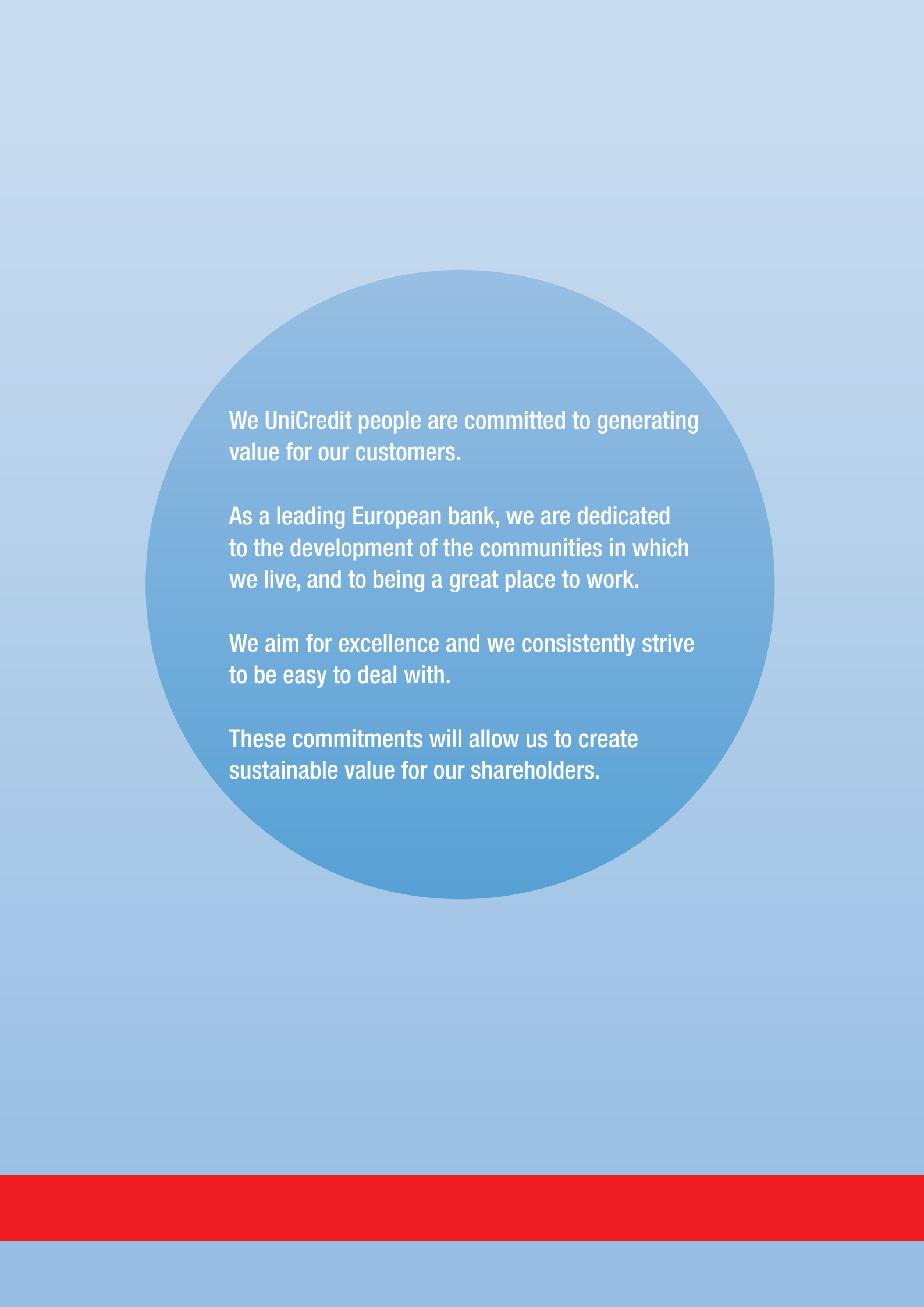


Make it simple. It's *easy* with **UniCredit.**




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.



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.

Radu Timis,
Cristim Group
Corporate Banking Client - Romania

«**A**t a time of market contraction, when increased commercial pressures were combined with the effects of the financial crisis, UniCredit Tiriatic Bank was open to supporting my company to launch a new business line. By supporting the new concept, the bank showed trust and confidence in our expertise, which set the stage for our expansion.»

**It's easy with
UniCredit.**



Index

A discussion with the Chief Executive Officer	4
Report Structure	8
UniCredit Group Profile	10
Our Approach	15
UniCredit Group's new mission statement	16
UniCredit Group's sustainability framework	16
Brand positioning	18
Reputation assessment	18
One for Customers	19
Stakeholder engagement	19
Integrity Charter	22
Our People	25
UniCredit People: a portrait in numbers	26
Leadership pipeline, training and development	27
Diversity	33
Corporate culture	35
Industrial Relations	37
Welfare, health and work-life balance	38
Our Customers	41
Listening to our customers	42
Complaint management	45
Transparency	47
Financial education	49
Sensitivity, proximity to customers	50
Responsible lending	51
Our response to natural disaster	56
Security	57
Investors & Markets	61
Shareholder Relations	62
Investor Relations	62
UniCredit Group shareholder base	63
Communities	65
The Italian Territorial Committees	66
Transparent cooperation with international institutions	67
Support to universities and economic research	69
Sponsorships and donations	70
Unidea – UniCredit Foundation	74
Environment	79
Environmental policy	80
Environmental Sustainability Program	80
Fighting climate change	80
Environmental identity	81
Energy efficiency	81
Mobility management	82
Waste management	82
Electronic waste projects	82
Water consumption	82
Indirect environmental impacts and supplier relationships	83
Supplement	85
Appendixes	85
GRI Index and Global Compact Principles	122
Report of the External Auditors	126

A discussion with the Chief Executive Officer

This year, UniCredit Group is replacing the traditional letter from the Chief Executive Officer to stakeholders with a discussion between Alessandro Profumo and Antonella Massari, Head of the Group Identity and Communications Department, which is responsible for our activities in sustainability.



AM: Last year at this time, the financial crisis was at its peak. In your letter to stakeholders you wrote that the crisis had resulted in a clear loss of confidence in banks, which had to act rapidly to rebuild trust. Do you think this is still the situation today? And what steps has UniCredit Group taken to re-establish confidence and respond to the challenges of the post-crisis period?

AP: I believe that there is still a trust problem for banks. Last year we had to confront a lack of confidence in the financial sustainability of the industry and in its ability to provide loans to businesses. Today the solvency of banks is no longer in question, but there is still doubt about their ability to prevent some of the same risks we faced during the recent crisis.

Certainly, this perception is more marked in relation to investment banks than it is to companies that are primarily engaged in the commercial banking business, such as our own.

Speaking specifically of UniCredit Group, I can say that we reacted quickly to rebuild trust. We did this by launching a series of timely initiatives in support of families and companies, in particular SMEs. This includes *Impresa Italia*, a program through which we provided credit during the crisis to more than 11,500 Italian SMEs with loans totalling roughly €1.5 billion.

Over 16,000 businesses facing difficulty received a lifeline through our *SOS Impresa Italia* program, involving an exposure of €1.3 billion. For corporate customers, we launched the Enterprise Support Program for the reformulation of credit facilities in order to reinforce their overall financial position. This initiative accepted roughly 2,800 applications for an amount of €2.2 billion.

I believe that customer appreciation of these efforts was fundamental to re-establishing confidence in UniCredit Group.

The crisis also encouraged us to intensify our efforts to listen to stakeholders. For example, in 2009 the Territorial Committees launched *I Territori del sistema Italia*, an initiative that engages leading players within local territories in an effort to better understand their needs and expectations, and to ultimately increase customer satisfaction. This project has developed naturally to encompass listening to colleagues from within our commercial network – the individuals who service our clients and territories on a daily basis. Another important way in which we listened to stakeholders in 2009 was through a survey we conducted on the Group's reputation in Italy, Austria, Germany and Poland.

AM: We have intensified and broadened the spectrum of our activities involving dialogue and stakeholder engagement. What were the most important lessons learned in these discussions?

AP: The main lesson learned has been our customers' need for a straightforward relationship with their bank, founded on the delivery of high-quality products and services, and on transparent and simple processes and communications. It is important that our people are not only technically knowledgeable, but that they know how to deal with customers in an empathetic way and how to speak to them in a language that is easy to understand.

This view has been reinforced by our own staff, especially those who are in direct contact with customers, as well as those stakeholders who live and work in the territories where we operate.

Proximity to the communities we work in has clearly emerged as one of UniCredit Group's strong points. At the same time, stakeholders have a positive opinion of our international scope. These two complementary aspects of the Group allow us to develop specialized products that

benefit our business customers abroad, while providing them with an important network of local relationships in each country.

What we learned from listening to our stakeholders also provided us with the foundation for our new mission statement. It clearly states our desire to place customers at the center of our activities and to respond to their demand for high-quality and transparent products, and simple and effective processes.

AM: Speaking about the Group's new mission statement, its cornerstone is value creation for our key stakeholders – customers, employees, communities and shareholders. Does that mean that the fundamental message of our mission is a commitment to sustainability?

AP: The mission statement expresses several important messages, one of which we already mentioned – customer centricity. The implementation of this priority involves the commitment of all Group colleagues.

Another priority included in our mission involves the communities in which we work. Our customers and employees, who live in these communities, are the Group's vital stakeholders. So we recognize the impact of our role in the communities and are committed to their development.

We also felt the mission statement should stress our dedication to being a leader in innovation, including our customer relations and our efforts to shape the industry's future, by working together, for example, with regulators.

The mission also reflects our European identity and that we have based our corporate culture on trust and reciprocity.

I am convinced that by pursuing our goals – as described in the mission statement – we can implement sustainability in our corporate strategies and our daily business.

AM: What elements are fundamental to a sustainability approach that can infuse the bank's decision-making process, culture and daily life?

AP: Sustainability requires certain necessary conditions – above all, good reputation and profit.

These conditions alone are not enough to ensure sustainability. Senior management is not paid to generate

profit, but to create value. And this means generating a profit that is sustainable over time for the benefit of all stakeholders.

To achieve this, the Group has identified various enabling factors, or pillars of sustainability. If used correctly, these can make profit sustainable and thus create value. They can improve the growth of future revenues or the pricing of products and services, reduce costs or risks, and also improve access to less costly and more enduring capital.

In keeping with the importance of customers and employees as stakeholders, two of the Group's pillars of sustainability are excellence in customer relations and investment in human resources.

Governance also plays a fundamental role in sustainability. A transparent decision-making process, based on clear accountability and shared responsibility, will assure the widest range of choices in the long term. It also means that any trade-off between long-term objectives and short-term opportunities, which come up often in the financial markets, can be managed correctly.

Another fundamental pillar is the use of operating processes and information systems that provide added value.

Finally, above all for banks, a key component of sustainability is risk management. It must be understood in a holistic sense and has to permeate the attitudes of our employees, our corporate culture and our business processes.

AM: Since investment in human resources is one of the Group's pillars of sustainability, could you speak more about our colleagues and the most important efforts in HR management?

AP: A great deal has been done in the past year on this front, including adopting a new leadership competency model and a new executive incentive system for senior management. Our commitment to the management of diversity has also produced significant results – in terms of new initiatives and activities and some of the resulting figures. For example, real progress can be seen in the numbers of women who are now in the Group's senior management and participating in talent development programs.

Looking ahead, I believe it's important to continuously reassess how we motivate our colleagues, while balancing economic incentives with our identity and values. This process is part of the cultural change set in motion by our new mission statement.

Our colleagues are committed to meeting the demand for simpler customer relationships and to maintaining our high level of expertise and closeness to our communities. With the involvement of every Group colleague, we can be a bank with which it is easy to do business. That is why we are calling this cultural change *One for Customers*.

AM: In conclusion, what are UniCredit Group's priorities for 2010?

AP: In 2010, we will continue to commit ourselves to initiatives that make our new mission come alive, while working to ensure that our ability to listen and respond becomes an integral part of our daily business. We will also renew our support to the UN Global Compact and continue to place a high priority on the acceptance and application of its principles.

AM: Alessandro, it has been a pleasure speaking with you.



Report Structure

The UniCredit Group Sustainability Report reflects the full operational reach of the Group in 2009 and describes the connections between our business strategies and our management of stakeholder relationships.

The scope of this report covers the Group's activities in Italy, Germany, Austria and key Central and Eastern Europe¹ (CEE) countries, and provides more detailed information on select CEE countries in comparison to last year's report.

Reporting criteria

This document was written in conformity with the Sustainability Reporting Guidelines & Financial Services Sector Supplement published by the Global Reporting Initiative (GRI) in 2008. A table summarizing the contents of this report with reference to GRI indicators is found on page 122.

The 2009 UniCredit Group Sustainability Report satisfies GRI requirements at a B+ application level.

Reporting process

For information not centrally available at the Group level, the process of collecting data was accomplished through the systematic use of CSR cards, which were created based on GRI guidelines and distributed to Group entities.

To maximize the reliability of information reported, we included directly measurable data while limiting estimated calculations as much as possible. The data is based on the best information available or on sample analyses. Figures that are approximate in value are clearly disclosed as such. An important future goal is the extension of the report's scope by increasing the standardization of our data-gathering procedures.

		2002 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared							
	Third Party Checked							
Optional	GRI Checked							

¹ The Central and Eastern Europe (CEE) countries reported in the 2009 Sustainability Report are: Bulgaria, Croatia, Czech Republic, Hungary, Romania and Russia.

Reporting period and scope

The reporting period and scope of this annually published document correspond with that of the UniCredit Group 2009 Consolidated Reports and Accounts, unless otherwise noted.

The economic and financial data included herein are derived from this year's Consolidated Reports and Accounts.

Environmental data refers to UniCredit Group's main legal entities of the Banking Group as of December 31, 2009. These entities are based in Italy, Germany, Austria, Bulgaria, Croatia, the Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia and Slovenia. Any limitations to this scope are clearly disclosed.

Major changes from the previous report

In 2009, Bayerische Hypo-und Vereinsbank AG (HVB AG) changed its company name to UniCredit Bank AG.

The definition governing the determination and distribution of Value Added has changed, in accordance with the new methodology published by the Italian Banking Association (ABI) in March 2010.

For data included in Our People chapter, a new method of classification by employment tier was introduced to make data more comparable across countries.

For data relating to greenhouse gas (GHG) emissions, in 2009 UniCredit Group carried out a GHG inventory in accordance with the UNI ISO 14064-1:2006 international standard. This part of ISO14064 details principles and requirements for designing, developing, managing and reporting organization- or company-level GHG inventories. It includes requirements for: determining the boundaries of the organization; determining and quantifying GHG emissions and removals; identifying specific actions to improve GHG management; and establishing standards and responsibilities for inventory quality management, reporting, internal auditing and verification activities.

External assurance

This report was subject to the limited review of KPMG S.p.A., in accordance with the criteria established for review engagement by the International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

A KPMG S.p.A. report describing the completed activities and pertinent conclusions related to this document is found on page 126.

Relevant issues

Information on social, environmental and economic performance was identified according to issues warranting examination. Selection was based on an approach that incorporated both an internal analysis and an external assessment of UniCredit Group. As described in the Our Approach chapter, we are implementing a number of methodologies aimed at identifying those issues most relevant to our stakeholders. We particularly focus on matters capable of influencing the Group with respect to financial, social or environmental issues, and are working to identify ways to achieve concrete improvements.

HIGHLIGHTS

UniCredit Group operates in 22 countries, with over 165,000 employees and approximately 9,800 branches.

UniCredit Group benefits from a strong European identity, extensive international presence and broad customer base.

Its strategic position in Western and Eastern Europe gives the Group one of the region's highest market shares.

(currency amounts are shown in € million)

OPERATING INCOME	27,572
OPERATING PROFIT	12,248
NET PROFIT	1,702

SHAREHOLDERS' EQUITY	59,689
CORE TIER 1 RATIO¹	8.47%
TIER 1 RATIO¹	9.49%

EMPLOYEES²	over 165,000
BRANCHES³	about 9,800
TOTAL ASSETS	928,760

1. Following the capital raising closed on February 23, 2010.

2. Data as at December 31, 2009. Full time equivalent (FTE) = number of employees counted for the rate of presence. Figures include all employees of subsidiaries consolidated proportionally, such as Koç Financial Service Group employees.

3. These figures include all branches of subsidiaries consolidated proportionately, such as Koç Financial Services branches.

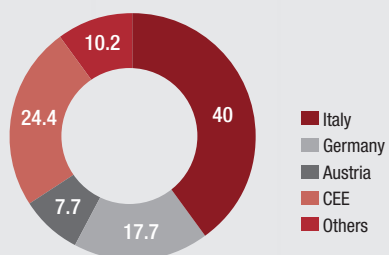
4. Item 120 in profit and loss.



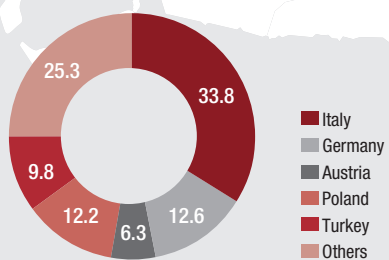
A stylized map of Europe is shown on the right side of the page. The map is light gray with white outlines for country borders. The countries where UniCredit Group operates are highlighted in a darker gray. These countries are listed in a column to the left of the map, starting from Austria at the top and ending with Ukraine at the bottom. The list includes: Austria, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Germany, Hungary, Italy, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey, and Ukraine.

AUSTRIA
AZERBAIJAN
BOSNIA AND HERZEGOVINA
BULGARIA
CROATIA
CZECH REPUBLIC
ESTONIA
GERMANY
HUNGARY
ITALY
KAZAKHSTAN
KYRGYZSTAN
LATVIA
LITHUANIA
POLAND
ROMANIA
RUSSIA
SERBIA
SLOVAKIA
SLOVENIA
TURKEY
UKRAINE

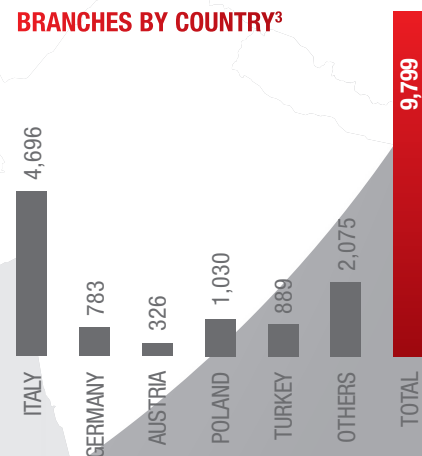
REVENUES BY REGION⁴ (%)



EMPLOYEES BY COUNTRY² (%)



BRANCHES BY COUNTRY³



AUSTRIA, GERMANY AND ITALY

UniCredit Group has a strategic position in Austria, Germany and Italy. These three countries account for more than one-third of the GDP of all European Union economies combined and together comprise one of the continent's wealthiest transnational regions.

In each of these countries, GDP per capita is higher than for the European Union as a whole. And Germany is well positioned – in terms of GDP per capita – among the four largest EU economies: France, Germany, the United Kingdom and Italy.

In the wake of the unprecedented slowdown in 2009, the region's economic growth is expected to resume and continue well into the foreseeable future. Specifically, real economic growth is forecast to expand, on average, by roughly 1.6 percent in Austria, 1.6 percent in Germany and 1.2 percent in Italy on average from 2010 to 2014, representing rates in line with, or even well above, those achieved in the previous five-year period.

Exports will increasingly drive future growth. In 2009, exports in goods and services for Austria, Germany and Italy equaled 50.1, 40.8 and 24.0 percent of GDP respectively – among the highest of any EU countries. And these three nations are particularly interconnected with the expanding economies of Central and Eastern Europe (CEE).

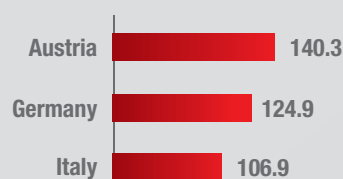
More than half of Austrian exports and one-third of German and Italian exports outside of Old Europe are directed to the CEE. Furthermore, more than 100,000 Austrian, German and Italian companies are active in the CEE.

The Group's presence has grown both organically and through strategic acquisitions in these countries over the years. Ranked among the top banking network in our three core Western European countries, the Group provides access to roughly 330 branches in Austria, 780 branches in Germany and 4,700 branches in Italy.

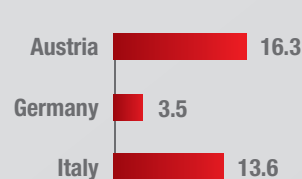
Across Europe, UniCredit Group is refining its services by positioning its customers at the core of Group's operations. This includes the use of new client segmentation criteria designed to achieve better customer service wherever the Group operates. The first three countries to implement these changes will be Austria, Germany and Italy.



GDP PER CAPITA¹



MARKET SHARE² (%)



1. Nominal GDP per capita as at December 31, 2009 (EU27=100)

Estimated of Nominal GDP per capita within the EU27 as at December 31, 2009 (last update March 16, 2010).

2. Market Share in terms of Total Customer Loans as at December 31, 2009.

Source: Eurostat, UniCredit Research.

CENTRAL AND EASTERN EUROPE

UniCredit Group is market leader in Central and Eastern Europe, where it is one of the largest banking players, with a broad network of roughly 4,000 branches.

The Group has a long history in this region, which accounts for nearly half of all its employees. It is thus well positioned to benefit from the process of economic convergence that is generating higher living standards and a better business environment in these countries, 10 of which are already EU members and will adopt the euro in the coming years.

The CEE economies – which also include two of the five largest emerging markets in the world, Russia and Turkey, and one of the EU's most stable and promising markets, Poland – currently account for a share of the world economy similar in size to Germany or China. This is particularly impressive considering that their combined economies amounted to roughly half the size of the German economy only a decade ago.

The Group's footprint in this dynamic region is well diversified, with a direct presence in 19 countries. It ranks among the top 10 players in 17 countries and among the top five in 10 countries. The CEE now accounts for 13.7 percent of the Group total loans.

UniCredit Group has a proven track record of successfully integrating local CEE banks. Its market position in the CEE provides the local banks with substantial competitive advantages, including strong brand recognition, access to international markets, the sharing of best practices, and significant economies of scale. Furthermore, the Group's diversified portfolio in this region enables modular growth and increases market penetration for its global product factories.



MARKET SHARE ON CEE³ (%)



3. Market Share in terms of Total Assets as at December 31, 2009.

* as at September 30, 2009.

Source: UniCredit Research, UniCredit CEE Strategic Analysis

Martin Darbo,
Adolf Darbo Aktiengesellschaft
Corporate Banking Client - Austria

«As a family business, we don't think in terms of quarters or years. We think in terms of generations. When making forward-looking decisions, you need a partner who prepares and offers long-term solutions in a reasonably short time. This is why we work with Bank Austria - UniCredit Group.»

**It's easy with
UniCredit.**



Our Approach

Key Achievements 2009

- Developed a new mission statement, sustainability framework and brand positioning
- Assessed the Group's reputation, incorporating roughly 8,000 interviews with key stakeholders in four countries in order to comprehensively address stakeholder needs
- Strengthened strategic partnership with Italian consumer associations, focusing on dialogue and transparency
- Maintained a dialogue with NGOs on policies including water infrastructure and mining
- Signing of the Joint Declaration on Equal Opportunities and Non Discrimination with the European Works Council, along with regular meetings with senior management to present strategies, decisions and plans

Priorities 2010

- The development of a performance management and measurement system to analyze correlations between sustainability indicators and financial indicators
- Further promote a cultural change toward becoming an *easier bank*, offering simplicity in relationships, high levels of expertise and proximity to our territories
- Improve our transparency in cooperation with consumer associations and, in partnership with them, launch educational activities to help customers and communities avoid over-indebtedness
- Enhance our network of contacts among NGOs and civil society
- Organize two international roundtables with NGOs to receive feedback on the Group's mining and water infrastructure policies under development, and on recent changes to our defense/weapons policy

“ UniCredit Group strives to listen to its stakeholders and embrace their legitimate expectations.

In these challenging times, this is more important than ever, as the new, post-crisis banking environment changed how people see us and has required that we reassess how we see ourselves.

Thus, we have worked to reappraise what we stand for and what we must achieve. This has included the development of a new mission statement establishing the Group's fundamental role and aspirations as well as the creation of a sustainability framework and a new brand positioning and reputation assessment system. ”

UniCredit Group's new mission statement

“ 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. ”

«We UniCredit people» underscores the commitment and involvement of all of our colleagues, because we strive to mobilize each and every one of our people to generate change.

The mission speaks to elements of customer centricity and the fact that all of our activities aim to fully understand and serve our customers. By being customer-centric, we are creating and implementing organizational models and solutions that will generate real value for all stakeholders, including our employees, communities and shareholders.

We are a leading bank, anticipating changing trends and always seeking to innovate; shaping our industry's future and being a top performer in terms of our relationships with customers.

We are European – not just in terms of geography, but in our roots and frame of mind.

We are a part of the communities in which we work, and we embrace our responsibilities to all of the territories in which we operate because we are committed to their development.

Our dedication to being a great place to work reflects our desire to be a responsible employer and an employer of choice. We constantly seek to create an attractive workplace that is professionally stimulating and reflects our values.

Excellence must be our standard in everything we do, both in our daily operations and in developing innovation. Aiming for excellence improves our competitiveness and strengthens our reputation.

We want to be easy to deal with, in terms of simplifying our relationship with our customers. Moreover, we want to provide flawless execution, because how we deliver is as important as what we deliver.

We believe the fulfillment of each of these commitments will allow us to create sustainable value for our shareholders.

Integrity Charter Day 2009

Integrity Charter Day revolved around customer centricity.

By sharing stories from our daily lives, we identified how we put our values into practice when dealing with clients. In recognition of the significant number of best practices that have been derived from the application of the Group's values in client relationships, we used *Integrity Charter Day* as an opportunity to share these practices across the Group.

Through a bottom-up process involving all of the managers in the organization, 16 role models were acknowledged by Management Committee members and were invited to take part in the December 18, 2009 Management Committee Meeting.

UniCredit Group's sustainability framework

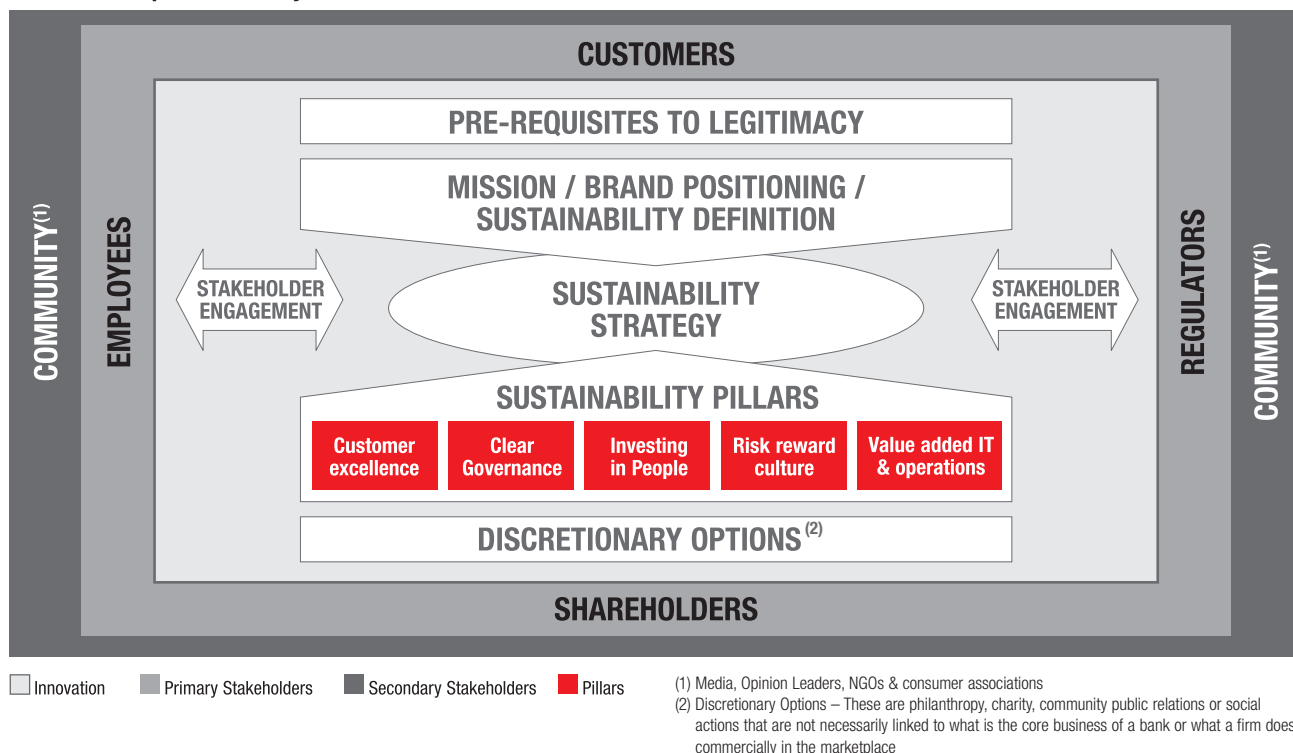
We believe corporate sustainability means finding worthwhile ways to do business with our customers, while making investments that create value in the long term and contribute to sustainable development in a manner that meets the legitimate expectations of multiple stakeholders.

The road to sustainability requires certain preconditions:

- Profitability is a satisfactory level of profit generated in a manner that is fair according to a value system shared by customers and employees, and which guarantees a certain standard of service quality.
- Legitimacy is the bank's license to operate, which is granted by stakeholders in return for the bank's respect for the generally accepted standards that apply to its sector's operations.
- A good reputation is the positive judgment formed by all stakeholders of the credibility and respect of a company based on factors that include its financial performance, the quality of its management, its commitment to the community, the fulfillment of its brand promise and its adherence to corporate values.

We developed a sustainability framework to help translate our stated approach to corporate sustainability into practical business behavior and in a manner that is responsive to our stakeholders' feedback. It is drawn from our Integrity Charter's values – which represent the foundation of the Group's identity – and recognizes that putting values into action is a central feature of all three sustainability preconditions. This framework, which reflects our belief in innovation, fosters a culture of continuous improvement, a desire to anticipate emerging social and economic needs, and a willingness to adapt quickly to change.

UniCredit Group Sustainability Framework



The pillars of our sustainability framework, which enable long-term value creation for Group stakeholders, are:

- customer service excellence
- clear governance
- investing in people
- a risk-reward culture
- value-added IT systems and operations

By customer service excellence we mean, among other things, the ability to meet customer needs and respond to them promptly, both in ordinary times and during crises, through quick and decisive action that is executed and explained in a straightforward, understandable manner. Financial inclusion must play a part, as it entails responding to the specific needs of low-income earners in a way that reduces the risk of defaults while expanding our customer base according to broader social trends. In a sense, customer service excellence also encompasses financial education, which contributes to economic development by improving the financial literacy of customers, prospective customers, low-income earners, students and the elderly.

Governance is relevant, both in the sense of corporate governance and that of effective organization. An example of the former includes an empowered and qualified Board of Directors that is capable of challenging senior management. Effective organization, for the Group, means building a company without boundaries – one that can overcome typical organizational constraints and achieve improvement

by removing horizontal, vertical and geographic limitations.

A transparent decision-making process, based on clear accountability and shared responsibilities, assures the diversity of choices in the long term. It also means that any trade-off between the intention to pursue long-term objectives and the pressures to seize short-term opportunities, which often come from the financial markets, can be managed correctly.

Investing in people requires, among other things, fostering a corporate culture of mutual understanding and transparency, which comes from actively listening to our employees and transmitting timely and relevant communications in a manner that manages and reduces information asymmetries.

Investing in our colleagues also means developing leadership and ensuring a pipeline of promising talent for management and leadership positions. This translates into valuing diversity, which entails establishing the kind of meritocracy that recognizes individual talent across demographic groups. It demands investing in professional competencies in response to customers needs for quality service. And it means developing an incentive system that balances economic incentives with aspects of values and identity and is capable of attracting, retaining and motivating a highly qualified and diverse workforce, while rewarding those who best reflect our standards of behavior in conducting sustainable business.

By establishing a risk-reward culture, we are developing a holistic risk management practice that covers all relevant enterprise risks while applying superior knowledge about different customer industries. Our objective is to achieve a strong capacity to assess creditworthiness and to apply an appropriate selectivity to the supply of credit.

Effective IT systems and operations require investment in the tools that assure rapid execution, knowledge of customer needs, effective risk management and superior quality of information. These elements will facilitate innovation within the organization.

Within this sustainability framework, the bank's model of interaction with stakeholders calls for proper stakeholder engagement. This entails participating in constructive dialogue and continuous communication that can ensure that the views and expectations of our stakeholders are always considered.

Brand positioning

As the foundation of the Group's identity, our mission statement directly affects our brand position, which reflects our core objectives and distinguishes us from our peers. The values and commitments encompassed by the mission enable us to move toward our desired perception: a leading European bank that is easy to deal with and whose people deliver concrete answers and real benefits to the challenges and opportunities customers face in real life.

Our brand is a core driver of our reputation, which is vital to UniCredit Group's progress toward sustainability.

Adherence to legal standards and voluntary codes related to marketing and communications

In marketing and communications, UniCredit Group follows the Code of Marketing Communication Self Regulation (Codice di Autodisciplina della Comunicazione Commerciale – www.iap.it) promoted by the Advertising Self-Regulation Institute (Istituto dell'Autodisciplina Pubblicitaria), which commits subscribers to transparent, honest and true advertising. The Group is also a member of the Utenti Pubblicità Associati (UPA), which supports the Advertising Self-Regulation Institute. All Group entities enforce the regulation promoted by these bodies, specifically when the local codes followed lack guidelines on topics covered by the UPA.

All advertising channels and communication activities for all Group entities are managed by the Identity and Communications Unit, which duties include assuring the effective application of the code and of the regulations of the Supervisory Board.

In advertising related to investment products, all texts are submitted to CONSOB (the Italian national commission for companies and stock exchange) for evaluation of regulatory compliance and consistency with the principles of truth and transparency.

Reputation assessment

In the banking industry, reputation has become more relevant than ever due to the fact the financial crisis cast a spotlight on the matter of trust – a concept tightly linked to reputation.

Sound reputation assessment conducted through intense stakeholder listening activities is an integral part of how we do business. It makes possible our concrete engagement with stakeholders and allows us to better understand their expectations.

Building a strong reputation and remaining a sustainable enterprise requires a clear and comprehensive organizational investment.

**Reputation:
almost 8,000 interviews
with Group key
stakeholders in four
countries**

Accordingly, we implemented a systemic approach to reputation assessment in four key countries of Group operation – Italy, Germany, Austria and Poland – that represent roughly 80 percent of our revenues. This allowed us to:

- identify relevant interests and issues for stakeholders in each country in which we operate
- appraise the Group's assets and their ability to satisfy stakeholder needs and meet their expectations
- reinforce our license to operate by assessing the long-term costs associated with lack of trust

We organized stakeholder listening activities, comprising roughly 8,000 interviews that were designed to identify those drivers that most impact reputation. This involved both a qualitative and a quantitative phase.

We adopted the Reputation Institute's independent and international methodology, which models corporate reputation as a function of seven dimensions: Performance, Products & Services, Innovation, Citizenship, Leadership, Workplace and Governance. Each of these dimensions encompasses a number of key reputation attributes relevant to stakeholder perceptions of UniCredit Group.

We also sought to measure the emotional aspects of our reputation, in order to assess the strength of the emotional bond between the company and stakeholders.

We are setting up key metrics of the relevant attributes of reputation. They will be monitored and included on a sustainability scorecard that will be used to assess the Group's overall sustainability performance. A pilot scorecard will be developed in 2010 for countries that fall within the scope of the reputation assessment.

One for Customers

Combined, the creation of the sustainability framework, the new mission statement, our re-branding and the assessment of our reputation have provided the inputs, tools and drivers for a major cultural change Groupwide. This change had its first material application on December 15, 2009, when the Board of Directors approved the launch of the *One for Customers* project, which aims to further develop the Group's divisional model.

It is the natural progression of the path we started down years ago – focusing on specialization in customer service – and which, today, we are extending across even more client segments.

Our strategic choices are based on our listening process – both internal and external – and have highlighted topics of central importance:

- simplicity in our relationships
- high levels of expertise
- proximity to our territories

Being an easier bank sums up these key requirements. *One for Customers* is our answer to creating a bank that is easier to deal with and even more attentive to day-to-day relationships.

It is our reply to the demand for better knowledge of our customers. We made a new investment in specialization to better focus on the needs of every client, both families and businesses. We now focus on four customer segments served via dedicated models. We created a new segment dedicated to SMEs, which are the backbone of local economies and will drive the economic recovery.

One for Customers is also our answer to the demand for greater responsiveness. To make our responses faster and more effective, we now give greater decision-making and project-design autonomy to the people who work directly with customers every day.

We believe this project brings our mission to life. And our commitment to generating value for customers is realized through a significant improvement in our relationships, which means:

- a more personalized approach and better knowledge of their needs
- higher quality, more simplicity and greater depth in our day-to-day relationships
- fast and effective responses

- better access to our international platform (principally for corporate customers)

Our commitment to the development of the communities in which we live is achieved through:

- proximity to the territories, achieved through a more efficient and focused organization that is better able to support the growth of local firms and households
- increased understanding of local needs and strong partnerships with key local stakeholders

Stakeholder engagement

Our commitment to active engagement with our stakeholders involves providing them with the right to be heard, and assists us in our efforts to remain accountable to them. For us, being accountable requires:

- transparency – reporting to stakeholders
- responsiveness – responding to stakeholder concerns
- compliance – complying with legal requirements, standards, codes, policies and other voluntary commitments

A broad stakeholder engagement framework allows the Group to better understand stakeholders' concrete concerns, as well as their views, needs, performance expectations and perceptions. It also helps us to respond effectively.

A strategic partnership with consumer associations

As outlined in the Framework Agreement signed between the Group and 12 Italian consumer associations (CAs) in July 2008, this approach to stakeholder engagement sets forth a partnership with CAs that is based upon and strengthened by continuous and structured dialogue.

To this end, we organize annual meetings between the management of UniCredit Group and the CAs to openly discuss and work to resolve relevant issues. Moreover, we sponsor periodic meetings between our product factories and CAs in order to keep them up to date on product-related processes, as well as new products. This ongoing dialogue is particularly beneficial, as it provides us with an alternate vantage point on our customers' product needs.

Due to the fallout from the collapse of Lehman Brothers and the global financial crisis, the main critical issue that arose during 2009 was the restoration of trust between banks and their clients.

Customers asked for more transparency in banking and financial products, particularly when it came to the technical jargon of banks and the functional details of products.

CAs worked specifically to develop a permanent and constructive dialogue aimed at fostering understanding and innovative approaches among banks seeking to support clients and households in difficulty.

This approach also sought to improve the banking system's ability to create products and services that were more closely tailored to customers in an ever-changing market.

In light of the consumer needs previously assessed with the CAs, also in 2010 we will focus on four principal areas:

- education and prevention of over-indebtedness, with the aim of strengthening customer awareness of financial and banking products and reducing the financial cultural gap
- transparency and customer care, with the aim of enhancing the quality and transparency of products and communications aimed at customers
- management awareness, with the aim of strengthening management's understanding of customer protection and of the added value that partnering with CAs represents to stakeholders
- development of a European model of engagement, with the aim of exporting the Italian model of CA cooperation to those Central and Eastern European countries where the Group operates, as well as implementing innovative tools in support of customer satisfaction initiatives in the selected countries

On the basis of our experience with Italian CAs, in 2010 we will continue to develop an engagement model for Central and Eastern Europe with the objective of supporting customer centricity in other countries in which the Group operates.

For more details on activities carried out in partnership with CAs, please see the Our Customers chapter of this report.

The UniCredit Group Italian Territorial Committees

The Italian Territorial Committees are advisory bodies appointed by our Board of Directors. Established in 2003, they are comprised of external community and business leaders, as well as representatives of UniCredit Group.

In 2008, the Territorial Relations Department was established to guide and coordinate the activities of the Territorial Committees. These include supporting dialogue between the Group and its communities, and turning locally developed ideas into concrete action.

For further information on projects in 2009, please see the Communities chapter of this report.

Ongoing dialogue with non-governmental organizations

An important aspect of our stakeholder dialogue is our engagement with civil society and a variety of social and environmental non-governmental organizations (NGOs).

Over the past several years, we have begun building a comprehensive network of contacts with national and international NGOs. We constantly work to improve this network and to take its collective expertise into account early in our decision-making processes.

Our interactions, which address a variety of issues on different levels, include:

- ongoing dialogue on a variety of issues
- open discussions addressing grievances and criticism
- dialogue contributing to the development of our reputational risk policies
- leading the Equator Principles Financial Institutions (EPFIs) NGO Working Group

Ongoing dialogue on a variety of issues

In 2009, we hosted and participated in numerous conferences and meetings organized by NGOs, including:

- a conference organized in Munich by the German NGO Urgewald and hosted by HVB¹, concerning the defense industry, at which we presented our Group's defense/weapons policy
- a workshop addressing the role of banks in nuclear industry, held in Linz, Austria, and co-organized by Greenpeace, BankTrack and Urgewald
- a public conference entitled *Critical Shareholding Prescription: Rules, Accountability, Social and Environmental Responsibility*, held in Milan and organized by the Cultural Foundation for Ethical Responsibility, the Campagna Riforma Banca Mondiale, the Catholic University of Milan, Greenpeace and Valori
- a conference entitled *For a Democratic, Responsible and Sovereign Finance*, held in Rome and organized by the Campagna Riforma Banca Mondiale, Eurodad, WEED, the Bretton Woods Project and Glropolis
- an international conference on *Sustainable Hydropower in the Western Balkans*, held in Dubrovnik and organized by the World Wide Fund for Nature
- a public conference called *ENI in Congo Brazzaville: Italian Investments in the Southern Hemisphere*, held in Milan and organized by the Cultural Foundation for Ethical Responsibility,

¹ Please note that during 2009 Bayerische Hypo- und Vereinsbank AG (HVB AG) changed its company name in UniCredit Bank AG.

the Heinrich Boell Foundation, BankTrack, the Campagna Riforma Banca Mondiale and Valori

The UniCredit Bank Austria *Sustainability Circle* initiative organizes frequent meetings with stakeholders, NGOs, scientists and public administrators on topics such as rules of fairness vis-à-vis stakeholders, sustainable products, climate change and the financial crisis and its implications for the banking system.

Through a network of NGO contacts and ongoing dialogue with additional stakeholder groups, HVB continued to support the following activities:

- discussions of sensitive topics with Urgewald, WWF, Transparency International and consumer associations
- participation in a roundtable organized by Urgewald to address the financing of the biofuel industry
- the Climate Change Finance Forum, of which HVB is a founding member, in cooperation with leading German financial service providers and the Federal Ministry of Education and Research, and which aims to improve the management of climate innovations and risks
- the German Sustainable Investment Forum, an alliance of more than 100 financial institutions in Germany, Austria and Switzerland, which seeks to advance sustainable investment by promoting it among customers and in the public arena.

Open discussions addressing grievances and criticism

Dialogue between companies and NGOs is, of course, not without conflicts. Sometimes NGOs actively campaign against businesses and certain projects. It is important in these cases to keep communication channels open and to enter into a constructive dialogue.

The Group's two previous sustainability reports addressed the Ilisu Dam project. Currently under construction in Turkey, the dam's hydroelectric power plant will create jobs but will also flood the Kurdish city of Hasankeyf and displace many people.

During 2009, we exchanged views with NGOs on the environmental, cultural and human impacts of the project, and we have sought consistent engagement with the other banks and export credit agencies involved in the dam's construction.

In July, the Export Credit Agencies of Germany, Austria and Switzerland withdrew their guarantees for the project with the understanding that, despite some improvements, the insurance requirements relating to environmental, cultural and human impacts could not be fulfilled within the contractual timeframe. Further details on the Ilisu Dam project can be found in the press release of July 8, 2009, available in the Press & Media section of the web site www.unicreditgroup.eu

Dialogue contributing to the development of our reputational risk policies

During the ongoing development of our reputational risk policies on mining and water infrastructure, we have consulted external industry experts, business representatives and NGOs.

Previous sustainability reports described the development of our Defense/Weapons and Nuclear Policies. In 2009, we began consultations on our water infrastructure policy, continued our consultations on our mining policy and finalized the review of our Defense/Weapons and Nuclear policies.

Leading the Equator Principles Financial Institutions (EPFIs) NGO Working Group

Since 2008, UniCredit Group has chaired the NGO Working Group of the Equator Principles Financial Institutions (EPFI) network. In this role, we are organizing a dialogue between EPFIs and NGOs.



The Ilisu Dam project: open discussion to address criticism from NGOs

We organized a one-day meeting with the other EPFIs and several NGOs in Washington, D.C., in 2009. Hosted by the World Resources Institute, the event addressed governance, transparency, implementation, training and grievance mechanisms at the project level.

In February 2010, we co-organized with Credit Suisse a one-day meeting with EPFIs and NGOs in Zurich. Hosted by Credit Suisse, this meeting addressed topics including climate change, governance, transparency, accountability, and the International Finance Corporation (IFC) Performance Standards Review.

The European Works Council

The promotion of social dialogue within the Group, particularly in those countries where such dialogue is less developed, has been successfully pursued through the activities of the European Works Council (EWC) and its improved relationship with relevant representatives from the Human Resources and business communities.

Different initiatives (e.g., meetings, workshops, training) have been implemented to raise awareness of the role of our Industrial Relations and of the EWC as a Group governance tool. In light of the unanimous recognition of our best practices in the European industrial relations experience, we were invited to speak at a workshop in Prague organized by UNI Europe Finance (a European association of trade unions and works councils) on industrial relations and the role of multinational corporations in social dialogue in the CEE. We were also invited to the plenary meeting of the Sectoral Social Dialogue Committee in banking, organized by the European Commission in Brussels.

In 2009, major accomplishments related to the EWC included:

- steady, structured and timely communication provided to the EWC, simultaneous with the Board of Directors' decisions and prior to such information being given to employees or the external market
- signing of the Joint Declaration on Equal Opportunities and Non Discrimination (May 14, 2009)
- two EWC General Meetings with the participation of senior management representatives (e.g., Head of HR, CFO, Corporate and Investment Banking Executive Committee, etc.), during which all key transnational strategies, decisions and plans were presented, shared and discussed with EWC members during open Q & A sessions
- five select committee meetings with the participation of senior management to present and discuss strategies and reorganization processes in depth, and consistent with the EWC's right to consultation
- further Groupwide dissemination of the Joint Declarations on Training, Learning and Development and Equal Opportunities and Non Discrimination at all levels (e.g., local meetings with employee representatives, training initiatives, etc.)

For further information on industrial relation activities please see Our People chapter of this report.

Integrity Charter

All of the aforementioned initiatives, from the development of our sustainability framework to our brand positioning, are fully aligned with our Integrity Charter. The Charter represents the foundation of UniCredit Group's identity, as expressed through a set of shared values that guide our behavior and handling of the dilemmas we may face in our daily professional lives. More detailed information on this topic may be found in the 2008 Sustainability Report, as well as on our corporate website (www.unicreditgroup.eu).

With the aim of properly applying the Integrity Charter, we have designed the Restorative Justice System, which promotes individual responsibility and voluntary resolution between those who are party to matters in which Integrity Charter values may have been compromised.

More information on the mechanics of the Restorative Justice System may be found in the 2008 Sustainability Report.

**Restorative Justice
System, 16 countries,
609 cases since its
inception, 95%
resolved**

Currently, the Restorative Justice System is fully functioning in 16 countries. This includes, Baltic Countries (Estonia, Latvia, Lithuania), Romania, Russia and Serbia to which it was extended in 2009. Our goal is to extend the system to cover all of the countries in which we operate. As of December 2009, 579 of the 609 cases generated had been closed, and 30 were pending. The number of cases have increased from year to year, indicating growing awareness of and greater trust in this system among the Group's colleagues. Most of the cases involved relate to the values of transparency, fairness and respect.

Number of cases accepted by the Restorative Justice System: breakdown by country, 2006-2009

Country	Starting date	Total number of cases from 2006 to 2009	2009	2008	2007	2006	Number of closed cases	Number of pending cases
Italy	Oct 1, 2006	264	97	80	68	19	256	8
Germany	Jan 1, 2007	85	28	28	29	-	79	6
Austria	Mar 1, 2007	34	11	12	11	-	34	0
Poland	Jan 1, 2008	59	26	33	-	-	51	8
Bulgaria	Mar 1, 2008	23	10	13	-	-	23	0
Croatia	Mar 1, 2008	28	11	17	-	-	28	0
Czech Rep.	Oct 1, 2008	14	11	3	-	-	12	2
Hungary	Sep 1, 2007	55	17	22	16	-	54	1
Romania	Mar 1, 2009	9	9	-	-	-	6	3
Russia	Jul 1, 2009	1	1	-	-	-	1	0
Serbia	Apr 1, 2009	6	6	-	-	-	6	0
Baltic Countries*	Feb 1, 2009	5	5	-	-	-	5	0
Slovakia	Sep 1, 2007	9	4	3**	2	-	7	2
Slovenia	Feb 1, 2008	17	5	12	-	-	17	0
Total		609	241	223	126	19	579	30

* Baltic Countries include Estonia, Latvia and Lithuania

** In the 2008 Sustainability Report one case was wrongly classified as a Restorative Justice System

Focus on closed cases: breakdown by country

Country	Closed cases	Cases not admitted	Mediation refused	Cases renounced	Cases solved without RJS tools	Total number of cases deploying RJS tools	Tool used		
							mediation	meetings	notice
Italy	256	56	7	34	27	132	18	57	57
Germany	79	2	0	6	33	38	6	9	23
Austria	34	1	1	3	4	25	1	6	18
Poland	51	8	1	11	9	22	0	10	12
Bulgaria	23	4	0	2	0	17	0	14	3
Croatia*	28	13	0	0	0	14	2	2	10
Czech Rep.	12	2	0	3	0	7	0	3	4
Hungary*	54	11	0	14	4	20	0	6	14
Romania*	6	1	0	4	0	0	0	0	0
Russia	1	0	0	0	0	1	0	1	0
Serbia*	6	0	0	0	1	4	1	3	0
Baltic Countries**	5	0	0	0	1	3	0	3	0
Slovakia	7	1	0	0	1	5	0	1	4
Slovenia*	17	2	0	5	5	4	0	2	2
Total	579	101	9	82	85	292	28	117	147

* The table does not report those RSJ cases classified in the category Others because the numbers are not significant.

** Baltic Countries include Estonia, Latvia and Lithuania

Dace Markeviča
Uralchem Trading Sia
Corporate Banking Client - Latvia

«**U**ralchem 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.**



Our People

Key Achievements 2009

- Introduced the new Group Executive Incentive System to drive sustainable performance
- Created a new Leadership Competency Model to evaluate executives and young talent Groupwide
- Launched the second edition of the Let's Share employee stock plan, which includes 75 percent of all Group personnel
- Posted 2,000 job openings on our new Internal Job Market site
- Involved more than 1,000 employees in UniCredit Women's International Network roadshows in Italy and Poland
- Launched a 360-degree feedback on values as a tool for self-development for 400 senior executives

Priorities 2010

- Launch the Global Job Catalogue on a Groupwide basis
- Extend the Let's Share plan to all countries in which the Group has a significant presence
- Develop a new software tool to collect, monitor and report on data from the Internal Job Market
- Complete the hiring of 400 permanent employees from our pool of temporary workers in Italy
- Involve more CEE countries in the UniCredit Women's International Network
- Extend our 360-degree feedback on values to all Group executives

“ We seek to enable our employees to realize their full potential and to create a work environment and corporate culture that reflect the Group's values. In striving to be an employer of choice, we are committed to attracting and developing talent, cultivating leadership, fostering diversity and engaging in dialogue at all levels of our organization. ”

The quantitative data here refer to the UniCredit Group head count as of December 31, 2009, unless otherwise noted. Due to the introduction of a new method of classification by employment tier to make data more comparable, some figures may differ from data presented in the 2008 Sustainability Report. The head count reported here does not include external staff (e.g., interns, consultants); number reflects all employees of subsidiaries consolidated proportionally, at 100 percent.

UniCredit People: a portrait in numbers

At the end of 2009, the Group employed 177,614 people¹, the majority of whom work in the Central and Eastern European (CEE²) Division. Retail is the second largest division in terms of number of personnel. By this measure, the smallest divisions are Private Banking and Asset Management.

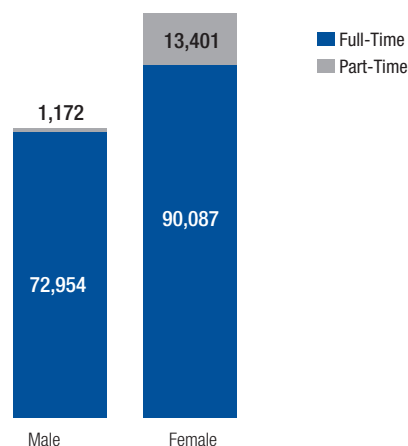
Geographically, the majority of our colleagues work in Italy and the CEE, followed by Germany, Poland and Austria.

The total number of Group employees decreased almost five percent from the previous year. This decline was the result of several events in 2009, including: the completion of the Capitalia integration process in Italy; corporate reorganizations involving the Retail network in the CEE and the former Markets and Investment Banking and Corporate divisions; and a careful approach to external hiring, which totaled roughly 7,700 new employees.

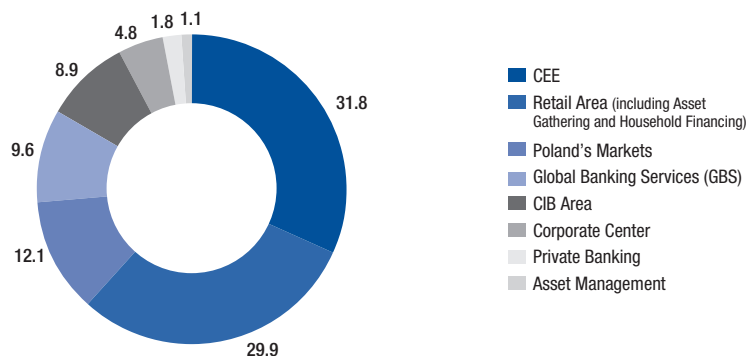
In 2009 the percentage of employees with part-time contracts was 8.2, while the proportion with fixed-term contracts was 3.3 percent. The overall turnover rate in our workforce was nine percent.

At the end of 2009, about 5,500 people³ were employed under protected categories.

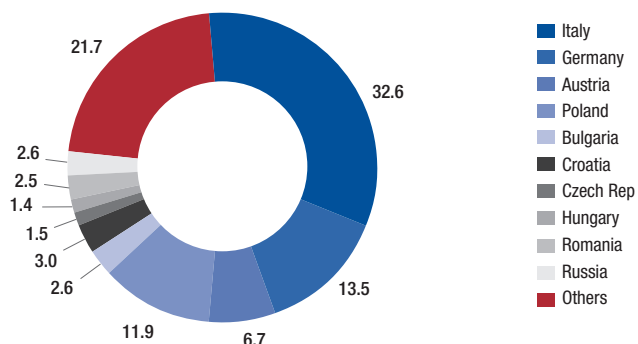
Number of employees by contract type and gender, 2009



Percentage of employees by business division, 2009



Percentage of employees by country, 2009



¹ Corresponding to roughly 165,000 Full Time Equivalent.

² The Central Eastern Europe (CEE) countries reported in the 2009 Sustainability Report are: Bulgaria, Croatia, Czech Republic, Hungary, Romania and Russia.

³ Data covers the 76.4 percent of head count.

Leadership pipeline, training and development

Leadership development and compensation

We are committed to creating an attractive and professionally stimulating work environment that reflects our values and enables colleagues to achieve their full potential. It is our belief that the dedication and involvement of all our people is key to fulfilling our promise of creating value for our customers and communities.

To address the new challenges that have emerged in our industry while remaining an employer of choice, we sought to change our corporate culture. In an effort that began with our leaders, this included encouraging a shift in the behavior of our people. Much time and energy was invested in redesigning our leadership competency model and reviewing our remuneration system to ensure both remained aligned with our values and long-term sustainable profitability.

Performance management and leadership development

The Executive Development Plan (EDP) and the Talent Management Review (TMR) are initiatives that underpin our

**3,332 executives
involved in EDP and
1,618 talents in TMR
Groupwide**

business growth and strengthen our leadership pipeline. Based on the UniCredit Leadership Competency Model, these two annual performance management processes foster the professional and managerial growth of executive and staff through a culture of constant development aligned with business requirements. This provides continuity within the Group's leadership team.

In 2009, 3,332 executives and 1,618 talents from all Group entities were involved in EDP and TMR cycles. Compared to the previous year, this represents an overall increase of 32 percent of participants and in particular, 2009 saw an enlargement of the TMR pipeline by 70 percent.

**Participants to TMR
and EDP processes
increased by
32% overall**

The EDP cycle continued to develop as one of the Group's key business tools for establishing greater leadership awareness at all levels of the organization, while identifying the leadership team's successors and managing strategic staffing with transparent criteria.

In 2009, the TMR initiative worked to identify talent, facilitate professional development and further increase the depth of the Group's leadership pipeline by investing in more high quality programs at local and divisional levels.

Leadership development of our talent and executive personnel is reinforced through mentoring and coaching programs. In 2009, roughly 150 talents across all strategic business areas were involved in a mentoring program supported by the Group. The initiative matches key talent with senior managers, who mentor them over the course of a one-year developmental relationship.

Additional mentoring programs have been established in support of the professional development of women.

Approximately 60 talents and executives were involved in the Group's coaching program, in which participants define and achieve key development goals through the combination of business and personal dynamics. They are empowered to recognize and fully realize their potential.

The coaches are certified internal senior Human Resources (HR) professionals, as we believe that support from internal coaches rather than external consultants provides the advantage of fostering the right corporate culture. It also allows us to better understand colleagues' development needs, assures a more consistent leadership style and guarantees a better understanding of financial and business issues.

We introduced a new Leadership Competency Model, upon which we are establishing the performance evaluation of our staff and executives. The model, which promotes behavior that is based on values and transparency, and advances our long-term sustainable growth, is comprised of the following pillars:

- a corporate culture that is customer-oriented, embraces diversity and promotes the Group's values and unique identity
- leadership focused on accountability for Group decisions, while fostering a spirit of cooperation and energizing people
- an external/market focus on reputation, risk management and an orientation toward local communities

In 2010, we will concentrate our efforts on unifying both our culture of performance assessment and our approach to developing the potential of our colleagues at all levels Groupwide.

**A new Leadership
Competency Model with
an external market focus
on reputation and local
communities**

The Performance Management System, although present everywhere the Group operates, to date remains country-specific. Thus, we set out to create a unique and uniform framework capable of enhancing our approach to feedback, fostering an active development culture and increasing performance awareness among all employees.

Compensation approach

In 2009, the global financial crisis prompted significant attention and reflection on compensation issues across the financial industry. Regulatory recommendations, public opinion and the banking industry's diminished profitability were key factors prompting a re-examination of the effectiveness of existing remuneration policies and practices.

The most relevant issues included:

- a direct alignment between incentives and sustainable profitability over time
- the implementation of compensation solutions in line with people management in a volatile market

All issues have been examined and addressed appropriately to ensure UniCredit Group remains at the forefront of compensation strategies aligned with both our internal and external requirements.

In accordance with the rules of the Board of Directors and in compliance with Bank of Italy requirements, the Group Compensation Policy 2009 was defined by our Board on March 17, 2009 and then approved by the Annual Shareholders' Meeting on April 29. Our compensation approach is performance oriented, market aware and aligned with our business strategy and stakeholder interests. Moreover, this approach defines the Groupwide principles and standards that are based on the following pillars:

- clear and transparent governance
- compliance with regulatory requirements and principles of conduct
- continuous monitoring of market trends and practices
- sustainable pay for sustainable performance
- motivation and retention of all employees, with a particular focus on key staff and mission-critical resources

Global Job Model



In order to standardize our approach to managing people, we launched a project to design a *Global Job Model* – a standardized framework that provides a fundamental job structure for all regions, business units and competence lines Groupwide. A Global Job Catalogue, together with a career ladder framework and a job evaluation system (*Global Bands*), will enable state of the art people management and governance, while reinforcing our Group identity.

During 2009, the Global Job Catalogue was created and aligned Groupwide. When it is launched in 2010, it will signal that all Group employees have been assigned to a Global Job and a *Global Band*. With this model, we will transition from numerous disparate local systems with thousands of jobs to an architecture of roughly 250 global jobs covering all managerial and professional roles within the Group. This represents a major simplification and will provide line managers with an effective tool for professionally developing their employees and utilizing their workforce with greater accuracy.

Group executive incentive programs

Consistent with our compensation strategy, a new Group Executive Incentive System was introduced in 2009. Involving all our executives, it was designed to drive sustainable performance in line with our business strategy. Key performance indicators include internal and external customer satisfaction, financial performance measures adjusted for risk and cost of capital (e.g., Economic Profit, CoreTier1, loan loss provision ratios, financial leverage and financial leverage compared to peers), credit quality, compliance, reputation as measured by a specific index, and corporate values and leadership.

The Group Executive Incentive System is designed to drive sustainable performance

Our total compensation approach speaks to the importance we place on maintaining a long-term perspective on our incentive system, which is an essential tool for aligning the interests of management and shareholders.

Thus, the Group Executive Incentive System includes a 24 month deferral of a significant portion of incentives that are subject to future performance.

In 2009, the UniCredit Board of Directors approved a cash-based Long-Term Incentive Plan implemented to reward roughly 1,400 mission-critical players and key talents on the basis of forward-looking performance conditions over three years, including Total Shareholder Return and Economic Profit.

The *Let's Share* plan is offered to roughly **133,000** employees

As stated in our 2008 Sustainability Report's list of goals for 2009, a second edition of the *Let's Share* plan was launched involving five more countries – Czech Republic, Poland, Romania, Serbia and Slovakia – and covering roughly 133,000 employees (about 75 percent of all Group personnel). In the future, our objective is to continue seeking opportunities that involve all countries where UniCredit Group has a significant presence.

Training and development

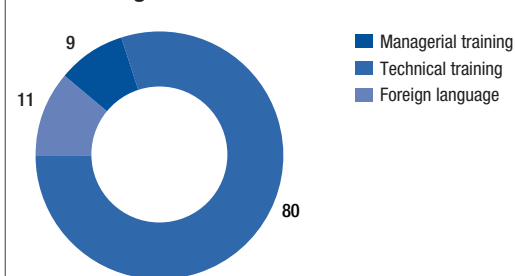
Although the economic downturn led to cost reductions, investing in our people's development remained a priority in 2009. Thus, we continued to offer employees opportunities to increase the quality of their performance and shape their career and professional development. This included efforts to:

- increase the quality of our leadership pipeline in order to enhance managerial effectiveness, accountability and the ability to attain sustainable results
- invest in technical and professional training that enables employees to face the challenges of the new post-crisis scenario (e.g., courses on risk management), while reinforcing specific business knowledge
- strengthen customer satisfaction competencies that improve customer care skills and reinforce our customer-centric culture
- support international relationships by investing in language training, with a particular focus on English

We leveraged internal resources by using more internal trainers and consolidating innovative learning tools and e-learning training.

In 2009 we delivered 30 hours of training per capita.

Percentage of hours of training - breakdown by type of training 2009*



* Data covers the 61 percent of the head count. Training hours include e-learning, classroom and do not include training on the job.

UniManagement: fostering leadership through conscious learning experiences

UniManagement is our leadership development center. It provides a variety of learning experiences, from *Building Blocks*, a basic leadership skills training for the first managerial levels, to *Learning Labs*, innovative laboratories in which learning stems from mutual exchanges among executives and the sharing of their personal experiences.

About **1,400** managers and professionals were involved in *Building Blocks*, **650** senior managers were involved in *Learning Labs*

Together with *Building Blocks* and *Learning Labs* – which respectively train approximately 1,400 managers and professionals, and 650 senior managers – significant effort was dedicated to support organizational change and international integration. What resulted were special event-based programs, called *Teams@work*, which are designed to encourage creative and collaborative problem solving. In 2009, UniManagement welcomed more than 5,000 people and organized roughly 100 events.

5,000 people participated in **100** *Teams@work* events

In order to spread a common learning approach throughout the Group, train-the-trainer editions of the basic leadership programs *Leadership for Results* and *Giving and Receiving Feedback* were organized for Poland and the CEE division, respectively.

Leadership development was also supported through international programs that targeted specific audiences, including:

- *UniQuest*, which seeks to provide 100 high-potential young professionals with a valuable international learning experience.
- *UniFuture*, a senior executive development program, encouraged 37 employees to share experiences and take the necessary time for individual development and learning.
- *Lead for Value*, specially designed for 24 senior managers, aimed to increase their awareness of the impact they have on the organization and on fostering a shared sense of belonging.

HR Master Series

Based on the mission of our Human Resources, which is to «attract, develop and retain staff by creating an environment where people can express their full potential», we launched a new HR leadership development program called the *HR Master Series*.

The 100 participants are senior professionals and staff from HR, both nominated by HR executives.

The program's main goals are to:

- create a more unified UniCredit Group HR by aligning the Department's outlook and approach to leadership
- sharpen the professional skills of trusted HR consultants and advisors
- improve our internal customer satisfaction rates

The input provided by a UniCredit Group HR training team and the involvement of HR executives and senior managers from the Group contribute to the program's integrity, relevance and organizational development.

Personalizing the working environment

In 2009, to support the merger of two companies to create UniCredit Family Financing in Italy, an original learning initiative was launched to foster a common culture, while reinforcing a spirit of collaboration among team members and creating a personalized working environment in which individuals could better realize their potential. The program encourages people to express their personal creativity by beneficially impacting the appearance of their work environment. As a result, newly decorated offices express the personality of the teams and provide a stimulating work environment. The initiative was also undertaken by the HR department of the GBS Division and, in 2010, will be extended to the majority of GBS offices Groupwide.

495
attendees reassigned
after our business
retraining initiatives

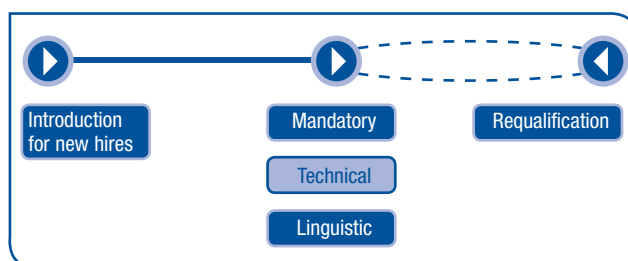
Lifelong Learning Center

The Lifelong Learning Center (LLC) manages professional training as a fundamental means of supporting the personal development of Group colleagues, maximizing their knowledge and customer awareness.

The center's activities, which began at the end of 2008, focus on Italy. In 2010, the LLC will lay the foundations for training and exchanges of best practices at the international level.

The LLC takes an innovative approach to its development of processes, tools and training contexts, resulting in initiatives that are both distinctive and effective.

LLC training lifecycle



The *LLC training lifecycle* aims to ensure employee growth during all phases of the professional experience, thereby increasing the level of job comfort and satisfaction throughout the duration of employment.

The training lifecycle includes the following key program areas:

- **Induction:** created by an international team of Group colleagues and launched in 2009, this program for newly hired employees is an introduction to the Group and its activities, laying the groundwork for a common corporate identity.
- **Mandatory:** on-line courses were constantly updated to refresh the necessary basic common banking knowledge and they were monitored through a centralized dashboard of attendances.
- **Technical:** a new training format has been designed to facilitate the complete analysis of technical topics and their contextualization in Group processes. This methodology, which will be implemented in 2010, accounts for risk, compliance and quality in order to help colleagues achieve optimal performance.
- **Language training:** includes a special online English language assessment test and innovative training methodologies that incorporate writing and telephone coaching, as well as promote mutual learning (e.g., scheduled telephone conversations between colleagues of different countries). In 2009, our Italian Training Method was certified by the European Language Label.
 - **Requalification:** in 2009, this topic received considerable attention, in the form of an innovative training program to support staff being reallocated to new jobs. The program was tailored to suit the needs of the new job descriptions.

UniCredit Trainers Community is a crucial project which took off in Italy in 2009. A central role of the project is the Train the Trainers path, defined together with UniManagement and the Group's strategic business areas, to spread a common training culture based on the andragogic learning approach. The community embraces all colleagues involved encouraging them to join forums and to share competencies in the virtual community *We Learn*.

The LLC also delivers a *Take Care* training to support the personal well-being (health, wellness and diversity) of employees. It also strives to make a positive social impact through the development of projects such as *L'Arte Donata (Art as a Gift)*, created by a requalification classroom in Palermo and in cooperation with Banco di Sicilia to raise funds for a radium therapy center in Sicily.

The Internal Job Market and global mobility

The Internal Job Market

Our Internal Job Market (IJM) was established in 2009 to create a more flexible and motivated workforce, and enhance job rotation, employee empowerment and the retention of key staff.

Through it, any employee can apply directly for local and global job openings that have an international scope. This enhances the empowerment and entrepreneurship of staff, who assume primary responsibility for shaping their own careers.

2,000
job openings posted
in the Internal Job
Market

Currently, for global openings the IJM is operative in most countries in which the Group is present; in 2009, it posted roughly 2,000 job openings, including:

- 15 percent global positions
- 20 percent local positions based in Italy
- 65 percent local positions based in other Group countries

Our future objective is to improve the reporting process and to enable the collection of statistics on the system's effectiveness.

We are currently testing a new tool that will allow us to monitor the IJM's results.

Global mobility

Our *Global Mobility Program* is designed to accelerate the professional development of employees – including executives – interested in gaining international experience. Moreover, this program serves to attract and retain talent, and raises the profile of participating expatriates.

All expatriates not enrolled in either the *Executive Development Plan* or the *Talent Management Review* participate in the *Global Mobility Review* process.

In 2009, 494 employees participated in the program. Furthermore, the proportion of women (27 percent) and of employees younger than 36 years (38 percent) increased by three percent and five percent respectively from 2008.

Number of expatriates
in *Global Mobility*
Program increased
to **494**

To optimize the Group's Expat Management Process, we developed sub-policies for each type of international transfer (e.g., secondments, permanent transfers and localization) and will implement a web-based management process in the near future.

Number of cross-border transfers by host country and by employment tier during 2009

Country	Senior management	Executive & middle management	Staff	Total	Of which women
Italy	2	24	110	136	66
Germany	1	15	21	37	5
Austria	3	23	57	83	31
Poland	2	10	9	21	1
Bulgaria	4	3	2	9	0
Croatia	2	0	0	2	0
Czech Rep.	3	2	3	8	1
Hungary	0	3	0	3	0
Romania	1	10	10	21	6
Russia	3	10	7	20	2
Others	18	70	66	154	21
Total	39	170	285	494	133

Employer branding and hiring

In 2009, we made further progress toward our goal of becoming a European employer of choice and a vital partner to the world of academia. We continued to invest in a variety of initiatives that affirm our commitment to attracting and developing talent, while relationships with top universities across Europe were consolidated.

Through major initiatives, we sought to strengthen our reputation as an employer by offering challenging and internationally oriented career and development opportunities to students and graduates. Group employees from all functions and business areas joined together on numerous occasions to provide career information on our bank. Groupwide initiatives included participation in career days, workshops, lectures, and case studies presented by professionals and senior executives from our company.

In 2009, UniCredit Group attended more than 25 career days across Europe at academic institutions including the London School of Economics, Bocconi University of Milan, Vienna University of Economics and Business Administration and Corvinus University of Budapest. These four universities are part of the Community of European Management Schools (CEMS) network, a strategic alliance of leading business schools and multinational companies. UniCredit Group became a CEMS network corporate partner in 2007.

Further engagement involved the *UniCredit CEE Student Cercle*, an association that supports the exchange of ideas between the academic and corporate worlds, and provides qualified university graduates from the CEE in Vienna with constant updates on career opportunities at UniCredit Group. As jointly organized by Bank Austria and the Vienna University of Economics and Business Administration, the *UniCredit CEE Student Cercle* held several workshops led by Group colleagues on topics such as communication and leadership skills.

Shape Tomorrow Today is a program designed by UniManagement to give colleagues the opportunity to share their professional experiences and insights with interested members of the community. On eight occasions in 2009, program participants engaged students and recent graduates from AIESEC and major European universities.

Europe and gave participants the opportunity to build their skills in a highly individualized 12-month on-the-job training program.

In Italy, UniCredit Group is committed to hiring 400 temporary/seasonal workers as permanent employees by the end of 2010. This is the result of an agreement with employee representatives and serves as an important example of concrete results generated by the Group's social dialogue.

In line with two of our core values, fairness and transparency, we prioritize our temporary workers when hiring permanent employees, based on available positions and positive manager feedback on performance.

Although market conditions have led to a decline in the recruitment of graduates across the financial industry, we did not stop offering internships to students or recruiting graduates for entry-level positions.

In 2009, internship opportunities in all business areas and competence lines were available in Italy, Germany, Austria, Poland, Slovakia, Bulgaria, Croatia and Romania, among others. Our international graduate program in corporate and investment banking attracted graduates from across

Internship opportunities were offered in most countries of Group operation

Diversity

UniCredit Group, with its international scope and its history of mergers and acquisitions, has regularly experienced demographic and social shifts within its workforce. Thus, we recognize the importance of adapting to rapidly changing labor markets and social environments, and of actively participating in the economic lives of our communities.

We have actively sought to support diversity in order to prepare for new opportunities as they arise from changing global dynamics. Customer satisfaction, quality services and the creation of long-term value for our stakeholders, which are to be achieved by fully understanding their diverse expectations and needs, will foster economic growth and competitiveness.

We strongly believe that managing our Group's diversity through policies based on the principles of equal opportunity and non-discrimination contributes to a more dynamic corporate culture and improves our professional environment, thus creating a stronger sense of inclusion and a better quality of life at work.

To support this approach, a Joint Declaration on Equal Opportunity and Non Discrimination was signed on May 14, 2009 with the European Works Council, in which three central principles are stated:

- Equal treatment and dignity in diversity. Here, diversity refers to such differences as age, gender, disability, sexual orientation or any other personal characteristics or background. It may also refer to any characteristic that a person has acquired during his or her lifetime, such as personal and corporate culture, place of birth, religion, employment contract, professional role or level within the organization.

**We signed a
Joint Declaration on Equal
Opportunity and
Non Discrimination with
the European Works
Council**

- Culture of diversity as a joint and cross-organizational process. This begins with the common interpretation of the terms diversity, non-discrimination and equal opportunity, and continues on to an understanding of their value and strategic role, with respect to developing a more sustainable working environment.
- Meritocracy as the basis for equal opportunity and non-discrimination. This principle must be applied to all practices and decision-making processes that impact our employees' professional lives (e.g., recruitment, hiring, career development and access to training).

Starting from the guiding principles of the Joint Declaration, we launched the *UniCredit Together in Diversity – Valuing Plurality* project, with the goal of:

- consolidating our diversity management approach, which takes into account a multi-stakeholder perspective and aims to meet the different needs of customers, employees and communities,

while leveraging the variety of cultural, professional and individual capabilities existing within our Group

- defining Group guidelines to create a common framework that will guarantee consistency across Group activities, assure that all kinds of diversity are addressed, and monitor the impact and effectiveness of different country-level initiatives
- identifying and proposing relevant actions at both the Group and local levels
- establishing an international network of experts to act as ambassadors of the Group diversity management project and to spread awareness of diversity as an opportunity for growth

In 2009, our program *Women and Leadership* continued the two key initiatives launched in 2008: a qualitative analysis of success factors and barriers to women's careers within the Group, and UWIN, the UniCredit Women's International Network.

The qualitative analysis carried out in Italy in 2008 was extended to Austria and Germany in 2009, and provided a summary of common career barriers and success factors encountered by women at the Group.

UWIN was expanded in Poland and Italy through a series of roadshows involving more than 1,000 colleagues. In Italy, meetings were held in six cities: Turin, Verona, Bologna, Milan, Rome and Palermo. Currently, roughly 1,700 colleagues are participating in the network.

**UWIN:
1,700
colleagues
in the network**

The UWIN community established its own area within the Group's new social network, *OneNet*, created in September 2009. This useful tool allows us to move beyond cultural and geographical borders and to more easily achieve the project's goal of enhancing women's professional growth and the visibility of women's role models through engagement. Although this tool, which is still being fine-tuned, currently offers limited functionalities and has restricted access due to technical issues, we expect UWIN and *OneNet* will soon be accessible Groupwide.

In 2010, we will consolidate our activities in Western Europe and work to strengthen them in CEE. This will include promoting their wider involvement through the development of additional roadshows, while expanding access to the UWIN social network and involving an additional CEE country among those concerned with qualitative analysis.

Consistent with its mission to «change the organization's culture and create new leadership models to increase the number of women in key positions at all management levels to support sustainable growth», the *Women and Leadership* program fostered a cultural shift in the approach of our leadership on gender diversity. The increasing number of development activities to support women's professional growth (e.g., programs in mentoring and skill-building) is a clear signal of a positive change in mindset.

At the end of 2009, women comprised 22 percent of Executive Management Committee⁴ (EMC) members. They also comprised 19 percent of *EDP* members, up from 17 percent in 2008. Moreover, women represented 42 percent of the total population in the *TMR*, up from 39 percent in 2008.

Percentage of employees by age and employment tier, 2009*

Employment tier	up to 30 years	31- 40 years	41- 50 years	above 50 years
Senior management	0.01%	0.10%	0.15%	0.09%
Executive & middle management	0.79%	4.48%	5.73%	3.77%
Staff	20.80%	26.43%	22.34%	15.31%
Total	21.60%	31.01%	28.22%	19.17%

Number of employees by employment tier and gender, 2008-2009

Employment tier	2009		2008	
	male	female	male	female
Senior management	520	132	553	113
Executive & middle management	16,833	9,567	17,671	9,764
Staff	56,773	93,789	60,539	98,014
Total	74,126	103,488	78,763	107,921

Percentage of female employees with part-time contracts out of all women by employment tier, 2008-2009

Employment tier	2009	2008
Executive & middle management	2.23%	2.81%
Staff	14.06%	13.31%
Total	16.29%	16.12%

UniCredit Group is also committed to the development of women's leadership in society, as reflected by initiatives that include:

- the *HVB⁵ Women's Council*, composed of roughly 30 decision makers from the fields of business, science, culture and society, was established in Germany to provide feedback and consistent dialogue on economic and social issues relevant to women. The Council also addresses such matters as strengthening the status and advancement of women in the financial sector.

- *Valore D* is an innovative Italian project that aims to foster the exchange of experiences among women from leading companies and across different industries. We are among the founding members of this initiative, which seeks to increase the representation of female talent by promoting internal leadership programs for women and promoting a common voice on relevant issues.

As stated in the Joint Declaration on Equal Opportunity and Non Discrimination, every kind of diversity is treated with equal dignity within our Group. Our goal in 2010 is to focus on gender as well as culture, age and disability. In 2009, initiatives were dedicated to addressing cultural differences and to guaranteeing equal opportunity for our disabled employees.

Within the *GBS: Together in Diversity* project, two initiatives were implemented to increase awareness of cultural diversity, improve understanding of intercultural dynamics and hone the ability to work in international teams by avoiding stereotypes and cultural biases:

- *Adding Value to Diversity, Working in International Teams*: a series of workshops aimed at supporting teams in international projects, launched as a pilot project at UniCredit Business Partner, within GBS
- *Adding Value to Diversity, Working in a Multicultural Organization*: the presentation of brief videos addressing daily work situations of colleagues involved in international projects, which aim to improve respect for cultural diversity and reduce the influence of stereotypes in the daily work routine

Bank Austria developed a new initiative for disabled people that includes activities focused on:

- producing a working group position paper on the treatment of disabled people that will be approved by the Board
- establishing a Disability Management function, including one full-time equivalent disabled employee
- developing reintegration measures for disadvantaged employees
- developing tools to support disadvantaged customers

Consistent with the Joint Declaration, in 2009 the Lifelong Learning Center consolidated and extended a project previously launched by UniCredit Business Partner. The project targeted all deaf employees in Italy and consisted of a three-day training seminar. Together with internal training experts, psychologists and other specialists, a group of hearing impaired employees was involved in the design of the program in order to better address their needs and to create a stronger commitment and more active participation.

⁴ The Executive Management Committee was established in 2009 to support the CEO in the strategic decision-making process for the Group, discussing issues that the CEO himself has identified as having strategic importance.

⁵ Please note that during 2009 Bayerische Hypo- und Vereinsbank AG (HVB AG) changed its company name in UniCredit Bank AG.

* Data covers the 98.6 percent of head count.

Corporate culture

We consider colleague engagement a strategic priority, and, in order to strengthen such engagement, we emphasize three specific areas:

- fostering identity
- listening and improving
- communicating the organization

Fostering identity

Engagement is based on a clear understanding of who we are and what we stand for.

Our values

To foster a corporate culture inspired by our values, thus reinforcing desired behaviors across the organization and cultivating leadership competencies, we launched, among the other projects, a 360-degree feedback process on values. The objective was to assess leadership behavior in terms of the application of values to colleagues. The assessment was based on anonymous feedback from a range of participants and perspectives, including managers, peers and teams.

This was the first time we carried out 360-degree feedback focused on values. This self-development tool engaged our leadership team (roughly 400 senior executives), and we hope to involve all Group executives in future editions.

Our uniqueness

Being UniCredit is an online social networking tool – accessible through the Group's OneGate intranet portal – which has been created to communicate with people in an informal and unconventional way. Through it, colleagues can post messages, videos and pictures to express and share their views on what makes our company unique. This interactive site was created in 2009 to reinforce the engagement of our people by building on the Group's unique personality.

Listening and improving

The *People Survey* is our Group's annual listening initiative and the key pillar of our people engagement activities. The results are disseminated across all levels of the organization and referenced by our Board of Directors.

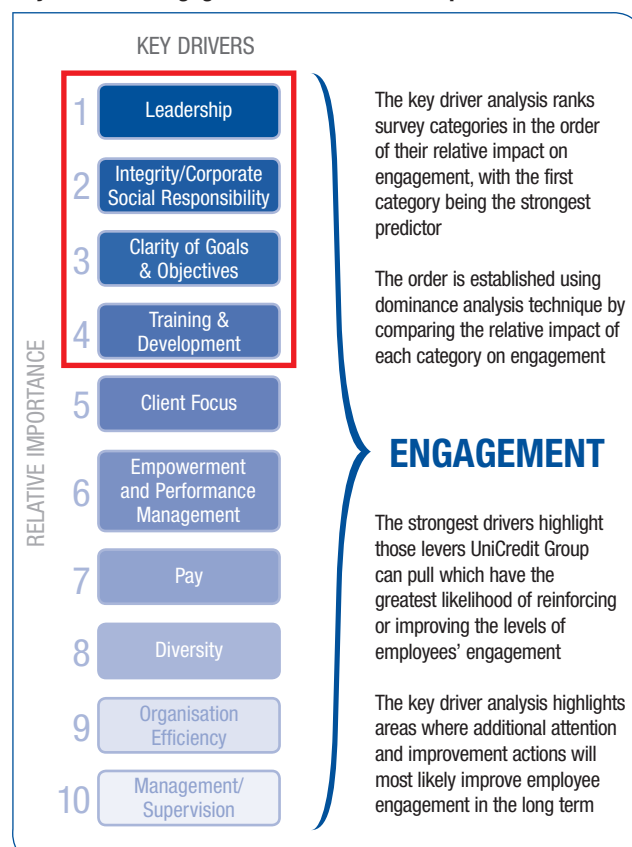
People survey 2009: a 77% response rate slightly below 80% achieved in 2008, yet still a high level of participation, in line with comparable multinational organizations

In the *People Survey 2009*, the categories Clarity of goals & objectives and Diversity were among those that declined from 2008.

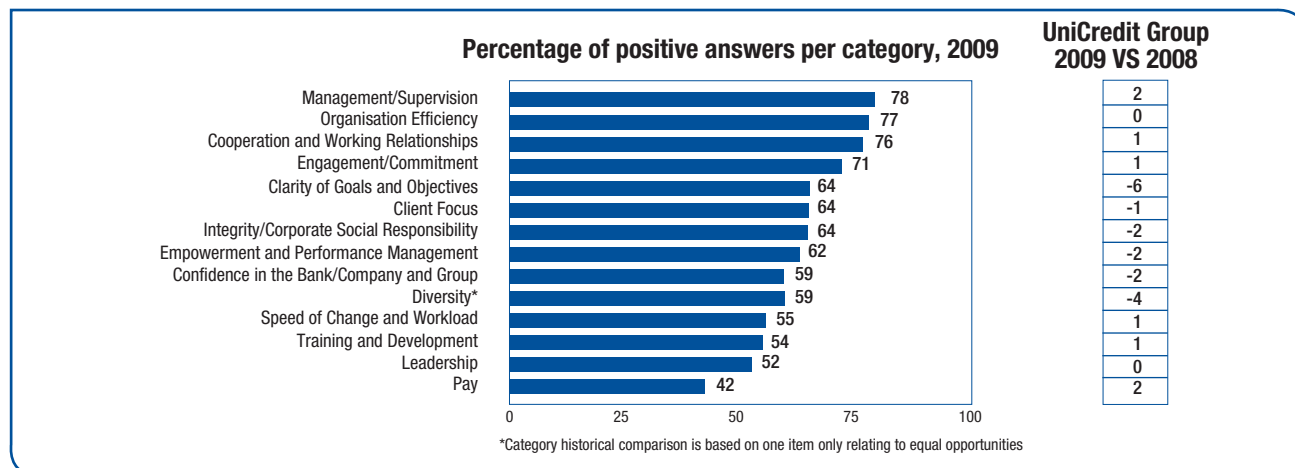
The 2009 survey was conducted in a period of turbulence in the global financial market. The results most affected by the economic downturn related to Clarity of goals and objectives.

When organizations suffer in the market place, employees typically react with a loss of confidence in the company's future, as well as a perceived loss of direction. This pattern was reflected in the Group's results.

Key drivers of engagement at UniCredit Group

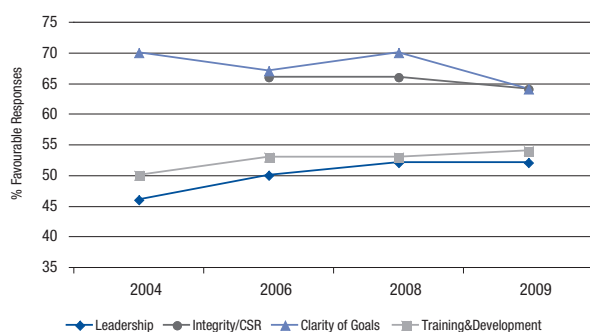


Category Results



Key drivers of engagement*: evolution of results since 2004

Scores have broadly remained stable over the years, with recent increase in training and development



* Please note that the composition of UniCredit Group has changed substantially since 2004 and historical results comparisons are based on common items only.

As for Diversity, the 2009 questionnaire contained four questions related to this topic, while the 2008 questionnaire included one, which concerned equal opportunity. Therefore, the category's historical comparison is based on one item only (Bank/Group supports equal opportunities for all employees) that does not refer to all aspects of diversity (including culture, age, gender, organizational background and lifestyle).

Since 2008, we have invested significantly in issues connected with diversity. Consequently, the growing awareness of our colleagues, coupled with a more detailed approach in the new questionnaire, have generated higher expectations and evolving perceptions on this topic. The impact of the downturn may also have influenced attitudes within the Group on questions of fairness, trust and reliability – all topics evoked by the question of equal opportunities. The combined effect of these changes and of increased awareness could have negatively influenced the results related to diversity. The decline in the scores on diversity suggests a gap between expectations and perceptions.

The 2009 results also indicated a strong demand for a more comprehensive, thorough and consistent communication flow across the Group. This underscored the importance of providing clear, accessible and complete information in order to engage our people.

People Survey 2009 for Parada in cooperation with UniCredit Group

For the second year in a row, the Unidea – UniCredit Foundation supported a social project in connection with the annual People Survey. In 2009, one euro for each questionnaire completed by colleagues was donated to the Parada Foundation's *Mobile Unit Project*, which provides assistance to the street children of Bucharest, Romania. More than 120,000 Group employees completed the questionnaire, resulting in a substantial contribution to the Parada Foundation's activities in Bucharest. Thanks to the good 2009 response rate, Unidea and UniCredit Group decided to use the same mechanism also for the People Survey 2010. For further information on Unidea initiatives, please see the Communities chapter of this report.

Clear and complete information needs to be delivered effectively by our leadership in their key role as internal opinion makers. A cascading process was devised to disseminate information within the Group, providing leaders with regular updates on Group strategy and milestones, to be shared with their teams.

Consistent with our commitment to listening to our people, we have established internal customer satisfaction surveys called *Listening to Inside Clients (LIC)* to measure perceptions of the service provided by our competence lines, service lines and key service functions to their internal clients. This approach is aligned with our goal of becoming a truly customer-centric organization. *LIC* surveys are conducted every 12 months and must be followed by responsive action plans developed by each service provider. The survey results, in the form of TRI*M index values, are also used as key performance indicators in our executive

Industrial Relations

incentive programs. In 2009, more than 27,000 employees received the survey, with a return rate of roughly 45 percent. This initiative is progressively being extended to all Group countries. In November 2009, the first survey covering 17 countries was conducted on the subject of the Human Resources Competence Line.

Employee participation to the internal customer satisfaction surveys, 2009

Country	Number of internal customers involved	Number of internal customers participating
Italy	12,409	5,882
Germany	4,378	1,587
Austria	2,461	1,002
CEE	8,020	3,869
Total	27,268	12,340

Listening to our commercial network

In Italy, at the end of the year and through the launch of the *Itaca Inside* program, we worked with the AASTER Consortium to engage 2,700 colleagues within our commercial network. Our goal was to advance the Group's understanding of our territorial relations and advance our efforts toward greater customer centricity. The results were used in the development of our future reorganization, as linked to the *One for Customers* project, and will be presented during a series of seven roadshows organized in early 2010.

Communicating the organization

Engagement is fostered by providing constant information about our organization, the projects we are launching and the key activities that have the greatest impact on our people's daily lives.

Among the projects that were undertaken with this in mind, the *Organization Glossary* is a strong example. It was created to provide our people with a better understanding of our organization. This same goal underlies our communication activities that disseminate detailed information on HR processes to our colleagues.

UniCredit Group is committed to working with its employees and their representatives to achieve tangible results by investing in social dialogue. Industrial Relations serves as a facilitator, strengthening a mutual understanding of the expectations and needs of both the company and its employees. The objective is to create a sustainable business and positive work environment.

The Group fully respects local laws and the terms and conditions of collective agreements supporting employees' rights to exercise freedom of association and/or collective bargaining. This is also accomplished through consistent Groupwide monitoring. We continuously work toward the implementation and dissemination of best practices designed to strengthen social dialogue in all Group countries.

In this regard, it is worth highlighting the signing of the first collective labor agreement in the history of UniCredit Tiriac Bank in Romania. Taking effect in 2009 and in force for two years, it provides better terms than those required by law with respect to overtime pay, minimum wages, days off, compensation in the event of dismissal and funding for salary increases.

The principles drawn from:

- the International Labor Organization (ILO) Tripartite Declaration concerning Multinational Enterprises and Social Policy
- the ILO's eight core conventions
- the OECD's Guidelines for Multinational Enterprises
- the contents of the United Nations' Global Compact framework
- the UniCredit Group Integrity Charter

They are fully recognized and respected within our Group. All of our actions and processes are in fact designed and implemented to be compliant with them.

As a financial company, our Group's workforce is composed of highly skilled personnel. Thus, issues associated with human rights and child and forced labor are not highly relevant to our daily internal operations. Nonetheless, we remain aware of the sensitive nature of these subjects.

The main issues that arose during 2009 fall into two categories:

- From an industry-wide perspective, the economic crisis illuminated the need for more effective cost controls and a rethinking of internal service models (i.e., corporate division reorganization) to ensure sustainability in the near and long term.
- More specific to our Group was the closing of the Capitalia merger, which, since 2007, has involved the integration of about 65,000 employees, 28,000 of them from within Capitalia.

Welfare, health and work-life balance

In 2009, our efforts in the field of social dialogue have strengthened our listening capacity and the exchange of best practices, also laying the foundation for a Groupwide culture of diversity. This was exemplified by the signing of the Joint Declaration on Equal Opportunities and Non-Discrimination by the Group and the EWC. Further information on the Joint Declaration may be found in the Diversity section of this report.

Managing the results of the *One for Customers* project, within the context of a challenging global economy, will represent the core of our activity in 2010.

All our efforts will focus on leveraging constructive dialogue to minimize social conflict and improve our ability to listen and understand colleagues' needs, expectations and priorities.

For more information please see the appendix Our People.

Our colleagues enjoy welfare, healthcare and work-life balance benefits that supplement social security plans and minimum contractual requirements. These benefits are intended to provide substantial guarantees for the well being of staff and their family members during their active careers as well as in retirement.

Health and safety

The best approach to professional health and safety is to be compliant with and inspired by relevant legal provisions. The law, the primary source of our guidelines, identifies specific timeframes and protocols for all areas. The organization responsible for health and safety services must adequately evaluate the risks and derived risks related to each position (for both internal and outsourced jobs), as well as define and plan preventative and protective measures to eliminate or minimize existing risks.

Training and support is in place in all countries to assist employees with any threats and violence that may occur while they are engaged in performing their job or as a result of legal reporting requirements relating to criminal activities.

In response to the H1N1 influenza, an effective coordination of local initiatives has been implemented in order to address the potential crisis and to provide timely information and advice based on the directions and provisions of national health institutions.

UniCredit Health Day



The Group's commitment to the prevention of serious diseases that have professional consequences and are commonly linked with long-term job absences is seen in the *UniCredit Health Day* initiative. In 2009, this event had two parts: a roundtable on cancer prevention with a panel of experts, and a series of in-depth seminars by doctors to provide employees with information on cancer prevention and treatment. *UniCredit Health Day* was successfully held at key Group headquarters locations across Europe, including Turin, Vienna, Rome, Warsaw, Palermo and Istanbul.

For more information on health and safety topics please see the appendix Our People.

Work life balance

Our colleagues enjoy work-life balance benefits and initiatives that are supplementary to social security plans and minimum contractual requirements. These are offered to support our staff and their families during different stages of their lives.

Among the work-life balance initiatives carried out in 2009 to help improve the quality of work (in terms of productivity and satisfaction) and the quality of life (in terms of health and lowered costs of living) the following were notable:

- the *Telework* pilot initiative launched in Italy, built upon the expertise gained through similar Group programs in Austria and Germany
- new initiatives carried out in the Italian Retail Division and a number of CEE Group entities in support of women on maternity leave, including:
 - the Italian Retail Division's bimonthly newsletter *The Thread*, sent to long-term absentees in order to maintain positive employer-employee relationships
 - a welcome back course dedicated to mothers returning to work after maternity leave
 - a Mum's Portal for mothers on maternity leave, developed in Hungary and scheduled to go live in February 2010
 - financial support in some CEE countries designed to reduce the length of women's career breaks

For more information on other 2009 initiatives, please see the appendix Our People.

Mladen Cvijetić,
Milcodoo Trn
Retail Client
Bosnia and Herzegovina

«**F**or 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.**



Our Customers

Key Achievements 2009

- Harmonized customer satisfaction methodologies and metrics Groupwide
- Implemented a Groupwide complaint management policy that establishes minimum standards and defines employee roles and responsibilities within the complaint management process
- Increased cooperation with consumer associations (CAs) to discuss our new products and customer communications, thereby helping to ensure that what we offer can be properly understood by our clients
- Developed financial education programs to help vulnerable people make better-informed choices about their money
- Supported customers struggling with financial difficulties

Priorities 2010

- Increase the number of satisfied customers by focusing on the problems that commonly give rise to complaints
- Develop new products and services to support the internationalization of SMEs
- Improve the transparency of certain contracts and documentation and make them easier for customers to understand
- Establish action plans to customize the solutions we offer customers and to strengthen our support for their long-term growth
- Optimize the credit process, both streamlining it and increasing transparency, while expanding our advisory role in it
- Develop initiatives, in cooperation with consumer associations (CAs) based in Central and Eastern Europe, to develop customer-centric policies and to identify major customer needs

“ Since our customers are one of our most valuable assets, we strive to build and maintain close, long-lasting relationships with them and to meet their present and future needs. We do this by listening to clients, by working to ensure transparency, and by simplifying our products and services.

The Group gains competitive insights through the analysis and monitoring of customer satisfaction trends, and is able to provide clients with fast responses through proper complaint management. We practice responsible lending, invest in customer security, and promote financial education to help vulnerable people make informed decisions about their money. ”

Listening to our customers

“ Building and maintaining long-lasting relationships ”

In the belief that our customers are one of our most valuable assets, we strive to build and maintain long-lasting, close relationships with them and to meet their present and future needs by:

- listening to customers, in order to analyze and monitor customer satisfaction trends and gain competitive insights
- managing customer complaints by shortening decision-making processes and delegating more authority to the network in order to speed up response times
- ensuring transparency through straightforward communications and explanations
- simplifying our products and services
- promoting financial education through the development of programs that help vulnerable people make informed decisions about their money
- enhancing our sensitivity and proximity to customers by providing professional advice and keeping them aware of risks
- practicing a culture of responsible lending by supporting the growing internationalization of companies, improving SMEs access to credit, assisting families in difficulty and fostering a greater understanding of financial products and services among immigrant communities
- investing in customer security by implementing every reasonable precaution to protect our customers' information, prevent crime in bank branches, stop card fraud and increase the security of online transactions

In 2009, we continued to develop Groupwide initiatives that focus on listening to our clients, their expectations and their daily experiences, and to integrate customer feedback across all divisions. The initiatives and services that relate to this effort include the following:

- providing free, seven-day-a-week, 24-hour-a-day support via telephone, the internet or mail from our call centers and websites
- integrating feedback into the development of products and services via regular reports and quality committees
- supplying feedback on customer complaints to compliance officers, risk managers and/or communications officers via regular reports and quality committees
- placing internal personnel in charge of resolving customer complaints

Roughly 500,000 customers interviewed Groupwide for customer satisfaction surveys

Retail customers

In 2009, in Italy, Germany and Austria, we continued to measure customer satisfaction, conducting almost 430,000 interviews across the affluent, small-business and mass-market retail segments.

In general, financial market instability over the past year significantly affected clients' expectations and overall levels of satisfaction. In Italy – including the three retail banks UniCredit Banca, UniCredit Banca di Roma and Banco di Sicilia – this meant we experienced a negative trend in customer satisfaction at the beginning of the year from which we gradually recovered. Thus we regained the satisfaction levels recorded in 2008 and maintained our edge over competitors in this category, with a TRI*M index of 58 in December 2009, compared to an average of 50 among our peers¹.

In Germany and Austria, satisfaction affected less, with a slight decrease in the customer satisfaction TRI*M Index – in Germany from 63 in 2008 to 61 in 2009, and in Austria from 68 to 64.

In 2009, the Fineco TRI*M index was 85

In October 2009, Fineco Bank, UniCredit Group's online direct bank, adopted the TRI*M methodology to replace its well-developed customer satisfaction measurements. Roughly 1,300 customers were interviewed. TRI*M will be calculated regularly on a quarterly basis, in a manner reflecting each segment of the customer base. The 2009 result was an excellent TRI*M score of 85.

¹ Generally, a score below 40 points is considered insufficient, while above 70 points is considered excellent. In any specific case, the judgment of performance should always be made in light of trends in scoring and comparisons with competitors in the region.

Retail TRI*M index results*

Country	2009 index results	2008 index results	2009 competitors index results
Italy**	58	50	50
Germany	61	63	70
Austria***	64	68	70
Bulgaria	69	65	69
Croatia	81	85	78
Czech rep.	66	71	67
Hungary	72	82	65
Romania	68	61	69
Russia	81	88	72

* The TNS TRI*M index has been in use at all of the Group's retail banks since 2007.

** For Italy, the December monthly figures are provided. For the full year in 2008, consolidated data amounted to 56 TRI*M points.

*** For Austria, the figures refer to the Mass Market and Affluent segments.

To increase customer satisfaction ratings, we have undertaken a range of initiatives.

Of particular significance are our internal training programs, which are based on developing soft skills related to customer satisfaction that enable program graduates to understand how the customer is at the heart of his or her own activities.

In 2009, these included the following:

- *I Am a Customer* is an innovative training program that simulates the customer experience in a concrete way by asking participating colleagues to act as customers. In this way, they are provided with a tangible customer experience and a view of potential customer expectations. This improves their ability to understand client needs. Begun in Italy in 2007, the program has been extended to Bulgaria. In 2009, it has involved about 7,000 employees in Italy and about 400 in Bulgaria.
- *Ten Steps Towards the Client* is a Retail program developed in Russia that involves 470 employees in 42 branches and entails 30-minute daily training sessions for 10 days in order to improve employees' professional and communication skills, and to increase the quality of our customer service.

Mystery Shopping continued to play a key role in the monitoring and evaluation of the quality of our services. Over the year, about 11,000 such visits were made.

These included roughly 2,150 visits in Italy, 1,700 and 2,500 virtual visits in Austria and Germany respectively (via telephone and email); and around 4,300 visits in Central and Eastern Europe², where mystery shopping has been adopted in all countries in which the Group is present.

About **11,000**
Mystery Shopping
visits

A Day in a Branch – a branch visit by senior managers and headquarters staff – was extended to Romania and Russia in 2009. For the first time this year, the initiative was active in 15 countries, and the Corporate division also participated. It engages roughly 1,000 managers and headquarters staff Groupwide. Approximately 900 branches participated.

***A Day in
a Branch: 1,000
managers and
headquarters staff
Groupwide in 900
branches***

Corporate customers

Since 2008, we have been implementing a new customer satisfaction concept, called *Listen to Act*, across our three core corporate banking networks (UniCredit Corporate Banking, HVB³ and Bank Austria's Corporate Banking) and several product lines, including Global Transaction Banking and Corporate Treasury Sales, in order to better engage our corporate customers.

In 2009, we interviewed roughly 28,000 corporate clients, including 18,000 customers in Italy, 6,700 in Germany and 3,100 in Austria. Additionally, we collected nearly 4,000 reports from the clients of peer institutions. This enabled us to measure overall satisfaction with corporate and investment banks on a country-by-country basis, as well as to identify benchmarks and best practices.

To analyze key products in depth such as derivatives, the *Listen to Act* program rolled out an ad hoc section within the TNS customer satisfaction phone survey in 2009. We interviewed more than 2,100 users of derivatives in our core markets, with a particular focus on interest rate and currency swaps, in order to assess overall satisfaction with these types of products and the sales process.

We then correlated our results with our internal People Survey analyses to identify the key links between employee engagement and customer satisfaction.

Across all three countries, we observed a slight decline in survey results, as the economic crisis and a perceived decrease in loan availability appeared to affect corporate customer satisfaction levels.

² The Central and Eastern Europe (CEE) countries reported in the 2009 Sustainability Report are: Bulgaria, Croatia, Czech Republic, Hungary, Romania and Russia.

³ Please note that during 2009 Bayerische Hypo- und Vereinsbank AG (HVB AG) changed its company name in UniCredit Bank AG.

Corporate Customer satisfaction results for Italy, Germany and Austria

Country	2009		2008		Competitors 2009	
	satisfied neutral	dissatisfied	satisfied neutral	dissatisfied	satisfied neutral	dissatisfied
Italy	58	42	59	41	67	33
Germany	63	37	66	34	65	35
Austria	63	37	63	37	68	32

Satisfied: customers loyal or neutral in terms of satisfaction but considering UCG better than peers

Neutral: customers neutral in terms of satisfaction and considering UCG equal to peers

Dissatisfied: customers disloyal or neutral in terms of satisfaction but considering UCG worse than peers

Our customer satisfaction teams conducted almost 190 qualitative interviews in Italy, Germany and Austria. In Austria, roughly 80 of these interviews were conducted face-to-face with corporate customers to analyze their expectations regarding their banking relationships in view of the financial crisis. In Italy, we interviewed 40 customers who left UniCredit Corporate Banking in the previous year in order to better understand the factors driving their decisions. Roughly 60 more interviews in Italy were aimed at investigating customer dissatisfaction regarding certain Global Transaction Banking Department products. Bank managers also conducted more than 900 interviews, enabling them to identify areas for improvement.

We followed up with clients who allowed us make internal use of the contents of their interviews in order to provide them with prompt responses to their concerns. In 2009, more than 7,700 customers agreed to be identified in their interviews. For the majority of these, including roughly 2,300 cases in Italy, we developed customized action plans to address their specific needs.

For 2010, Corporate Banking in Italy, Germany and Austria intends to increase customer satisfaction by:

- implementing key initiatives related to tracking the amount of time involved in loan application processing
- promptly following up with dissatisfied clients
- extending excellence in quality of service monitoring across the entire Corporate & Investment Banking perimeter by implementing select customer satisfaction and incentive programs
- establishing action plans to customize solutions to customer needs and to strengthen our support for the long-term growth of clients

In all CEE Banks, customer satisfaction surveys are performed using a common methodology – the Satisfaction and Loyalty Index (SLI). More than 13,000 corporate customers were interviewed, including 7,100 UniCredit corporate clients and 6,400 competitor clients. In 2009 Corporate Banking in the CEE managed to achieve good results: while the CEE-wide overall corporate SLI average of our competitors slightly decreased from 70 to 69, UniCredit Group remained steady at the level of the previous year at 69.

In 2010, Corporate Banking in the CEE aims to improve customer satisfaction by:

- optimizing the credit process, i.e., making it faster and more streamlined
- increasing the transparency and advisory functions connected with financing offers, i.e., providing clearer explanations to clients
- further rolling out appropriate web banking technology (GWS) in three more countries, while upgrading existing functionality and stabilizing the systems where needed

Private Banking customers

Know your customer is the golden rule of Private Banking at UniCredit Group, and we strictly adhere to it. Moreover, by focusing on products, services and performance, we are able to increase our customer satisfaction ratings.

The Customer Satisfaction Index (CSI) only slightly decreased in Germany as a result of the financial crisis, from 63 in 2008 to 60 in 2009. In Italy and Austria, this index increased by one point and three points respectively, to 67 from 66 in Italy and to 63 from 60 in Bank Austria. A higher increase was seen at Schoellerbank, to 76 in 2009 from 72 in 2008.

In 2009, we worked to further harmonize our customer satisfaction methodologies and the metrics behind these measurements by adopting the TRI*M index in Italy, Germany, Austria and the CEE. The use of common indicators that generate reliable results enable us to positively affect customer satisfaction and to benefit from our experiences and best practices. Thus, as part of an effort to further align our approach and to create internal benchmarks, we are launching a quarterly online survey to measure Private Banking's TRI*M index Groupwide.

Complaint management

Asset Management customers

Pioneer Investments measures customer satisfaction levels on an annual basis through a survey that includes aspects of the TRI*M Index methodology. The TRI*M Index, together with other information embedded in the surveys, provides insight into the customer's relationship with Pioneer Investments and indicates the strength of this relationship, thereby evaluating client loyalty.

In 2009, in order to reflect our main markets and our different distribution channels, our research covered nine countries and included 3,158 interviews with 1,789 Retail bank advisors, 665

Private and Corporate bankers, 198 institutional clients, 185 third-party distribution partners and 321 independent financial advisors.

Direct support to our retail channels: more than 30 roadshows in 3 countries reaching roughly 7,000 people

Results show that our TRI*M index was 50 in 2009 (including data for Italy, Germany, Austria, Poland, Latin America, France, Spain, Switzerland and Taiwan). In the countries where comparison with 2008 data is possible, results highlight an improvement. However, the level of this index indicates that we are still suffering from the impact of the financial crisis.

A number of actions have been put into place to improve our customer service model in distribution channels across the Group. Here are some examples of the initiatives undertaken in the retail channel:

- In Italy, our new specialist sales team moved into the field in May and after the summer, a roadshow aimed at refocusing the bank's sales strategy on asset management products was organized. The show toured 11 cities and engaged roughly 5,000 people.
- In Germany, we met with about 1,600 HVB Retail Bank advisors in five cities and visited Private Banking colleagues in 10 cities.
- In Austria, we organized meetings with Bank Austria's top retail sellers in 13 different locations with 196 participants.

In 2010, we will continue to build on our client service model in order to strengthen our relationships with customers. Other activities planned for 2010 include enhancing product performance (i.e., quality) and matching the risk appetites of our clients to product offerings, in addition to increasing global awareness of our brand.

The careful, timely and efficient management of complaints contributes to raising our customer satisfaction index, because a customer who complains is generally a customer who wants to maintain his or her relationship with the company. At the same time, it also enables us to mitigate the root cause of the complaints and improve the most relevant and related processes and procedures through in-depth analyses of emerging issues and frequently occurring cases. Thus, complaints are transformed into opportunities for innovation.

UniCredit Group has been strongly focused on properly managing complaints since December 2008, when it broadly disseminated the Group's Complaint Management Policy.

This policy defines a complaint as any written or spoken expression of dissatisfaction, not limited to the various legislative definitions that confine their concerns to specific issues stemming from relations with the bank or the way it has managed transactions or financial and banking services. Petitions submitted by trade associations or representatives of collective interests (e.g., consumer and business associations, etc.) are also regarded as complaints.

The policy sets a minimum standard for our company that ensures that the roles and responsibilities associated with the complaint management process within Group entities are properly defined and regulated. This results in standardized procedures and ensures:

- timely and efficient management of complaints
- disclosure of the methods and timing for processing complaints to existing or potential customers
- continuous improvement in customer satisfaction rates
- adoption of suitable measures to prevent the situation that gave rise to the complaint

Retail complaint management

Our approach to retail customer complaints is based on four key pillars:

- customer experience – taking into account previous complaint management history and results in the handling of future issues
- complaint handling – internal procedures, responsibilities, deadlines for monitoring and documenting the process of managing the complaint
- customer retention – positive outcomes achieved by mitigating the root cause of dissatisfaction
- customer/senior management communications – senior management involvement in complaint management and communication

In 2009, a Groupwide complaint policy was implemented and reinforced both by establishing clear service level agreements (e.g., 48 hours to reply with a solution or with acknowledgment of any claim of dissatisfaction in Italy, Germany and Austria), new compensation structures, strengthening the role of branch managers

and network colleagues in complaint management and empowering them to resolve most complaints directly at the first point of contact, thereby streamlining the process.

To this end, a two-day special event was organized in September 2009, involving the heads of Customer Satisfaction from all countries, with the aim of sharing this Group approach to complaint management and of learning from each country's best practices.

The most frequent sources of complaints are related to the following:

- unclear communication
- lack of information
- misunderstanding in execution

The products most affected by complaints are current accounts, insurance and investment products and mortgages.

In order to align Austria with the Italian and German complaint management system, we launched the *Complaint Reinforcement* initiative by setting up a new complaint recording IT system. This allowed us to increase the number of recorded complaints by 200 percent in comparison with 2008. The initiative also tasks the branches themselves with recording the complaints.

To support network colleagues who are engaged in crisis management activities and to provide timely and accurate information to our customers, Bank Austria established a complaint sales support team that specializes in relevant reputational and legal issues.

In the CEE, the complaint management process has been further strengthened.

In Bulgaria, after conducting a business intelligence investigation, we adopted a five-working-day problem-resolution benchmark. In 2009, 87 percent of all complaints were resolved within five working days. Of those, 74 percent were resolved within three working days.

In Bulgaria, 87% of all complaints are resolved within 5 working days

In Croatia we improved the existing Complaint Center application – the main IT tool for complaint management – by inserting new financial fields that enable us to record and monitor the value of all complaints. In addition, an email alert message is sent to the responsible complaint management unit if a large number of a specific type of complaint continue to occur. Thresholds for alert messages are defined internally for each type of complaint, providing appropriate support for more effective complaint management.

In Romania, a new complaint management approach was implemented in order to allow front-line employees to resolve complaints at the first point of contact. We thus build credibility in the eyes of customers by giving our employees a certain level of autonomy in the settlement of procedural errors.

In Hungary, the Czech Republic and Russia, the complaint management process is handled by dedicated teams, ensuring early detection of problems and the provision of optimal solutions to customers in the shortest possible time.

Retail Division number of recorded complaints by country

Country	2009			2008		
	written	verbal	total (written and verbal)	written	verbal	total (written and verbal)
Italy*	16,068	322,021	338,089	19,078	314,669	333,747
Germany	7,588	65,110	72,698	7,430	57,145	64,575
Austria	3,709	35,501	39,210	3,771	9,204	12,975
Total	27,365	422,632	449,997	30,279	381,018	411,297

* 2008 data for Italy has been updated to reflect the completion of the integration process with Capitalia. Italy includes UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia and Fineco.

Transparency

Corporate complaint management in Italy, Germany and Austria

In 2009, we created specialized teams to investigate corporate customer complaints. These teams cooperate with all units responsible for managing and investigating complaints.

At the operational level, each bank has its own complaint management system in place that is aligned with local expectations, and each Group entity is empowered to give complaints all the attention they deserve.

Private Banking complaint management

For our Private Banking customers in Italy, Germany and Austria as well as in CEE countries, most complaints are delivered verbally and are addressed directly to our Private Banking relationship managers with the expectation of an instant response. If these complaints are not immediately resolvable, clients submit appropriate written documentation and follow the applicable internal procedures.

For example, in Germany, we have implemented an automated complaint management system, which allows for standardized complaint records and tracking of resolutions. This automated approach defines time limits for personnel to respond. Statistical analysis allows us to precisely track the response and resolution rates and thus to implement a continuous quality improvement process.

We constantly aim to improve our openness and transparency with regard to our operations and interactions with customers. In 2009, we focused our efforts to assure transparency in the following ways:

- developing easy-to-understand products and services
- explaining products and services with clearer documentation
- providing timely information about changes in service fee structures
- maintaining clarity in our credit procedures
- disclosing Group policies and their implementation

In 2009, the Bank of Italy issued a new transparency regulation that will become effective in 2010 and substantially modifies the way banks interact with customers. A Groupwide cross-functional team has been established to define our overall approach to implementing these guidelines and monitoring processes before they take effect.

Simplifying and updating documents, standardizing published information and strengthening customer protections are among the aspects of the new transparency regulation that were addressed by UniCredit Group in 2009.

The implementation of, training for and communication regarding the Markets in Financial Instruments Directive (MiFID), which also requires banks to provide clients with higher levels of transparency, continue to be a Groupwide priority.

Retail transparency initiatives

In Italy, transparency has always been a primary concern at Fineco. Having substantially improved its website in 2009, Fineco now provides more detail on financial terms and replies within a few days to all customer requests concerning security, financial exposure and corporate risk, among other subjects. This approach to transparency has increased the confidence of our customers to the extent that 58 percent – more than 44,000 – of our new customers were referred by friends and family.

**Transparency pays off:
44,000 new customers
referred by friends
and family**

A series of conferences called *Impresa Italia on Tour* were organized in cooperation with territorial trade associations and Confidi associations to provide information on:

- the impact of the global crisis on the economy
- the UniCredit *Impresa Italia* project as a support for small and medium-sized enterprises in a difficult environment
- tools to optimize access to credit and the ongoing dialogue among different banks working to face difficulties together

In Germany, HVB introduced significantly more transparency across its portfolio of financial products. Customers and prospects now have access to clearer product overviews, can better understand our advisory services and know what to expect from us. They can also see how we measure customer satisfaction and integrate it into employee compensation, as well as how we act sustainably, both as a supplier of investment products and as investors, employers and agents.

HVB offered floating rate notes to customers seeking secure investments without being locked into low interest rates, thus enabling them to benefit from the possibility of rising rates. HVB updated its online securities deposit and portfolio management area, providing more complete information on customer's portfolios (including total value, gains and losses). To increase transparency, HVB also implemented a program to deliver customized communications via email or SMS to inform customers of portfolio value trends.

By October 31 HVB had completed the process of implementing the Payment Service Directive (Zahlungsverkehrsrichtlinien) and informed all HVB customers of the adjustments to general terms and conditions. Our employees not only present HVB's own financial products, but they can access the full range of options offered by more than 40 different lenders through our *Planet Home* platform, using state-of-the-art technology to explore the entire market on behalf of customers.

In Bulgaria, product advertising placed an emphasis on real product yields, rather than highlighting only the final month's interest, which is usually the highest figure. The promotional conditions in customer contracts are clearly stated, together with the real cost of the products, the effective annual interest rate, the end dates of the promotional period and the conditions thereafter.

In Croatia, Zagrebačka banka observes the Croatian Public Relations Association Code of Ethics and complies with the highest professional standards of integrity, confidence and professional etiquette when communicating with the public.

In Hungary and the Czech Republic, we have endorsed the local Banking Association Code of Conduct, which promotes the fair, transparent and responsible behavior of financial institutions providing loans in the retail sector.

In Romania, we have modified application and agreement forms to reduce the number of pages and necessary signatures, and made sure that all contracts present all information in regular size font, without small print.

In 2009, most of our Group banks continued to improve their internet websites, providing access to information on products and services with fewer clicks required when navigating directly from the home page.

Relationships with consumer associations

In line with our continuous and structured dialogue with consumer associations (CAs), we organize periodic meetings between our product factories and Retail strategic business area and the top and middle management from consumer associations. The aim is to share the processes we apply to products with the CAs. We also discuss the main characteristics of our new products and communication tools used to promote them, prior to their launch in the market, in order to ensure that they will be easy to understand for clients.

Thus, the meetings help us enhance the quality and transparency of products and communications.

In 2009 and at the beginning of 2010, these meetings were held in Italy to present information related to the following products and initiatives:

- the mortgage loan process at UniCredit Banca – July 2009
- the *Mutuo opzione sicura* initiative, related to mortgages – November 2009
- credit and debit card processes, with a focus on revolving cards – November 2009
- customer satisfaction processes – November 2009
- maximum overdraft bank charges – February 2010

UniCredit Family Financing, is a member of the Italian Association for Consumer Credit and Mortgages (Assofin) and adheres to the *Alla Pari* initiative, launched by Assofin and the Advertising Self-Regulation Institute (IAP). It aims to strengthen transparency and fairness in communications connected with household finance products, and benefits from the advice and oversight of IAP.

The CEE countries have leveraged the expertise gained through the cooperation in Italy between UniCredit Group and the CAs. The Group began innovative projects in Croatia, the Czech Republic and Hungary to be developed in 2010. Its aim is to analyze policies and tools in the banking and financial sector in each country that relate to consumer protection (e.g., involving transparency, alternative dispute resolution, etc.). The project will identify activities to be developed with local CAs in each country to support customer-centric Group policies and to identify, from the CAs' point of view, the major customer needs and gaps that should be fulfilled by the local banking system.

Financial education

Corporate transparency initiatives

We have reinforced our open dialogue with clients to pursue greater transparency in connection both with new tools of economic interest (e.g., the Basel II principles and Single Euro Payments Area -SEPA-) and specific, critical issues (e.g., derivatives). Our goal is to enable our corporate customers to better understand the situation of the bank and the financial impact of the crisis.

In Austria, for example, our open dialogue with corporate clients was focused on rating structures (i.e., Basel II compliance) and on the simulation of different potential rating scenarios. Bank Austria is the leading Austrian bank in terms of expertise on the SEPA, the crucial part of which, direct debit, became effective in November 2009. Bank Austria and other Group banks, including those in the Czech Republic and Romania, have been providing information on this topic since 2008 and have organized a number of events for interested customers.

With regard to derivatives, we created a dedicated department, the Corporate Treasury Sales Department, responsible for monitoring and supervising derivatives across all divisions and regions. Additionally, we implemented new derivatives policies in Italy, Germany and Austria to ensure that derivatives products in general, and particularly the most complex products, are offered only to users who understand the nature of the risks inherent in these transactions. Furthermore, products offered should be consistent with clients' businesses, financial operations, skill levels, sophistication and internal policies as well as risk appetites. In particular, corporate and retail customers are only permitted to engage in over-the-counter (OTC) derivatives transactions considered suitable to their needs and experience.

All clients with problematic derivatives deals were regularly contacted by their relationship managers and/or by Corporate Treasury Sales during 2009 and were informed in detail about the current structure of and risks associated with their derivatives positions.

Asset Management transparency initiatives

In order to provide Asset Management customers with information on our asset allocation and portfolio holdings, we have continued to provide timely and consistent communications about our market views, product performance and strategies.

Our priority in 2010 will continue to be improving information clarity and overall transparency in order to make sure that our clients fully understand the products they are investing in, as well as the risks associated with them.

Financial education is an important activity to increase transparency. Using clear and understandable language is a key tool to regain trust and to promote financial inclusion.

Poor financial decision-making can, of course, affect more than just low-income earners. No matter the income level, poor decisions can produce great loss of welfare. Good financial decision-making requires:

- financial literacy, or a basic understanding of financial concepts
- financial capability, which is becoming more important as the range of financial products becomes increasingly complex, and includes the capacity and motivation to make financial plans, seek out information and advice, and apply these to personal circumstances

Good financial decision-making allows clients to choose among different banking products and services in a more efficient and aware manner, on the basis of personal resources and specific needs.

In 2009, we focused on developing and delivering programs to help vulnerable people make more informed choices about their money while deepening their financial knowledge, skills and confidence.

The *Cambiare per Crescere (Changing to Grow)* program was born from a partnership between Banco di Sicilia and the UniCredit Group Sicilia Territorial Committee as a training program targeting small Sicilian businesses. This program focused on marketing, business management, relationships with the bank, internationalization strategies and partnerships, security and leadership.

The *Noi & UniCredit* project, launched in Italy in cooperation with 12 Italian consumer associations, focused on supporting customers in making choices connected with banking products and services.

About **800** customers and non-customers involved in a pilot project launched to provide financial education

In 2009 within *Noi & UniCredit*, a pilot project was launched to provide financial education in the branches, involving two rounds of meetings held at 20 Group branches with the participation of roughly 800 clients and non-customers. It covered such topics as:

- family budgeting and how to manage and avoid over-indebtedness
- internet and electronic payments, and how to manage them safely
- credit cards and ATM cards, their proper and safe use

Sensitivity, proximity to customers

This financial education project was referenced in a publication on financial education, edited by Eurofinas, the European Federation of Finance House Associations, as an example of best practice at the European level.

In Sicily and in Lombardy, we organized several meetings in collaboration with Italian consumer associations with the aim of providing more vulnerable segments of society, including families, pensioners and the elderly, with information on banking issues (e.g., consumer credit, family budgeting). Additionally, we launched an Italy-wide project to provide 17/18-year-olds with information on how to manage their savings. These courses will be carried out by consumer association experts in collaboration with UniCredit Group employees and will involve roughly 1,200 students.

Since 2009, Bank Austria has implemented a special customer financial education program on the homepage of Mein Geld, an important online magazine.

None of the financial education activities described herein was designed to promote specific UniCredit Group products or services, which was an essential component of our effective cooperation with consumer associations, as well as of our responsible support of the community and our clients.

In light of the financial crisis and the fallout from the collapse of Lehman Brothers, we have increased our focus on risk management to be better able to anticipate risks and mitigate existing operational risk. We worked hard on customer relationships and satisfaction in order to rebuild customer trust in the banking sector by:

- improving professional services
- adjusting investment products
- providing timely communications

In Italy, Germany and Austria, we developed specific service models that ensure that customers have been interviewed and that their risk profiles and needs have been identified. Based on this information, a yearly evaluation of portfolio performance trends will be performed. During the most difficult phase of the financial crisis, a special effort was made to inform customers in a timely fashion of possible market developments and portfolio risks; internally, we developed a dedicated product range focused on investment products with short maturities and guaranteed principal. We carried out a global review of our asset management and Bancassurance products to respond to the changing risk appetites of our customers and to increased demand for principal protection at maturity. On this front, we have also emphasized the need to conduct periodic portfolio assessments in order to verify that the client's risk profile and time horizon correspond to his or her asset allocation.

In the Private Banking Division, we are setting up local investment specialists team to monitor the current exposures of our clients to investment products. These specialists regularly prepare portfolio optimization suggestions, taking into consideration investment guidelines received by our Global Investment Strategy Department.

Within Italy, Germany and Austria, we have launched a project for 2010 to identify and categorize major existing operational risks within the division.

Thus, we are able to rapidly adjust products to meet new conditions and offer our customers the right services and products for their needs.

In 2009, the global asset management sector was presented with a significant reputational risk challenge in the wake of the Madoff fraud. This challenge came at the tail end of a very difficult 2008. Pioneer Investments' portfolios in hedge funds were affected by this fraud, requiring a proactive approach on our part to meet the challenge.


During the liquidity crisis, Pioneer Investments managed to keep all of its funds open, thereby ensuring liquidity to its investors, in contrast with some of its competitors, which had to close funds at the peak of the crisis. Confident of its asset allocation and investment strategy, Pioneer Investments' performance rebounded

Responsible lending

sharply in the second half of 2009, bringing value to client portfolios over the year.

On a number of occasions, we provided timely communications to inform customers about our asset allocation and portfolio holdings. Specifically, during the situations in Dubai and Greece, we advised our clients on the best ways to protect their savings and position their portfolios to benefit from future opportunities. Since the news of the default of Dubai World at the end of November, we have made full disclosure of our portfolio holdings in that area to our distributors, complete with comments and an overview on the financial sector's involvement in this crisis. And upon becoming aware of the situation in Greece, we immediately provided our distributors with documentation on the risk of a default by Greece, in order to keep sales, distributors and shareholders informed in a timely manner.

As a result of the economic crisis, real estate funds in Hungary – among them the Europe Real Estate Fund, offered by a fund manager owned by Pioneer Investments – lost a large part of their investments. The fund manager decided to transform the open-ended fund into a public, closed-ended, capital- and yield-guaranteed fund. UniCredit Bank Hungary developed and implemented an effective and structured communication process to explain this transformation to its clients, thus enabling them to make the best decisions for themselves about their investments.



**Around 3,000
Imprendo Export
products
in less than 1 year**

Fostering economic development

The banking industry is one of the most powerful engines of economic development. A bank that concretely supports deserving customers – both families and firms – contributes to the economic growth of the communities in which it operates and, in the process, increases the sustainability of its business.

Supporting the internationalization of companies

Throughout 2009, UniCredit Group pursued a strategy of fostering the internationalization of small and medium-sized enterprises (SMEs) – supporting their investments and commercial exchange in foreign countries. This is achieved through our strong local presence, which is a strategic factor in companies' international growth as well as in the development of national economies.

At the beginning of this year, the Retail Network in Italy launched an innovative, new product called *Imprendo Export*. This product, managed entirely online, was designed to provide a wide range of services to support clients looking to expand abroad – from their initial forays into import-export activities (e.g., identifying commercial counterparts, assessing partners' reliability, developing commercial and introductory letters in the counterparts' language) to the conclusion of a deal, as well as services provided in the destination countries (e.g., dedicated international desks). Our retail banks sold approximately 3,000 products in less than a year, and our 2010 goal is to increase *Imprendo Export* sales by reaching out to more prospective small businesses that are already working or want to work with foreign companies.

To finance the further internationalization of SMEs and the development of their export activities, Corporate Banking entered into an agreement in Italy with the export credit agency, SACE. The range of loans for which SACE provides collateral includes long-term loans for internationalization (i.e., delocalization or capital expenditures made in Italy but intended to improve foreign business), short-term loans (pre-shipment), and guarantees (bid bonds, advance payment bonds, performance bonds). The amount of €300 million was designated to collateralize medium to long-term loans.

Our focus on supporting internationalization takes the form of providing businesses financing and the right connections to potential new markets.

We actively promote the internationalization of our corporate business clients by establishing team specialists in all of our banks.

These specialists ensure that corporations with subsidiaries in other countries where UniCredit Group has a presence are offered comprehensive services, such as bank accounts, domestic and international transaction capabilities or credit facilities.

**Almost 1,900
relationship managers
to support cross
border services**

Each corporate client's parent company can access these services across UniCredit Group's operations via its home relationship manager – who, with support from the Cross-Border Business Management specialist network, facilitates the delivery of products wherever we operate. In Italy, Germany and Austria, the cross-border services are offered by almost 1,900 relationship managers.

In addition to banking services, and because we often have established local banks in the target countries of our customers, UniCredit Group can offer valuable guidance to clients who are extending or enlarging their international networks. This arrangement, along with our market position in the CEE, is a valuable instrument in acquiring new customers and deepening our relationships with existing clients.

In 2009, we launched a new project, *A Way to Sicily*, which promotes Italian products abroad, including those in the food and wine industries. Eighty-seven Italian companies from Sicily and 19 from Poland generated 480 B2B meetings that sought to increase import-export activities between the two countries. In

***A Way to Sicily*
generated 480
B2B meetings**

2010, different versions of the project will be extended to other Italian regions – including Veneto, Trentino Alto Adige and Campania – with a focus on select Eastern European countries in our network.

Support to SMEs working to overcome the financial crisis

In support of SMEs, we have several projects, including *Impresa Italia*, that aim to develop and consolidate our partnerships with the businesses that represent the key drivers of the economy. The project focuses on ensuring access to credit for deserving businesses, through both short-term and long-term loans.

To meet the needs of these companies, *Impresa Italia* offers products with favorable rates, and the duration and amount of each loan is considered in accordance with specific requests. UniCredit Group thus enhances the value of new financing guarantees provided by the Confidi (credit guarantee consortiums).

In 2009, Retail closed roughly 460 agreements with the Confidi to grant more than €1 billion in loans to more than 10,400 companies. The Corporate segment closed roughly 40 agreements, granting €450 million to more than 1,100 companies.

The *SOS Impresa Italia* initiative, developed within the *Impresa Italia* project and in cooperation with the Confidi, strives to identify, analyze and solve all critical situations in order to establish effective solutions to help customers with temporarily difficulties through the crisis. We created 80 task forces to promptly apply financial solutions that may adjust existing credit lines in the following ways:

- extending repayment schedules by five years
- allowing outstanding installments to be paid off at the end of the plan
- delaying payment of the principle to extend the plan's duration
- offering the owner or entrepreneur an opportunity to take out a residential mortgage that would counterbalance the company's financial situation
- consolidating short-term liabilities to improve the company's balance sheet
- extending the duration of short-term credit to 270 days in order to serve the company's cash needs

In 2009, through *SOS Impresa Italia*, more than 16,000 Italian companies were supported, involving a general exposure of roughly €1.3 billion.

One of our priorities for 2010 is to continue organizing technical roundtables and sponsoring meetings with associations and the Confidi to enable us to better respond to the overall economic and financial climate for SMEs.

***Impresa Italia:*
more than 11,500
companies
supported**

Another initiative that embodies our commitment to SMEs in Italy is *Moratoria*. In August 2009, the Italian Minister of Economy and Finance, the President of Italian Banking Association (ABI), and several enterprise associations signed an agreement on the suspension of small business debts. This aimed to provide financial leeway to enterprises with positive economic prospects and to support business continuity. In the following quarter, 150 enterprises took advantage of these opportunities.

In Germany, at the end of 2008, HVB declared it would extend a new loan volume of one billion euros to its customers. This goal was met by the end of the 3rd quarter 2009. HVB has not made any changes

**New loan volume of
€1 billion to SME
customers in the German
market in the first
nine months**

to its credit policies, which has helped secure an ongoing supply of liquidity to its customers. In fact, relationship managers have been given added capacity to simplify loan approvals. Furthermore, we continued to support start-ups with our GRÜN service model (*Gründung und Nachfolge*, or *Startups and Successors*).

In 2010, HVB intends to play an important part in the recovery of the German economy. This means lending must become our core activity. Thus, HVB will devise a pre-check procedure assessing possible credit lines, so that customers will be ensured a quick advisory process. In addition, we will further improve our capacity to advise on and provide access to government-supported special credit programs, thereby ensuring that our customers are offered optimal financing choices.

In 2009, Bank Austria offered SMEs free advice through *KMU-Info-Tag* (SME Information Day). The initiative, which will be continued in 2010, seeks to provide SMEs with guidance on accessing support and credit. Events were held in every state in Austria and organized in cooperation with Bank Austria specialists together with UniCredit Leasing, the Austrian Export Fund, the Austrian Credit Protection Association (KSV), governmental associations, and respective regional financial and economic organizations. Each information day was held in collaboration with 10-12 partners.

Bank Austria also offers *Branchencheck*, a free service that provides advice to SMEs regarding their sector and their performance. Offered to companies with an annual turnover of up to €3 million, these free analyses typically focus on revenue, profitability, capital structure and overall financial situation, as well as sales rates in comparison to competitors.

Financial inclusion

In response to the macroeconomic climate in 2009, we emphasized the impact of responsible lending on matters of financial inclusion. Thus, a key element of our strategy involved developing and providing accessible and suitable products and services to the less financially secure members of our communities.

Families struggling with financial difficulties

In response to the fact that certain households were having serious difficulty making mortgage repayments, in December 2008, Retail Network Italy launched *Insieme 2009*. This project offered concrete support to customers affected by the crisis, and contributed to the standards later adopted by Italian Banking Association (ABI) and applied across the entire Italian banking industry.

Insieme 2009 allows customers to stop making mortgage payments for a maximum of 12 months under certain circumstances (i.e., temporary unemployment, legal separation or divorce for families with children, or the death of a loved one). Since its inception, more than 7,700 applications for *Insieme 2009* have been approved.

**7,700
applications for
Insieme 2009 have
been approved**

We implemented a number of *ethical credit card* initiatives, which are managed by Italian and international charity organizations and are designed to support families in economic difficulty. By November, the roughly 200,000 ethical credit cards issued by the Group had been used for some 257,000 transactions in 2009 alone. Since the inception of this initiative, we have disbursed more than €2 million in linked contributions.

**200,000 ethical
credit cards, with
more than €2
million contributed**

In 2009, UniCredit Group joined the Italian Banking Association initiative, CIGS (Cassa Integrazione Guadagni Straordinari), which seeks to support the employees of companies in financial trouble. Founded following an agreement between the Italian Banking Association and the trade unions signed in April 2009, employee support is based on advance payment of unemployment benefits, thus easing the effect of the delay in benefits to affected workers.

Customers may request advances from the National Authority for the Department of Social Security (INPS) in the form of an overdraft credit, for a maximum of nine months, at a very low interest rate guaranteed by the INPS. This initiative was particularly successful in regions where a strong industrial network exists, as in Emilia Romagna and Lombardy, where more than 770 applications were approved in 2009.

In Germany HVB which identified unemployment as the most severe risk to our customers, is offering *ImmoRelax*, a special insurance for mortgages covering the risk of job loss.

In Bulgaria, to prevent portfolio deterioration, we launched a measure to stabilize the loan repayment situations of clients facing difficulties. These stabilization measures follow existing product parameters but slightly modify the terms of repayment. The arrangement's main features involve extending maturity dates, tailoring the repayment schedule, and providing a grace period for both principal and interest.

Immigrants

In Italy, since the first *Agenzia Tu* branch opened in 2006, this dedicated network has developed a service model to enhance immigrant customers' understanding of financial products and

services. *Agenzia Tu* follows a tutorial approach to a comprehensive banking and financial education that includes instruction offered in the Group's branches. It also offers the products and services on its website – www.agenziatu.it – in Italian, English, Spanish, French, Arabic, Albanian, Romanian and Chinese. *Agenzia Tu* has a network of 12 branches, and its

customers have increased from 5,882 in 2008 to 8,075 in 2009. Dedicated products to suit specific customer needs include:

- *Conto Tu*, an all-inclusive account package that includes six remittances per year and the option of a mirror account through which, for example, a Romanian customer could open an account at UniCredit Tirioc Bank in Romania directly from any Italian *Agenzia Tu* branch
- *Mutuo Tu 80*, a financing instrument for full-time and self-employed customers who want to buy a first home with a mortgage of up to 80 percent of the property value
- *Mutuo Tu All Jobs*, designed for employees without long-term employment contracts who want to buy a first home.

In Germany, the expansion of the HVB - Yapı Kredi network continues to serve a significant proportion of people with Turkish backgrounds. Bilingual Group representatives offer banking services at four

dedicated branches, the newest of which was opened in Berlin in September 2009. Bilingual marketing and informational materials support the sales process, while sales procedures, explanations and contracts are mandated by law to be in German.

Future generations

Sustainable banking requires a stable customer base, which is why we invest in youth.

UniCredit Group's commitment to supporting future generations is central to our way of business and our social accountability. Our retail banks provide young people with products that suit their needs on favorable terms, as well as the opportunity to learn how to be responsible for their own future. In Italy these include the following:

- *CreditExpress Giovani*, designed for Italian residents age 18 to 30, aims to meet the typical financial needs of young customers (e.g., university expenses such as school books, computers and tuition). More than 4,500 customers have enrolled for this product.
- *CreditExpress Master*, with 225 customers, is for undergraduates and is designed to make master's programs more accessible.
- *UniCredit ad Honorem* also seeks to improve access to university studies and master's programs by enabling students to complete their studies without financial concerns, postponing principal and interest payments until they have graduated and started working. The initiative targets undergraduates residing in Italy who have been selected by their Universities based upon their talent and curriculum.
- *Diamogli Credito*, developed by the Italian government's Department for Youth Programs and Sports Activities, is for students between the ages of 18 and 35. It consists of loans with terms that vary according to customer needs and is designed to cover:
 - security deposits for real estate leases and/or property brokerage expenses
 - expenses related to participation in Erasmus programs
 - university costs and fees for professional artistic, musical or dance training
 - expenses for post-graduate courses and master's degree courses

A Berlin branch entered into a partnership with the youth section of a local sports club, *TürkiyemSpor*. Among other activities, the branch organizes job application seminars for young people close to completing school or seeking internships.

Bank Austria has created *KünstlerSparbuch*, the artist savings book, which is connected to a charity campaign. For every newly opened savings book, Bank Austria donates €0.5 to a program called *Space//lab*, which helps 15 to 24-year-olds develop vocational skills that will make them more employable.

2,193
new *Agenzia Tu*
customers
in 2009

UniCredit Corporate and Investment Banking Project Finance and the Equator Principles

UniCredit Group's investment banking arm, HVB⁴, adopted the Equator Principles for large industry project finance in 2003. They have improved our decision-making, the quality of our asset portfolio and the support we provide to our clients by helping them to reduce risks that stem from the environmental and social aspects of a transaction.

Since HVB adopted the Equator Principles, we have continuously improved our implementation of the model's standards across all points of the project financing process, rather than solely at the final approval stage when formal reviews are traditionally conducted.

From the early stages of a relationship, we look for confirmation that potential clients are motivated to meet these requirements.

This might involve considering social and environmental assessments on a proposed project, or the necessity to start consultation with communities affected and relevant regulatory authorities.

With this in mind, we began to provide additional support to our customers, which was often equivalent to concretely assuring the long-term viability of their project.

Equator Principles are a concrete support for the long-term viability of customers' projects

A dedicated desk, created in 2008, is responsible for advising on the environmental and social risks involved in project finance transactions within HVB. For Category A projects, an independent Lenders Environmental and Social Risk Advisor has also been engaged to sign off on the appropriateness of the Environmental Impact Assessment and the Environmental and Social Action Plan that a client needs to provide, as required by the Equator Principles.

In November and December of 2009, we conducted a training program on environmental and social risk management and the Equator Principles, together with external partners. The course was comprised of tailor-made modules for different target user groups. Ninety-six HVB project finance staff members participated in the training program.

We have reviewed and evaluated the environmental and social aspects of various project finance deals to ensure compliance with applicable environmental and social requirements, including the Equator Principles. Those requirements have been set forth in the loan documentation, and borrowers must regularly report on implementation and compliance.

Equator Principles: number of projects financed by risk category

Risk category	2009*	2008**
Category A	2	1
Category B	11	14
Category C	1	11
Total	14	26

* Projects financed within HVB including one project financed by UniCredit Mediocredito Centrale SpA where HVB provided due diligence services

**Projects financed within HVB, including one project financed by Bank Austria where HVB provided due diligence services

Equator Principles: number of projects financed by risk category and sector, 2009

Sector financed	Category A	Category B	Category C
Resources*	2	3	
Energy		5	1
Infrastructure		3	
Total	2	11	1

* Including oil & gas, mining and metals.

Equator Principles: number of projects financed by risk category and regions, 2009

Region	Category A	Category B	Category C
Europe: EU		3	1
Europe: non-EU	1	1	
North America		5	
South America		1	
Asia & Australia	1		
Africa		1	
Total	2	11	1

In 2010, we will continue testing appropriate environmental and social risk management tools, while working towards the Groupwide implementation of special Credit Policy for Project Finance Transactions. We will continue to expand the application of the Equator Principles to the whole Group and will also continue the environment and social risk management capacity building program we initiated in 2009.

⁴ Please note that during 2009 Bayerische Hypo-und Vereinsbank AG (HVB AG) changed its company name in UniCredit Bank AG.

Our response to natural disasters

Update on responsible products and policies

We are aware of our responsibility to promote sustainable development through lending practices, notably when it comes to the financing of energy supplies. In 2009, our efforts to support clean energy included the following:

- As of year end, our Corporate and Investment Banking Strategic Business Area had a portfolio of €4 billion in loans for renewable energy projects, mainly in wind farms, photovoltaic, solar thermal and biomass installations.
- In 2009, Retail continued to extend the range of Group products that finance environmental projects. These included the *WWF UniCreditCard*, placed on the Italian retail market in support of WWF Italy's largest nature conservation program, the *Oasis WWF* project. The 0.3 percent of every purchase made by *WWF UniCreditCard* holders go to a dedicated fund supporting such activities as the conservation of plants and animals, the maintenance of nature paths and equipment, and the prevention of illegal hunting and polluting in protected areas.
- *CreditExpress Energia* is a credit line for financing energy-saving building renovations and photovoltaic installations. In 2009, in Italy, we made roughly €15 million in such loans.

In our 2007 Sustainability Report, we reported on our Nuclear Energy Policy and our Defense Sector Policy, which had both been formally approved by the UniCredit Group Risk Committee. To further improve the two policies and incorporate new input from stakeholders – with whom we have maintained an open dialogue – we made a series of amendments. In 2009, the revised Nuclear Energy Policy and Defense/Weapon Industry Policy were formally approved by the UniCredit Group Risk Committee and distributed to Group entities for formal adoption. We will disclose the main contents of these policies, to be posted on our website in 2010.

In Italy an array of extraordinary activities was initiated to support those affected by the earthquake that struck Abruzzo in April 2009 and the flood that hit the coast near Messina in October.

For our customers living in these areas, several banking programs were activated involving the suspension of loan payments and surcharges on recurrent payments connected with mortgages and personal loans, as well as for SMEs. A fund totaling €100 million was created to support economic recovery.



**Earthquake in
Abruzzo: €100 million
to support SMEs and
economic recovery**

For the people of Abruzzo, the Group suspended the payment of personal loans and mortgage installments until the end of 2010, and for Messina until April 2010. More than 1,750 customers benefited from the initiative. At the same time, a fundraising campaign was launched to support the communities affected by these natural disasters, collecting approximately four million euros. In connection with ordinary current account transactions, for in-branch payments, withdrawals and ATM withdrawals, we created a payment option to facilitate donations by customers to the victims of the Abruzzo earthquake.

Security

We regard security as an opportunity to strengthen customer satisfaction, customer care and our reputation. Therefore, in line with our Group's business model, security efforts focus on customer centricity in two ways:

- providing our customers with the comfort that comes from being offered the best possible customer security
- providing concrete protection through the development of advanced solutions and optimal processes

Our goal is to implement every reasonable precaution to protect our customers' information, to increase the security of online transactions, and to prevent credit card fraud and thefts in bank branches.

Thus, in 2009, we continued our efforts to develop a common Groupwide approach to security in terms of organizational structure and predefined solutions to global risks.

We have leveraged our investments in infrastructure and technology to implement security solutions covering both physical and virtual products and channels, with the object of protecting the safety and finances of colleagues and customers.

Business continuity and crisis management

Our business sustainability is based in part on our ability to guarantee the operational continuity of all vital activities, as well as to recover from disasters.

On this front, two policies have been developed to meet the Group's requirements:

- The Crisis Management Policy, supplemented by related process regulations and technical specifications, states the principles and rules that provide a common framework for alerting, assessing and responding quickly to crises within the Group.
- The Business Continuity Management Policy, a new version of which includes improvements and synergies in the recovery process, defines the reporting procedures with respect to the Parent Company and details the solutions at its disposal.

Business continuity and crisis management processes, although governed and coordinated centrally at our headquarters in Milan, are implemented locally.

The emergency events that occurred in 2009 permitted us to test our previously defined response activities. Of particular significance was the earthquake that hit Abruzzo, an Italian region, in April. Our Business Continuity and Crisis Management system was activated

and closely engaged several of our key local entities, including UniCredit Banca di Roma, UniCredit Corporate Banking, UniCredit Private Banking and UGIS (UniCredit Global Information Services), in order to ensure the rescue of local colleagues affected and the prompt restoration of customer and business services.

The clients of the 12 local branches that were partially destroyed received the necessary help and support through direct contact by telephone – thus putting into practice our operational plan. This allowed them to access their own bank accounts from any branch of UniCredit Banca di Roma, providing business continuity within 48 hours of the disaster. Additionally, three mobile branches were set up to replace the damaged facilities.

Public institutions and administrators have recognized our concrete action and have expressed their appreciation for the promptness of our operations, our effective decision-making process, our continuous collection of data and cooperation with the authorities.

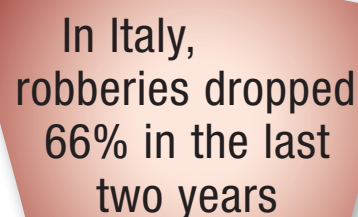
Other events that have revealed the effectiveness of our approach included the preventive assistance we provided during such international events as the G20 meeting in London and the G8 meeting in Syracuse, Sicily.

Proper functioning of our business continuity plan is also mandatory under current regulations. Specific tests, such as the national crisis simulation that involves the entire European perimeter of critical process recovery, are periodically carried out under the coordination of the Bank of Italy.

Robberies and thefts

In 2009, we undertook many efforts to prevent and reduce robberies and thefts at branches Groupwide.

In Italy, the number of robberies during the year decreased (218 cases in 2009, compared to 359 in 2008 and 641 in 2007). This was also true in Austria (11 cases in 2009, compared to 16 in 2008 and 15 in 2007).



**In Italy,
robberies dropped
66% in the last
two years**

Germany and Bulgaria experienced an increase in the number of robberies and thefts, while in Hungary, despite a decrease in thefts (from 21 in 2008 to nine in 2009), the country was struck by six robberies.

In Bulgaria, to enhance security, we developed an Alarm Monitoring Center that will ultimately keep watch on 115 branches out of a total of 229. In 2009, we added nearly 80 percent of all target branches to the system. We are also working on a new access control system to be completed in February 2010, while the Anti-Fraud Unit reviewed existing business requirements in order to develop more effective system controls and security assessments.

For more information please see the appendix Our Customers.

Other activities and projects developed in 2009 focused on the implementation of new IT solutions for data loss prevention, particularly in Romania. We also expanded anti-fraud measures by providing employee training in the Czech Republic.

Card fraud and online banking

In 2009, we faced an increase of attacks on ATMs known as skimming, as well as new types of attacks on internet banking, such as advanced phishing and malware viruses. Our strategy to combat this trend included the optimization of tools and processes relating to card fraud management and prevention, including:

- transaction monitoring
- POC (point of compromise) detection
- precautionary card blocks
- *SMS Alert* promotion
- improvement of product features like chip technology
- anti-skimmer protection for ATM and POS devices
- requiring customers to use access codes generated by portable tokens

In Russia, our ATMs were equipped with anti-skimming devices to prevent phishing, and new service packs were installed to prevent viruses.

In 2009, we continued the Groupwide implementation of the Payment Card Industry Data Security Standard (PCI DSS). This certification confirms the full compliance of our card processing operations with the security standards of international payment systems. This means we can protect cardholder data while processing card payments, including during the transfer and storage of data within our systems.

In terms of internet security, we have focused on:

- the release of a new transaction monitoring system that helps us identify high-risk transactions and prevent fraud using a specific algorithm
- the development of monitoring tools to support anti-phishing and anti-virus activities
- the improvement of product features (e.g., remote tokens, mobile numbers allowing for SMS alerts)



Christian Hagn,
Hagn & Dr. Ruebesamen Rechtsanwälte
Retail Client - Germany

«I've been a customer of HypoVereinsbank - UniCredit Group for many years. I especially value their trust and reliability as well as the quality of their consultation services and I have always counted on these values. I am more than satisfied, and I would highly recommend them to any new customers.»

**It's easy with
UniCredit.**



Key Achievements 2009

- 390 meetings with sell-side analysts and investors, involving 432 different asset management companies and a total of 761 investors
- 61 meetings with rating agencies
- The new investor Web section, which provides in-depth information on the Group and the macroeconomic environment

Priorities 2010

- Further develop and leverage the Knowledge Center, an online subsection dedicated to investors
- Maintain a strong level of financial market communication and open dialogue with investors, analysts and rating agencies, involving both senior management and Investor Relations

“ UniCredit Group is committed to providing investors and markets with clear-cut information that enables them to accurately evaluate our strategies and results. We value the market’s appraisal of our progress toward the generation of long-term value for all of our stakeholders. And we are pleased that markets have recognized our sustainable practices by including us in major sustainability indices. ”

In line with best practices of leading listed companies in Italy and abroad, we have chosen to dedicate our Investor Relations department to serving institutional investors, and the Shareholder Relations department to serving private investors. This arrangement helps to ensure that each shareholder receives the best information and the best possible service.

Shareholders may contact Investor Relations and Shareholder Relations through multiple channels, including email, fax, toll-free telephone numbers and regular mail.

Shareholder Relations

During 2009, Shareholder Relations principally received requests for information on the following topics:

- the capital increase executed by UniCredit Group in January and February 2009 (referred to as the script dividend)
- procedures to attend shareholder meetings and agenda items for the three shareholder meetings held in 2009
- the capital increase approved at the November 16, 2009 shareholder meeting

Investor Relations

In 2009, Investor Relations sought to maintain and improve the transparency and quality of communication with different stakeholders, including contacts with:

- institutional investors
- sell-side analysts
- rating agencies (Fitch, Moody's and Standard & Poor's)

An entire section of the Group's website (<http://www.unicreditgroup.eu/en/Investors/Investors.htm>) is dedicated to communicating with investors. In 2009, we upgraded this section by adding a new content subsection focused on financial knowledge and a specific subsection addressing private shareholders.

In the course of 2009, our principal communication initiatives engaged personnel from across the organization in addition to officers and managers from Investor Relations. Senior management, including the CEO, the CFO, the three deputy CEOs and the division heads, participated in the great majority of these initiatives, thus providing the market with direct access to the Group's core business areas.

Investor Relations' major initiatives in 2009 were as follows:

- four institutional results presentations – broadcast live via audio and video webcasts on the Investors' section of www.unicreditgroup.eu
- two new types of financial meetings (please see the box dedicated to *Ad Hoc financial meetings*)
- 10 conferences in five countries including a conference on September 30 at which we announced the capital increase via live audio and video webcasts
- a marketing plan involving 30 road shows: three in Italy, nine in the United Kingdom, 10 in other Western European locations, one in the CEE, five in the United States, one in Canada and one in the Far East

These initiatives resulted in:

- 390 meetings with sell-side analysts and investors, involving 432 different asset management companies and a total of 761 investors
- 61 meetings with the rating agencies

Ad Hoc financial meetings

In 2009, Investor Relations organized two *Ad Hoc financial meetings*, among other innovative initiatives. These meetings comprised presentations by members of the Group's senior management to provide analysts and investors with in-depth information on specific topics.

Both meetings were held in London. One focused on the CEE, followed by a US road show to Boston and New York; the second meeting was on cost management. The presentations made at these events are accessible in the Investors section of the UniCredit Group website, on the Knowledge Center page at http://www.unicreditgroup.eu/en/Investors/In-depth_presentations.htm.

The new Investor Web Section

The new Investor Web Section was created in 2009 by Investor Relations. It services web users searching for in-depth information on UniCredit Group and the macroeconomic environment.

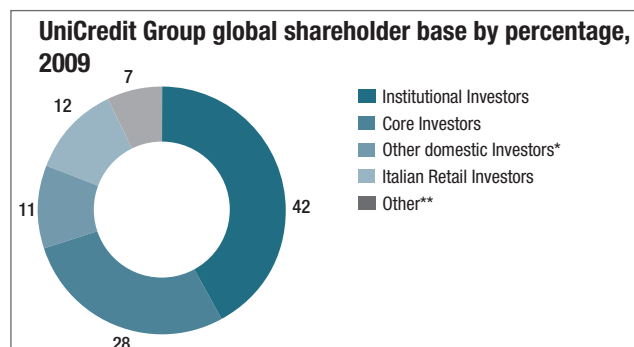
The section is organized around a selection of user-friendly tools and, as of December 2009, included the following items:

- in-depth presentations
- data and research papers
- governance information
- rules and regulations (e.g., accounting rules, banking laws and regulations, capital requirements)

This section has been successful because it is regularly updated with new data. It functions as an important internet tool for Investor Relations in our ongoing effort to improve our communications with the market.

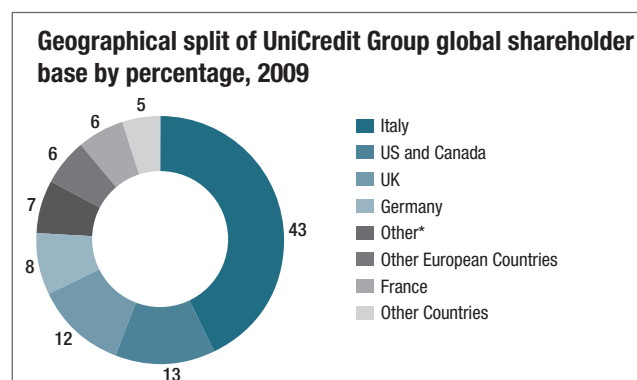
UniCredit Group shareholder base

As of the latest survey, institutional investors represented 42 percent of the Group's shareholder base, while core investors accounted for 28 percent¹. In terms of geographical distribution, Italy represented 43 percent of the shareholder base.



* Includes Italian corporations, banks and holding companies

** Includes unidentified shareholders, shares owned by the Group, and the CASHES bond issue, which is convertible into ordinary shares.



* Includes unidentified shareholders, shares owned by the Group, and the CASHES bond issue

Rating agencies 2009	Short-term indebtedness	Medium/long-term indebtedness	Outlook	Publishing date
Fitch Ratings	F1	A	Negative	16.04.09
Moody's Investor Service	P-1	Aa3	Stable	09.10.09
Standard & Poor's	A-1	A	Stable	01.10.09

Share Information	2009	2008	2007
Share price (€)			
maximum	2.769	5.697	7.646
minimum	0.634	1.539	5.131
average	1.902	3.768	6.541
end of period	2.358	1.728	5.659
Number of outstanding shares (€ million)			
at period end*	16,779.7	13,368.1	13,278.4
shares with dividend	18,329.5	13,372.7	13,195.3
of which: savings shares	24.2	21.7	21.7
average*	15,810.8	13,204.6	11,071.6
Dividend			
total dividends (€ million)	550	**	3,431
dividend per ordinary share	0.030	**	0.260
dividend per savings share	0.045	**	0.275

* The number of shares is net of treasury shares.

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

Earnings Ratios	IAS/IFRS		
	2009	2008	2007
Shareholders' equity (€ million)	59,689	54,999	57,690
Group portion of net profit (€ million)	1,702	4,012	5,901
Net worth per share (€)	3.56	4.11	4.34
Price/Book value	0.66	0.42	1.30
Earnings per share (€)	0.10	0.30	0.53
Payout ratio	32.3%	*	58.1%
Dividend yield on average price per ordinary share	1.58%	*	3.97%

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

As of December 2009, UniCredit Group was once again included in major international sustainability indexes and rankings, which measure corporate performance and progress from an economic, social, ethical and environmental perspective (www.unicreditgroup.eu).



¹ Sodali, November 2009.

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.**



Key Achievements 2009

- Development of the I Territori del Sistema Italia project, which comprised 343 interviews with local stakeholders and eight meetings attended by local stakeholders, among other initiatives
- Roughly €74.1 million in sponsorships and €27.5 million in donations; conclusion of a five-year agreement with Teatro alla Scala in support of its international touring program
- Establishment of the UniCredit & Universities Foundation to further the Group's support of research and academia
- Unidea - UniCredit Foundation's continued implementation of projects that began in 2008 in Serbia, Romania and Germany and launch of new initiatives linked to the Migrations Program in Ukraine and Bulgaria; agreement with Grameen Bank to establish a microcredit initiative in Italy

Priorities 2010

- Enhance dialogue with territories through initiatives aimed at supporting innovative business experience, as well as enterprises' internationalization and innovation
- Extend the geographic reach of the UniCredit & Universities Foundation's activities and increase its cooperation with European academic institutions
- Implement the new assessment methodology tested in 2009 to manage major sponsorships with respect to project evaluation of quantitative and qualitative elements, benchmarking and best practices
- Expand the Unidea - UniCredit Foundation's Migrations program through new projects in Italy and Central and Eastern Europe, while continuing to implement the Grameen Italia project

“ In striving to be a good partner to our communities and help them realize their potential, we have undertaken initiatives to strengthen our engagement through listening and dialogue. These are included in the work performed by our Territorial Committees, as well as by the Group's Regulatory Affairs and Institutional and International Affairs departments. We believe that our advancement of cultural initiatives and our support of education through the UniCredit & Universities Foundation play a productive role in helping our communities to realize their full potential. Moreover, the work of the Unidea - UniCredit Foundation allows us to foster a culture of modern corporate philanthropy and civic commitment.”

The Italian Territorial Committees

In 2009, the Territorial Relations Department carried out projects aimed at strengthening the Group's relations with local stakeholders.

I Territori del Sistema Italia and other key initiatives in 2009

In response to the loss of trust in banks resulting from the financial crisis and subsequent recession, we sought to strengthen our dialogue and relationships with local stakeholders through the adoption of the *I Territori del Sistema Italia* initiative. We also devoted all Territorial Committees meetings to analyzing crisis-related issues and discussing proposals for fine-tuning our activities.

Other important 2009 activities included:

How will immigrants weather the crisis?

We created the *How will immigrants weather the crisis?* project to improve the conditions and facilitate the social integration of local immigrant communities in light of the post-crisis environment. Since the end of 2009 a research for a report assessing current social conditions in these communities has been conducted. In 2010, the results will be presented in a public forum.



2009
funding for Territorial
Committees programs
€2.4
million

Biomedical Cluster

In an area spanning Bergamo, Brescia, Cremona and Mantua, we organized a cluster of 55 biomedical entities, including companies, research centers, universities, trade associations and public institutions. This cluster will facilitate the strategic alignment of the research and production sectors by promoting best practices and supporting innovative companies that are seeking to enter the biomedical industry. In 2010, we will conclude a comprehensive survey of territorial needs, with an emphasis on providing further organizational support to the cluster.

Banca, Agricoltura ed Energie Rinnovabili (Banking, Agriculture and Renewable Energies)

The *Banca, Agricoltura ed Energie Rinnovabili* project is designed to support the construction of biogas power plants to serve agricultural concerns. In 2009, a prototype was developed, and building began on the project's first operational plant in Brescia. In 2010, the pilot phase of the project will continue, and we plan to present its results to the public.

I Territori del Sistema Italia: an opportunity to define the role of our bank by engaging stakeholders

In early 2009, UniCredit Group started promoting a series of group forums in Italy through the Territorial Committees network. The project, called *I Territori del Sistema Italia* aimed to gather information that we could use to reshape the Group's strategic approach and organizational structure, with a view to increasing customer satisfaction and enhancing our local-level dialogue.

Among other initiatives, we conducted 343 interviews with local stakeholders in order to determine their perception of the economic crisis, the global credit system and UniCredit Group.

Their responses revealed a desire for banks to provide concrete support to the economy, to communicate transparently and to further invest in improving financial culture. Thus, after careful consideration, we have begun to reassess our global banking service model, aiming to place greater emphasis on high-quality processes, products and human resources.

Additionally, there were eight meetings between UniCredit Group CEO Alessandro Profumo and the representatives of key economic and territorial institutions to advance dialogue on recent changes in the financial environment.

At the end of 2009, we extended the project with the launch of *Itaca Inside*. Further details of this initiative are provided in Our People chapter.

Il Talento delle Idee (A Talent for Ideas)

In 2009, we launched the *Talento delle Idee* program to encourage new Italian entrepreneurs.

The program is based on a competition that identifies innovative business projects and provides the winners with financial and organizational support. Roughly 300 talents participated to 2009 edition¹. Project stakeholders include UniCredit Group, the Territorial Committees network and Confindustria Young Entrepreneurs. The program will become operational early in 2010.

Roughly 300 talents participating with innovative ideas

Members of the Territorial Committees by business category

Business category	Number 2009	% 2009	Number 2008	% 2008
Entrepreneurs	128	35%	123	34%
Business associations*	133	36%	129	35%
Institutions**	56	15%	59	17%
Culture and Charity work	25	7%	27	8%
Professionals	24	7%	23	6%
Total	366	100%	361	100%

* E.g. Confindustria and other business associations.

** E.g. Universities and representatives from local authorities.

Transparent cooperation with international institutions

The Group's Institutional and International Affairs unit aims to establish, maintain and develop strong relations with institutional counterparts at the national and international level.

Because we believe that the mutual exchange of information, particularly during crises, increases the legitimacy and protects the Group's reputation vis à vis our partner institutions, the department engages in regular dialogue with our institutional counterparts, keeping them abreast of our activities and performance.

Institutional and International Affairs presents, either directly or through industrial associations, our positions on key public issues relevant to Group operations. In 2009, this included initiatives addressing the global financial crisis.

A transparent dialogue to develop strong relations with institutions

Major initiatives

Major initiatives connected with the crisis included continuing our transparent dialogue with institutional counterparts in the CEE².

Ten senior management-level missions provided direct reassurance to the relevant authorities of the Group's solid position in the face of the crisis, and reaffirmed our commitment to being a long-term investor in the region. For further details regarding our CEE cooperation initiatives please see the appendix Communities.

Because of the crisis, there was widespread debate regarding the future shape of the international regulatory framework. The Regulatory Affairs and Institutional and International Affairs Departments monitored this debate and helped define the Group's position on key issues.

Institutional and International Affairs also collaborated with the Organisation for Economic Co-operation and Development (OECD) on a framework for the global project *Measuring the Progress of Societies*, and jointly developed a paper entitled "How Good is Trust? Measuring Trust and its Role for the Progress of Societies". For further details, please visit the website of the OECD's Statistics Directorate at www.oecd.org

The Group's Political Studies Department participated in a number of seminars organized by national think tanks, including IAI Global Outlook³ and ISPI⁴ and international think tanks including ECFR⁵. These all focused on responses to the financial crisis. Notable among them were:

- IAI – AREL⁶: *Global Governance and Economic Growth in the World Economy After the Crisis*
- IAI: *Global Crisis and the Role of Emerging Areas: Towards a New Economic Interdependence*
- *Analysis of the Global Crisis*, together with Tommaso Padoa Schioppa, a debate organized by the Council for United States and Italy

¹ Deadline for applications submission to *Il Talento delle Idee* contest launched in 2009 was March 15th, 2010.

² The Central and Eastern Europe (CEE) countries reported in the 2009 Sustainability Report are: Bulgaria, Croatia, Czech Republic, Hungary, Romania and Russia.

³ The Global Outlook is an initiative of the International Affairs Institute (IAI) conceived in mid-1996 as a venue for debate, analysis and proposal on topics of special relevance for contemporary Italy's international action.

⁴ Founded in 1934, ISPI is one of the oldest and most prestigious international relations institutes in Italy. The Institute's activities branch out in four major directions: research, publications, career training and organization of events.

⁵ The European Council on Foreign Relations (ECFR) conducts research and promotes informed debate across Europe on the development of coherent and effective European values based foreign policy.

⁶ AREL, the Agency of Research and Legislation created in 1976, comprises Members of Parliament, professors, managers and entrepreneurs. Its activity is aimed to examine the main economic and institutional topics decisive for the development of Italian society.

Institutional and International Affairs also publishes *east*, a bimonthly publication addressing economics, politics and culture, with a focus on Central and Eastern Europe and Asia. In 2009, the magazine highlighted aspects of the global crisis and its social and economic implications. See www.eastonline.it.

In 2009, specific events were organized to analyze and address pivotal financial topics in light of the crisis. Foremost among these was the *East Forum*, formerly the *Venice Forum*, held in Rome.

East Forum: New Global Governance for Sustainable Growth

The global financial crisis highlighted the pressing need to design a new global governance system. The *East Forum*, held in Rome on June 25, 2009, provided an opportunity to debate and explore this topic. More than 250 representatives attended from national and international institutions, the academic and business sectors, and civil society. Notable speakers included Lorenzo Bini Smaghi, Jean Paul Fitoussi, Giampaolo Galli, Gianni Letta, Giovanni Majnoni, Rainer Masera, Mario Monti, Alessandro Profumo, Arrigo Sadun, Hans Tietmayer, Robert Wescott and Thomas Wu. For further information, please refer to www.forum.eastonline.it.

Public policy development and advocacy frameworks

UniCredit Group liaises with banking sector associations at both the national and European levels to ensure a constant dialogue with public institutions.

In 2009, we held clear positions and took action on key topics, as policy makers attempted to understand the root causes of the crisis and design appropriate countermeasures to make financial systems more efficient and resilient.

Italy

UniCredit Group supported the Italian government's effort to implement measures aimed at strengthening the real economy.

SME Guarantee Fund

In addition to other initiatives, we provided support to relevant ministries, carrying out analyses on the refinancing of the SME Guarantee Fund – managed by Medio Credito Centrale – which helps SMEs access loans. The Italian government decided to refinance the fund at the beginning of 2009.

Provision of SME loans from the public administration

We also suggested a one-year extension of the program, which provides public loans to the private sector in order to ensure that SMEs have access to adequate financial resources. The decision to extend was made at the end of 2009 by the Italian government.

Europe

At the European level, the Group responded to consultations launched by the European Commission. Among other actions, we engaged on the following issues:

Regulation of credit rating agencies

We expressed concern over the proposal's wording, which would have made it possible for ratings to be completely withdrawn in the event of conflicts of interest. Additional concerns included the scope of the proposed regulation and the manner in which it would be applied to ratings issued by agencies operating outside of the EU. The majority of our concerns were accounted for in the regulation's final wording, which has since been adopted as official European legislation.

Collective redress

We agreed with proposals put forth in the European Commission's green paper on collective redress, and expressed the view that the role of the EU regarding consumer collective redress should be issuing general principles through non-binding agreements. Of the options set out by the Commission in its paper, we favored the third option, which aimed to encourage the adoption of alternative dispute resolution mechanisms by member states.

Review of the Prospectus Directive

The Group welcomed the opportunity to respond to the European Commission's proposal and encouraged a move toward the full harmonization of rules governing securities regulation and prospectuses.

Positions on cross-border financial groups

Cross-border banks are vital to the international financial integration of non-trading activities, such as retail banking. This can only be achieved through the proper functioning of their internal capital markets. The Group has therefore stressed the importance of a new regulation for multinational banking groups that sets forth the parent company's powers and responsibilities.

Regarding the Group's participation in public debates, there were no significant differences between its advocacy positions and its stated policies in 2009.

Support to universities and economic research

We are constantly seeking to develop opportunities for cooperation with the worlds of academia and research. To this end, in 2009 the UniCredit & Universities Foundation was established. Additionally, we promoted a variety of international initiatives supporting exceptional students and researchers across all Group entities.

The UniCredit & Universities Foundation

Established by UniCredit Group in 2009, the UniCredit & Universities Foundation is tasked with designing and managing academic initiatives in the fields of economics and finance.

Specifically, the foundation seeks to:

- promote studies and initiatives that deepen knowledge in the academic fields of finance, economics, law and social sciences
- grant one or more academic scholarships per year
- establish awards for dissertations or special academic work in the fields of finance, economics, law and social sciences
- propose and support academic initiatives

In line with the goal of enhancing and expanding the Group's engagement with the university system, the foundation promoted several new initiatives in 2009, investing an approximate total of €840,000. These initiatives included two new scholarships and one new fellowship, in addition to the two annual Crivelli Scholarships. A summary of 2009 awards follows:

- the eighth year of the annual *Giovanna Crivelli Scholarships*, which are available to students of all nationalities who graduated from Italian universities in the fields of economics, banking or finance, and who wish to continue their studies abroad by entering a doctorate program. This year, 39 applications

were submitted for consideration.

- the first year of the *Foscolo Europe Scholarship*, offered to students of all nationalities who have graduated in the fields of economics, banking or finance from any European university located in a country where the Group operates. To qualify, students must continue their studies abroad in a doctorate program anywhere in Europe, excluding their home country. This year, 29 applications were submitted for consideration.

- the first year of the *Leopold Gratz Scholarship*⁷, offered to residents of Austria who have graduated from one of the country's colleges and who wish to enroll in a doctorate program at an Austrian university. This scholarship is financed by the Leopold Gratz Foundation and managed in cooperation with the UniCredit & Universities Foundation.
- the first year of the *Foscolo Europe Fellowship*, available to talented young researchers who have completed a doctorate in economics or finance, are teaching or conducting research in any country aside from their own, and intend to continue their research in any country where the Group is present, including their own. This year, 34 applications were submitted for consideration.

**UniCredit & Universities
Foundation 2009:
2 new scholarships
and a new fellowship
to support young talent**

For further details on scholarships and fellowships please see the appendix Communities.

In 2009, the foundation launched a new competition in support of applied research. *The UniCredit & Universities Best Paper Award* seeks to identify two outstanding scientific papers in the fields of finance, economics, law, politics or social sciences. These papers must be written by UniCredit Group employees and have content relevant to the Group's activities. This year, we received 51 applications, with roughly 50 percent of them coming from the CEE⁸.

In 2009, the foundation collaborated with the University of Trieste's Faculty of Economics to co-finance two undergraduate programs taught in English. *The Economics and Management of Innovation* and *The Economics of Financial and Insurance Markets* are three-year courses open to students from Italy and abroad, with an emphasis on students from the CEE.

The foundation also supported the 2009 Bologna Experience for Superior Talents at the University of Bologna's Alma Graduate School. *BEST* is an internationally oriented postgraduate interdisciplinary summer program.

For 2010, the foundation's main goal is to extend its activities to more countries, increase its cooperation with Group entities in support of academia, and build a network comprising the top European universities. We anticipate awarding our full range of scholarships and the fellowship in 2010, in addition to developing new initiatives.

⁷ Deadline for applications submission to *Leopold Gratz Scholarship* contest launched in 2009 is March 31st, 2010

⁸ Applications submitted from: Italy (22), Russia (7), Ukraine (4), Germany (3), Austria (1), Romania (4), Czech Republic (3), Slovakia (2), Kazakhstan (1), Estonia (1), Others (3)

Customized master's degree programs in banking and other initiatives

In addition to initiatives managed by UniCredit & Universities Foundation we continued our support for two unique master's programs that included a three-month internship at UniCredit Group:

- *The UniCredit MBA – Retail in the Banking and Financial Industry* provides the basis for a managerial career in retail banking and finance. The program was developed in 2008 in collaboration with the Alma Graduate School of the University of Bologna. To date, 21 students from 13 countries have participated in the program, receiving both full and partial scholarships.
- *The New Europe Master's in Banking and Entrepreneurship* reflects our commitment to promising talent from CEE countries. Begun as a joint project by the Group and Fondazione Cassamarca, the program provides a firm grounding in the European banking system and the relationship between banking and entrepreneurship. In 2009-2010, 27 students from 15 CEE countries are enrolled.

Moreover, the Group supports higher education and advanced training through several scholarship programs at various universities: in Trento, one scholarship for an economic ethics and corporate social responsibility project within a six-year program; in Bologna, one scholarship in economics; in Castellanza, two scholarships in the master's program in biotechnology law; in L'Aquila, one scholarship in medical research; in Russia, three scholarships in economics; in Vienna, a scholarship in fine arts.

The Group also finances a number of university professorships: five chairs at the LUISS in Rome, one in Vienna and one in financial mathematics at Technische Universität München (TUM).

Sponsorships and donations

In line with its mission and values, UniCredit Group has a longstanding tradition of effectively contributing to the development of the local communities in which it operates.

In 2009 we provided roughly €101.6 million in support to communities: €74.1 million in sponsorships and €27.5 million in donations⁹.

**In 2009,
€74.1 mln
in sponsorships
and €27.5 mln
in donations**

Developing a Groupwide approach to managing sponsorships and donations

We conduct careful analyses to ensure that UniCredit Group's sponsorships and donations are aligned with our values and mission. A thorough selection process and enhanced coordination enable us to generate synergies, which contribute to the effective management of the Group's available resources.

Our decision-making process in this field was shaped by a broad assessment of the effectiveness of major sponsorships, utilizing a methodology combining quantitative and qualitative elements. This method can also be used to appraise proposed initiatives, making it possible to develop benchmarks and best practices to apply Groupwide. In 2010, this assessment technique may be extended to all of our most important sponsorships. Moreover, this evaluation of our activities will also help define the strategic guidelines for the selection of the Group's sponsorships and contributions.

In 2009, our stated goals for sponsorships reflected:

- our preference for high-quality projects that foster long-term partnerships with major institutions
- a desire to balance the distribution of sponsorships across diverse categories
- the aspiration to broaden the audience that benefits from our initiatives

At the same time, the principal factors we consider with respect to proposed donations include:

- the seriousness and accountability of the applicants
- the project's consistency with Group priorities and values
- the project's potential impact on the community

⁹ The figure of €27.5 million comprises roughly €17.5 million being donations made by UniCredit Group Entities and €10 million set aside as a reserve.

A focus on art and culture

UniCredit Group believes in the importance of culture as a means to support sustainable social and economic development. To this end, we follow a consistent approach based on four broad objectives:

- building a network of cultural partnerships
- engaging employees
- supporting young talent
- protecting our shared cultural heritage

These goals are calibrated to support our stakeholders by:

- building relationships
- helping communities realize their potential
- creating long-term value

Building relationships

Our cultural initiatives range from the visual arts to music, from theater to literature, and are the product of a steady long-term commitment to our stakeholders and the communities in which we operate.

We interact with local as well as national institutions, museums, theaters, festivals and governments. By supporting cultural initiatives and institutions that are important to their local communities, and which are internationally relevant, we are able to strengthen our network of cultural partnerships across Europe.

We are an active participant in the cultural system, providing not only financial support but also technical knowledge and organizational skills. Our strategy favors long-term projects over isolated events. For more information on our cultural partners, visit www.unicreditgroup.eu, section Culture.

In 2009, we carried out a number of important new projects, beginning with the opening in Bucharest of the *Pavilion UniCredit*, an independent institution dedicated to the visual and performing arts. Located in a former branch of UniCredit Tiriac Bank, it hosts the Contemporary Art Archive and the Pavilion Resource Room. It offers three to four exhibitions per year, special events and the Free Academy educational program. The center is managed by a professional team of curators as part of a collaboration between the Bucharest Biennial and UniCredit Tiriac Bank.

In Italy, we opened the *Spazio Trento*, a multipurpose cultural space within the Group's historic offices in Trento. It was designed to host conferences, presentations, exhibitions, musical performances and panel discussions and to function as a forum for dialogue within city.

In the field of music, in October 2009, a concert by the *Filarmonica della Scala* was held in the Teatro Massimo, Palermo, with UniCredit Group support.

Other notable initiatives in the field of music included two *open rehearsals at La Scala* in partnership with the Filarmonica della Scala. These events provided people from different backgrounds – employees, young customers of the bank and the public at large – with access to high-quality musical performances. A program of further five open rehearsals with the orchestra is scheduled for 2010.

UniCredit Group, a main partner of Teatro alla Scala for the international tours

In 2009, the Group signed a five-year agreement with Teatro alla Scala in support of its program of international tours. This partnership complements UniCredit Group's international profile and is designed to strengthen the company's commitment to the universal language of music. For this reason, the Group is proud to support Teatro alla Scala, a symbol of musical excellence worldwide.

In 2009, UniCredit Group accompanied La Scala on tours to Israel, Japan, Denmark and France.

Helping communities realize their potential

We support the potential of communities, which includes fostering young talent, engaging Group employees and including people with disabilities in the art experience.

Our initiatives seek to combine the timeless benefits of art and culture with the innovative potential of young talent. We leverage our international network to encourage creativity, both through training and by producing arts programs. Moreover, we strongly support the emergence of new voices in the visual arts, music, theater and literature by funding both artistic and academic research, as well as by facilitating interactions linking museums, orchestras, institutions, and the press.

UniCredit Art Day 2009

In October 2009, we celebrated the fourth annual *UniCredit Art Day*, the annual event that provides our colleagues and their families with free access to art centers across Europe. It was a unifying event for the whole Group, with more than 8,000 colleagues participating in 16 countries – Austria, Bulgaria, Croatia, the Czech Republic, Estonia, Germany, Italy, Latvia, Lithuania, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Turkey. Colleagues visited a total of 116 art institutions. With 60 percent more participants and 58 more art institutions to visit than in 2008, the day was a great success.

Guided tours, children's educational workshops and meetings provided colleagues and their families with opportunities for sharing, exploration, networking and cultural enrichment.

During *UniCredit Art Day 2009*, the Italian Association of Contemporary Art Museums, one of our partners, enabled colleagues in Italy to contribute to the advancement of science by making a donation to the Italian Association for Cancer Research (AIRC). UniCredit Group's support of oncological research is evidenced by the strong partnership it began with AIRC in 2001.

In 2009 in Italy, we have drawn up a first balance of the triennial program *Focus on Italian Contemporary Art*. The project has been developed in collaboration with the Museum of Contemporary Art (MAMbo) since 2007. The project supports the production of original works by new Italian artists and promotes their emergence onto the major exhibitions circuit.

In Germany, HVB¹⁰ promotes several programs for young musicians. Through *Jugend Kulturell*, a national contest for promising young talent, the bank organizes performances across the country, including a final event at the Group's headquarters in Munich.

In 2009, Bank Austria, together with Jeunesse, Austria's largest organizer of classical concerts, received the prestigious Maecenas Award in recognition of its innovative *Bank Austria Artist of the Year* project, which provides key support to rising young musicians.

The Group also supports events, publications and editorial projects connected to literature. Among these is the *Bank Austria Literaris Award*, an international program for young writers. The annual award supports literary creativity in Eastern and Southeastern Europe.

Similarly, the *UniCredit Group Literary Debut Competition*, established by UniCredit Tiriak Bank in 2008 in Romania, aims to provide authors with a prominent platform that will attract a wide readership.

In 2009, for the fifth consecutive year we invested in the *Acrobazie* project, which shines a light on different perspectives and which employs art as an instrument of social integration. The initiative is part of a Groupwide set of partnerships that broaden our artistic outlook to include outsider art and foster relationships between the cultural and social sectors.

Acrobazie seeks to nurture the artistic potential of the patients at the Adriano and Michele Atelier of Painting, based at the Psychiatric Rehabilitation Center of the Fatebenefratelli Hospital in San Colombano al Lambro. Each year, a selection of works by the artists from the atelier is added to the Group's collection. The work created by *Acrobazie* in 2008 appeared on UniCredit Group's 2009 holiday greeting cards.

Creating Long-Term Value

Our cultural heritage, incorporating numerous countries and historical traditions, is reflected in the *UniCredit Group Art Collection*, which is one of the most significant corporate collections in Europe. It reflects our commitment to the cultural diversity of the territories in which we operate and to the promotion of long-term shared value. Moreover, it functions as a pan-European museum that can be experienced in many of our main offices, as well as in public galleries.

To make this collection of more than 60,000 artworks accessible to a broad audience, its work travels extensively, with more than 1,000 artworks on loan each year.

**PastPresentFuture
in Vienna: more
than 10,000
visitors**

In 2009, part of the collection was displayed in a traveling exhibition, *PastPresentFuture – Highlights from the UniCredit Group Collection*, which opened in October at Vienna's historic Bank Austria Kunstforum. The show, curated by Walter Guadagnini, the chairman of the UniCredit & Art Scientific

Commission, spans four centuries of European art and creates a dialogue between different eras and artistic languages.

Following its success in Vienna, where it attracted more than 10,000 visitors, the exhibition will travel in 2010 to Verona and Istanbul. It is also on virtual display at www.artcollection.unicreditgroup.eu.

Other important initiatives in art and culture are under way across Europe:

- In Germany, HVB has developed a close partnership with the Bavarian State Opera, including participation in a historic summer performance series, the Munich Opera Festival. The most notable result of the collaboration is HVB Festival Night, a major summer event in Munich, with more than 15,000 attendees annually.
- In Croatia, Zagrebačka banka, in an ongoing partnership with the Klovičevi dvori Gallery in Zagreb, supports exhibition projects of international significance, such as *Slavonija, Baranja i Srijem: Wellspring of European Civilization*. In 2009, the bank participated in the launch of a retrospective on the great masters of German expressionism.
- In Russia, Zao UniCredit Bank was an official partner of the *Moscow Biennial of Contemporary Art* in 2009. Established in 2003, this event has emerged as one of Russia's most important contemporary cultural events.

¹⁰ Please note that during 2009 Bayerische Hypo- und Vereinsbank AG (HVB AG) changed its company name in UniCredit Bank AG.

Other sponsorships and contributions

Aside from cultural initiatives, sponsorships and donations primarily focused on environmental and social issues, particularly in health and education.

Environment

In anticipation of Milan's hosting the 2015 Expo, UniCredit Group has joined other sponsors to support the city by holding two competitions addressing biodiversity and international cooperation and development. The winning submissions that will receive financing will involve projects designed to safeguard our ecosystem and promote the socioeconomic development of immigrant groups.

Social issues and health

We undertook several social and health-related initiatives in 2009. One of the most important was in response to the earthquake in the Abruzzo region of Italy. These initiatives were aimed at supporting our colleagues and their families. This support included a crisis unit set up to provide assistance through a toll-free telephone line 24 hours a day, the provision of 39 camper vans equipped with basic necessities for people who had been left homeless, and on-site psychological support services.

Fundraising for earthquake in Abruzzo: around €4 million from customers and colleagues

A fundraising project benefiting affected communities enlisted the participation of clients and employees. Roughly four million euros in collected funds were transferred to the Department of Civil Protection for the construction of 40 residential units in Bazzano, L'Aquila.

To support the cultural life of L'Aquila, we are also planning to restore a historically significant building.

Other key social and health initiatives in 2009 included the following:

- A range of initiatives assist underprivileged children, including an educational program in Italy operated by the Children in Crisis Association and the *Take Care of Me* program in Bulgaria. The latter is partnered with UNICEF and supports homeless children and foster families.
- We support medical and surgical research and training at the *AIMS Academy (Advanced International Minimally-Invasive Surgery)* of Milan's Niguarda Hospital.
- A long relationship between the Group and AIRC, which is dedicated to cancer research, supports scholarship programs and the development of state-of-the-art medical technology. The *My First AIRC Grant* program enables a group of 11 young scientists to study at the best research centers.

Sports

In 2009, we renewed our commitment to athletics, including long-term initiatives such as the *UniCredit Czech Open* tennis tournament in Prostějov, the *Bank Austria Tennis Trophy* in Vienna and the *HVB Ladies' German Open* in golf. We also support numerous football tournaments and marathons, among which the most important in Italy are those in Bologna, Turin, Palermo and Messina.

The highlight of the year, however, was the outstanding series of events linked to our sponsorship of the *UEFA Champions League*.

The UEFA Champions League Trophy Tour

As official partner, the Group presented the *Trophy Tour*, which brought the league's championship trophy to different cities. This offered our employees and customers, as well as football fans and the public at large, an opportunity to take part in Europe's thrilling world of major football club competition.

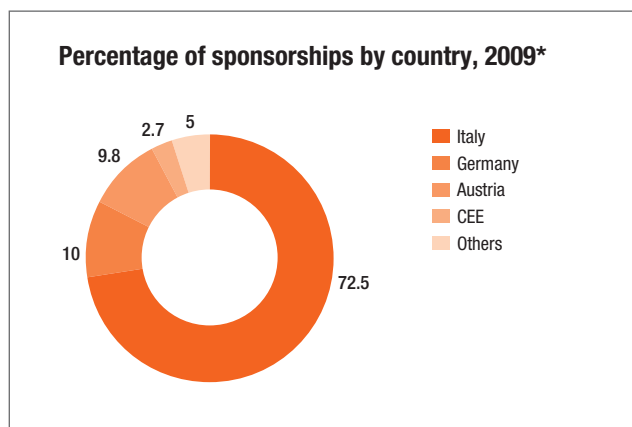
The tour visited five countries, kicking off in Milan and then moving to cities in Croatia, Romania, Hungary and Bulgaria. In the heart of every tour city, the *Trophy Tour Village* was established, where visitors could see the trophy along with a historical exhibition of UEFA Champions League memorabilia.

An overwhelming response of nearly 100,000 attendees occurred in 15 European cities and across some 4,000 kilometers.

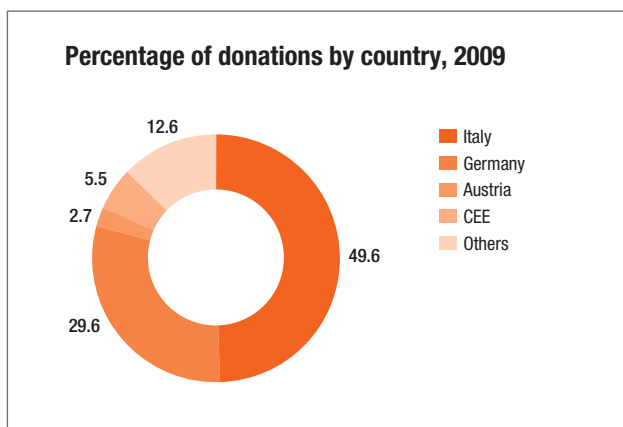
In 2010, UniCredit Group, in partnership with local communities in the countries in which we operate, will develop a series of open initiatives that will make use of the UEFA Champions League as a valuable opportunity to reach out to our stakeholders.

More information on the official sponsorship and the tour can be found at www.unicredit.eu/champions

2009 UniCredit Group Sponsorships and Donations



* Data for Italy include 56% for amounts related to the Group sponsorship UEFA Champions League.



Unidea - UniCredit Foundation

Established in 2003, the Unidea - UniCredit Foundation carries out development projects both in countries where UniCredit Group operates and in other regions, including Sub-Saharan Africa.

The foundation, which is entirely funded by UniCredit Group, promotes a culture of modern corporate philanthropy, civic commitment, cooperation and volunteerism, and is committed to studying issues of social economy and, more generally, the relationship between the for-profit and not-for-profit worlds.

Unidea supports economic and social development initiatives, while promoting the Group's Employee Community Involvement model through communications and interactive programs. The foundation provides a bridge between UniCredit Group colleagues – who are interested in directing their energy and skills toward volunteerism and community engagement – and the needs of select communities.

The foundation identifies its partners and manages its projects with the use of customized assessment and evaluation techniques, including:

- consideration of partner organizations based on experience and reputation
- active participation in the design phase of projects to ensure their effectiveness and alignment with foundation guidelines
- consistent monitoring of ongoing project activities
- evaluation of project impact and implementation of adjustments as needed

In 2009, as in the past, Unidea faced various challenges arising from diverse national contexts. Thus, during the assessment and scouting process, the foundation conducted in-depth evaluations of local non-profits in an effort to select those organizations with the skills and experience required to successfully implement initiatives.

2009 projects

In 2009, the Unidea - UniCredit Foundation:

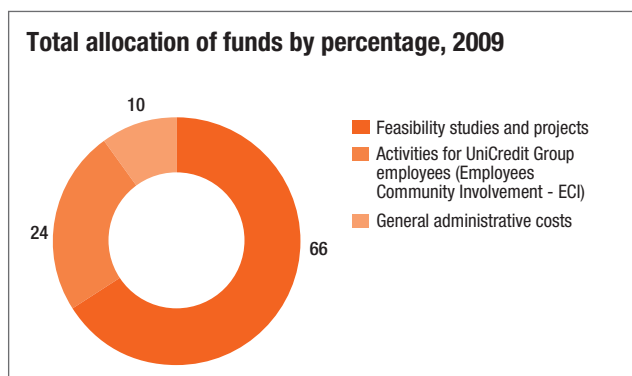
- continued its implementation of the *Migrations Program*
- renewed its commitments in Africa to Benin and Burkina Faso
- moved ahead in Italy with the Grameen Italia project feasibility study

The *Migrations Program*

The *Migrations Program* is implemented in all 22 countries where the Group is present, and continues to focus on issues related to migration processes within this geographical area.

In 2009, activities included the following:

- initiatives that were started in 2008 in Germany, Serbia and Romania continued, while new projects were under development in Ukraine and Bulgaria
- new initiatives targeting Group employees were launched, including



the *A Story for History* initiative and accompanying website

In 2010, the foundation aims to further expand and enhance the *Migrations Program* through additional projects in Italy and the CEE.

Migrations – Ukraine

This project, based in Western Ukraine and the Lombardy region of Italy, supports the transnational parenting and socioeconomic reintegration of returning migrants. It aims to help Ukrainian families cope with the care drain caused by migration and does so in collaboration with Zaporuka, the Ukrainian National Charitable Fund; Soleterre Strategie di Pace Onlus; Soyuz Ukrainok, the Ukrainian Women's Union; and the Western Ukrainian Center Women's Perspectives. The project also seeks to help Ukrainian migrants in Italy retain their skills, while facilitating the socioeconomic reintegration of migrants returning to Ukraine.

The project is expected to address a wide range of beneficiaries, including 200 Ukrainian migrants in Lombardy and, in the Lviv region, 300 families left behind by family members, as well as returning migrants.

In its initial stage, the project involves two fields of activity, the first of which focuses on the provision of psychological, social and legal support to potential emigrants from Ukraine, immigrants to Italy and family members who have remained behind, with a focus on children. Initiatives will include:

- the establishment of information desks in Lviv and Milan
- assistance in handling legal matters (e.g., obtaining visas and residence permits, etc.)
- supporting immigrants through the process of integrating themselves into their new social and work environments
- psychological assistance for migrants and their children, helping them to better cope with the hardships caused by separation
- family mediation activities and communication assistance between family members through Skype

The second field of intervention focuses on the evaluation of professional abilities to ensure migrants retain key skills and opportunities for socioeconomic reintegration. These services, which are offered to returning migrants with work experience in Italy and their relatives who have remained in Ukraine, will include:

- support for integration into the Italian job market
- training for self-employment, microenterprises or socially oriented businesses for 40 migrant women selected from among the beneficiaries of services provided in Milan, of whom four will receive financial support
- entrepreneurial training and orientation courses held in Lviv for family members of migrants and returning migrants

Migrations – Bulgaria

The *Home Care Center* Project, in collaboration with the Bulgarian Red Cross, aims to alleviate the negative effects of migration on people over the age of 65 left behind by relatives, through the provision of health and social care services at their homes.

Operating in the regions of Dobrich and Smolyan, the project, in its initial phase, will select 100 elderly people, some of whom are disabled or not self-sufficient, to receive additional healthcare services. Local communities will also benefit from the project's employment of 14 nurses and domestic helpers.

The project's nursing and home care services will be implemented through:

- two regional Home Care Centers, one in Dobrich and one in Smolyan
- the selection and instruction of center personnel, with each center assigned two nurses and five domestic helpers who undergo 100 hours of training with the Red Cross in home care
- the identification of project beneficiaries in collaboration with local social assistance agencies and general practitioners
- the provision of home care services, with visits conducted by the nurses and domestic helpers, the latter of whom will address personal, sanitary and administrative matters
- the training of roughly 20 volunteers in each region, to be selected from local NGOs, members of the Bulgarian Red Cross youth clubs and other project beneficiaries
- the creation of awareness in national and local institutions to promote the value of home care under national and local healthcare plans

Migrations – Germany

The *Colorful Teams Kick Well* project, implemented in 2008 in partnership with the Buntkicktgut association, was renewed for another two years. As a cross-cultural exchange based on street football, it is designed to prevent the social marginalization of immigrant children, refugees and asylum seekers. Specifically, the program:

- targets children and adolescents in Munich
 - trains cultural mediators to assist in activities and organize football tournaments for teams consisting of German, naturalized, immigrant and refugee children
 - fosters activities to positively impact local communities through cross-cultural dialogue, social integration and the prevention of youth crime
- Unidea - UniCredit Foundation decided to further develop the project also in 2010.

Italy

In 2009, Unidea - UniCredit Foundation engaged in the following activities in Italy:

- reinforced its interest in microcredit, thanks to its participation in the *Grameen Italia* project feasibility study
- renewed its support to the cultural activities of Accademia della Carità and the shelter provision projects of Fondazione Casa della Carità, as well as those of the Fondazione Banco Alimentare Onlus
- promoted new initiatives, including the *United Colors of Futsal* project, and collaborated with various partners to organize events addressing social issues

The Grameen Italia project

Since 2008, the foundation has devoted special attention to microcredit as a tool to fight poverty and promote social inclusion. The foundation undertook a study in cooperation with the University of Bologna and Grameen Trust to explore the potential for a microfinance initiative in Italy that is based on best practices.

The *Grameen Italia* project: fighting poverty and promoting social inclusion

The feasibility analysis for the *Grameen Italia* project included:

- an analysis of best practices in microfinance by Grameen, the sector's globally recognized leader
- an analysis of microfinance opportunities in Italy, identification of beneficiaries and an assessment of potential socioeconomic benefits (research conducted with Grameen Trust and the University of Bologna)
- preliminary screening of the proposed project, its corporate governance and legal structure by regulatory bodies to assess compliance issues
- approval from legal advisers on all legal and contractual documents

In 2009, it was determined that the project could be effectively implemented. Thus, the second phase of the initiative, which focuses on establishing its corporate, financial and organizational elements, was launched.

The *Grameen Italia* project promotes social development within disadvantaged communities by granting small loans, with no collateral, to finance small-scale self-employment activities. Immigrants are expected to comprise the majority of project beneficiaries.

A fundamental feature of the Grameen model, which reflects the social business principles developed by Nobel Prize winner Muhammad Yunus, is the goal of achieving long-term project sustainability.

Grameen Bank

The Grameen Bank is a microfinance institution developed in Bangladesh in 1976 from a financial inclusion project developed by Muhammad Yunus.

Registered as a bank in 1983, it funds self-employment initiatives for the world's poorest – those not traditionally served by banks. As of December 2009, Grameen had a loan portfolio of \$792 million and nearly 8 million customers.

Recently, the bank began working in Western countries. Grameen America commenced operations with the establishment of two branches in 2008 and 2009. To date, Grameen America has issued loans for more than \$5 million to approximately 2,500 customers.

Casa della Carità Foundation

Since its inception, Unidea has supported and co-designed the cultural activities of the Accademia della Carità, including meetings and other opportunities for sharing and reflection. Moreover, in 2009, Unidea supported projects promoting social inclusion and the provision of shelter, as carried out by Casa della Carità. These initiatives particularly targeted the Roma community in Milan and included, among other things, providing shelter to families. Above all, efforts sought to create the necessary conditions for the community's social and economic integration, which incorporated collaboration with private and public institutions.

Banco Alimentare Onlus Foundation

In 2009, the foundation renewed its support for the Banco Alimentare Onlus Foundation and its *Pronto Banco* project, a free hotline available in various cities in Sicily. It offers support to people facing financial difficulty, providing them the opportunity to speak directly to individuals who are trained to offer assistance and have an understanding of the territory. Unidea also supported UniCredit Group in signing an agreement with Banco Alimentare Onlus, under which Banco Alimentare joined the ranks of non-profit organizations eligible to receive 0.03 percent of every purchase made by UniCredit Carta Etica holders. Several of the Group's customer loyalty programs now also allow accumulated reward points to be converted into contributions to these same non-profit organizations.

The United Colours of Futsal

This program was developed by 20 colleagues from Naples, who founded the UniCredit Banca di Roma Neapolis C5 team. Composed of 10 Group employees and six youths from Burkina Faso, Peru, Guinea and Côte d'Ivoire, the team participates in the provincial five-on-five Series D football championship league.

Conferences addressing social issues

In 2009, the Unidea - UniCredit Foundation promoted a variety of public meetings and conferences addressing social issues, including:

- *Conference of the European Federation of Food Banks (FEBA)*, held in cooperation with the Banco Alimentare Onlus Foundation (Palermo, June 4-6, 2009)
- *The Sixth European Congress on Tropical Medicine and International Health*, held in cooperation with the Center for Tropical Diseases of Sacro Cuore Hospital (Negrar, Verona) and the Italian Society of Tropical Medicine (Verona, Sept. 6-10, 2009)
- *Citizens in Spite of Everything: Responses to Urban Problems*, held by the Accademia della carità and Unidea (Milan, Oct. 29, 2009)
- *Changing Cooperation: New Welfare, New Scenarios*, the 10th convention of the Gino Mattarelli National Consortium for Social Solidarity (Genoa, Nov. 11-13, 2009)
- *Milano Si-cura*, promoting an inclusive approach to citizenship, organized in cooperation with the Accademia della carità (Milan, Nov. 19-21, 2009)

Africa

The Unidea - UniCredit Foundation continued its involvement in social and healthcare initiatives in sub-Saharan Africa. In 2009, its efforts in Benin and Burkina Faso included projects already in progress, as well as the launching of new projects supported by several Group entities:

- *Tin Tua*, with support from the Retail Italy Network, promotes literacy in rural areas of the Fada 'N Gourma region, Burkina Faso
- *Vidomegon*, with support from UniCredit Family Financing, supports the victims of child trafficking in southern Benin
- *Flip 1 Euro in the Well* with support from Global Banking Services, is a program to construct a pump-operated drinking water well in northern Benin
- *Atlases of Malaria*, with support from UniCredit Family Financing, distributes 50 malaria diagnosis manuals to medical laboratories in sub-Saharan Africa

For further information on initiatives in Africa please see the appendix Communities.

Employee Community Involvement initiatives and internal communication tools

With the *Passage to Benin* initiative, the foundation offered Group employees an opportunity to travel to Benin and to visit the regions related to the *Tata Somba* project. The aim was to familiarize colleagues with the country's social setting and culture, with a special focus on development and cooperation.

In 2009, more than 440 employees from 17 different countries expressed interest in the program and 10 colleagues were selected to participate.

Gift Matching Program 2009

Through the *Gift Matching Program*, the foundation matches donations made by Group colleagues to non-profit organizations.

The results of the 2009 program included:

- participation of about 10,000 Group employees in 16 countries
- more than €2,000,000 donated by Unidea - UniCredit Foundation to selected non-profit organizations
- donations on behalf of Group employees were matched by an amount equal to 75 percent
- 352 different projects benefited from the program

Gift Matching Program 2009:
about 10,000 colleagues
involved and over
€2 million donated to
non profit associations,
352 projects

The Migrations website

The *Migrations website* (migrations.unicreditfoundation.org) was created to keep employees updated on the program's activities. It offers descriptions of development projects implemented and provides insights related to issues of international migration, including reference data, topical news articles and in-depth historical, cultural and social commentary. Also included are book and film recommendations intended to support a deeper understanding of migration issues.

A Story for History

The *A Story for History* initiative encourages Group employees to contribute to the *Migrations website* with their own migration experience, recognizing that our diverse workforce offers potential insights into a wide variety of countries, histories and cultures.

The program values personal narrative as a means of enriching the understanding of past and present migrations, particularly in diverse regions. Its goal is to develop an extensive collection of migration stories in which the authors are the protagonists.

In 2009, the project benefited from the participation of colleagues from Austria, Bulgaria, Hungary, Italy, Poland, Romania, Serbia, Turkey and Ukraine.

Wolfgang M. Heckl,
Deutsches Museum
Corporate Banking Client
Germany

«**T**he Deutsches Museum, a national institution dedicated to science and technology, has had a long-term business relationship with the bank. With more than 1.3 million visitors a year, our research museum sets an international standard by combining tradition with the future. Imparting scientific knowledge, in a way that can shape the career paths of young people and engage visitors in the evolution of technology, provides a foundation for future prosperity. We count on HypoVereinsbank - UniCredit Group – a globally oriented partner with deep local roots – for support as we look to the future.»

**It's easy with
UniCredit.**



Key Achievements 2009

- Groupwide carbon inventory of direct emissions
- Development of green products in Retail, such as the WWF UniCreditCard and green services in Corporate
- Introduction of specific green products and knowledge tools for employees through the *Green Box* web-based learning tool

Priorities 2010

- Use of renewable energies for 100 percent of the Group's electricity needs in Italy, Germany and Austria
- Define a first action plan to reduce greenhouse gas emissions by 15 percent in 2012
- Pursue our commitment to reducing financed emissions
- Develop a new supplier management approach to improve the Group's green selection criteria

“ In 2009, we announced our mid-to long-term climate change strategy, enhanced our Environmental Sustainability Program in partnership with the WWF, and continued to promote increased environmental awareness among our colleagues. Energy efficiency is one of our key objectives, achieved through means that include space optimization and facilities improvements. Moreover we work with our suppliers in reducing our indirect impact on the environment. ”

Environmental policy

Our environmental policy is based on our mission to generate long-term value for our stakeholders and for current and future generations. It is our goal to take responsibility for the potential impact our business decisions may have on the integrity of natural resources and in matters of sustainability in the short, medium and long term. This requires a commitment on our part to properly manage and, where possible, mitigate any adverse environmental impact associated with our activities. We recognize the need to consider environmental sustainability in all of our operations. This is why, in 2007, the Group developed a new environmental policy, signed by the CEO, which applies to all of our institutions and activities.

Environmental Sustainability Program

In 2009, the Group further developed its *Environmental Sustainability Program* (ESP) in partnership with WWF Italy. Signed in 2008 in Italy and extended across Europe in 2009, the partnership now involves WWF International and encompasses Germany, Slovakia and Poland. The *ESP* is led directly by members of the Corporate Sustainability Unit's environmental sustainability team, who cooperate with WWF personnel in all relevant fields.

In 2009, the Group further developed its *Environmental Sustainability Program*

The internationalization of this once-regional partnership highlights the dual nature of the Group's commitment. At the parent company level, initiatives are designed to incorporate environmental considerations into the overall business strategy of the Group. At the regional level, the partnership focuses on shaping the development of financial products and on launching specific regional initiatives tailored to local requirements. These may include co-branded activities with regional environmental groups.

The main objects of the Group's ESP are:

- revising of credit policies for environmentally sensitive industries (please see customer chapter of this report)
- fighting climate change through the management of direct and financed emissions
- enhancing employee environmental awareness and promoting positive behavior

Fighting climate change

The primary focus of the ESP's first phase is on mitigating and adapting to climate change. Our commitment to address climate change challenges was first made in 2007. As signatories of the United Nations Environment Programme Finance Initiative (UNEP FI) Declaration on Climate Change, we are committed to advancing knowledge and understanding both the risks and opportunities in the field of climate change.

In 2009, we made a public commitment to reducing our carbon footprint by cutting our generated greenhouse gas (e.g., GHG emissions created by our daily operation) emissions by 30 percent by 2020. This effort supports the EU's *20-20-20* energy targets defined in the *Climate & Energy Package*. We also established an intermediate target of reducing emissions by 15 percent by 2012. Internal emissions will be monitored and, in the case of a discrepancy between announced targets and actual abatement, the Group will purchase voluntary high-quality, Gold Standard carbon credits.

The first step toward achieving our ambitious targets in emissions reduction was to take a Groupwide carbon inventory. As a long-time participant in the *Carbon Disclosure Project*, the Group values the transparent calculation of all GHG emissions associated with its electrical and heat-related energy consumption. Together with the WWF international, we initiated a process to incorporate all major GHG emission sources into our inventory and thus establish an accurate carbon footprint as a baseline, in accordance with the international standard UNI ISO 14064-1:2006.

With regard to financed emissions, we initiated an internal process to assess the carbon component of our business. In our view, part of the power of a financial institution to combat climate change is its ability to steer the financed emissions generated by its customers and attributable to its lending choices. Thus, we formed a working group comprised of representatives from the Corporate Sustainability Unit and other relevant areas of the Group, together with the WWF and their technical partners. The goal of this working group is to understand how potential future climate change scenarios – as viewed according to global scientific consensus – may affect our business activities, both in terms of making more accurate credit risk assessments and in appraising related product development opportunities across all business lines.

With respect to emissions-related products, the Group's Carbon Solutions Team comprises our carbon competence center, and HVB¹ is the only Group entity authorized to trade CO₂. In Germany, we are one of the leading counterparties for

¹ Please note that during 2009 Bayerische Hypo- und Vereinsbank AG (HVB AG) changed its company name in UniCredit Bank AG.

compliance carbon trading and have executed transactions in Italy, Austria, Spain, Slovakia, France, the United Kingdom and Switzerland. Since 2005, the Carbon Solutions Team has provided our clients with emissions trading services. It also supports them in the development and implementation of appropriate emissions trading and risk management strategies by researching the opportunities and threats specific to different industries, and, when applicable, combining emissions trading and carbon hedging with commodity hedging.

Environmental identity

To further our employees' environmental awareness, we developed an innovative product to

**Development
of an innovative product
to promote energy
efficiency in partnership
with the WWF:
*House Efficiency***

promote energy efficiency in partnership with the WWF. *House Efficiency* offers subsidized loans that are complemented by energy consulting services and supported by an expert energy service desk. The product, launched in 2009, initially targeted Group employees in Italy. In 2010, we

plan to extend it to Retail clients in Italy, with rollouts in other countries to follow. We expect *House Efficiency* to generate tangible benefits, including savings on energy bills and reductions in CO₂ emissions.

In 2009, a web-based learning tool called the *Green Box* was made available to employees Groupwide. It is designed to allow users to better understand environmental issues and discover the ways in which UniCredit Group is working to address them. It also suggests ways to reduce their personal footprints.

In March 2009, we participated in a worldwide WWF climate change event, *Earth Hour*, by turning off the lights in some of our main buildings. We further publicized the core message of the event via our internal communications network, inviting all employees to join in the initiative.

UniCredit Bulbank completed a unique green project, including the restoration of two major hiking trails in the mountains – from the Aleko hut to the village of Bistritza along the Yanchovska and Bistrishka rivers. More than 30 kilometers of trails were turned into a pleasant and safe recreational facility. The green project was executed in cooperation with the Vitosha Nature Park directorate. The project was fully funded by UniCredit Bulbank and is part of the bank's national green program, which is included in its corporate social responsibility plan.

In 2009, UniCredit Bulbank invested in the restoration of an eco-trail connecting Borino village to the Devil's Bridge, a well-known rock formation in Bulgaria. This popular route is now pleasanter and safer, thanks to the restoration of the river, trailside benches and the bridge. Students from a local school joined with other volunteers to clean up the trail as part of the project, which ultimately earned UniCredit Bulbank the *Investors in Environment* prize, awarded by the Bulgarian Minister of Environment and Waters.

Energy efficiency

Energy efficiency is a key indicator of an organization's commitment to environmental protection. Groupwide, initiatives in this field included space optimization and other facilities improvements in Russia, Germany and Croatia. These included the installation of photosensitive switches for outdoor advertising and lighting, and the installation of a third layer of glass or PVC films to mitigate heat loss through windows. In Russia, Slovakia and Germany, lighting installations were improved with the increased use of LED technology.

Moreover, we added three new sites in Italy to our *Green Network*, which is comprised of five branches and large buildings that have achieved four major objectives:

- energy consumption reduction after retrofitting
- onsite energy production from renewable sources
- installation of remote controls for energy use
- installation of photovoltaic panels for a total of 113 kWp

Through process improvements, the Group has been able to reduce its use of uninterrupted power supply units from 1,000 in 2007 to 200 at the end of 2009. This resulted in considerable cost and electricity savings, in addition to a reduction in toxic substances such as lead in batteries.

The *UniCredit 10%* project aims to reduce energy consumption in Italian buildings by 10 percent on 2007 consumption by the end of 2010 through space optimization and by moving operations out of energy-inefficient buildings.

Remote controls have been in use since 2006, which allow for the ongoing monitoring of energy usage, along with automated light and heat controls that eliminate waste during mid-week holidays. This system aims to:

- define an energy consumption benchmark based on climate zones and square meters
- identify those building that are less energy efficient
- estimate the impact of heating systems, air conditioning, lightning and other sources on the total amount of energy used

The benchmark analysis of our most important and active buildings provides the basis for an energy assessment of less efficient buildings and allows for detailed actions to correct their inefficiencies.

In Rome, we refurbished three of the Group's main buildings to save up to 50 percent on energy use. In these buildings, we eliminated overhead lighting and switched to desk lights with sensors that detect people's presence and respond to the varying intensity of outside light.

Additionally, the *Kill the Kilowatt-Hour* contest at UniCredit Real Estate provides an award for the best grassroots energy efficiency proposal made by an employee.

In 2009, the use of renewable sources for electricity in Italy rose to 96 percent. In Italy, Germany and Austria, we plan to achieve 100 percent in 2010.

Mobility management

Due to the environmental benefits of high-speed trains, the Group has encouraged colleagues to use rail transportation instead of flying for business travel.

Moreover, the Group established its fifth telepresence room for senior management-level virtual communications in Bologna in 2009.

In Italy, the 2009-2010 framework agreement for pool cars is based on the use of cars with a low environmental impact, including roughly 240 vehicles that emit less than 130 grams of CO₂ per kilometer per car. The Retail Division replaced a number of its gasoline-powered vehicles with methane-powered vehicles and at the end of the year awarded a spot tender for the purchase of about 40 cars, including LPG (CO₂ emissions of 119 g/km) and hybrid (104 g/km) vehicles. In December 2009, the Group established a new policy for company cars, effective 2010. It emphasizes the reduction of fuel consumption, encourages managers to select models with lower fuel consumption and promotes models with low CO₂ emissions. Similar initiatives in Austria led to a reduction of roughly 4.4 tons of CO₂. Moreover, Bank Austria committed to a business trip policy, posted on the intranet for all employees to review, which states that every business trip must be evaluated for necessity and that train travel must be the first choice of transportation.

In Hungary, we extended the use options for the Cafeteria system to make it possible for employees to buy public transport tickets at a discounted price. In this way, we encourage employees to use public transportation to go to work or to attend business meetings held at external locations. The majority of employees now commute via public transportation and can purchase their tickets through the Cafeteria system.

Waste management

According to the Environmental Management Systems across the Group – including UniCredit SpA, HVB AG and UniCredit Business Partners SpA – we are publicly committed to reducing our generation of waste. In 2010, the Group aims to decrease its total waste, with a focus on waste paper from printing processes and people's behavior.

Electronic waste projects

In line with our plans, we did not dispose of our electronic waste in 2009. Thus, in 2010 we will need to discard a significant amount of electronic equipment. We plan to refurbish this equipment and donate it to a non-profit association. As soon as a formal agreement is finalized, we will disclose its details on the Group's website. A previous example is our participation in a project that employs prison inmates in Lombardy and trains them to refurbish equipment with a view to facilitating their reintegration into society.

In Bulgaria, we launched a similar initiative to refurbish old and unusable IT equipment, in cooperation with a properly licensed company that is qualified to dispose of used electronic equipment.

Water consumption

By upgrading the infrastructure of our buildings, we have sought to reduce and optimize our water usage. Our water consumption reduction program includes:

- leakage prevention and routine maintenance of water supply systems
- regular monitoring of water consumption

Indirect environmental impacts and supplier relationships

The effective management of indirect environmental impact depends on the ability to cooperate with suppliers to ensure fairness, transparency, respect and a consistent approach to environmental issues.

At UniCredit Group, we consider our suppliers to be important business partners. Together, we can work to reduce our shared indirect environmental impacts. Our relationships with suppliers are based on the values set forth in UniCredit Group's Integrity Charter, and we believe it is necessary to continuously strengthen these partnerships to ensure quality of supply and compliance with environmental regulations.

In the process of procuring services and products, all relevant units are involved to ensure the highest degree of fairness and objectivity. It is the task of all parties to see that the most up-to-date and effective solutions are implemented in an atmosphere of respect and open communication.

Our technical supply standards are regularly reviewed with our suppliers in order to ensure that all parties remain current on quality, technical and scientific issues.

Selection criteria

We choose our suppliers on the basis of qualitative and quantitative criteria. With respect to sustainability standards, the Global Sourcing Key Service Function selects our suppliers based on:

- compliance with laws, regulations and environmental requirements
- capacity to provide services and goods of adequate quality in the required timeframe
- use of ecological, products and techniques minimizing adverse environmental impacts

In the first assessment phase, ISO 14001 and EMAS certification are not compulsory, but Global Sourcing encourages suppliers to be compliant. As a consequence, UniCredit Group maintains regular business relationships with many suppliers compliant with certification standards that include ISO9001, ISO 14001, OHSAS 18001 and SA8000. In the context of tenders and negotiations, certified suppliers are preferred.

In the course of assessment, potential suppliers are requested to prove that their products are compliant with certain minimal standards such as elemental chlorine-free paper, energy-efficient electronic equipment or toxic substance-free furniture.

Selection and management of locally based suppliers

Global Sourcing does not discriminate based on an organization's size, and we work with many locally based suppliers to support local economies and reduce the environmental impact of goods transportation.

In 2010, we will institute a new supplier registration process. Only suppliers who meet UniCredit Group's minimum sustainability requirements will be listed in the Group's approved supplier database. The bulk of these requirements relate to a supplier's compliance with the standards of the International Labour Organization.

Groupwide, we utilize a supplier evaluation process. In Italy, an electronic questionnaire requests certifications to demonstrate compliance with quality, social and environmental standards and to support the correct evaluation of the supplier's capacity to meet our requirements.

Prior to the merger of UniCredit Group and HVB, sustainability played an important role at the separate procurement units. Today we have almost completed the integration of our practices and are working to embed our common approach in our global and local procurement processes. We distinguish between two aspects of assessment: the quality of the supplier and the quality of the products and services provided.

For supplier assessments, we make use of supplier questionnaires that serve as voluntary self-declarations and as a means of reducing procurement-related risks connected with environmental, social and labor law issues. With regard to product quality, we include product specifications in all requests for quotations (RFQs) and e-auctions, in accordance with our risk class model approach.

Galyna Gerega,
Epicenter K - Ltd
Corporate Banking Client - Ukraine

«Thanks to their efficient management, professional staff, high standards for banking services and, most of all, the prompt granting of a loan to our company, UniCredit Group, represented here by Ukrsotsbank, made a considerable contribution to the development of our national chain of building and home supply hypermarkets, Epicenter K.»

**It's easy with
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Supplement - Index

Appendixes	85
Our Approach	86
Our People	94
Our Customers	108
Communities	112
Environment	116
Determination and distribution of Value Added	118
Yapi Kredi: a focus on Turkey	119
Gri Index and Global Compact Principles	122
Report of the External Auditors	126

Appendix - Our Approach

Governance

Governance structures

UniCredit S.p.A.'s administrative system is of the so-called traditional kind under Italian law, which is based on two governing bodies elected by the shareholders: an administrative body (the Board of Directors) and a control body (the Board of Statutory Auditors), the function of which is to supervise and monitor the company's administration. Accounting supervision is entrusted to an external auditing firm in compliance with relevant current laws. The Board of Directors is supported by four committees with the power to advise and to present proposals to it.

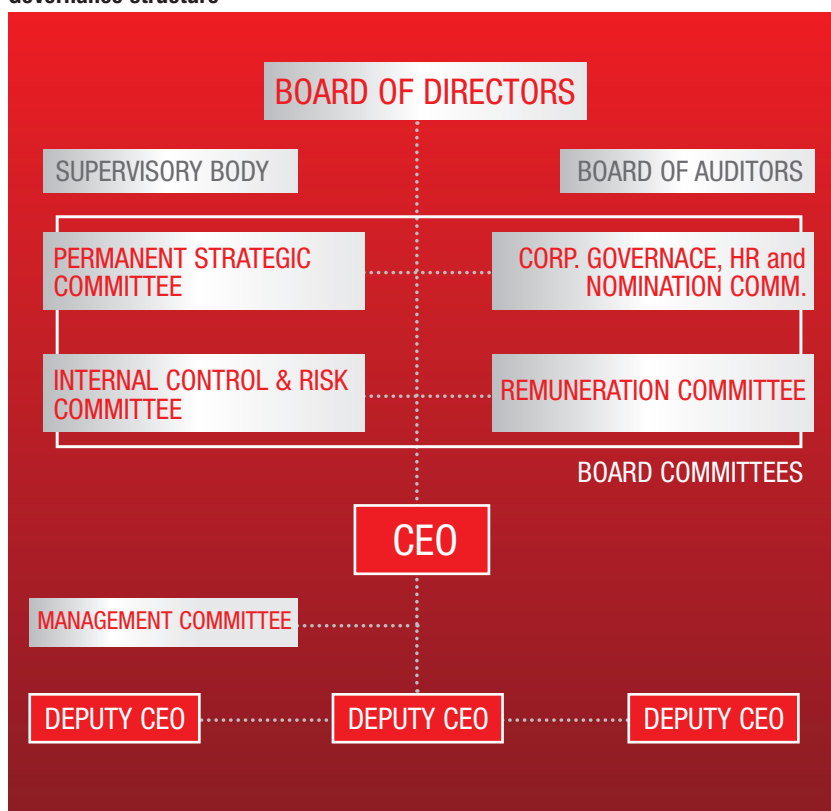
In 2009, the Board of Directors' decided to increase the membership of the Internal Control & Risks Committee from five to seven in order to augment its professional expertise and the breadth of its experience.

With respect to broader Groupwide governance, other significant changes in 2009 included the following:

- At the Annual General Meeting on April 29, 2009, members of the Board of Directors were elected for the fiscal years 2009-2011 on the basis of lists of candidates submitted by the shareholders.
- Subsequently, the Board appointed, from among its members, the Chairman and the CEO, as well as the members of its committees.
- The Board also established the Executive Management Committee (EMC), a new senior management body composed of selected members of the Management Committee and tasked with supporting the CEO in making strategic decisions for the Group.

For detailed information on UniCredit S.p.A.'s corporate governance system, please see the dedicated area of the corporate website (www.unicreditgroup.eu) and UniCredit S.p.A.'s Report on Corporate Governance and Ownership Structures (approved by the Board of Directors in March 2010).

Governance structure



Board member compensation

The compensation paid to non-executive directors is not linked to the financial results achieved by UniCredit Group, and non-executive directors are not beneficiaries of incentive plans based on stock options or, more generally, of any plan based on financial instruments.

The only executive director sitting on the Board of Directors – the CEO – has part of his remuneration linked to the financial results of UniCredit Group. This is in line with the policy that applies to all of the Group's management team, of which the CEO is a member.

Moreover, the CEO and other executives holding strategic responsibilities have in the past been the beneficiaries of corporate incentive plans based on financial instruments. For more detailed information on the CEO's remuneration and corporate incentive plans, please see the Compensation for members of the highest governance body section of the appendix to the Our People chapter.

The Group's Reputational Risk Committee

Within the Group's Reputational Risk Management Framework, we have established a Group Reputational Risk Committee.

It is composed of three permanent voting members: the Group Chief Risk Officer, the Head of Legal and Compliance, and the Head of Group Identity and Communications. Additional non-voting committee members include:

- permanent guests without voting rights: the Head of the Institutional and Regulatory Strategic Advisory Department, the Head of Operational & Reputational Risks Portfolio Management Department and the Head of the Group Internal Audit On Site Department
- other guests without voting rights are invited by the Chairman on a case-by-case basis depending on the committee's agenda (e.g., the Head of the Tax Affairs and Shareholding Department, the Head of Compensation, etc.)

The Group's Reputational Risk Committee is responsible for:

- submitting information to the Group's Risk Committee on reputational risk policies and guidelines, as well as reporting regularly on reputational risks
- ensuring the consistency of reputational risk policies and practices across business units and Group entities
- controlling and monitoring the Group's reputational risk portfolio

The Group's Reputational Risk Committee meets in order to approve:

- special reputational risk guidelines and policies
- single transaction evaluations, submitted by transactional risk committees on an exceptional basis

Moreover, in line with the Group's reputational risk management conceptual framework (see the 2008 Sustainability Report), the committee supports crisis management functions and stakeholder communications for specific reputational risk events.

It also provides advice on reputational risk issues and clarifications on the implementation of special reputational risk policies when requested by other parent company functions and bodies.

The Group's Reputational Risk Committee is the physical embodiment of our commitment to disseminate a new culture of risk management throughout the company, as stated in the sustainability framework.

Compliance

The Compliance Department's role and organizational model

The role of Compliance is to assist UniCredit Group, its Board of Directors and its various committees in managing the risk of legal and regulatory sanctions, financial losses and loss of reputation that the Group may suffer as a result of its failure to comply with all applicable investment and banking laws, regulations, codes of conduct and standards of good practice.

Management of compliance risk is accomplished through the prevention, identification, assessment and monitoring of those risks that the Group faces, by informing and training employees and by advising on and reporting these risks to senior management and relevant boards and committees.

The perimeter of Compliance includes the usual range of regulations related to issues connected with the banking services industry (e.g., anti-money laundering, transparency, privacy) and with the financial services industry (e.g., market abuses, financial instruments and products issued by banks).

In 2009, as part of the initiative to move the Compliance Competence Line from a mainly regional to a more global model, the main principles of the Compliance organizational model have and continue to be reviewed.

Appendix - Our Approach

This assessment puts in place the progress towards:

- a business coverage model with global co-ordinators (e.g., Corporate & Investment Banking, Retail, Private Banking) working across jurisdictions
- specialist areas that provide services across businesses (e.g., Training, Anti-Money Laundering, Policies and Procedures, and Compliance Assessment and Monitoring).

This structure will help to ensure that similar issues are being handled in a consistent manner across the various jurisdictions where the Group has a presence.

Policies

Anti-Money Laundering (AML)

The Groupwide Compliance AML Policy, approved on June 23, 2009, updates the previous policy approved by the Board of Directors on June 12, 2007.

The new policy aims to foster a Groupwide culture of behaviors, principles and procedures that conform to money-laundering and anti-terrorism legislative guidelines, which thus clearly define the regulatory perimeter.

In line with this policy, all Group entities must have an anti-money laundering program based on:

- internal rules and local procedures
- a function responsible for anti-money laundering and anti-terrorism compliance
- training
- IT support systems
- know-your-customer rules
- record keeping
- reporting of suspicious transactions

During 2009, the majority of Group entities adopted the Groupwide Compliance AML Policy.

Groupwide compliance policy to foster a culture based on the principles of antitrust legislation

In 2009, UniCredit Group issued a Groupwide compliance policy on Antitrust and unfair commercial practices. The policy applies to all Group entities and aims to spread a culture based on the principles of antitrust legislation within the company.

The policy informs Group entities and employees' behavior in the following matters:

- agreements (horizontal and vertical)
- abuse of dominant position
- mergers
- unfair commercial practices

UniCredit Group has an Antitrust and Unfair Commercial Practices Management Process that is based on:

- internal rules and local procedures
- a function responsible for Antitrust and unfair commercial practices management (the Antitrust Team), located within the largest Group entities
- training
- reporting and notification

The Groupwide approval and the implementation of the process is ongoing.

In 2010, our priority will be the promotion of antitrust knowledge among all employees.

Suspicious transactions communicated to the authorities, 2009

Country	Details	Number
Italy	There are no provisions stipulating notification to authorities of any transaction exceeding a specified amount. The institutions and persons covered by Legislative Decree 231/07, as indicated in Art. 41, must report suspicious transactions «when they know, suspect or have reason to suspect that money laundering or terrorist financing transactions have been committed or attempted».	1,344
Germany	According to Section 11(1) of the German Money Laundering Act (GwG), the bank is required to report suspicious transactions if it has «reason to believe that an offense under Section 261 of the German Criminal Code or that terrorist financing has been or will be committed or attempted». To evaluate whether it has such a reason to believe, the bank must additionally – as per Section 152(2) of the German Code of Criminal Procedure (StPO) – take into account whether there are «sufficient actual indications» of such unlawful conduct.	129
Austria	There are no provisions in Austria stipulating the notification of any transaction surpassing a defined amount to authorities. According to Article 41 of the Federal Banking Act (BWG), the requirements for reporting to the authorities are comprised of cases in which a credit or financial institution suspects or has reasonable grounds to suspect on of the following: <ul style="list-style-type: none"> • that a previously conducted, ongoing or upcoming transaction serves the purpose of money laundering • that a customer has violated the obligation to disclose fiduciary relationships • that a customer belongs to a terrorist organization or that the transaction serves the purpose of terrorist financing In these cases, credit and financial institutions must report suspicions to the relevant authority without delay and refrain from any further execution of the transaction until the matter is resolved, unless the danger exists that a delay in the transaction may complicate or prevent the investigation of the case.	55
Bulgaria	According to Art. 11a of the Money Laundering Act, banks shall notify the competent authorities of any payment in cash at a value exceeding BGN 30,000 (approximately €15,000) or its equivalent in foreign currency made by or to any of their clients.	85
Croatia	According to the Croatian Anti-Money Laundering and Terrorist Financing Law, banks are obliged to report both cash transactions of more than 200,000 HRK (approximately €27,000) and any suspicious transactions.	38
Czech Rep.	There are no provisions in the Czech Republic that stipulate notification of any transaction exceeding a defined amount to the authorities.	280
Hungary	There are no provisions in Hungary that stipulate notification of any transaction exceeding a defined amount to the authorities in the absence of any suspicion of money laundering.	542
Romania	According to the provisions of Law 656/2002 for preventing and sanctioning money laundering and prevention of terrorism financing, Romanian banks report twice daily on cash and cross-border transactions of more than €15,000 or its equivalent.	230
Russia	The Russian provisions stipulate notification of any transaction exceeding 600,000 Rubles (approximately €14,000) and possessing specified secondary features (even in the absence of any suspicion of money laundering)*.	3,436
Total		4,611

* The bank reported a total number of 11,141 transactions to the authorities in 2009, of which 3,436 classified as suspicious.

Appendix - Our Approach

Conflicts of Interest (COI)

The Conflicts of Interest Guidelines, approved on December 15, 2009, are intended to serve as a minimum standard for the Group and have been transmitted to Group entities for their approval by respective decision-making bodies, and for their implementation and distribution to all employees.

Additionally, in response to the requirements set forth in Directive 2004/39/CE (the Markets in Financial Instruments Directive, hereafter the MiFID Directive or MiFID), UniCredit Group issued a set of rules on conflicts of interest (the Conflicts of Interest Policy or the COI Policy), which was approved by the UniCredit S.p.A. Board of Directors in 2007 and were adopted by all Group entities as of 2008.

In conjunction with the approval of the COI Guidelines, UniCredit Group is updating the current COI management model and processes and improving the Group Conflicts of Interest Policy.

The COI management model consists of the following steps:

- definition and implementation of the measures needed to identify conflicts of interest
- definition and implementation of effective organizational measures to prevent the conflicts of interest that have been identified from having a negative impact on customers' interests
- definition and implementation, when necessary, of processes for the case-by-case management of specific conflicts of interest
- determination of situations that require the disclosure of conflicts of interest to customers

Therefore, the Group has established a conflict of interest management process based on:

- internal rules and local procedures
- a function responsible for conflicts of interest management
- training
- IT support systems
- conflicts of interest record-keeping

In addition, UniCredit Group periodically holds COI training sessions for specific groups of employees. In 2009, sessions were held for parent company managers, parent company compliance employees and managers, Italian Group entity compliance liaison officers, and HVB¹, Bank Austria, Bank Pekao and Pioneer Investments compliance officers.

Prevention of corruption – strategy, policy and approach

In Italy, UniCredit Group's strategy for the prevention of corruption is addressed in an Organizational and Management Model, According to Provisions of Art. 6 of Legislative Decree 231/2001 Establishing the Administrative Responsibility of Companies.

Legislative Decree 231/2001, which brings Italy into line with international requirements and harmonizes its legislation with that of many other European countries, establishes the concept of liability for a company or *società*.

The establishment of the principle of administrative liability for companies is based on the practical consideration that illegal activities carried out within a company, rather than being the result of an individual's private initiative, are more frequently the result of a pervasive company policy, and may stem from decisions made at the top levels of the company in question.

The scope of corporate liability encompasses crimes committed abroad, unless the state in which they occurred is already adjudicating, and provided that the specific conditions envisaged in Legislative Decree 231/2001 apply.

The new version of the Organizational and Management Model approved by the Board of Directors on August 1, 2008, updated the previous model with regard to the regulatory situation and the structure of the existing company as of December 31, 2007.

In 2009, in order to improve the management of risks related to Legislative Decree 231/2001 and UniCredit Group personnel's awareness on this topic, the following activities were carried out:

- a focused, classroom training course targeted the parent company's middle management
- an on-line training course targeted all parent company staff

¹ Please note that during 2009 Bayerische Hypo- und Vereinsbank AG (HVB AG) changed its company name in UniCredit Bank AG.

- the update of the parent company's intranet area dedicated to Legislative Decree 231/2001
- the provision of Holding Company Organizational Model to Italian Group entities on February 20, 2009, and Italian Group entity organizational models' alignment with and/or update according to parent company guidelines
- the creation of a team to support the activities of the parent company's Supervisory Body
- a gap analysis between the parent company and Italian Group entity organizational models and protocols

In 2010, our priority will be focused on delivering guidelines to Group entities for local anti-corruption models.

Main legal actions relating to anticompetitive behavior, Antitrust, monopoly practices and financial instruments

Country	Update on legal actions described in the 2008 Sustainability Report as not closed
Italy	<p>With reference to the proceedings initiated in August 2008 against some Group entities regarding loan portability related to consumers qualified as mortgage loan holders, after the competent authority's decision to accept the bank's appeal, the Italian Antitrust Authority has appealed this decision to the Consiglio di Stato. The procedure is still ongoing.</p> <p>With reference to the proceeding against a Group entity initiated in July 2008 regarding the application of a maximum overdraft commission, the Italian Antitrust Authority reopened the proceeding in July 2009 in order to verify the commitments offered by the bank pertaining to a new legislation framework; the proceeding was closed on December 2009 without additional commitments made by the bank.</p> <p>With reference to the proceeding against a Group entity sanctioned in December 2008 by the Italian Antitrust Authority for allegedly having made arrangements to harm competition in 1996 in the context of its management of the cash treasury of the Istituto Nazionale per l'Assicurazione degli Infortuni sul Lavoro (INAIL), the company appealed the decision at the beginning of 2009. The proceeding is still ongoing.</p>
Austria	As already reported in the 2007 and 2008 Sustainability Reports, Bank Austria paid a fine for illegally fixing interest rates. Bank Austria's appeal of this decision to the European Court of Justice was dismissed in 2009. The proceeding is now closed.
Hungary	In 2008, the Hungarian Competition Authority opened an investigation concerning a cartel on interchange fees involving UniCredit Hungary Zrt (UCH), 22 other banks, MasterCard and Visa; the procedure was closed on September 24, 2009. The seven founder banks that signed the agreement on the domestic interchange fee and the two card companies were fined. The banks that joined the agreement later, including UCH, were not fined. The Hungarian Competition Authority has also established infringement. However no fines have been levied as a result.
Romania	A Competition Council investigation against several banks, including UniCredit Tiriac Bank, began in October 2008. In 2009, the Competition Council requested new information and documentation. UniCredit Tiriac Bank responded to these requests in due time, and the bank's representatives, together with outside counsel, met with the Competition Council. The investigation is still ongoing.
Russia	On December 3, 2007, the Chelyabinsk Regional Agency of the Federal Antitrust Service of Russia found the bank guilty of anticompetitive behavior, based on its agreements with several insurance companies. On April 11, 2008, the Arbitration Court of the Chelyabinsk Region found the decision of the Chelyabinsk Regional Agency unlawful, find that it is the bank's right to cooperate with any insurance company. On July 27, an appellate court reversed the judgment, finding that the agreement itself between the bank and any insurance company is a violation of antitrust law. On November 6, the Federal Circuit Court affirmed the decision of the appellate court on the same grounds. On February 6, 2009, the bank filed a petition to the Highest Arbitration Court of the Russian Federation. This court rejected the bank's petition.
Country	Description of main legal actions, 2009
Italy	<p>In February 2009, the Italian Antitrust Authority initiated a proceeding against a Group entity concerning a web advertising campaign of the bank with specific reference to the published interest rate of current accounts. In October 2009, the authority closed the proceeding with a reduced fine due to the bank's behavior.</p> <p>In July 2009, the Italian Antitrust Authority began an investigation to determine if UniCredit Group, with other major Italian banking institutions, colluded to implement agreements that would restrict competition in the card payments area. The investigation is still underway.</p> <p>In December 2009, the Italian Antitrust Authority initiated proceedings against a Group entity relating to alleged incorrect commercial practices involving the application of regulations concerning simplified cancellation procedures for mortgages. The Antitrust Authority also submitted a request for information to the company. The proceedings, currently in the initial phase, are pending.</p>
Austria	<p>A company offering services for payment transactions at point of sale terminals is suing Bank Austria and two other Austrian banks for solidary payment of damages due to a breach of antitrust law based on allegedly charging excessive transaction fees for the readout of data stored on cash cards. The lawsuit is still pending in the court of first instance.</p> <p>The association for consumer protection (VKI) sued Bank Austria amongst others. Some terms and conditions of the Callable Snowball Floater Obligation 2005-2013/11 are claimed to be intransparent and grossly discriminatory by the VKI. The law suit is presently at the Supreme Court which has not yet made a final decision.</p> <p>To date Bank Austria has been named as a defendant in 11 lawsuits for damages in connection with the miscounselling by Bank Austria in relation to over the counter options (OTC-options) and other derivative financial instruments (total claimed amount €2,1 million). In most of these cases the plaintiffs are represented by one law firm who filed a report on behalf of its client to the Public Prosecutor. A house search was already conducted by the Public Prosecutor and took place in the premises of Bank Austria. The main allegation is that two employees of Bank Austria committed a fraud selling the options without informing about risks and realised losses properly thereby causing the clients of the bank to buy further options. The complaint also names Bank Austria (the company itself) as a defendant for presumably failing to organize the selling process appropriately.</p>
Hungary	The consumer protection association FJSZ challenged certain of UniCredit Group's contractual terms giving the bank a unilateral right to terminate business relationships with clients. On December 8, 2009, the proceeding was closed on first instance in favor of UCH based on our arguments challenging the legal capacity of the claimant.

For other legal action please see the 2009 Consolidated Reports and Accounts (Part E, section 4.B)

Appendix - Our Approach

Product Committees in Italy

In 2009, Group Product Committees were initiated at UniCredit S.p.A. and at each of the Group's main Italian legal entities. With a view to operational impacts and overall risk and reputational implications, these committees are tasked with improving the efficiency of the evaluation processes that govern the commercialization of products, services and other commercial initiatives. They also work to reconcile – within the scope of the assessment and approval process for products, services and initiatives – full regulatory compliance with internal and external rules with the needs and timing of the business functions.

The committees serve as focal points for exchange and synthesis at the end of the product and service design process. In this role, they evaluate and then provide an opinion regarding viability on the supply, marketing and/or launch of all banking, financial, investment and insurance products and services that will be offered to customers, as well as on all initiatives supporting marketing activities.

The product and service design process, which ends with the Product Committees, is designed to generate value for our customers.

In generating such value, we have worked to align our interests with those of our clients. During this process we have accounted for the following:

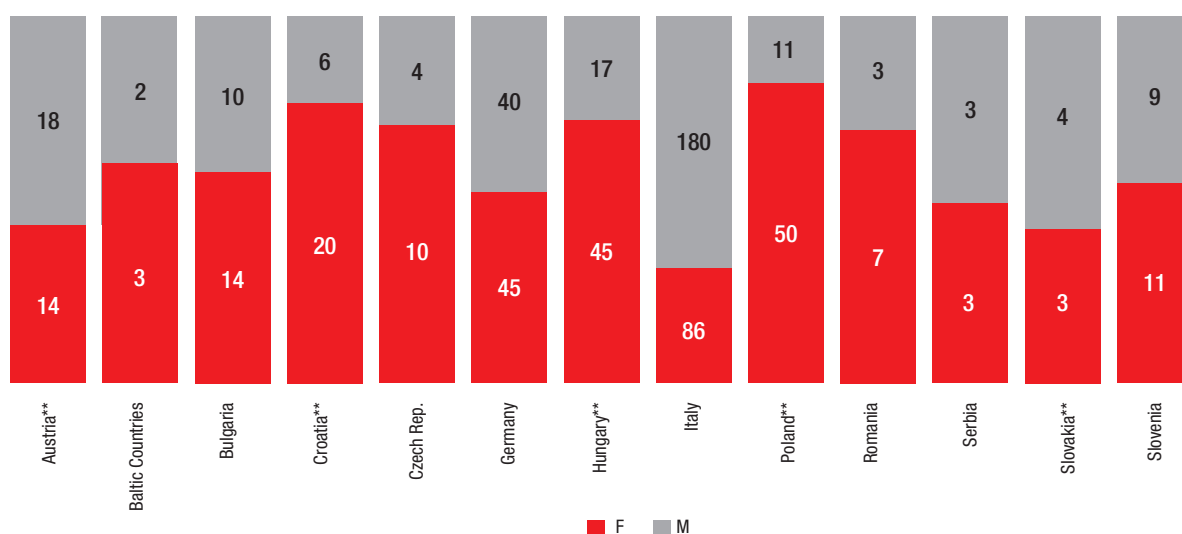
- Client needs, including risk profile and risk aversion, time horizon and financial requirements. Client risk assessment is the first and most important step in ensuring that all product features – as defined in subsequent steps – meet the client's profile and avoid inappropriate risk exposure.
- Client expectations, including market sensitivity (e.g., products that track market movements vs. products with no mark-to-market aspects), expected return, degree of flexibility in modifying investment portfolios over time, etc.
- Substitute products (i.e., those satisfying the same needs) and their relevant major features, distinguishing between:
 - existing products
 - major competitors' products

UniCredit is evaluating to extend across the Group the best practice of the Italian Product Committees.

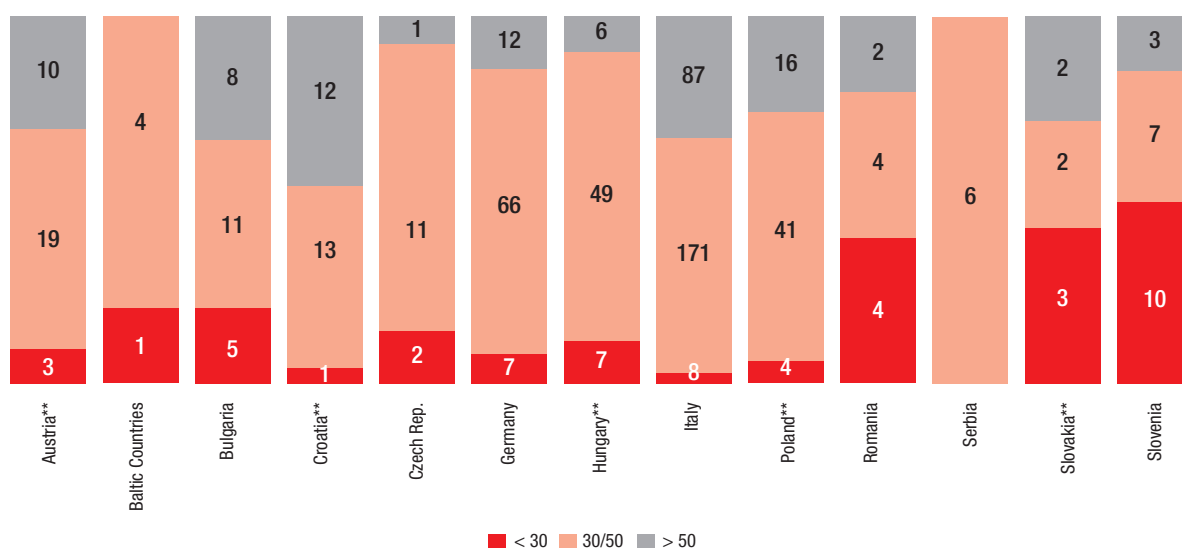
Restorative Justice System

In 2009 the data gathered shows, in the breakdown by gender, a relatively balanced situation in most countries, with the principal exceptions of Croatia, Czech Republic, Hungary, Italy and Poland. The breakdown by age shows that the largest segment of colleagues utilizing the Restorative Justice System consists of those older than 30 and younger than 50, except in Slovakia and Slovenia, where the largest group is under 30.

Breakdown by Gender*



Breakdown by Age*



* Data refers to those employees who accessed the RJS and whose cases are now closed.

** Data for some countries does not match the data reflected on page 23 of the report because:

- in Austria there were two anonymous cases
- in Croatia there was one anonymous case, one group case (> 5 people)
- in Hungary there was one group case (>5 people)
- in Poland and Slovakia there were two group cases (>5 people)

Appendix - Our People¹

Our People: a portrait in numbers

Number of employees by country, 2007-2009*

Country	Head count 2009	Head count 2008	Head count 2007
Italy	57,969	60,673	64,384
Germany	23,906	25,790	26,657
Austria	11,987	12,517	12,734
Poland	21,167	21,918	27,123
Bulgaria	4,562	4,598	4,303
Croatia	5,251	5,422	5,224
Czech Rep.	2,715	2,777	2,184
Hungary	2,501	2,351	1,750
Romania	4,443	4,544	3,833
Russia	4,573	4,574	3,134
Others	38,540	41,520	28,612
Total	177,614	186,684	179,938

* The head count reported here does not include external staff (e.g., interns, consultants); number reflects all employees of subsidiaries consolidated proportionally, at 100 percent.

Percentage of employees by employment tier, 2008-2009

Employment tier	2009	2008
Senior management	0.37%	0.36%
Executive & middle management	14.86%	14.71%
Staff	84.77%	84.93%
Total	100%	100%

Percentage of employees by contract type, 2007-2009

2009		2008		2007	
fixed-term	not fixed-term	fixed-term	not fixed-term	fixed-term	not fixed-term
3.33%	96.67%	3.95%	96.05%	3.89%	96.11%

Percentage of employees by educational level and employment tier, 2009 (✧)

Employment tier	Advanced degree	Bachelor's degree	High school diploma	Others	Total
Senior management	38.32%	44.39%	12.12%	5.17%	100%
Executive & middle management	21.26%	40.37%	34.20%	4.17%	100%
Staff	15.04%	32.28%	43.63%	9.05%	100%

¹The quantitative data of the annex refer to the UniCredit Group head count as of December 31, 2009. When the coverage is different from the 100 percent, unless otherwise noted, we use the symbol (✧) to indicate data covering 98.8 percent of our employee head count, and the symbol (✧) to indicate data covering 87.5 percent of the same population. Due to the introduction of a new method of classification by employment tier to make data more comparable, some figures may differ from data presented in the 2008 Sustainability Report.

Percentage of employees by length of employment and employment tier, 2009 (✱)

Employment tier	0-10 years	11-20 years	21-30 years	>30 years	Total
Senior management	46.62%	22.70%	9.19%	21.49%	100%
Executive & middle management	34.16%	31.24%	21.62%	12.98%	100%
Staff	45.82%	27.62%	17.39%	9.17%	100%

Percentage of employees leaving employment by reason

Reason for leaving*	2009
Retirement – employees who left the bank to retire**	7.4%
Restructuring – employees who left the bank due to a common agreement or industrial plan negotiated with trade unions	18.3%
Individual agreements – employees who left the bank for due to an individual or one-to-one agreement	24%
Employee resignation – employees who resigned	30.3%
Employer dismissal – employees who left the bank involuntarily	7.6%
Others – all remaining reasons, including death	12.4%
Total	100%

* Data related to hirings and leavings includes movements from/to the external market. The total number of head count as of December 31, 2009 has also been influenced by consolidation and deconsolidation of some Group entities.

** If retirement is triggered due to a restructuring, then the case is reported under restructuring rather than retirement.

Turnover*

Turnover rate	2009	2008
Total turnover rate	9%	11.8%

Turnover rate by gender (✱):	2009
Male	9.55%
Female	8.43%

Turnover rate by age (✱):	2009
up to 30 years	14.38%
31-40 years	6.06%
41-50 years	4.08%
over 50 years	14.45%

* (head count leaving employment during 2009) / (head count at the beginning of period)

Appendix - Our People

Diversity

Percentage of employees by contract type and gender, 2007-2009

Gender	2009		2008		2007	
	part-time	full-time	part-time	full-time	part-time	full-time
Male	8.04%	44.75%	8.61%	45.05%	8.14%	47.04%
Female	91.96%	55.25%	91.39%	54.95%	91.86%	52.96%
Total	100%	100%	100%	100%	100%	100%

Percentage of employees by educational level and gender, 2009 (↔)

Gender	Advanced degree	Bachelor's degree	High school diploma	Others
Male	32.21%	41.49%	43.60%	46.27%
Female	67.79%	58.51%	56.40%	53.73%
Total	100.00%	100.00%	100.00%	100.00%

Number and percentage of employees promoted to higher contractual job grade by gender and country, 2009*

Country	Number		Percentage	
	male	female	male	female
Italy	2,247	2,020	52.66%	47.34%
Germany	229	71	76.33%	23.67%
Austria	95	42	69.34%	30.66%
Poland	148	390	27.51%	72.49%
Bulgaria	19	66	22.35%	77.65%
Croatia	76	237	24.28%	75.72%
Czech Rep.	8	15	34.78%	65.22%
Hungary	35	104	25.18%	74.82%
Romania	79	266	22.90%	77.10%
Russia	149	259	36.52%	63.48%
Others	1,275	1,848	40.83%	59.17%
Total	4,360	5,318	45.05%	54.95%

*Data cover the 98.3 percent of head count.

Training and development

Number of training hours by employment tier and type of training, 2009*

Employment tier	Managerial training	Technical training	Foreign language training
Senior management – executive & middle management	122,646	355,586	69,994
Staff	183,246	2,209,968	277,361
Total	305,892	2,565,554	347,355

* Data covers the 61 percent of the employee head count. Training hours include e-learning, classroom and do not include training on the job.

Number of Italian employees trained* by type of compulsory training, 2009

Type of compulsory training	Number of employees trained
Training on Anti Corruption (Legislative decree 231/01)	7,755
Anti Money Laundering training	33,427
MiFID training	2,277

* Only online courses have been included.

Learning, training and development initiatives

Pioneer Investments

The Pioneer Investments *Customer Academy* is a three-day leadership and development initiative. Incorporating experiences and best practices, the program aims to strengthen Pioneer Investments' capacity to meet the needs of internal and external customers and foster a culture of customer centricity and innovation, based upon the following four key areas:

- Customer knowledge – markets trends, competition, client research, etc.
- Company knowledge – processes, operating mechanisms, KPIs, etc.
- Business improvement and innovation – product and service knowledge, financials and economics
- Customer centricity – leadership and professional skills required to lead a customer-centric organization

The program is tailored to Pioneer's professional and business priorities, as well as to the knowledge and skill levels of participating colleagues.

In 2009, the *Customer Academy* was rolled out within the Sales & Distribution division (S&D). Its kick off involved 23 senior managers from Pioneer's three sales channels – Wholesale, Institutional and Retail.

The result of this three-day initiative included the design of an agreement to the next steps of the *Customer Academy* for the S&D division, in addition to the identification of two business/organizational projects to be launched in 2010.

Retail Network

The *I Am a Customer* initiative aims to increase Groupwide customer satisfaction through specific courses aimed at enhancing customer care and portfolio management skills, while enhancing customer centricity within UniCredit Group.

Among other activities, the initiative established a specific course and a specialized consulting firm for colleagues close to retirement. These measures endeavor to teach our colleagues how to handle the stress of transitioning to a new lifestyle by addressing the psychological dimension of retirement. Roughly 150 colleagues voluntarily participated in this initiative and were very satisfied with the results.

Appendix - Our People

Compensation for members of the highest governance body

Compensation for the CEO and Deputy CEOs is defined within a rigorous governance process.

UniCredit Group's compensation approach is performance-oriented, market-aware and aligned with business strategy and stakeholder interests. To ensure the competitiveness and effectiveness of remuneration as well as transparency and internal equity, the principles of sustainable conduct and performance define the key pillars of our Group Compensation Policy.

The overall compensation policy framework is designed to assure the consistency of the remuneration elements and systems while conforming to prudent risk management and long-term strategies. The framework provides a balance between the fixed and variable components of remuneration, including mechanisms for the deferred payment of a consistent part of performance bonuses, subject to performance conditions. Risk-weighted systems and mechanisms are in place to govern variable compensation and are designed to assure that compensation remains linked to actual sustainable results.

Over the year, the Remuneration Committee analyzes and monitors overall compensation trends in the market in order to make informed decisions on our compensation approach. With reference to the Group's executives, an independent external advisor contributes to the definition of a peer group, against which a compensation benchmarking analysis is performed. This peer group is ultimately defined by the Remuneration Committee, taking into consideration our chief European and international competitors in terms of market capitalization, total assets, business scope and dimension. On the basis of regular benchmarking, we aim to adopt a competitive range of compensation levels, pay-mix and total reward structures for effective retention and motivation of our critical resources.

On an annual basis, the Group Compensation Policy, as proposed by the Remuneration Committee, is submitted to the Board of Directors for approval. The policy is then presented to the shareholders at the Annual General Meeting for approval, in line with regulatory requirements.

A relevant part of the compensation is directly linked to performance results in order to strengthen the alignment of interests between shareholders and management and to ensure the link between compensation and shareholder satisfaction.

The proportion of fixed compensation within the overall package is calculated to reduce the chance of excessively risk-oriented behaviors, and discourage initiatives that focus on short-term results to the detriment of mid- and long-term business sustainability and value creation, while allowing a flexible approach to bonuses.

Moreover, in order to balance short- and long-term performance, the Board of Directors annually reviews the criteria and features of annual incentive programs and of long-term incentive plans, ensuring balanced opportunities for rewards linked to the two approaches.

The annual Group Executive Incentive System provides for the definition of bonus opportunities at the end of each performance year evaluated on the basis of achieved results with regards to sustainable Group profitability and other performance objectives. A Group Sustainable Profit Condition (Group Gate) applies to bonus opportunities for Group executives, establishing a strong, direct link between Groupwide, risk-adjusted, cost-of-capital-adjusted profitability and reward levels. A full bonus opportunity will be confirmed only once the Group Gate is satisfied. At the same time, profitability and sustainability results that fall below established thresholds will reduce the bonus base level, which is then used to calculate the actual bonus payout on the basis of an overall performance assessment.

A multi-perspective Performance Screen assessment defines performance objectives based on business-specific operational and sustainability drivers. The maximum bonus is capped, and performance is evaluated based on both absolute internal goals and relative external goals that make use of peer comparisons and risk-adjusted indicators.

As appropriate, such indicators as Economic Profit and Risk Weighted Assets are employed to reward returns without exceeding the Group's strategic risk appetite. The Performance Screen assessment results in a payout range that appropriately rewards top performers.

In order to align incentives with long-term company results, a significant portion of the payout is deferred and disbursed over time. The deferral mechanism is calculated to incentivize continuous performance improvement without inducing excessive risk-taking or short-term focus. While serving as an effective retention tool, deferral also promotes equilibrium in the pay-mix structure by assuring that annual incentives are consistent with long-term performance sustainability.

Equity-based long-term incentives (LTIs) are a pillar of our compensation policy, aligning managerial and shareholder interests. Since 2004, UniCredit Group equity plans have included a balanced mix of stock options and performance shares that reward share price appreciation and company performance. In the transitional year of 2009, the Board of Directors approved a cash-based LTIs dependent on forward-looking multi-year indicators and focused on retention of mission-critical resources and key talents.

In 2010, the Board of Directors has deliberated on a proposal to submit for approval at the Annual General Meeting to bring back an equity-based, long-term incentive. The recent regulatory consensus on the effectiveness of equity incentives, when appropriately aligned with risk-related time horizons, further strengthens the case for this practice. The proposed plan for 2010 is consistent with previous plans while reinforcing alignment with shareholder interests through key design features.

Performance stock options and performance shares with an appropriate vesting period serve as equity vehicles to maximize the alignment of management and shareholder interests. Subject to performance metrics, performance stock options assigned in 2010 will vest in 2014 and expire in 2020, while the actual granting of performance shares promised in 2010 will be made in 2014. A cliff vesting approach is adopted in line with previous practice.

To further reinforce alignment of rewards with long-term company performance, performance conditions apply not only to performance shares (as in previous Group plans) but also to the vesting of stock options. Performance conditions are verified over a three-year period and include both Total Shareholder Return (TSR) and Economic Profit. TSR has also been employed in previous plans. On the basis of achievement, equity incentives actually allocated may range from 0 to 150 percent of target payouts. Company performance below threshold will result in zero payout, while outstanding Group performance will lead to a maximum payout capped at 150 percent.

Both the CEO and deputy CEOs have open-ended employment contracts regulated within the general framework of the National Labor Agreement for Italian Banking Executives, providing for different notice periods depending on the circumstances leading to termination. Such contracts do not contain *change of control* clauses.

Appendix - Our People

Welfare & work-life balance²

Structure of retirement plans offered to employees

Our colleagues enjoy welfare, healthcare and work-life balance benefits that supplement social security plans and minimum contractual requirements. These benefits are intended to provide substantial guarantees for the well-being of staff and their family members during their active careers as well as in retirement.

Always respecting the different backgrounds and legal frameworks that exist in the many countries in which UniCredit Group is present, our common belief is that offering all employees the opportunity to invest a percentage of salary in a pension fund that complements the national welfare system represents an important additional benefit, contributing to quality of life and well-being.

Thus, many Group entities offer such an option to their employees. Most of these plans involve defined contribution funds, but, in certain cases, defined benefit plans may still be in place (though closed to new employees). In this case, the pension plans may or may not include separate funds; most of them do not. As of 2009, the plans' liabilities – estimated on an actuarial basis pursuant to international accounting standards – appear to be adequately covered. This is based on an increase of the discounting back rate derived from estimates of economic variables. For further details, please see the 2009 Consolidated Reports and Accounts.

Types of retirement plans offered to employees, 2009

Country	Principal types of retirement plans offered to employees
Italy*	<p>Defined benefit plans and defined contribution plans are in place.</p> <p>With reference to Italy, in 2009, in order to pursue the best balance of yields, costs and risks associated with complementary pension plans, UniCredit Group executed collective labor agreements providing that Italian employees who are presently members of three given specific pension funds will all enter the Fondo pensione per il personale delle aziende del Gruppo UniCredito Italiano (i.e., the so-called UniCredit Group Pension Funds) by 2010–2011. Such agreements, which may be followed by others in 2010, aim to enable the affected employees (about 11,500) to profit from the greater assets and economies of scale available at the UniCredit Group Pension Fund. This is the only pension fund, of the 19 that involved the staff of the UniCredit Group Italian legal entities at the end of 2009, that can now be joined by new employees or those who are not currently members of any other plan.</p>
Germany	<p>Defined benefit plans and defined contribution plans are in place.</p> <p>Defined benefit plans: there are a variety of different plans in place because of the history of the company. The main distinguishing feature is that some plans are final pay plans (a certain percentage of the last monthly gross salary is the pension payment), and some are career average plans (a percentage of the annual gross salary is converted into a fix pension amount). All of these plans are closed to new entries.</p> <p>Defined contribution plans: there are two career average plans. One is closed to new entries; the other is the only plan open to new entries. A certain percentage of monthly gross salary is converted into a fixed pension payment. In case of a surplus from asset management, employees may receive additional credits to their individual pension accounts. But there is no guarantee of this.</p> <p>The defined benefit plans are nearly fully funded via the Contractual Trust Arrangement (Germany) or via Pension Funds (overseas) as of December 31, 2009.</p>
Austria	Defined contribution plans
Bulgaria	No plans
Croatia	No plans
Czech Rep.	<p>Defined benefit plans</p> <p>The plans are funded by the organization's general resources.</p>
Hungary	No plans
Romania	No plans
Russia	Defined contribution plans

* The Italian perimeter does not cover Fineco Prestiti S.p.A., Quercia Funding S.r.l., UniCredit BpC Mortgage S.r.l., UniCredit Merchant S.p.A., Localmind S.p.A., UniCredit Credit Management Immobiliare S.p.A..

Welfare System, 2009

Country	National mandatory welfare system	Voluntary company welfare system	Percentage of employees participating in the voluntary company system
Italy*	Yes	Yes	95%
Germany	Yes	Yes	100%
Austria	Yes	Yes	Not available
Bulgaria	Yes	No	Not applicable
Croatia	Yes	Yes	100%
Czech Rep.	Yes	Yes	60%
Hungary	Yes	Yes	50%
Romania	Yes	No	Not applicable
Russia	Yes	Yes	21%

* The Italian perimeter does not cover Fineco Prestiti S.p.A., Quercia Funding S.r.l., UniCredit BpC Mortgage S.r.l., UniCredit Merchant S.p.A., Localmind S.p.A., UniCredit Credit Management Immobiliare S.p.A..

Contribution by employee and/or employer to the voluntary company system, 2009

Country	Contribution from the employer	Contribution from the employee
Italy*	2% or 3%	Min. 2%
Germany	2.5% - 10% of monthly or yearly gross salary	1.25% - 2.5%
Austria**	Contribution varies according to legal entity: -UniCredit Bank Austria AG, 2.7% or more -Schoellerbank Aktiengesellschaft AG, 2.7% or more -UniCredit Leasing GmbH, 1% - 1.5% -BA-CA Administration Services GmbH, 2.7% or more -Wave Solutions Information Technology GmbH, 2.7%	The agreement between the pension fund and the employee is made on an individual basis
Croatia	100%	0%
Czech Rep.***	Max. 24,000 CZK per year (approximately 900€)	Not specifically required; tax optimal maximum is 17,500 CZK (approximately 680€) per year
Hungary	0%	6%
Russia	7% of employees monthly gross salary	7% of employees monthly gross salary

* The reported contribution percentages refer to the second section of the Fondo Pensione per il personale delle Aziende del Gruppo UniCredito Italiano, the pension fund currently opens to new participants.

The participation percentage for this fund is 27 percent.

The Italian perimeter does not cover Fineco Prestiti S.p.A., Quercia Funding S.r.l., UniCredit BpC Mortgage S.r.l., UniCredit Merchant S.p.A., Localmind S.p.A., UniCredit Credit Management Immobiliare S.p.A.

** The systems are graded (with roughly 10 systems currently in use), and are annually adjusted to reflect collective bargaining salary increases, therefore they vary.

*** Every employee has the option to join a voluntary pension insurance program. The employee signs a contract with an insurance company, choosing a policy independently. We are only privy to the amount the employee requests to be contributed by the bank.

Highlights of initiatives in healthcare & work-life balance

Additional benefits are available to support colleagues and their families at different stages of their lives, ranging from childcare services, general health checkups, lunch plans and company dining facilities to special terms and conditions for a variety of banking products. Such benefits may vary substantially from country to country and are tailored to local market practices as well as to the applicable social and regulatory framework.

In managing their healthcare expenses, most UniCredit Group employees are supported by a variety of insurance policies, health funds and other benefits (e.g., prevention initiatives, special arrangements for medical costs, a benefits platform enabling employees to select plans best suited to their needs).

Appendix - Our People

Some sample initiatives include:

- health insurance fund or access to health insurance as part of the benefit package
- social counseling services
- dedicated club, or access to club for sports and wellness, for employees
- company canteens
- seminars and informational meetings
- access to health screenings
- work-life balance initiatives

Distinctive initiatives were promoted in Germany, where for example has been created a platform called *Powerful with Drive*, dedicated to health management.

In June 2009, HVB received the Work & Family Audit certificate from Economics Minister Karl-Theodor zu Guttenberg in Berlin, which acknowledges innovative approaches to family-related issues at work.

In November 2009, Bank Austria received the Work & Family Audit certificate from Austria's Federal Ministry of Economy, as well as the BGF (Workplace Health Promotion) seal of quality. The bank defined a detailed three-year plan to move forward with a sustainable family policy.

In Austria the health project *Fit for Your Health* was another success story in 2009, promoting several checkups (stress-resistance, biofeedback, muscle function) and offering support on such topics as how to quit smoking.

Programs to support employees with long-term illnesses, which include reintegrating them into their jobs or developing special funds to pay for expensive and/or prolonged treatment, are ongoing in Germany, Bulgaria and Romania.

Transition assistance programs to support employee who are retiring or are being terminated, 2009

Countries where programmes are available	Pre-retirement planning for intended retirees	Retraining for those who intend to continue working	Severance pay	Job placement services	Assistance with the transition to a non-working life (training, counselling, etc.)
Italy	No	No	Yes (as required by law)	Yes (only for executives)	No
Germany	Yes	Yes	Yes	Yes	Yes
Austria	Yes	Yes	Yes	Yes	Yes*
Czech Rep	No	Yes	Yes	Yes	No

* Assistance initiatives are implemented in case of reorganization.

² In some cases data refers to a partial subset of Group entities:

- Germany - Bayerische Hypo-und Vereinsbank AG. Please note that during 2009 Bayerische Hypo-und Vereinsbank AG (HVB AG) changed its company name in UniCredit Bank AG.
- Austria - UniCredit Bank Austria AG
- Bulgaria - UniCredit Bulbank AD, UniCredit Factoring AD, HypoVereins Immobilien EOOD
- Croatia - Zagrebačka banka d.d.
- Czech Republic - UniCredit Bank Czech Republic a.s.
- Romania - Pioneer Asset Management S.A.I.S.A., UniCredit Consumer Financing IFN SA, UniCredit Tiriac Bank S.A.
- Russia: ZAO UniCredit Bank

In some other cases the perimeter does not cover some of the Group entities:

- Italy - the perimeter does not cover: Aspra Finance S.p.A., Breakeven S.r.l., Entasi S.r.l., Eurofinance 2000 S.r.l., Trevi Finance 2 S.p.A., Trevi Finance 3 S.r.l., Trevi Finance S.p.A.
- Hungary - the perimeter does not cover Europa Facility Management Ltd (Ungar.: Europa Ingatlanüzemeltetési Kft.) and Sas-Real KFT

Industrial Relations³

Distribution of collective bargaining agreements, unionization and meetings with employee representatives

Percentage of employees covered by collective bargaining agreements, 2007-2009

Country	2009	2008	2007
Italy	Sector and national agreement / 100%	Sector and national agreement / 100%	Sector and national agreement / 100%
Germany	Sector / 57%	Sector / 58%	Sector / 60%
Austria	Sector / 100%	Sector / 100%	Sector / 100%
Bulgaria	Company / 100 %	Company / 100%	Company / 100%
Croatia	Company / 100%	Company / 100%*	Company / 100%*
Czech Rep.	Sector and national agreement / 100%	Sector and national agreement / 100%	Sector and national agreement / 100%
Hungary**	Not applicable	Not applicable	Not applicable
Romania***	Company / 100%	National / 100%	National / 100%
Russia	National / 100%	National / 100%	National / 100%

* Data includes all managers. In fact certain provisions of the collective bargaining agreement also apply to them, but only in parts that are not included in the managerial contracts.

** National collective bargaining agreement does not exist.

*** In 2009, the first Collective Labor Agreement was made after negotiations between management and Union representatives. The Collective Labor Agreement applies to all employees of UniCredit Tiriac Bank, regardless of whether or not they are affiliated with the Union.

Percentage of unionized personnel, 2007-2009*

Country	2009	2008	2007
Italy	74.3%	73.7%	71.3%**
Germany***	Estimated 10% - 16%	Estimated 10% - 16%	Estimated 10% - 16%
Austria	Estimated 52%	Estimated 52%	Estimated 54%
Bulgaria	46%	33%	29%
Croatia	40.9%	41.5%	43.3%
Czech Rep.	Estimated 12%	Estimated 12%	Estimated 12%
Hungary****	Not available	Not available	Not available
Romania*****	17%	Not applicable	Not applicable
Russia	33%	26%	31%

* Local laws and collective agreements govern the specific terms and conditions defining employee rights to exercise freedom of association or collective bargaining. Even while every country has its own social, cultural and political background, the position of UniCredit Group is, while respecting specific, local conditions, to remain fully committed to recognizing and supporting the role of social dialogue. Employee Representatives: according to the different industrial relations systems based on specific national labor laws and on the level of representation (national, local), workers may be represented by trade unions, works councils or other representatives.

** Data on Italy for 2007 does not include Capitalia Group.

*** Germany does not have any data for employee membership in or association with trade unions because of domestic data protection laws; according to information provided by the German Banking Association, they estimate that about 10%-16% of their employees are members of a trade union.

**** Data is not available because of Hungarian data protection law.

***** Data refers only to UniCredit Tiriac Bank S.A. and no union was legally constituted before 2009.

³ In some cases data refers to a partial subset of Group entities:

- Germany - Bayerische Hypo-und Vereinsbank AG. Please note that during 2009 Bayerische Hypo-und Vereinsbank AG (HVB AG) changed its company name in UniCredit Bank AG.
- Austria - UniCredit Bank Austria AG
- Bulgaria - UniCredit Bulbank AD, UniCredit Factoring AD, HypoVereins Immobilien EOOD
- Croatia - Zagrebačka banka d.d.
- Czech Republic - UniCredit Bank Czech Republic a.s.
- Romania - Pioneer Asset Management S.A.I.S.A., UniCredit Consumer Financing IFN SA, UniCredit Tiriac Bank S.A.
- Russia: ZAO UniCredit Bank

In some other cases the perimeter does not cover some of the Group entities:

- Italy - the perimeter does not cover: Aspra Finance S.p.A., Breakeven S.r.l., Entasi S.r.l., Eurofinance 2000 S.r.l., Trevi Finance 2 S.p.A., Trevi Finance 3 S.r.l., Trevi Finance S.p.A.
- Hungary - the perimeter does not cover Europa Facility Management Ltd (Ungar.: Europa Ingatlanüzemeltetési Kft.) and Sas-Real KFT

Appendix - Our People

Number of meetings between company and employee representatives in 2009*

Country	2009
Italy	approximately 800
Germany	approximately 350
Austria	63
Bulgaria	10
Croatia	25
Czech Rep.	26
Hungary	15
Romania**	6
Russia	1
Total	1,296

* Employee Representatives: according to the different industrial relations systems based on specific national labor laws and on the level of representation (national and local), workers may be represented by trade unions, works councils or other representatives. Therefore, the number of meetings varied depending on the different industrial relations norms and laws.

** Meetings between company and employees representatives all took place starting from September 1, 2009 when the negotiations for the Collective Labour Agreement began.

Notice period typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them

Country	Legal number of months / weeks / days notice	Notice period specified in a collective bargaining agreement	Notes
Italy	25 days	Yes	The Italian labor law states that unions must be informed and consulted 25 days before any change becomes effective. The National Collective Bargaining Agreement of the credit sector provides for different notification and consultation procedures that may vary from 15 to 50 days, depending on the nature of the changes undertaken.
Germany		No	National regulations do not specify the number of weeks notice typically provided for consulting employee representatives. The information must be provided to the Works Council before any decision is made by management so that substantial negotiations about the implementation of measures are possible. Employers and the Works Council have to reconcile their interests, and major alterations may not begin unless this reconciliation of interests is achieved or at least unsuccessfully attempted.
Austria		No	The information must be provided to the Works Council before the decision is made by management so that substantial negotiations about the implementation on the measures are possible. Austrian legislation does not state any specific timeframe for this issue.
Bulgaria	45 days	No	Bulgarian labor law stipulates: «right to information upon Collective Dismissal: when an employer is contemplating collective dismissals, said employer shall be obliged to begin consultations with the trade union organizations' representatives and with the factory and office workers' representatives in good time but not later than 45 days before the said dismissal are to take effect, and to make efforts to reach an agreement with said representatives so as to avoid collective dismissals or reduce the number of workers affected and to mitigate the consequences of the said dismissals».
Croatia	8 days	Yes	Further details described in company labor rules.
Czech Rep.	3 months	No	Every major operational change must be discussed with the Trade Union and communicated to employees. The time provided before the change is implemented is typically two weeks. In the Collective Agreement, there is no specification for the timing or nature of changes. The official notice period given by Labor Code is three months starting from the first day of the month following the month when changes are communicated.
Hungary	30 days	No	Usually the notice period is 30 days. The Works Council must be informed by the company and has 15 days in which it can give its comments. After these 15 days, changes may be implemented.
Romania		Yes	No specific notice period; employees must be informed in time, before any major change is made within the organization.
Russia	2 months	No	The legal requirement is a minimum of two months' notice. This requirement does not need to be specified in collective agreements, since it is in any case an obligation.

Health and safety⁴

Health and safety management

Due to local laws, health and safety topics are addressed in different ways throughout the Group.

In some cases, laws provide for dedicated and formal joint management-worker health and safety committees to be set up. In other cases, additional local labor policies are clearly defined to guarantee safe and healthy working conditions.

Formal joint management-worker health and safety committees, 2009

Country	Formal joint management-worker health & safety committees	Percentage of employees represented in a formal joint management-worker health & safety committee	Level of committee operation: Group Entity/ Region/ Group
Italy	No	Not applicable	Not applicable
Germany	Yes	All non-managerial employees	HVB Subgroup
Austria	Yes	100%	Group entity
Bulgaria	Yes	100%	Group entity
Croatia	Yes	100%	Group entity
Czech Rep.	No	Not applicable	Not applicable
Hungary	No	Not applicable	Not applicable
Romania	Yes	100%	Group entity
Russia	No	Not applicable	Not applicable

Formal agreements with Trade Unions on health and safety issues, 2009

Country	Formal agreements with trade unions on health & safety issues	Description of topics covered
Italy	Yes	Provisions about the election process of the so-called RSL (Employee Representatives for Safety) and their activities; Trainings; Regulations related to workplace access
Germany	No	Not applicable
Austria	No	Not applicable
Bulgaria	Yes	Part of Collective Agreement
Croatia	Yes	Complete health and safety issues
Czech Rep.	No	Not applicable
Hungary	No	Not applicable
Romania	Yes	The evaluation of the occupational accidents; taking Measures to prevent work accidents; attention to creating a proper working environment for employees in special risk categories; prevention measures to be taken against the new H1N1 virus
Russia	No	Not applicable

⁴ In some cases data refers to a partial subset of Group entities:

- Germany - Bayerische Hypo-und Vereinsbank AG. Please note that during 2009 Bayerische Hypo-und Vereinsbank AG (HVB AG) changed its company name in UniCredit Bank AG.
- Austria - UniCredit Bank Austria AG
- Bulgaria - UniCredit Bulbank AD, UniCredit Factoring AD, HypoVereins Immobilien EOOD
- Croatia - Zagrebačka banka d.d.
- Czech Republic - UniCredit Bank Czech Republic a.s.
- Romania - Pioneer Asset Management S.A.I.S.A., UniCredit Consumer Financing IFN SA, UniCredit Tiriak Bank S.A.
- Russia: ZAO UniCredit Bank

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- Hungary - the perimeter does not cover Europa Facility Management Ltd (Ungar.: Europa Ingatlanüzemeltetési Kft.) and Sas-Real KFT

Appendix - Our People

Workplace injuries

Number of workplace injuries (not including commuter travel-related incidents), 2007-2009

Country	2009	2008	2007
Italy	224*	299	320**
Germany	104	106	105
Austria	9	4	4
Bulgaria	1	0	0
Croatia	6	6	13
Czech Rep.	5	4	3
Hungary	5	5	4
Romania	0	0	0
Russia	1	2	1
Total	355	426	450

* The Italian perimeter includes Aspra Finance S.p.A. and does not include: IRFIS Mediocredito della Sicilia S.p.A., Quercia Funding S.r.l., Sofipa SGR S.p.A., UniCredit BpC Mortgage S.r.l., UniCredit Merchant S.p.A., Localmind S.p.A., UniCredit Credit Management Immobiliare S.p.A. and UniCredit Real Estate Advisory S.r.l..

** Data on Italy for 2007 excludes Capitalia Group.

Number of workplace injuries while commuting, 2007-2009

Country	2009	2008	2007
Italy	662*	676	645**
Germany	170	184	167
Austria	8	9	6
Bulgaria	2	3	1
Croatia	21	32	30
Czech Rep.***	Not available	Not available	Not available
Hungary	2	5	6
Romania	0	0	0
Russia	1	0	0
Total	866	909	855

* The Italian perimeter includes Aspra Finance S.p.A. and does not include: IRFIS Mediocredito della Sicilia S.p.A., Quercia Funding Srl, Sofipa SGR S.p.A., UniCredit BpC Mortgage S.r.l., UniCredit Merchant S.p.A., Localmind S.p.A., UniCredit Credit Management Immobiliare S.p.A. and UniCredit Real Estate Advisory S.r.l..

** Data on Italy for 2007 excludes Capitalia Group.

*** According to Czech Rep. labor law, commuter travel-related incidents are not tracked.

Disputes concerning labor and welfare issues

According to the internal regulations and practices of each Group entity, and in compliance with the different social, labor and legal systems of the countries in which UniCredit Group is present, company obligations related to disputes may vary.

Number of disputes concerning labor issues

Country	Type of dispute	Opened prior 2009	Opened during 2009	Closed during 2009	Still open as of 12/31/2009
Italy*	Claims deriving from disciplinary files	224	52	52	224
	Other nature / individual claims	899	189	499	589
	Other nature / collective disputes	75	60	29	106
Germany	Other nature / individual claims	17	36	31	22
Austria	Other nature / individual claims	6	5	3	8
Bulgaria	Claims deriving from disciplinary files	2	5	0	7
	Other nature / individual claims	1	55	29	27
Croatia	Claims deriving from disciplinary files	12	0	2	10
	Other nature / individual claims	18	0	5	13
Romania	Claims deriving from disciplinary files	8	0	0	8
	Other nature / individual claims	1	0	0	1
	Other nature / collective disputes	1	0	0	1
Total		1,264	402	650	1,016

* The Italian perimeter includes: Retail Division, UniCredit Corporate Banking, UGIS, Private Banking Division, UniCredit Bank AG, MCC, UniCredit Business Partner, UniCredit Real Estate, i-Faber, UniCredit Management Bank, UniCredit Holding, FinecoBank.

Number of disputes concerning welfare issues

Country	Type of dispute	Opened prior 2009	Opened during 2009	Closed during 2009	Still open as of 12/31/2009
Italy*	Claims deriving from Social Security Institution	7	0	2	5
	Claims deriving against Social Security Institution	10	0	7	3
	Claims against the company regarding welfare issues / individual claims	134	35	40	129
	Claims against the company regarding welfare issues / collective claims	17	48	3	62
Germany	Claims deriving against Social Security Institution	1	0	0	1
Czech Rep	Claims against the company regarding welfare issues / individual claims	0	1	1	0
Total		169	84	53	200

* The Italian perimeter includes: Retail Division, UniCredit Corporate Banking, UGIS, Private Banking Division, UniCredit Bank AG, MCC, UniCredit Business Partner, UniCredit Real Estate, i-Faber, UniCredit Management Bank, UniCredit Holding, FinecoBank.

Number of disputes concerning administrative bodies

Country	Opened prior 2009	Still open as of 12/31/2009
Italy	3	3

Appendix - Our Customers

Customers distribution

The table below represents the customers distribution with reference to the scope of the report: Italy, Germany, Austria, Bulgaria, Croatia, Czech Republic, Hungary, Romania and Russia.

Please note that for every country you will find disclosed the Group entities reported.

Number of customers by Division and country as of December 31, 2009

Division / country	Number
Retail Division	12,140,504
Italy (UniCredit Banca S.p.A., UniCredit Banca di Roma S.p.A., Banco di Sicilia S.p.A.)	7,957,712
Germany (HVB AG ¹)	2,485,493
Austria (UniCredit Bank Austria AG)	1,697,299
Corporate Division	198,147
Italy (UniCredit Corporate Banking S.p.A.)	93,419
Germany (HVB AG)	76,899
Austria (UniCredit Bank Austria AG)	27,829
Private Division	168,700
Italy (UniCredit Private Banking S.p.A.)	103,615
Germany (HVB AG)	38,563
Austria (Schollerbank)	26,522
Asset Gathering	1,406,494
Italy (FinecoBank S.p.A.)	878,502
Germany (DAB Bank AG)	471,277
Austria (Direktanlage.at AG)	56,715
CEE - Retail	4,344,444
Russia (ZAO UniCredit Bank)	712,910
Croatia (Zagrebačka banka DD)	1,489,236
Bulgaria (UniCredit Bulbank AD)	1,089,305
Hungary (UniCredit Bank Hungary ZRT)	329,701
Romania (UniCredit Tiriak Bank S.A.)	502,804
Czech Republic (UniCredit Bank Czech Republic A.S.)	220,488
CEE - Corporate	47,051
Russia (ZAO UniCredit Bank)	4,960
Croatia (Zagrebačka banka DD)	9,615
Bulgaria (UniCredit Bulbank AD)	9,006
Hungary (UniCredit Bank Hungary ZRT)	7,455
Romania (UniCredit Tiriak Bank S.A.)	7,283
Czech Republic (UniCredit Bank Czech Republic A.S.)	8,732
Total	18,305,340

¹ Please note that during 2009 Bayerische Hypo-und Vereinsbank AG (HVB AG) changed its company name in UniCredit Bank AG.

Responsible lending

Retail Division number and percentage of branches in low-populated or economically disadvantaged areas, 2009*

Country	Number of branches	Percentage of total branches
Italy	803	17%
Germany	37	6%
Bulgaria	229	100%
Croatia**	26	19%
Czech Republic	34	59%
Hungary	59	44%
Romania	229	100%
Russia***	51	53%

* To identify the low-populated or economically disadvantaged areas in EU countries, we referred to the EU classifications for its cohesion policy, 2007-2013. Based on this classification, there are no low-populated or economically disadvantaged areas in Austria.

** For Croatia, we referred to the Regional Competitiveness Operational Programme, 2007-2009 of the Republic of Croatia.

*** For Russia, we referred to the Social Map of Russian Regions provided by the Russian Independent Institute for Social Policy.

Socially responsible investments

Social responsibility is a part of Pioneer Investments' corporate culture, which is founded on the values, behaviors and objectives we strive for every day.

Pioneer Investments' mission is to create sustainable value for our stakeholders, and we believe that responsible investing and good corporate practice will help build trust and confidence in the markets.

Enhancing transparency, accountability and disclosure is something we have always strongly promoted throughout our organization. Because we are fully aware of the important role we play as asset managers in safeguarding people's wealth over the long term, we also promote initiatives to manage social and environmental risks and have enriched our product offerings with investment solutions designed to take ethical and sustainable criteria into consideration.

At present, Pioneer Investments has no formal policies of intent regarding social or environmental issues, beyond those of promoting the best interests of our clients. In the meantime, we consider it important to participate in general meetings to support our company's strategy and to vote in favor of management proposals that contribute to the definition of portfolio value. Pioneer Investments' participation in these meetings is based on the Global Proxy Voting policy that aims to promote the best interests of our clients and to increase their portfolio value, considering both short- and long-term impacts.

To enable investors to balance the need to maximize returns with adherence to ethical or sustainable values, Pioneer Investments offers two main asset management products:

- the Global Ecology Equity Fund
- the Global Sustainable Equity Fund

Pioneer Investments also offers two local socially responsible investment products: a bond distribution fund, the Obbligazionario Euro Corporate Etico (Bond Euro Corporate Ethical Fund), and the PIA Ethik Funds in Austria.

Funds performance

Fund	1 year		3 years annualized	
	fund	bm	fund	bm
Pioneer Obbligazionario Euro Corporate Etico a distribuzione	16.1%	13.9%	2.7%	3.0%
Pioneer Funds - Global Ecology - A Class	20.8%	23.0%	-6.3%	-10.2%
Pioneer Funds - Global Sustainability Equity - E Class	26.3%	25.2%	-11.2%	-11.0%
Pioneer Funds Austria - Ethik Funds	13.7%	11.8%	1.2%	1.8%

Assets subject to positive and negative environmental or social screening

Fund	Asset under management (in millions of €) Dec. 31, 2009
Pioneer Obbligazionario Euro Corporate Etico a distribuzione	250
Pioneer Funds - Global Ecology - A Class	987
Pioneer Funds - Global Sustainability Equity - E Class	94
Pioneer Funds Austria - Ethik Funds	22.75
Total asset under management (including regular funds)	175,823

Appendix - Our Customers

Security

Retail Division number of robberies, 2007-2009*

Country	2009	2008	2007
Italy	218	359	641
Germany	3	1	3
Austria	11	16	15
Bulgaria	1	0	0
Croatia	0	0	0
Czech Rep.	0	0	2
Hungary	6	0	0
Romania	0	0	0
Russia	0	2	N/A
Total	239	378	661

* The large number of robberies at bank branches in Italy, in comparison with the relatively low frequency of such crimes in other European countries, appears directly attributable to a generally greater prevalence of this type of crime in Italy.

Retail Division number of thefts*, 2007-2009

Country	2009	2008	2007
Italy	37	58	58
Germany	4	0	0
Austria	0	0	0
Bulgaria	4	3	1
Croatia	9	2	2
Czech Rep.	0	0	0
Hungary	9	21	32
Romania	2	1	1
Russia	0	5	1
Total	65	90	95

* Includes thefts through ATMs

Awards

In Italy, at the 10th edition of the Mediastars contest, UniCredit Family Financing received an award for its *Interactive Agencies Project* and for its website's design.

In Germany, the magazine Focus Money identified HVB Wealth Management as the country's best private bank. Moreover, a EuroMoney survey reported UniCredit Group as the best overall private bank in Italy, Serbia and the eurozone portion of the CEE.

In 2009, HVB also received the Certified Quality Securities Account Award, and the Institut für Vermögensaufbau (Institute for Asset Management) again certified the HypoVereinsbank Wealth Management portfolios as offering an excellent risk-return ratio.

Bank Austria received the Global Finance Award both for best bank in Austria in 2009 and for best trade finance in Austria in 2010. Moreover, for the fifth consecutive year, the Elite Report named SchoellerBank as the best private bank in Austria.

In Bulgaria, the Group won the Project Finance Award for the best emerging Europe sustainability deal and the Achievement Award for the best sustainability deal.

In 2009, in Croatia, the Group received the following:

- the Banker Award for the best bank in Croatia
- the Euromoney Award for the best investment bank in Croatia
- the Euromoney Award for the best bank in cash management in Croatia
- Global Investor's award for the best bank in custody services
- the Golden Financial Stock of the Year Award for the performance of Zagrebačka banka

UniCredit Bank Hungary won the Superbrands 2009 and Business Superbrands 2009 awards, which recognized the bank's customer-oriented performance and efforts to achieve on a consistently high level in target segments.

In Russia, UniCredit Bank received:

- a JPMorgan Chase Award, in recognition of high quality of payment services in US dollars
- special recognition for its corporate social responsibility activities and the involvement of its employees in charity programs, as part of a contest organized by the Vedomosti daily and PricewaterhouseCoopers

Pioneer Investments was awarded the following honors:

- In Germany, it was designated 2009 Best Asset Manager by leading German business magazine Capital, in cooperation with Feri Rating and Steria Mummert Consulting, receiving a top rating of five stars.
- It was designated 2009 Italian Asset Manager of the Year for the seventh time at the eighth annual Financial News Awards for Excellence in Institutional Asset Management
- Pioneer Investments Austria received the 2010 Best Asset Manager, Fixed Income in Austria, at the first corporate fund awards event organized by Feri EuroRating.
- Pioneer Investments Russia was honored with the Company of the Year Award in the special category for Innovative Financial Product Launches, as judged by RosBusinessConsulting.

Appendix - Communities

The Italian Territorial Committees

Focus: developments relating to Territorial Committees projects described in the 2008 Sustainability Report¹

Alpine Arch

In February 2009, roughly 170 participants attended a conference held in Rovereto. As a result of relations fostered by the event's activities, an agreement was signed by Federlegno, Uncem and UniCredit Group to support economic development projects in the Alpine area. The project will be extended with a new subject focus, which will be defined in consideration of the priorities of the Alpine Arch area.

East Gate On Tour 2009

Following one conference in 2008, two more were held 2009 – one in Treviso and one in Reggio Emilia. Roughly 1,200 business leaders were involved in the plenary session and 600 took part in the roundtable meetings. Further conferences will involve additional Central and Eastern European countries and relevant market regions within Italy.

Pedemontana Lombarda

This project, which supports the development and modernization of the economies of the territories involved, was revised in 2009 with the decision to extend connections of the planned route. In addition to the Pedemontana Lombarda highway, it will include the Pedemontana Veneta, the Cispadana and the Quadrilatero, thus connecting them to nearby industrial zones. The project will include public events addressing issues related to the North Central territories and the publication of a report on the project's research results, which will provide the basis for a public forum involving Group representatives and local stakeholders.

Sicilia Convention Bureau

In December 2008, the Sicilia Convention Bureau Srl (wholly owned by UniCredit Group) was created with the objective of developing convention business and tourism in a region that holds enormous potential for growth. In 2009, the bureau's major operational elements were put in place, including a website launch, a conference of associated organizations and the start of regular operations. The Bureau's ongoing activities will continue to develop opportunities related to convention business and tourism in Sicily.

Socioeconomic Report on Southwestern Piedmont

Three conferences were held in 2009 – in Asti, Cuneo and Alessandria – involving around 150 participants. Research is under way to determine if the project should serve as a model for other territorial areas.

Transparent cooperation with international institutions

Relations with international organizations and supranational financial institutions: a focus on CEE

Along with other Group structures (mainly Institutional and International Relations and CEE Regional Unit), Regulatory Affairs took part in an initiative promoted by leading international banks operating in the CEE. During 2009, special attention was paid to relations with international organizations and financial institutions which played a pivotal role in supporting CEE economies suffering from the adverse impacts of the crisis. Bilateral meetings between senior management of the Group and multilateral institutions were organized. The Group participated in the *Joint IFI Action Plan - In support of banking systems and lending to the real economy in Central and Eastern Europe*, which was launched by the World Bank, the European Investment Bank and the European Bank for Reconstruction and Development on February 27, 2009. This initiative helped to quickly inject fresh liquidity at very favorable rates into the CEE market for the purpose of SME lending. Among all other European banking groups, we attracted most of these funds.

¹ For more details on these projects and their objectives, please see UniCredit Group's 2008 Sustainability Report.

Also in the CEE, the Group has continued its longtime cooperation with European supranational agencies that are committed to supporting economic growth and development in CEE countries.

Supranational funding to CEE countries by agency, 2009¹

(€ million)

Country	EIB Signed	EBRD Signed	CEB Signed	Others (IFC, kfW, NIB, EFSE, DEG, IBRD, FMO) Signed
Bulgaria	180	110	145	30
Croatia	100	160	0	60
Czech Rep.	270	0	0	0
Hungary	270	60	50	0
Romania	60	10	150	30
Russia	0	20	0	0
Kazakhstan	0	100	0	180
Serbia	70	65	0	60
Slovenia	90	20	0	0
Slovakia	200	25	0	0
Ukraine	0	115	0	0
Baltics	50	0	50	15
Bosnia	120	45	0	50
Turkey	290	0	0	0
Total	1,700	730	395	425

⁽¹⁾ Data covering Banks and Leasing segments - agreements signed in the last decade

EIB, European Investment Bank

EBRD, European Bank for Reconstruction and Development

CEB, Council of Europe Development Bank

IFC, International Finance Corporation

kfW, Kreditanstalt für Wiederaufbau (Reconstruction Credit Institute)

NIB, Nordic Investment Bank

EFSE, European Fund for Southeast Europe

DEG, Deutsche Investitions-und Entwicklungsgesellschaft m.b.H. (Association of European Development Finance Institutions)

IBRD, International Bank for Reconstruction and Development

FMO, Netherlands Development Finance Company

Appendix - Communities

Support to universities and economic research

Scholarships, fellowships and awards granted in 2009 by the UniCredit & Universities Foundation

COMPETITION	AMOUNT	TARGET AND OBJECTIVES	FEATURES
GIOVANNA CRIVELLI SCHOLARSHIPS	2 scholarships of € 25,000 each, plus academic fees	Talented young students of all nationalities who graduated from Italian universities in the fields of economics, banking or finance, who wish to continue their studies abroad in a doctorate program	The <i>Crivelli Scholarships</i> are granted for one year and can be renewed for a second year. At least one of the two scholarships must be assigned to a woman
UGO FOSCOLO EUROPE SCHOLARSHIP	1 scholarship of €25,000, plus academic fees	Talented young students of all nationalities who graduated from any university within the 22 countries where the Group is present, in the fields of economics, banking or finance, who wish to continue their studies anywhere in Europe, including EU countries in which the Group is not present, but excluding their own country, by enrolling in a doctorate program	The <i>Foscolo Europe Scholarship</i> is granted for one year and can be renewed for a second year. This pan-European scholarship enables selected scholars to attend top programs in economics that happen to be located outside the Group's area. These typically include the London School of Economics, University College London, Pompeu Fabra in Barcelona, the Graduate School of Economics in Toulouse, and the Stockholm School of Economics
LEOPOLD GRATZ SCHOLARSHIP	1 scholarship of €25,000	Students living in Austria who have graduated from an Austrian university and wish to enroll in a doctorate program at an Austrian university, with a special emphasis on scholars from the CEE region	This new scholarship, financed by Bank Austria's Leopold Gratz Foundation, is named in memory of the former mayor of Vienna
UGO FOSCOLO EUROPE FELLOWSHIP	1 fellowship of € 60,000	Talented young researchers who are citizens of any European country in which the Group operates, have completed an economics or finance PhD, are teaching or conducting research in any country globally other than their own, and intend to continue their research in any country in which the Group operates, including their own	The fellowship is granted for two years and may be renewed for an additional two-year period
UNICREDIT & UNIVERSITIES BEST PAPER AWARDS	2 grants of € 5,000 each	All UniCredit Group employees whose research may be of interest and value to the Group	By encouraging the research of talented individuals working for the Group, the award program is intended to foster the sharing of experience and knowledge. The best work will be presented to Group senior management

Unidea – UniCredit Foundation

Projects in Africa

Projects based in Africa are implemented in collaboration with the local public health system and are designed to utilize a holistic, multi-sectorial approach. Primary activities are intended both to strengthen basic healthcare services by training personnel, improving infrastructure and to expand access to healthcare by improving local social and economic conditions.

Benin: the *Tata Somba* project

Country: Benin

Region: Department of Atakora, District of Tanguiéta

Duration: January 1, 2005 - December 31, 2010

- The project's goal is to assist in the improvement of primary healthcare, in collaboration with local Ministry of Health and Regional Health Authority. Since 2005, the Unidea - UniCredit Foundation allocated 54% of the district's total budget.
- The project provides support to existing primary public facilities. It targets the inhabitants of Tanguiéta, Coby and Matéri in northwestern Benin, with an emphasis on women of childbearing age and children from infancy to five years of age.
- Results: following six years of solid results, the project will end in December 2010. The government of Benin has officially asked Unidea to replicate the program in another region of the country.

Unidea - UniCredit Foundation

- Established in March 2003
- Legal status: Foundation
- Governance: Board of Directors, President, Secretary General, Board of Auditors
- Personnel: 9 employees
- Areas of involvement: Europe (primarily Central and Eastern European countries) and sub-Saharan Africa

For further information on the Unidea - UniCredit Foundation's activities, please see the foundation's 2009 Annual Report or visit www.unicreditfoundation.org

Burkina Faso – *An Ka Here Sso* project

Country: Burkina Faso

Region: Hauts Bassins and Cascades

Duration: January 1, 2004 - December 31, 2010

- The An Ka Here Sso Project, implemented in partnership with ProgettoMondo.mlal, an NGO based in Verona, is an integrated health project designed to expand public primary services, accessibility to health centers and community participation. Since 2004, 2,248 health workers received a formal training, 485 health workers have been trained on the job and 16 basic health centers have been supported.
- The project targets the inhabitants of the regions of Hauts Bassins and Cascades, with an emphasis on the service areas of 16 specific health centers.
- Results: the project's strong record of achievement has resulted in several of its innovative activities being recognized by the government of Burkina Faso as best practices, which will thus be extended at the national level.

Other initiatives involving UniCredit Group Entities

- *Leasing For Benin*, with support from UniCredit Leasing, aims to improve the sanitary conditions in northern Benin by strengthening healthcare services and improving access to water resources.
- *A Si Jiwe*, with support from UniCredit Private Banking, works to improve healthcare facilities and medical supplies in southwestern Burkina Faso. It includes several auxiliary initiatives that promote the expansion of income-generating activities, literacy courses and health education.
- *Sahel Formation*, with support from UniCredit Banca, is designed to improve healthcare in the region of Gao in Mali by providing support to a local nursing school.
- *Gnion Tinkakperera*, with support from Cordusio Fiduciaria S.p.A., seeks to establish a drinking water well in the village of Tinkakperera, Burkina Faso.

Appendix - Environment¹

Scope 1: direct GHG emissions (tons CO₂ eq), 2008-2009*

Country	2009	2008
Italy	58,086	64,723
Germany	20,165	19,986
Austria	4,192	4,169
CEE	13,679	13,537
Total	96,122	102,415

* GHG emissions from sources owned or controlled by the Group. Data covers 85 percent of considered population (about 121,000 head count).

The table below reflects the use of a carbon emission factor 0 for renewable energy (96 percent of electricity in Italy in 2009 and 94 percent in 2008).

Scope 2: indirect energy GHG emissions (tons CO₂ eq), 2008-2009*

Country	2009	2008
Italy	10,692	14,484
Germany	111,557	109,824
Austria	32,200	33,623
CEE	62,429	56,933
Total	216,878	214,864

* GHG emissions from purchased electricity, steam and heating/cooling that is consumed in the Group owned or controlled equipment or operations. Data covers 92 percent of considered population (about 121,000 head count).

The table below reflects the use of a carbon emission factor for national grid.

Scope 2: indirect energy GHG emissions (tons CO₂ eq), 2008-2009*

Country	2009	2008
Italy	200,601	208,839
Germany	111,557	109,824
Austria	32,200	33,623
CEE	62,429	56,932
Total	406,787	409,218

* GHG emissions from purchased electricity, steam and heating/cooling that is consumed in the Group owned or controlled equipment or operations. Data covers 92 percent of considered population (about 121,000 head count).

Scope 3: other indirect GHG emissions (tons CO₂ eq), 2008-2009*

Country	2009	2008
Italy	8,511	9,863
Germany	2,304	2,171
Austria	2,078	1,914
CEE	1,829	2,044
Total	14,722	15,992

* GHG emissions from employee business travel and reductions from the use of recycled paper and recycling of paper, glass and plastic. Data covers 76 percent of considered population (about 121,000 head count).

Percentage of waste by disposal method, 2009*

Country	Valuable materials separated and recycled	Waste incinerated	Waste disposed in landfills	Special waste treatment
Italy	95.08%	2.21%	2.71%	0%
Germany	58.30%	41.60%	0%	0.10%
Austria	81.65%	18.23%	0.12%	0%
CEE	40.52%	0%	59.03%	0.45%

*Data covers 76 percent of considered population (about 121,000 head count).

Energy consumption per employee (GJ/capita), 2008-2009*

Country	2009	2008
Italy	40	40
Germany	54	52
Austria	53	52
CEE	29	27

* Data covers 92 percent of considered population (about 121,000 head count).

Water usage per employee (m³/capita), 2008-2009*

Country	2009	2008
Italy	34	34
Germany	17	16
Austria	32	35
CEE	18	17

* Data covers 88 percent of considered population (about 121,000 head count).

Groupwide, the majority of paper used is total chlorine-free (TCF) or at least elemental chlorine-free (ECF).

In 2009, in Italy and Germany 35 percent and 15 percent respectively of paper used was recycled.

Paper consumption per employee (Kg/capita) 2008-2009*

Country	2009	2008
Italy	74	76
Germany	45	45
Austria	110	103
CEE	76	76

* Data covers 89 percent of considered population (about 121,000 head count).

Waste production per employee (kg/capita), 2008-2009*

Country	2009	2008
Italy	121	114
Germany	331	457
Austria	230	230
CEE	110	112

* Data covers 76 percent of considered population (about 121,000 head count).

¹ Due to an improved data collection and calculation process, some figures may differ from data presented in the 2008 Sustainability Report.

The Central and Eastern Europe (CEE) countries reported in the 2009 Sustainability Report are: Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia and Slovenia.

Partnerships and affiliations

UniCredit Group has developed a significant network of partners and participated in numerous initiatives in various countries.

These partnerships include:

- Austrian Society for Environment and Technology (ÖGUT)
- Austrian Society for the Management of Contaminated Sites (ÖVA)
- Carbon Disclosure Project
- Clean Up the World (Puliamo il Mondo)
- Forum of Socially Responsible Investment
- Italian Forum for Sustainable Finance
- Kyoto Club
- Munich Regional Center of Expertise
- ÖNORM Workgroup
- Respect - Austrian Business Council for Sustainable Development
- The Global Compact
- United Nations Environment Programme Finance Initiative (UNEP FI)
- WWF

Awards

Germany

HVB¹ has been ranked as the most sustainable bank in the oekom research rating 2009.

Bulgaria

The bank is awarded in Top 3 donor companies in Bulgaria (award received in December 2009) from Bulgarian Donors Forum.

Romania

People for People Gala - the Award from the Press Jury for the communication campaign of CICLOTEQUE project in 2009.

Slovenia

In 2009 the bank received the award from Poslovna akademija Finance for the best 2008 Sustainability reporting among financial institutions.

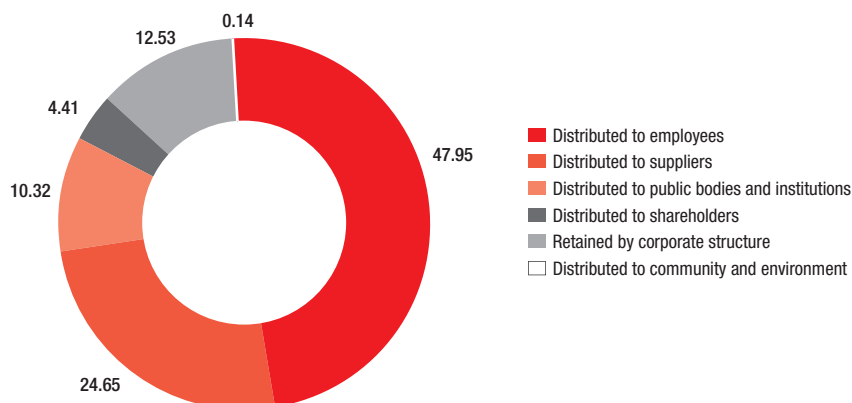
¹ Please note that during 2009 Bayerische Hypo-und Vereinsbank AG (HVB AG) changed its company name in UniCredit Bank AG.

Appendix - Determination and distribution of Value Added (€/000)

Determination and Distribution of Value Added*		2009	2008
10	Interest income and similar revenues	34,745,987	54,112,514
20	Interest expense and similar charges	(17,712,471)	(36,068,639)
40	Fee and commission income	9,548,478	11,124,905
50	Fee and commission expense (excluded external networks' expense)	(1,546,333)	(1,766,288)
70	Dividend income and similar revenue	573,644	1,665,940
80	Gains and losses on financial assets and liabilities held for trading	1,282,864	(2,522,142)
90	Fair value adjustments in hedge accounting	23,761	16,685
100	Gains and losses on disposal of:	411,490	198,135
a)	loans	81,483	(6,737)
b)	available-for-sale financial assets	194,845	169,603
c)	held-to-maturity investments	6,325	(236)
d)	financial liabilities	128,837	35,505
110	Gains and losses on financial assets/liabilities at fair value through profit or loss	(31,391)	(349,957)
130	Impairment losses on:	(8,933,716)	(4,666,603)
a)	loans	(8,152,152)	(3,581,953)
b)	available-for-sale financial assets	(629,592)	(904,370)
c)	held-to-maturity investments	(6,497)	(76,593)
d)	other financial assets	(145,475)	(103,687)
150	Premiums earned (net)	87,352	111,745
160	Other income (net) from insurance activities	(80,025)	(86,187)
220	Other net operating income	841,143	995,232
240	Profit (loss) of associates: gains or losses on disposal	4,953	347,671
270	Gains and losses on disposal of investments	773,985	785,279
310	Total profit or loss after tax from discontinued operations	-	-
A. TOTAL ECONOMIC VALUE GENERATED		19,989,721	23,898,290
180 b)	other administrative expense (excluded indirect taxes and duties and donations)	(4,928,085)	(5,491,160)
ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS		(4,928,085)	(5,491,160)
180 a)	staff expense (included external networks' expense)	(9,584,012)	(10,314,609)
ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES		(9,584,012)	(10,314,609)
330	Minority Interests	(332,295)	(517,514)
Net profit attributable to shareholders		(550,250)	(543)
ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS		(882,545)	(518,057)
180 b)	other administrative expense: indirect taxes and duties	(452,945)	(526,895)
290	Tax expense (income) related to profit or loss from continuing operations: current tax, adjustment to current tax of prior years, reduction of current tax for the year	(1,610,541)	(3,066,592)
ECONOMIC VALUE DISTRIBUTED TO PUBLIC BODIES & INSTITUTIONS		(2,063,486)	(3,593,487)
180 b)	other administrative expense: donations	(17,480)	(17,273)
Net profit allocated to the charitable funds		(10,100)	(5,179)
ECONOMIC VALUE DISTRIBUTED TO COMMUNITY AND ENVIRONMENT		(27,580)	(22,452)
B. TOTAL ECONOMIC VALUE DISTRIBUTED		(17,485,708)	(19,939,765)
C. TOTAL ECONOMIC VALUE RETAINED		(2,504,013)	(3,958,525)

*We have employed the Value Added formulation developed by the Italian Banking Association (ABI) and published in March 2010, which accounts for the specific characteristics of the banking sector.

Distribution of Value by percentage, 2009



Appendix - Yapi Kredi: a focus on Turkey

Yapi Kredi

Customer satisfaction is one of our key priorities at Yapi Kredi. We continually monitor and invest in this area. Our commitment is further evidenced by the use of internal and external customer satisfaction metrics in the performance and bonus system that applies to all Yapi Kredi employees, including Head Office staff. Customer satisfaction is such a key driver for our organization that we conduct an annual customer satisfaction survey, which covers all aspects of our clients' relationships with our bank, and we regularly measure customer satisfaction at the branch level throughout the year.

These surveys aim to improve our understanding of client-bank relationships, satisfaction levels and expectations. Retail customer satisfaction analyses are performed using the TRI*M methodology, which is used Groupwide. In 2009, more than 120,000 clients participated in our various surveys.

Customer feedback, managed through different channels, is very important to our work and is handled through a structured complaint management process. All complaints are registered, and a dedicated Complaint Management Team monitors the process, shares the major outcomes with relevant internal parties and regularly reports statistics to the Turkish Banking Association. To expand our complaint management capacity, a newly designed program enables all employees to view all client complaints in an integrated and regularly updated manner. It will be officially launched at the beginning of 2009.

To enhance our service model, we also regularly use mystery shoppers, who visit our branches to observe and report on the service behaviors and sales capabilities of our employees.

In 2009, with the launch of the *A Day in a Branch* initiative, our Head Office managers were able to spend the day together with our front-line employees, closely observing the working environment and customer service in our branches. We then collected their observations and impressions, using them to prioritize problems and initiate corrective actions to support our network better as we strive for service excellence. Moreover, in a related effort to assess the quality of internal services that have customer satisfaction-related impacts, we carried out an internal customer satisfaction survey, in which nearly 13,000 employees participated.

Yapi Kredi has identified education as a field worthy of long-term support within the scope of its existing corporate social responsibility strategy. In 2009, Yapi Kredi carried out multiple social responsibility projects in education, while maintaining its support for projects involving artistic, cultural, social and environmental issues.

In an effort to develop projects in line with Yapi Kredi's existing strategies and to increase awareness of them, the Corporate Social Responsibility Unit was introduced within the Corporate Communication Management structure in 2009.

Social projects

The *I Read, I Play* project, launched jointly with the Educational Volunteers Foundation of Turkey (TEGV) in 2006, concluded as scheduled on December 31, 2009. This national-level project was conducted at 11 of TEGV's education parks and 55 of its learning units. With a combined total of 62,853 children attending the events, the project surpassed its target of 49,504 children for the initial three years. In light of its success, the project received a three-year extension.

In 2009, the project comprised a series of special events at Education Parks and Learning Units of TEGV in Diyarbakır, Mardin, Van and Istanbul with pianist Tuluğ Tırpan and actress Fadik Sevin Atasoy. At these events, the performers narrated popular children's stories and participated in a dramatization of Antoine de Saint-Exupéry's *The Little Prince* together with the children onstage.

Other project initiatives included drama lessons for schoolchildren, given during an eight-week Yapi Kredi Theater Club course staffed by Yapi Kredi employees at the TEGV Sema - Aydın Doğan education park. At the end of the course, 20 schoolchildren performed Nazım Hikmet's play, *Kuvay-i Milliye*.

The *I Read, I Play* project has also received international acclaim and was recently nominated for the Astrid Lindgren Memorial Award – the world's most important prize for children's and young adult literature, administered by the Swedish Arts Council.

Furthermore, the project's 2009 campaign, *Author's Mail*, called on authors to write inspiring letters to children with a view to sparking their imagination. Fifteen prominent authors of Turkish children's literature supported the campaign through their letters, and the event engaged children in all TEGV locations around Turkey. Roughly 1,000 letters were written in reply to the authors.

A project entitled *Vocational High School: Crucial Matter for the Nation* created by Koç Holding to promote vocational education, enlisted 78 Yapi Kredi

Appendix - Yapi Kredi: a focus on Turkey

employees in coaching roles at vocational high schools during the 2009-2010 school year. Altogether, Yapi Kredi volunteers support the project at 42 schools across Turkey. The project has also entailed the provision of internships for 90 students at Yapi Kredi branch offices.

Yapi Kredi is particularly proud of its support for the *Yapi Kredi Girls' Technical and Vocational High School*, which officially opened on February 18, 2009, and now has 333 students. This school is also participating in the Vocational High School project of Koç Holding. Among other educational initiatives, Yapi Kredi donated 160,000 books, worth approximately 1.5 million Turkish Lira, to 66 universities, 95 high schools and 273 provincial and county libraries and adult education centers all over Turkey.

The new *Disability-Free Banking* project was designed by Yapi Kredi to make banking services easier and more comfortable for handicapped people. Yapi Kredi, after reorganizing its call center to provide online chat services for the hearing-impaired in 2008, is now able to reach the more than 500 customers who have need of this service. Furthermore, Yapi Kredi has begun using text-to-voice technology for the benefit of its visually impaired call center customers.

In a breakthrough move for Turkey, Yapi Kredi has launched a new project to equip ATMs across the country for handicapped people. The Istanbul Kadıköy Rıhtım branch has already been made wheelchair accessible for the pilot phase of the project.

Initiatives in art & culture and projects for colleagues

In 2009, Yapi Kredi continued to sponsor a remarkable project in art and culture, the Çatalhöyük Excavations. In this, the 17th year of the excavations carried out by more than 120 archeologists and professionals from 22 nations, two-storey dwellings were unearthed for the first time at the southern end of the tumulus. These findings are considered particularly significant.

Yapi Kredi was also a project sponsor for the 11th International Istanbul Biennial, entitled *What Keeps Mankind Alive?* For the Biennial, Yapi Kredi sponsored Nevin Aladağ's *City Language* project.

UniCredit Art Day was held in Istanbul for the third time on October 10. The initiative enabled Yapi Kredi staff members in Istanbul, Ankara and Izmir to visit local museums and art galleries free of charge. Also on October 10, an exhibition entitled *What the Coins Tell Us: Symbols and Multicultural Aspects of Medieval Anatolian Coins* was opened by Yapi Kredi Cultural Activities, Arts and Publishing. A children's workshop was held as part of the exhibition.

Since 2005, Yapi Kredi's internal sponsorship project has aimed to support and encourage employees in their athletic pursuits. In 2009, sponsorships were provided to one staff member for each competitive category within the project's scope. Among other notable achievements by sponsored athletes, in swimming, Celal Altunbaş won the gold medal in the 3rd International Mustafa Kemal Atatürk and Republic Masters Challenge for the 400-meter freestyle, with a record-breaking time of 5:45:10 for the Masters category in his age group in Turkey. In 2009, Altunbaş won 14 gold, eight silver and five bronze medals in the events he participated in with the support of Yapi Kredi.

In 2009, Yapi Kredi established the Yapi Kredi Volunteers Platform, with the aim of establishing social responsibility project for each management unit. Consequently, pilot projects were launched at four select management units and/or subsidiaries (Legal Department, Operation Management, Retail Banking and Yapi Kredi Insurance). The platform, which involves voluntary project participation by employees, will be expanded to all management units in the coming years.

Other projects

The *World Share Program* is the first Turkish social responsibility platform that enables credit cardholders to make donations through their cards. In 2009, it continued to allow people to make donations either in cash or Worldpoints. With this sharing program, customers can use their Worldpoints to support selected projects of non-governmental organizations related to the environment, youth, education, health and the arts and sciences. Yapi Kredi will make additional donations on behalf of its customers to the projects they support. For example, Yapi Kredi raised 60,000 Turkish lira in 2009 for the *Keep Our Children with Cancer Alive* project, conducted in collaboration with the Foundation for Children with Leukemia (LÖSEV).

Human Resources

With the knowledge that people are the key to providing high-quality service, in 2009 Yapı Kredi demonstrated its continued commitment to human resources through an array of innovations, opportunities and training programs. Yapı Kredi undertakes its social responsibility activities on the principle of «sharing affluence with one's own community».

As of December 31, 2009, the bank had 14,333 employees, with 900 new recruits. Almost 80 percent of all employees hold an undergraduate or post-graduate degree, while 29 percent are competent in at least one foreign language and more than 62 percent are female.

Employees have regular opportunities to participate in projects designed to improve their skills and abilities, facilitate international career opportunities within Yapı Kredi and increase their working knowledge. With its vision of rapid growth and leadership in its sector, Yapı Kredi also strives to keep its training and development activities up to date with innovative methods and investments.

With programs to address the four main areas of focus for training and development activities – Banking, Personal Development, Leadership and Social Responsibility – the Yapı Kredi Banking Academy works to develop knowledgeable bankers while making employees part of a high-performance team. The academy believes that leading bankers must excel in all four focus areas.

In October 2009, a new training center was opened. With 35 classrooms, the center is capable of training approximately 1,200 participants per day. Development opportunities are supported by programs that utilize alternative training models and methods, are tailored to the bank's strategies and matched to individual career plans.

Additionally, the Banking Academy cooperates with Europe's leading business schools, IMD and INSEAD, while undertaking joint certificate programs with universities and prominent institutions in Turkey. Initiatives include the Call Center Development Certificate Program, the Mortgage Kendi Evim Specialization Program in cooperation with Boğaziçi University (BÜYEM), and the Certified Financial Consultants Program, which is being implemented for the first time in Turkey.

In 2009, the academy launched the *Leadership Development Program* with a view to contributing to the professional, personal and technical development of managers. Instead of using traditional training methods, a new *In-Branch Development Activities* program was developed to cover regional or branch-based development issues. Performance criteria and results are periodically measured by business units.

Innovative programs at the academy included *Banking Simulation – YKB KENT*. This game-based interactive application aims to increase branch employees' knowledge of Yapı Kredi products and services in a fun and competitive environment.

In the field of social responsibility, the academy began a collaboration with the Young Guru Academy, an international NGO. Consequently, the *Read, Think and Share* project was launched in April 2009; it strives to help talented elementary school students to picture a better world, think outside of the box and work proactively to realize their dreams. Moreover, the academy offers employees an opportunity to develop their leadership skills as project volunteers.

Since 2006, Yapı Kredi has provided employees with additional retirement support through its contributions to a group pension plan. As of October 31, 2009, 65 percent of the bank's employees benefit from this plan. In addition, employees and their spouses and children are covered by health insurance provided by the bank.

Environmental projects

In 2006, the *Infinite Blue* project was launched with the Turkish Marine Environment Protection Association and under the sponsorship of the Ministry of National Education. Under this initiative, around 3.5 million schoolchildren have received training to build awareness about and work to eliminate shoreline and sea pollution.

As a part of this project the *Infinite Blue Volunteers* group, made up of Yapı Kredi staff members and their families, was founded in 2009. In its first year, it involved 121 volunteers from 21 different Turkish provinces and participated in social gatherings and shoreline cleaning events. The group also conducted a training campaign in collaboration with the Educational Volunteers Foundation of Turkey, involving visits to TEGV's education parks and learning units in the provinces of Istanbul and Izmir to educate children.

Together with the Turkish Foundation for Combating Erosion, Reforestation and the Protection of Natural Habitats (TEMA), Yapı Kredi launched a campaign to increase the customer requests for receiving account statements via e-mail. As part of the campaign, the name of the regions and teams who collected the highest number of requests by customers was given to the sections of the *World Forest* which will be created in 2010.

Appendix - GRI Index and Global Compact Principles

Some indicators are represented with a partial coverage, although the most significant information related to Corporate Sustainability has been stated in the report. All the core indicators have been inserted in the table, while the additional ones have been reported only if they are stated in this report.

Legend:

Total	Indicator completely covered
Partial	Indicator partially covered
N/A	Not applicable
NI	Not included
C	Core indicators
A	Additional indicators

Indicator	Coverage	Page
PROFILE		
1. Strategy and analysis		
1.1 Statement of the most senior decision-maker of the organization	Total	4-6
1.2 Main impacts, risks, and opportunities	Total	15-22, 25, 41, 61, 65, 79
2. Organization profile		
2.1 Organization name	Total	Cover
2.2 Main brands, products and/or services	Total	2009 Consolidated Reports and Accounts: UniCredit Group Profile - Business model, Results by Business Segment
2.3 Operational structure of the organization	Total	10-11; 2009 Consolidated Reports and Accounts: UniCredit Group Profile - Business model
2.4 Headquarters	Total	128
2.5 Countries of operations	Total	10-13
2.6 Ownership structure and type of legal entity	Total	63; 2009 Report on Corporate Governance and Ownership Structures: 7, 67-69
2.7 Markets served	Total	10-11; 2009 Consolidated Reports and Accounts: UniCredit Group Profile - Business model
2.8 Scale of the organization	Total	10-11
2.9 Significant changes	Total	8-9; 2009 Report on Corporate Governance and Ownership Structures: 7
2.10 Awards received	Total	102, 110-111; 117
3. Report parameters		
Profile		
3.1 Reporting period	Total	9
3.2 Previous report's date of publication	Total	8-9
3.3 Reporting frequency	Total	9
3.4 Contact point for information on report	Total	Inside back cover
Report purpose and scope		
3.5 Process for defining contents	Total	8-9
3.6 Report scope	Total	8-9
3.7 Limitations of report purpose or scope	Total	9
3.8 Information on other associate companies	Total	9
3.9 Data measurement techniques and basis of calculation	Total	8
3.10 Modifications compared with previous report	Total	8-9
3.11 Significant changes compared with previous report	Total	8-9
Index of GRI contents		
3.12 Table of reference	Total	122-125

Indicator		Coverage	Page
Assurance			
3.13	External assurance	Total	9, 126-127
4. Governance, Commitment, Involvement			
Governance			
4.1	Governance structure	Total	86
4.2	Indicate whether Chairman also holds an executive role	Total	2009 Report on Corporate Governance and Ownership Structures: 70
4.3	Independent and/or non-executive directors	Total	2009 Report on Corporate Governance and Ownership Structures: 24-25, 70-72
4.4	Mechanisms for making recommendations to Board of Directors	Total	22, 62; 2009 Report on Corporate Governance and Ownership Structures: 60-61
4.5	Link between directors' remuneration and performance	Total	28-29, 86, 98-99; 2009 Report on Corporate Governance and Ownership Structures: 32-34; UniCredit S.p.A. Financial Statements 2009: 186-190
4.6	Mechanism of conflicts of interest's avoidance	Total	90; 2009 Report on Corporate Governance and Ownership Structures: 17-18, 54-55
4.7	Directors' qualifications	Total	2009 Report on Corporate Governance and Ownership Structures: 19-20, 29-31
4.8	Mission, values, codes of conduct, and principles	Total	16-18; Integrity Charter
4.9	Procedures to identify and manage economic, environmental, and social performance	Total	87; 2009 Report on Corporate Governance and Ownership Structures: 18, 39-41
4.10	Process to assess BoD's performance	Total	98-99; 2009 Report on Corporate Governance and Ownership Structures: 19-20
Commitment in external initiatives			
4.11	Way in which prudential principle or approach is applied	Total	18, 87; 2009 Report on Corporate Governance and Ownership Structures: 39-41
4.12	Adoption of external codes and standards in the economic, social, and environmental fields	Total	6, 55, 80
4.13	Memberships in associations	Total	21, 117
Stakeholder Engagement			
4.14	List of stakeholders engaged	Total	19-22
4.15	Principles for stakeholders' identification and selection	Total	19
4.16	Stakeholder engagement activities	Total	18-23, 35-37, 42-45, 66
4.17	Key aspects and criticalities emerging from stakeholder engagement and related actions	Total	18-23, 35-37, 42-45, 66
FINANCIAL SERVICES SECTOR SUPPLEMENT INDICATORS			
DMA FS	Information on management approach	Total	42
C FS1	Policies with specific environmental and social components applied to business lines	Total	18, 21, 55-56
C FS2	Procedures for assessing and screening environmental and social risks	Partial	18, 55
C FS3	Monitoring clients' implementation of and compliance with environmental and social requirements	Partial	55
C FS4	Improvement of staff competency to implement the environmental and social policies and procedures	Total	55
C FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	Total	19-20, 48
C FS6	Company portfolio	Total	108; 2009 Consolidated Reports and Accounts: Segment Reporting (Summary)
C FS7	Products and services designed to deliver a specific social benefit	Total	51-54, 76
C FS8	Products and services designed to deliver a specific environmental benefit	Total	56
C FS9	Audits on implementation of environmental and social policies and risk assessment procedures	NI	
C FS10	Portfolio's companies engaged on environmental or social issues	NI	
C FS11	Assets subjects to environmental or social screening	Total	109
C FS12	Environmental or social voting policies	Total	109
ECONOMIC PERFORMANCE			
DMA EC	Information on management approach	Total	2009 Consolidated Reports and Accounts: Group Results - Main Results and Performance for the period
C EC 1	Direct economic value generated and distributed	Total	118
C EC 2	Financial implications and other risks and opportunities due to climate change	Total	80

Appendix - GRI Index and Global Compact Principles

Indicator	Coverage	Page
C EC 3 Coverage of the organization's defined benefit plan obligations	Total	100-101; 2009 Consolidated Reports and Accounts: Notes to the Consolidated Accounts-Liabilities - Part B - sections 10-11-12
C EC 4 Significant financing received from Public Administration	NI	
C EC 6 Policy, practices, and percentage of expenditure concentrated on local suppliers	Partial	83
C EC 7 Procedures for local hiring	NI	
C EC 8 Development and impact of investments in infrastructures and public utilities	Total	69-77, 114-115
A EC 9 Significant indirect economic impacts	Total	52-54, 56, 66-68
ENVIRONMENTAL PERFORMANCE		
DMA EN Information on management approach	Total	80
C EN 1 Raw materials used	Total	116
C EN 2 Percentage of materials coming from waste recycling operations	Total	116
C EN 3 Direct energy consumption by source	Total	116
C EN 4 Indirect energy consumption by source	Total	116
A EN 5 Energy saving	Total	81-82
A EN 6 Initiatives to provide energy-efficient or renewable energy based products and services	Total	56, 80-81
A EN 7 Initiatives to reduce indirect energy consumption and reductions achieved	Total	81-82
C EN 8 Water consumption by source	Total	116
C EN 11 Land owned, rented or managed in protected areas	Total	In Sicily, the Group owns five areas of land with environmental and archeological restrictions, totaling around 740,000 square meters
C EN 12 Description of greatest impacts on biodiversity	NA	
C EN 16 Greenhouse gas emissions	Total	116
C EN 17 Other indirect greenhouse gas emissions	Total	116
A EN 18 Initiatives to reduce greenhouse gas emissions	Total	80-82, inside back cover
C EN 19 Emissions of substances harmful for the ozone layer	Partial	The Group's goal is to replace refrigeration systems that use ozone-depleting substances
C EN 20 Other atmospheric emissions	NA	
C EN 21 Water discharges	NA	
C EN 22 Waste production and disposal methods	Total	116
C EN 23 Total number and volume of pollutant discharges	NA	
C EN 26 Initiatives to mitigate impacts of products and services	Total	55-56, 80-81
C EN 27 Reclaim rate of products sold	NA	
C EN 28 Fines and penalties for non compliance with environmental law and regulations	NI	
A EN 29 Significant environmental impacts of transporting products, goods, materials and members of the workforce	Total	82
SOCIAL PERFORMANCE		
DMA LA Information on management approach	Total	26-27, 33, 35, 37-38
C LA 1 Breakdown of staff by type, contract, and region	Total	26, 94
C LA 2 Turnover by age, gender, and region	Total	26, 95
C LA 4 Degree of coverage of collective labor contracts	Total	103
C LA 5 Minimum period of notice for operational changes	Total	104
A LA 6 Percentage of total workforce represented in formal health and safety committees	Total	105
C LA 7 On-the-job accidents and illness	Partial	106
C LA 8 Programs for management of serious diseases	Total	38, 101-102
A LA9 Health and safety topics covered by collective agreements with trade unions	Total	105
C LA 10 Staff training	Total	29, 97
A LA 11 Programs for skills management and lifelong learning	Total	30-31, 102
A LA 12 Employees receiving regular performance reviews	Total	27-28
C LA 13 Breakdown of employees by gender and other diversity indicators	Total	26, 34; 2009 Report on Corporate Governance and Ownership Structures: 13-14
C LA 14 Ratio between salaries of men and women	NI	
HUMAN RIGHTS		
DMA HR Information on management approach	Total	37; Integrity Charter
C HR 1 Operations with human-rights considerations	Partial	55

Indicator		Coverage	Page
C HR 2	Suppliers assessed as regards respect of human rights	Partial	83
C HR 4	Cases of discrimination	Total	22-23
C HR 5	Risks for right to freedom of association and collective bargaining	Total	37
C HR 6	Risks for use of juvenile labor	Total	37
C HR 7	Risks for use of forced labor	Total	37
IMPACTS ON SOCIETY			
DMA SO	Information on management approach	Total	66, 69-70, 74
C SO 1	Management of impacts on community	Total	69-77
C FS13	Access points in low-populated or economically disadvantaged areas	Total	108
C FS14	Access to financial services for disadvantaged people	Total	54
C SO 2	Analysis for risks related to corruption	Partial	90-91
C SO 3	Staff trained in the prevention of corruption	Partial	97
C SO 4	Actions taken following cases of corruption	NI	
C SO 5	Positions concerning public policy and lobbying	Total	67-68
A SO 7	Legal actions for anti-competitive behavior	Total	91
C SO 8	Sanctions for non-compliance with laws or regulations	Total	91; 2009 Consolidated Reports and Accounts: Notes to the Consolidated Accounts - Part E - Section 4.B
PRODUCT LIABILITY			
DMA PR	Information on management approach	Total	41-42
C FS15	Policies for the fair design and sale of financial products and services	Total	47-49, 90, 92
C PR 1	Healthiness and safety of products and services	Total	57-58, 110
C PR 3	Information on products and services	Total	47-49
A PR 4	Non-compliance with regulations concerning product and service information and labeling	Total	45-47, 91
A PR 5	Customer satisfaction	Total	42-45
C FS16	Enhancement of financial literacy	Total	49-50
C PR 6	Laws, standards, and voluntary codes concerning marketing communications	Total	18, 47-48
A PR7	Non-compliance with regulations concerning marketing communications	Total	91
C PR 9	Sanctions for non-compliance with laws or regulations	Total	91; 2009 Consolidated Reports and Accounts: Notes to the Consolidated Accounts - Part E - Section 4.B

Making the connections by GRI and Global Compact

Categories	Principles	GRI Indicators
Human Rights	Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights.	LA4, LA 7-8, LA13-14, HR 1-2, HR 4-7, SO5, PR1
	Principle 2 - Businesses should make they are not complicit in human rights abuses.	HR 1-2, HR 4-7, SO5
Labour	Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	LA 4-5, HR 1-2, HR5, SO5
	Principle 4 - Businesses should uphold the elimination of all forms of forced and compulsory labour.	HR 1-2, HR7, SO5
	Principle 5 - Businesses should uphold the effective abolition of child labour.	HR 1-2, HR6, SO5
	Principle 6 - Businesses should uphold the elimination of discrimination in respect of employment and occupation.	EC7, LA2, LA 13-14, HR 1-2, HR4, SO5
Environment	Principle 7 - Businesses should support a precautionary approach to environmental challenges.	EC2, EN26, EN30, SO5
	Principle 8 - Businesses should undertake initiatives to promote greater environmental responsibility.	EN 1-4, EN8, EN 11-12, EN 16-17, EN21, EN26, EN28, SO5, PR3
	Principle 9 - Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN26, SO5
Anti-corruption	Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery.	SO 2-5

Source of the correspondences between Global Compact principles and GRI indicators: report Making the Connections by GRI and Global Compact (www.globalreporting.org)

(Translation from the Italian original which remains the definitive version)

Independent limited assurance report on the sustainability report

To the board of directors of
 UniCredit S.p.A.

- 1 We have reviewed the 2009 sustainability report of the UniCredit Group (the “Group”). The parent’s directors are responsible for the preparation of the sustainability report in accordance with the Sustainability Reporting Guidelines & Financial Services Sector Supplement issued in 2008 by GRI - Global Reporting Initiative, as set out in the “Report structure” section. They are also responsible for determining the Group’s objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived. Our responsibility is to issue this report based on our review.
- 2 We carried out our work in accordance with the criteria established for review engagements by “International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000)”, issued by the International Auditing and Assurance Standards Board (IAASB). That Standard requires that we comply with applicable ethical requirements (the Code of Ethics for Professional Accountants issued by the International Federation of Accountants, IFAC), including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement. A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:
 - comparing the information and data presented in the “Determination and distribution of Value Added” section of the Supplement to the sustainability report to the corresponding information and data included in the Group’s consolidated financial statements as at and for the year ended 31 December 2009, on which we issued our report dated 31 March 2010 pursuant to article 156 of Legislative decree no. 58 of 24 February 1998;
 - analysing how the processes underlying the generation, recording and management of quantitative data included in the sustainability report operate. In particular, we have performed the following procedures:
 - interviews and discussions with management representatives of UniCredit S.p.A. and personnel of UniCredit Banca S.p.A., UniCredit Corporate Banking S.p.A., UniCredit Private Banking S.p.A., FinecoBank S.p.A., Pioneer Investment Management SGR.p.A., UniCredit Real Estate S.c.p.A., UniCredit Bank Austria AG, UniCredit Bank AG, Domus Facility Management GmbH, UniCredit Bank Czech Republic AS and UniCredit Bulbank AD, to gather information on the IT, accounting and reporting systems used in preparing the sustainability report, and on the processes and internal

control procedures used to gather, combine, process and transmit data and information to the office that prepares the sustainability report;

- sample-based analysis of documentation supporting the preparation of the sustainability report to confirm the effectiveness of processes, their adequacy in relation to the objectives described, and that the internal control system correctly manages data and information;
- analysing the completeness of the qualitative information included in the sustainability report and its overall consistency in relation to the guidelines referred to in paragraph 1, in particular with reference to the sustainability strategy and policies and the determination of material issues for each stakeholder category;
- analysing the stakeholder involvement process, in terms of methods used and completeness of persons involved, by reading the minutes of the meetings or any other information available about the salient features identified;
- obtaining the representation letter signed by the legal representative of UniCredit S.p.A. on the compliance of the sustainability report with the guidelines indicated in paragraph 1 and on the reliability and completeness of the information and data contained therein.

A review is less in scope than an audit carried out in accordance with ISAE 3000, and, therefore, it offers a lower level of assurance that we have become aware of all significant matters and events that would be identified during an audit.

The sustainability report includes the corresponding information and data of the prior year sustainability report for comparative purposes, with respect to which reference should be made our report dated 10 April 2009.

- 3 Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2009 sustainability report of the UniCredit Group is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines & Financial Services Sector Supplement issued in 2008 by GRI - Global Reporting Initiative, as set out in the "Report structure" section.
- 4 As indicated by the directors in the "Report structure" section of the 2009 sustainability report, the Group intends to continue to extend the reporting scope of the sustainability report through further standardisation of the existing information and data gathering procedures.

Milan, 2 April 2010

KPMG S.p.A.

(Signed on the original)

Mario Corti
 Director of Audit

UniCredit S.p.A.

Registered Office: Via A. Specchi 16 - 00186 Rome

Head Office: Piazza Cordusio - 20123 Milan

Capital Stock €9,648,790,961.50 fully paid up

Registered in the Register of Banking Groups and Parent Company of the UniCredit Banking Group - Registered with code 3135.1

Registered with the Roma Courts in the Companies Register, Fiscal code and VAT number 00348170101

Member of the Interbank Fund for Deposit Protection.

At UniCredit Group, we are aware of the environmental impact of our business activities and strive to always factor environmental sustainability into our strategic decisions.

In 2010, we are seeking to offset the greenhouse gas emissions associated with the publication of our 2009 Consolidated Reports and Accounts and 2009 Sustainability Report by contributing to reforestation projects in Italy.

For the 2009 Consolidated Reports and Accounts and 2009 Sustainability Report, we worked to offset related emissions in association with AzzeroCO₂



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forestazione in Italia.

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This Sustainability Report has been made available at www.unicreditgroup.eu, or you may request a copy from:

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