission) with judgments in favor of UniCredit, in line with expectation and with the external expert opinions filed at due time. Court decisions have been filed on January 28, 2010.

The third litigation regarding the same matter is still pending before the same court of Palermo Commissione Tributaria Regionale. It is expected to be discussed within next months.
In this respect UniCredit still judge not necessary any specific provision.

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In compliance with IAS12, no deferred tax assets due to tax losses carried forward have been recognized as there are no probable sufficient taxable profits against which the unused tax losses could be utilized. Particularly, tax losses carried forward amounted to €1,176 million related to losses carried forward in the Permanent Establishment and in the Foreign Branches due to start-up costs or other running costs. In observance of prudence principle, in those countries the future expected taxable profits do not permit to foresee the utilization of such tax losses.

Section 14 - Non-current assets and disposal groups classified as held for sale - Item 140 (assets) and 90 (liabilities)

14.1 Non-current assets and disposal groups classified as held for sale: breakdown by assets

	12.31.2009	12.31.2008
A. Individual assets		
A.1 Financial assets	-	-
A.2 Equity investments	-	-
A.3 Property, Plant and Equipment	-	40
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	-
Total A	**-**	**40**
B. Asset groups classified as held for sale		
B.1 Financial assets held for trading	-	-
B.2 Financial assets measured at fair value	-	-
B.3 Available for sale financial assets	-	-
B.4 Held to maturity investments	-	-
B.5 Loans and receivables with banks	-	-
B.6 Loans and receivables with customers	-	-
B.7 Equity investments	-	-
B.8 Property, Plant and Equipment		
B.9 Intangible assets	-	-
B.10 Other assets	-	-
Total B	**-**	**-**
C. Liabilities associated with assets classified as held for sale		
C.1 Deposits	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
Total C	**-**	**-**
D. Liabilities included in disposal groups classified as held for sale		
D.1 Deposits from banks	-	-
D.2 Deposits from customers	-	-
D.3 Debt securities in issue	-	-
D.4 Financial liabilities held for trading	-	-
D.5 Financial liabilities measured at fair value	-	-
D.6 Provisions	-	-
D.7 Other liabilities	-	-
Total D	**-**	**-**

Part B - Balance Sheet (Continued)

Section 15 - Other assets - Item 150

15.1 Other assets: breakdown

ITEMS/VALUES	12.31.2009	12.31.2008
Margin with derivatives clearers (non-interest bearing)	-	-
Accrued income other capitalised income	51,724	184,764
Cash and other valuables held by cashier:	608	450
- cheques in clearing	201	43
- money orders, bank drafts and equivalent securities	-	-
- coupons, securities due on demand, revenue stamps and miscellaneous valuables	407	407
Interest and charges to be debited to:	962	992
- customers	962	992
- banks	-	-
Items in transit between branches not yet allocated to destination accounts	133,360	55
Items in processing	8,045	159,789
Items deemed definitive but non-attributable to other items:	415,556	1,347,605
- securities and coupons to be settled	5,051	302,097
- other transactions	410,505	1,045,508
Adjustments for unpaid bills and notes	-	-
Tax items other than those included in item 130	1,533,980	2,244,051
of which: Group VAT credit	*545,795*	*553,312*
Loans in respect of share based payments:	53,558	48,311
- loans to subsidiaries in respect of equity settled share based payments	48,400	45,475
- loans to subsidiaries in respect of cash settled share based payments	5,158	2,836
Other items:	254,326	1,033,946
- leasehold improvements (on non-separable assets)	13,238	13,494
- items related to accidents and disputes pending (valued at their estimated realization amount)	41,376	38,386
- other items	199,712	982,066
Total	**2,452,119**	**5,019,963**

Liabilities

Section 1 - Deposits from banks - Item 10

1.1 Deposits from banks: product breakdown

TYPE OF TRANSACTIONS/VALUES	12.31.2009	12.31.2008
1. Deposits from central banks	**5,963,444**	**23,887,257**
2. Deposits from banks	**153,644,005**	**133,816,122**
2.1 Current accounts and demand deposits	77,132,903	65,810,654
2.2 Time deposits	28,371,850	23,643,151
2.3 Loans	48,139,252	44,362,317
2.3.1 Reverse repos	11,612,643	13,904,165
2.3.2 other	36,526,609	30,458,152
2.4 Liabilities in respect of commitments to repurchase treasury shares	-	-
2.5 Other liabilities	-	-
Total	**159,607,449**	**157,703,379**
Fair value	***159,607,449***	***157,703,379***

1.2 Breakdown of item 10 "Deposits from banks": subordinated debt

Part F on Shareholders' Equity includes the list of all subordinated debt instruments. Subordinated debt recognized in the item "Deposits from banks" amounts to €1,858,285 thousand.

Section 2 - Deposits from customers - Item 20

2.1 Deposits from customers: product breakdown

TYPE OF TRANSACTIONS/VALUES	12.31.2009	12.31.2008
1. Current accounts and demand deposits	2,537,133	1,688,971
2. Time deposits	6,072,694	3,550,515
3. Loans	7,300,480	3,632,582
3.1 Reserve repos	6,041,466	2,398,271
3.2 Other	1,259,014	1,234,311
4. Liabilities in respect of commitments to repurchase treasury shares	-	-
5. Other liabilities	323	320,843
Total	**15,910,630**	**9,192,911**
Fair value	***15,910,630***	***9,192,911***

2.2 Breakdown of item 20 "Deposits from customers": subordinated debt

This item includes subordinated debt in the amount of €1,259,014 thousand.

Section 3 - Debt securities in issue - Item 30

3.1 Debt securities in issue: product breakdown

TYPE OF SECURITIES/ VALUES	12.31.2009				12.31.2008			
	TOTAL				TOTAL			
	CARRYING VALUE	*FAIR VALUE*			CARRYING VALUE	*FAIR VALUE*		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
A. Securities								
1. Bonds	95,632,184	28,072,138	65,568,664	2,897,243	89,551,926	24,862,774	62,500,719	2,962,694
1.1 structured	10,301,374	-	10,593,472	-	12,068,877	3,721,397	8,347,480	-
1.2 other	85,330,810	28,072,138	54,975,192	2,897,243	77,483,049	21,141,377	54,153,239	2,962,694
2. Other securities	35,464,249	-	6,599,460	28,836,135	32,782,112	1,092,223	7,399,260	24,238,802
2.1 structured	663,810	-	661,437	11,764	656,245	15,506	624,502	16,237
2.2 other	34,800,439	-	5,938,023	28,824,371	32,125,867	1,076,717	6,774,758	24,222,565
Total	**131,096,433**	**28,072,138**	**72,168,124**	**31,733,378**	**122,334,038**	**25,954,997**	**69,899,979**	**27,201,496**

Part B - Balance Sheet (Continued)

3.2 Breakdown of item 30 "Debt securities in issue": subordinated debt securities

This item includes subordinated securities in the amount of €14,661,327 thousand.

3.4 Breakdown of item 30 "Debt securities in issue": Covered Bond

UniCredit SpA issued eight 8 tranches of OBGs (Covered Bonds) totalling €8.5 billion. €4 billion (face value) of these issues were bought in by UniCredit SpA and €1 billion (face value) by UniCredit Family Financing Bank.

Section 4 - Financial liabilities held for trading - Item 40

4.1 Financial liabilities held for trading: product breakdown

	12.31.2009					12.31.2008				
		FV					FV			
TYPE OF SECURITIES/VALUES	NV	L1	L2	L3	FV*	NV	L1	L2	L3	FV*
A. Financial liabilities										
1. Deposits from banks	-	-	-	-	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	26,185	-	36,468	-	X	116,504	-	-	92,960	X
3.1 Bonds	26,185	-	36,468	-	X	116,504	-	-	92,960	X
3.1.1 Structured	26,185	-	36,468	-	X	116,504	-	-	92,960	X
3.1.2 Other	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**26,185**	**-**	**36,468**	**-**	**-**	**116,504**	**-**	**-**	**92,960**	**-**
B) Derivative instruments										
1. Financial derivatives	X	117,536	2,380,313	404,138	X	X	183,870	3,102,651	513,557	X
1.1 Trading	X	117,536	1,963,232	4,551	X	X	183,870	2,109,392	115,130	X
1.2 Relating to Fair Value Option	X	-	-	-	X	X	-	-	-	X
1 .3 Other	X	-	417,081	399,587	X	X	-	993,259	398,427	X
2. Credit derivatives	X	-	-	77	X	X	-	42	33	X
2.1 Trading	X	-		-	X	X	-	42	-	X
2.2 Relating to Fair Value Option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	77	X	X	-	-	33	X
Total B	**X**	**117,536**	**2,380,313**	**404,215**	**X**	**X**	**183,870**	**3,102,693**	**513,590**	**X**
Total A+B	**X**	**117,536**	**2,416,781**	**404,215**	**X**	**X**	**183,870**	**3,102,693**	**606,550**	**X**

Legend
FV = fair value
FV* = fair value calculated excluding value adjustments due to variations in the credit rating of the issuer since the issue date
NV = nominal value

L1 = Level 1
L2 = Level 2
L3 = Level 3

"Financial derivatives: other" comprises: (i) derivatives embedded in structured financial instruments, where the host has been classified in a category other than held-for-trading or fair value option and (ii) derivatives that, for economic purposes, are associated with banking book instruments.

4.4 Financial liabilities (other than uncovered positions) held for trading: annual changes

	12.31.2009			
	DEPOSITS FROM BANKS	DEPOSITS FROM CUSTOMERS	DEBT SECURITIES IN ISSUE	TOTAL
A. Opening balance	**-**	**-**	**92,960**	**92,960**
B. Increases	**-**	**-**	**4,285**	**4,285**
B.1 Issues	-	-	-	-
B.2 Sales	-	-	-	-
B.3 Increases in fair value	-	-	-	-
B.4 Other changes	-	-	4,285	4,285
C. Decreases	**-**	**-**	**60,777**	**60,777**
C.1 Purchases	-	-	-	-
C.2 Redemptions	-	-	60,182	60,182
C.3 Reductions of fair value	-	-	595	595
C.4 Other changes	-	-	-	-
D. Closing balance	**-**	**-**	**36,468**	**36,468**

Section 5 - Financial liabilities at fair value through profit or loss - Item 50

No data to be disclosed in this section.

Section 6 - Hedging derivatives - Item 60

6.1 Hedging derivatives: breakdown by type of hedging and by levels

	12.31.2009				12.31.2008			
	FAIR VALUE				FAIR VALUE			
	LEVEL 1	LEVEL 2	LEVEL 3	NV	LEVEL 1	LEVEL 2	LEVEL 3	NV
A) Financial derivatives	**-**	**3,585,207**	**87**	**76,347,922**	**-**	**2,914,023**	**-**	**48,583,757**
1) Fair value	-	3,355,632	87	65,706,113	-	1,797,005	-	25,297,273
2) Cash flow	-	229,575	-	10,641,809	-	1,117,018	-	23,286,484
3) Foreign assets	-	-	-	-	-	-	-	-
B) Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flow	-	-	-	-	-	-	-	-
Total	**-**	**3,585,207**	**87**	**76,347,922**	**-**	**2,914,023**	**-**	**48,583,757**

6.2 Hedging derivatives: breakdown by hedged items and hedge type

	12.31.2009								
	FAIR VALUE						CASH FLOW HEDGE		
	MICRO-HEDGE								
TRANSACTIONS/ HEDGE TYPES	INTEREST RATE RISK	CURRENCY RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISK	MACRO-HEDGE	MICRO-HEDGE	MACRO-HEDGE	FOREIGN ASSETS
1. Available-for-sale financial assets	341,705	-	-	-	-	X	-	X	X
2. Loans and receivables	-	-	-	X	-	X	-	X	X
3. Held-to-maturity investments	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	482,141	X	-	X
5. Other transactions	-	-	-	-	-	X	-	X	
Total assets	**341,705**	**-**	**-**	**-**	**-**	**482,141**	**-**	**-**	**-**
1. Financial liabilities	-	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	2,531,873	X	229,575	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**2,531,873**	**X**	**229,575**	**X**
1. Expected transactions	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

Part B - Balance Sheet (Continued)

Section 7 - Changes in fair value of portfolio hedged financial liabilities - Item 70

7.1 Changes to macro-hedged financial liabilities

	12.31.2009	12.31.2008
1. Positive changes to financial liabilities	2,883,071	1,501,055
2. Negative changes to financial liabilities	(1,423,522)	(486,420)
Total	**1,459,549**	**1,014,635**

7.2 Liabilities subject to macro-hedged against interest rate risk: breakdown

	12.31.2009	12.31.2008
1. Deposits	-	-
2. Debt securities in issue	-	-
3. Portfolio	54,014,389	38,993,329
Total	**54,014,389**	**38,993,329**

Section 8 - Tax liabilities - Item 80

See Section 13 of assets.

Section 9 - Liabilities included in disposal groups classified as held for sale - Item 90

See Section 14 of assets.

Section 10 - Other liabilities - Item 100

10.1 Other liabilities: breakdown

ITEMS/VALUES	12.31.2009	12.31.2008
Liabilities for financial guarantees issued	541,244	517,716
- of which: guarantees issued on Trevi securities	*535,538*	*504,533*
Obligations for irrevocable commitments to distribute funds	5,810	-
Accrued expenses other than those to be capitalized for the financial liabilities concerned	8,378	110,169
Liabilities in respect of share based payments	5,157	2,836
Other liabilities due to employees	296,357	369,006
Items in transit between branches and not yet allocated to destination accounts	124	42,557
Available amounts to be paid to others	190,379	276,381
Items in processing	11,753	578,319
Entries related to securities transactions	51	-
Items deemed definitive but not attributable to other lines:	1,178,966	1,424,955
- accounts payable - suppliers	229,448	496,978
- other entries	949,518	927,977
- of which: Group Vat debt to subsidiaries	*577,655*	*553,312*
Liabilities for miscellaneous entries related to tax collection service	10,027	10,027
Adjustments for unpaid portfolio entries	-	-
Tax items different from those included in item 80	34,245	465,563
Other entries	23,999	14,186
Total Other Liabilities	**2,306,490**	**3,811,715**

Section 11 - Provision for employee severance pay - Item 110

11.1 Provision for employee severance pay: annual changes

	12.31.2009	12.31.2008
A. Opening balance	**81,591**	**63,513**
B. Increases	**26,216**	**1,196,804**
B.1 Provisions for the year	4,133	55,746
B.2 Other increases	22,083	1,141,058
of which: business combinations	-	*1,132,198*
C. Reductions	**20,610**	**1,178,726**
C.1 Severance payments	10,161	126,013
C.2 Other decreases	10,449	1,052,713
of which: business combinations	*5,577*	*1,031,526*
D. Closing balance	**87,197**	**81,591**

11.2 Other information

In accordance with the interpretation provided by IAS 19, provision for employee severance pay is included in defined-benefit plans and is therefore calculated according to the actuarial method described in Accounting policies. Actuarial assumptions and the reconciliation of the present value of provisions to the liability entered in the balance sheet are provided below.

Annual weighted average assumptions

	12.31.2009	12.31.2008
Discount rate	4.75%	5.50%
Expected return on plan assets	-	-
Rate of salary increase	-	-
Price inflation	2.00%	2.00%

Reconciliation of present values of provision, present value of plan assets, assets and liabilities recognised in the balance sheet

	12.31.2009	12.31.2008
Defined Benefit obligations	86,319	79,603
Fair value of plane assets	-	-
	86,319	79,603
Unrecognised net actuarial los / (gain)	878	1,988
Balance sheet (Provision) or Prepayement	**87,197**	**81,591**

Section 12 - Provisions for risks and charges - Item 120

12.1 Provisions for risks and charges: breakdown

ITEMS/COMPONENTS	12.31.2009	12.31.2008
1. Pensions and other post retirement benefit obligations	**878,846**	**916,397**
2. Other provisions for risks and charges	**379,284**	**573,619**
2.1 Legal disputes	268,968	276,152
2.2 Staff expenses	-	-
2.3 Other	110,316	297,467
Total	**1,258,130**	**1,490,016**

Litigation risk

There are pending lawsuits against UniCredit Spa and other UniCredit Group companies.

In many cases, there is substantial uncertainty regarding the outcome of the proceedings and the amount of any possible losses. These cases include criminal proceedings, administrative proceedings by the Supervisory Authority and claims in which the petitioner has not specifically quantified the penalties requested (for example, in putative class action in the United States). In such cases, given the infeasibility of predicting possible outcomes and estimating any losses in a reliable manner, no provisions are made. However, where it is possible to reliably estimate the amount of possible losses and the loss is considered likely, provisions are made in the financial statements based on the circumstances and consistent with IAS international accounting standards.

Part B - Balance Sheet (Continued)

To protect against possible liabilities that may result from pending lawsuits (excluding labour law, tax cases or credit recovery actions), UniCredit S.p.A. has a provision for risks of charges of €176.5 million as at December 31, 2009. However, it is possible that this provision may not be sufficient to entirely meet the legal charges and the fines and penalties requested in pending legal actions.

Therefore, it may occur that a negative outcome for said proceedings could have a harmful effect on the financial situation of UniCredit S.p.A.

The following is a summary of pending cases in which UniCredit S.p.A. is involved, and which have a value of €100 million or greater. Tax, labour law and credit recovery cases are not included.

Action initiated against UniCredit S.p.A., its Managing Director and the Managing Director of HVB (Hedge Fund Claim) and action initiated against Verbraucherzentrale (VzfK Claim)

In July 2007, eight hedge funds, (followed by various minority shareholders of HVB), submitted a writ of summons to the Regional Court of Munich for compensation for damages allegedly suffered by HVB as a consequence of certain transactions regarding the transfer of equity investments and business lines from HVB (after its entry into UniCredit Group) to UniCredit S.p.A. or other UniCredit Group companies (and vice versa). In addition, they argue that the HVB reorganisation cost should be borne by UniCredit S.p.A..

The defendants in the lawsuit are UniCredit S.p.A., its Managing Director, Alessandro Profumo, and the former Managing Director of HVB, Wolfgang Sprissler.

The plaintiffs are seeking: (i) damages in the amount of €17.35 billion, plus interest; (ii) that the Munich Court order UniCredit S.p.A. to pay HVB's minority shareholders appropriate compensation in the form of a guaranteed regular dividend from November 19, 2005 onwards.

The defendants lodged their defence pleas with the Regional Court of Munich on February 25, 2008.

Furthermore, another minority shareholder of HVB, Vzfk - already owner of a non-significant shareholding in the company capital - started legal proceedings that were substantially similar towards UniCredit S.p.A., its CEO, Alessandro Profumo and the then CEO of HVB, Wolfang Sprissler (for an amount equal to €173.5 million plus interest) and the Regional Court of Munich combined the mentioned proceedings to that promoted by the hedge fund on July 29, 2009

The defendants, while aware of the risks that any such suit inevitably entails, are of the opinion that the claims are groundless, given that all of the transactions referred to by the plaintiffs were carried out on payment of consideration which was held to be fair on the basis of third-party advisors' opinions. As such, no provision has been made.

Special Representative

On June 27, 2007, the HVB annual Shareholders' Meeting passed a resolution for a claim of damages against UniCredit S.p.A., its legal representatives, and members of HVB's management board and supervisory board, citing damages to HVB due to the sale of the its equity investment in Bank of Austria (BA) and the Business Combination Agreement (BCA) entered into with UniCredit S.p.A. during the integration process. The attorney Thomas Heidel was appointed as Special Representative by a shareholders' resolution voted on by the minority shareholders with the task of verifying if there are sufficient grounds to move forward with this claim. To this end, the Special Representative was granted the authority to examine documents and obtain further information from the company.

Based on his investigations within HVB, in December 2007, the Special Representative asked UniCredit S.p.A. to restore the purchased BA shares to HVB.

In January 2008, UniCredit S.p.A. replied to the Special Representative, stating that, in its view, such a request was unfounded.

On February 20, 2008 Attorney Heidel, acting as Special Representative, filed a petition against UniCredit S.p.A., its Managing Director, Alessandro Profumo, the former Managing Director of HVB, Wolfgang Sprissler and HVB's Chief Financial Officer, Rolf Friedhofen, requiring the defendants to return the BA shares to HVB along with compensation to HVB for any additional losses in the matter or, if this petition is not granted by the Munich Court, to pay €13.9 billion in damages.

On July 10, 2008, Attorney Heidel filed and gave notice of an amendment to the petition. In it he asks that UniCredit S.p.A., its Managing Director, and HVB's former Managing Director and Chief Financial Officer be ordered to return the additional amount of €2.92 billion (plus interest) in addition to damages that may result from the capital increase resolved by HVB in April 2007 following the transfer of the banking business of the former UBM to HVB. Specifically, the Special Representative asserts that the transfer was overvalued and that auditing rules were violated.

Since it is doubtful that the amendment of the Special Representative's petition is in line with the resolution of the HVB Shareholders' Meeting in June 2007, UniCredit S.p.A. considers the plaintiff's claims to be unfounded, partly in consideration of the fact that both the sale of BA and the transfer of the operations of the former UBM during the HVB capital increase occurred on the basis of independent assessments (fairness opinions and valuation reports) of well-known External Auditors and investment banks, thus, it has not made any provisions.

It should be noted that on November 10, 2008, an extraordinary meeting of HVB shareholders' was held and resolved to revoke the resolution of June 27, 2007, consequently, Attorney Heidel was removed as HVB's Special Representative. This means that the Special Representative no longer has the authority to prosecute the actions brought against UniCredit S.p.A., its officer, or HVB's officers, unless the resolution is declared null or ineffective. In particular, the removal prevents the Special Representative from continuing his petition for damages, which, moreover, will not disappear automatically, but rather only if a decision in this matter is made by HVB's supervisory board (against Wolfgang Sprissler and Rolf Friedhofen) and the management board (against UniCredit S.p.A. and its Managing Director). HVB's Statutory Bodies, with the assistance of external consultants, initiated a review of this complex matter to make the related decisions under their authority.

The removal of the *Special Representative* was contested by Attorney Heidel and by a minority shareholder. On August 27, 2009 the Regional Court of Munich declared the Special Representative's removal null. However the decision is not yet final and binding, in that an appeal is pending with the High Regional Court of Munich.

On June 2, 2009 the Regional Court of Munich decided to suspend arguments on the Special Representative's petition until a final decision is made on the validity of the appointment and subsequent removal of the Special Representative.

The Special Representative submitted a request to review the suspension measure of the petition. The same first instance judge will review and if, as expected, the judge does not reverse his decision, the High Regional Court will decide on the correctness of the suspension measure.

Cirio

In April 2004, the extraordinary administration of Cirio Finanziaria S.p.A. served notice to Sergio Cragnotti and various banks including Capitalia S.p.A. (absorbed by UniCredit S.p.A.) and Banca di Roma S.p.A., of a petition to obtain judgment declaring the invalidity of an allegedly illegal agreement with Cirio S.p.A. regarding the sale of the dairy company Eurolat to Dalmata S.r.l. (Parmalat). The extraordinary administration subsequently requested that Capitalia S.p.A. and Banca di Roma S.p.A. be found jointly liable to reimburse a sum of €168 million and that all defendants be found jointly liable to pay damages of €474 million.

Furthermore, the extraordinary administration requested, should the above fail, the revocation of the deeds of settlement made by Cirio S.p.A. and/or repayment by the banks of the amount paid for the agreement in question, on the grounds of undue profiteering, pursuant to Article 2901 of the Italian Civil Code.

In May 2007, the case was retained for the judge's ruling. No preliminary investigation was conducted. In February 2008, an unexpected ruling by the Court of Rome ordered Capitalia S.p.A. (currently UniCredit S.p.A.) and Sergio Cragnotti to pay €223.3 million plus currency appreciation and interest from 1999. UniCredit S.p.A. has appealed the sentence, requesting the suspension of the execution of the lower court's judgment.

The Rome Court of Appeals, with a ruling issued on March 17, 2009, suspended the execution of the lower court's judgment.

The next hearing is scheduled on November 11, 2014.

In order to oversee such risks, provisions were made for an amount considered congruous to the current risk of the proceedings.

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In April 2007, certain Cirio Group companies in administration filed a petition against Capitalia S.p.A. (now UniCredit S.p.A.), Banca di Roma S.p.A., UBM (now UniCredit S.p.A.) and other banks for compensation of damages resulting from their role as arrangers of bond issues by Cirio Group companies, although, according to the plaintiffs, they were already insolvent at the time. Damages were quantified as follows:

- the damages incurred by the petitioners due to a worsening of their difficulties were calculated within a range of €421.6 million to €2.082 billion (depending upon the criteria applied);
- the damages incurred because of the fees paid to the Lead Managers for bond placements were calculated at a total of €9.8 million;
- the damages, to be determined during the proceedings, incurred by Cirio Finanziaria S.p.A. (formerly Cirio S.p.A.), for losses related to the infeasibility of recovering, through post-bankruptcy clawback, at least the amount used between 1999 and 2000 to cover the debt exposure of some of the Group companies;

plus interest and currency revaluation from the date owed to the date of payment.

In the ruling of November 3, 2009 the judge denied the plaintiff's claim holding the companies of Cirio Group in extraordinary administration jointly liable for reimbursement of legal expenses in favour of the defendant banks.

The Extraordinary Administration has appealed against the ruling.

UniCredit S.p.A., having considered the opinion of its defence counsel, believes the action to be groundless, and is confident the judgment will be favourable. Accordingly no provisions have been made.

Part B - Balance Sheet (Continued)

International Industrial Participations Holding IIP N.V.

On October 30, 2007, International Industrial Participations Holding IIP N.V. (formerly Cragnotti & Partners Capital Investment N.V.) and Sergio Cragnotti brought a civil action against UniCredit S.p.A. (as the successor to Capitalia S.p.A.) and Banca di Roma S.p.A. for alleged direct damages and loss of profit quantified at €135 million resulting from:

- primarily, the breach of contractual obligations of financial assistance previously assumed in favour of Cragnotti & Partners Capital Investment N.V., Sergio Cragnotti, and Cirio Finanziaria S.p.A. Cirio Group, which resulted in its insolvency;
- secondarily, the illegitimate refusal by the defendants to provide Cirio Finanziaria S.p.A. and Cirio Group the financial assistance necessary to repay a bond expiring on November 6, 2002, not acting properly and in good faith.

The investigating magistrate set a clarification hearing for the conclusions for October 18, 2010.

Following the recent reorganisation of UniCredit Group, without prejudice to the legitimation of UniCredit S.p.A. as the defendant, the question in law, previously attributable to Banca di Roma S.p.A. was transferred to UniCredit Corporate Banking S.p.A..

The plaintiff's claim in this action is completely groundless.

In consideration of such, at the time being no provisions have been made.

Gruppo Fratelli Costanzo

The companies of the Costanzo group, originally controlled by the Costanzo family, have been under extraordinary administration since 1996. In February 2006 several representatives of the Costanzo family brought suit for damages against the extraordinary administration and the Ministry of Production alleging poor management of the companies in the group. The plaintiffs also sued the members of the Supervisory Committee, of which the subsidiaries IRFIS S.p.A. and Banca di Roma (now UniCredit S.p.A.) were members, alleging omissions in oversight. The total claim amounts to about €2,04 million. As a result of the Catania Court's declaration of lack of jurisdiction, the case was brought again before the Regional Administrative Court of Lazio – Rome in November 2009. The claim for damages appears groundless and therefore, on the basis of the opinion of defense counsel as well, no provision has been made for it. To obtain a declaration of lack of territorial jurisdiction on the part of the Regional Administrative Court of Lazio – Rome and, on the other hand, the presence of jurisdiction on the part of the Regional Administrative Court of Sicily – Catania, the company Fratelli Costanzo S.p.A in A.S. (under extraordinary administration) has appealed to the Council of State for a preliminary determination of jurisdiction.

Qui tam Complaint against Vanderbilt LLC and other UniCredit Group companies

On July 14, 2008, Frank Foy and his wife, in compliance with local New Mexican law (Qui Tam Statute), according to which any State resident may file a legal action on behalf of the State, filed a complaint on behalf of the State of New Mexico in relation to certain investments made by the New Mexico Educational Retirement Board (ERB) and the State of New Mexico Investment Council (SIC) in Vanderbilt LLC ("VF"), an indirect UniCredit S.p.A. investee company. Frank Foy claims to have been the Chief Investment Officer of ERB and to have submitted his resignation in March 2008.

Frank Foy requests, on behalf of the State of New Mexico, compensation for damages totalling USD 360 million (including applicable penalties as part of the New Mexico Fraud against Taxpayers Act, which provides for the possibility of treble damages) based on the New Mexico Fraud against Taxpayers Act, asserting that Vanderbilt VF and the other defendants surreptitiously persuaded ERB and SIC to invest USD 90 million in Vanderbilt products (i) by knowingly providing false information on the nature and risk level of the VF investment and (ii) by guaranteeing improper contributions to then-Governor of the State of New Mexico, Bill Richardson, and other State officials, to convince them to make the investment. Frank Foy maintains that the State suffered damages equivalent to the entire initial investment of USD 90 million (consequential damages) and requests an additional USD 30 million for loss of profit.

Defendants include - *inter alia* - the following:

- Vanderbilt Capital Advisors, LLC (VCA), a wholly-owned indirect subsidiary of Pioneer Investment Management USA Inc. (PIM US);
- Vanderbilt Financial, LLC (VF), a special purpose vehicle in which PIM US has an 8% holding;
- Pioneer Investment Management USA Inc. (PIM US), a wholly-owned subsidiary of PGAM;
- PGAM., a wholly-owned subsidiary of UniCredit S.p.A.;
- UniCredit S.p.A.;
- various directors of VCA, VF and PIM US;
- law firms, external auditors, investment banks and State of New Mexico officials.

At present, an assessment on the economic impact that may result from the proceedings is premature and thus no provisions have been made.

The defendants have requested that the plaintiff's claim be denied. The Court has not yet set a date for a hearing on said request.

The petition was served to the American companies, including Vanderbilt Capital Advisors and Pioneer Investment Management USA Inc. (both part of UniCredit Group). Also the natural persons who are called as defendants have been served the petition.

On September 24, 2009 UniCredit S.p.A. and on December 17, 2009 PGAM were served the petition.

Acquisition of Cerruti Holding Company S.p.A. by Fin.Part S.p.A.
At the beginning of August 2008, the receivership of Fin.Part S.p.A. ("Fin.Part") brought a civil action against di UniCredit S.p.A., UniCredit Banca S.p.A., UniCredit Corporate Banking S.p.A. and one other bank not belonging to UniCredit Group for contractual and tort liability.

Fin.Part makes claim against each of the defendant banks, jointly and severally or alternatively, each to the extent applicable, for compensation for damages allegedly suffered by Fin.Part and its creditors as a result of the acquisition of Cerruti Holding Company S.p.A. ("Cerruti").

The action contests the legality of the conduct displayed during the years 2000 and 2001 by the defendant banks, in concert among them, for the acquisition of the fashion sector of the Cerruti 1881 Group, by means of a complex financial transaction focused specifically on the issue of a bond for €200 million by a special purpose vehicle in Luxembourg (C Finance S.A.).

It is maintained that Fin.Part was not able to absorb the acquisition of Cerruti with its own funds, and that the financial obligations connected with the bond payment brought about the bankruptcy of the company.

Therefore, the receivership is requesting compensation for damages in the amount of €211 million, which represents the difference between the liabilities (€341 million) and the assets (€130 million) of the bankruptcy estate, or such other amount as determined by the court. Furthermore, it is requested the defendants return all of the amounts earned in fees, commissions and interest in relation to the fraudulent activities.

Papers were filed on December 23, 2008 that included the bankruptcy of C Finance S.A.

The receivership maintains that the insolvency of C Finance S.A., which existed at the time of its establishment, due to the issue of the bond and the transfer of proceeds to Fin.Part in exchange for assets with no value, should be attributed to the banks involved in causing the financial difficulties, as their executives contributed to devising and executing the transaction.

The defendant banks are asked to compensate the damages as follows: a) the total of bankruptcy liabilities (€308.1 million); or, alternatively, b) the amounts disbursed by C Finance S.A. to Fin.Part and Fin.Part International (€193 million); or, alternatively, c) the amount collected by UniCredit S.p.A. (€123.4 million).

In another area, the banks are requested to compensate damages for the amounts collected (equivalent to €123.4 million as well as €1.1 million in fees and commissions) for the alleged invalidity and illegality of the case or for illegal reasons involving all parties to the complex deal that the transaction in question allegedly turned into, according to the petitioner, the payment of Fin.Part debts to UniCredit S.p.A. using the proceeds from the C Finance S.A. bond issue. In addition, the transaction was allegedly a means for evading Italian laws regarding limits and procedures for bond issues.

UniCredit Group's legal counsel is assessing the procedural aspects and the relationships between the accompanying petitions of the two bankruptcies, also in regard to the appeal pursuant to Article 101 of Regional Decree no. 267 of March 16, 1942, filed by the C Finance S.A. bankruptcy against the bankruptcy of Fin.Part.

In January 2009, the judge rejected the writ of attachment for the defendant not belonging to UniCredit Group.

On June 9, 2009 the deed of appearance and reply was submitted for UniCredit S.p.A..

On October 05, 2009 and on January 12, 2010 the parties personal appeared for settlement proceedings.

The settlement proceedings were unproductive due to the distance of the parties' positions.

The next hearing is scheduled on april 27, 2010.

UniCredit S.p.A., also based on the information supplied by their legal counsel, believes the claims are groundless and/or lacking from an evidence viewpoint, consequently, also bearing in mind that the proceedings are in their initial stages, no provisions have presently been made.

Mario Malavolta
In July 2009, Mario Malavolta, on his own behalf and as legal counsel and director of Malavolta Corporate S.p.A. and its subsidiaries and associates, sued UniCredit S.p.A. for compensation for damages (approximately €135 million) allegedly due to illicit behaviour on UniCredit S.p.A.'s part. Furthermore, the petitioner requests the confirmation of the improper application of interest on its current accounts held by the aforementioned company.

The defendant named in this action is UniCredit Corporate Banking S.p.A..

The petitioner disputes the conduct by the defendant during the period 2006-2007, maintaining that improper involvement by the bank in the decision-making processes of Malavolta Group companies allegedly prevented the restructuring processes and caused significant financial burden (currently the companies of Malavolta Group are insolvent and under bankruptcy proceedings).

Part B - Balance Sheet (Continued)

The facts and circumstances described above also allegedly resulted in significant damages to Mario Malavolata in his role as shareholder and director of Malavolta Corporate S.p.A. and its subsidiaries.

As preliminary defenses, the Bank has alleged that the plaintiff lacks standing and interest in the matter. On the merits, as a subordinate alternative, it has alleged that the complaints lack grounds and are excessively broad, not supported by the documents produced on the record.

The proceedings are in the initial phases and no provisions have presently been made.

GBS S.p.A.

At the beginning of February 2008, General Broker Service S.p.A. (GBS S.p.A.) initiated arbitration proceedings against UniCredit S.p.A. aiming at declaring the behaviour of Capitalia S.p.A. and subsequently UniCredit S.p.A. illegitimate with regards to the insurance brokerage relationship in effect and allegedly deriving from the exclusive agreement signed in 1991, and furthermore to obtain compensation for damages suffered, originally estimated at €121.7 million, then increased to €197.1 million.

The 1991 agreement, which included an exclusivity right, was signed by GBS S.p.A. and the former Banca Popolare di Pescopagano e Brindisi. The bank, following the 1992 merger with Banca di Lucania, became Banca Mediterranea, which was incorporated in 2000 in Banca di Roma S.p.A., which then became Capitalia S.p.A. (currently UniCredit S.p.A.).

The brokerage relationship with GBS S.p.A., dating back to the 1991 contract, was then governed by (i) an insurance brokerage service agreement signed in 2003 between GBS S.p.A., AON S.p.A. and Capitalia S.p.A., whose validity was extended to May 2007, and (ii) a similar agreement signed in May 2007 between the aforementioned brokers and Capitalia Solutions S.p.A., on its own behalf and as proxy for the banks and in the interest of the companies of the former Capitalia Group, including the holding company.

In July 2007, Capitalia Solutions S.p.A., on behalf of the entire Capitalia Group, exercised its right of withdrawal from the contract in accordance with the terms of the contract (in which it is expressly recognised that, in the event of withdrawal, the banks/companies of the former Capitalia Group should not be obliged to pay the broker any amount for any reason).

At the request of GBS, an expert witness report was ordered, whose results, both in terms of method and calculations, have been disputed by UniCredit S.p.A..

In the award issued on November 18, 2009 UniCredit S.p.A. was sentenced to pay GBS S.p.A. a total amount of €144 million, as well as legal costs and the costs of the expert opinion report. UniCredit S.p.A., deeming that the arbitrational ruling was groundless, presented an appeal, requesting the suspension of the execution of the judgement. In the case that the request for suspension - once submitted following the execution of the arbitration award, which has not occurred at the being - is not accepted, UniCredit S.p.A. could be held to pay €144 million as well as other expenses, in pendency of the decision for the appeal. Considering the development of the matter, a provision has been made for an amount consistent with what currently appears to be the potential risk resulting from the award issued.

Additional relevant informations

The following section illustrates the some further pending proceedings against UniCredit S.p.A. and the other companies of the UniCredit Group that UniCredit Spa considers relevant and for which, at the time being, the claims were not characterised by a known economic demand or for which the economic request cannot be quantified.

Voidance action challenging the transfer of shares of Bank Austria Creditanstalt AG (BA) held by HVB to UniCredit S.p.A. (Shareholders' Resolution of October 25, 2006)

Numerous minority shareholders of HVB have filed petitions challenging the resolutions adopted by HVB's Extraordinary Shareholders' Meeting of October 25, 2006 approving a Sale and Purchase Agreement ("SPA") transferring the shares held by HVB in International Moscow Bank and AS UniCredit Bank Riga to BA and the transfer of the Vilnius and Tallin branches to AS UniCredit Bank Riga, asking the Court to declare these resolutions null and void. In the course of this proceeding, some shareholders asked the Regional Court of Munich to state that the BCA, entered into between HVB and UniCredit S.p.A. should be regarded as a de facto domination agreement.

The shareholders filed their lawsuit contesting alleged deficiencies of the formalities relating to the convocation and conduct of the Extraordinary Shareholders' Meeting held October 25, 2006, and that the sales price for the shares was allegedly inadequate.

In the judgment of January 31, 2008, the Court declared the resolutions passed at the Extraordinary Shareholders' Meeting of October 25, 2006 to be null and void for formal reasons. The Court did not express an opinion on the issue of the alleged inadequacy of the purchase price but expressed the opinion that the BCA entered into between UniCredit S.p.A. and HVB should have been submitted to HVB's Shareholders' Meeting as it represented a "concealed" domination agreement.

HVB filed an appeal against this judgment since it is believed that the provisions of the BCA would not actually be material with respect to the purchase and sale agreements submitted to the Extraordinary Shareholders' Meeting of October 25, 2006, and that the matter concerning valuation parameters would not have affected the purchase and sales agreements submitted for the approval of the shareholders' meeting. HVB also believes that the BCA is not a "concealed" domination agreement, due in part to the fact that it specifically prevents entering into a domination agreement for five years following the purchase offer.

In essence, the HVB shareholder resolution could only become null and void when the Court's decision becomes final. In light of the duration of the appeal phase, which is currently underway, as well as the ability to further challenge the second-instance judgment at the German Federal Court of Justice, we estimate that it will take between three and four years for the final decision.

Moreover, it should be noted that in using a legal tool recognised under German law, and pending the aforementioned proceedings, HVB asked the Shareholders' Meeting held on July 29 and 30, 2008 to reconfirm the resolutions that were passed by the Extraordinary Shareholders' Meeting of October 25, 2006 (so-called Confirmatory Resolutions) and contested. If passed, these resolutions would make the alleged improprieties irrelevant.

The Shareholders' Meeting approved these resolutions, which, however, were in turn challenged by several shareholders in August 2008. In February 2009, an additional resolution was adopted that confirmed that adopted resolutions.

In the judgement of December 10, 2009, the Court rejected the voidance action. Several former shareholders filed an appeal against this judgement, no date for oral hearing was set so far.

In light of the above events, the appeal proceedings initiated by HVB against the judgment of January 31, 2008 were suspended until a final judgment is issued in relation to the confirmatory resolutions adopted by HVB's Shareholders' Meeting of July 29 and 30, 2008.

Voidance action challenging the squeeze-out of HVB minority shareholders (Shareholders' Meeting of June 27, 2007)
The annual HVB Shareholders' Meeting of June 27, 2007 authorised, inter alia, a resolution to transfer to UniCredit S.p.A. the shares held by the minority shareholders in exchange for a cash settlement of €38.26 per share (a so-called squeeze-out).

More than 100 shareholders filed suits challenging this resolution asking the Court to declare it null and void.

The Regional Court of Munich rejected the action on August 27, 2008. Various minority shareholders have filed an appeal with the High Regional Court.

On June 19, 2009, the High Regional Court of Munich issued an order of consideration in which it expressed its intention to reject the challenges without oral arguments and on August 27, 2009 rejected the appeals. On the basis of the public documentation, it results that an appeal has been filed to the German Federal Court of Justice against the decisions on the "squeeze-out" of the High Regional Court of Munich and the Regional Court of Munich, such complaint was not accepted by the Constitutional Court for decision.

The ruling of Munich Higher Regional Court re the squeeze-out out of former HVB-shareholders is final and binding.

In the meantime, HVB, which believes that the lawsuits are clearly unfounded, filed an unblocking motion in December 2007 asking the Court to grant clearance for the transfer resolution to be entered in the Chamber of Commerce, notwithstanding the pending voidance action by the minority shareholders against the resolution.

The Regional Court of Munich granted HVB's request on the grounds that the procedural deficiencies of the resolution in question were unfounded. The minority shareholders challenged the judgment in front of the High Regional Court which, in its judgment of September 3, 2008, rejected the appeal (the so-called unblocking motion of second instance). The judgment is final and there can be no recourse to higher levels of jurisdiction.

Accordingly, on September 15, 2008, the Munich Business Register recorded the squeeze-out and UniCredit S.p.A. became the shareholder of the entire HVB share capital.

Squeeze-out of HVB minority shareholders (appraisal proceedings)
Approximately 300 former minority shareholders of HVB filed a request to revise the price obtained in the squeeze-out (appraisal proceedings). The dispute mainly concerns profiles regarding the valuation of HVB. UniCredit S.p.A. submitted its defence briefs on July 23, 2009.
The proceeding is still pending.

The next hearing will place on April 15, 2010.

Squeeze-out of Bank Austria's minority shareholders
After a settlement was reached on all legal challenges to the transaction in Austria, the resolution passed by the Bank Austria shareholders' meeting approving the squeeze-out of the ordinary shares held by minority shareholders (with the exception of the so-called "golden shareholders") was recorded in the Vienna Business Register on May 21, 2008.

Accordingly, UniCredit S.p.A. became the owner of 99.995% of the Austrian bank's share capital with the resulting obligation to pay minority shareholders a total amount of €1,045 million, including interest accrued on the squeeze-out, in accordance with local laws.

Part B - Balance Sheet (Continued)

The minority shareholders received the squeeze-out payment including the related interest.

Several shareholders who felt the squeeze-out price was inadequate have initiated proceedings with the Commercial Court of Vienna, in which they are asking the Court to review the adequacy of the amount paid (appraisal proceedings). UniCredit S.p.A. immediately challenged the competency of the Vienna Court. In the judgment of October 14, 2008, the Court maintained its competency in the case, without going into the matter. UniCredit S.p.A. then contested the decision with the High Regional Court of Vienna. In the judgment of July 6, 2009, the latter upheld that the Commercial Court of Vienna was competent to hear the case. UniCredit S.p.A. filed an extraordinary appeal with the Supreme Court challenging the decision of the High Regional Court.

In addition to the judicial proceeding in front of the Commercial Court of Vienna, a minority shareholder initiated at the same time a parallel procedure before an Arbitral Tribunal. It is possible that the decision will be made during or soon after the Offer. If the outcome is unfavourable for UniCredit S.p.A., a negative impact for the Group cannot be excluded.

Cirio and Parmalat criminal proceedings
Between the end of 2003 and the beginning of 2004, criminal investigations of some former Capitalia Group, now UniCredit Group, officers and managers were conducted in relation to the insolvency of Cirio Group. The trials resulting from these investigations, related to the Group's insolvency, involved the former Capitalia S.p.A., (now UniCredit S.p.A.), one of the lending banks of said group and resulted in the some executives and officers of the former Capitalia S.p.A. (now UniCredit S.p.A.) being committed trial.

Cirio S.p.A.'s extraordinary administration and several bondholders joined the criminal judgment as civil complainants without specifying damages claimed. UniCredit S.p.A., also as the universal successor of UniCredit Banca di Roma S.p.A. was cited as legally liable. The proceedings are in the discussion phase.

The officers involved in the proceedings in question maintain that they performed their duties in a legal and proper manner.

With respect to that proceeding, also on the basis of legal opinions, although there is a potential risk of civil liability for UniCredit S.p.A. due in part to the complexity of the facts alleged, it is at present not possible to reliably estimate the contingent liability, due to the lack of relevant elements.

With regard to the state of insolvency of the Parmalat Group, from the end of 2003 to the end of 2005, investigations were also carried out on certain executives and officers of the former Capitalia S.p.A. (now UniCredit S.p.A.), who had been committed for trial within the scope of three distinct criminal proceedings known as "Ciappazzi", "Parmatour" and "Eurolat".

Companies of the Parmalat Group in extraordinary administration and numerous Parmalat bondholders are the plaintiffs in the civil suits in the aforementioned proceedings. All of the civil claimants' lawyers have reserved the right to quantify damages at the conclusion of the first instance trials.

In the "Ciappazzi" and "Parmatour" proceedings, several companies of the UniCredit Group have been cited as legally liable.

The proceedings are in the discussion phase.

Upon execution of the settlement of August 1, 2008 between UniCredit Group and Parmalat S.p.A., and as Parmalat Group companies in extraordinary administration, all civil charges were either waived or revoked.

The officers involved in the proceedings in question maintain that they performed their duties in a legal and proper manner.

For these proceedings, a provision has been made for an amount consistent with what currently appears to be the potential risk for the legally liable UniCredit S.p.A.

Madoff
In December 2008, Bernard L. Madoff, former chairman of the NASDAQ and owner of Bernard L. Madoff Investment Securities LLC **("BMIS")**, an investment company registered with the Securities Exchange Commission (the "**SEC**") and the **Financial Industry Regulatory Authority ("FINRA"),** was arrested on charges of securities fraud for what has been described by U.S. authorities as a Ponzi scheme. In the same month, a bankruptcy administrator (the **"SIPA Trustee"**) for the BMIS liquidation was appointed in accordance with the U.S. Securities Investor Protection Act of 1970. In March 2009, Bernard L. Madoff was found guilty of several crimes, including securities fraud, investment adviser fraud, and providing false information to the SEC: In June 2009, Bernard L. Madoff was sentenced to 150 years in prison.

Following Bernard L. Madoff's fraud conviction, several criminal and civil suits were filed in various countries against financial institutions and investment advisers by, or on behalf of, investors, intermediaries acting as brokers for investors and public entities in relation to losses incurred. UniCredit S.p.A., some of its subsidiaries, and some of its employees or former employees were subpoenaed, or may be subpoenaed in the future, in the proceedings and/or investigations of the Madoff case in various countries, including the United States, Austria, and Chile.

As at the date of Bernard L. Madoff's arrest, the Alternative Investments division of Pioneer, a subsidiary of the UniCredit S.p.A. **("PAI")**, acted as investment manager and/or investment adviser for some funds that had invested in other funds with accounts at BMIS. Specifically, PAI acted as investment manager and/or investment adviser for the Primeo funds and AllWeather funds. PAI acted as the investment adviser for the Primeo funds from April 2007, after having been sold to BA Worldwide Fund Management **("BAWFM")**, an indirect subsidiary of BA. The Primeo and AllWeather invested in other funds, which held accounts managed by BMIS. Certain documents prepared by these funds showed assets managed by the UniCredit S.p.A.'s subsidiaries on behalf of fund administrators of €805 million in November 2008. Based on these documents, the amount includes invested capital and proceeds from the investment. Given Bernard L. Madoff's admission of guilt and the facts that emerged following the fraud committed by BMIS, it is clear that the amounts indicated in the aforementioned documents do not accurately reflect the investments made and the proceeds from these investments. As a result, the above amounts should not be considered indicative of the amount of losses incurred by final investors of the funds involved.

Speculative funds established under Italian law and managed by PAI do not have any exposure to funds that invested in accounts managed by BMIS.

HVB issued various tranches of debt securities whose potential yield was calculated based on the yield of a hypothetical structured investment (synthetic investment) in the Primeo funds. The notional value of the debt securities issued in reference to Primeo funds was €27 million. Some legal proceedings were brought in Germany regarding debt securities issued by HVB and connected to Primeo funds, citing HVB as the defendant.

BAWFM, a subsidiary of BA, acted as investment adviser for Primeo funds until the beginning of April 2007. Some BA customers purchased shares in Primeo funds that were held on their accounts with BA.

UniCredit S.p.A. and its BA and PAI subsidiaries were named as part of the 50 defendants in three putative class actions suits filed with the United States District Court for the Southern District of New York, in which the petitioners claim to represent the investors of three funds in which assets were invested in BMIS, directly or indirectly. The defendants were accused of having omitted pertinent information from, or including false information in, prospectuses and related appendices used for the securities offer. The petitioners of the class action allege that the investors were misled, for example, as to the lack of diversification of the investments, on the fact that the funds were invested in BMIS and on the level of due diligence performed by the defendants. Furthermore, the petitioners allege that the defendants did not give adequate attention to "red flags" that were identified and would have made them aware of Bernard L. Madoff's fraud. The three class actions claim compensation for damages with related interest, reimbursement of expenses, costs, legal consultancy fees and the recognition of equitable/injunctive relief. One of the class actions specifically seeks a sentence finding the defendants liable for an amount equivalent to the amount of the initial investments of the collective parties together with interest and proceeds that the parties would have received if their money had been invested wisely. This suit also specifically requests compensation for punitive damages and that the Court prohibits the defendants from using assets of the funds to defend themselves or to indemnify themselves.

Proceedings were initiated in Austria related to Bernard L. Madoff's fraud in which BA and BANKPRIVAT AG (a former subsidiary of BA, with which it merged on October 29, 2009), among others, were named as defendants. The parties invested in funds that, in turn, invested directly or indirectly in BMIS. BA is also the subject of proceedings in Austria following the complaint filed by the Supervisory Authority for Austrian financial markets with the Austrian Attorney's Office and complaints filed to said Attorney's Office by private parties that invested in funds which, in turn, invested directly or indirectly in BMIS. The parties that filed said complaints maintain that BA violated the terms of the Austrian Consolidated Investment Act that governs the role of BA as "auditor of the prospectus" of Primeo funds.

Several subsidiaries of UniCredit S.p.A. have received orders and requests to produce information and documents from the SEC, the U.S. Department of Justice and the SIPA Trustee in the United States, the Austrian Supervisory Authority for financial markets, the Irish Supervisory Authority for financial markets and BaFin in Germany related to their respective investigations into Bernard L. Madoff's fraud.

In addition to proceedings stemming from the Madoff case against UniCredit S.p.A., its subsidiaries and some of their respective employees and former employees, additional actions have been threatened and may be filed in the future in said countries or in other countries by private investors or local authorities.

The pending or future actions may have negative consequences for the Group.

All pending actions are in the initial phases. UniCredit S.p.A. and its subsidiaries involved intend to defend themselves against the charges regarding the Madoff case by any method available to them. At the time being it is not possible to reliably estimate the timing and results of the various actions, nor determine the level of responsibility, if any responsibility exists. Presently, in compliance with international accounting standards, no provisions were made for specific risks associated with Madoff disputes.

Relevant events occurring after 12.31.2009

I.CO.PO.DE.SO Srl e Pietro Montanari

The company I.CO.PO.DE.SO Srl and its legal representative Mr. Pietro Montanari, on his behalf, brought suit against UniCredit S.p.A on February 10, 2010 to obtain compensation of damages in the amount of about €133 million in addition to interest and monetary adjustment. The first hearing for appearances was set for May 25, 2010 before the Court of Rome.

Part B - Balance Sheet (Continued)

The plaintiffs allege that Cassa di Risparmio di Roma (C.R.R., now UniCredit), by a series of acts and by conduct (between the end of the decade of the 1970s and the beginning of the 1980s) supposedly caused the bankruptcy of I.CO.PO.DE.SO Srl, causing the mentioned plaintiffs to incur extremely significant damages in the form of material losses and loss of reputation.

Considering the fact that the case is still in its preliminary stages, no provision has been made on the balance sheet.

Mario Malavolta

Mr. Mario Malavolta, as director of Malavolta Corporate SpA, filed a petition on February 3, 2010 to join the case begun in July 2009, requesting compensation of damages totaling about €445 million.

The Bank has filed a brief opposing the petition to join the case and has contested the claims of the plaintiff.

Special Representative

On March 3, 2010 the High Regional Court of Munich granted the appeal against nullification of the resolution to remove the Special Representative. The decision is not final.

Madoff

In October 2009, the Southern District consolidated the three cases for pretrial purposes. Thereafter, amended consolidated complaints relating to each of three investment fund groups that allegedly invested with BMIS (the "Herald" funds, "Primeo" funds and "Thema" funds) were filed.

The amended "Herald" complaint, filed in February 2010, asserts putative class action claims on behalf of investors who owned shares of Herald Fund SPC-Herald USA Segregated Portfolio One and/or Herald (Lux) on December 10, 2008, or purchased shares in those funds from January 12, 2004, to December 10, 2008, and were damaged thereby. The amended complaint alleges that UniCredit S.p.A., Bank Austria and Bank Medici, among other defendants, breached common law duties and violated U.S. federal securities laws by, inter alia, knowingly or recklessly failing to safeguard plaintiff's investment in the face of "red flags" concerning Madoff. Plaintiff seeks unspecified damages, punitive damages, recoupment of fees, benefits or assets unjustly obtained from the putative class, costs and attorneys' fees to be determined at trial, as well as an injunction preventing defendants from using fund assets to defend the action or otherwise seeking indemnification from the funds.

The amended "Primeo" complaint, filed in February 2010, asserts putative class action claims on behalf of investors who owned shares of Primeo Select Fund and/or Primeo Executive Fund on December 10, 2008, or purchased shares of those funds from January 12, 2004, to December 12, 2008, and were damaged thereby. The amended complaint alleges that UniCreit S.p.A., Bank Austria, Bank Medici, BA Worldwide, PAI and Pioneer Global Asset Management S.p.A, among other defendants, breached common law duties and violated U.S. federal securities laws by, inter alia, misrepresenting the monitoring that would be done of Madoff and plaintiffs' investments and disregarding "red flags" of Madoff's fraud. Plaintiffs seek unspecified damages, recoupment of fees, benefits or assets unjustly obtained from the putative class, interest, punitive damages, costs and attorneys' fees to be determined at trial, as well as an injunction preventing defendants from using fund assets to defend the action or otherwise seeking indemnification from the funds.

The amended "Thema" complaint, filed in February 2010, asserts putative class action claims on behalf of investors who owned shares of Thema International Fund plc and/or Thema Fund on December 10, 2008, or purchased shares in those funds from January 12, 2004, to December 14, 2008, and were damaged thereby. The amended complaint alleges that UniCredit S.p.A., BA Worldwide and Bank Medici, among other defendants, violated U.S. federal securities laws and committed common law torts by, inter alia, recklessly or knowingly making or failing to prevent untrue statements of material fact and/or failing to exercise due care in connection with plaintiff's investment. The amended complaint further alleges that UniCredit S.p.A., BA Worldwide and Bank Medici were unjustly enriched by the receipt of monies from the putative class. Plaintiff seeks unspecified damages (including profits that the putative class would have earned had their money been invested prudently), interest, punitive damages, costs and attorneys' fees, as well as an injunction preventing defendants from using fund assets to defend the action or otherwise seeking indemnification from the funds.

These proceedings are in their initial stages. UniCredit S.p.A. and its affiliated defendants intend to defend these proceedings and to assert defenses against the Madoff-related claims directed at them.

Tax-related operating risks

The provision for tax-related operational risks was increased to € 20.3 million, the result of a further provision of € 9 million.

This decision was made as a result of the absorption over time of several banks and companies, and the absorption of Capitalia S.p.A. in 2007 and of UniCredit Banca, Banca di Roma, Banco di Sicilia, Bipop Carire, UBM and Capitalia Partecipazioni in 2008, for which certain tax periods are still subject to audits with respect to VAT, direct taxes, and other minor taxes.

The entry into force of the so-called “Basel II” standards requires consideration of the operational risks associated with such circumstance.

It was decided that no provisions were necessary with regard to other pending disputes because the outcomes are expected to be favorable.

12.2 Provisions for risks and charges: annual changes

	12.31.2009		
	PENSIONS AND POST-RETIREMENT BENEFIT OBLIGATIONS	OTHER PROVISIONS	TOTAL
A. Opening balance	**916,397**	**573,619**	**1,490,016**
B. Increases	**52,128**	**27,746**	**79,874**
B.1 Provisions for the year (*)	1,831	22,829	24,660
B.2 Changes due to the passage of time	42,899	2,857	45,756
B.3 Differences due to discount-rate changes	-	1,704	1,704
B.4 Other increases	7,398	356	7,754
C. Decreases	**89,679**	**222,081**	**311,760**
C.1 Use during the year	89,666	222,049	311,715
C.2 Differences due to discount-rate changes	-	-	-
C.3 Other decreases	13	32	45
D. Closing balance (**)	**878,846**	**379,284**	**1,258,130**

(*) The amount of Pension and post-retirement benefit obligations includes tax and operating costs for €93 thousand concerning definited-contribution funds.
Other provisions are disclosed net of allocations of €79,563 thousand for a guarantee issued to Aspra Finance, following the sale of non-performing loans recognised in *Other liabilities*, but include €625 thousand attributed to the item *Administrative Costs* in the income statement.

(**) Of which: Definited-benefit pension funds in the amount of €801,423 thousand.

In respect of **Pensions and other post retirement benefit obligations**, the Annexes provide details of Fund movements and include statements of changes in funds with segregated assets pursuant to article 2117 of the Italian Civil Code, as well as explanatory notes thereto.

Allocations to funds other than those with segregated assets are indiscriminately invested in asset items. Therefore, it is not possible to provide any statement of these funds.

12.3 Provisions for defined-benefit company pensions

2. CHANGES IN PROVISIONS	12.31.2009	12.31.2008
Opening net defined-benefit obligations	**838,459**	**387,989**
Service cost	1,744	2,137
Finance cost	42,899	42,785
Actuarial gains (losses) recognised in the year	(914)	(2,393)
Benefit paid	(82,565)	(88,809)
Other increases	1,802	502,631
of which: business combinations	-	*500,802*
Other reductions	(2)	(5,881)
Closing net defined-benefit obligations	**801,423**	**838,459**

Part B - Balance Sheet (Continued)

3. CHANGES TO PLAN ASSETS AND OTHER INFORMATION	12.31.2009	12.31.2008
Opening fair value of plan assets	**35,143**	**12,794**
Expected return	1,855	2,253
Actuarial gains (losses)	(2,652)	(945)
Contribution paid by employer	5,135	129
Benefit paid	(3,427)	(1,644)
Other increases	2,482	32,293
of which: business combinations	-	*32,293*
Other reductions	-	(9,737)
Closing current value of plan assets	**38,536**	**35,143**

MAIN CATEGORIES OF PLAN ASSETS BY TYPE	12.31.2009	12.31.2008
1. Equities	6,702	16,281
2. Bonds	27,639	14,438
3. Property	7	13
4. Other assets	4,188	4,411
5. Investment funds	-	-
Total	**38,536**	**35,143**

4. RECONCILIATIONS OF PRESENT VALUES OF PROVISIONS TO PRESENT VALUE OF PLAN ASSETS AND TO ASSETS AND LIABILITIES RECOGNIZED IN THE BALANCE SHEET	12.31.2009	12.31.2008
AMOUNT RECOGNIZED IN THE BALANCE SHEET	DEFINED BENEFIT PENSION PLANS	DEFINED BENEFIT PENSION PLANS
Present value of funded defined benefit obligations	55,686	52,644
Present value of unfunded defined benefit obligations	836,672	796,181
Present value of plan assets	(38,536)	(35,143)
Sub-total	**853,822**	**813,682**
Unrecognized actuarial gains (losses)	(52,399)	24,777
Net liability	**801,423**	**838,459**

RETURN ON PLAN ASSETS	12.31.2009	12.31.2008
Actuarial return on plan assets	1,855	2,253
Actuarial gain (loss) on plan assets	(2,652)	(945)
Actuarial return on plan assets	**(797)**	**1,308**

5. PRINCIPAL ACTUARIAL ASSUMPTIONS	12.31.2009	12.31.2008
Discount rate	4.77%	5.51%
Expected return on plan assets	4.58%	4.60%
Rate of increase in future compensation and vested rights	3.02%	3.01%
Rate of increase in pension obligations	1.80%	2.20%
Expected inflation rate	2.04%	2.06%

6. COMPARATIVE DATA: TOTAL DEFINED-BENEFIT OBLIGATIONS	12.31.2009	12.31.2008
Present value of defined-benefit obligations	892,358	848,825
Plan assets	(38,536)	(35,143)
Plan surplus/(deficit)	853,822	813,682
Unrecognized actuarial gains (losses)	(52,399)	24,777
Net liability	**801,423**	**838,459**

Section 13 - Redeemable shares - Item 140

No data to be disclosed in this section.

Section 14 - Shareholders' Equity - Items 130, 150, 160, 170, 180, 190 and 200

Further information about Shareholders' Equity are represented in Part F) Shareholders' Equity.

14.1 Share capital and treasury shares: breakdown

	12.31.2009		12.31.2008	
	ISSUED SHARES	UNDERWRITTEN SHARES	ISSUED SHARES	UNDERWRITTEN SHARES
A. Share Capital				
A.1 ordinary shares	8,377,750	-	6,673,434	-
A.2 savings shares	12,120	-	10,853	-
Total (A)	**8,389,870**	**-**	**6,684,287**	**-**
B. Treasury Shares				
B.1 ordinary shares	(2,440)	-	(2,440)	-
B.2 savings shares	-	-	-	-
Total (B)	**(2,440)**	**-**	**(2,440)**	**-**

At December 31, 2008 issued capital consisted of 13,346,868,372 ordinary shares and 21,706,552 savings shares, with a par value of €0.50 for both classes. It changed in 2009 following share issues of 3,408,631,673 ordinary shares and 2,532,431 savings shares, for the reasons given in the Presentation to Shareholders in the 2009 report on operations.

Issued capital thus increased from €6,684,287 thousand at end 2008 to €8,389,870 thousand at end 2009 - an increase of €1,705,583 thousand, of which €486,113 thousand by scrip issue and €1,219,470 thousand by bonus issue drawing on the pre-established reserves - and now consists of 16,755,500,045 ordinary shares with a par value of €0.50 and 24,238,983 savings shares with the same par value.

Subscription of the scrip issue approved by the shareholders in extraordinary general meeting on November 14, 2008 also entailed recognition of a share premium of €2,511,258 thousand in Shareholders' Equity.

At end 2009 the quantity of treasury shares held was 476,000.

Part B - Balance Sheet (Continued)

14.2 Capital Stock - number of shares: annual changes

	12.31.2009		
ITEMS/TYPES	ORDINARY	OTHER (SAVING)	TOTAL
A. Issued shares as at the beginning of the year	**13,346,868,372**	**21,706,552**	**13,368,574,924**
- fully paid	13,346,868,372	21,706,552	13,368,574,924
- not fully paid	-	-	-
A.1 Treasury shares (-)	(476,000)	-	(476,000)
A.2 Shares outstanding: opening balance	**13,346,392,372**	**21,706,552**	**13,368,098,924**
B. Increases	**3,408,631,673**	**2,532,431**	**3,411,164,104**
B.1 New issues	3,408,631,673	2,532,431	3,411,164,104
- against payment	972,225,376	-	972,225,376
- business combinations	-	-	-
- bonds converted	-	-	-
- warrants exercised	-	-	-
- other	972,225,376	-	972,225,376
- free	2,436,406,297	2,532,431	2,438,938,728
- to employees	1,308,455	-	1,308,455
- to Directors	-	-	-
- other	2,435,097,842	2,532,431	2,437,630,273
B.2 Sales of treasury shares	-	-	-
B.3 Other changes	-	-	-
C. Decreases	**-**	**-**	**-**
C.1 Cancellation	-	-	-
C.2 Purchase of treasury shares	-	-	-
C.3 Business tranferred	-	-	-
C.4 Other changes	-	-	-
D. Shares outstanding: closing balance	**16,755,024,045**	**24,238,983**	**16,779,263,028**
D.1 Treasury Shares (+)	476,000	-	476,000
D.2 Shares outstanding as at the end of the year	16,755,500,045	24,238,983	16,779,739,028
- fully paid (*)	16,755,500,045	24,238,983	16,779,739,028
- not fully paid	-	-	-

(*) Ordinary shares include n. 967,564,061 for which UniCredit holds the right of usufruct. On these shares the voting right cannot be exercised.

14.3 Capital: other information

	12.31.2009	12.31.2008
Par value per share	0.50	0.50
Shares reserved for issue on exercise of options	-	-
Agreed sales of shares	-	-

14.4 Reserves from allocation of profit from previous years: other information

	12.31.2009	12.31.2008
Legal reserve	1,434,080	1,231,108
Statutory reserves	1,679,802	1,015,008
Other reserves	(1,251,636)	(2,445,215)
Total	**1,862,246**	**(199,099)**

Other reserves include reserves related to the changeover to IFRS, which is a negative amount of €2,097,846 thousand.

In accordance with Section 2427, paragraph 7-bis, of the Italian Civil Code, the table below provides details on the origin, possible uses and availability of distribution of Shareholders' Equity, as well as the summary of its use in the three previous fiscal years.

Breakdown of Shareholders' equity (with indication of availability for distribution)

				SUMMARY OF USE IN THE THREE PREVIOUS FISCAL YEARS	
ITEMS	AMOUNT	PERMITTED USES (*)	AVAILABLE PORTION	TO COVER LOSSES	OTHER REASONS
Share capital	**8,389,870**	**-**	**-**		
Share premium	**36,581,540**	A, B, C	**36,581,540**		
Reserves:	**8,712,157**				
legal reserve	1,434,080	B (1)	1,434,080		
reserve for treasury shares or interests	2,440	-	-		355,976 (4)
statutory reserves	1,679,802	A, B, C	1,679,802		2,038,282 (5)
reserves arising out of share swaps	511,210	A, B, C (2)	511,210		
reserves arising out of transfer of assets	477,090	A, B, C (2)	477,090		9,375 (6)
reserves arising out of split-offs	4,972	A, B, C (2)	4,972		
reserves related to the medium-term incentive programme for Group staff	28,297	A	28,297		4,789 (7)
reserve related to equity-settled plans	207,512	-	-		
reserve related to business combinations (IFRS 3)	2,118,624	A, B, C	2,118,624		
reserve related to business combinations within the Group	4,383,389	A, B, C	4,383,389		
reserve arising out of transfers of assets within the Group under art. 58 Banking Law	(443,847)	A, B, C	(443,847)		
FTA reserve (related to changeover to IFRS)	(2,097,846)	(***)	(2,097,846)		
reserve arising out of sale of treasury shares	(585,530)	A, B, C	(585,530)		
reserve for allocating profits tio Shareholders through the issuance of new free shares	1,193,962	A, B, C	1,193,962		
reserve for capital increase costs	(198,373)	A, B, C	(198,373)		
other	(3,625)	A, B, C	(3,625)		
Revaluation reserves	**359,821**				
monetary equalisation reserve under L. 576/75	4,087	A, B, C (2)	4,087		
monetary revaluation reserve under L.72/83	84,658	A, B, C (2)	84,658		
asset revaluation reserve under L. 408/90	28,965	A, B, C (2)	28,965		
property revaluation reserve under L. 413/91	159,310	A, B, C (2)	159,310		
Available-for-sale financial assets	143,842	- (3)	-		
Cash-flow hedges	(61,041)	- (3)	-		
Total	**54,043,388**		**45,360,765**		
Portion not allowed in distribution (**)			**1,706,271**		
Remaining portion available for distribution (***)			**43,654,494**		

(*) A: for capital increase; B: to cover losses; C: distribution to shareholders

(**) Includes €105,749 thousand to be allocated to the legal reserve in order to reach one-fifth of company capital stock, pursuant to the procedures provided in the Articles of Association

(***) The portion available for distribution is net of negative reserves

(1) Available, to cover losses, only after use of other Reserves

(2) If this Reserve is used to cover losses, profits may not be distributed until this Reserve has been replenished or reduced by an equivalent amount
The reduction must be approved by the Extraordinary General Meeting disregarding sections 2 and 3 of Article 2455 of the Civil Code. The Reserve, if it is not included in capital resources, may only be reduced in accordance with sections 2 and 3 of Article 2455 of the Civil Code.

(3) Own shares buy-back reserve under the right of former Capitalia shareholders to withdraw from the acquisition transaction

(4) For the assignation to the share premium related to the sale of treasury shares

(5) Of which: €253,620 thousand and €1,777,672 thousand distributed among shareholders as 2005 and 2007 dividens, €6,990 thousand reduction for adjustment of the deferred tax rate through former Capitalia's net equity

(6) For the recognition of deferred taxation associated to equity investments

(7) For a capital increase.

Part B - Balance Sheet (Continued)

Other information

1. Guarantees and commitments

TRANSACTIONS	12.31.2009	12.31.2008
1) Financial guarantees given to:	40,832,341	36,186,737
a) Banks	34,367,205	30,299,903
b) Customers	6,465,136	5,886,834
2) Commercial guarantees given to:	4,796,827	3,620,606
a) Banks	4,459,413	2,763,985
b) Customers	337,414	856,621
3) Other irrevocable commitments to disburse funds:	20,417,350	18,844,855
a) banks:	7,305,168	14,597,584
i) Usage certain	7,136,718	14,030,791
ii) Usage uncertain	168,450	566,793
b) customers:	13,112,182	4,247,271
i) Usage certain	9,117,751	908,761
ii) Usage uncertain	3,994,431	3,338,510
4) Underlying obligations for credit derivatives: sale of protection	211,166	211,353
5) Assets used to guarantee others' obligations	-	-
6) Other commitments	124	-
Total	**66,257,808**	**58,863,551**

2. Assets used to guarantee own liabilities and commitments

PORTFOLIOS	12.31.2009	12.31.2008
1. Financial instruments held for trading	1,172,387	3,624,094
2. Financial instruments measured at fair value	-	-
3. Financial instruments available for sale	1,098,816	750,560
4. Financial instruments held to maturity	719,099	3,676,599
5. Loans and receivables with banks	9,931,213	6,992,712
6. Loans and receivables with customers	6,473	1,669,040
7. Property, plant and equipment	-	-

4. Asset management and trading on behalf of others

TYPE OF SERVICES	12.31.2009	12.31.2008
1. Trading of financial instruments on behalf of third party		
a) Purchases	-	-
1. Settled	-	-
2. Unsettled	-	-
b) Sales	-	-
1. Settled	-	-
2. Unsettled	-	-
2. Segregated accounts		
a) Individual	-	-
b) Collective	-	-
3. Custody and administration of securities		
a) non-proprietary securities on deposit associated with custodian bank transactions (excluding segregated accounts)	-	-
1. Securities issued by the bank preparing the accounts	-	-
2. Other securities	-	-
b) Other non-proprietary securities on deposit (excluding segregated accounts)	330,360	305,099
1. Securities issued by the bank preparing the accounts	-	74
2. Other securities	330,360	305,025
c) Non-proprietary securities deposited with others	322,922	294,885
d) Investment and trading securities deposited with others	128,232,807	95,236,722
4. Other transactions	**266**	**904**

Part C - Income Statement

Part C - Income Statement (amounts in thousands of €)

Section 1 - Interest income and similar revenues - Item 10 and 20

1.1 Interest income and similar revenues: breakdown

	2009				2008
ITEMS/TYPE	DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	TOTAL	TOTAL
1. Financial assets held for trading	196,014	-	-	196,014	180,934
2. Available for sale financial assets	168,334	-	-	168,334	161,165
3. Held to maturity investments	158,814	-	-	158,814	203,089
4. Loans and receivables with banks	1,831,428	3,097,344	-	4,928,772	9,761,093
5. Loans and receivables with customers	212,622	699,178	-	911,800	8,858,248
6. Financial assets at fair value through profit or loss	883	-	-	883	1,463
7. Hedging derivatives	x	x	651,658	651,658	-
8. Other assets	x	x	26,100	26,100	102,776
Total	**2,568,095**	**3,796,522**	**677,758**	**7,042,375**	**19,268,768**

1.2-1.5 Interest income (expense) and similar revenues (charges): hedging differentials

ITEMS/TYPE	2009	2008
A. Positive differentials relating to hedging operations	2,729,418	2,049,104
B. Negative differentials relating to hedging operations	(2,077,760)	(2,841,367)
C. Net differentials (A-B)	**651,658**	**(792,263)**

1.3.1 Interest income from financial assets denominated in currency

INTEREST INCOME ON:	2009	2008
a) Assets denominated in currency	90,137	855,511

1.4 Interest expense and similar charges: breakdown

	2009				2008
ITEMS/TYPE	DEPOSITS	SECURITIES	OTHER TRANSACTIONS	TOTAL	TOTAL
1. Deposits from Central banks	(86,070)	X	-	(86,070)	(236,773)
2. Deposits from banks	(3,314,797)	X	-	(3,314,797)	(5,862,524)
3. Deposits from customers	(175,784)	X	-	(175,784)	(2,303,834)
4. Debt securities in issue	X	(3,950,750)	-	(3,950,750)	(6,517,203)
5. Financial liabilities held for trading	-	(3,780)	(56,349)	(60,129)	(41,206)
6. Financial liabilities at fair value through profit or loss	-	-	-	-	-
7. Other liabilities and funds	X	X	(42,017)	(42,017)	(89,096)
8. Hedging derivatives	X	X	-	-	(792,263)
Total	**(3,576,651)**	**(3,954,530)**	**(98,366)**	**(7,629,547)**	**(15,842,899)**

1.6.1 Interest expense on liabilities denominated in currency

INTEREST EXPENSE ON:	2009	2008
a) Liabilities denominated in currency	(796,695)	(2,933,517)

Section 2 - Fee and commission income and expense - Item 40 and 50

2.1 Fee and commission income: breakdown

TYPE OF SERVICE/SECTORS	2009	2008
a) guarantees given	51,418	100,837
b) credit derivatives	-	-
c) management, brokerage and consultancy services:	5,577	1,288,435
1. securities trading	-	3,053
2. currency trading	3,257	26,321
3. portfolio management	-	15,040
3.1 individual	-	15,040
3.2 collective	-	-
4. custody and administration of securities	209	24,651
5. custodian bank	45	4,429
6. placement of securities	2	542,914
7. client instructions	-	65,905
8. advisory services	-	69
8.1 related to investments	-	69
8.2 related to financial structure	-	-
9. distribution of third party services	2,064	606,053
9.1 Segregated accounts	10	202,200
9.1.1 individual	10	202,200
9.1.2 collective	-	-
9.2 insurance products	1,660	357,342
9.3 Other products	394	46,511
d) collection and payment services	41,725	384,971
e) securitization servicing	6,277	9,828
f) factoring	-	-
g) tax collection services	-	-
h) management of multilateral trading facilities	-	-
i) management of current accounts	458	685,134
h) other services	15,014	184,496
Total	**120,469**	**2,653,701**

2.2 Fee and commission income by distribution channel

CHANNELS/SECTORS	2009	2008
a) through Group bank branches	**2,066**	**1,164,007**
1. portfolio management	-	15,040
2. placement of securities	2	542,914
3. others' products and services	2,064	606,053
b) off-site	**-**	**-**
1. portfolio management	-	-
2. placement of securities	-	-
3. others' products and services	-	-
c) other distribution channels	**-**	**-**
1. portfolio management	-	-
2. placement of securities	-	-
3. others' products and services	-	-
Total	**2,066**	**1,164,007**

Part C - Income Statement (Continued)

2.3 Fee and commission expense: breakdown

TYPE OF SERVICES/SECTORS	2009	2008
a) guarantees received	(7,827)	(9,653)
b) credit derivatives	(35,833)	(10,211)
c) management, brokerage and consultancy services:	(20,477)	(41,959)
1. securities trading	(451)	(3,039)
2. currency trading	(1,792)	(2,100)
3. segregated accounts:	-	(466)
3.1 own portfolio	-	-
3.2 third party portfolio	-	(466)
4. custody and administration of securities	(18,234)	(26,917)
5. placement of securities	-	(7,894)
6. off-site distribution of securities, products and services	-	(1,543)
d) collection and payment services	(4,764)	(61,766)
e) other services	(5,688)	(64,719)
Total	**(74,589)**	**(188,308)**

Section 3 - Dividend income and similar revenue - Item 70

3.1 Dividend income and similar revenue: breakdown

	2009		2008	
ITEMS/REVENUES	DIVIDENDS	INCOME FROM UNITS IN INVESTMENT FUNDS	DIVIDENDS	INCOME FROM UNITS IN INVESTMENT FUNDS
A. Financial assets held for trading	35	-	1,455	-
B. Available for sale financial assets	40,234	950	60,189	2,003
C. Financial assets at fair value through profit or loss	162	-	102	-
D. Investments	1,282,855	X	2,910,902	X
Total	**1,323,286**	**950**	**2,972,648**	**2,003**

A breakdown of dividends received in 2009 is given below.

Breakdown of dividends by shareholding

	2009
Pioneer Global Asset Management S.p.A.	320,824
UniCredit Corporate Banking S.p.A.	317,000
UniCredit Real Estate Società consortile per azioni (formerly UniCredit Real Estate S.p.A.)	292,600
UniCredit Private Banking S.p.A.	83,538
FinecoBank S.p.A.	72,753
Banco di Sicilia S.p.A.	65,772
UniCredit Banca di Roma S.p.A.	33,192
UniCredit International Bank (Luxembourg) S.A.	30,000
UniCredit Credit Management Bank S.p.A.	27,591
Creditras Vita S.p.A.	24,000
UniCredit Mediocredito Centrale S.p.A.	7,225
Creditras Assicurazioni S.p.A.	3,900
SIA-SSB S.p.A.	1,444
BDR Roma Prima Ireland Ltd	1,267
I-Faber Società per Azioni	886
UniCredit Bancassurance Management & Administration Società consortile a responsabilità limitata (formerly UniCredit Bancassurance Management & Administration s.r.l.)	650
Sofigere Société par Actions Simplifiée	146
Sviluppo Globale GEIE	60
Società Gestione per il Realizzo S.p.A. (in liquidation)	7
Total	**1,282,855**

Section 4 - Gains and losses on financial assets and liabilities held for trading - Item 80

4.1 Gains and losses on financial assets and liabilities held for trading: breakdown

TRANSACTIONS/P&L ITEMS	2009 UNREALIZED PROFITS	REALIZED PROFITS	UNREALIZED LOSSES	REALIZED LOSSES	NET PROFIT
1. Financial assets held for trading	**5,491**	**51**	**(17,709)**	**(27,469)**	**(39,636)**
1.1 Debt securities	5,491	51	(17,709)	(27,469)	(39,636)
1.2 Equity instruments	-	-	-	-	-
1.3 Units in investment funds	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	**595**	**-**	**-**	**(149)**	**446**
2.1 Debt securities	595	-	-	(149)	446
2.2 Deposit	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Other financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**(1,506,426)**
4. Derivatives	**703,690**	**1,560,152**	**(520,079)**	**(1,631,040)**	**1,641,911**
4.1 Financial derivatives:	703,646	1,560,125	(520,079)	(1,630,996)	1,641,884
- on debt securities and interest rates	62,993	850,571	(56,789)	(849,426)	7,349
- on equity securities and share indices	640,631	705,755	(463,268)	(781,340)	101,778
- on currency and gold	X	X	X	X	1,529,188
- other	22	3,799	(22)	(230)	3,569
4.2 Credit derivatives	44	27	-	(44)	27
Total	**709,776**	**1,560,203**	**(537,788)**	**(1,658,658)**	**96,295**

Section 5 - Fair value adjustments in hedge accounting - Item 90

5.1 Fair value adjustments in hedge accounting: breakdown

PROFIT COMPONENT/VALUES	2009	2008
A. Gains on:		
A.1 Fair value hedging instruments	1,430,735	1,619,424
A.2 Hedged asset items (fair value)	346,858	536,920
A.3 Hedged liability items (fair value)	952,395	37,720
A.4 Cash-flow hedges	-	107
A.5 Assets and liabilities denominated in currency	-	-
Total gains on hedging activities (A)	**2,729,988**	**2,194,171**
B. Losses on:		
B.1 Fair value hedging instruments	(1,327,375)	(432,664)
B.2 Hedged asset items (fair value)	(11,626)	(1,129)
B.3 Hedged liability items (fair value)	(1,390,987)	(1,764,084)
B.4 Cash-flow hedges	-	(2,753)
B.5 Assets and liabilities denominated in currency	-	-
Total losses on hedging activities (B)	**(2,729,988)**	**(2,200,630)**
C. Net profit from hedging activities (A - B)	**-**	**(6,459)**

Part C - Income Statement (Continued)

Section 6 - Gains (losses) on disposals/repurchases - Item 100

6.1 Gains and losses on disposals/repurchases: breakdown

	2009			2008		
ITEMS/P&L ITEMS	GAINS	LOSSES	NET PROFIT	GAINS	LOSSES	NET PROFIT
Financial assets						
1. Loans and receivables with banks	28,869	(26,957)	1,912	8	(78)	(70)
2. Loans and receivables with customers	24,539	(20,534)	4,005	17	(421,799)	(421,782)
3. Available-for-sale financial assets	83,282	(9,440)	73,842	129,666	(34,931)	94,735
3.1 Debt securities	5,648	(1,146)	4,502	13,468	(24,194)	(10,726)
3.2 Equity instruments	67,963	-	67,963	115,976	(9,688)	106,288
3.3 Units in investment funds	9,671	(8,294)	1,377	222	(1,049)	(827)
3.4 Loans	-	-	-	-	-	-
4. Held-to-maturity investments	113	(138)	(25)	-	-	-
Total assets	**136,803**	**(57,069)**	**79,734**	**129,691**	**(456,808)**	**(327,117)**
Financial liabilities						
1. Deposits with banks	-	-	-	-	-	-
2. Deposits with customers	-	-	-	-	-	-
3. Debt securities in issue	25,085	(48,385)	(23,300)	16,076	(9,039)	7,037
Total liabilities	**25,085**	**(48,385)**	**(23,300)**	**16,076**	**(9,039)**	**7,037**

Section 7 - Gains and losses on financial assets/liabilities at fair value through profit or loss - Item 110

7.1 Net change in financial assets and liabilities designated at fair value: breakdown

	2009				
TRANSACTIONS/P&L ITEMS	UNREALIZED PROFITS	REALIZED PROFITS	UNREALIZED LOSSES	REALIZED LOSSES	NET PROFIT
1. Financial assets	**43,491**	**439**	**-**	**-**	**43,930**
1.1 Debt securities	715	396	-	-	1,111
1.2 Equity securities	1,811	-	-	-	1,811
1.3 Units in investment funds	40,965	43	-	-	41,008
1.4 Loans	-	-	-	-	-
2. Financial liabilities	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-		-	-	-
2.2 Deposits from banks	-	-	-	-	-
2.3 Deposits from customers	-	-	-	-	-
3. Financial assets and liabilities in foreign currency: exchange differences	**X**	**X**	**X**	**X**	**-**
4. Credit and financial derivatives	**-**	**-**	**-**	**-**	**-**
Total	43,491	439	-	-	43,930

Section 8 - Impairment losses - Item 130

8.1 Impairment losses on loans: breakdown

TRANSACTIONS / P&L ITEMS	2009								
	WRITE-DOWNS			WRITE-BACKS					
	SPECIFIC			SPECIFIC		PORTFOLIO			
	WRITE-OFFS	OTHER	PORTFOLIO	INTEREST	OTHER	INTEREST	OTHER	TOTAL	2008 TOTAL
A. Loans and receivables with banks	-	-	(3,374)	-	-	-	926	(2,448)	(476)
- Loans	-	-	(3,374)				926	(2,448)	(476)
- Debt securities	-	-	-	-	-	-	-	-	-
B. Loans and receivables with customers	(566)	(30,002)	(14,510)	2,589	7,526	-	131	(34,832)	173,115
- Loans	(566)	(27,782)	(14,510)	2,589	7,526	-	131	(32,612)	173,115
- Debt securities	-	(2,220)	-	-	-	-	-	(2,220)	-
C. Total	**(566)**	**(30,002)**	**(17,884)**	**2,589**	**7,526**	**-**	**1,057**	**(37,280)**	**172,639**

8.2 Impairment losses on available for sale financial assets: breakdown

TRANSACTIONS / P&L ITEMS	2009					
	WRITE-DOWNS		WRITE-BACKS			
	SPECIFIC		SPECIFIC			
	WRITE-OFFS	OTHER	INTEREST	OTHER	TOTAL	2008 TOTAL
A. Debt securities	-	-	-	-	-	-
B. Equity instruments	-	(109,679)	X	X	(109,679)	(568,537)
C. Units in investment funds	-	(46,518)	X	-	(46,518)	(403)
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. Total	**-**	**(156,197)**	**-**	**-**	**(156,197)**	**(568,940)**

8.3 Impairment losses on held-to-maturity investments: breakdown

TRANSACTIONS / P&L ITEMS	2009								
	WRITE-DOWNS			WRITE-BACKS					
	SPECIFIC			SPECIFIC		PORTFOLIO			
	WRITE-OFFS	OTHER	PORTFOLIO	INTEREST	OTHER	INTEREST	OTHER	TOTAL	2008 TOTAL
A. Debt securities	-	-	-	-	-	-		-	20
B. Loans to banks	-	-	-	-	-	-	-	-	-
C. Loans to customers	-	-	-	-	-	-	-	-	-
D. Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20**

8.4 Impairment losses on other financial transactions: breakdown

TRANSACTIONS / P&L ITEMS	2009								
	WRITE-DOWNS			WRITE-BACKS					
	SPECIFIC			SPECIFIC		PORTFOLIO			
	WRITE-OFFS	OTHER	PORTFOLIO	INTEREST	OTHER	INTEREST	OTHER	TOTAL	2008 TOTAL
A. Guarantees given	-	(52,400)	(625)		938	-	1,939	(50,148)	(36,242)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other transactions	-	-	-	-	-	-	-	-	-
E. Total	**-**	**(52,400)**	**(625)**	**-**	**938**	**-**	**1,939**	**(50,148)**	**(36,242)**

Columns “Write-backs - interest” in tables 8.1, 8.2, 8.3 and 8.4 disclose any increases in the presumed recovery value arising from interest accrued in the year on the basis of the original effective interest rate used to calculate write-downs.

Part C - Income Statement (CONTINUED)

Section 9 - Administrative costs - Item 150

9.1 Payroll: breakdown

TYPE OF EXPENSE	2009	2008
1) Employees	**(561,320)**	**(3,079,675)**
a) Wages and salaries	(313,208)	(2,003,235)
b) Social charges	(59,209)	(536,969)
c) Severance pay	(33,248)	(121,888)
d) Social security costs	-	-
e) Allocation to employee severance pay provision	(4,359)	(61,445)
f) Provision for retirement payments and similar provisions:	(44,730)	(45,672)
- defined contribution	(1,001)	(3,143)
- defined benefit	(43,729)	(42,529)
g) Payments to external pension funds:	(10,481)	(93,681)
- defined contribution	(10,481)	(63,276)
- defined benefit	-	(30,405)
h) Costs related to share-based payments	(37,876)	(30,636)
i) Other employee benefits	(58,209)	(186,149)
2) Other staff in activity	**(17,069)**	**(23,572)**
3) Directors and Statutory auditors	**(6,859)**	**(11,705)**
4) Early retirement	**-**	**-**
5) Recoveries of payments for second employees to other companies	**60,109**	**168,358**
6) Refund of expensives for employees seconded to the company	**(42,113)**	**(66,824)**
Total	**(567,252)**	**(3,013,418)**

9.2 Average number of employees by category

STAFF AVERAGE NUMBER	2009	2008
a) Employees	**3,752**	**3,095**
1) Senior managers	469	400
2) Managers	2,045	1,630
3) Remaining staff	1,238	1,065
b) Other staff	**644**	**365**
Total	**4,396**	**3,460**

9.3 Defined benefit company pension funds: total cost

PENSION AND SIMILAR FUNDS ALLOWANCES - WITH DEFINED BENEFITS	2009	2008
Current service cost	(1,744)	(2,137)
Interest cost	(44,754)	(45,038)
Expected return on plan assets	1,855	2,253
Net actuarial gain/loss recognized in year	914	2,393
Past service cost	-	-
Gains/losses on curtailments and settlements	-	-
Total	**(43,729)**	**(42,529)**

9.5 Other administrative expense: breakdown

ITEMS	2009	2008
1) Indirect taxes and duties	**(6,100)**	**(251,159)**
2) Miscellaneous costs and expenses	**(531,889)**	**(2,241,309)**
Advertising marketing and comunication	**(61,226)**	**(103,426)**
- advertaising - campaigns & media	(4,407)	(33,248)
- advertising - point of sale communication & direct marketing	(1,751)	(6,716)
- advertising - promotional expenses	(385)	(2,684)
- advertising - market and comunication rsearches	(3,376)	(12,693)
- sponsorship	(41,349)	(21,089)
- entertainment and other expenses	(8,473)	(16,656)
- convention and internal communications	(1,485)	(10,340)
Expenses related to credit risk	**(38,626)**	**(140,260)**
- legal expenses to credit recovery	(14,591)	(52,676)
- credit information and inquiries	(166)	(22,722)
- credit recovery services	(23,869)	(64,862)
Expenses related to personnel	**(57,091)**	**(118,547)**
- personnel area services	(1,657)	(8,930)
- personnel training & recruiting	(9,080)	(25,774)
- travel expenses and car rentals	(31,501)	(64,607)
- premises rentals for personnel	(14,853)	(19,167)
- expenses for personnel financial advisors	-	(69)
Information comunication tecnology expenses	**(114,698)**	**(646,810)**
- lease of ICT equipment and software	(839)	(3,516)
- supply of small IT items	(60)	(517)
- ICT consumables (ICT)	(194)	(1,087)
- telephone, swift & data transmission (ICT)	(5,793)	(24,259)
- ICT service	(101,433)	(594,900)
- financial information providers	(6,193)	(13,767)
- repair and maintenance of ICT equipment	(186)	(8,764)
Consulting and professionals services	**(105,806)**	**(128,215)**
- technical consulting	(36,872)	(58,039)
- professional services	(5,238)	(6,713)
- management consulting	(28,752)	(22,746)
- legal and notarial expenses	(34,944)	(40,717)
Real estate expenses	**(63,654)**	**(576,389)**
- internal and external surveillance of premises	(2,081)	(32,282)
- real estate services	(3,546)	(241,562)
- cleaning of premises	(2,160)	(16,888)
- repair and mainteneance of forniture, machinery, equipment	(1,964)	(24,342)
- maintenece of premises	(700)	(2,212)
- premises rentals	(48,543)	(221,758)
- utilities	(4,660)	(37,345)
Other administrative expenses	**(90,788)**	**(527,662)**
- insurance	(15,946)	(62,107)
- office equipment rentals	(433)	(1,915)
- postage	(1,618)	(44,030)
- printing and stationery	(641)	(15,671)
- administrative services	(50,714)	(308,033)
- logistic services	(3,654)	(13,779)
- bank front office services	-	(11,220)
- trasport of documents	(921)	(29,190)
- supply of small office items	(1,210)	(11,420)
- donations	(3,082)	(4,300)
- association dues and fees	(6,745)	(13,787)
- other expenses	(5,824)	(12,210)
Total	**(537,989)**	**(2,492,468)**

Part C - Income Statement (CONTINUED)

Section 10 - Provisions for risks and charges - Item 160

10.1 Net provisions for risks and charges: breakdown

ITEMS/COMPONENTS	2009 PROVISIONS	2009 REALLOCATION SURPLUS	2009 TOTAL	2008 TOTAL
1. Other provisions				
1.1 Legal disputes	(66,844)	40,734	(26,110)	(192,983)
1.2 Staff costs	-	-	-	-
1.3 Other	(106,299)	26,081	(80,218)	(208,897)
Total	**(173,143)**	**66,815**	**(106,328)**	**(401,880)**

Section 11 - Impairments/write-backs on property, plant and equipment - Item 170

11.1 Impairment on property, plant and equipment: breakdown

ASSETS/P&L ITEMS	2009 DEPRECIATION (A)	2009 IMPAIRMENT LOSSES (B)	2009 WRITE-BACKS (C)	2009 NET PROFIT (A + B –C)
A. Property, plant and equipment				
A.1 Owned	(5,217)	-	-	(5,217)
- for operational use	(5,217)		-	(5,217)
- for investment		-	-	-
A.2 Finance leases	-	-	-	-
- for operational use	-	-	-	-
- for investment	-	-	-	-
Total	**(5,217)**	**-**	**-**	**(5,217)**

Section 12 - Impairments/write-backs on intangible assets - Item 180

12.1 Impairment on intangible assets: breakdown

ASSETS/P&L ITEMS	2009 DEPRECIATION (A)	2009 IMPAIRMENT LOSSES (B)	2009 WRITE-BACKS (C)	2009 NET PROFIT (A + B –C)
A. Intangible assets				
A.1 Owned	(2,697)	-	-	(2,697)
- generated internally by the company	-	-	-	-
- other	(2,697)	-	-	(2,697)
A.2 Finance leases	-	-	-	-
Total	**(2,697)**	**-**	**-**	**(2,697)**

Section 13 - Other net operating income - Item 190

13.1 Other operating expense: breakdown

	2009	2008
Impairment losses on leasehold improvements (on non-separable assets)	(4,728)	(45,184)
Other costs related to the squeeze-out of BA-CA	-	(53,085)
Other costs related to the transfer to "Fondo depositi dormienti" (L. 266/2005 - D.P.R. 116/2007 as updated)	(6,397)	(66,263)
Other	(29,195)	(93,355)
Total	**(40,320)**	**(257,887)**

13.2 Other operating income: breakdown

	2009	2008
Recovery of costs	73,411	347,987
Revenues for administrative services	152,004	76,335
Other Revenues	19,044	50,389
Total	**244,459**	**474,711**

Section 14 - Profit (Loss) of associates - Item 210

14.1 Profit (Loss) of associates: breakdown

P&L ITEMS	2009	2008
A. Income	**3,250**	**317,258**
1. Revaluations	-	-
2. Gains on disposal	3,250	281,241
3. Write-backs	-	36,017
4. Other positive changes	-	-
B. Expense	**(125,814)**	**(130,073)**
1. Write-downs	-	-
2. Impairment losses	(125,814)	(28,992)
3. Losses on disposal	-	(101,081)
4. Other negative changes	-	-
Net gains (losses)	**(122,564)**	**187,185**

Section 15 - Net gains (losses) on property, plant and equipment and intangible assets measured at fair value - Item 220

No data to be disclosed in this section.

Section 16 - Impairment of goodwill - Item 230

No data to be disclosed in this section.

Section 17 - Gains (losses) on disposal of investments - Item 240

17.1 Gains and losses on disposal of investments: breakdown

P&L ITEMS	2009	2008
A. Property	**(40)**	**1,150**
- Gains on disposal	-	1,150
- Losses on disposal	(40)	-
B. Other assets	**66**	**203**
- Gains on disposal	78	304
- Losses on disposal	(12)	(101)
Net gains (losses)	**26**	**1,353**

Part C - Income Statement (CONTINUED)

Section 18 - Tax expense (income) related to profit or loss from continuing operations - Item 260

18.1Tax expense (income) related to profit or loss from continuing operations: breakdown

P&L ITEMS	2009	2008
1. Current tax (+/-)	459,772	(1,270,454)
2. Adjustment to current tax of prior years (+/-)	137,554	158,856
3. Reduction of current tax for the year (+)	-	-
4. Changes to deferred tax assets (+/-)	(658,176)	1,986,978
5. Changes to deferred tax liabilties (+/-)	513,755	182,259
Tax for the year	**452,905**	**1,057,639**

2008 values include the positive net effect by the fiscal release of the Goodwill, as already stated in the Report on Operations.

18.2 Reconciliation of theoretical tax charge to actual tax charge

	2009	2008
TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS (item 250)	(401,904)	2,223,448
Theoretical tax rate	27,5%	27,5%
Theoretical tax	110,524	(611,448)
1. Different tax rates	-	-
2. Non-taxable income - continuing differences	481,335	864,613
3. Non-tax-deductible expenses - continuing differences	(143,393)	(336,746)
4. Italian regional tax on production	-	(35,000)
5. Prior years and changes in tax rates	(710)	(215,795)
a) effects on current tax	-	158,856
- losses carried forward	-	-
- other previous year effects		158,856
b) effects on deferred tax	(710)	(374,651)
- changes in tax rates	-	-
- new tax levied (+) previous tax removed (-)	-	-
- other previous year effects	(710)	(374,651)
6. Valuation adjustments and non-recognition of deferred taxes	-	2,426,162
- write-downs on deferred tax assets	-	-
- recognition of deferred tax assets	-	2,379,156
- non-recognition of deferred tax assets	-	-
- non-recognition of deferred tax assets/liabilities under IAS 12.39 and 12.44	-	-
- other	-	47,006
7. Amortization of goodwill	-	-
8. Non-taxable foreign income	12,401	432,188
9. Withholding tax	-	(1,411,285)
10. Other differences	(7,252)	(55,050)
Tax entered to profit or loss	**452,905**	**1,057,639**

Section 19 - Gains (Losses) on groups of assets held for sale, net of tax - Item 280
No data to be disclosed in this section.

Section 20 - Other information
No information to be disclosed in this section.

Section 21 - Earnings per share

Earnings per share

	2009	2008
Net profit (thousands of euros) (1)	(80,077)	3,281,087
Average number of outstanding shares (2)	15,810,771,546	15,642,228,959
Average number of potential dilutive shares	8,579,747	10,058,850
Average number of diluted shares	15,819,351,293	15,652,287,809
Earnings per share (€)	**-0.005**	**0.210**
Diluted earnings per share (€)	**-0.005**	**0.210**

(1) The 2009 net profit of €51,001k decreased of €131,078k, according to payments debited to net equity and due under own shares contract of usufrutto stipulated within Cashes transaction.

(2) Net of the average number of own shares (2009 figures are net of further 967,564,061 shares retained under usufrutto contract); has been incremented by the new shares issued in conseguence of free capital increase pursuant to section 2442 of the Civil Code approved by the Extraordinary Shareholders meeting on April 29, 2009. In case of bonus issue, the number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented (IAS 33, § 28).

Part D - Comprehensive Income

Part D - Comprehensive Income (amounts in thousands of €)

Analytical Statement of Comprehensive Income

ITEMS	BEFORE TAX EFFECTS	TAX EFFECTS	AFTER TAX EFFECTS
10. Net Profit (Loss)	**X**	**X**	**51,001**
Other comprehensive income			
20. Available-for-sale financial assets	**314,810**	**(73,420)**	**241,390**
a) fair value changes	225,809	(44,925)	180,884
b) reclassifications through profit or loss	43,268	(15,469)	27,799
- due to impairment	52,161	(14,327)	37,834
- following disposal	(8,893)	(1,142)	(10,035)
c) other variations	45,733	(13,026)	32,707
30. Property, plant and equipment	**-**	**-**	**-**
40. Intangible assets	**-**	**-**	**-**
50. Hedges of foreign investments:	**-**	**-**	**-**
a) fair value changes	-	-	-
b) reclassifications through profit or loss	-	-	-
c) other variations	-	-	-
60. Cash flow hedges:	**(68,685)**	**18,888**	**(49,797)**
a) fair value changes	(68,685)	18,888	(49,797)
b) reclassifications through profit or loss	-	-	-
c) other variations	-	-	-
70. Exchange differences:	**-**	**-**	**-**
a) fair value changes	-	-	-
b) reclassifications through profit or loss	-	-	-
c) other variations	-	-	-
80. Non-current assets classified held for sale	**-**	**-**	**-**
a) fair value changes	-	-	-
b) reclassifications through profit or loss	-	-	-
c) other variations	-	-	-
90. Actuarial gains (losses) on definited benefit plans	**-**	**-**	**-**
100. Changes in valuation reserve pertaining to equity method investments:	**-**	**-**	**-**
a) fair value changes	-	-	-
b) reclassifications through profit or loss	-	-	-
- due to impairment	-	-	-
- following disposal	-	-	-
c) other variations	-	-	-
110. Other comprehensive income	**246,125**	**(54,532)**	**191,593**
120. Comprehensive income (Item 10+110)			**242,594**

Part E - Risks and Hedging Policies

Part E - Risks and Hedging Policies (amounts in thousands of €)

This part of the Notes to the Accounts provides quantitative information on risks in respect of UniCredit S.pA. Qualitative information on risk management and monitoring is provided in Part E of the Notes to the Consolidated Accounts.

Section 1 - Credit risk

QUANTITATIVE INFORMATION

A. CREDIT QUALITY

A.1 IMPAIRED AND PERFORMING LOANS: AMOUNTS, WRITEDOWNS, CHANGES, ECONOMIC AND GEOGRAPHICAL DISTRIBUTION

Part A.1 does not include equity instruments or UCITS shares.

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying value)

PORTFOLIO/QUALITY	NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURE	PAST-DUE	OTHER ASSETS	TOTAL
1. Financial assets held for trading	-	-	-	-	6,351,495	6,351,495
2. Available-for-sale financial assets	-	-	-	-	8,235,046	8,235,046
3. Held-to-maturity investments	-	-	-	-	4,058,611	4,058,611
4. Loans and receivables with banks		-	-	-	203,963,078	203,963,078
5. Loans and receivables with customers	100,812	99,662	-	-	51,464,897	51,665,371
6. Financial assets at fair value through profit or loss	-	-	-	-	13,549	13,549
7. Financial assets classified as held for sale	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	4,202,838	4,202,838
Total as at 12.31.2009	**100,812**	**99,662**	**-**	**-**	**278,289,514**	**278,489,988**
Total as at 12.31.2008	**149,049**	**91,750**	**53**	**-**	**264,287,486**	**264,528,338**

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net value)

	IMPAIRED ASSETS			OTHER ASSETS			
PORTFOLIO/QUALITY	GROSS EXPOSURE	SPECIFIC WRITE DOWNS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	TOTAL (NET EXPOSURE)
1. Financial assets held for trading	-	-	-	X	X	6,351,495	6,351,495
2. Available-for-sale financial assets	-	-	-	8,235,046	-	8,235,046	8,235,046
3. Held-to-maturity investments	-	-	-	4,058,611	-	4,058,611	4,058,611
4. Loans and receivables with banks	28	(28)	-	203,966,720	(3,642)	203,963,078	203,963,078
5. Loans and receivables with customers	637,920	(437,446)	200,474	51,669,837	(204,940)	51,464,897	51,665,371
6. Financial assets at fair value through profit or loss	-	-	-	X	X	13,549	13,549
7. Financial assets classified as held for sale	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	X	X	4,202,838	4,202,838
Total as at 12.31.2009	**637,948**	**(437,474)**	**200,474**	**267,930,214**	**(208,582)**	**278,289,514**	**278,489,988**
Total as at 12.31.2008	**648,130**	**(407,278)**	**240,852**	**264,330,753**	**(43,267)**	**264,287,486**	**264,528,338**

A.1.3 On-balance and off-balance sheet exposure to banks: gross and net values

EXPOSURE TYPE / AMOUNTS	GROSS EXPOSURE	SPECIFIC WRITE DOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
A. On-balance-sheet exposure				
a) Non-performing loans	28	(28)	X	-
b) Doubtful loans	-	-	X	-
c) Restructured exposure	-	-	X	-
d) Past due	-	-	-	-
e) Other assets	205,232,746	X	(3,642)	205,229,104
Total A	**205,232,774**	**(28)**	**(3,642)**	**205,229,104**
B. Off-balance-sheet exposure				
a) Impaired	-	-	-	-
b) Other	51,076,664	X	(5,700)	51,070,964
Total B	**51,076,664**	**-**	**(5,700)**	**51,070,964**
Total A+B	**256,309,438**	**(28)**	**(9,342)**	**256,300,068**

On-balance sheet exposures include all balance-sheet assets, including held-for-trading, available-for-sale, held-to-maturity assets, loans, assets at fair value through profit or loss and assets held for sale.
Off-balance sheet exposure comprises guarantees given, commitments and derivatives regardless of each transaction's classification category.
The gross exposure of credit derivatives for which protection has been sold corresponds to (i) the sum of the face value and the positive fair value in respect of total rate of return swaps, (ii) to positive fair value in respect of credit spread swaps and (iii) to the notional value in respect of credit default products and credit linked notes.

A.1.4 Balance-sheet exposure to banks: gross change in impaired exposures

SOURCE / CATEGORIES	NON - PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURE	PAST-DUE
A. Opening balance	**4,427**	**-**	**-**	**-**
- of which: Sold and not derecognised	-	-	-	-
B. Increases	**-**	**-**	**-**	**-**
B.1 Transfers from performing loans	-	-	-	-
B.2 Transfers to other impaired exposure	-	-	-	-
B.3 Other increases	-	-	-	-
C. Reductions	**4,399**	**-**	**-**	**-**
C.1 Transfers to performing loans	-	-	-	-
C.2 Derecognised items	-	-	-	-
C.3 Recoveries	-	-	-	-
C.4 Sales proceeds	-	-	-	-
C.5 Transfers to other impaired exposure	-	-	-	-
C.6 Other reductions	4,399	-	-	-
D. Closing balance	**28**	**-**	**-**	**-**
- of which: Sold and not derecognised	-	-	-	-

A.1.5 Balance-sheet exposure to banks: change in overall impairments

SOURCE / CATEGORIES	NON - PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURE	PAST-DUE
A.1 Opening balance	**3,987**	**-**	**-**	**-**
- of which: Sold and not derecognised	-	-	-	-
B. Increases	**-**	**-**	**-**	**-**
B.1 Writedowns	-	-	-	-
B.2 Transfers from other impaired exposure	-	-	-	-
B.3 Other increases	-	-	-	-
C. Reductions	**3,959**	**-**	**-**	**-**
C.1 Transfers to performing loans	-	-	-	-
C.2 Write-backs from recoveries	-	-	-	-
C.3 Write-offs	-	-	-	-
C.4 Transfers to other impaired exposure	-	-	-	-
C.5 Other reductions	3,959	-	-	-
D. Final gross writedowns	**28**	**-**	**-**	**-**
- of which: Sold and not derecognised	-	-	-	-

Part E - Risks and Hedging Policies (Continued)

A.1.6 Balance-sheet and off-balance sheet exposure to customers: gross and net values

EXPOSURE TYPE / AMOUNTS	GROSS EXPOSURE	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
A. Balance-sheet exposure				
a) Non-performing loans	479,694	(378,882)	X	100,812
b) Doubtful loans	156,830	(57,168)	X	99,662
c) Restructured exposure	349	(349)	X	-
d) Past due	1,047	(1,047)	X	-
e) Other assets	66,197,320	X	(204,940)	65,992,380
Total A	**66,835,240**	**(437,446)**	**(204,940)**	**66,192,854**
B. Off-balance-sheet exposure				
a) Impaired	18,665	(1,675)	X	16,990
b) Other	22,775,132	X	(537,248)	22,237,884
Total B	**22,793,797**	**(1,675)**	**(537,248)**	**22,254,874**
Total A+B	**89,629,037**	**(439,121)**	**(742,188)**	**88,447,728**

On-balance sheet exposures include all balance-sheet assets, including held-for-trading, available-for-sale, held-to-maturity assets, loans, assets at fair value through profit or loss and assets held for sale.
Off-balance sheet exposure comprises guarantees given, commitments and derivatives regardless of each transaction's classification category.
The gross exposure of credit derivatives for which protection has been sold corresponds to (i) the sum of the face value and the positive fair value in respect of total rate of return swaps, (ii) to positive fair value in respect of credit spread swaps and (iii) to the notional value in respect of credit default products and credit linked notes.

A.1.7 Balance-sheet exposure to customers: gross change in impaired exposure subject to country risk

SOURCE/CATEGORIES	NON - PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST-DUE
A. Opening balance - gross exposure	**504,140**	**138,000**	**479**	**1.084**
- Sold not derecognised	-	-	-	-
B. Increases	**58,612**	**18,846**	**-**	**-**
B.1 Transfers from performing loans	5,729	16,000	-	-
B.2 Transfers from other impaired exposures	-	-	-	-
B.3 Other increases	52,883	2,846	-	-
C. Reductions	**83,058**	**16**	**130**	**37**
C.1 Transfers to performing loans	6,563	-	7	-
C.2 Derecognised items	23,491	-	-	-
C.3 Recoveries	51,815	-	123	-
C.4 Sales proceeds	-	-	-	-
C.5 Transfers to other impaired exposures	-	-	-	-
C.6 Other reductions	1,189	16	-	37
D. Closing balance gross exposure	**479,694**	**156,830**	**349**	**1,047**
- Sold not derecognised	-	-	-	-

A.1.8 Balance-sheet exposure to customers: changes in overall impairment

SOURCE/CATEGORIES	NON - PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST-DUE
A. Opening gross writedowns	**355,531**	**46,250**	**426**	**1,084**
- Sold not derecognised	-	-	-	-
B. Increases	**54,273**	**11,420**	**-**	**-**
B.1 Writedowns	26,399	11,420	-	-
B.2 Transfers from other impaired exposure	-	-	-	-
B.3 Other increases	27,874	-	-	-
C. Reductions	**30,922**	**502**	**77**	**37**
C.1 Transfers to performing loans	2,092	497	-	-
C.2 Write-backs from recoveries	4,498	-	77	-
C.3 Write-offs	23,491	-	-	-
C.4 Transfers to other impaired exposure	-	-	-	-
C.5 Other reductions	841	5	-	37
D. Closing gross writedowns	**378,882**	**57,168**	**349**	**1,047**
- Sold not derecognised	-	-	-	-

A.2 Breakdown of exposures according to external and internal ratings

A.2.1 Balance-sheet and off-balance sheet exposure by external rating class (book values)

EXPOSURES	EXTERNAL RATING CLASSES						NO RATING	TOTAL
	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6		
A. On-balance-sheet exposures	**1,388,730**	**209,345,659**	**173,868**	**212,709**	**126,406**	**201,011**	**59,973,575**	**271,421,958**
B. Derivative contracts	**304,355**	**4,215,913**	**-**	**-**	**-**	**-**	**2,758,928**	**7,279,196**
B.1 Financial derivative contracts	304,355	4,215,913	-	-	-	-	2,547,685	7,067,953
B.2 Credit derivatives	-	-	-	-	-	-	211,243	211,243
C. Guarantees given	**272,864**	**18,718,545**	**827,347**	**900,186**	**32,785**	**17,685**	**24,859,756**	**45,629,168**
D. Otfher commitments to disburse funds	**59,287**	**673,553**	**50**	**89,321**	**-**	**-**	**19,595,263**	**20,417,474**
Total	**2,025,236**	**232,953,670**	**1,001,265**	**1,202,216**	**159,191**	**218,696**	**107,187,522**	**344,747,796**

Impaired assets are included in “Class 6”.

The table details on- and off-balance sheet credits granted to counterparties rated by external rating agencies, which provide brief assessments of the creditworthiness of different classes of borrowers such as Sovereigns, Banks, Public Entities, Insurance Companies and (usually large) Enterprises.

The table refers to classification of 262/2005 Bank of Italy Circular - 1st update of November 18, 2009; then it provides, for external ratings, 6 classes of creditworthiness.

Rating Agency utilized for compile the table are: Moody’s, S&Ps e Fitch.

In the case when more than one agency rating is available, the most prudential rating is assigned.

The “Investment Grade” area (from Class 1 to Class 3), particularly the first two sections (Class 1 and Class 2), comprises nearly all externally rated exposures, since the corresponding counterparties are mainly banks.

Unrated exposures, i.e. those with no external rating, were 31% of the portfolio.

A.2.2 Balance-sheet and off-balance sheet exposure by internal rating class (book values)

EXPOSURES	INTERNAL RATING CLASSES					
	1	2	3	4	5	6
A. On-balance-sheet exposures	**107,205,650**	**83,225,131**	**856,927**	**894,619**	**117,981**	**87,742**
B. Derivative contracts	**807,141**	**437,367**	**71,708**	**3,550,685**	**16,059**	**-**
B.1 Financial derivative contracts	807,141	437,367	71,708	3,550,608	16,059	-
B.2 Credit derivatives	-	-	-	77	-	-
C. Guarantees given	**28,813,878**	**6,434,723**	**822,807**	**258,296**	**812,485**	**306,137**
D. Otfher commitments to disburse funds	**6,759,542**	**746,442**	**71,912**	**70,554**	**168,698**	**-**
Total	**143,586,211**	**90,843,663**	**1,823,354**	**4,774,154**	**1,115,223**	**393,879**

A.2.2 Balance-sheet and off-balance sheet exposure by internal rating class (book values)

EXPOSURES	INTERNAL RATING CLASSES				IMPAIRED ASSETS	NO RATING	TOTAL
	7	8	9	10			
A. On-balance-sheet exposures	**169,722**	**107,153**	**20,886**	**13,470**	**200,474**	**78,522,203**	**271,421,958**
B. Derivative contracts	**683**	**-**	**-**	**-**	**-**	**2,395,553**	**7,279,196**
B.1 Financial derivative contracts	-	-		-	-	2,185,070	7,067,953
B.2 Credit derivatives	683	-	-	-	-	210,483	211,243
C. Guarantees given	**1,294,389**	**109,246**	**20,239**	**127,627**	**16,990**	**6,612,351**	**45,629,168**
D. Otfher commitments to disburse funds	**87,921**	**-**	**-**	**-**	**-**	**12,512,405**	**20,417,474**
Total	**1,552,715**	**216,399**	**41,125**	**141,097**	**217,464**	**100,042,512**	**344,747,796**

Part E - Risks and Hedging Policies (Continued)

INTERNAL CLASSES	PD RANGE
1	0 <= PD <= 0.0004
2	0.0004 < PD <= 0.0010
3	0.0010 < PD <= 0.0022
4	0.0022 < PD <= 0.0049
5	0.0049 < PD <= 0.0089
6	0.0089 < PD <= 0.0133
7	0.0133 < PD <= 0.0198
8	0.0198 < PD <= 0.0360
9	0.0360 < PD <= 0.1192
10	0.1192 < PD

The table contains on- and off-balance sheet exposures grouped according to the counterparties' internal rating.
Ratings are assigned to individual counterparties using Group banks' internally-developed models included in their credit risk management processes.
The internal models validated by the regulators are 'Group-wide' (e.g. for Banks, Multinationals and Sovereigns).

The different rating scales of these models are mapped in a single master-scale of 10 classes (illustrated in the table above) based on Probability of Default (PD).

Almost all internally-rated exposures were investment grade (classes 1 to 4), while exposures towards unrated counterparties were 29% of the total.
No rating is assigned to these counterparties as they belong to a segment not yet covered by the models or still in the roll-out phase.
Internal Rating are used for Capital Requirements calculation. UniCredit S.p.A. was authorized for the IRB approach from Bank of Italy.

A.3 Breakdown of secured exposures by type of guarantee

A.3.1 Secured on balance-sheet exposures to banks and customers

		COLLATERALS (1)			PERSONAL GUARANTEES (2)									
					CREDIT DERIVATIVES					LOAN GUARANTEES				
						OTHER CREDIT DERIVATIVES								
	NET EXPOSURE	PROPERTY	SECURITIES	OTHER ASSETS	CREDIT LINK NOTES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	TOTAL (1) + (2)
1. Secured credit exposures to banks:														
1.1 totally secured	105,035	-	-	105,035	-	-	-	-	-	-	-	-	-	105,035
- of which: impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2. partially secured	-	-	-	-		-	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Secured credit exposures to customers:														
2.1. totally secured	87,188	-	87,188	-	-	-	-	-	-	-	-	-	-	87,188
- of which: impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. partially secured	2,000	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000
- of which: impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A.3.2 Secured off-balance-sheet exposures to banks and customers

	NET EXPOSURE	COLLATERALS (1)			PERSONAL GUARANTEES (2)									TOTAL (1) + (2)
					CREDIT DERIVATIVES					LOAN GUARANTEES				
						OTHER CREDIT DERIVATIVES								
		PROPERTY	SECURITIES	OTHER ASSETS	CREDIT LINK NOTES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	
1. Secured credit exposures to banks:														
1.1 totally secured	64,379	-	3,421	-	-	-	-	-	-	-	-	-	60,958	64,379
- of which: impaired	*60,958*	-	-	-	-	-	-	-	-	-	-	-	*60,958*	*60,958*
1.2. partially secured	47,730	-	19,300	-	-	-	-	-	-	-	-	-	2,168	21,468
- of which: impaired	*2,771*	-	-	-	-	-	-	-	-	-	-	-	*2,168*	*2,168*
2. Secured credit exposures to customers:														
2.1. totally secured	952	-	-	952	-	-	-	-	-	-	-	-	-	952
- of which: impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. partially secured	4,639	-	-	2,146	-	-	-	-	-	-	-	-	-	2,146
- of which: impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The amount shown in the “Amount of the Exposure”, in tables A.3.1. and A.3.2, column is the net exposure.
Classification of exposures as “totally secured” or “partially secured” is made by comparing the gross exposure with the amount of the contractually agreed security.

B. DISTRIBUTION AND CONCENTRATION OF LOANS

B.1 Breakdown of balance-sheet and off-balance-sheet exposures to customers by main business sector

EXPOSURES / COUNTERPARTIES	GOVERNMENTS			OTHER PUBLIC ENTITIES			FINANCIAL COMPANIES		
	NET EXPOSURE	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS
A. Balance Sheet exposures									
A.1 Non-performing loans	-	-	X	-	(445)	X	379	(45,058)	X
A.2 Doubtful loans	-	-	X	78,447	(48,734)	X	-	-	X
A.3 Restructured exposures	-	-	X	-	-	X	-	-	X
A.4 Past-due loans	-	-	X	-	(1,047)	X	-	-	X
A.5 Other exposures	14,394,038	X	-	37,903	X	(1,226)	48,066,439	X	(175,607)
Total A	**14,394,038**	**-**	**-**	**116,350**	**(50,226)**	**(1,226)**	**48,066,818**	**(45,058)**	**(175,607)**
B. Off-balance sheet exposures									
B.1 Non-performing loans	-	-	X	-	-	X	-	-	X
B.2 Doubtful loans	-	-	X	16,990	(1,675)	X	-	-	X
B.3 Other impaired assets	-	-	X	-	-	X	-	-	X
B.4 Other exposures	-	X	-	497,284	X	-	16,456,656	X	(535,538)
Total B	**-**	**-**	**-**	**514,274**	**(1,675)**	**-**	**16,456,656**	**-**	**(535,538)**
Total 12.31.2009	**14,394,038**	**-**	**-**	**630,624**	**(51,901)**	**(1,226)**	**64,523,474**	**(45,058)**	**(711,145)**
Total 12.31.2008	**11,679,494**	**-**	**(54)**	**137,902**	**(41,498)**	**(14)**	**38,630,984**	**(36,278)**	**(518,533)**

Part E - Risks and Hedging Policies (Continued)

B.1 Breakdown of balance-sheet and off-balance-sheet exposures to customers by main business sector continued

EXPOSURES / COUNTERPARTIES	INSURANCE COMPANIES			NON-FINANCIAL COMPANIES			OTHER BORROWERS		
	NET EXPOSURE	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS
A. Balance Sheet exposures									
A.1 Non-performing loans	-	-	X	92,200	(314,070)	X	8,233	(19,308)	X
A.2 Doubtful loans	-	-	X	21,215	(8,434)	X	-	-	X
A.3 Restructured exposures	-	-	X	-	(349)	X	-	-	X
A.4 Past-due loans	-	-	X	-	-	X	-	-	X
A.5 Other exposures	162,414	X	(49)	3,277,935	X	(27,373)	53,651	X	(686)
Total A	**162,414**	**-**	**(49)**	**3,391,350**	**(322,853)**	**(27,373)**	**61,884**	**(19,308)**	**(686)**
B. Off-balance sheet exposures									
B.1 Non-performing loans	-	-	X	-	-	X	-	-	X
B.2 Doubtful loans	-	-	X	-	-	X	-	-	X
B.3 Other impaired assets	-	-	X	-	-	X	-	-	X
B.4 Other exposures	1,979	X	-	4,321,854	X	-	960,110	X	(1,710)
Total B	**1,979**	**-**	**-**	**4,321,854**	**-**	**-**	**960,110**	**-**	**(1,710)**
Total 12.31.2009	**164,393**	**-**	**(49)**	**7,713,204**	**(322,853)**	**(27,373)**	**1,021,994**	**(19,308)**	**(2,396)**
Total 12.31.2008	**49,850**	**-**	**(47)**	**9,272,989**	**(327,372)**	**(27,845)**	**979,869**	**(790)**	**(1,997)**

B.2 Breakdown of balance-sheet and off-balance-sheet exposures to customers by area

EXPOSURES / GEOGRAPHICAL AREAS	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS
A. Balance Sheet exposure										
A.1 Non-performing loans	98,377	(348,133)	571	(16,126)	22	(4,092)	1,267	(9,718)	575	(813)
A.2 Doubtful loans	78,447	(48,734)	21,160	(8,307)	-	-	-	-	56	(128)
A.3 Restructured exposures	-	-	-	(349)	-	-	-	-	-	-
A.4 Past-due loans	-	-	-	-	-	-	-	-	-	-
A.5 Other exposures	61,308,229	(170,734)	3,664,529	(18,893)	752,840	(11,186)	191,818	(2,907)	74,965	(1,220)
Total A	**61,485,053**	**(567,601)**	**3,686,260**	**(43,675)**	**752,862**	**(15,278)**	**193,085**	**(12,625)**	**75,596**	**(2,161)**
B. Off-balance sheet exposure										
B.1 Non-performing loans	-	-	-	-		-	-	-	-	-
B.2 Doubtful loans	16,990	(1,675)	-	-	-	-			-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-	-	-
B.4 Other exposures	16,770,488	(537,248)	3,447,428	-	1,816,853	-	200,677	-	-	-
Total B	**16,787,478**	**(538,923)**	**3,447,428**	**-**	**1,816,853**	**-**	**200,677**	**-**	**-**	**-**
Total 12.31.2009	**78,272,531**	**(1,106,524)**	**7,133,688**	**(43,675)**	**2,569,715**	**(15,278)**	**393,762**	**(12,625)**	**75,596**	**(2,161)**
Total 12.31.2008	**47,784,557**	**(865,992)**	**7,601,905**	**(49,725)**	**3,920,203**	**(29,738)**	**426,383**	**(7,987)**	**68,805**	**(986)**

B.3 Breakdown of balance-sheet and off-balance-sheet exposures to banks by area

EXPOSURES / GEOGRAPHIC AREAS	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS
A. Balance Sheet exposure										
A.1 Non-performing loans	-	-	-	-	-	(28)	-	-	-	-
A.2 Doubtful loans	-	-	-	-	-	-	-	-	-	-
A.3 Restructured exposure	-	-	-	-	-	-	-	-	-	-
A.4 Past-due loans	-	-	-	-	-	-	-	-	-	-
A.5 Other exposures	188,187,216	-	15,866,148	-	668,565	(1,650)	418,218	(1,991)	88,958	-
Total A	**188,187,216**	**-**	**15,866,148**	**-**	**668,565**	**(1,678)**	**418,218**	**(1,991)**	**88,958**	**-**
B. Off-balance sheet exposure										
B.1 Non-performing loans	-	-	-	-	-	-	-	-	-	-
B.2 Doubtful loans	-	-	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-	-	-
B.4 Other exposures	21,949,684	-	27,902,561	(4,394)	341,620	(96)	453,893	(534)	423,207	(676)
Total B	**21,949,684**	**-**	**27,902,561**	**(4,394)**	**341,620**	**(96)**	**453,893**	**(534)**	**423,207**	**(676)**
Total 12.31.2009	**210,136,900**	**-**	**43,768,709**	**(4,394)**	**1,010,185**	**(1,774)**	**872,111**	**(2,525)**	**512,165**	**(676)**
Total 12.31.2008	**195,367,808**	**(4,401)**	**65,384,443**	**(4,498)**	**898,433**	**(1,529)**	**1,226,682**	**(1,467)**	**712,671**	**(430)**

C. SECURISATION AND SALE TRANSACTIONS

C.1 Securitisation transactions

QUALITATIVE INFORMATION

No new securitization transactions were undertaken in 2009.

Securities worth €1,575.7 million were purchased and recognized almost totally as loans and receivables with customers; these originated from the securitizations of Group companies, viz. Fineco Leasing S.p.A., UniCredit Family Financing Bank S.p.A., UniCredit Leasing S.p.A. and UniCredit Bank AG.

Additionally, UniCredit S.p.A. received on loan senior securities from UniCredit Family Financing Bank S.p.A. self-securitization transactions, which were recognized under "Loans to Banks - Repos".

Accordingly the holding of senior securities eligible for refinancing with Banca d'Italia increased, raising UniCredit's counterbalancing capacity.

Also part of the portfolio are:
- securitization transactions bought in 2007 from Capitalia (Trevi Finance, Trevi Finance 2, Trevi Finance 3, Entasi and Caesar Finance);
- securities originated by Group Companies and carried forward from the previous year, recognized under "Loans to customers" and, in part, under "Financial assets available for sale" , in the amount of €5,985.4 million
- Fonspa securitizations and some other third-party securitizations.

On January 25, 2010 UniCredit S.p.A. launched a bid (which was valid only outside Italy) for the purchase of some securities from securitization transactions originated by Group Companies. The bid ended on February 5, 2010 and €1,3571.7 million securities were purchased on February 12, 2010, of which €805.1 million were kept by UniCredit S.p.A. and €546.6 million were transferred to the subsidiary UniCredit Bank AG. These purchases are not included in the following quantitative tables, as they were finalized after the end of 2009.

Part E - Risks and Hedging Policies (Continued)

STRATEGIES, PROCESSES AND GOALS:	The goal of the transactions was largely to finance non-performing loan portfolios, diversify sources of funding, improve asset quality and enhance the portfolio with management focused on recovery transactions.
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	The securitization portfolio is monitored on an ongoing basis as a part of servicing activities and is recorded in quarterly reports with a breakdown of loan status and the trend of recoveries.
ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	Reporting related to the monitoring of portfolio collections takes the form of a report to senior management and the Board of Directors.
HEDGING POLICIES:	Special purpose vehicles enter into IRS and interest rate cap contracts in order to hedge structure-related risk and risk due to the difference between the variable-rate return for the securities issued and the return anticipated from recoveries from the portfolio acquired.
OPERATING RESULTS:	At year-end 2009 profits from existing transactions largely reflected the impact of cash flows from collections for the original defaulting loan portfolio. To be specific, collections for the year totaled € 165.374 million (€ 62.817 million for Trevi Finance, € 51.085 million for Trevi 2 and € 51.472 million for Trevi 3).

NAME	TREVI FINANCE		TREVI FINANCE 2	
Type of securitisation:	traditional		traditional	
Originator:	Banca di Roma S.p.A		Banca di Roma S.p.A. 89%, Mediocredito di Roma S.p.A. 11%	
Issuer:	Trevi Finance S.p.A.		Trevi Finance N. 2 S.p.A.	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	Finanziaria Internazionale securitization Group S.p.a. PARIBAS		Finanziaria Internazionale securitization Group S.p.a., BNP Paribas Group, Banca di Roma S.p.A.	
Target transaction :	Funding		Funding	
Type of asset:	ordinary loans – mortgage loans		ordinary loans – mortgage loans	
Quality of asset:	non performing	special purpose loan	non performing	special purpose loan
Closing date:	07.21.1999		04.20.2000	
Nominal Value of disposal portfolio :	€ 2,689,000,000	€ 94,000,000	€ 2,425,000,000	€ 98,000,000
Guarantees issued by the Bank:	Redemption of mezzanine securities C1 and C2 in issue		Redemption of mezzanine securities in issue	
Guarantees issued by Third Parties :	-		-	
Bank Lines of Credit :	€ 438,189,898 to the vehicle to support its liquidity		€ 380,000,000 to the vehicle to support its liquidity	
Third Parties Lines of Credit :	-		-	
Other Credit Enhancements :	-		-	
Other relevant information :	All securities issued outstanding as at 12.31.2009 are retained by UniCredit S.p.A..		All securities issued outstanding as at 12.31.2009 are retained by UniCredit S.p.A..	
Rating Agencies:	Moody's / Duff & Phelps / Fitch			
Amount of CDS or other supersenior risk transferred :	-		-	
Amount and Conditions of tranching:				
. ISIN	XS0099839887	XS0099847633	XS0110624409	XS0110624151
. Type of security	Senior	Mezzanine	Senior	Senior
. Class	A	B	A	B
. Rating	-	Aaa/A-/AAA	-	-
. Nominal value issued	€ 620,000,000	€ 155,000,000	€ 650,000,000	€ 200,000,000
. Nominal value at the end of accounting period	-	-	-	-
. ISIN	XS0099850934	XS0099856899	XS0110774808	XS0110770483
. Type of security	Mezzanine	Mezzanine	Mezzanine	Junior
. Class	C1	C2	C	D
. Rating	n.r.	n.r.	n.r.	n.r.
. Nominal value issued	€ 206,500,000	€ 210,700,000	€ 355,000,000	€ 414,378,178
. Nominal value at the end of accounting period	-	€ 378,215,922	€ 683,773,500	€ 414,378,178
. ISIN	IT0003364228			
. Type of security	Junior			
. Class	D			
. Rating	n.r.			
. Nominal value issued	€ 343,200,000			
. Nominal value at the end of accounting period	€ 343,200,000			

NAME	TREVI FINANCE 3		ENTASI	
Type of securitisation:	traditional		traditional	
Originator:	Banca di Roma S.p.A. 92,2%, Mediocredito Centrale S.p.A. 5,2% Leasing Roma S.p.A. 2,6%"		Banca di Roma S.p.A	
Issuer:	Trevi Finance N. 3 Srl		Entasi Srl	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	Finanziaria Internazionale securitization Group S.p.A. ABN AMRO, MCC S.p.A.		Capitalia S.p.A.	
Target transaction :	Funding		Funding	
Type of asset:	ordinary loans - mortgage loans		Collateralised bond obligation	
Quality of asset:	non performing	special purpose loan	Trevi Finance 3 classes C1 and C2 securities	
Closing date:	05.25.2001		06.28.2001	
Nominal Value of disposal portfolio :	€ 2,745,000,000	€ 102,000,000	€ 320,000,000	
Guarantees issued by the Bank:	Redemption of mezzanine securities in issue.		Commitment in case of events entitling to early redemption of securities in issue or to the repurchase of Trevi Finance 3 notes at a price sufficient to redeem Entasi securities. The same commitment applies if Trevi Finance 3 exercises the early redemption option of C1 securities.	
Guarantees issued by Third Parties:	ABN AMRO engagement for €275,000,000 to guarantee the line of credit		-	
Bank Lines of Credit :	€355,000,000 to the vehicle company in order to support its liquidity		-	
Third Parties Lines of Credit :	-		-	
Other Credit Enhancements :	-		-	
Other relevant information:	The principal amount of the D-class security underwritten by the Bank is guaranteed up to its maturity by zero coupon bond issued by Italian Government. The value of this collateral security as at 12.31.2009 was €170,000,815.26. The C1 and C2 classes were fully underwritten by the Bank and then restructured for their disposal. These securities were sold (for a nominal amount of €320 milllion) to Entasi Srl, which placed them in the market with institutional investors.		As at 12.31.2009 the portfolio of UniCredit S.p.A. includes ENTASI securities with a face value of €110,087,000.	
Rating Agencies:	Moody's / S&P / Fitch		Moody's	
Amount of CDS or other supersenior risk transferred :	-		-	
Amount and Conditions of tranching:			ENTASI Series 2001-1	ENTASI Series 2001-2
. ISIN	XS0130116568	XS0130117020	IT0003142996	IT0003143028
. Type of security	Senior	Mezzanine	Senior	Senior
. Class	A	B	Serie 1	Serie 2
. Rating	Aaa/AAA/AAA	Aa1/AA/AA-	A1	A1
. Nominal value issued	€ 600,000,000	€ 150,000,000	€ 160,000,000	€ 160,000,000
. Nominal value at the end of accounting period	-	€ 116,233,500 (from 02/16/2010 € 80,625,000)	€ 160,000,000	€ 160,000,000
. ISIN	XS0130117459	XS0130117616		
. Type of security	Mezzanine	Mezzanine		
. Class	C1	C2		
. Rating	-	-		
. Nominal value issued	€ 160,000,000	€ 160,000,000		
. Nominal value at the end of accounting period	€ 308,941,449	€ 304,553,147		
. ISIN	IT0003355911			
. Type of security	Junior			
. Class	D			
. Rating	n.r.			
. Nominal value issued	€ 448,166,000			
. Nominal value at the end of accounting period	€ 448,166,000			

Part E - Risks and Hedging Policies (CONTINUED)

STRATEGIES, PROCESSES AND GOALS:	The goal of the transactions was largely to finance portfolios, diversify sources of funding and improve asset quality.
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	The securitization portfolio is monitored on an ongoing basis by the servicing company and is recorded in quarterly reports with a breakdown of security status and the trend of repayments.
ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	Reporting produced by servicing companies on the monitoring of portfolio collections is forwarded to senior management and the Board of Directors.
HEDGING POLICIES:	Special purpose vehicles enter into IRS contracts in order to hedge rate risk related to the structure of underlying securities.
OPERATING RESULTS:	The results achieved up to the present are broadly in line with expectations; payments received from the portfolio acquired ensured punctual and full payment to security holders and other parties to the transaction.

NAME	CAESAR FINANCE	
Type of securitisation:	traditional	
Originator:	Banca di Roma S.p.A	
Issuer:	Caesar Finance S.A.	
Servicer:	Bank of New York	
Arranger:	Donaldson, Lufkin & Jenrette	
Target transaction :	Funding	
Type of asset:	Collateralised bond obligation	
Quality of asset:	performing	
Closing date:	11/5/1999	
Nominal Value of disposal portfolio :	€ 360,329,000	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties :	-	
Bank Lines of Credit :	-	
Third Parties Lines of Credit :	-	
Other Credit Enhancements :	-	
Other relevant information :	-	
Rating Agencies:	Fitch / Moody's	
Amount of CDS or other supersenior risk transferred :	-	
Amount and Conditions of tranching:		
. ISIN	XS0103928452	XS0103929773
. Type of security	Senior	Junior
. Class	A	B
. Rating	AAA/Aaa	n.r.
. Nominal value issued	€ 270,000,000	€ 90,329,000
. Nominal value at the end of accounting period	-	€ 70,186,536

QUANTITATIVE INFORMATION

C.1.1 Exposure resulting from securitisation transactions broken down by quality of underlying assets

	BALANCE-SHEET EXPOSURE					
	SENIOR		MEZZANINE		JUNIOR	
QUALITY OF UNDERLYING ASSETS / EXPOSURES	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE
A. With own underlying assets:	**110,087**	**108,824**	**903,044**	**842,104**	**518,353**	**252,927**
a) Impaired	-	-	903,044	842,104	448,166	201,862
b) Other	110,087	108,824	-	-	70,187	51,065
B. With third-party underlying assets:	**7,544,795**	**7,568,501**	**39,200**	**23,181**	**14,081**	**9,868**
a) Impaired	-	-	-	-	-	-
b) Other	7,544,795	7,568,501	39,200	23,181	14,081	9,868

C.1.1 Exposure resulting from securitisation transactions broken down by quality of underlying assets (continued)

QUALITY OF UNDERLYING ASSETS / EXPOSURES	GUARANTEES GIVEN					
	SENIOR		MEZZANINE		JUNIOR	
	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE
A. With own underlying assets:	**-**	**-**	**557,358**	**77,956**	**-**	**-**
a) Impaired	-	-	557,358	77,956	-	-
b) Other	-	-	-	-	-	-
B. With third-party underlying assets:	**-**	**-**	**-**	**-**	**-**	**-**
a) Impaired	-	-	-	-	-	-
b) Other	-	-	-	-	-	-

C.1.1 Exposure resulting from securitisation transactions broken down by quality of underlying assets (continued)

QUALITY OF UNDERLYING ASSETS / EXPOSURES	CREDIT FACILITIES					
	SENIOR		MEZZANINE		JUNIOR	
	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE
A. With own underlying assets:	**-**	**-**	**720,918**	**626,812**	**-**	**-**
a) Impaired	-	-	720,918	626,812	-	-
b) Other	-	-	-	-	-	-
B. With third-party underlying assets:	**-**	**-**	**-**	**-**	**-**	**-**
a) Impaired	-	-	-	-	-	-
b) Other	-	-	-	-	-	-

C.1.2 - Exposure resulting from the main “in-house” securitisation transactions broken down by type of securitised asset and by type of exposure

TYPE OF SECURITISED ASSETS / EXPOSURE	BALANCE-SHEET EXPOSURE					
	SENIOR		MEZZANINE		JUNIOR	
	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS
A. Totally derecognised	**108,824**	**-**	**842,105**	**-13,187**	**252,927**	**-**
A.1 TREVI FINANCE Credit - Land Mortgage Loans	-	-	321,149	-13,187	-	-
A.2 TREVI FINANCE 2 Credit - Land Mortgage Loans	-	-	350,274	-	-	-
A.3 TREVI FINANCE 3 Credit - Land Mortgage Loans	-	-	170,682	-	201,862	-
A.4 ENTASI Collateralised bond obligation	108,824	-	-	-	-	-
A.5 CAESAR FINANCE Collateralised bond obligation	-	-	-	-	51,065	-
B. Partially derecognised	**-**	**-**	**-**	**-**	**-**	**-**
C. Non-derecognised	**-**	**-**	**-**	**-**	**-**	**-**

Part E - Risks and Hedging Policies (Continued)

C.1.2 - Exposure resulting from the main "in-house" securitisation transactions broken down by type of securitised asset and by type of exposure (continued)

TYPE OF SECURITISED ASSETS / EXPOSURE	GUARANTEES GIVEN					
	SENIOR		MEZZANINE		JUNIOR	
	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS
A. Totally derecognised	**-**	**-**	**77,956**	**-52,386**	**-**	**-**
A.1 TREVI FINANCE Credit - Land Mortgage Loans	-	-	-	-	-	-
A.2 TREVI FINANCE 2 Credit - Land Mortgage Loans	-	-	-	-	-	-
A.3 TREVI FINANCE 3 Credit - Land Mortgage Loans	-	-	77,956	-52,386	-	-
A.4 ENTASI Collateralised bond obligation	-	-	-	-	-	-
A.5 CAESAR FINANCE Collateralised bond obligation	-	-	-	-	-	-
B. Partially derecognised	**-**	**-**	**-**	**-**	**-**	**-**
C. Non-derecognised	**-**	**-**	**-**	**-**	**-**	**-**

C.1.2 - Exposure resulting from the main "in-house" securitisation transactions broken down by type of securitised asset and by type of exposure (continued)

TYPE OF SECURITISED ASSETS / EXPOSURE	CREDIT FACILITIES					
	SENIOR		MEZZANINE		JUNIOR	
	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS
A. Totally derecognised	**-**	**-**	**626,812**	**-**	**-**	**-**
A.1 TREVI FINANCE Credit - Land Mortgage Loans	-	-	170,716	-	-	-
A.2 TREVI FINANCE 2 Credit - Land Mortgage Loans	-	-	249,810	-	-	-
A.3 TREVI FINANCE 3 Credit - Land Mortgage Loans	-	-	206,286	-	-	-
A.4 ENTASI Collateralised bond obligation	-	-	-	-	-	-
A.5 CAESAR FINANCE Collateralised bond obligation	-	-	-	-	-	-
B. Partially derecognised	**-**	**-**	**-**	**-**	**-**	**-**
C. Non-derecognised	**-**	**-**	**-**	**-**	**-**	**-**

C.1.3 - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure (*)

TYPE OF SECURITISED ASSETS / EXPOSURE	BALANCE-SHEET EXPOSURE					
	SENIOR		MEZZANINE		JUNIOR	
	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS
A.1 AUGUSTO CL. A1 - 2 em. (^) - Public works and mortgage loans	3,069	-	-	-	-	-
A.2 AUGUSTO CL. A2 - 1 em. (^) - Public works and mortgage loans	-	-	-	-	8,236	-
A.3 BIPCA CORDUSIO RMBS CL. A1 - Private Mortgage Loans	472,492	-	-	-	-	-
A.4 BIPCA CORDUSIO RMBS CL. A2 - Private Mortgage Loans	185,526	-	-	-	-	-
A.5 CAPITAL MORTGAGE 2007 CL. A1 - Private Mortgage Loans	35,543	-	-	-	-	-
A.6 CORDUSIO RMBS 1 CL. A2 - Private Mortgage Loans	58,650	-	-	-	-	-

C.1.3 - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure (*) (continued)

TYPE OF SECURITISED ASSETS / EXPOSURE	BALANCE-SHEET EXPOSURE					
	SENIOR		MEZZANINE		JUNIOR	
	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS
A.7 CORDUSIO RMBS 2 CL. A2						
- Private Mortgage Loans	32,453	-	-	-	-	-
A.8 CORDUSIO RMBS 3 CL. A2						
- Private Mortgage Loans	33,577	-	-	-	-	-
A.9 CORDUSIO RMBS 4 CL. A2						
- Private Mortgage Loans	48,726	-	-	-	-	-
A.10 DIOCLEZIANO CL. A2 (^)						
- Public works and mortgage loans	24,793	-	-	-	-	-
A.11 EUROCONNECT ISSUER LC 2007-1 CL. A						
- Corporate Loans	43,378	242	-	-	-	-
A.12 EUROCONNECT ISSUER LC 2007-1 CL. B						
- Corporate Loans	-	-	10,360	156	-	-
A.13 EUROCONNECT ISSUER LC 2007-1 CL. C						
- Corporate Loans	-	-	5,807	109	-	-
A.14 EUROCONNECT ISSUER LC 2007-1 CL. D						
- Corporate Loans	-	-	5,474	64	-	-
A.15 F-E GOLD CL. A2						
- Car / Equipments / Real Estate leasing	23,339	-	-	-	-	-
A.16 F-E RED CL. A						
- Car / Equipments / Real Estate leasing	1,368,575	-	-	-	-	-
A.17 GELDILUX TS 2005 CL.A						
- Private loans	165,916	-	-	-	-	-
A.18 GELDILUX TS 2007 CL. A						
- Private loans	109,255	-	-	-	-	-
A.19 GELDILUX TS 2008 CL. A1						
- Private loans	9,152	-	-	-	-	-
A.20 GELDILUX TS 2008 CL. A2						
- Private loans	400,957	-	-	-	-	-
A.21 HELICONUS						
- Private Mortgage Loans	6,671	-1,899	-	-	-	-
A.22 LOCAT SV - Serie 1 2008 CL. A1						
- Car / Equipments / Real Estate leasing	497,339	-	-	-	-	-
A.23 LOCAT SV - Serie 1 2008 CL.A2						
- Car / Equipments / Real Estate leasing	1,592,564	-	-	-	-	-
A.24 LOCAT SV - Serie 2 2008 Cl. A						
- Car / Equipments / Real Estate leasing	2,302,118	-	-	-	-	-
A.25 LOCAT SV - Serie 2006						
- Car / Equipments / Real Estate leasing	97,020	-	-	-	-	-
A.26 LOCAT Securitization Vehicle 2						
- Car / Equipments / Real Estate leasing	38,656	-	-	-	-	-
A.27 LOCAT SV Serie 2005						
- Car / Equipments / Real Estate leasing	16,016	-	-	-	-	-
A.28 OTHER 5 EXPOSURES	2,716	-	1,541	-	1,632	-

(*) list of details for exposures over € 3 million.
(^) securitisation ex Fonspa.

Part E - Risks and Hedging Policies (Continued)

C.1.3 - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure (*) (continued)

TYPE OF SECURITISED ASSETS / EXPOSURE	GUARANTEES GIVEN					
	SENIOR		MEZZANINE		JUNIOR	
	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS
A.1 AUGUSTO CL. A1 - 2 em. (^)						
- Public works and mortgage loans	-	-	-	-	-	-
A.2 AUGUSTO CL. A2 - 1 em. (^)						
- Public works and mortgage loans	-	-	-	-	-	-
A.3 BIPCA CORDUSIO RMBS CL. A1						
- Private Mortgage Loans	-	-	-	-	-	-
A.4 BIPCA CORDUSIO RMBS CL. A2						
- Private Mortgage Loans	-	-	-	-	-	-
A.5 CAPITAL MORTGAGE 2007 CL. A1						
- Private Mortgage Loans	-	-	-	-	-	-
A.6 CORDUSIO RMBS 1 CL. A2						
- Private Mortgage Loans	-	-	-	-	-	-
A.7 CORDUSIO RMBS 2 CL. A2						
- Private Mortgage Loans	-	-	-	-	-	-
A.8 CORDUSIO RMBS 3 CL. A2						
- Private Mortgage Loans	-	-	-	-	-	-
A.9 CORDUSIO RMBS 4 CL. A2						
- Private Mortgage Loans	-	-	-	-	-	-
A.10 DIOCLEZIANO CL. A2 (^)						
- Public works and mortgage loans	-	-	-	-	-	-
A.11 EUROCONNECT ISSUER LC 2007-1 CL. A						
- Corporate Loans	-	-	-	-	-	-
A.12 EUROCONNECT ISSUER LC 2007-1 CL. B						
- Corporate Loans	-	-	-	-	-	-
A.13 EUROCONNECT ISSUER LC 2007-1 CL. C						
- Corporate Loans	-	-	-	-	-	-
A.14 EUROCONNECT ISSUER LC 2007-1 CL. D						
- Corporate Loans	-	-	-	-	-	-
A.15 F-E GOLD CL. A2						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.16 F-E RED CL. A						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.17 GELDILUX TS 2005 CL.A						
- Private loans	-	-	-	-	-	-
A.18 GELDILUX TS 2007 CL. A						
- Private loans	-	-	-	-	-	-
A.19 GELDILUX TS 2008 CL. A1						
- Private loans	-	-	-	-	-	-
A.20 GELDILUX TS 2008 CL. A2						
- Private loans	-	-	-	-	-	-
A.21 HELICONUS						
- Private Mortgage Loans	-	-	-	-	-	-
A.22 LOCAT SV - Serie 1 2008 CL. A1						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.23 LOCAT SV - Serie 1 2008 CL.A2						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-

C.1.3 - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure (*) (continued)

TYPE OF SECURITISED ASSETS / EXPOSURE	GUARANTEES GIVEN					
	SENIOR		MEZZANINE		JUNIOR	
	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS
A.24 LOCAT SV - Serie 2 2008 Cl. A						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.25 LOCAT SV - Serie 2006						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.26 LOCAT Securitization Vehicle 2						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.27 LOCAT SV Serie 2005						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.28 OTHER 5 EXPOSURES	-	-	-	-	-	-

(*) list of details for exposures over € 3 million.
(^) securitisation ex Fonspa.

C.1.3 - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure (*) (continued)

TYPE OF SECURITISED ASSETS / EXPOSURE	CREDIT FACILITIES					
	SENIOR		MEZZANINE		JUNIOR	
	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS
A.1 AUGUSTO CL. A1 - 2 em. (^)						
- Public works and mortgage loans	-	-	-	-	-	-
A.2 AUGUSTO CL. A2 - 1 em. (^)						
- Public works and mortgage loans	-	-	-	-	-	-
A.3 BIPCA CORDUSIO RMBS CL. A1						
- Private Mortgage Loans	-	-	-	-	-	-
A.4 BIPCA CORDUSIO RMBS CL. A2						
- Private Mortgage Loans	-	-	-	-	-	-
A.5 CAPITAL MORTGAGE 2007 CL. A1						
- Private Mortgage Loans	-	-	-	-	-	-
A.6 CORDUSIO RMBS 1 CL. A2						
- Private Mortgage Loans	-	-	-	-	-	-
A.7 CORDUSIO RMBS 2 CL. A2						
- Private Mortgage Loans	-	-	-	-	-	-
A.8 CORDUSIO RMBS 3 CL. A2						
- Private Mortgage Loans	-	-	-	-	-	-
A.9 CORDUSIO RMBS 4 CL. A2						
- Private Mortgage Loans	-	-	-	-	-	-
A.10 DIOCLEZIANO CL. A2 (^)						
- Public works and mortgage loans	-	-	-	-	-	-
A.11 EUROCONNECT ISSUER LC 2007-1 CL. A						
- Corporate Loans	-	-	-	-	-	-
A.12 EUROCONNECT ISSUER LC 2007-1 CL. B						
- Corporate Loans	-	-	-	-	-	-
A.13 EUROCONNECT ISSUER LC 2007-1 CL. C						
- Corporate Loans	-	-	-	-	-	-
A.14 EUROCONNECT ISSUER LC 2007-1 CL. D						
- Corporate Loans	-	-	-	-	-	-
A.15 F-E GOLD CL. A2						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.16 F-E RED CL. A						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.17 GELDILUX TS 2005 CL.A						
- Private loans	-	-	-	-	-	-

Part E - Risks and Hedging Policies (CONTINUED)

C.1.3 - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure (*) (continued)

TYPE OF SECURITISED ASSETS / EXPOSURE	CREDIT FACILITIES					
	SENIOR		MEZZANINE		JUNIOR	
	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS	NET EXPOSURE	WRITE-DOWNS / WRITE-BACKS
A.18 GELDILUX TS 2007 CL. A						
- Private loans	-	-	-	-	-	-
A.19 GELDILUX TS 2008 CL. A1						
- Private loans	-	-	-	-	-	-
A.20 GELDILUX TS 2008 CL. A2						
- Private loans	-	-	-	-	-	-
A.21 HELICONUS						
- Private Mortgage Loans	-	-	-	-	-	-
A.22 LOCAT SV - Serie 1 2008 CL. A1						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.23 LOCAT SV - Serie 1 2008 CL.A2						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.24 LOCAT SV - Serie 2 2008 Cl. A						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.25 LOCAT SV - Serie 2006						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.26 LOCAT Securitization Vehicle 2						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.27 LOCAT SV Serie 2005						
- Car / Equipments / Real Estate leasing	-	-	-	-	-	-
A.28 OTHER 5 EXPOSURES	-	-	-	-	-	-

(*) list of details for exposures over € 3 million.
(^) securitisation ex Fonspa.

C.1.4 Exposure resulting from securitisation transactions broken down by portfolio and type

EXPOSURE / PORTFOLIO	TRADING	DESIGNATED AT FAIR VALUE	AVAILABLE FOR SALE	HELD-TO-MATURITY	LOANS	31.12.2009 TOTAL	31.12.2008 TOTAL
1. Balance-sheet exposures	**-**	**-**	**8,355**	**-**	**8,797,050**	**8,805,405**	**7,327,268**
- Senior	-	-	6,814	-	7,670,511	7,677,325	6,419,183
- Mezzanine	-	-	1,541	-	863,745	865,286	291,715
- Junior	-	-	-	-	262,794	262,794	616,370
2. Off-balance-sheet exposures	**-**	**-**	**-**	**-**	**704,768**	**704,768**	**816,618**
- Senior	-	-	-	-	-	-	-
- Mezzanine	-	-	-	-	704,768	704,768	816,618
- Junior	-	-	-	-	-	-	-

C.1.5 Securitised assets underlying junior securities or other forms of credit support

	AMOUNT	
ASSET/SECURITIES	TRADITIONAL	SYNTHETIC
A. Own underlying assets:	**1,230,745**	**-**
A.1 Totally derecognised	**1,230,745**	**X**
1. Non-performing loans	1,005,198	X
2. Doubtful loans	-	X
3. Restructured exposures	-	X
4. Past-due exposures	-	X
5. Other assets	225,547	X
A.2 Partially derecognised	**-**	**X**
1. Non-performing loans	-	X
2. Doubtful loans	-	X
3. Restructured exposures	-	X
4. Past-due exposures	-	X
5. Other assets	-	X
A.3 Non-derecognised	**-**	**-**
1. Non-performing loans	-	-
2. Doubtful loans	-	-
3. Restructured exposures	-	-
4. Past-due exposures	-	-
5. Other assets	-	-
B. Third party underlying assets:	**16,145**	**-**
B.1 Non-performing loans	76	-
B.2 Doubtful loans	316	-
B.3 Restructured exposures	-	-
B.4 Past-due exposures	-	-
B.5 Other assets	15,753	-

C.1.6 Stakes in special purpose vehicles

NAME	HEADQUARTERS	STAKE %
Augusto S.r.l.	Milano - Via Pontaccio, 10	5%
Colombo S.r.l.	Milano - Via Pontaccio, 10	5%
Diocleziano S.r.l.	Milano - Via Pontaccio, 10	5%
Entasi S.r.l.	Roma - Largo Chigi 5	100%
Eurofinance 2000 S.r.l.	Roma - Largo Chigi 5	100%
Trevi Finance S.p.A.	Conegliano (TV) - via Vittorio Alfieri, 1	60%
Trevi Finance n. 2 S.p.A.	Conegliano (TV) - via Vittorio Alfieri, 1	60%
Trevi Finance n. 3 S.r.l.	Conegliano (TV) - via Vittorio Alfieri, 1	60%

C.1.7 Servicer activities - Collections of securitised loans and redemptions of securities issued by the special purpose vehicle

		SECURITISED ASSETS (YEAR END FIGURES)		LOANS COLLECTED DURING THE YEAR		PERCENTAGE OF SECURITIES REDEEMED (YEAR END FIGURES)					
						SENIOR		MEZZANINE		JUNIOR	
SERVICER	SPECIAL PURPOSE VEHICLE	IMPAIRED	PERFORMING	IMPAIRED	PERFORMING	IMPAIRED ASSETS	PERFORMING ASSETS	IMPAIRED ASSETS	PERFORMING ASSETS	IMPAIRED ASSETS	PERFORMING ASSETS
UniCredit S.p.A.	Trevi Finance S.p.A.	370,798	-	62,817	169,944 (*)	100.00%	-	42.45%	-	-	-
	Trevi Finance n. 2 S.p.A.	260,438	-	51,085	196,879 (*)	100.00%	-	-	-	-	-
	Trevi Finance n. 3 S.p.A.	373,962	170,001	51,472	-	100.00%	-	-	-	-	-
	Entasi S.r.l.	-	613,495	-	10,525	-	-	-	-	-	-

(*) zero coupon bonds for guarantee of D-class securities, these last totally held by UniCredit.

Part E - Risks and Hedging Policies (Continued)

C.2 Sales Transactions

C.2.1 Financial assets sold and not derecognised

TYPE / PORTFOLIO	FINANCIAL ASSETS HELD FOR TRADING			FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS			AVAILABLE FOR SALE FINANCIAL ASSETS			HELD-TO-MATURITY INVESTMENTS		
	A	B	C	A	B	C	A	B	C	A	B	C
A. Balance-sheet assets	**814,278**	**-**	**-**	**-**	**-**	**-**	**1,421,946**	**-**	**-**	**1,278,567**	**-**	**-**
1. Debt securities	814,278	-	-	-	-	-	1,421,946	-	-	1,278,567	-	-
2. Equity securities	-	-	-	-	-	-	-	-	-	X	X	X
3. UCIS	-	-	-	-	-	-	-	-	-	X	X	X
4. Loans	-	-	-	-	-	-	-	-	-	-	-	-
5. Impaired assets	-	-	-	-	-	-	-	-	-	-	-	-
B. Derivatives	**-**	**-**	**-**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
Total 12.31.2009	**814,278**	**-**	**-**	**-**	**-**	**-**	**1,421,946**	**-**	**-**	**1,278,567**	**-**	**-**
Total 12.31.2008	**3,624,094**	**-**	**-**	**-**	**-**	**-**	**750,320**	**-**	**-**	**3,676,599**	**-**	**-**

C.2.1 Financial assets sold and not derecognised (continued)

TYPE / PORTFOLIO	LOANS AND RECEIVABLES WITH BANKS			LOANS AND RECEIVABLES WITH CUSTOMERS			TOTAL	
	A	B	C	A	B	C	31.12.2009	31.12.2008
A. Balance-sheet assets	**9,525,364**	**-**	**-**	**-**	**-**	**-**	**13,040,155**	**16,566,216**
1. Debt securities	9,525,364	-	-		-	-	13,040,155	16,566,216
2. Equity securities	X	X	X	X	X	X	-	-
3. UCIS	X	X	X	X	X	X	-	-
4. Loans	-	-	-	-	-	-	-	-
5. Impaired assets	-	-	-	-	-	-	-	-
B. Derivatives	**X**	**X**	**X**	**X**	**X**	**X**	**-**	**-**
Total 12.31.2009	**9,525,364**	**-**	**-**	**-**	**-**	**-**	**13,040,155**	**-**
Total 12.31.2008	**6,920,858**	**-**	**-**	**1,594,345**	**-**	**-**	**-**	**16,566,216**

LEGEND:
A = Financial assets sold and fully recognised (carrying value)
B = Financial assets sold and partially recognised (carrying value)
C = Financial assets sold and partially recognised (total value)

C.2.2 Financial liabilities relating to financial assets sold and not derecognised

LIABILITIES / ASSET PORTFOLIOS	FINANCIAL ASSETS HEDL FOR TRADING	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	AVAILABLE FOR SALE FINANCIAL ASSETS	HELD-TO-MATURITY INVESTMENTS	LOANS AND RECEIVABLES WITH BANKS	LOANS AND RECEIVABLES WITH CUSTOMERS	TOTAL
1. Deposits from customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) relating to fully recognised assets	-	-	-	-	-	-	-
b) relating to partially recognised assets	-	-	-	-	-	-	-
2. Deposits from Banks	**735,875**	**-**	**1,341,831**	**1,322,294**	**9,623,185**	**-**	**13,023,185**
a) relating to fully recognised assets	735,875	-	1,341,831	1,322,294	9,623,185	-	13,023,185
b) relating to partially recognised assets	-	-	-	-	-	-	-
Total 12.31.2009	**735,875**	**-**	**1,341,831**	**1,322,294**	**9,623,185**	**-**	**13,023,185**
Total 12.31.2008	**3,608,032**	**-**	**748,512**	**3,284,846**	**6,809,125**	**-**	**14,450,515**

Information on Structured Credit Products and OTC Derivatives

The deterioration of US subprime loans was one of the main factors behind the financial markets turmoil which started in H2 2007 and showed the first recovery signals only during 2009 thereby reducing the risk of a recessionary relapse.

This deterioration caused a general widening of credit spreads and a gradual transformation of the securitized credits market into an illiquid market characterized by forced sales. This contributed significantly to the later difficulties in the financial markets, which are still in turmoil.

Given this situation the market's need for information on the exposures held by banks increased with structured credit products being traded directly or through SPVs. Already in 2007 UniCredit Group provided ample information on these products, on the operations of the conduits sponsored by it and on OTC derivatives, together with the principles followed to measure and manage risk.

In 2008, additionally, several international and Italian organisms and regulators (viz., the Financial Stability Forum, the CEBS – Committee of European Banking Supervisors, Banca d'Italia and CONSOB) published documents requiring banks to increase disclosure of their investments in consolidated SPEs (Special Purpose Entities), structured credit products, OTC derivatives and fair value hedges, in accordance with a proposal based on current best practice for financial information.

Starting with its Consolidated First Half 2008 Report, the UniCredit Group therefore provided this information, which has been updated to December 31, 2009 in Part (E) of the Notes to the Consolidated Accounts, which please see for details.

Please see Section C.1 above for information on the Company's activity as originator and investor in securitizations.

The Company does not hold either other exposures towards SPEs in addition to those reported in the section mentioned above or financial instruments having as underlying US residential mortgages, either prime, subprime or Alt-A.

Information on OTC derivatives follows.

Trading Derivatives with Customers

The business model governing derivatives trading with customers provides for centralization of market risk in the CIB Division, while credit risk is assumed by the Group company which, under the divisional or geographical segmentation model, manages the relevant customer's account.

The Group's operational model provides for customer trading derivatives business to be carried on, as part of each subsidiary's operational independence:

- by the Italian commercial banks that close transaction in OTC derivatives in order to provide non-institutional clients with products to manage currency, interest-rate and price risk. Under these transactions, the commercial banks transfer their market risks to the CIB Division by means of equal and opposite contracts, retaining only the relevant counterparty risk. The commercial banks also place or collect orders on behalf of others for investment products with embedded derivatives (e.g., structured bonds);
- by the CIB Division operating with large corporates and financial institutions, in respect of which it assumes and manages both market and counterparty risk;
- by HVB AG, BA AG and Pekao, which transact business directly with their customers.

UniCredit Group trades OTC derivatives on a wide range of underlyings, e.g.: interest rates, currency rates, share prices and indexes, commodities (precious metals, base metals, petroleum and energy materials) and credit rights.

OTC derivatives offer considerable scope for personalization: new payoff profiles can be constructed by combining several OTC derivatives (for example, a plain vanilla IRS with one or more plain vanilla or exotic options). The risk and the complexity of the structures obtained in this manner depend on the respective characteristics of the components (reference parameters and indexation mechanisms) and the way in which they are combined.

Credit and market risk arising from OTC derivatives business is controlled by the Chief Risk Officer competence line (CRO) in the Parent and/or in the Division or subsidiary involved. This control is carried out by means of guidelines and policies covering risk management, measurement and control in terms of principles, rules and processes, as well as by setting VaR limits.

This business with non-institutional clients does not entail the use of margin calls, whereas with institutional counterparties (dealt with by the CIB Division) recourse may be made to credit risk mitigation techniques, for example "netting" and/or collateral agreements.

Part E - Risks and Hedging Policies (CONTINUED)

Write-downs and write-backs of derivatives to take account of counterparty risk are determined in line with the procedure used to assess other credit exposure, specifically:

- performing exposure to non-institutional clients of the Italian commercial banks is valued in terms of PD (Probability of Default) and LGD (Loss Given Default), in order to obtain a value in terms of 'expected loss' to be used for items designated and measured at fair value;
- non-performing positions are valued in terms of estimated expected future cash flow according to specific indications of impairment (which are the basis for the calculation of the amount and timing of the cash flow).

Referring to write-downs and write-backs of derivatives to take account of counterparty risk totaled, no significant effects have affected 2009 Profit&Loss.

Here follows the breakdown of balance-sheet asset item 20 "Financial assets held for trading" and of balance-sheet liability item 40 "Financial liability held for trading".

To make the distinction between customers and banking counterparties, the definition contained in Banca d'Italia Circular No. 262 of December 22, 2005 (which was used for the preparation of the accounts) was used as a reference.

Structured products were defined as derivative contracts that incorporate in the same instrument forms of contracts that generate exposure to several types of risk (with the exception of cross currency swaps) and/or leverage effects.

The balance of item 20 "Financial assets held for trading" with regard to derivative contracts totaled € 2,865 million (with a notional value of € 123,479 million) including € 1,195 million with customers. The notional value of derivatives with customers amounted to € 29,858 million including € 27,240 million in plain vanilla (with a fair value of € 1,189 million) and € 2,618 million in structured derivatives (with a fair value of € 6 million). The notional value of derivatives with banking counterparties totaled € 93,621 million (fair value of € 1,670 million) including € 8,488 million related to structured derivatives (fair value of € 656 million).

The balance of item 40 "Financial liabilities held for trading" of the consolidated accounts with regard to derivative contracts totaled € 2,902 million (with a notional value of € 109,014 million) including € 1,478 million with customers. The notional value of derivatives with customers amounted to € 34,653 million including € 23,386 million in plain vanilla (with a fair value of € 828 million) and € 8,267 million in structured derivatives (with a fair value of € 650 million). The notional value of derivatives with banking counterparties totaled € 74,361 million (fair value of € 1,424 million) including € 2,941 million related to structured derivatives (fair value of € 8 million).

Section 2 – Market risks

Please see Part E of these Notes for information on interest-rate and price sensitivity analysis.

2.2 INTEREST RATE RISK AND PRICE RISK – BANKING PORTFOLIO

QUANTITATIVE INFORMATION

1. Banking portfolio: distribution by maturity (repricing date) of financial assets and liabilities: Denomination currency: EUR

TYPE / MATURITY	ON DEMAND	UP TO 3 MONTHS	FROM 3 TO 6 MONTHS	FROM 6 MONTHS TO 1 YEAR	FROM 1 TO 5 YEARS	FROM 5 TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED TERM
1. Balance-sheet assets								
1.1 Debt securities								
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	55,952,975	18,106,175	6,419,556	13,491,515	3,348,661	1,448,086	-
1.2 Loans to banks	20,885,494	76,402,049	12,106,381	8,225,899	1,444,188	-	-	-
1.3 Loans to customers								
- current accounts	134,681	-	-	-	-	-	-	-
- other loans								
- with prepayment option	-	-	-	-	-	-	-	-
- other	6,943,708	33,490,171	402,953	342,420	785,663	29,194	1,632	99,634
2. Balance-sheet liabilities								
2.1 Deposits from customers								
- current accounts	960,437	1,221,885	-	8,613	-	-	-	-
- other loans								
- with prepayment option	-	-	-	-	-	-	-	-
- other	323	6,581,115	240,304	24,156	25,934	948,594	261,704	-
2.2 Deposits from banks								
- current accounts	1,510,367	-	-	-	-	-	-	-
- other loans	103,396,611	23,189,204	8,168,764	7,880,271	367,689	1,085,135	-	-
2.3 Debt securities								
- with prepayment option	-	-	-	-	-	-	-	-
- other	899,415	52,762,493	9,357,607	11,407,000	25,865,199	6,869,350	2,035,293	-
2.4 Other liabilities								
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying securities								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-			-	-	-
3.2 Without underlying security								
- Options								
+ long positions	-	-	69	-	542,889	20,048	9,820	-
+ short positions	-	227	943	-	580,048	20,048	9,820	-
- Other								
+ long positions	-	63,734,066	7,881,435	17,384,103	42,347,080	20,298,428	5,257,041	-
+ short positions	-	117,499,963	12,642,939	4,289,762	34,713,769	15,996,378	4,131,103	-

Part E - Risks and Hedging Policies (Continued)

1. Banking portfolio: distribution by maturity (repricing date) of financial assets and liabilities:
Denomination currency: USD

TYPE / MATURITY	ON DEMAND	UP TO 3 MONTHS	FROM 3 TO 6 MONTHS	FROM 6 MONTHS TO 1 YEAR	FROM 1 TO 5 YEARS	FROM 5 TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED TERM
1. Balance-sheet assets								
1.1 Debt securities								
- with prepayment option	-	-	-	-	-	-	-	-
- other	209	16,723	98,177	206,358	20,835	-	99,361	-
1.2 Loans to banks	909,599	3,677,119	408,756	6,035	82,289	-	-	-
1.3 Loans to customers								
- current accounts	30,782	37,084	-	-	-	-	-	-
- other loans								
- with prepayment option	-	-	-	-	-	-	-	-
- other	531,424	69,786	2,224	10,707	80,939	19,040	55	104
2. Balance-sheet liabilities								
2.1 Deposits from customers								
- current accounts	78,539	391,136	-	-	-	-	-	-
- other loans								
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	2,527,500	696,728	2,829	277	-	-	-
2.2 Deposits from banks								
- current accounts	307,108	-	-	-	-	-	-	-
- other loans	2,176,788	8,078,764	206,734	58,888	427,397	525,924	-	-
2.3 Debt securities								
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	15,785,722	588,038	320,945	58,480	1,373	-	-
2.4 Other liabilities								
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying securities								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ long positions	-	200	762	34,529	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other								
+ long positions	-	31,645,832	1,905,903	608,846	741,055	522,352	-	-
+ short positions	-	8,989,120	141,678	238,415	203,387	98,177	-	-

1. Banking portfolio: distribution by maturity (repricing date) of financial assets and liabilities: Denomination currency: ***Other currencies***

TYPE / MATURITY	ON DEMAND	UP TO 3 MONTHS	FROM 3 TO 6 MONTHS	FROM 6 MONTHS TO 1 YEAR	FROM 1 TO 5 YEARS	FROM 5 TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED TERM
1. Balance-sheet assets								
1.1 Debt securities								
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	101,490	-	-	-	-
1.2 Loans to banks	288,368	681,704	94,644	1,812	152,430	-	-	-
1.3 Loans to customers								
- current accounts	2,088	-	-	-	-	-	-	-
- other loans								
- with prepayment option	-	-	-	-	-	-	-	-
- other	98,385	102,301	5,292	7,081	28,780	-	1,566	1,074
2. Balance-sheet liabilities								
2.1 Deposits from customers								
- current accounts	17,213	362,222	-	2,981	-	-	-	-
- other loans								
- with prepayment option	-	-	-	-	-	-	-	-
- other	2,486	1,174,074	41,350	313	1,759	338,158	-	-
2.2 Deposits from banks								
- current accounts	125,913	-	-	-	-	-	-	-
- other loans	260,624	1,479,249	56,844	5,492	-	236,683	-	-
2.3 Debt securities								
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	3,856,123	517,326	55,787	143,863	572,419	-	-
2.4 Other liabilities								
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying securities								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other								
+ long positions	-	-	-			-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other								
+ long positions	-	5,263,709	202,040	315,156	1,344,540	1,124,625	-	-
+ short positions	-	668,518	44,507	216,040	408,845	-	-	-

This distribution is made on the basis of the period between the balance sheet date and the first following yield review date.

For fixed-rate transactions the residual life is the period from the balance sheet date to final maturity.

On balance sheet items are disclosed at their carrying value.

Derivatives are shown, under the double entry method, at settlement value for those with underlying securities and at the notional value for those without underlying securities.

Options are shown at their delta equivalent value.

Part E - Risks and Hedging Policies (Continued)

2.3 Exchange rate risk

QUANTITATIVE INFORMATION

1. Distribution of assets, liabilities and derivatives by currency

ITEMS	CURRENCIES US DOLLAR	GB POUND	SWISS FRANC	HK DOLLAR	YEN	OTHER CURRENCIES
A. Financial assets						
A.1 Debt securities	456,153	-	-	55,493	-	32,170
A.2 Equity securities	84,360	95,461	579	-	-	-
A.3 Loans to banks	5,058,458	1,139,161	334,344	33,890	122,758	354,952
A.4 Loans to customers	809,875	13,079	8,902	33,863	2,834	209,597
A.5 Other financial assets	18	-	-	-	-	-
B. Other assets	41,472	28,353	247	3,867	128	16,909
C. Financial liabilities						
C.1 Deposits from banks	11,814,575	904,726	795,797	352,476	149,227	381,728
C.2 Deposits from customers	4,004,804	1,389,427	46,594	6,183	4,750	111,891
C.3 Debt securities in issue	16,428,126	4,674,930	93,987	32,226	136,678	178,905
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	325,191	147,669	103	4,980	19	3,943
E. Financial derivatives						
- Options						
+ Long positions	35,519	-	-	-	-	-
+ Short positions	35,519	-	-	-	-	158,363
- Other derivatives						
+ Long positions	33,450,735	6,299,388	896,523	455,145	118,659	366,787
+ Short positions	7,675,866	501,761	302,367	190,524	3,332	262,653
Total assets	**39,936,590**	**7,575,442**	**1,240,595**	**582,258**	**244,379**	**980,415**
Total liabilities	**40,284,081**	**7,618,513**	**1,238,848**	**586,389**	**294,006**	**1,097,483**
Difference (+/-)	**(347,491)**	**(43,071)**	**1,747**	**(4,131)**	**(49,627)**	**(117,068)**

Derivatives are shown, under the double entry method, at settlement value for those with underlying securities and at the notional value for those without underlying securities.

Options are shown at their delta equivalent value.

All amounts are in euros.

2.4 DERIVATIVE FINANCIAL INSTRUMENTS

A. FINANCIAL DERIVATIVES

A.1 Regulatory trading portfolio: end of period notional amounts and average

TRANSACTION TYPES/UNDERLYINGS	12.31.2009		12.31.2008	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
1. Debt securities and interest rate indexes	**187,246,742**	**-**	**173,968,093**	**422,394**
a) Options	73,605	-	506,021	-
b) Swaps	187,173,137	-	173,462,072	-
c) Forwards	-	-	-	422,394
d) Futures	-	-	-	-
d) Others	-	-	-	-
2. Equity instruments and stock indexes	**2,676,646**	**-**	**4,376,197**	**-**
a) Options	2,676,646	-	4,376,197	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
d) Others	-	-	-	-
3. Gold and currencies	**17,401,673**	**-**	**13,522,442**	**4,058,746**
a) Options	374,739	-	200,015	4,058,746
b) Swaps	63,189	-	63,667	-
c) Forwards	16,963,745	-	13,258,760	-
d) Futures	-	-	-	-
d) Others	-	-	-	-
4. Commodities	**11,307**	**-**	**9,626**	**-**
5. Other underlyings	**-**	**-**	**-**	**-**
Total	**207,336,368**	**-**	**191,876,358**	**4,481,140**
Average amounts	**194,266,232**	**1,855,611**	**287,149,640**	**17,479,624**

A.2.Banking book: end of period notional amounts and average

A.2.1 Hedging derivatives

TRANSACTION TYPES/UNDERLYINGS	12.31.2009		12.31.2008	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
1. Debt securities and interest rate indexes	**136,958,213**	**-**	**57,437,594**	**-**
a) Options	486,238	-	925,720	-
b) Swaps	136,471,975	-	56,511,874	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
2. Equity instruments and stock indexes	**6,548**	**-**	**5,248**	**-**
a) Options	6,548	-	5,248	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
3. Gold and currencies	**30,248,202**	**-**	**47,394,892**	**-**
a) Options	-	-	-	-
b) Swaps	3,672,187	-	3,482,179	-
c) Forwards	26,576,015	-	43,912,713	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlyings	**-**	**-**	**-**	**-**
Total	**167,212,963**	**-**	**104,837,734**	**-**
Average amounts	**138,550,425**	**-**	**86,739,670**	**-**

Part E - Risks and Hedging Policies (Continued)

A.2.Banking book: end of period notional amounts and average

A.2.2 Other derivatives

TRANSACTION TYPES/UNDERLYINGS	12.31.2009		12.31.2008	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
1. Debt securities and interest rate indexes	**7,631,541**	**-**	**8,938,836**	**-**
a) Options	668,455	-	8,626,980	-
b) Interest rate swap	6,963,086	-	311,856	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
2. Equity instruments and stock indexes	**16,153,872**	**-**	**20,486,890**	**-**
a) Options	16,153,872	-	20,486,890	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
3. Gold and currencies	**1,371,529**	**-**	**2,635,042**	**-**
a) Options	377,278	-	512,181	-
b) Forward	994,251	-	2,122,861	-
c) Futures	-	-	-	-
d) Cross currency swap	-	-	-	-
e) Others	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlyings	**-**	**-**	**-**	**-**
Total	**25,156,942**	**-**	**32,060,768**	**-**
Average amounts	**29,131,410**	**-**	**19,541,353**	**-**

A.3 Financial derivatives: positive fair value - breakdown by product

TRANSACTION TYPES/UNDERLYINGS	POSITIVE FAIR VALUE			
	12.31.2009		12.31.2008	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
A. Regulatory trading portfolio	**2,193,796**	**-**	**2,038,880**	**-**
a) Options	311,546	-	306,852	-
b) Interest rate swap	1,738,648	-	1,371,738	-
c) Cross currency swap	10,580	-	14,096	-
d) Equity swap	-	-	-	-
e) Forward	133,022	-	346,194	-
f) Futures	-	-	-	-
g) Others	-	-	-	-
B. Banking book - Hedging derivatives	**4,202,838**	**-**	**2,038,583**	**-**
a) Options	335	-	1,126	-
b) Interest rate swap	3,395,537	-	1,487,516	-
c) Cross currency swap	48,608	-	163,989	-
d) Equity swap	-	-	-	-
e) Forward	758,358	-	385,952	-
f) Futures	-	-	-	-
g) Others	-	-	-	-
C. Banking book - Other derivatives	**671,319**	**-**	**805,658**	**-**
a) Options	410,797	-	757,921	-
b) Interest rate swap	247,502	-	-	-
c) Cross currency swap	13,020	-	47,737	-
d) Equity swap	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Others	-	-	-	-
Total	**7,067,953**	**-**	**4,883,121**	**-**

A.4 Financial derivatives: negative fair value - breakdown by product

TRANSACTION TYPES/UNDERLYINGS	NEGATIVE FAIR VALUE 12.31.2009 OVER THE COUNTER	12.31.2009 CLEARING HOUSE	12.31.2008 OVER THE COUNTER	12.31.2008 CLEARING HOUSE
A. Regulatory trading portfolio	**2,085,319**	**-**	**2,408,391**	**-**
a) Options	122,932	-	319,219	-
b) Interest rate swap	1,883,975	-	1,532,706	-
c) Cross currency swap	524	-	1,862	-
d) Equity swap	-	-	-	-
e) Forward	77,888	-	554,604	-
f) Futures	-	-	-	-
g) Others	-	-	-	-
B. Banking book - Hedging derivatives	**3,585,295**	**-**	**2,914,023**	**-**
a) Options	22,967	-	30,980	-
b) Interest rate swap	3,070,437	-	1,183,716	-
c) Cross currency swap	450,334	-	582,309	-
d) Equity swap	-	-	-	-
e) Forward	41,557	-	1,117,018	-
f) Futures	-	-	-	-
g) Others	-	-	-	-
C. Banking book - Other derivatives	**816,668**	**-**	**1,391,686**	**-**
a) Options	410,943	-	750,630	-
b) Interest rate swap	247,492	-	-	-
c) Cross currency swap	158,233	-	641,056	-
d) Equity swap	-	-	-	-
e) Forward	-	-	-	-
f) Futures	-	-	-	-
g) Others	-	-	-	-
Total	**6,487,282**	**-**	**6,714,100**	**-**

A.5 OTC Financial derivatives: regulatory trading portfolio - notional amounts, positive and negative gross fair value by counterparty - contracts not included in netting agreement

CONTRACTS INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1. Debt securities and interest rate indexes							
- notional amount	-	-	135,629,176	51,476,630	17,610	64,194	59,132
- positive fair value	-	-	549,028	1,183,335	-	6,297	-
- negative fair value	-	-	1,180,279	703,569	127	-	13
- future exposure	-	-	-	-	-	-	-
2. Equity instruments and stock indexes							
- notional amount	-	-	1,710,903	350,138	36,889	-	578,716
- positive fair value	-	-	305,844	-	-	-	-
- negative fair value	-	-	311	516	3,008	-	117,430
- future exposure	-	-	-	-	-	-	-
3. Gold and currencies							
- notional amount	-	-	17,365,629	13,643	-	-	22,400
- positive fair value	-	-	149,097	142	-	-	-
- negative fair value	-	-	79,710	212	-	-	92
- future exposure	-	-	-	-	-	-	-
4. Other instruments							
- notional amount	-	-	5,651	-	-	-	5,651
- positive fair value	-	-	52	-	-	-	-
- negative fair value	-	-	-	-	-	-	52
- future exposure	-	-	-	-	-	-	-

Part E - Risks and Hedging Policies (Continued)

A.7 OTC Financial derivatives: banking portfolio - notional amounts, positive and negative gross fair value by counterparty - contracts not included in netting agreements

CONTRACTS INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1. Debt securities and interest rate indexes							
- notional amount	-	-	116,170,656	24,593,367	-	-	3,825,730
- positive fair value	-	-	2,717,219	933,379	-	-	-
- negative fair value	-	-	2,143,118	950,197	-	-	254,717
- future exposure	-	-	-	-	-	-	-
2. Equity instruments and stock indexes							
- notional amount	-	-	8,278,277	207	-	-	7,881,936
- positive fair value	-	-	394,310	-	-	-	5,656
- negative fair value	-	-	5,817	-	-	-	394,383
- future exposure	-	-	-	-	-	-	-
3. Gold and currencies							
- notional amount	-	-	25,821,535	-	-	-	188,639
- positive fair value	-	-	823,593	-	-	-	-
- negative fair value	-	-	650,124	-	-	-	3,607
- future exposure	-	-	-	-	-	-	-
4. Other instruments							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-

A.9 Over-the-counter financial derivatives - Residual life: notional amounts

UNDERLYING ASSETS/RESIDUAL LIFE	UP TO 1 YEAR	FROM 1 TO 5 YEARS	OVER 5 YEARS	TOTAL
A. Regulatory trading book	**103,402,442**	**16,020,186**	**87,913,735**	**207,336,363**
A.1 Financial derivative contracts on debt securities and interest rates	85,008,949	14,324,057	87,913,735	187,246,741
A.2 Financial derivative contracts on equity securities and share indices	989,976	1,686,670	-	2,676,646
A.3 Financial derivative contracts on exchange rates and gold	17,392,407	9,266	-	17,401,673
A.4 Financial derivative contracts on other underlying assets	11,110	193	-	11,303
B. Banking book	**40,202,429**	**83,320,454**	**68,847,021**	**192,369,904**
B.1 Financial derivative contracts on debt securities and interest rates	11,398,237	68,788,639	64,402,877	144,589,753
B.2 Financial derivative contracts on equity securities and share indices	1,484,958	11,744,702	2,930,760	16,160,420
B.3 Financial derivative contracts on exchange rates and gold	27,319,234	2,787,113	1,513,384	31,619,731
B.4 Financial derivative contracts on other underlying assets	-	-	-	-
Total 12.31.2009	**143,604,871**	**99,340,640**	**156,760,756**	**399,706,267**
Total 12.31.2008	**124,462,502**	**78,114,909**	**126,197,449**	**328,774,860**

B. CREDIT DERIVATIVES

B1. Credit derivatives: end-of-period notional amounts and average

TRANSACTION CATEGORIES	REGULATORY TRADING BOOK WITH SINGLE COUNTERPARTY	REGULATORY TRADING BOOK WITH MORE THAN ONE COUNTERPARTY (BASKET)	OTHER TRANSACTIONS WITH SINGLE COUNTERPARTY	OTHER TRANSACTIONS WITH MORE THAN ONE COUNTERPARTY (BASKET)
1. Purchases of protection				
a) Credit default swap	-	-	683	-
b) Credit spread swap	-	-	-	
c) Total return swap	-	-	-	
d) Others	-	-	-	
Total as at 12.31.2009	**-**	**-**	**683**	**-**
Average amounts	**-**	**-**	**4,586**	**-**
Total as at 12.31.2008	**-**	**-**	**6,618**	**-**
2. Sales of protection				
a) Credit default swap	-	-	211,166	-
b) Credit spread swap	-	-	-	-
c) Total return swap	-	-	-	-
d) Others	-	-	-	
Total as at 12.31.2009	**-**	**-**	**211,166**	**-**
Total as at 12.31.2008	**-**	**-**	**211,267**	**-**
Average amounts	**-**	**-**	**211,353**	**-**

B.2 Credit derivatives: positive fair value - breakdown by product

TRANSACTION TYPES/UNDERLYINGS	POSITIVE FAIR VALUE 12.31.2009	POSITIVE FAIR VALUE 12.31.2008
A. Regulatory trading portfolio	**-**	**-**
a) Credit default swaps	-	-
b) Credit spread options	-	-
c) Total return swaps	-	-
d) Others	-	-
B. Banking book	**77**	**33**
a) Credit default products	77	33
b) Credit spread products	-	-
c) Total rate of return swap	-	-
d) Others	-	-
Total	**77**	**33**

B.3 Credit derivatives: negative fair value - breakdown by product

TRANSACTION TYPES/UNDERLYINGS	NEGATIVE FAIR VALUE 12.31.2009	NEGATIVE FAIR VALUE 12.31.2008
A. Regulatory trading portfolio	**-**	**-**
a) Credit default products	-	-
b) Credit spread products	-	-
c) Total rate of return swap	-	-
d) Others	-	-
B. Banking book	**77**	**33**
a) Credit default products	77	33
b) Credit spread products	-	-
c) Total rate of return swap	-	-
d) Others	-	-
Total	**77**	**33**

Part E - Risks and Hedging Policies (Continued)

B.4 OTC Credit derivatives:gross FV (positive and negative) by ctp - contracts not in netting agreement

CONTRACTS INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
Regulatory trading book							
1. Protection purchase							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
2. Protection sale							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
Banking book							
1. Protection purchase							
- notional amount	-	-	-	-	-	-	683
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	77
2. Protection sale							
- notional amount	-	-	683	210,483	-	-	
- positive fair value	-	-	-	77	-	-	
- negative fair value	-	-	-	-	-	-	

B.6 Credit derivatives - Residual life: notional amounts

UNDERLYING ASSETS/RESIDUAL LIFE	UP TO 1 YEAR	FROM 1 TO 5 YEARS	OVER 5 YEARS	TOTAL
A. Regulatory trading book	**-**	**-**	**-**	**-**
A.1 Credit derivatives with qualified reference obligation		-	-	-
A.2 Credit derivatives with non-qualified reference obligation		-	-	-
B. Banking Book	**-**	**1,367**	**-**	**1,367**
B.1 Credit derivatives with qualified reference obligation		1,367	-	1,367
B.2 Credit derivatives with non-qualified reference obligation		-	-	-
Total 12.31.2009	**-**	**1,367**	**-**	**1,367**
Total 12.31.2008	**5,748**	**-**	**212,223**	**217,971**

C. FINANCIAL AND CREDIT DERIVATIVES

No data to be disclosed in this section.

Section 3 - Liquidity risk

QUANTITATIVE INFORMATION

1. Breakdown of financial assets and liabilities by residual contractual maturity
Denomination currency: EUR

ITEMS/MATURITIES	ON DEMAND	FROM 1 TO 7 DAYS	FROM 7 TO 15 DAYS	FROM 15 DAYS TO 1 MONTH	FROM 1 TO 3 MONTHS	FROM 3 TO 6 MONTHS	FROM 6 MONTHS TO 1 YEAR	FROM 1 TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED TERM
Balance-sheet assets										
A.1 Government securities	1	-	299,975	-	8,617	2,337,767	1,067,067	6,257,943	4,644,046	4
A.2 Other debt securities	1,601,884	15,324	312,944	361,705	1,793,040	2,476,969	3,140,682	41,335,045	38,682,028	-
A.3 Units in investment funds	-	-	-	-	-	-	-	-	-	672,296
A.5 Loans										
- Banks	20,769,184	3,890,511	736,250	13,480,616	16,542,307	14,548,375	9,170,536	5,086,031	6,728,589	1,865,692
- Customers	1,918,377	10,794,812	2,439,514	6,198,255	4,785,304	798,726	2,909,114	9,076,455	3,116,220	199,241
Balance-sheet liabilities										
B.1 Deposits										
- Banks	77,810,053	1,374,163	432,433	2,498,521	6,440,813	7,959,276	3,207,108	-	-	-
- Customers	959,910	1,350,724	65,309	257,328	304,659	40,256	33,785	25,934	1,210,298	759
B.2 Debt securities in issue	941,536	1,769,535	1,402,083	3,900,685	6,884,744	6,823,043	10,343,688	54,140,573	25,970,051	-
B.3 Other liabilities	38,371	2,541,846	1,695,627	3,013,299	3,390,800	552,632	5,014,880	1,474,591	7,165,291	-
"Off balance sheet" transactions										
C.1 Financial derivatives with exchange of principal										
- Long positions	-	3,783,043	106,238	4,374	1,670,237	107,467	194,890	846,270	102,000	-
- Short positions	-	9,580,677	5,870,235	4,955,843	13,060,812	1,995,907	286,094	2,018,772	1,411,384	-
C.2 Financial derivatives without exchange of principal										
- Long positions	2,164	43,644	20,618	62,333	256,712	323,958	439,495	4,724,030	5,334,749	-
- Short positions	2,164	43,644	20,618	62,333	256,712	323,958	439,495	4,547,847	5,334,662	-
C.3 Deposits and borrowings to be received										
- Long positions	379,944	477,268	-	-	-	-	-	-	-	-
- Short positions	-	717,608	20,011	-	75,880	43,714	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	2,336,265	11,301,490	2,100,000	2,495,462	403,857	69,993	175,758	405,144	258,710	25,167
- Short positions	19,335,512	-	-	-	-	-	-	683	210,483	25,167
C.5 Financial guarantees given	613,495	-	-	-	-	-	-	-	-	18,665

Part E - Risks and Hedging Policies (Continued)

1. Breakdown of financial assets and liabilities by residual contractual maturity

***Denomination currency:* USD**

ITEMS/MATURITIES	ON DEMAND	FROM 1 TO 7 DAYS	FROM 7 TO 15 DAYS	FROM 15 DAYS TO 1 MONTH	FROM 1 TO 3 MONTHS	FROM 3 TO 6 MONTHS	FROM 6 MONTHS TO 1 YEAR	FROM 1 TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED TERM
Balance-sheet assets										
A.1 Government securities	-	-	-	-	1,562	-	-	482	9,118	-
A.2 Other debt securities	209	-	-	-	13,969	-	13,535	224,222	192,651	-
A.3 Units in investment funds	-	-	-	-	-	-	-	-	-	84,357
A.5 Loans										
- Banks	1,878,140	158,188	15,623	859,688	1,215,216	264,943	29,789	131,831	526,375	-
- Customers	31,319	49,409	5,098	80,661	84,619	34,203	36,922	338,364	121,399	159
Balance-sheet liabilities										
B.1 Deposits										
- Banks	2,549,372	2,444,012	1,869,911	1,817,138	1,455,989	206,689	58,850	-	-	-
- Customers	78,728	618,011	556,843	737,683	1,005,910	696,728	2,829	277	-	-
B.2 Debt securities in issue	-	1,990,409	2,365,793	3,348,671	7,818,264	588,038	320,945	321,065	1,373	-
B.3 Other liabilities	16,894	-	-	72,211	-	-	-	832,986	520,616	-
"Off balance sheet" transactions										
C.1 Financial derivatives with exchange of principal										
- Long positions	-	9,251,955	5,910,409	4,735,515	10,805,436	1,997,740	367,609	398,603	1,735	-
- Short positions	-	3,873,399	245,979	500,690	2,155,397	233,515	298,439	277,429	98,177	-
C.2 Financial derivatives without exchange of principal										
- Long positions	-	-	-	-	5,909	75	19,162	48,939	49,976	-
- Short positions	-	-	-	-	5,909	75	19,162	48,939	49,976	-
C.3 Deposits and borrowings to be received										
- Long positions	328,128	123,867	-	89	-	-	-	-	-	-
- Short positions	-	123,867	51	143,242	172,776	10,621	1,527	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	121,038	124,051	24	55,210	23,001	193,334	95,247	220,046	43,795	10,864
- Short positions	875,746	-	-	-	-	-	-	-	-	10,864
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	

1. Breakdown of financial assets and liabilities by residual contractual maturity

***Denomination currency:* Other currencies**

ITEMS/MATURITIES	ON DEMAND	FROM 1 TO 7 DAYS	FROM 7 TO 15 DAYS	FROM 15 DAYS TO 1 MONTH	FROM 1 TO 3 MONTHS	FROM 3 TO 6 MONTHS	FROM 6 MONTHS TO 1 YEAR	FROM 1 TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED TERM
Balance-sheet assets										
A.1 Government securities	-	-	-	-	-	-	-		-	-
A.2 Other debt securities	-	-	-	-	-	-	87,955		-	-
A.3 Units in investment funds	-	-	-	-	-	-	-	-	-	-
A.5 Loans										
- Banks	451,429	54,630	6,571	278,133	90,120	88,854	1,401	146,566	-	-
- Customers	99,530	97,083	385	5,618	5,767	5,291	7,081	23,172	1,566	1,074
Balance-sheet liabilities										
B.1 Deposits										
- Banks	387,209	363,269	116,292	560,763	438,278	56,835	5,476	-	-	-
- Customers	20,063	683,084	127,200	91,171	634,841	41,350	3,288	1,759	337,800	-
B.2 Debt securities in issue	-	375,732	538,503	629,427	1,742,063	118,554	84,148	541,816	1,115,275	-
B.3 Other liabilities	253	-	-	-	-	-	-	-	236,460	-
"Off balance sheet" transactions										
C.1 Financial derivatives with exchange of principal										
- Long positions	-	641,885	329,286	880,312	3,298,659	202,040	315,156	1,344,540	1,124,625	-
- Short positions	-	146,622	110,605	27,328	268,717	44,507	267,210	527,075	-	-
C.2 Financial derivatives without exchange of principal										
- Long positions	-	-	-	7,056	131	-	396	-	-	
- Short positions	-	-	-	7,056	131	-	396	-	-	
C.3 Deposits and borrowings to be received										
- Long positions	50,037	6,490	-	23	-	-	-	-	-	-
- Short positions	-	19,634	23	875	36,018	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	12,533	27,923	-	24,146	26,812	-	-	74,151	1,991	2,507
- Short positions	167,556	-	-	-	-	-	-	-	-	2,507
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	

Part E - Risks and Hedging Policies (Continued)

Section 4 - Operational risks

QUALITATIVE INFORMATION
Information on operational risk management and monitoring is provided in Part E of the Notes to the Consolidated Accounts.

QUANTITATIVE INFORMATION
The following shows, in percentage terms, the composition of the sources of operational risks by type of event as defined in the New Basel Capital Accord and adopted by the New Regulations for the Prudential Supervision of Banks issued by the Bank of Italy in December 2006 (Circular No. 263) and subsequent revisions.

The categories of reference are as follows:
- Internal fraud: Losses due to unauthorized activities, fraud, misappropriation, or breaches of law, regulations, or company directives that involve at least one internal resource of the bank;
- External fraud: Losses due to fraud, misappropriation, or breaches of law by entities outside of the bank;
- Labor relations and occupational safety: Losses deriving from non-compliance with the law or agreements on the subject of labor, health, and safety at the workplace, or from the payment of compensation for personal injuries or for occurrences of discrimination or failure to apply conditions of equality;
- Customers, products, and professional procedures: Losses deriving from failure to fulfill professional duties to customers or from the nature or characteristics of the product or service provided;
- Physical damage caused by external events: Losses deriving from external events such as natural catastrophes, terrorism, or vandalism;
- Interruptions in operability and system failures: Losses due to interruptions in operativeness, to failures, or to system breakdowns;
- Execution, delivery, and process management: Losses due to failures to complete transactions or in the management of processes, as well as losses due to relations with commercial counterparties, sellers, and suppliers.

clients	48.50%
execution	39.00%
employement practices	9.92%
internal fraud	2.17%
IT system	0.35%
external fraud	0.03%
material demage	0.03%
Total	**100.00%**

During 2009 the main source of operational risks was within the category “Customers, Products, and Professional Practices Procedures”, which includes losses deriving from failure to fulfill professional duties to customers or from the nature or characteristics of the product or service provided.

The second category, in terms of the amount of losses, are losses due to errors in execution, delivery, and process management resulting from failures to complete transactions and in process management. There were also losses, in decreasing order of occurrence, deriving from events relating to labor relations and safety at the workplace, and relating to internal fraud. The rest of the risk categories correspond to damage to physical property, external fraud, and breakdowns of the IT system.

Part F - Shareholders' Equity

Part F - Shareholders' Equity (amounts in thousands of €)

Section 1 - Shareholders' Equity

Further information about Shareholders' equity are represented in Part B - Section 14 - Shareholders' equity - Items 130,150,160,170,180,190 and 200".

B.1 Company Shareholders' Equity: breakdown

ITEMS/VALUES	12.31.2009	12.31.2008
1. Share capital	**8,389,870**	**6,684,287**
2. Share premium reserve	**36,581,540**	**34,070,282**
3. Reserves	**8,712,157**	**6,788,218**
- from profits	1,862,246	(199,099)
a) legal	1,434,080	1,231,108
b) statutory	1,679,802	1,015,008
c) treasury shares	-	-
d) other	(1,251,636)	(2,445,215)
- other (*)	6,849,911	6,987,317
4. Equity instruments	**-**	**-**
5. Treasury shares	**(2,440)**	**(2,440)**
6. Revaluation reserves	**359,821**	**168,228**
- Available-fo-sale financial assets	143,842	(97,548)
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedges of foreign investments	-	-
- Cash flow hedges	(61,041)	(11,244)
- Exchange differences	-	-
- Non-current assets classified held for sale	-	-
- Actuarial gains (losses) on definited benefit plans	-	-
- Changes in valuation reserve pertaining to equity method investments:	-	-
- Special revaluation loans	277,020	277,020
7. Net profit (loss)	**51,001**	**3,281,087**
Total	**54,091,949**	**50,989,662**

(*) Reserves - from profits- Other reserves includes the Treasury shares reserve (€2,440 thousand), originally set up by debiting Share Premium.

B.2 Revaluation reserves for avaible-for-sale assets: breakdown

	12.31.2009			12.31.2008		
ASSETS/VALUES	POSITIVE RESERVE	NEGATIVE RESERVE	TOTAL	POSITIVE RESERVE	NEGATIVE RESERVE	TOTAL
1. Debt securities	83,426	(52,104)	31,322	7,266	(75,509)	(68,243)
3. Equity securities	103,427	(1,880)	101,547	49,592	(56,361)	(6,769)
3. Units in investment funds	15,757	(4,784)	10,973	23	(22,559)	(22,536)
4. Loans	-	-	-	-	-	-
Total	**202,610**	**(58,768)**	**143,842**	**56,881**	**(154,429)**	**(97,548)**

B.3 Revaluation reserves for avaible-for-sale assets: annual changes

	12.31.2009				
	DEBT SECURITIES	EQUITY SECURITIES	UNITS IN INVESTMENT FUNDS	LOANS	TOTAL
1. Opening balance	**(68,243)**	**(6,769)**	**(22,536)**	**-**	**(97,548)**
2. Positive changes	**244,830**	**127,555**	**34,739**	**-**	**407,124**
2.1 Fair value increases	240,835	73,408	16,365	-	330,608
2.2 Reclassification through profit or loss of negative provision	4	23,736	18,374	-	42,114
- due to impairment	-	23,717	14,118	-	37,835
- following disposal	4	19	4,256	-	4,279
2.3 Other changes	3,991	30,411	-	-	34,402
3. Negative changes	**145,265**	**19,239**	**1,230**	**-**	**165,734**
3.1 Fair value reductions	144,497	3,999	1,228	-	149,724
3.2 Reclassification through profit or loss of positive allowances: following disposal	768	13,544	2	-	14,314
3.3 Other changes	-	1,696	-	-	1,696
4. Closing balance	**31,322**	**101,547**	**10,973**	**-**	**143,842**

Section 2 - Shareholders' Equity and Regulatory Banking Ratios

2.1 Capital for regulatory purposes

A. QUALITATIVE INFORMATION

The tables below provide the main contractual details of innovative instruments included, together with capital and reserves, in Tier 1, Tier 2 and Tier 3 Capital.

1. Tier 1 Capital

Breakdown of subordinated instruments

MATURITY	CURRENCY	INTEREST RATES	CLAUSE OF ADVANCE REFUND	FACE VALUE IN ORIGINAL CURRENCY	TOTAL CAPITAL 12.31.2009 (€/000)
Innovative capital instruments					
1) Perpetual	USD	9.20% p.a. for the first 10 years then 3-month euribor + 335 bps	CALL 10.05.10	450,000,000	312,357
2) Perpetual	EURO	8.048% p.a. act/act for the first 10 years then 3-month euribor + 325 bps	CALL 10.05.10	540,000,000	540,000
3) Perpetual	EURO	4.028% p.a. for the first 10 years then 3-month euribor + 176 bps	CALL 10.27.15	750,000,000	750,000
4) Perpetual	GBP	5.396% p.a. for the first 10 years then sterling libor 3m + 176 bps	CALL 10.27.15	300,000,000	337,800
5) Perpetual	GBP	8,6125% p.a.	CALL 06.27.18	210,000,000	236,460
6) Perpetual	EURO	8.145% p.a. act/act for the first 10 years then 3-month euribor + 665 bps	CALL 12.10.19	250,000,000	250,000
Total innovative capital instruments (Tier I)					**2,426,617**

Part F - Shareholders' Equity (Continued)

2. Tier 2 Capital

Breakdown of subordinated instruments

	MATURITY	CURRENCY	INTEREST RATE	CLAUSE OF ADVANCE REFUND	FACE VALUE IN ORIGINAL CURRENCY	CONTRIBUTION TO REGULATORY CAPITAL AS AT 12.31.2009 (€/000)
Hybrid capitalisation instruments						
1)	03.31.2010	EURO	6-month euribor + 0.20% p.a.	-	775,000,000	775,000
2)	02.28.2012	EURO	6.10%	-	500,000,000	499,881
3)	02.01.2016	EURO	3.95%	-	900,000,000	897,957
4)	02.01.2016	GBP	5.00%	-	450,000,000	506,092
5)	06.05.2018	EURO	6.70%	-	1,000,000,000	998,500
6)	06.25.2018	EURO	6-month euribor + 1.70% p.a.	-	125,000,000	125,000
Total hybrid capitalisation instruments (Upper Tier II)						**3,802,430**
Subordinated loans						
1)	10.29.2010	EURO	5.20% for 1 year 5.30% for 2 year 5.40% for 3 year 5.50% for 4 year 5.60% for 5 year 5.70% for 6 year 6.25% for 7 year 6.80% for 8 year 7.35% for 9 year 7.90% for 10 year	-	149,400,000	149,400
2)	12.13.2010	EURO	gross annual rate 2.75% of face value for 10 years At maturity a higher yield may be paid in connection with the revaluation of an equity index (Eurostoxx50) calculated on the basis of a formula as set out in the regulations, adjusted, as necessary, by the application of a "Take Profit" clause	-	261,000,000	52,200
3)	03.16.2011	EURO	6% p.a.	-	500,000,000	199,819
4)	06.23.2015	EURO	Until June 2010: 3-month Euribor + 0.45% From June 2010: 3-month Euribor + 1.05%	CALL 06.23.10	300,000,000	299,999
5)	06.30.2015	EURO	Year 1: gross fixed interest rate 3% p.a. Year 2: variable coupon equal to 75% of the 10-year annual swap rate	CALL 06.30.10	400,000,000	368,216
6)	03.30.2016	EURO	Gross fixed interest rate: 3.50% p.a. Year 2: variable coupon equal to 75% of 10-Y annual swap rate	CALL 03.30.11	170,000,000	166,342
7)	03.30.2016	EURO	Gross fixed interest rate: 4.00% p.a. Year 2: variable coupon equal to 65% of 10-Y annual swap rate	CALL 03.30.11	230,000,000	216,428
8)	04.07.2016	EURO	3-month Euribor + 0.30% From April 2011: 3-month Euribor + 0.90%	CALL 04.07.11	400,000,000	397,653
9)	10.21.2016	EURO	3-month Euribor + 0.45%. From October 2011: 3-month Euribor + 1.05%	CALL 10.21.11	650,000,000	649,998
10)	06.15.2015	EURO	3-month euribor +25 bps p.a. for years 1-5 +85 bps p.a. for years 6-10	CALL 06.15.10	500,000,000	499,610
11)	09.20.2016	EURO	3-month euribor +30 bps p.a. for years 1-5 +90 bps p.a. for years 6-10	CALL 09.20.11	1,000,000,000	999,073
12)	09.20.2016	EURO	4.125% p.a. for years 1-5 3-month euribor + 94 bps p.a. for years 6-10	CALL 09.20.11	500,000,000	498,602
13)	09.26.2017	EURO	5.75% p.a.	-	1,000,000,000	996,836
14)	10.30.2017	EURO	5.45% p.a.	-	10,000,000	10,000
15)	10.30.2017	EURO	5.45% p.a.	-	10,000,000	10,000
16)	11.13.2017	EURO	5.54% p.a.	-	10,000,000	10,000
17)	11.27.2017	EURO	5.70% p.a.	-	500,000	500
18)	11.27.2017	EURO	5.70% p.a.	-	5,000,000	5,000
19)	11.27.2017	EURO	5.70% p.a.	-	5,000,000	5,000
20)	11.27.2017	EURO	5.70% p.a.	-	5,000,000	5,000
21)	11.27.2017	EURO	5.70% p.a.	-	5,000,000	5,000
22)	11.27.2017	EURO	5.70% p.a.	-	20,000,000	20,000
23)	11.27.2017	EURO	5.70% p.a.	-	20,000,000	20,000
24)	11.27.2017	EURO	5.70% p.a.	-	20,000,000	20,000

Breakdown of subordinated instruments (continued)

	MATURITY	CURRENCY	INTEREST RATE	CLAUSE OF ADVANCE REFUND	FACE VALUE IN ORIGINAL CURRENCY	CONTRIBUTION TO REGULATORY CAPITAL AS AT 12.31.2009 (€/000)
25)	11.27.2017	EURO	5.70% p.a.	-	40,000,000	40,000
26)	12.04.2017	EURO	EUR_CMS(10Y), calculated on the basis of a formula as set out in the regulations	-	170,750,000	170,750
27)	12.11.2017	EURO	EUR_10Y_CMS, calculated on the basis of a formula as set out in the regulations	-	100,000,000	100,000
28)	12.28.2017	EURO	3-month euribor for years 1-5 3-month euribor + 0.50% for years 6-10	CALL 12.28.12	1,111,572,000	1,111,572
29)	10.16.2018	GBP	6.375% p.a. until 15.10.2013 3-month Libor + 1.38% from 16.10.2013 to maturity	CALL 10.16.13	350,000,000	393,526
30)	09.22.2019	EURO	4.5% p.a. act/act for years 1-10 3-month euribor + 95 bps p.a. for years 11-15	CALL 09.22.14	500,000,000	499,154
31)	01.30.2018	EURO	5.74% p.a.	-	10,000,000	9,984
32)	01.30.2018	EURO	5.74% p.a.	-	10,000,000	9,984
33)	03.03.2023	EURO	6.04% p.a.	-	125,000,000	124,890
34)	03.31.2018	EURO	3-month euribor +0.75% for years 1-5 3-month euribor + 1.35% for years 6-10	CALL 03.31.13	1,340,575,000	1,340,575
35)	04.10.2018	EURO	EUR_10Y_CMS vs. 6m euribor fixed in advance	-	15,000,000	15,000
36)	04.24.2018	EURO	EUR_10Y_CMS, calculated on the basis of a formula as set out in the regulations	-	100,000,000	100,000
37)	01.13.2017	USD	3-month libor +39 b.p.s.	CALL 01.13.12	600,000,000	416,493
38)	01.13.2017	USD	5.634% p.a.	CALL 01.13.12	600,000,000	416,493
39)	01.31.2017	USD	6.05% p.a.	-	750,000,000	520,616
40)	03.31.2019	GBP	9.3725% p.a.	CALL 03.31.14	125,000,000	140,750
Total subordinated loans - Lower Tier II						**11,014,463**
Total						**14,816,893**

3. Tier 3 Capital

As at December 31,2009, there are not subordinated loans Tier 3.

B. QUANTITATIVE INFORMATION

Solvency filters

		12.31.2009	12.31.2008
A.	**Tier 1 before solvency filters**	**46,838,656**	**43,977,370**
B.	Tier 1 solvency filters	(435,277)	(578,720)
	B.1 Positive IAS/IFRS solvency filters	-	-
	B.2 Negative IAS/IFRS solvency filters	(435,277)	(578,720)
C.	**Tier 1 after solvency filters (A+B)**	**46,403,379**	**43,398,650**
D.	**Deductions from tier 1**	**892,413**	**884,810**
E.	**Total TIER 1 (C - D)**	**45,510,966**	**42,513,840**
F.	**Tier 2 before solvency filters**	**15,209,835**	**15,192,820**
G.	**Tier 2 solvency filters**	**(57,961)**	**-**
	G.1 Positive IAS/IFRS solvency filters	-	-
	G.2 Negative IAS/IFRS solvency filters	(57,961)	-
H.	**Tier 2 after solvency filters (F+G)**	**15,151,874**	**15,192,820**
I.	**Deductions from tier 2**	**892,413**	**884,810**
L.	**Total TIER 2(H - I)**	**14,259,461**	**14,308,010**
M.	**Deductions from tier 1 e tier 2**	**838,100**	**697,169**
N.	**Total capital (E+L-M)**	**58,932,327**	**56,124,681**
O.	**TIER 3**	**-**	**-**
P.	**Total capital + TIER 3 (N+ O)**	**58,932,327**	**56,124,681**

Part F - Shareholders' Equity (CONTINUED)

2.2 Capital adequacy

B. QUANTITATIVE INFORMATION

CATEGORIES/ITEMS	12.31.2009 NON WEIGHED AMOUNTS	12.31.2009 WEIGHED AMOUNTS / REQUIREMENTS	12.31.2008 NON WEIGHED AMOUNTS	12.31.2008 WEIGHED AMOUNTS / REQUIREMENTS
A. RISK ASSETS				
A.1 Credit and counterparty risk	**411,890,391**	**96,283,791**	**434,321,012**	**102,721,268**
1. Standardized approach	390,583,120	89,576,564	417,193,263	96,511,374
2. IRB approaches	13,634,626	4,616,026	10,836,802	4,234,575
2.1 Fundation	-	-	-	-
2.1 Advanced	13,634,626	4,616,026	10,836,802	4,234,575
3. Securization	7,672,645	2,091,201	6,290,947	1,975,319
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk		**7,702,703**		**8,217,701**
B.2 Market Risk		**89,183**		**85,580**
1. Standardized approach		89,183		85,580
2. Internal models		-		-
3. Concentration risk		-		-
B.3 Operational risk		**120,655**		**197,254**
1. Basic indicator approach (BIA)		-		-
2. Traditional standardized approach (TSA)		60,814		-
3. Advanced measurement approach (AMA)		59,841		197,254
B.4 Other capital requirements		**-**		**-**
B.5 Other calculation items		**75,454**		**339,222**
B.6 Total capital requirements		**7,987,995**		**8,839,757**
C. RISK ASSTS AND CAPITAL RATIOS				
C1. Weighed risk assets		**99,849,935**		**110,496,959**
C2. Tier 1 / Weighed risk assets (Tier 1 capital ratio)		**45.58%**		**38.48%**
C3. Regulatory capital included Tier 3 / Weighed risk assets (Total capital ratio)		**59.02%**		**50.79%**

Part G - Business Combinations

Part G - Business Combinations

Section 1 - Business Combinations achieved during the year

1.1 Business combinations

Business combinations with counterparties outside the Group are carried out using the purchase method prescribed by IFRS 3 - Business Combinations as noted in Part A .2 above concerning the main balance-sheet items.

No business combinations with external counterparties have been completed since December 31, 2008.

During 2009 UniCredit Spa undertook some transaction consisting in transfer of business units to some direct subsidiaries (business combinations under common control).

Specifically the transactions have been:
- “Group ICT,” agreed on February 23 with an effective date of March 1, to UGIS, involving the transfer of 46 employees and the related capital items (about €2 million);
- “HR Business Unit,” agreed on September 28 with an effective date of October 1, to UniCredit Business Partner, involving the transfer of 276 employees and the related capital items (about €11.4 million);
- “Regulators’ Reporting Business Unit,” agreed on September 28 with an effective date of November 1, to UniCredit Business Partner, involving the transfer of 12 employees and the related capital items (about €0.7 million);
- “Pension Funds Real Estate Management,” agreed on December 16 with an effective date of January 1, 2010, to UniCredit Real Estate, involving the transfer of 21 employees and the related capital items (about €2 million);

These transactions had no economic substance and were accounted for in the acquirer’s and acquired entity’s accounts in accordance with the continuity principle, under which the acquirer purchases the net assets acquired at their carrying value in the acquired entity’s accounts.

Any difference between this value and the purchase price are recognized in an equity reserve both by the acquirer and by the seller.

These transactions have no effect on profit and loss.

Section 2 - Business Combinations occurring after the end of the year

No data to be disclosed in this section.

Part H - Related-Party Transactions

Part H - Related-Party Transactions (amounts in thousands of €)

UniCredit SpA's related parties as defined by IAS 24 with which UniCredit Group companies undertook transactions included:

- UniCredit's direct and indirect subsidiaries
- UniCredit's associates
- UniCredit's key management personnel
- The close relatives of key management personnel and subsidiaries or associates of key management personnel or their close relatives
- Pension Funds benefiting Group employees.

Key management personnel as defined include Directors and managers with strategic responsibility in the areas of planning, directing and controlling the activities of UniCredit, directly or indirectly. Key management personnel include, as well as the Directors including the Managing Director/CEO, the members of the Management Committee and the Head of the Internal Audit Department holding office in 2009.

1. Details of Directors' and Top Managers' Compensation

As required by Consob the following are details of the compensation paid to Members of the Board, the Statutory Auditors and senior managers with responsibility for strategy.

Remuneration paid to Directors, Statutory Auditors and Key Management Personnel
(pursuant to article 78 of CONSOB resolution no. 11971 dated 14 may 1999 et seq.)

INDIVIDUAL	DESCRIPTION OF POSITION	COMPENSATION					
FIRST AND LAST NAME	POSITION HELD (*)	PERIOD IN OFFICE (*)	EXPIRATION OF TERM OF OFFICE (ON APPROVAL OF ACCOUNTS FOR)	EMOLUMENTS FOR THE POSITION IN THE COMPANY PREPARING THE ACCOUNTS	NON-MONETARY BENEFITS	BONUSES AND OTHER INCENTIVES	OTHER COMPEN-SATION
DIRECTORS							
Dieter Rampl	Chairman of the Board of Directors	1/1.2009-4/29.2009		1,466	28		12
		4/29.2009-12/31.2009	2011				
	Chairman of the Permanent Strategic Committee	1/1.2009-29/4.2009		17			
		5/12.2009-12/31.2009	2011				
	Chairman of the Corporate Governance, HR and Nomination Committee	1/1.2009-4/29.2009		17			
		4/29.2009-12/31.2009	2011				
	Chairman of the Remuneration Committee	1/1.2009-4/29.2009		16			
		5/12.2009-12/31.2009	2011				
	Member of the Internal Control & Risk Committee	1/1.2009-4/29.2009		43			
		1/1.2009-4/29.2009	2011				
	Director in other Group companies						5
Luigi Castelletti	Deputy Vice Chairman of the Board of Directors	4/29.2009-12/31.2009	2011	162	2		6
	Member of the Permanent Strategic Committee	5/12.2009-12/31.2009	2011	28			
	Member of the Corporate Governance, HR and Nomination Committee	4/29.2009-12/31.2009	2011	29			
	Member of the Remuneration Committee	5/12.2009-12/31.2009	2011	27			
	Member of the Internal Control & Risk Committee	5/12.2009-12/31.2009	2011	28			
	Director in other Group companies						3
Farhat Omar Bengdara	Deputy Chairman of the Board of Directors	4/29.2009-12/31.2009	2011	161			
	Member of the Permanent Strategic Committee	5/12.2009-12/31.2009	2011	26			

Remuneration paid to Directors, Statutory Auditors and Key Management Personnel continued

INDIVIDUAL	DESCRIPTION OF POSITION	COMPENSATION					
FIRST AND LAST NAME	POSITION HELD (*)	PERIOD IN OFFICE (*)	EXPIRATION OF TERM OF OFFICE (ON APPROVAL OF ACCOUNTS FOR)	EMOLUMENTS FOR THE POSITION IN THE COMPANY PREPARING THE ACCOUNTS	NON-MONETARY BENEFITS	BONUSES AND OTHER INCENTIVES	OTHER COMPEN-SATION
DIRECTORS continued							
Vincenzo Calandra Buonaura	Member of the Board of Directors	1/1.2009-4/29.2009		189	3		5
	Deputy Chairman of the Board of Directors	4/29.2009-12/31.2009	2011				
	Member of the Permanent Strategic Committee	5/12.2009-12/31.2009	2011	27			
	Member of the Corporate Governance, HR and Nomination Committee	1/1.2009-4/29.2009		44			
		4/29.2009-12/31.2009	2011				
Fabrizio Palenzona	Deputy Chairman of the Board of Directors	1/1.2009-4/29.2009		239			
		4/29.2009-12/31.2009	2011				
	Member of the Permanent Strategic Committee	1/1.2009-4/29.2009		42			
		5/12.2009-12/31.2009	2011				
	Member of the Corporate Governance, HR and Nomination Committee	4/29.2009-12/31.2009	2011	29			
	Member of the Remuneration Committee	1/1.2009-29/4.2009		14			
Alessandro Profumo	Member of the Board of Directors Chief Executive Officer	1/1.2009-4/29.2009		335	8	651	3,195
		4/29.2009-12/31.2009	2011				
	Member of the Permanent Strategic Committee	1/1.2009-4/29.2009		42			
		5/12.2009-12/31.2009	2011				
	Member of the Corporate Governance, HR and Nomination Committee	1/1.2009-4/29.2009		44			
		4/29.2009-12/31.2009	2011				
	Director in other Group companies						49
Giovanni Belluzzi	Member of the Board of Directors	4/29.2009-12/31.2009	2011	57	2		3
	Member of the Internal Control & Risk Committee	5/12.2009-12/31.2009	2011	28			
Manfred Bischoff	Member of the Board of Directors	1/1.2009-4/29.2009		84			
		4/29.2009-12/31.2009	2011				
	Member of the Permanent Strategic Committee	1/1.2009-4/29.2009		42			
		5/12.2009-12/31.2009	2011				
Enrico Tommaso Cucchiani	Member of the Board of Directors	1/1.2009-4/29.2009		82			
		4/29.2009-12/31.2009	2011				
	Member of the Remuneration Committee	5/12.2009-12/31.2009	2011	27			
Donato Fontanesi	Member of the Board of Directors	1/1.2009-4/29.2009		84			
		4/29.2009-12/31.2009	2011				
Francesco Giacomin	Member of the Board of Directors	1/1.2009-4/29.2009		85			
		4/29.2009-12/31.2009	2011				
	Member of the Corporate Governance, HR and Nomination Committee	1/1.2009-4/29.2009		44			
		4/29.2009-12/31.2009	2011				
Piero Gnudi	Member of the Board of Directors	1/1.2009-4/29.2009		84	3		5
		4/29.2009-12/31.2009	2011				
	Member of the Remuneration Committee	5/12.2009-12/31.2009	2011	27			
Friedrich Kadrnoska	Member of the Board of Directors	1/1.2009-4/29.2009		85			
		4/29.2009-12/31.2009	2011				
	Member of the Corporate Governance, HR and Nomination Committee	1/1.2009-4/29.2009		15			
	Member of the Remuneration Committee	5/12.2009-12/31.2009	2011	27			
	Director in other Group companies						4

Part H - Related-Party Transactions (Continued)

Remuneration paid to Directors, Statutory Auditors and Key Management Personnel continued

INDIVIDUAL	DESCRIPTION OF POSITION	COMPENSATION					
FIRST AND LAST NAME	POSITION HELD (*)	PERIOD IN OFFICE (*)	EXPIRATION OF TERM OF OFFICE (ON APPROVAL OF ACCOUNTS FOR)	EMOLUMENTS FOR THE POSITION IN THE COMPANY PREPARING THE ACCOUNTS	NON-MONETARY BENEFITS	BONUSES AND OTHER INCENTIVES	OTHER COMPEN-SATION
DIRECTORS continued							
Marianna Li Calzi	Member of the Board of Directors	1/1.2009-4/29.2009		85	3		3
		4/29.2009-12/31.2009	2011				
	Member of the Internal Control & Risk Committee	1/1.2009-4/29.2009		43			
		5/12.2009-12/31.2009	2011				
Salvatore Ligresti	Member of the Board of Directors	1/1.2009-4/29.2009		83			
		4/29.2009-12/31.2009	2011				
Luigi Maramotti	Member of the Board of Directors	1/1.2009-4/29.2009		85			
		4/29.2009-12/31.2009	2011				
	Member of the Permanent Strategic Committee	1/1.2009-4/29.2009		42			
		5/12.2009-12/31.2009	2011				
	Member of the Corporate Governance, HR and Nomination Committee	1/1.2009-4/29.2009		44			
		4/29.2009-12/31.2009	2011				
Antonio Maria Marocco	Member of the Board of Directors	1/1.2009-4/29.2009		85			
		4/29.2009-12/31.2009	2011				
	Chairman of the Supervisory Body	1/1.2009-4/29.2009		25			
		4/29.2009-12/31.2009	2011				
Carlo Pesenti	Member of the Board of Directors	1/1.2009-4/29.2009		83			
		4/29.2009-12/31.2009	2011				
	Member of the Remuneration Committee	1/1.2009-4/29.2009		40			
		5/12.2009-12/31.2009	2011				
Lucrezia Reichlin	Member of the Board of Directors	4/29.2009-12/31.2009	2011	56			
	Member of the Internal Control & Risk Committee	5/12.2009-12/31.2009	2011	28			
Hans Jürgen Schinzler	Member of the Board of Directors	1/1.2009-4/29.2009		84			
		4/29.2009-12/31.2009	2011				
	Member of the Permanent Strategic Committee	1/1.2009-4/29.2009		41			
		5/12.2009-12/31.2009	2011				
	Member of the Remuneration Committee	5/12.2009-12/31.2009	2011	27			
Theodor Waigel	Member of the Board of Directors	4/29.2009-12/31.2009	2011	57	2		
Anthony Wyand	Deputy Chairman of the Board of Directors	1/1.2009-4/29.2009		79			
	Member of the Board of Directors	4/29.2009-12/31.2009	2011	56			
	Member of the Permanent Strategic Committee	1/1.2009-4/29.2009		41			
		5/12.2009-12/31.2009	2011				
	Chairman of the Internal Control & Risk Committee	1/1.2009-4/29.2009		142			
		5/12.2009-12/31.2009	2011				
Franz Zwickl	Member of the Board of Directors	1/1.2009-4/29.2009		84			
		4/29.2009-12/31.2009	2011				
	Member of the Internal Control & Risk Committee	1/1.2009-4/29.2009		43			
		5/12.2009-12/31.2009	2011				
	Director in other Group companies						4
Gianfranco Gutty	Deputy Vice Chairman of the Board of Directors	1/1.2009-4/29.2009		79			
	Member of the Permanent Strategic Committee	1/1.2009-4/29.2009		15			
	Member of the Corporate Governance, HR and Nomination Committee	1/1.2009-4/29.2009		15			
	Member of the Remuneration Committee	1/1.2009-4/29.2009		14			
	Member of the Internal Control & Risk Committee	1/1.2009-4/29.2009		15			

Remuneration paid to Directors, Statutory Auditors and Key Management Personnel continued

INDIVIDUAL	DESCRIPTION OF POSITION		COMPENSATION				
FIRST AND LAST NAME	POSITION HELD (*)	PERIOD IN OFFICE (*)	EXPIRATION OF TERM OF OFFICE (ON APPROVAL OF ACCOUNTS FOR)	EMOLUMENTS FOR THE POSITION IN THE COMPANY PREPARING THE ACCOUNTS	NON-MONETARY BENEFITS	BONUSES AND OTHER INCENTIVES	OTHER COMPEN-SATION
DIRECTORS continued							
Franco Bellei	Deputy Chairman of the Board of Directors	1/1.2009-4/29.2009		79	1		4
	Member of the Permanent Strategic Committee	1/1.2009-4/29.2009		15			
	Member of the Remuneration Committee	1/1.2009-4/29.2009		14			
Berardino Libonati	Deputy Chairman of the Board of Directors	1/1.2009-29/4.2009		79			
	Member of the Permanent Strategic Committee	1/1.2009-29/4.2009		14			
	Member of the Remuneration Committee	1/1.2009-29/4.2009		14			
Max Dietrich Kley	Deputy Chairman of the Board of Directors	1/1.2009-29/4.2009		26			
	Member of the Remuneration Committee	1/1.2009-29/4.2009		14			
Nikolaus von Bomhard	Deputy Chairman of the Board of Directors	1/1.2009-29/4.2009		27			
STATUTORY AUDITORS							
Giorgio Loli	Chairman of the Board of Statutory Auditors	1/1.2009-12/31.2009	2009	103			4
	Statutory Auditor in other Group Companies						24
Gian Luigi Francardo	Standing Auditor	1/1.2009-12/31.2009	2009	80			3
	Statutory Auditor in other Group Companies						113
Siegfried Mayr	Standing Auditor	1/1.2009-12/31.2009	2009	78			3
Aldo Milanese	Standing Auditor	1/1.2009-12/31.2009	2009	83			3
	Statutory Auditor in other Group Companies						136
Vincenzo Nicastro	Standing Auditor	1/1.2009-12/31.2009	2009	78			3
	Statutory Auditor in other Group Companies						112
Giuseppe Verrascina	Alternate Auditor	1/1.2009-12/31.2009	2009				
	Statutory Auditor in other Group Companies						31
KEY MANAGEMENT PERSONNEL					253	6,240	24,435

(*) The Ordinary Shareholders' Meeting held on 29 April 2009 appointed the new Board of Directors.
Directors Luigi Castelletti (First Deputy Chairman), Farhat Omar Bengdara (Deputy Chairman), Giovanni Belluzzi, Lucrezia Reichlin and Theodor Waigel replaced Gianfranco Gutty (First Deputy Chairman), Franco Bellei (Deputy Chairman), Berardino Libonati (Deputy Chairman), Max Dietrich Kley and Nikolaus von Bomhard
Afterwards, the Board of Directors approved the following resolutions:
on April 29, 2009
- appointment of the Chairman, the Deputy Chairmen and the Chief Executive Officer;
- appointment of the Members of the Corporate Governance, HR and Nomination Committee. Confirmation of Director Antonio Maria Marocco as Chairman of the Supervisory Body;

on May 12, 2009,
- appointment of the Members of the Internal Control & Risk Committee, of the Permanent Strategic Committee and of the Remuneration Committee.

Carlo Pesenti's compensations were paid to Italmobiliare S.p.A.
Compensations for the offices of Director in other Group companies (totaling €2,098 thousand) were paid directly to UniCredit S.p.A.

Part H - Related-Party Transactions (Continued)

Total compensation paid to Directors and top managers in 2009 is given below pursuant to IAS 24 and to the circular no. 262 issued by Banca d'Italia on December 22, 2005 (and updated on November 18, 2009) requiring that also the Statutory Auditors' compensation be included.

In contrast to the Consob table above, these amounts include contributions made by the Company, allocations to severance pay funds and the cost for the year of equity-based payments. The amounts shown do not include compensation for offices held in other Group companies.

Remuneration paid to key management personnel (including directors)

	2009	2008
a) short-term employee benefits	32,711	21,360
b) post-retirement benefits	2,984	2,411
of which: under defined benefit plans	-	-
of which: under defined contribution plans	*2,984*	*2,411*
c) other long-term benefits	85	63
d) termination benefits	8,687	2,300
e) share-based payments	20,672	15,059
Total	**65,139**	**41,193**

The increase in costs versus the previous year is due: to the enlargement of the population included in the Key Management Personnel perimeter, to the return to the payment of a monetary incentive linked to the positive performance achieved and to a higher amount of severances paid in connection with an increased turnover in senior executive population.

2. Related-Party transactions

It is established company practice, in the performance of its activity, to respect at all times the criteria of transparency, substantial and procedural correctness in transactions with related parties, as identified by the CONSOB, with reference to the international accounting principle known as "IAS 24", in line with laws and regulations prevailing from time to time.

As regards procedural profiles, as a listed issuer, in the 90's the company had already defined – in compliance with the recommendations made on the subject by CONSOB – a process for monitoring and informing the Board of Directors (and the Board of Auditors) about significant (atypical and/or unusual) transactions concluded with related parties. This process is intended to formalise the flow of information to the Board of Auditors, with information about the characteristics, the parties involved and the associated effects on the company's balance sheet, income statement and financial position, for all transactions with related parties, as well as to ensure that appropriate information be provided regularly in the management report that accompanies the annual financial statements.

UniCredit, always conscious of its position as a listed issuer, is also required to respect the information requirements foreseen in the CONSOB regulations in force, in relation to transactions with related parties, even when carried out through subsidiaries, whenever the object, payments, methods or timing might affect the security of company assets or the completeness and accuracy of the information, including accounting information, about the listed issuer. In this case, the company is required to make a related party disclosure document available to the public, drawn up according to the outline indicated in the aforementioned regulations.

Notwithstanding the frame of reference indicated above, during the year 2003 the UniCredit Board of Directors deliberated the definition of the criteria of identification of operations carried out with related parties, in compliance with the instructions originally provided by Consob in its communication no. 2064231 of September 30, 2002 and then by the model provided by IAS 24.

Intercompany transactions and/or transactions with related parties in general, both Italian and foreign, carried out by UniCredit in 2009 were performed on the basis of evaluations of reciprocal economic benefits. Conditions were defined strictly on the basis of the criteria of substantial correctness, in line with the shared goal of creating value for the entire group. These transactions were completed, as a rule, under conditions similar to those applied in transactions with unrelated third parties.

The same principle was also applied in relation to the intercompany supply of services, which were quantified on the basis of a minimum charge calculated to recover the related costs of production. The main services supplied internally within the UniCredit Group-information technology, real estate management and back office-are centralised in ad hoc legal entities or dedicated service centres, to achieve significant synergies, and the related level of service is monitored by the central departments of the Issuer. Services are supplied in accordance with specific contracts, i.e., service level agreements, entered intobetween each single supplier and customer. The service level agreements govern, among other things, the type of service to be provided, the amount of payment for the services, and the method by which the payment due is calculated.

While complying with the principle set out in art. 2391 of the Italian Civil Code on the subject of directors' interests, the Company must also comply with art. 136 of Legislative Decree 385/93 (Consolidated Banking Act) on the subject of the obligations of corporate banking officers, which provides that they (or any party related to them) may assume obligations to the bank they manage, direct or control, only after unanimous approval of the governing body and the favorable vote of the members of the controlling body.

For this purpose, the above officers are required to give notice of individuals or legal entities with whom the establishment of possible relations could be construed as generating this type of obligation pursuant to article 136 of Legislative Decree 385/93 (nominees and companies controlled by company officers as well as companies in which they perform administration, management or control functions, and their subsidiaries or parents).

It is company practice to use the services of independent experts to issue fairness or legal opinions when the nature of the transaction, including those with related parties, so requires.

The following table sets out the assets, liabilities and guarantees as at December, 31 2009, for each group of related parties.

	12.31.2009				
	SUBSIDIARIES	JOINT VENTURE	ASSOCIATES	KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES
Financial assets held for trading	1,244,672	-	1	-	144
Financial assets at fair value through profit or loss	-	-	-	-	-
Avalaible-for-sale-financial assets	-	-	10,082	-	5,810
Held -to-maturity investments	-	-	-	-	-
Loans and receivables with banks	195,281,741	177,864	-	-	533,526
Loans and receivables with customers	26,005,145	527,601	159,216	-	-
Investments in associates and joint ventures	67,952,261	2,500	1,957,492	-	-
Other assets	3,042,370	277	9,167	-	7
Total assets	**293,526,189**	**708,242**	**2,135,958**	**-**	**539,487**
Deposits from banks	140,597,217	677	16,909	-	30,185
Deposits from customers	3,848,141	-	-	-	-
Securities and financial liabilities	24,495,383	-	-	-	144
Other liabilities	4,111,830	85	401	-	-
Total liabilities	**173,052,571**	**762**	**17,310**	**-**	**30,329**
Guarantees issued and commitments	**47,550,079**	**1,306,027**	**-**	**-**	**1,117**

The following table sets out the impact of transactions with related parties on the main Income Statement items, for each group of related parties.

	2009				
	SUBSIDIARIES	JOINT VENTURE	ASSOCIATES	KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES
Interest income and similar revenues	6,067,380	48,265	4,214	-	3,121
Interest expenses and similar charges	(3,826,597)	(260)	(4,129)	-	(1,367)
Fee and commission income	43,947	266	47	-	-
Fee and commission expenses	(43,110)	(7)	(8,192)	-	-
Dividend income and similar revenue	1,253,444	-	29,411	-	-
Gains and losses on financial assets and liabilities held for trading	843,293	-	-	-	-
Fair value adjustments in hedge accounting	113,879	-	-	-	-
Staff expenses	21,907	2,345	(564)	-	-
Other administrative expenses	(226,530)	(8)	(378)	-	-
Other operating expenses	(1,669)	(124)	-	-	-
Other operating income	186,144	948	8	-	-
Total	**4,432,088**	**51,425**	**20,417**	**-**	**1,754**

Pursuant to the provisions of applicable regulations, in 2009 no atypical and/or unusual transactions were carried out whose significance/size could give rise to doubts as to the protection of company assets and minority interest, either with related or other parties.

In respect of non-recurring events and transactions which are particularly important in view of the corporate organization, further details are provided in the consolidated Report on Operations (chapters “Corporate Transactions and Rationalization of Group Operations“, “Subsequent events”).

Information on Stock options and other equity instruments granted to directors, general managers and other key management personnel, in accordance with Section 78 of the Issuers’ Regulation no. 11971 requirements, are provided below.

Part H - Related-Party Transactions (Continued)

UniCredit Stock option granted to Directors, General Managers and other key management personnel

(pursuant to Article 78 of CONSOB Resolution No. 11971 dated 14 May 1999 et seq.)

		OPTIONS HELD AT BEGINNING OF THE PERIOD (1)			OPTIONS GRANTED DURING THE PERIOD			OPTIONS EXERCISED DURING THE PERIOD			OPTIONS EXPIRED IN THE PERIOD (2)	OPTIONS HELD AT THE END OF THE PERIOD (3)		
FULL NAME	POSITION HELD	NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE	AVERAGE MATURITY	NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE	AVERAGE MATURITY	NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE	AVERAGE MARKET PRICE AT EXERCISE DATE	NUMBER OF OPTIONS	NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE	AVERAGE MATURITY
Alessandro Profumo	Managing Director/CEO	40,289,716	4.3978	Jan-2016	-	-	-	-	-	-	7,889,028	32,400,688	4.4332	Jul-2017
Other managers	Key management personnel	51,451,228	4.4986	Jan-2018	-	-	-	-	-	-	5,972,697	45,478,531	4.4950	Jul-2018
Totale stock option		**91,740,944**			**-**			**-**			**13,861,725**	**77,879,219**		

(1) The opening balance is different from 2008 ending balance because some changes in managers qualified as KMP had occurred and the free capital increase resolved by the UniCredit Annual General Meeting on April 29, 2009 ("scrip dividend"), implied the recommendation by AIAF (Associazione Italiana Analisti Finanziari) to apply an "adjustment factor" equal to 0.88730816.

(2) Options expired in the period includes 3,696,150 rights cancelled after resignation / retirement with loss of rights.

(3) Options held at the end of the period by managers qualified as Key Management Personnel includes 1,831,867 rights granted to managers who leaved KMP's office during 2009 without loss of rights. "Average exercise price" and "Average maturity" are weighted according to the number of rights.

Other UniCredit equity instruments granted to Directors, General managers and other key management personnel

(pursuant to Article 78 of CONSOB Resolution No. 11971 dated 14 May 1999 et seq.)

		PERFORMANCE SHARES HELD AT BEGINNING OF THE PERIOD (1)			PERFORMANCE SHARES GRANTED DURING THE PERIOD			PERFORMANCE SHARES EXERCISED DURING THE PERIOD			PERFORMANCE SHARES EXPIRED IN THE PERIOD (2)	PERFORMANCE SHARES HELD AT THE END OF THE PERIOD (3)		
FULL NAME	POSITION HELD	NUMBER OF OTHER EQUITY INSTRUMENTS	AVERAGE EXERCISE PRICE	AVERAGE MATURITY	NUMBER OF OTHER EQUITY INSTRUMENTS	AVERAGE EXERCISE PRICE	AVERAGE MATURITY	NUMBER OF OTHER EQUITY INSTRUMENTS	AVERAGE EXERCISE PRICE	AVERAGE MARKET PRICE AT EXERCISE DATE	NUMBER OF OTHER EQUITY INSTRUMENTS	NUMBER OF OTHER EQUITY INSTRUMENTS	AVERAGE EXERCISE PRICE	AVERAGE MATURITY
Alessandro Profumo	Managing Director/CEO	2,456,948	-	Sep-2010	-	-	-	-	-	-	538,707	1,918,241	-	Mar-2011
Other managers	Key management personnel	9,065,208	-	Aug-2010	-	-	-	177,783	-	1.7522	2,632,440	6,254,985	-	Feb-2011
Total Performance shares		**11,522,156**					**-**	**177,783**			**3,171,147**	**8,173,226**		

(1) The opening balance is different from 2008 ending balance because some changes in managers qualified as KMP had occurred and the free capital increase resolved by the UniCredit Annual General Meeting on April 29, 2009 ("scrip dividend"), implied the reccomandation by AIAF (Associazione Italiana Analisti Finanziari) to apply an "adjustment factor" equal to 0.88730816.

(2) Performance Shares expired in the period includes 677,376 promised shares cancelled after resignation / retirement with loss of rights.

(3) Performance Shares held at the end of the period by managers qualified as Key Management Personnel includes 208,900 promised shares granted to managers who leaved KMP's office during 2009 without loss of rights.

"Average maturity" is weighted according to the number of promised shares.

Further information related to the mentioned long term incentive plans are exposed in "Part I - Share based payments".
Due to the exercise of synthetic Cash-Settled Share Appreciation Rights linked to the share-value of some not listed subsidiaries, €527 thousand has been settled to Key management personnel.

Part I - Share-based Payments

Part I - Share-based Payment

A. Qualitative information

Description of share-based payments

1. OUTSTANDING INSTRUMENTS

Group Medium & Long Term Incentive Plans for selected employees include the following categories:
- **Equity-Settled Share Based Payments;**
- **Cash Settled Share Based Payments**[1]**.**

The first category includes the following:
- **Stock Options** allocated to selected Top & Senior Managers and Key Talents of the Group;
- **Performance Shares** allocated to selected Top & Senior Managers and Key Talents of the Group and represented by free UniCredit ordinary shares that the Company undertakes to grant, conditional upon achieving performance targets set at Group and strategic area in the Strategic Plan and any amendments thereto approved by the Board;
- **Employee Share Ownership Plan (ESOP)** that offers to eligible Group employees the possibility to buy UniCredit ordinary shares with the following advantages: granting of free ordinary shares ("Discount Shares" and "Matching Shares" or, for the second category, rights to receive them) measured on the basis of the shares purchased by each Participant ("Investment Shares") during the "Enrolment Period". The granting of free ordinary shares is subordinated to vesting conditions (other than market conditions) stated in the Plan Rules.

The second category includes synthetic "Share Appreciation Rights" linked to the share-value of Pioneer Global Asset Management (PGAM).

2. MEASUREMENT MODEL

2.1 Stock Options

The Hull and White Evaluation Model has been adopted to measure the economic value of stock options.

This model is based on a trinomial tree price distribution using the Boyle's algorithm and estimates the early exercise probability on the basis of a deterministic model connected to:
- reaching a Market Share Value equals to an exercise price- multiple **(M)**;
- probability of beneficiaries' early exit **(E)** after the end of the Vesting Period.

Any new Stock Options' Plans haven't been granted during 2009.

2.2 Other equity instruments (Performance Shares)

The economic value of Performance Shares is measured considering the share market price at the grant date less the present value of the future dividends during the performance period. Parameters are estimated by applying the same model used for Stock Options measurement.
Any new Performance Shares' Plans haven't been granted during 2009.

2.3 Employee Share Ownership Plan

For both Discount Shares and Matching Shares (or rights to receive them) the fair value is measured at the end of the Enrolment Period according to the weighed average price paid by Participants to buy the Investment Shares on the market.
The following tables show the measurements and parameters used in relation to Discount Shares and Matching Shares (or rights to receive them) connected to the "Employee Share Ownership Plan" approved in 2008.

Measurement of Discount Shares ESOP 2008

	DISCOUNT SHARES
Date of Discount Shares delivery to Group employees	Jan-18-2010
Vesting Period Start-Date	Jan-1-2009
Vesting Period End-Date	Dec-31-2009
Discount Shares' Fair Value per unit [€]	1.702

Measurement of Matching Shares ESOP 2008

	MATCHING SHARES
Date of Matching Shares (or related rights) delivery to Group employees	Jan-18-2010
Vesting Period Start-Date	Jan-1-2010
Vesting Period End-Date	Dec-31-2012
Matching Shares' (or related rights) Fair Value per unit [€]	1.702

1. Linked to the economic value of instruments representing a Subsidiary's Shareholders' Equity.

Within the limits of the "Employee Share Ownership Plan" approved in 2008:
- all Profit and Loss and Net Equity effects related to Discount Shares had been booked during 2009 (excepting adjustments, according to Plan Rules, that will be booked during 2010);
- during the three-year period 2010-2012 will be booked the Profit and Loss and Net Equity effects related to Matching Shares (or rights to receive them).

B. Quantitative information

1. ANNUAL CHANGES

UniCredit Stock Options

ITEMS/NUMBER OF OPTIONS AND EXERCISE PRICE	YEAR 2009 (1) NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE [€]	AVERAGE MATURITY	YEAR 2008 (1) NUMBER OF OPTIONS	AVERAGE EXERCISE PRICE [€]	AVERAGE MATURITY
A. Outstanding at beginning of period	**256,483,798**	**4.2875**	**Nov-2016**	**179,821,182**	**4.5614**	**Dec-2015**
B. Increases						
B.1 New issues				88,127,044	3.7134	Jul-2018
B.2 Other						
C. Decreases						
C.1 Forfeited	13,306,559	4.4779		7,751,133	4.6566	
C.2 Exercised				3,590,226	2.2063	
C.3 Expired	20,746,272	4.2955		123,069	1.9602	
C.4 Other						
D. Outstanding at end of period	**222,430,967**	**4.2753**	**Jun-2017**	**256,483,798**	**4.2875**	**Nov-2016**
E. Vested Options at end of period	**86,743,028**	**3.7999**	**Aug-2015**	**72,067,805**	**3.6917**	**Apr-2012**

(1) The information related to Number of options and Average exercise price had been modified as the free capital increase resolved by the UniCredit Annual General Meeting on April 29, 2009 ("scrip dividend"), implied the recommendation by AIAF (Associazione Italiana Analisti Finanziari) to apply an "adjustment factor" equal to 0.88730816.

Other UniCredit equity instruments: Performance Shares and Restricted Shares

ITEMS/NUMBER OF OTHER EQUITY INSTRUMENTS AND EXERCISE PRICE	YEAR 2009 NUMBER OF OTHER EQUITY INSTRUMENTS	AVERAGE EXERCISE PRICE [€]	AVERAGE MATURITY	YEAR 2008 NUMBER OF OTHER EQUITY INSTRUMENTS	AVERAGE EXERCISE PRICE [€]	AVERAGE MATURITY
A. Outstanding at beginning of period	**46,923,880**	**-**	**Aug-2010**	**30,087,788**	**-**	**Oct-2009**
B. Increases						
B.1 New issues				18,785,807	-	Dec-2011
B.2 Other (1)	5,259,484	-				
C. Decreases						
C.1 Forfeited	12,854,032	-		1,949,715	-	
C.2 Exercised (2)	4,254,455	-				
C.3 Expired						
C.4 Other						
D. Outstanding at end of period (3)	**35,074,877**	**-**	**Apr-2011**	**46,923,880**	**-**	**Aug-2010**
E. Vested instruments at end of period	**8,579,747**			**10,058,850**		

(1) This item refers to the increase in number of Performance Shares promised to beneficiaries as consequence of the "adjustment factor" equal to 0.88730816 recommended by AIAF (Associazione Italiana Analisti Finanziari), after the free capital increase resolved by the UniCredit Annual General Meeting on April 29, 2009 ("scrip dividend"). The "adjustment factor" had been applied only to Performance Shares promised to beneficiaries still entitled to receive them on May 18, 2009 (trading date "ex attribution").

(2) The average market price at the exercise date is equal to € 1.6917.

(3) UniCredit undertakes to grant, conditional upon achieving performance targets set in the Strategic Plan, 35,074,877 ordinary shares at the end of 2009 (43,977,880 ordinary shares at the end of 2008).

Part I - Share-based Payments (Continued)

According to ESOP 2008 Plan Rules, in January 2010 had been delivered to Group Participants:
- 278,650 Discount Shares related to services rendered during 2009;
- 1,018,108 Matching Shares and 157,377 rights to receive them; these shares (or rights) are subject to a three-year vesting during the period 2010-2012.

The said above UniCredit free ordinary shares had been acquired on the market.

2. OTHER INFORMATION

Employee Share Ownership Plan 2009

In April 2009 the Ordinary Shareholders' Meeting approved the "UniCredit Group Employee Share Ownership Plan 2009" ("ESOP 2009") that offers to eligible Group employees the opportunity to purchase UniCredit ordinary shares at favorable conditions in order to reinforce employees' sense of belonging and commitment to achieve the corporate goals.

The ESOP 2009 was launched on October 27, 2009 in ten countries across the Group (Austria, Bulgaria, Czech Republic, Germany, Hungary, Italy, Poland, Romania, Serbia and Slovakia) with a participation rate of about 3.9% of the eligible employees.

The ESOP 2009 is a broad based share plan under which:
1. during the **"Enrolment Period"** (from January 2010 to December 2010) the Participants can buy UniCredit ordinary shares ("Investment Shares") by means of monthly or one-off contributions (via one to three installments in March, May and/or October 2010) taken from their Current Account. In case, during this Enrolment Period, a Participant leaves the Plan, he/she will lose the right to receive any free ordinary shares at the end of the Enrolment Period;
2. at the end of the Enrolment Period (January 2011), each Participant will receive one free ordinary share **("Discount Share")** every 20 shares purchased; Discount Shares will be locked up for three years;
3. furthermore, at the end of the Enrolment Period, the Participant will receive another free restricted share **("Matching Share")** every 5 shares acquired, considering for the computation both the Investment Shares and the Discount Shares; also this free ordinary share will be subject to lockup for the next three years but, differently from the Discount Share, the Participant will lose the entitlement to the Matching Share if, during the three-year holding period, he/she will no longer be an employee of a UniCredit Group Company unless the employment has been terminated for one of the specific reasons stated in the Rules of the Plan. In some countries, for fiscal reasons, it will not be possible to grant the Matching Shares at the end of the Enrolment Period: in that case an alternative structure is offered that provides to the Participants of those countries the right to receive the Matching Shares at the end of the Holding Period ("Alternative Structure");
4. during the **"Holding Period"** (from January 2011 to January 2014), the Participants can sell the Investment Shares purchased at any moment, but they will lose the corresponding Matching Shares (or right to receive them).

Discount Shares and Matching Shares are qualified as "Equity Settled Share-based Payments" as Participants, according to Plan's Rules, will receive UniCredit Equity Instruments as consideration for the services rendered to the legal entity where they are employed. For both Discount Shares and Matching Shares (or rights to receive them) the fair value will be measured at the end of the Enrolment Period according to the weighed average price paid by Participants to acquire the Investment Shares on the market.

All Profit and Loss and Net Equity effects related to ESOP 2009 will be booked as follows:
- during 2010 for Discount Shares;
- during the three-year period 2011-2013 for Matching Shares (or rights to receive them).

ESOP 2009 has not been produced any effect on 2009 Financial Statement.

Effects on Profit or Loss

All Share-Based Payment granted after November 7, 2002 which *vesting period* ends after January 1, 2005 are included within the scope of the IFRS2.

Financial statement presentation related to share based payments

	2009		2008	
	TOTAL	PIANI VESTED	TOTAL	PIANI VESTED
Costs	**37,875**		**31,186**	
- connected to Equity Settled Plans (1)	37,875		31,186	
- connected to Cash Settled Plans	-		-	
Debts for Cash Settled Plans (2)	**5,157**	**5,157**	**2,836**	**2,836**
- of which Intrinsic Value		4,276		1,917

(1) Partly included in "other administrative expenses".

(2) These debts are related to PGAM share's based medium - long term incentive plans and are offset by an equal credit towards PGAM that is booked in "other assets". Costs related to these incentive plans are recognized by the subsidiaries receiving "services" from the grantees.

Part L - Segment Reporting

Part L - Segment Reporting

Segment Reporting of UniCredit S.p.A., Parent Company of the UniCredit banking group, is provided in Part L) of the consolidated notes to the accounts, in accordance to the IFRS 8.

Annexes

Annexes

Reconciliation of Condensed Account to Mandatory Reporting Schedule (Amounts in million of €)

A reconciliation of the reclassified balance sheet and profit and loss account to the mandatory reporting schedules, is provided below.

Balance Sheet

	AMOUNTS AS AT		SEE NOTES TO THE ACCOUNTS
	12.31.2009	12.31.2008	
Assets			Part B) Assets
Cash and cash balances = *item 10*	5,914	33	Table 1.1
Financial assets held for trading = *item 20*	6,352	9,005	Table 2.1
Loans and receivables with banks = *item 60*	203,963	208,439	Table 6.1
Loans and receivables with customers = *item 70*	51,665	36,519	Table 7.1
Financial investments	83,833	80,078	
30. Financial assets at fair value through profit or loss	*435*	*318*	Table 3.1
40. Available-for-sale financial assets	*9,427*	*3,284*	Table 4.1
50. Held-to maturity invstments	*4,059*	*6,623*	Table 5.1
100. Investments in associates and joint ventures	*69,912*	*69,853*	Table 10.2
Hedging instruments	4,411	2,110	
80. Hedging derivatives	*4,203*	*2,039*	*Table 8.1*
90. Changes in fair value of portfolio hedged items	*208*	*71*	*Table 9.1*
Property, plant and equipment = *item 110*	33	38	Table 11.1
Goodwill = *item 120 - intangible assets net of which: goodwill*	8,739	8,739	Table 12.1
Other intangible assets = *item 120 - Intangible assets net of goodwill*	31	33	Table 12.1
Tax assets = *item 130*	5,563	6,077	
Non-current assets and disposal groups classified as held for sale = *item 140*	-	-	Table 14.1
Other assets = *item 150*	2,452	5,019	Table 15.1
Total assets	**372,956**	**356,090**	

Balance Sheet

	AMOUNTS AS AT		SEE NOTES TO THE ACCOUNTS
	12.31.2009	12.31.2008	
Liabilities and shareholders' equity			Part B) Liabilities
Deposits from banks = item 10	159,607	157,703	Table 1.1
Deposits from customers and debt securities in issue	147,007	131,527	
20. Deposits from customers	*15,911*	*9,193*	Table 2.1
30. Debt securities in issue	*131,096*	*122,334*	Table 3.1
Financial liabilities held for trading = item 40	2,939	3,893	Table 4.1
Financial liabilities at fair value through profit or loss = item 50	-	-	Table 5.1
Hedging instruments	5,045	3,929	
60. Hedging derivatives	*3,585*	*2,914*	Table 6.1
70. Changes in fair value of portfolio hedged items	*1,460*	*1,015*	Table 7.1
Provisions for risks and charges = item 120	1,258	1,490	Table 12.1
Tax liabilities = item 80	615	2,665	
Liabilities included in disposal group classifid as held for sale = item 90	-	-	
Other liabilities	2,393	3,893	
100. Other liabilities	*2,306*	*3,811*	Table 10.1
110. Provision for employee severance pay	*87*	*82*	Table 11.1
Shareholders' equity	54,092	50,990	Part F) Shareholders' Equity
- Capital and reserves	53,958	47,818	
130. Revaluation reserves, of which: Special revaluation laws	*277*	*277*	Table B.1
160. Reserves	*8,712*	*6,789*	
170. Share premium	*36,581*	*34,070*	
180. Issued capital	*8,390*	*6,684*	Table B.1
190. Treasury shares	*-2*	*-2*	Table B.1
- Available-for-sale assets fair value reserve and cash-flow hedging reserve	83	-109	
130. Revaluation reserves, of which: Available-for-sale financial assets	*144*	*-98*	Table B.1
130. Revaluation reserves, of which: Cash-flow hedges	*-61*	*-11*	Table B.1
- Net profit = item 200	51	3,281	
Total liabilities and shareholders' equity	**372,956**	**356,090**	

Reconciliation of Condensed Account to Mandatory Reporting Schedule (Continued)

INCOME STATEMENT

	YEAR 2009	YEAR 2008	SEE NOTES TO THE ACCOUNTS
			Part C)
Net interest = item 30. Net interest margin	-587	3,426	Tables 1.1 and 1.4
Dividends and other income from equity investments	1,324	2,973	
70. Dividend income and similar revenue	1,324	2,974	Table 3.1
less: dividends from held for trading equity investments included in item 70	..	-1	Table 3.1
Net interest margin	**737**	**6,399**	
Net fees and commissions = item 60	46	2,465	Tables 2.1 and 2.3
Net trading, hedging and fair value income	117	-288	
80. Gains and losses on financial assets and liabilities held for trading	96	-240	Table 4.1
+ dividends from held for trading equity investments included in item 70	..	*1*	*Table 3.1*
90. Fair value adjustments in hedge accounting	-	*-6*	*Table 5.1*
100. Gains and losses on disposal of: d) financial liabilities	*-23*	*7*	*Table 6.1*
110. Gains and losses on financial assets/liabilities at fair value through profit or loss	*44*	*-50*	*Table 7.1*
Net other expenses/income	157	-131	
100. Gains and losses on disposal of a) loans	*6*	*-422*	*Table 6.1*
less: Gains (losses) on disposal/repurchases in loans and receivable - impaired position (from item 100 a)	*20*	*422*	
190. Other net operating income	*204*	*217*	*Tables 13.1 and 13.2*
less: Other operating income - of which: recovery of costs	*-73*	*-348*	*Table 13.2*
Net non-interest income	**320**	**2,046**	
OPERATING INCOME	**1,057**	**8,445**	
Payroll costs	-552	-2,948	
150. Administrative costs - a) staff expenses	*-567*	*-3,014*	*Table 9.1*
less: integration costs	*15*	*66*	
Other administrative expenses	-537	-2,492	
150. Administrative costs - b) other administrative expenses	*-538*	*-2,492*	*Table 9.5*
less: integration costs	*1*	-	
Recovery of expenses = item 190. Other net operating income *- of which: Operating income - recovery of costs*	*73*	*348*	*Table 13.2*
Amortisation, depreciation and impairment losses on intangible and tangible assets	-8	-91	
170. Impairment/write-backs on property, plant and equipment	*-5*	*-57*	*Table 11.1*
180. Impairment/write-backs on intangible assets	*-3*	*-34*	*Table 12.1*
Operating costs	**-1,024**	**-5,183**	
OPERATING PROFIT	**33**	**3,262**	
Provisions for risks and charges	-105	-402	
160. Provisions for risks and charges	*-106*	*-402*	*Table 10.1*
less: integration costs	*1*	-	
Integration costs	-17	-66	
Net impairment losses on loans and provisions for guarantees and commitments	-108	-285	
Gains (losses) on disposal/repurchases in loans and receivables - impaired position (from item 100 a)	*-20*	*-422*	
130. Impairment losses on a) loans	*-38*	*173*	*Table 8.1*
130. Impairment losses on d) other financial assets d) altre operazioni finanziarie	*-50*	*-36*	*Table 8.4*
Net income from investments	-205	-286	
100. Gains and losses on disposal of b) available-for-sale financial assets	*74*	*95*	*Table 6.1*
130. Impairment losses on:			
b) available-for-sale financial assets	*-156*	*-569*	*Table 8.2*
210. Profit (loss) of associates of which: Write-backs (write-downs) of equity investments	*-126*	*7*	*Table 14.1*
210. Profit (loss) of associates of which: gains (losses) on disposal equity investments	*3*	*180*	*Table 14.1*
240. Gains (losses) on disposal of investments	..	*1*	*Table 17.1*
PROFIT BEFORE TAX	**-402**	**2,223**	
Income tax for the period = item 260. Tax expense (income) related to profit or loss from continuing operations	453	1,058	Table 18.1
NET PROFIT (LOSS) FOR THE YEAR	**51**	**3,281**	

Disclosure of fees paid to the Auditing Firm and to entities belonging to its network for financial year 2009

(pursuant to article 149-duodecies, CONSOB Regulation no. 11971/99, as supplemented)

Disclosure of External Auditors' Fees - UniCredit S.p.A. - Financial Year 2009 - KPMG network

As prescribed by §149-duodecies of the Consob Issuers Regulation, the following table gives fees paid in 2009 for audit services rendered by KPMG SpA and firms in its network.

EXTERNAL AUDITING	SERVICE PROVIDER NAME OF AUDITING FIRM	UNICREDIT GROUP SUBSIDIARY ASSIGNING THE SERVICE COMPANY NAME	DESCRIPTION OF SERVICE	FEES (€'000)[1]
Auditing Firm	KPMG S.p.A.	UniCredit S.p.A.	Audit of Company and Consolidated Accounts and First Half Report, accounting checks and foreign branches (2)	€ 1,090
Auditing Firm Total				€ 1,090
External Auditing Total				**€ 1,090**

CHECKING FOR THE PURPOSES OF OTHER OPINIONS	SERVICE PROVIDER NAME OF AUDITING FIRM	UNICREDIT GROUP SUBSIDIARY ASSIGNING THE SERVICE COMPANY NAME	DESCRIPTION OF SERVICE	FEES (€'000)[1]
Auditing Firm	KPMG S.p.A.	UniCredit S.p.A.	Issuing a comfort letter on the accounts presented in the Prospectus for the rights issue; limited review of the consolidated interim report at Sept. 30, 2009; comfort letters concerning bond issues; audit of the sustainability report and related reporting system; signing the Italian tax declaration forms (Modello Unico and Modello 770 S/O), report on the value of Fondo Capital Italia S.A. shares	€ 3,253
Auditing Firm Total				€ 3,253
Network Auditing Firm(s)				-
Network Auditing Firm(s) Total				-
Data Checking Total				**€ 3,253**

OTHER NON-AUDITING SERVICES	SERVICE PROVIDER NAME OF AUDITING FIRM	UNICREDIT GROUP SUBSIDIARY ASSIGNING THE SERVICE COMPANY NAME	DESCRIPTION OF SERVICE	TYPE	FEES (€'000)[1]
Auditing Firm	KPMG S.p.A.	UniCredit S.p.A.	Checking the English translation of the annual accounts and first half report	Checking	€ 14
Auditing Firm Total					€ 14
Network Auditing Firm(s)	KPMG Advisory S.p.A.	UniCredit S.p.A.	assessment of fraud risk		€ 40
Network Auditing Firm(s) Total					**€ 40**
Other Non-Auditing Services Total					**€ 54**
Grand Total					**€ 4,397**

1. net of VAT and out-of-pocket expenses (expenses are included as regards the service of issuing a comfort letter on the accounts presented in the Prospectus for the rights issue).
2. Contract authorized by the Resolution of the Shareholders' Meeting of May 10, 2007 for a total amount of € 770,000. Following the absorption of former Capitalia entities and the following business combinations, a further contract implying a total cost of €316,000 (plus the Istat inflation indexation effect of € 4,000) was authorized by a Board Resolution dated February 12, 2009.

Internal Pension Funds: Statement of Changes in the Year and Final Accounts (amounts in €)

FUNDS AND DESCRIPTION OF MOVEMENTS	NO. OF RETIREES AS AT 12.31.2009	EMPLOYEES IN SERVICE AS AT 12.31.2009	TYPE	ACCOUNTING FIGURES	CONTRIBUTION RATE
"Pension Fund for the employees of Cassa di Risparmio di Trieste Collections Division" Registration no. 9081	96	-	Defined benefit		Payable by the company: 5.25% Payable by the employee: 1.35% - 3% depending on category
Opening balance as at 12.31.2008				**5,260,746**	
Provisions for the year:					
- interest cost				265,478	
- actuarial gains/losses recognised in the year				-204,194	
Benefits paid in the year				469,520	
Balance as at 12.31.2009				**4,852,510**	
Present value of the liabilities				**4,923,487**	
Non-recognised actuarial gains/losses				**-70,977**	
"Supplementary Pension Fund for employees of Cassa di Risparmio di Torino in liquidation" Registration no. 9084	4	-	Defined benefit		
Opening balance as at 12.31.2008				**145,837**	
Provisions for the year:					
- interest cost				13,762	
- actuarial gains/losses recognised in the year				103,449	
Benefits paid in the year				28,246	
Balance as at 12.31.2009				**234,802**	
Present value of the liabilities				**308,516**	
Non-recognised actuarial gains/losses				**-73,714**	
"Supplementary Pension Fund for the collection management staff of Cassa di Risparmio di Torino" Registration no. 9085	164	-	Defined benefit		Payable by the company according to technical accounts
Opening balance as at 12.31.2008				**10,592,368**	
Provisions for the year:					
- interest cost				560,474	
- actuarial gains/losses recognised in the year				-	
Benefits paid in the year				1,144,636	
Balance as at 12.31.2009				**10,008,206**	
Present value of the liabilities				**10,243,562**	
Non-recognised actuarial gains/losses				**-235,356**	

(Statement of changes in internal pension funds - continued)

FUNDS AND DESCRIPTION OF MOVEMENTS	NO. OF RETIREES AS AT 12.31.2009	EMPLOYEES IN SERVICE AS AT 12.31.2009	TYPE	ACCOUNTING FIGURES	CONTRIBUTION RATE
"Supplementary Company Pension Fund of the general obligatory insurance for the employees of the credit section of Cassa di Risparmio di Trento e Rovereto Spa, the Social Security Fund for employees of the agencies of the Tax Collections Service, and for the employees of the tax collection agency of Cassa di Risparmio di Trento e Rovereto Spa" Section A Registration no. 9131	443	-	Defined benefit		Payable by the company according to technical accounts + average monthly Euribor rate on equity
Opening balance as at 12.31.2008				**37,227,598**	
Provisions for the year:					
- interest cost				1,866,865	
- actuarial gains/losses recognised in the year				-	
Benefits paid in the year				4,625,314	
Other increases				9,526	
Balance as at 12.31.2009				**34,478,675**	
Present value of the liabilities				**39,035,376**	
Non-recognised actuarial gains/losses				**-4,556,701**	
"Contract for Pensions and Social Security for Staff belonging to the Management/Senior Management, Officers, Managers, Employees, Subordinate employee and Auxiliary staff categories of Cariverona Banca Spa" Registration no. 9013	959	2	Defined benefit		Payable by the Company on the basis of the technical accounts
Opening balance as at 12.31.2008				**71,735,332**	
Provisions for the year:					
- interest cost				3,625,959	
- actuarial gains/losses recognised in the year				-	
Benefits paid in the year				8,633,786	
Other increases				95,701	
Balance as at 12.31.2009				**66,823,206**	
Present value of the liabilities				**73,998,313**	
Non-recognised actuarial gains/losses				**-7,175,107**	

Internal Pension Funds: Statement of Changes in the Year and Final Accounts (Continued)

(Statement of changes in internal pension funds - continued)

FUNDS AND DESCRIPTION OF MOVEMENTS	NO. OF RETIREES AS AT 12.31.2009	EMPLOYEES IN SERVICE AS AT 12.31.2009	TYPE	ACCOUNTING FIGURES	CONTRIBUTION RATE
"Supplementary pension fund of the obligatory insurance, invalidity, widows and survivors insurance (managed by the INPS) of the Cassa di Risparmio di Ancona" (absorbed on 1/10/89 by Cariverona Banca Spa) - Registration no. 9033	45 (*)	-	Defined benefit		
Opening balance as at 12.31.2008				**4,121,898**	Payable by the Company 10% + technical accounts
Provisions for the year:					
- interest cost				145,829	
- actuarial gains/losses recognised in the year				-987,604	
Benefits paid in the year				404,829	
Employees contributions				432	
Balance as at 12.31.2009				**2,875,726**	
Present value of the liabilities				**3,003,226**	
Non-recognised actuarial gains/losses				**-127,500**	
(*) of which:1 deferred benefit					
"Pension fund for employees, clerks and auxiliary workers of Banca Cuneese Lamberti Meinardi & C. - Cuneo" (absorbed on 1/8/92 by Cariverona Banca Spa) - Registration no. 9012	37 (*)	4	Defined benefit		
Opening balance as at 12.31.2008				**4,045,303**	Payable by the Company on the basis of the technical accounts Payable by Employees: 1%
Provisions for the year:					
- interest cost				212,639	
- actuarial gains/losses recognised in the year				-	
Benefits paid in the year				348,368	
Employees contributions				1,323	
Balance as at 12.31.2009				**3,910,897**	
Present value of the liabilities				**4,612,099**	
Non-recognised actuarial gains/losses				**-701,202**	
(*) of which: 3 deferred benefit					
"Pension fund for the employees of the former Credito Fondiario delle Venezie Spa" Registration no. 9067	9	-	Defined benefit		
Opening balance as at 12.31.2008				**1,301,348**	Payable by the Company on the basis of the technical accounts
Provisions for the year:					
- interest cost				66,574	
- actuarial gains/losses recognised in the year				-	
Benefits paid in the year				108,598	
Balance as at 12.31.2009				**1,259,324**	
Present value of the liabilities				**1,380,059**	
Non-recognised actuarial gains/losses				**-120,735**	

(Statement of changes in internal pension funds - continued)

FUNDS AND DESCRIPTION OF MOVEMENTS	NO. OF RETIREES AS AT 12.31.2009	EMPLOYEES IN SERVICE AS AT 12.31.2009	TYPE	ACCOUNTING FIGURES	CONTRIBUTION RATE
"Agreement for the regulation of the social security benefits of the employees of the Istituto Federale delle Casse di Risparmio delle Venezie Spa" - Registration no. 9068	60	-	Defined benefit		Payable by the Company on the basis of the technical accounts
Opening balance as at 12.31.2008				**4,570,903**	
Provisions for the year:					
- interest cost				243,858	
- actuarial gains/losses recognised in the year				-	
Benefits paid in the year				549,092	
Balance as at 12.31.2009				**4,265,669**	
Present value of the liabilities				**4,943,862**	
Non-recognised actuarial gains/losses				**-678,193**	
"Internal Company Fund (FIA) of the former Credito Romagnolo" + CIP former Banca del Friuli - Registration no. 9151	1,190	-	Defined benefit		Payable by the Company from 2.5% to 6% +2.5% on equity Payable by the employee from 2% to 6%
Opening balance as at 12.31.2008				**99,430,395**	
Provisions for the year:					
- interest cost				5,502,903	
- actuarial gains/losses recognised in the year				-	
Benefits paid in the year				11,797,712	
Balance as at 12.31.2009				**93,135,586**	
Present value of the liabilities				**107,655,309**	
(*) of which: Actual value of the obligation stipulated by the Agreement dated 1.31.1990 item 18				-	
Non-recognised actuarial gains/losses				**-14,519,723**	
"Supplementary Pension Fund for the employees of the former Carimonte Banca Spa" - Registration no. 9147	159	-	Defined benefit		Payable by the Company on the basis of the technical accounts
Opening balance as at 12.31.2008				**12,261,400**	
Provisions for the year:					
- interest cost				621,804	
- actuarial gains/losses recognised in the year				-	
Benefits paid in the year				1,157,511	
Balance as at 12.31.2009				**11,725,693**	
Present value of the liabilities				**12,744,877**	
Non-recognised actuarial gains/losses				**-1,019,184**	

Internal Pension Funds: Statement of Changes in the Year and Final Accounts (Continued)

(Statement of changes in internal pension funds - continued)

FUNDS AND DESCRIPTION OF MOVEMENTS	NO. OF RETIREES AS AT 12.31.2009	EMPLOYEES IN SERVICE AS AT 12.31.2009	TYPE	ACCOUNTING FIGURES	CONTRIBUTION RATE
"Fund for the employees of Magazzini Generali" Registration no. 9148	3	-	Defined benefit		
Opening balance as at 12.31.2008				**106,682**	Payable by the Company on the basis of the technical accounts
Provisions for the year:					
- interest cost				6,170	
- actuarial gains/losses recognised in the year				376	
Benefits paid in the year				12,316	
Balance as at 12.31.2009				**100,912**	
Present value of the liabilities				**123,352**	
Non-recognised actuarial gains/losses				**-22,440**	
"Supplementary retirement benefits in favour of the members of the General Management of Credito Italiano who retired between January 1, 1963 and September 30, 1989 attributed to UniCredito Italiano" - Registration no. 9029	15	-	Defined benefit		
Opening balance as at 12.31.2008				**10,676,139**	Payable by the Company on the basis of the technical accounts
Provisions for the year:					
- interest cost				552,003	
- actuarial gains/losses recognised in the year				-	
Benefits paid in the year				1,189,417	
Balance as at 12.31.2009				**10,038,725**	
Present value of the liabilities				**10,256,755**	
Non-recognised actuarial gains/losses				**-218,030**	
"Company Social Security Fund supplementing INPS benefits. Additional-benefit reserve accounts for employees of former Banca dell'Umbria 1462 S.p.A.". incl. the tax collection service SORIT - Registration no. 9021 e 9020	135	-	Defined benefit		
Opening balance as at 12.31.2008				**9,718,805**	Payable by the Company: reserve coverage Payable by employees: 1.5%
Provisions for the year:					
- interest cost				527,685	
- actuarial gains/losses recognised in the year				194,623	
Benefits paid in the year				1,182,626	
Other increases				4,685	
Balance as at 12.31.2009				**9,263,172**	
Present value of the liabilities				**12,071,843**	
Non-recognised actuarial gains/losses				**-2,808,671**	

(Statement of changes in internal pension funds - continued)

FUNDS AND DESCRIPTION OF MOVEMENTS	NO. OF RETIREES AS AT 12.31.2009	EMPLOYEES IN SERVICE AS AT 12.31.2009	TYPE	ACCOUNTING FIGURES	CONTRIBUTION RATE
"Company Social Security Fund supplementing INPS benefits of Cassa Risparmio Carpi SpA Defined-benefit reserve account for former employees" - Registration no. 9022	59	-	Defined benefit		
Opening balance as at 12.31.2008				**4,091,814**	Payable by the Company on the basis of the technical accounts
Provisions for the year:					
- interest cost				188,608	
- actuarial gains/losses recognised in the year				-5,165	
Benefits paid in the year				421,826	
Balance as at 12.31.2009				**3,853,431**	
Present value of the liabilities				**3,670,888**	
Non-recognised actuarial gains/losses				**182,543**	
"Pension fund for the employees of former UniCredit Banca Mediocredito" - Registration no. 9127	37	-	Defined benefit		
Opening balance as at 12.31.2008				**3,004,831**	
Provisions for the year:					
- interest cost				147,870	
- actuarial gains/losses recognised in the year				-	
Benefits paid in the year				437,556	
Balance as at 12.31.2009				**2,715,145**	
Present value of the liabilities				**2,910,066**	
Non-recognised actuarial gains/losses				**-194,921**	
Pension fund for the employees of Capitalia Head Office (former Banco di S.Spirito, former Banco di Roma and former Cassa di Risparmio di Roma)" - Registration no. 9165	131 (*)	12	Defined benefit		
Opening balance as at 12.31.2009				**84,230,868**	Payable by the Company on the basis of the technical accounts
Provisions for the year:					
- interest cost				4,312,577	
- actuarial gains/losses recognised in the year				-	
Current service cost(gross)				73,420	
Benefits paid in the year				7,905,090	
Balance as at 12.31.2009				**80,711,775**	
Present value of the liabilities				**88,054,118**	
Non-recognised actuarial gains/losses				**-7,342,343**	

(*) of which: 28 deferred benefit

Internal Pension Funds: Statement of Changes in the Year and Final Accounts (Continued)

(Statement of changes in internal pension funds - continued)

FUNDS AND DESCRIPTION OF MOVEMENTS	NO. OF RETIREES AS AT 12.31.2009	EMPLOYEES IN SERVICE AS AT 12.31.2009	TYPE	ACCOUNTING FIGURES	CONTRIBUTION RATE
Statement post-employment benefits and pensions for staff of the Cassa di Risparmio di Roma - Registration no. 9096	2,809 (*)	1,336	Defined benefit		Payable by the Company on the basis of the technical accounts
Opening balance as at 12.31.2008				**210,333,043**	
Provisions for the year:					
- interest cost				10,205,209	
- actuarial gains/losses recognised in the year				-115,000	
- Current service cost (gross)				1,515,900	
Benefits paid in the year				12,802,156	
Balance as at 12.31.2009				**209,136,996**	
Present value of the liabilities				**204,417,264**	
Non-recognised actuarial gains/losses				**4,719,732**	
(*) of which:549 deferred benefit					
Statement of the "Pension Fund for staff of the former Bi-Pop Group CARIRE - Registration no. 1202	20	-	Defined benefit		Payable by the Company on the basis of the technical accounts
Opening balance as at 12.31.2008				**400,000**	
Provisions for the year:					
- interest cost				128,997	
- peformance of plan assets				-105,529	
Employer contributions				-608,944	
Balance as at 12.31.2009				**-185,476**	
Present value of the liabilities				**2,445,765**	
Present value of plan assets				**2,277,416**	
Present value of the liabilities, not funded by plan assets				**168,349**	
Non-recognised actuarial gains/losses				**-353,825**	
Statement of "Post-employment benefit for staff of Banco di Sicilia" - Registration no. 9161	3,319 (*)	203	Defined benefit		Payable by the Company on the basis of the technical accounts Payable by employees: Senior Management: 0.8% M anagement (3rd and 4th grade): 0.6% Management (1st and 2nd grade): 0.30% Other Staff: 0.15%
Opening balance as at 12.31.2008				**164,374,207**	
Provisions for the year:					
- interest cost				8,835,335	
- actuarial gains/losses recognised in the year				-	
Benefits paid in the year				14,131,756	
Employees contributions				24,734	
Other increases				276,225	
Balance as at 12.31.2009				**159,378,745**	
Present value of the liabilities				**165,826,140**	
Non-recognised actuarial gains/losses				**-6,447,395**	

(*) of which:104 deferred benefit

(Statement of changes in internal pension funds - continued)

FUNDS AND DESCRIPTION OF MOVEMENTS	NO. OF RETIREES AS AT 12.31.2009	EMPLOYEES IN SERVICE AS AT 12.31.2009	TYPE	ACCOUNTING FIGURES	CONTRIBUTION RATE
Statement of the "FIP former Sicilcassa - supplementary pension fund for staff of Cassa Centrale di Risparmio V.E. per le province siciliane" - Registration no. 9063	2,867	-	Defined benefit		Payable by the Company on the basis of the technical accounts
Opening balance as at 12.12.2008				**81,552,208**	
Provisions for the year:					
- interest cost				4,598,000	
- actuarial gains/losses recognised in the year				-	
Benefits paid in the year				10,076,420	
Other decreases				1,957	
Balance as at 12.31.2009				**76,071,831**	
Present value of the liabilities				**86,493,155**	
Non-recognised actuarial gains/losses				**-10,421,324**	
Statement of the "Pension fund for employees of the former Banca di Roma - London Branch	160 (*)	-	Defined benefit		
Opening balance as at 12.31.2008				**16,520,893**	
Provisions for the year:					
- interest cost				1,426,896	
- performance of plan assets				-1,292,891	
- actuarial gains/losses recognised in the year				121,914	
Benefits paid in the year				3,431,814	
Exchange rate effects				1,189,853	
Balance as at 12.31.2009				**14,534,851**	
Present value of the liabilities				**39,090,192**	
Present value of plan assets				**25,303,457**	
Present value of the liabilities, not funded by plan assets				**13,786,735**	
Non-recognised actuarial gains/losses				**748,116**	
(*) of which:127 deferred benefit					
"Pension fund for the employees of the London Branch" (ex Credito Italiano)	98 (*)	6	Defined benefit		
Opening balance as at 12.31.2008				**2,756,383**	
Provisions for the year:					
- current service cost (gross)				155,388	
- interest cost				698,120	
- performance of plan assets				-457,156	
- actuarial gains/losses recognised in the year				-21,779	
Benefits paid in the year				1,097,849	
Exchange rate effects				199,877	
Balance as at 12.31.2009				**2,232,984**	
Present value of the liabilities				**14,149,308**	
Present value of plan assets				**10,954,847**	
Present value of the liabilities, not funded by plan assets				**3,194,461**	
Non-recognised actuarial gains/losses				**-961,477**	

(*) of which: 81 deferred benefit

Internal Pension Funds: Statement of Changes in the Year and Final Accounts (Continued)

(Statement of changes in internal pension funds - continued)

FUNDS AND DESCRIPTION OF MOVEMENTS	NO. OF RETIREES AS AT 12.31.2009	ACTIVE MEMBERS AS AT 12.31.2009	TYPE	ACCOUNTING FIGURES	CONTRIBUTION RATE
"Supplementary Pension Fund of the general obligatory insurance for the employees of the credit section of Cassa di Risparmio di Trento e Rovereto Spa, the Social Security Fund for the employees of the tax collection agencies of the Tax Collection Service and for the employees of the tax collection agency of Cassa di Risparmio di Trento e Rovereto Spa" Sections B e C - Registration no. 9131	-	581	Defined contribution - individual capitalisation		Payable by the Company for employees ante*: min. 2% max 14.35% for employees post*: min. 2% - max 2.35% + empl. sever. pay + average monthly Euribor rate on equity Payable by employees: by employees ante 0.50% by employees post 2%
Opening balance as at 12.31.2008				**42,664,789**	
Decreases:				**3,229,939**	
Capital paid out in the year				3,218,112	
Transfer to other pension funds				11,827	
Increases:				**3,826,406**	
Performance of liquid assets net of operating costs and replacement tax				271,673	
Other changes:					
- contributions paid by employees and the Company (1)				118,499	
- contributions paid by other Group Companies (1)				3,425,317	
- other				10,917	
Balance as at 12.31.2009				**43,261,256**	
FUND ASSETS					
Liquid assets				42,865,976	
Items to be settled				395,280	
Total assets				**43,261,256**	
(1) includes employee severance pay * ante/post employees: those who joined the complementary social security fund before/after 4.28.1993, when Legislative Decree 124/93 came into force					
"Company Pension Fund supplementing INPS benefits. Defined-contribution account of former Banca dell'Umbria 1462 S.p.A." - Registration no. 9021	-	615	Defined contribution		Employees "ante": (*) - payable by the employee 0.25% with the option to contribute also the employee severance pay - payable by theCompany: from 2% to 6.28% Employees "post": (*) - payable by the employee min. 0.25% + sever. pay - payable by the Company: 2%
Opening balance as at 12.31.2008				**34,782,757**	
Decreases:				**3,693,166**	
Capital paid out in the year				3,558,425	
Other changes:					
- payment of insurance policy covering death and invalidity risk				134,741	
Increases:				**2,807,529**	
Performance of liquid assets net of operating costs and replacement tax				460,125	
Other changes:					
- contributions paid by employees and the Company (1)				187,881	
- contributions paid by other Group Companies (2)				2,142,755	
- other				16,768	
Balance as at 12.31.2009				**33,897,120**	
FUND ASSETS					
Liquid assets				33,949,603	
Items to be settled				-52,483	
Total assets				**33,897,120**	
(1) includes employee severance pay and costs in respect of death and invalidity risk cover (2) includes employee severance pay * ante/post employees: those who joined the supplementary social security fund before/after 4.28.1993, when Legislative Decree 124/93 came into force					
"Company Social Security Fund supplementing INPS benefits. Defined-contribution account - (cost of living) of former Banca dell'Umbria 1462 S.p.A." - Registration no. 9021			Defined contribution		
Opening balance as at 12.31.2008				**206,207**	
Provisions for the year				-	
Balance as at 12.31.2009				**206,207**	

(Statement of changes in internal pension funds - continued)

FUNDS AND DESCRIPTION OF MOVEMENTS	NO. OF RETIREES AS AT 12.31.2009	ACTIVE MEMBERS AS AT 12.31.2009	TYPE	ACCOUNTING FIGURES	CONTRIBUTION RATE
"Company Social Security Fund supplementing INPS benefits - Cassa di Risparmio di Carpi S.p.A. - Pension account" - Registration no. 9022	-		Defined contribution - individual capitalisation		Contribution rate employees ante*: from 0% in steps of 0.5% + employee severance pay, up to 2.325% (voluntary) Company contribution rate: - seniority in the Fund 12.31.96 (under 10 years: 3.5%, from 11 to 20 years: 4%, from 21 to 25: 5%, from 26 to 30: 6%, from 31 to 35 years: 6.5%, over 35 years: 1.5%) - rates according to age as at 12.31.96: under 30: 1, from 31 to 35: 1.1, from 36 to 40: 1.2, from 41 to 45: 1.25, from 46 to 50: 1.3 Contribution rate employees post*: - from 0% to 2% in steps of 0.5% + empl severance pay Company contribution rate: 2%
Opening balance as at 12.31.2008				**131,465**	
Decreases:				**118,163**	
Capital paid out in the year				118,163	
Increases:				**2,335**	
Performance of liquid assets				2,335	
Balance as at 12.31.2009				**15,637**	
FUND ASSETS					
Liquid assets net of items to be settled				15,637	
Total assets				**15,637**	
* ante/post employees: those who joined the complementary social security fund before/after 4.28.1993, when Legislative Decree 124/93 came into force					
Company Pension Fund for employees of former UniCredit Banca MEDIOCREDITO S.p.A. - Registration no. 9127	-		Defined contribution		Payable by the Company: 2.75% Payable by the employee: 1% + additional voluntary contribution from 0% to 2%
Opening balance as at 12.31.2008				**152,921**	
Decreases:				**112,260**	
Capital paid out in the year				112,260	
Increases:				**1,386**	
Performance of liquid assets				1,386	
Balance as at 12.31.2009				**42,047**	
FUND ASSETS					
Liquid assets net of items to be settled				42,047	
Total assets				**42,047**	

Internal Pension Funds: Statement of Changes in the Year and Final Accounts (Continued)

Internal Pension Funds

2009 was a very important year as regards the Group Pension Fund's absorption of the various pension funds existing at Group level.

In particular, following the finalization of various agreements with the trade unions concerning the former Cariverona pension fund, the "Fondo Aperto Pensione Più" subscribed by Banco di Sicilia employees, the Bipop-Carire and the former Banca dell'Umbria pension funds, some 12,000 new positions were added to the individual capitalisation section of the Group's Pension Fund

Additionally, the end-of-the-year agreement on the ex CRR Fund, which was a social intervention, solved a long-standing issue in the former Capitalia Group, as it granted its 1,500 members the option of joining the Group's Pension Fund.

The liabilities of defined-benefit internal pension funds are determined by using the projected unit credit method. Funded plans' assets are measured at fair value at the balance-sheet date. The balance sheet consists of the Deficit or Surplus (i.e. the difference between the fund's liabilities and its assets) net of unrecognized actuarial gains or losses. Actuarial gains or losses are recognized in the income statement only if they exceed the 10% corridor.

The average weighted rates of the main financial and actuarial assumptions were the following:

	12.31.2009	12.31.2008
Discount rate	4.77%	5.51%
Expected yield of plan assets	4.58%	4.60%
Expected rate of salary growth	3.02%	3.01%
Future increases in pension benefits	1.80%	2.20%
Expected inflation rate	2.04%	2.06%
Mortality rate (*)	RG48	RG48

(*) only for Italy plans.

Certification

Annual financial statements certification pursuant to Article 81-ter of Consob Regulation no. 11971/99, as amended

1. The undersigned Alessandro Profumo (as Chief Executive Officer) and Marina Natale (as the Manager Charged with preparing the financial reports), of UniCredit SpA, taking into consideration Article 154-bis (subparagraph 3 and 4) of Italian Legislative Decree February 24, 1998 n.58, do hereby certify:
   - the adequacy in relation to the Legal Entity features and
   - the actual application

   of the administrative and accounting procedures employed to draw up 2009 annual financial statements.

2. The adequacy of administrative and accounting procedures employed to draw up 2009 annual financial statements has been evaluated applying a Model defined by UniCredit SpA coherent with "Internal Controls – Integrated Framework" (CoSO) and "Control Objective for IT and Related Technologies" (Cobit), which represent international commonly accepted standards for internal control system.

3. The undersigned also certify that:
   3.1 The 2009 annual financial statements:
      a) was prepared in compliance with applicable international accounting standards recognized by the European Community pursuant to European Parliament and Council Regulation no.1606/2002 of July 19, 2002;
      b) corresponds to results of the books and accounts records;
      c) prepared according to Article 9 of the Legislative Decree N.38/05, is suitable to provide a fair and correct representation of the situation of the assets and liabilities, the economic and financial situation of the issuer.

   3.2 The Report on operations shall contain a reliable analysis of the trend and operating results, as well as the situation of the Issuer, together with a description of the main risks and uncertainties they are exposed.

Milan, March 16, 2010

Alessandro Profumo

Marina Natale

Mladen Cvijetić,
Milcodoo Trn
Retail Client
Bosnia and Herzegovina

«For many years, I have been using revolving loans from UniCredit Bank Banja Luka. Last year, my company needed to provide immediate guarantees to a new supplier in Serbia. Unfortunately, at that time I was on a business trip to the Czech Republic. My bank advisor suggested that he contact my supplier and issue him a letter of intent from the bank. Thanks to our mutual trust, my business suffered no loss.»

It's easy with UniCredit.

Reports and Resolutions

Report of the Board of Statutory Auditors

Report of the Board of Statutory Auditors

Pursuant to § 153 Legislative Decree 58 dated 24 February 1998

Dear Shareholders,
In 2009 we monitored compliance with the law and the Company's By-Laws, adherence to the principles of proper management, the fitness of the organisational structure for each area of operation, the internal control system and the administrative and accounting procedures, as well as the reliability of such procedures to accurately reflect business operations, the manner of specific implementation of the rules of corporate governance contained in codes of conduct drawn up by companies managing regulated markets or by trade associations, to which the company has publicly declared its adherence, and the appropriateness of instructions issued by the Company to its subsidiaries concerning the disclosure of information to the public, pursuant to § 149 Law 58/98.

We attended the 12 meetings of the Board of Directors, and the Chairman of the Board of Statutory Auditors and one or more Auditors, as designated from time to time, attended the 13 meetings of the Internal Control & Risks Committee.

We obtained information from the Directors on the activities carried out and on the most significant transactions, in terms of their effect on profitability, finance and capital, carried out by the Company and by its subsidiaries, and we ascertained that the actions decided and executed were in accordance with the law and with the company By-Laws and were not manifestly imprudent, reckless or potential generators of conflicts of interest.

In the previous financial year, numerous intercompany and related-party transactions were carried out, as described in the Board of Directors' Report with reference to current CONSOB regulations.

Pursuant to § 23 By-Laws, the Statutory Auditors were provided with all essential information on these transactions.

These transactions were concluded in the Company interest and under similar conditions to those applying to transactions made with unrelated third parties, i.e. in a Group interest perspective with the aim of recovering all costs incurred.

Our examination of the information provided did not reveal any transactions, including intercompany or related-party transactions, that might be considered to be untypical and/or unusual.

****

We carried out our duties by means of direct observation and inspections, as well as meetings with the managers of the various departments to obtain information, data and operational plans. For the reciprocal exchange of relevant information, we held periodic meetings with representatives of the auditing firm KPMG SpA, which is engaged for the auditing, pursuant to § 155 Law 58/98, in respect to UniCredit SpA company financial statements and UniCredit Group consolidated financial statements, and the review of the first half financial statements, as well as verification that the company accounts are properly kept and that all management operations are properly entered in the accounting books.

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In 2009 the Group Risk Management Department was reorganized to take account of the increasing importance of risk management both from the organizational and regulatory point of view.

As requested by Banca d'Italia and CONSOB, in 2009 the Group dedicated particular attention to strengthening internal audit procedures and improving information included in reports and accounts, as well as to anti-money laundering, business continuity, derivative transactions, loans through external networks and liquidity risk. Planned measures are still underway.

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In 2009, the Internal Audit maintained its focus on the greatest risks to which the Group is exposed. The activities of the Group Internal Audit determined that the system of internal controls within the Group was satisfactory overall, while noting the need for improvement in a number of areas.

In addition to monitoring the activities of local internal auditors, the Internal Audit Department completed 82 direct audits; of these, 51 concerned the parent company and 31 concerned Group Entities and were carried out jointly with local Internal Audit Departments.

We examined each of these audits and made pertinent recommendations where considered appropriate.

****

The supervisory duties of the Board of Statutory Auditors were also carried out by means of 24 team audits (including one performed on a foreign branch), meetings with the Auditors of the principal Italian subsidiaries, meetings with the Chairs of the Internal Control and Risks Committees of the principal Italian and non-Italian subsidiaries, and meetings with the chief external Auditors of the principal Italian and foreign subsidiaries. No significant findings emerged requiring to be reported to the regulatory authorities.

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In 2009 and up to the date of this report, the Board of Statutory Auditors received three complaints pursuant to § 2408 Civil Code.

During the shareholders meeting held on 16 November 2009, Mr Salvo Cardillo invited the Board of Statutory Auditors to verify:
1) If the remarks made by of two “employee shareholders” at the meeting held on 29 April 2009 against another shareholder constituted censorship instigated by the Board of Directors or one of the Governing Bodies;
2) The validity of the decision approved by the shareholders meeting on 29 April 2009 based on a proposal made by one shareholder, instead of the proposal prepared by the Board of Directors, without preliminary assessment by Banca d’Italia;
3) If the English language can be used during the shareholders meetings and in the meeting minutes (with the Italian translation).

On point 1, there was no evidence that the Board of Directors or Governing Bodies intended to impose limitations or censorship towards shareholders.

On point 2, the preliminary assessment by Banca d’Italia can only concern changes to the by-laws formally proposed by the Board of Directors, otherwise this would constitute a limitation of a specific shareholder’s right: Banca d’Italia may make ex-post remarks, which was not the case.

On point 3, neither Italian laws, nor by-laws and Regulations of the Shareholders meeting require that the meetings be held in Italian and that minutes be written in Italian.

With a letter dated 28 October 2009, Mr Salvo Cardillo asked if UniCredit and/or its non-Italian subsidiaries had performed transactions in own shares and derivatives. In this respect we note that UniCredit, in its capacity as issuer of shares to be traded on regulated markets, shall inform the public and CONSOB of transactions concerning own financial instruments, either performed by UniCredit, by one of its direct or indirect subsidiaries, or by a delegated subject. UniCredit SpA monthly communicates to CONSOB detailed information on transactions within 3 working days from the beginning of the following month. As disclosed on the company’s web site, transactions in own shares and derivatives performed by UniCredit and its subsidiaries were normal.

On 11 January 2010 Mr Francesco Santoro invited the Board of Statutory auditors to verify:
1) Who and how many Top/Senior Managers and Strategic Talents benefited from the ESOP plan.
2) Who are the Strategic Talents.
3) If the subscription by Mediobanca of the previous capital increase constituted violation of regulations on cross shareholdings.
4) If there is a reasoned legal opinion according to which Capitalia awarded Mr Geronzi a career award.
5) If the companies with which UniCredit entered into derivative contracts involving the possibility to repurchase previously sold own shares were funded by the Group or by Mediobanca, and what is the average share sale price.
6) If Directors purchased bank shares close to the date of the Board of Directors meeting during which the latest capital increase was approved.
7) If false and reticent information given, in his opinion, by Mr Profumo during the Shareholders meeting, and the sale of shares concurrently with the invitation to employees and the public to buy shares, constituted the crimes of false corporate information, fraudulent transactions in shares, manipulation of share prices, abetting and insider trading.

On point 1) the Board of Statutory Auditors ascertained that no Top/Senior Manager subscribed the plan, while 400 out of 6,700 Strategic Talents benefited from the plan.

On point 2) the Board of Statutory Auditors notes that Strategic Talents are executives involved in specific professional development plans (about 4,200 people) and select managers with talent (about 2,500 people).

On point 3) the Board of Statutory Auditors reminds that regulations on cross shareholdings only refer to shares with voting rights. The 967,564,061 shares subscribed by Mediobanca were used to service the issue of the “cashes” financial instruments and voting rights were suspended. CONSOB clarified that these shares shall not be considered in the calculation of the 2% threshold.

On point 4) the Board of Statutory Auditors confirms its remarks expressed in the report to shareholders relating to 2008.

On point 5) the Board of Statutory Auditors ascertained that the derivative contract was entered into with a leading international bank and did not involve the possibility to repurchase own shares. The average share sale price was €1.69 per share.

On point 6) the Board of Statutory Auditors noted that the Directors did not buy any UniCredit shares after the first quarter of 2009.

On point 7) the Board of Statutory Auditors noted that information communicated by Mr Profumo and by the company were compliant with the regulatory requirements concerning clarifications and disclosure.

In 2009 and up to the date of this report the Board of Statutory Auditors received one petition concerning a complaint received in 2008 which had already been processed, and one complaint which has been settled.

Report of the Board of Statutory Auditors (CONTINUED)

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With regard to the mandates conferred on the external auditors, the following additional mandates were entrusted to KPMS SpA. and its network ("parties related to the Company responsible for the auditing of ongoing relations" form part of the network, as defined by CONSOB Regulation No. 11971):

- Issuance of a "comfort letter" regarding bond issues on the European market (8), for a fee of €370,000.00;
- Auditing of the English version of the statutory and consolidated accounts at 31 December 2009 and of the half-yearly report at 30 June 2009, for a fee of €13,900.00;
- Auditing of the interim consolidated accounts at 30 September 2009, for a fee of €788,900.00;
- Auditing of pro-forma figures from the Prospectus pertaining to the UniCredit capital increase, and issuance of a "comfort letter" relating to the accounting data in the Prospectus (including expenses), for a fee of €1,700,000.00;
- Signature of the Unified Tax Return form and Simplified and Standard Tax Form 770, for a fee of €25,100.00;
- Auditing of the Sustainability Report of UniCredit Group at 31 December 2009, for a fee of €310,000.00;
- Review of the reporting system for the Sustainability Report of UniCredit Group at 31 December 2009, for a fee of €50,000.00;
- Consultancy on fraud combating activities, for a fee of €40,000.00
- Preparation of the report on the value of Fondo Capital Italia S.A. units as at 31 December 2008, for a fee of €8,500.

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The Board of Statutory Auditors issued the opinions required pursuant to Art. 2389 of the Civil Code regarding the remuneration of Directors carrying out special duties.

The Board of Statutory Auditors also gave opinions concerning new manager appointments, the sponsorship agreement between UniCredit SpA and Fondazione Teatro alla Scala and the Corporate Governance project.

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Pursuant to the market regulation instructions issued by Borsa Italiana [Italian Stock Exchange], we have provided you with the Annual Report on the Corporate Governance system and on compliance with the Corporate Governance Code for Listed Companies.

The Board of Statutory Auditors verified the proper application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its own members.

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The external Auditors expressed a positive opinion on the company accounts and consolidated accounts, and confirmed that the main events occurred in 2009 were duly posted and disclosed, also in light of the Banca d'Italia, CONSOB, Isvap Document no 4 dated 3 March 2010.

The Board of Statutory Auditors has noted that the accounts have been prepared in conformity with the applicable rules, and has found the information provided by the Board of Directors in its reports to be complete, adequate and consistent with the data contained in the accounts, as well as with the requirements of Banca d'Italia and CONSOB. The Board of Statutory Auditors believes that the appropriation of the profits for the year, as proposed by the Board of Directors, is not contrary to the provisions of the law and of the By-laws.

31 March 2010

STATUTORY AUDITORS
GIORGIO LOLI (Chairman)
GIAN LUIGI FRANCARDO
SIEGFRIED MAYR
ALDO MILANESE
VINCENZO NICASTRO

List of offices held by Statutory Auditors (Annex 5bis - Table 4)

FIRST AND LAST NAME	COMPANY	OFFICE HELD	EXPIRATION OF TERM OF OFFICE	NR OF POSITIONS HELD IN LISTED COMPANIES	TOTAL NUMBER OF OFFICES HELD
Giorgio Loli				**2**	**17**
	Acer Italia SpA	Standing auditor	Approval of Financial Statements at 31/12/2010		
	Coesia SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2011		
	Finprema Srl	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2009		
	G.D SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2010		
	Isoil Impianti SpA	Standing auditor	Approval of Financial Statements at 31/12/2011		
	Isoil Industria SpA	Standing auditor	Approval of Financial Statements at 31/12/2011		
	Maire Technimont SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2009		
	StyleMark SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2010		
	Residenziale Immobiliare 2004 SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2010		
	Studio Arte Srl	Chairman of the Board of Directors	Approval of Financial Statements at 31/12/2009		
	UniCredit Real Estate SpA	Standing Auditor	Approval of Financial Statements at 31/12/2011		
	UniCredit SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2009		
	UniCredit Audit SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2011		
	Consorzio del Compr. Del Porto di S. Teresa Gallura	Member of the Board of Directors	Approval of Financial Statements at 31/12/2012		
	Verde Moscova Soc. Coop	Standing Auditor	Approval of Financial Statements at 31/12/2009		
	Perennius Capital Partners SGR SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2009		
	Coesia Packaging Machinary SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2010		
Gian Luigi Francardo				**1**	**5**
	UniCredit SpA	Standing Auditor	Approval of Financial Statements at 31/12/2009		
	UniCredit Banca SpA	Standing Auditor	Approval of Financial Statements at 31/12/2010		
	Pioneer Global Asset Management SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2009		
	SAIWA SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2010		
	Comar Ass.ni SpA in liq.ne coatta amm.va	Official Receiver	Until termination of office		
Siegfried Mayr				**1**	**1**
	UniCredit SpA	Standing Auditor	Approval of Financial Statements at 31/12/2009		

Report of the Board of Statutory Auditors (CONTINUED)

FIRST AND LAST NAME	COMPANY	OFFICE HELD	EXPIRATION OF TERM OF OFFICE	NR OF POSITIONS HELD IN LISTED COMPANIES	TOTAL NUMBER OF OFFICES HELD
Aldo Milanese				3	15
	AEM Torino Distribuzione SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2010		
	Azimut Holding SpA	Member of the Board of Directors	Approval of Financial Statements at 31/12/2009		
	Centro Estero per l'Internazionalizzazione del Piemonte S.c.p.A. - CEIP S.c.p.A.	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2009		
	Federal Mogul Italy Srl	Standing Auditor	Approval of Financial Statements at 31/12/2009		
	Finanziaria Città di Torino Srl	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2009		
	Finanziaria Fondazioni SpA in Liquidazione	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2009		
	Holding Piemonte e Valle d'Aosta SpA	Standing Auditor	Approval of Financial Statements at 31/12/2009		
	IRIDE SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/20011		
	Pegaso Investimenti Campioni d'Impresa SpA	Standing Auditor	Approval of Financial Statements at 31/12/2009		
	Pronto Assistance SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2011		
	Teksid SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2009		
	UniCredit Family Financing Bank SpA	Standing Auditor	Approval of Financial Statements at 31/12/2011		
	UniCredit SpA	Standing Auditor	Approval of Financial Statements at 31/12/2009		
	UniCredit Private Banking SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2010		
	UniManagement Srl	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2009		
Vincenzo Nicastro				2	11
	Filati Bertrand in A.s.	Chairman of the Supervisory Board	//		
	Carrozzeria Bertone SpA in AS	Provisional Liquidator	//		
	UniCredit SpA	Standing Auditor	Approval of Financial Statements at 31/12/2009		
	UniCredit Corporate Banking SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2010		
	UniCredit Leasing SpA	Standing auditor	Approval of Financial Statements at 31/12/2011		
	Realty Vailog SpA	Member of the Board of Directors	Approval of Financial Statements at 31/12/2011		
	Reno de Medici SpA	Member of the Board of Directors	Approval of Financial Statements at 31/12/2010		
	Red.IM Srl	Chairman of the Board of Directors	Approval of Financial Statements at 31/12/2011		
	Chia Hotels & Resorts SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2010		
	Cosud Srl	Standing Auditor	Approval of Financial Statements at 31/12/2011		
	Credit Agricole Private Equity Italia SGR SpA	Chairman of the Board of Statutory Auditors	Approval of Financial Statements at 31/12/2011		

Report of the External Auditors

KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI

Telefono +39 02 6763.1
Telefax +39 02 67632445
e-mail it-fmauditaly@kpmg.it

(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with article 156 of Legislative decree no. 58 of 24 February 1998

To the shareholders of
UniCredit S.p.A.

1 We have audited the separate financial statements of UniCredit S.p.A. as at and for the year ended 31 December 2009, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The company's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

The separate financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the notes, the company's directors restated some of the corresponding figures included in the prior year separate financial statements. We audited such financial statements and issued our report thereon on 9 April 2009. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of expressing an opinion on the separate financial statements at 31 December 2009.

3 In our opinion, the separate financial statements of UniCredit S.p.A. as at and for the year ended 31 December 2009 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair

view of the financial position of UniCredit S.p.A. as at 31 December 2009, the results of its operations and its cash flows for the year then ended.

4 The directors of UniCredit S.p.A. are responsible for the preparation of a report on operations and a report on the corporate governance and shareholding structure, published in the "Governance" section of UniCredit S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the report on operations and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure are consistent with the separate financial statements of UniCredit S.p.A. as at and for the year ended 31 December 2009.

Milan, 31 March 2010

KPMG S.p.A.

(signed on the original)

Mario Corti
Director of Audit

Resolutions passed at the Shareholders' Meeting

Resolutions passed at the Shareholders' Meeting

Resolutions of Shareholders' Meeting on April 22, 2010

After acknowledging the Reports of the Board of Directors and Board of Statutory Auditors for financial year 2009, the ordinary session of UniCredit's Shareholders' Meeting, which was held on April 22, 2010, approved the financial statements at December 31, 2009 and approved the distribution of a dividend per share of €0.03 for ordinary shares and €0.045 for savings shares. The dividend, which was approved by the Shareholders' Meeting, will be payable on May 27, with an ex-dividend date of May 24, 2010.
The ordinary session of the Shareholders' Meeting also nominated the new Board of Statutory Auditors consisting of five standing auditors for financial years 2010-2012 (and thus, their term expires on the date of the Shareholders' Meeting called to approve the financial statements for 2012) as well as two alternate auditors.
The new Board of Statutory Auditors will be made up of the following members:

Chairman: Maurizio LAURI

Standing Auditors:
• Cesare BISONI,
• Vincenzo NICASTRO,
• Michele RUTIGLIANO,
• Marco VENTORUZZO.

Alternate Auditors:
• Paolo Domenico SFAMENI,
• Massimo LIVATINO.

In addition, the Ordinary Shareholders' Meeting set the compensation for each standing auditor at €95,000, and compensation for the Chairman of the Board of Statutory Auditors at €130,000, in addition to an attendance fee of €400 for attending each meeting of the Board of Statutory Auditors.

The Shareholders' Meeting also approved the payment of annual compensation of €40,000 to the Chairman of the Supervisory Body established pursuant to Legislative Decree 231/01, in addition to the payment of an attendance fee of €400 for attending the meetings of the Supervisory Body.

Lastly, the Shareholders' Meeting voted to approve:
• the Group's Compensation Policy;
• the 2010 Share Purchase Plan for all employees of the UniCredit Group;
• the 2010 Long-term Incentive Plan for the UniCredit Group.

Creative concept, Graphic development and Composition:
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