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

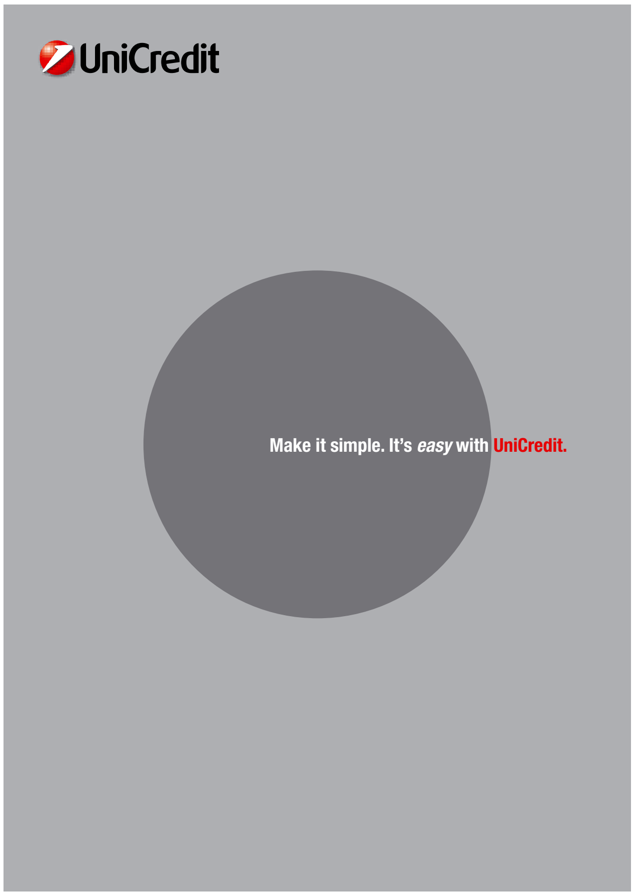
Consolidated Interim Report as at September 30, 2010

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.



Consolidated Interim Report as at September 30, 2010

Sandro Boscaini,
Masi Agricola S.p.A.
Corporate Banking Client – Italy

«UniCredit Group has always supported our company Masi Agricola S.p.A. in complex operations. The bank helps us with the development of our business, which is distributed in over 80 countries and offers us the most suitable products for our specific financial needs.»

It's easy with UniCredit.

Contents

Notes

The following conventional symbols have been used in the tables:

- **a dash** (-) indicates that the item/figure is inexistent;
- **two stops** (..) or (**n.s.**) when the figures do not reach the minimum considered significant or are not in any case considered significant;
- **N.A.** indicates that the figure is not available.

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

Peter de Toma,
Retail Client – Austria

«High customer satisfaction demands systematic, innovative and reliable customer service at all levels. Bank Austria - UniCredit Group is constantly, and successfully, working to meet these goals.»

It’s easy with UniCredit.

Introduction

Board of Directors, Board of Statutory Auditors and External Auditors

Board of Directors

Dieter Rampl	**Chairman**
Luigi Castelletti	**First Deputy Chairman**
Farhat Omar Bengdara Vincenzo Calandra Buonaura Fabrizio Palenzona	**Deputy Chairmen**
Federico Ghizzoni[1]	**CEO**
Giovanni Belluzzi Manfred Bischoff Enrico Tommaso Cucchiani Donato Fontanesi Francesco Giacomin Piero Gnudi Friedrich Kadrnoska Marianna Li Calzi Salvatore Ligresti Luigi Maramotti Antonio Maria Marocco Carlo Pesenti Lucrezia Reichlin Hans-Jürgen Schinzler Theodor Waigel Anthony Wyand Franz Zwickl	**Directors**
Lorenzo Lampiano	**Company Secretary**

Board of Statutory Auditors

Maurizio Lauri	**Chairman**
Cesare Bisoni Vincenzo Nicastro Michele Rutigliano Marco Ventoruzzo	**Standing Auditors**
Massimo Livatino Paolo Domenico Sfameni	**Alternate Auditors**
KPMG S.p.A.	**External Auditors**
Marina Natale	**Nominated Official in charge of drawing up Company Accounts**

1. Appointed CEO by the Board of Directors on September 30, 2010 following the resignation of Alessandro Profumo on September 21, 2010.

UniCredit S.p.A. - A joint stock company.
Registered Office in Rome: Via Alessandro Specchi, 16.
Head Office in Milan: Piazza Cordusio.
Share capital Euro € 9.648.790.961,50, fully paid in.
Fiscal Code, VAT number and Registration number with the Company Register of Rome: 00348170101 Registered in the Register of Banking Groups and Parent Company of the UniCredit Banking Group, with cod. 02008.1.
Cod. ABI 02008.1
Member of the National Interbank Deposit Guarantee Fund.

Prefatory Note to the Consolidated Interim Report

General aspects

This Consolidated Interim Report as at **September 30, 2010** has been prepared in consolidated form as dictated by Article 154-ter of the Consolidated Finance Act introduced by Legislative Decree No. 195/07 to implement EU Directive 204/109/EC concerning periodic reporting, and it has been prepared in accordance with international accounting standards (IAS/IFRS) as described in the Further Information at the end of this document.

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

Following the amendment to Banca d'Italia Circular 262/2005, some 2009 figures in the tables were restated for sake of comparison.

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

Preparation criteria

The structure of this report references quarterly reports from previous periods with condensed reclassified tables for the balance sheet and income statement based on criteria used in the 2009 financial statements and in other periodic interim reports.

Consolidated Interim Report is accompanied by the following tables:
- Highlights;
- Condensed Accounts;
- Quarterly Figures;
- Comparison of Q3 2010 / Q3 2009;
- Segment Reporting (Summary);
- Group Figures;
- UniCredit Share;

as well as:
- Group Results;
- Results by Business Segment;
- Other Information;
- Subsequent Events and Outlook;
- Further Information;
- Declaration by the Nominated Official in charge of drawing up Company Accounts.

Scope of consolidation

In the first nine months of 2010, there were no major changes in the scope of consolidation. However, figures were restated, as necessary, on an equivalent basis to take into account any changes in the same area or operating area, as well as reclassifications of assets held for sale pursuant to IFRS 5.

Changes in the scope of consolidation from December 2009 comprise 54 newly fully consolidated companies and 24 fully consolidated companies no longer included, giving a net increase of 30 fully consolidated companies and a total of 709 companies as at September 30, 2010. There are 17 proportionately consolidated companies, unchanged from December 31, 2009. The companies consolidated using the net equity method comprise 11 new entries and one no longer included, giving a net increase of 10 companies and a total of 52 companies as at September 30, 2010.

Non-current assets and disposal groups held for sale

The main assets reclassified, on the basis of IFRS 5, under non-current assets and disposal groups held for sale on the balance sheet as of September 30, 2010 are those related to the investment in IRFIS Mediocredito della Sicilia S.p.A., in UniCredit Suisse Bank SA. and in UniCredit Luxembourg. As regards UniCredit Suisse Bank SA, an agreement was reached with the current management of UniCredit Suisse Bank. After the authorization received by FINMA (Switzerland's federal financial markets regulator), on October 14, 2010 the management took over UniCredit Private Banking shareholding, with the support of a highly reputable domestic investor: Banca dello Stato del Cantone Ticino.

On September 10, 2010 UniCredit Luxembourg reached an agreement with DZ Privatbank SA to spin off part of the Luxembourg Private Banking business. This transaction entails the transfer of some 10,000 clients and part of the employees and will be completed by end 2010, subject to the necessary official authorisations. Following this transaction UniCredit Luxembourg will continue to conduct its business in other sectors, such as Corporate Banking, Investment Banking and Treasury, and will concentrate its Private Banking activity in Wealth Management, specifically the high net worth and ultra high net worth segments. In addition it will supply specialised services to the UniCredit Group in such sectors as asset management for the life assurance business.

Segment Reporting (Summary)

Segment reporting is presented and commented by business division, in line with the current practice in management reporting of Group results, as follows: Retail, Corporate & Investment Banking, Private Banking, Asset Management, Central & Eastern Europe (starting from second quarter 2010, the results of Poland are included in the respective business areas. The income statements of the previous periods have been restated to consider these changes in the perimeter).

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

Reclassified Financial Assets

EC Regulation 1004 dated October 15, 2008 transposed the changes made to IAS 39 and IFRS 7 "Reclassification of financial assets" by the IASB. These changes applied as from July 1, 2008 and allow, after initial recognition, the reclassification of certain "held for trading" and "available for sale" financial assets.

The following may be reclassified:
- "Held for trading" and "available for sale" financial assets which would have complied with the IFRS definition of loans and receivables (if they had not been recognized as "held for trading" and "available for sale" financial assets on initial recognition), provided that the entity has the intention and ability to hold them for the foreseeable future or to maturity.
- "Only in rare circumstances" held for trading financial assets failed to satisfy the loans and receivables definition on initial recognition and § 2 of the above Regulation noted that "the current financial crisis is considered one of such rare circumstances that may justify the use of this option [sc. reclassification] by the entity".

A portion of financial instruments held for trading and available for sale were reclassified between H2 2008 and H1 2009, as the rare circumstance of the financial crisis had been recognized in respect of assets held for trading.

The following table (which is broken down by type of underlying asset and portfolio) provides the book value and fair value as at September 30, 2010 of assets which had been reclassified in H2 2008 and H1 2009. The income/expenses that would have been recognized if such reclassifications had not occurred, as well as those effectively recognized through profit or loss or at equity are also provided.

No further reclassifications have occurred since H2 2009.

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

(€ million)

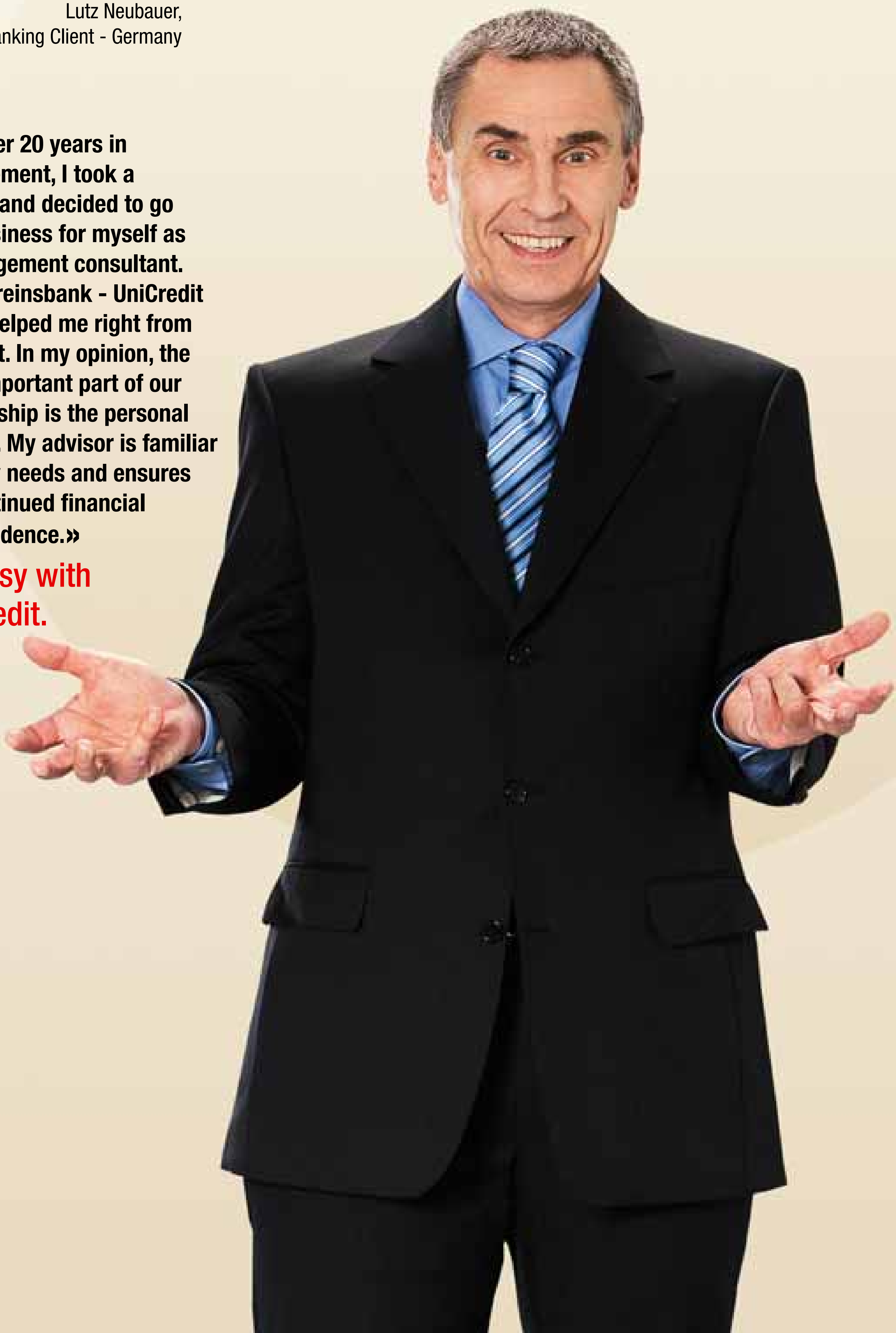
INSTRUMENTS TYPE (1)	ACCOUNTING PORTFOLIO BEFORE RECLASSIFICATION (2)	ACCOUNTING PORTFOLIO AFTER RECLASSIFICATION (3)	CARRYING AMOUNT AS AT 09.30.2010 (4)	FAIR VALUE AS AT 09.30.2010 (5)	INCOME/EXPENSES ABSENT RECLASSIFICATION (BEFORE TAXES)		INCOME/EXPENSE RECOGNIZED DURING THE PERIOD (BEFORE TAXES)	
					FROM MEASUREMENT (6)	OTHER (7)	FROM MEASUREMENT (8)	OTHER (9)
A. Debt securities			**14,123**	**13,226**	**372**	**462**	**(31)**	**464**
	HFT	AFS	20	20	1	1	1	1
	HFT	HTM	199	202	5	6	-	6
	HFT	Loans to Banks	4,974	5,057	60	141	(3)	165
	HFT	Loans to Customers	8,378	7,445	291	293	(29)	272
	AFS	Loans to Banks	129	129	-	8	-	8
	AFS	Loans to Customers	423	373	15	13	-	12
B. Equity instruments			**-**	**-**	**-**	**-**	**-**	**-**
	HFT	AFS	-	-	-	-	-	-
C. Loans			**832**	**855**	**44**	**47**	**-**	**53**
	HFT	AFS	-	-	-	-	-	-
	HFT	HTM	-	-	-	-	-	-
	HFT	Loans to Banks	372	374	21	19	-	22
	HFT	Loans to Customers	460	481	23	28	-	31
	AFS	Loans to Banks	-	-	-	-	-	-
	AFS	Loans to Customers	-	-	-	-	-	-
D. Units in investment funds			**-**	**-**	**-**	**-**	**-**	**-**
	HFT	AFS	-	-	-	-	-	-
		Total	**14,955**	**14,081**	**416**	**509**	**(31)**	**517**

Debt securities reclassified in the loan with customers portfolio include structured credit products (other than derivative contracts and financial instruments with incorporated derivatives) for an amount of 6,392 million at September 30, 2010.

Lutz Neubauer,
Private Banking Client - Germany

«After 20 years in management, I took a chance and decided to go into business for myself as a management consultant. HypoVereinsbank - UniCredit Group helped me right from the start. In my opinion, the most important part of our relationship is the personal contact. My advisor is familiar with my needs and ensures my continued financial independence.»

It's easy with UniCredit.



Consolidated Interim Report

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

Highlights

Income Statement

(€ million)

	FIRST 9 MONTHS		
	2010	2009	CHANGE
Operating income	19,793	21,129	- 6.3%
of which: - net interest	*12,077*	*13,508*	*- 10.6%*
- net fees and commissions	*6,417*	*5,666*	*+ 13.3%*
Operating costs	(11,728)	(11,521)	+ 1.8%
Operating profit	8,065	9,608	- 16.1%
Profit before tax	2,551	2,680	- 4.8%
Net Profit attributable to the Group	**1,003**	**1,331**	**- 24.7%**

Balance Sheet

(€ million)

	AMOUNTS AS AT		
	09.30.2010	12.31.2009	CHANGE
Total assets	968,804	928,760	+ 4.3%
Financial assets held for trading	156,983	133,894	+ 17.2%
Loans and receivables with customers	558,836	564,986	- 1.1%
of which: - impaired loans	*35,702*	*31,049*	*+ 15.0%*
Financial liabilities held for trading	149,382	114,045	+ 31.0%
Deposits from customers and debt securities in issue	588,570	596,396	- 1.3%
of which: - deposits from customers	*393,806*	*381,623*	*+ 3.2%*
- securities in issue	*194,765*	*214,773*	*- 9.3%*
Shareholders' Equity	**64,487**	**59,689**	**+ 8.0%**

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

Staff and Branches

	AS AT		
	09.30.2010	12.31.2009	CHANGE
Employees[1]	161,169	165,062	- 3,893
Employees (subsidiaries are consolidated proportionately)	151,354	155,000	- 3,646
Branches[2]	9,585	9,799	- 214
of which: - Italy	*4,513*	*4,696*	*- 183*
- Other countries	*5,072*	*5,103*	*- 31*

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

Profitability Ratios

	FIRST 9 MONTHS		
	2010	2009	CHANGE
EPS[1] (€)	0.07	0.10	- 0.03
ROE[2]	2.7%	4.0%	- 1.3
Cost/income ratio	59.3%	54.5%	+ 4.7
EVA[3] (€ million)	(1,376)	(1,288)	- 88

1. "Annualized figures. For the purposes of calculating M9 2010 EPS, net profit for the period of €1,003 million was changed to €887 million due to disbursements charged to equity and made in connection with the contract of usufruct on treasury shares agreed under the 'Cashes' transaction.
€91 million was deducted from first nine months 2009 net profit of €1,331 million due to disbursements charged to equity and made in connection with the contract of usufruct on treasury shares agreed under the 'Cashes' transaction.
2. Annualized figures. Calculated on the basis of the average Shareholders' Equity for the period (excluding dividends to be distributed and reserves in respect of AfS assets and cash-flow hedge), net of goodwill arising from the business combination with HVB and Capitalia, which were carried out with an exchange of shares and recorded in accordance with IFRS 3.
3. Economic Value Added, equal to the difference between NOPAT (net operating profit after taxes) and the cost of capital. 2009 figures were recasted, where necessary, on a like-to-like basis to consider changes in scope of business segments and computation rules.

Risk Ratios

	AS AT		
	09.30.2010	12.31.2009	CHANGE
Net non-performing loans to customers / Loans to customers	2.70%	2.25%	+ 0.46
Net impaired loans to customers / Loans to customers	6.39%	5.50%	+ 0.89

Capital Ratios

		AS AT 12.31.2009[1]	
	AS AT 09.30.2010	AFTER CAPITAL STRENGHTENING	BEFORE CAPITAL STRENGHTENING
Capital for regulatory purposes (€ million)	58,821	58,257	54,372
Total risk weighted assets (€ million)	453,478	452,388	452,388
Core Tier 1 Ratio	**8.61%**	**8.47%**	**7.62%**
Total regulatory capital/Total risk-weighted assets	**12.97%**	**12.88%**	**12.02%**

1. 2009 After Capital Increase figures include the capital increase announced on September 29, 2009 and concluded on February 24, 2010.

Ratings

	SHORT-TERM DEBT	MEDIUM AND LONG-TERM	OUTLOOK
Fitch Ratings	F-1	A	NEGATIVE
Moody's Investors Service	P-1	Aa3	STABLE
Standard & Poor's	A-1	A	STABLE

Condensed Accounts

Consolidated Balance Sheet

(€ million)

ASSETS	AMOUNTS AS AT 09.30.2010	AMOUNTS AS AT 12.31.2009	CHANGE AMOUNT	CHANGE PERCENT
Cash and cash balances	4,935	11,987	- 7,052	- 58.8%
Financial assets held for trading	156,983	133,894	+ 23,089	+ 17.2%
Loans and receivables with banks	77,977	78,269	- 292	- 0.4%
Loans and receivables with customers	558,836	564,986	- 6,150	- 1.1%
Financial investments	89,286	64,273	+ 25,013	+ 38.9%
Hedging instruments	18,679	13,786	+ 4,893	+ 35.5%
Property, plant and equipment	12,155	12,089	+ 66	+ 0.5%
Goodwill	20,570	20,491	+ 79	+ 0.4%
Other intangible assets	5,082	5,332	- 250	- 4.7%
Tax assets	12,615	12,577	+ 38	+ 0.3%
Non-current assets and disposal groups classified as held for sale	823	622	+ 201	+ 32.3%
Other assets	10,863	10,454	+ 409	+ 3.9%
Total assets	**968,804**	**928,760**	**+ 40,044**	**+ 4.3%**

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 09.30.2010	AMOUNTS AS AT 12.31.2009	CHANGE AMOUNT	CHANGE PERCENT
Deposits from banks	106,059	106,800	- 741	- 0.7%
Deposits from customers and debt securities in issue	588,570	596,396	- 7,826	- 1.3%
Financial liabilities held for trading	149,382	114,045	+ 35,337	+ 31.0%
Financial liabilities designated at fair value	1,351	1,613	- 262	- 16.3%
Hedging instruments	17,105	12,679	+ 4,426	+ 34.9%
Provisions for risks and charges	7,858	7,983	- 125	- 1.6%
Tax liabilities	6,533	6,451	+ 82	+ 1.3%
Liabilities included in disposal groups classified as held for sale	1,017	312	+ 705	+ 225.9%
Other liabilities	23,004	19,590	+ 3,414	+ 17.4%
Minorities	3,438	3,202	+ 236	+ 7.4%
Group Shareholders' Equity:	64,487	59,689	+ 4,798	+ 8.0%
- Capital and reserves	*63,274*	*57,671*	*+ 5,603*	*+ 9.7%*
- Available-for-sale assets fair value reserve and cash-flow hedging reserve	*210*	*316*	*- 106*	*- 33.6%*
- Net profit	*1,003*	*1,702*	*- 699*	*- 41.1%*
Total liabilities and Shareholders' Equity	**968,804**	**928,760**	**+ 40,044**	**+ 4.3%**

Consolidated Income Statement

(€ million)

	FIRST 9 MONTHS		CHANGE		
	2010	2009	€M	PERCENT	ADJUSTED[1]
Net interest	11,814	13,287	- 1,473	- 11.1%	- 12.1%
Dividends and other income from equity investments	263	221	+ 42	+ 19.2%	+ 21.3%
Net interest income	**12,077**	**13,508**	**- 1,431**	**- 10.6%**	**- 11.5%**
Net fees and commissions	6,417	5,666	+ 751	+ 13.3%	+ 11.2%
Net trading, hedging and fair value income	999	1,651	- 652	- 39.5%	- 42.7%
Net other expenses/income	299	304	- 5	- 1.6%	- 10.2%
Net non-interest income	**7,715**	**7,621**	**+ 94**	**+ 1.2%**	**- 1.5%**
OPERATING INCOME	**19,793**	**21,129**	**- 1,336**	**- 6.3%**	**- 7.9%**
Payroll costs	(7,009)	(6,821)	- 188	+ 2.8%	+ 1.9%
Other administrative expenses	(4,072)	(4,087)	+ 15	- 0.4%	- 1.6%
Recovery of expenses	320	318	+ 2	+ 0.6%	+ 0.5%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(966)	(931)	- 35	+ 3.8%	+ 1.6%
Operating costs	**(11,728)**	**(11,521)**	**- 207**	**+ 1.8%**	**+ 0.7%**
OPERATING PROFIT	**8,065**	**9,608**	**- 1,543**	**- 16.1%**	**- 18.1%**
Goodwill impairment	(162)	-	- 162	n.s.	n.s.
Provisions for risks and charges	(293)	(377)	+ 84	- 22.2%	- 22.8%
Integration costs	(27)	(321)	+ 294	- 91.5%	- 91.5%
Net write-downs of loans and provisions for guarantees and commitments	(5,141)	(6,245)	+ 1,104	- 17.7%	- 18.6%
Net income from investments	110	15	+ 95	n.s.	n.s.
PROFIT BEFORE TAX	**2,551**	**2,680**	**- 129**	**- 4.8%**	**- 10.9%**
Income tax for the period	(1,135)	(885)	- 250	+ 28.3%	+ 25.8%
PROFIT (LOSS) FOR THE PERIOD	**1,416**	**1,795**	**- 379**	**- 21.1%**	**- 28.7%**
Minorities	(241)	(269)	+ 28	- 10.5%	- 16.1%
NET PROFIT ATTRIBUTABLE TO THE GROUP BEFORE PPA	**1,175**	**1,526**	**- 351**	**- 23.0%**	**- 31.0%**
Purchase Price Allocation effect[2]	(173)	(195)	+ 22	- 11.5%	- 11.3%
NET PROFIT ATTRIBUTABLE TO THE GROUP	**1,003**	**1,331**	**- 328**	**- 24.7%**	**- 33.9%**

Notes:

1. Changes at constant foreign exchange rates and perimeter.
2. Mainly due to business combination with Capitalia.

Quarterly Figures

Consolidated Balance Sheet

(€ million)

ASSETS	AMOUNTS AS AT 09.30.2010	06.30.2010	03.31.2010	AMOUNTS AS AT 12.31.2009	09.30.2009	06.30.2009	03.31.2009
Cash and cash balances	4,935	7,225	5,796	11,987	6,442	6,514	5,674
Financial assets held for trading	156,983	152,100	138,495	133,894	145,519	157,122	197,344
Loans and receivables with banks	77,977	80,295	91,862	78,269	97,288	93,088	81,317
Loans and receivables with customers	558,836	558,770	563,894	564,986	565,457	585,087	600,672
Financial investments	89,286	76,679	70,906	64,273	67,397	63,425	63,011
Hedging instruments	18,679	17,520	15,557	13,786	14,442	12,980	13,634
Property, plant and equipment	12,155	12,148	12,161	12,089	11,805	12,198	12,014
Goodwill	20,570	20,808	20,815	20,491	20,381	20,412	20,494
Other intangible assets	5,082	5,213	5,288	5,332	5,259	5,351	5,414
Tax assets	12,615	12,375	12,949	12,577	12,323	12,034	12,798
Non-current assets and disposal groups classified as held for sale	823	853	640	622	590	2,932	2,880
Other assets	10,863	10,658	10,505	10,454	10,806	11,569	13,043
Total assets	**968,804**	**954,644**	**948,867**	**928,760**	**957,709**	**982,712**	**1,028,294**

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 09.30.2010	06.30.2010	03.31.2010	AMOUNTS AS AT 12.31.2009	09.30.2009	06.30.2009	03.31.2009
Deposits from banks	106,059	115,363	112,828	106,800	124,112	142,891	163,524
Deposits from customers and debt securities in issue	588,570	577,346	592,539	596,396	590,103	590,684	577,062
Financial liabilities held for trading	149,382	139,487	122,753	114,045	128,669	135,340	169,584
Financial liabilities designated at fair value	1,351	1,423	1,601	1,613	1,647	1,633	1,688
Hedging instruments	17,105	16,505	14,248	12,679	13,268	10,875	12,560
Provisions for risks and charges	7,858	7,957	8,010	7,983	8,175	8,142	7,773
Tax liabilities	6,533	6,229	7,174	6,451	6,587	6,213	8,846
Liabilities included in disposal groups classified as held for sale	1,017	403	262	312	298	2,544	2,534
Other liabilities	23,004	22,178	20,712	19,590	22,442	23,513	24,318
Minorities	3,438	3,326	3,452	3,202	3,108	2,984	3,147
Group Shareholders' Equity:	64,487	64,428	65,288	59,689	59,300	57,893	57,258
- Capital and reserves	*63,274*	*63,664*	*64,135*	*57,671*	*57,564*	*57,469*	*57,506*
- Available-for-sale assets fair value reserve and cash-flow hedging reserve	*210*	*95*	*633*	*316*	*405*	*(513)*	*(695)*
- Net profit	*1,003*	*669*	*520*	*1,702*	*1,331*	*937*	*447*
Total liabilities and Shareholders' Equity	**968,804**	**954,644**	**948,867**	**928,760**	**957,709**	**982,712**	**1,028,294**

Consolidated Income Statement

(€ million)

	2010			2009			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net interest	3,919	3,977	3,917	4,017	3,927	4,710	4,650
Dividends and other income from equity investments	69	135	60	91	63	104	54
Net interest income	**3,988**	**4,112**	**3,978**	**4,108**	**3,990**	**4,814**	**4,704**
Net fees and commissions	2,038	2,209	2,169	2,114	1,931	1,889	1,846
Net trading, hedging and fair value income	381	58	560	152	715	1,029	(93)
Net other expenses/income	86	114	99	69	95	104	105
Net non-interest income	**2,506**	**2,381**	**2,828**	**2,335**	**2,741**	**3,022**	**1,858**
OPERATING INCOME	**6,494**	**6,493**	**6,806**	**6,443**	**6,731**	**7,836**	**6,562**
Payroll costs	(2,356)	(2,331)	(2,322)	(2,277)	(2,276)	(2,249)	(2,296)
Other administrative expenses	(1,330)	(1,401)	(1,341)	(1,321)	(1,337)	(1,426)	(1,324)
Recovery of expenses	111	108	101	145	107	112	99
Amortisation, depreciation and impairment losses on intangible and tangible assets	(336)	(314)	(317)	(350)	(325)	(305)	(301)
Operating costs	**(3,911)**	**(3,939)**	**(3,878)**	**(3,803)**	**(3,831)**	**(3,868)**	**(3,822)**
OPERATING PROFIT	**2,583**	**2,554**	**2,928**	**2,640**	**2,900**	**3,968**	**2,740**
Goodwill impairment	-	(162)	-	-	-	-	-
Provisions for risks and charges	(32)	(106)	(156)	(232)	(154)	(155)	(68)
Integration costs	(16)	(6)	(6)	63	(12)	(242)	(67)
Net write-downs of loans and provisions for guarantees and commitments	(1,634)	(1,716)	(1,791)	(2,068)	(2,164)	(2,431)	(1,650)
Net income from investments	2	39	68	217	181	(133)	(33)
PROFIT BEFORE TAX	**903**	**604**	**1,044**	**620**	**751**	**1,007**	**922**
Income tax for the period	(390)	(342)	(403)	(124)	(188)	(363)	(334)
PROFIT (LOSS) FOR THE PERIOD	**513**	**262**	**641**	**496**	**563**	**644**	**588**
Minorities	(122)	(56)	(63)	(63)	(103)	(90)	(76)
NET PROFIT ATTRIBUTABLE TO THE GROUP BEFORE PPA	**391**	**206**	**578**	**433**	**460**	**554**	**512**
Purchase Price Allocation effect[1]	(57)	(58)	(58)	(62)	(66)	(64)	(65)
NET PROFIT ATTRIBUTABLE TO THE GROUP	**334**	**148**	**520**	**371**	**394**	**490**	**447**

Notes:

As indicated in Annual Report 2009, Q1 and Q2 2009 figures published are modified due to the reclassification of results of **private equity** investments from "Net trading, hedging and fair value income" to "Net income from investments".

1. Mainly due to business combination with Capitalia.

Comparison of Q3 2010 / Q3 2009

Condensed Income Statement

(€ million)

	Q3		CHANGE		
	2010	2009	€M	PERCENT	ADJUSTED[1]
Net interest	3,919	3,927	- 8	- 0.2%	- 1.6%
Dividends and other income from equity investments	69	63	+ 6	+ 8.8%	+ 18.8%
Net interest income	**3,988**	**3,990**	**- 2**	**- 0.1%**	**- 1.3%**
Net fees and commissions	2,038	1,931	+ 107	+ 5.6%	+ 2.9%
Net trading, hedging and fair value income	381	715	- 334	- 46.7%	- 50.7%
Net other expenses/income	86	95	- 9	- 9.3%	- 12.7%
Net non-interest income	**2,506**	**2,741**	**- 235**	**- 8.6%**	**- 11.7%**
OPERATING INCOME	**6,494**	**6,731**	**- 237**	**- 3.5%**	**- 5.5%**
Payroll costs	(2,356)	(2,276)	- 80	+ 3.5%	+ 2.4%
Other administrative expenses	(1,330)	(1,337)	+ 7	- 0.5%	- 2.1%
Recovery of expenses	111	107	+ 4	+ 3.7%	+ 4.0%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(336)	(325)	- 11	+ 3.3%	+ 1.4%
Operating costs	**(3,911)**	**(3,831)**	**- 80**	**+ 2.1%**	**+ 0.7%**
OPERATING PROFIT	**2,583**	**2,900**	**- 317**	**- 10.9%**	**- 13.8%**
Goodwill impairment	-	-	-	n.s.	n.s.
Provisions for risks and charges	(32)	(154)	+ 122	- 79.4%	- 80.1%
Integration costs	(16)	(12)	- 4	+ 34.9%	+ 28.5%
Net write-downs of loans and provisions for guarantees and commitments	(1,634)	(2,164)	+ 530	- 24.5%	- 26.3%
Net income from investments	2	181	- 179	- 98.7%	- 99.1%
PROFIT BEFORE TAX	**903**	**751**	**+ 152**	**+ 20.2%**	**+ 16.8%**
Income tax for the period	(390)	(188)	- 202	+ 107.4%	+ 108.2%
PROFIT (LOSS) FOR THE PERIOD	**513**	**563**	**- 50**	**- 8.9%**	**- 14.4%**
Minorities	(122)	(103)	- 19	+ 18.6%	+ 13.2%
NET PROFIT ATTRIBUTABLE TO THE GROUP BEFORE PPA	**391**	**460**	**- 69**	**- 15.0%**	**- 21.0%**
Purchase Price Allocation effect[2]	(57)	(66)	+ 9	- 13.5%	- 13.3%
NET PROFIT ATTRIBUTABLE TO THE GROUP	**334**	**394**	**- 60**	**- 15.3%**	**- 22.4%**

Notes:
1. Changes at constant exchange rates and perimeter.
2. Mainly due to business combination with Capitalia.

Segment Reporting (Summary)

Key Figures by Business Segment

(€ million)

	RETAIL	CORPORATE & INVESTMENT BANKING (CIB)	PRIVATE BANKING	ASSET MANAGEMENT	CENTRAL EASTERN EUROPE (CEE)	PARENT COMPANY AND OTHER SUBSIDIARIES (CONSOLIDATION ADJUSTMENTS INCLUDED)	CONSOLIDATED GROUP TOTAL
Income statement							
OPERATING INCOME							
First 9 months 2010	7,490	7,726	607	613	3,434	(78)	19,793
First 9 months 2009	*8,292*	*8,443*	*658*	*527*	*3,499*	*(291)*	*21,129*
OPERATING COSTS							
First 9 months 2010	(5,657)	(2,712)	(426)	(356)	(1,576)	(1,002)	(11,728)
First 9 months 2009	*(5,805)*	*(2,640)*	*(424)*	*(352)*	*(1,443)*	*(856)*	*(11,521)*
OPERATING PROFIT							
First 9 months 2010	1,833	5,014	182	258	1,858	(1,080)	8,065
First 9 months 2009	*2,487*	*5,803*	*234*	*175*	*2,056*	*(1,147)*	*9,608*
PROFIT BEFORE TAX							
First 9 months 2010	469	2,393	172	247	854	(1,584)	2,551
First 9 months 2009	*903*	*1,845*	*222*	*182*	*825*	*(1,297)*	*2,680*
Balance Sheet							
LOANS TO CUSTOMERS							
as at September 30, 2010	173,411	286,784	7,273	15	62,471	28,883	558,836
as at December 31, 2009	*175,029*	*295,620*	*7,396*	*-*	*58,084*	*28,857*	*564,986*
DEPOSITS FROM CUSTOMERS AND DEBT SECURITIES IN ISSUE							
as at September 30, 2010	239,105	183,246	23,160	-	53,227	89,833	588,570
as at December 31, 2009	*245,201*	*150,079*	*28,698*	*-*	*50,572*	*121,846*	*596,396*
TOTAL RISK WEIGHTED ASSETS							
as at September 30, 2010	79,051	259,874	4,969	1,913	75,320	32,350	453,478
as at December 31, 2009	*75,014*	*267,751*	*4,729*	*1,770*	*69,614*	*33,510*	*452,388*
EVA							
First 9 months 2010	(222)	87	86	163	25	(1,515)	(1,376)
First 9 months 2009	*174*	*87*	*132*	*106*	*126*	*(1,915)*	*(1,288)*
Cost/income ratio							
First 9 months 2010	75.5%	35.1%	70.1%	58.0%	45.9%	n.s.	59.3%
First 9 months 2009	*70.0%*	*31.3%*	*64.5%*	*66.7%*	*41.2%*	*n.s.*	*54.5%*
Employees[1]							
as at September 30, 2010	62,045	16,405	3,064	1,898	51,641	26,116	161,169
as at December 31, 2009	*63,827*	*16,991*	*3,112*	*1,960*	*52,390*	*26,783*	*165,062*

Notes:

2009 figures were recasted, where necessary, on a like-to-like basis to consider changes in scope of business segments and EVA computation rules.

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

Group Figures

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

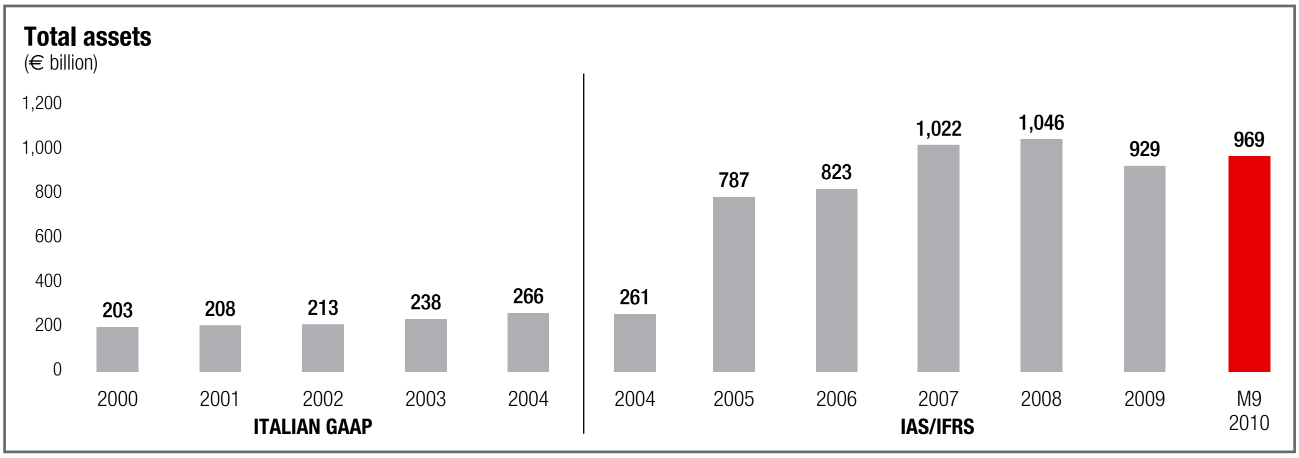
This expansion was recently characterized, particularly:

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

Group Figures 2000 - 2010

	IAS/IFRS							ITALIAN GAAP				
	M9 2010	2009	2008	2007	2006	2005	2004	2004	2003	2002	2001	2000
Income Statement (€ million)												
Operating income	19,793	27,572	26,866	25,893	23,464	11,024	10,203	10,375	10,465	10,099	9,989	9,318
Net interest income	*12,077*	*17,616*	*19,385*	*14,843*	*12,860*	*5,645*	*5,156*	*5,200*	*5,088*	*5,127*	*5,049*	*4,747*
Net non-interest income	*7,715*	*9,956*	*7,481*	*11,050*	*10,604*	*5,379*	*5,047*	*5,175*	*5,377*	*4,972*	*4,940*	*4,571*
Operating costs	(11,728)	(15,324)	(16,692)	(14,081)	(13,258)	(6,045)	(5,701)	(5,941)	(5,703)	(5,483)	(5,263)	(4,752)
Operating profit	8,065	12,248	10,174	11,812	10,206	4,979	4,502	4,434	4,762	4,616	4,726	4,566
Profit before income tax	2,551	3,300	5,458	9,355	8,210	4,068	3,238	2,988	3,257	2,924	3,212	3,185
Net profit for the period	1,416	2,291	4,831	6,678	6,128	2,731	2,239	2,300	2,090	1,962	1,954	1,858
Net profit attributable to the Group	1,003	1,702	4,012	5,961	5,448	2,470	2,069	2,131	1,961	1,801	1,454	1,395
Balance sheet (€ million)												
Total assets	968,804	928,760	1,045,612	1,021,758	823,284	787,284	260,909	265,855	238,256	213,349	208,388	202,656
Loans and receivables to customers	558,836	564,986	612,480	574,206	441,320	425,277	139,723	144,438	126,709	113,824	117,622	115,157
of which: non-performing loans	*15,107*	*12,692*	*10,464*	*9,932*	*6,812*	*6,861*	*2,621*	*2,621*	*2,373*	*2,104*	*1,822*	*2,005*
Deposits from customers and debt securities in issue	588,570	596,396	591,290	630,533	495,255	462,226	155,079	156,923	135,274	126,745	127,320	118,006
Shareholders' Equity	64,487	59,689	54,999	57,724	38,468	35,199	14,373	14,036	13,013	12,261	9,535	8,644
Profitability ratios (%)												
ROE[1]	2.7	3.8	9.5	15.6	16.7	15.6	15.7	17.9	17.7	17.2	18.0	19.2
Operating profit/Total assets[1]	1.11	1.32	0.97	1.16	1.24	0.63	1.73	1.67	2.00	2.16	2.27	2.25
Cost/income ratio	59.3	55.6	62.1	54.4	56.5	54.8	55.9	57.3	54.5	54.3	52.7	51.0

1. Annualized figures.



UniCredit Share

Share Information

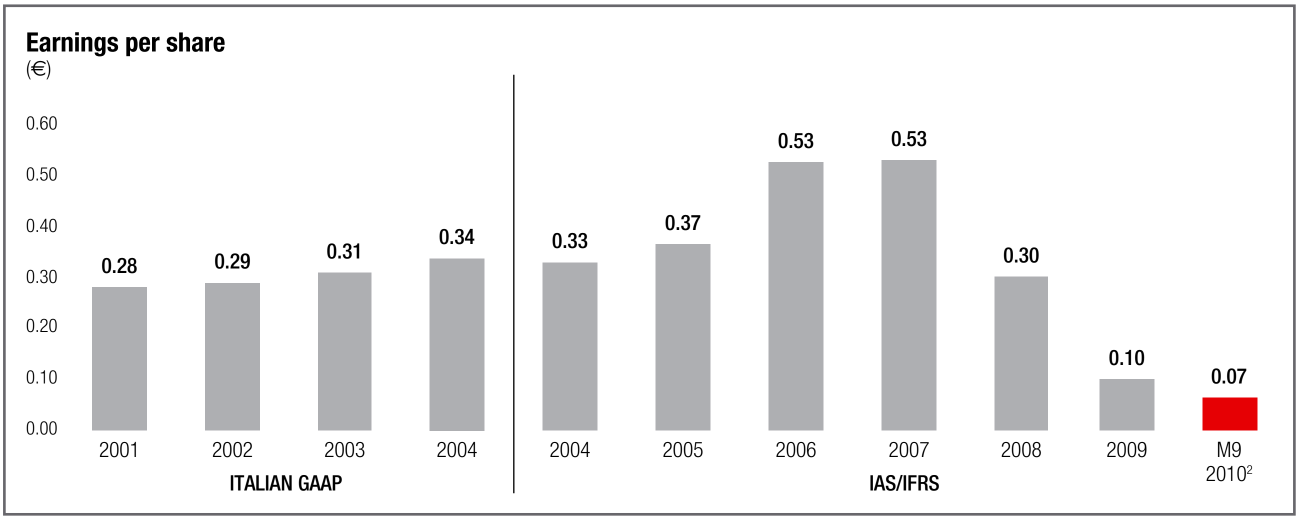
	M9 2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Share price (€)										
- maximum	2.336	2.769	5.697	7.646	6.727	5.864	4.421	4.425	5.255	5.865
- minimum	1.563	0.634	1.539	5.131	5.564	4.082	3.805	3.144	3.173	3.202
- average	1.992	1.902	3.768	6.541	6.161	4.596	4.083	3.959	4.273	4.830
- end of period	1.872	2.358	1.728	5.659	6.654	5.819	4.225	4.303	3.808	4.494
Number of outstanding shares (€ million)										
- at period end	19,297.6	16,779.7	13,368.1	13,278.4	10,351.3	10,303.6	6,249.7	6,316.3	6,296.1	5,046.4
- shares cum dividend		18,329.5	13,372.7	13,195.3	10,357.9	10,342.3	6,338.0	6,316.3	6,296.1	5,131.1
of which: savings shares		*24.2*	*21.7*	*21.7*	*21.7*	*21.7*	*21.7*	*21.7*	*21.7*	*21.7*
- average[1]	18,068.4	15,810.8	13,204.6	11,071.6	10,345.2	6,730.3	6,303.6	-	-	-
Dividend										
- total dividends (€ million)		550	(*)	3,431	2,486	2,276	1,282	1,080	995	724
- dividend per ordinary share		0.030	(*)	0.260	0.240	0.220	0.205	0.171	0.158	0.141
- dividend per savings share		0.045	(*)	0.275	0.255	0.235	0.220	0.186	0.173	0.156

1. Calculated on the number of shares that benefit from the distribution of profit in the form of dividend.
(*) 2008 dividend was paid with cash to savings shareholders (€0.025 per share, for a total amount of €0.5 million), and with newly issued shares (so called "scrip dividend").

Earnings Ratios

	IAS/IFRS							ITALIAN GAAP			
	M9 2010	2009	2008	2007	2006	2005	2004	2004	2003	2002	2001
Shareholders' Equity (€ million)	64,487	59,689	54,999	57,690	38,468	35,199	14,373	14,036	13,013	12,261	9,535
Group portion of net profit (€ million)	1,003	1,702	4,012	5,901	5,448	2,470	2,069	2,131	1,961	1,801	1,454
Net worth per share (€)	3.34	3.56	4.11	4.34	3.72	3.42	2.30	2.21	2.06	1.95	1.89
Price/Book value	0.56	0.66	0.42	1.30	1.79	1.70	1.84	1.91	2.09	1.96	2.38
Earnings per share (€)[2]	0.07	0.10	0.30	0.53	0.53	0.37	0.33	0.34	0.31	0.29	0.28
Payout ratio (%)		32.3	(*)	58.1	45.6	92.1		60.2	55.1	55.2	49.8
Dividend yield on average price per ordinary share (%)		1.58	(*)	3.97	3.90	4.79		5.02	4.32	3.70	2.92

(*) 2008 dividend was paid with cash to savings shareholders (€0,025 per share, for a total amount of €0.5 million), and with newly issued shares (so called "scrip dividend").
The 2008 EPS figure published in the consolidated report as at December 31, 2008 was €0.30 and has now been amended to €0.26 due to the increase in the number of shares following the capital increase (IAS 33 § 28). For the purposes of calculating 2009 EPS, net profit for the period of €1,702 million was changed to €1,571 million due to disbursements made in connection with the foreseen use of treasury shares agreed under the 'cashes' transaction, and charged to equity. For the purposes of calculating M9 2010 EPS, net profit for the period of €1,003 million was changed to €887 million due to disbursements made in connection with the foreseen use of treasury shares agreed under the 'cashes' transaction, and charged to equity.
2. Annualized figures.



2. Annualized figures.

Group Results

Macroeconomic and banking scenario

International Situation

USA/Eurozone

The recovery in the world economy is continuing, but growth is occurring at a slower pace. The recovery at the beginning of the year did not occur in a uniform manner in all countries. In fact, disparities have grown between the most advanced economies (USA, Eurozone, UK and Japan), which grew at a more modest pace, and emerging economies, which have become the new engines of world growth.

Of the emerging economies, China continues to report extremely strong growth rates, although they are currently moderating somewhat. In Q2 2010, China reported annual GDP growth of 10.3%, which allowed it to pass Japan becoming the second largest economy in the world. In Q3 2010, there was a slight reduction in the pace to 9.6%.

On the other hand, advanced economies experienced a relatively slow recovery due primarily to the gradually declining support from the inventory cycle and key tax stimulus measures. Specifically, in Q2 2010, both the US (+0.4% q/q) and Japan (+0.4%) reported a low level of GDP growth, which was lower than expected, while quarterly growth in the UK held steady at 1.2%, and in the Eurozone was the highest it has been in the last three years (1%).

In terms of individual countries, Germany was the main driving force behind the strong expansion in the Eurozone with a jump of 2.2% in GDP for the quarter. With regard to individual line items, the strongest quarterly growth rates were seen in exports (+4.3%), imports (+4.0%) and outlays for investments (+1.5%).

In order to stabilize the recovery in the Eurozone, it will be necessary to stay on a path of constant growth in individual consumption and investments. The former rose by 0.2% in Q2 2010, which was in line with performance for the previous two quarters. It is likely that the growth rate for consumption will remain limited for the foreseeable future since the unemployment rate will remain high. At the same time, fiscal policy will become restrictive in all countries in the area. During this period, retail sales continued to stagnate, while automobile registrations started to stabilize after a sharp correction following the end of incentives that had driven the market rise in 2009. On the other hand, investments resumed their upward trend in the second quarter (+1.5% vs. -0.3% in the first quarter). Compared to 2009, the financial position of companies has improved as evidenced by the decline in interest expense on debt and signs of improved profits. This is indicative that companies have significantly improved their ability to fund operations from internal cash flow, which is a necessary (but not sufficient) condition for the recovery of the investment cycle. At the moment, it is likely that growth in expenditures on machinery and equipment is not a true reflection of a resumption in the investment cycle, but rather the replacement of obsolete machinery and equipment. In fact, although in H1 2010 the rate of use of production capacity recovered considerably from the lows reached in mid-2009, it is still at 77%, which is still well below the long-term average.

The recovery of the US economy is continuing, although it clearly lost some momentum in the second quarter. After recording an impressive 5% annual growth rate in Q4 2009, followed by a strong 3.7% in Q1 2010, economic growth in the US economy has slowed significantly to an annualized rate of 1.7% in Q2 2010. Based on this data, we feel fears of the return of the recession are unfounded, but we recognize that weakness in the labor market and real estate sector continues to be a source of uncertainty for growth prospects.

Focusing on key growth drivers, until now the expansion of GDP in the US has been mostly supported by inventories, stable consumption and a significant increase in investments in machinery and equipment. On the other hand, the sharp reductions in expenditures by central and local governments have put a damper on growth, as has the negative contribution from the foreign sector, which reflects a greater increase in imports than exports.

In the second half of the year, business confidence surveys reflected gradual moderation on both sides of the Atlantic.
In particular, looking at the Eurozone, the survey on manufacturing PMI continued to show a trend of gradual moderation with a figure of 54.1 in October. However, this level of manufacturing PMI is consistent with our growth expectations, which show moderate economic activity in the second half of the year.
On the other hand, consumer confidence grew stronger.
In September the European Commission’s consumer survey showed this measure was close to the long-term average.
With regard to the job market, the creation of new jobs is still lackluster. Companies, which are committed to reducing debt levels and cautious over demand prospects, are still reluctant to hire new workers. Thus, the unemployment rate is still high at 9.6% in the US and 10.1% in the Eurozone in August (latest available data).

With regard to price changes, inflation (the HICP index) in the Eurozone continued to exhibit an upward trend jumping to 1.7% in Q3 2010 compared to 1.5% in the previous quarter. This upward trend is mainly the reflection of higher energy prices together with an unfavorable base effect related to the energy industry. “Core” inflation, meaning inflation adjusted for the most volatile price components, food and energy, has remained largely stable and at a low level since the beginning of the year. In Q3 2010 this measure stood at 1.0% compared to 0.8% for Q2 2010.

With regard to monetary policy, the European Central Bank (ECB) was devoted to providing support to the real economy and financial sector. After taking the refi rate to 1.0% in mid-2009, the central bank used several tools to provide unlimited liquidity to the financial system. The ECB will continue to provide unlimited liquidity to banks at the refi rate for maturities up to three months at least until the end of the year. These measures were shown to be necessary in an environment in which governments of several countries in the Eurozone faced high levels of debt service along with market tensions resulting from the sovereign debt crisis.
In this context, all countries, and especially those most vulnerable, must commit to reducing their deficits and public debt.

In the US, the Federal Reserve (Fed) continues to leave the Fed Funds rate unchanged at a historical low of 0 to 0.25%, and has ruled out any immediate intervention on interest rates.
In February, in a surprise move, the Fed increased the discount rate from 0.25% to 0.75%. The Fed clarified that this move was only a measure to normalize the rate at which the central bank lends to commercial banks in emergency situations, and not the beginning of a new round of rate hikes. In August, the central bank decided to reinvest income from debt agency securities secured by mortgages in long-term treasury bonds, and to roll over treasury bonds at maturity in treasury bonds. It is expected that the Fed will commence a second phase of quantitative easing in the upcoming months to further support economic growth.

Banking and financial markets

Compared to the beginning of the year, Q3 2010 saw further improvements in loan growth with more convincing signs of a turning point and the beginning of a recovery phase. In August, bank lending to the private sector in the Eurozone resumed its growth trend with an annual rate of over 1%. The recovery was largely due to the strong upswing in loans to households, which were up about 3% on an annual basis, and the slowing of the downward trend in loans to non-financial companies, the reduction of which was limited to about 1.0% y/y toward the end of the third quarter.

In line with performance in the Eurozone overall, differing signs of a recovery in loan growth can be seen in all three of the Group's reference countries. In Italy, the annual growth in bank loans to the private sector was 3.7% in August 2010, the highest level since January 2009. Significant support came from the increase in loans to households (nearly 9.0% y/y), which continued to exhibit a rate of increase greater than that seen in other Eurozone countries. The recovery mainly concerned loans for home purchases, but in July and August consumer credit was also up (with growth of 6.3% y/y in August). On the other hand, loans to companies continued to decline but at a rate well below 1%, which is in keeping with a continuing economic recovery (this measure leads the expansion in loans to companies by about 3-4 quarters) and the recovery in expenditures on investments, which is accompanied by companies' greater need of external loans. As in the case of Italy, overall loans to the private sector in Austria were up nearly 3.0% y/y due to a solid increase in loans to households (nearly 6% y/y), and a recovery in loans to companies, which started to grow at the beginning of the third quarter. In Germany, bank lending grew at a slower pace, especially in the context of the highly positive signs in terms of economic growth. To be specific, bank loans to the private sector rose by only 0.6% y/y in August 2010 (according to monthly ECB statistics) in light of the upward trend in loans to households that stayed well below 1%. The latter figure is primarily a reflection of the particularly low growth in loans for home purchases, which confirms the continuing weakness in the sector, despite the solid growth of consumer credit (up 4.6% y/y). In addition, loans to non-financial companies, including family firms, continued to decline at an annual rate of nearly 2.0% in August, but were on an upward trend from the lows reached at the beginning of the year (around -4.0% y/y).

In Q3 2010 bank deposits from resident customers exhibited a gradual decline in the growth rate of current accounts. This measure remained strong only in Germany with growth of over 10%, compared to more modest growth in Austria and Italy (around 7% and 5% y/y respectively).

Group Results (Continued)

Macroeconomic and banking scenario (Continued)

Current account movements were affected by the declining risk aversion of households, despite a particularly low rate environment, which had a negative impact on investments with a higher return. The latter factor, in particular, ended up lowering the growth rate of total deposits from resident customers in Germany and Austria (with growth of less than 3% y/y) in light of a reduction of time deposits in Germany itself, and of deposits other than current accounts in Austria. On the other hand, in Italy, despite the sluggish scenario, deposits redeemable at notice and deposits with a pre-established term were steadier resulting in total growth in deposits from resident customers of nearly 5% y/y compared to 12% at the beginning of the year.

With regard to bank interest rates, in the third quarter, the first signs of an interruption could be seen in the downward trend in rates that began two years ago. To be specific, benchmark interbank rates started rising in May 2010 as a result of the gradual elimination of measures to support liquidity for banks, which started to have an impact on bank interest rates. Specifically, the bank spread (difference between the lending and deposit rates) in Italy rose to nearly 3.0% toward the end of the third quarter (after reaching a low of 2.92% in June) since lending rates were more responsive than deposit rates. The bank spread remained nearly unchanged in Austria at approximately 1.76%, while there was an opposite trend in Germany where the stability of interest rates on loans and initial increase in deposit rates led to a slight reduction in the bank spread (from a high of 3.63% in Q1 2010 to 3.58%).

Finally, in Q3 2010 there were a few signs of relief in equity markets with major exchanges posting a recovery from the deterioration in H1 2010 which resulted from the growing sovereign debt crisis. In Q3 2010, the Italian stock exchange was still down 12% from December 2009, but had improved substantially from the 17% decrease reported in June, while the Austrian and German stock exchanges both reported increases of 2% and 4% respectively over year-end 2009. In Q3 2010, the mutual fund industry continued the upward trend that started at the beginning of the year. To be specific, in Italy there was a net inflow of funds of about €4.6 billion, and of about €2 billion in Austria. In Germany there was further consolidation of the good performance seen in H1 2010 with cumulative net inflow from the beginning of the year of nearly €13 billion. With regard to fund assets, in Italy these amounted to around €450 billion in September, up by about 3% compared with December 2009. Similar performance was reported in both Germany and Austria where in Q3 2010 fund assets rose by 4% and 6% respectively over year-end 2009.

CEE Countries

In Q3 2010, the economies of Central Eastern Europe continued to show encouraging signs in terms of the real economy (increases in industrial production, consumption and investments) and financial variables (stabilization of exchange rates and country risk). The two-speed growth in the Eurozone was reflected in differing growth rates in CEE economies. The strength of the German economy had an impact on Central European countries that are more closely linked to the German economic cycle (Poland, Czech Republic and Slovakia). Countries in Southeastern Europe were weaker, and had not all fully recovered from the recession. Some of these are grappling with austerity packages (especially Romania) that tend to lower local demand. On the other hand, Turkey, the fifth largest emerging economy in the world in terms of size, is poised to become the country with the highest economic growth in Europe (and among the 10-15 countries with the fastest economic growth in the world).
In the summer there were signs of inflationary pressures that were partly due to increases in food products. However, in most countries inflation is still not a significant problem. Average inflation in the region could be around 5.8% this year compared to 7.4% in 2009.

In terms of taxes, state budgets are continuing to strengthen with no negative surprises, with certain countries guided by the IMF (Romania, Serbia, Bosnia, Latvia and Ukraine), while others have decided to do without its help (in July, Hungary announced its decision to terminate its collaboration with the Fund). The average ratio of the deficit to GDP in the region, which reached a level of 7% in 2009, will drop to about 5.4% this year, and by another point next year. In general, the tax situation in CEE countries is still under control. All economies in the area have a government debt to GDP ratio of under 60% except for Hungary.

Going forward, the economies of Eastern Europe will recover at a strong pace, but it is unlikely the area will grow any faster (and in certain cases could slow down). After the economic decline of 5.7% in the region in 2009, in 2010 GDP will grow between 3.5% and 4%, with economic performance about the same in 2011.

Main Results and Performance for the period

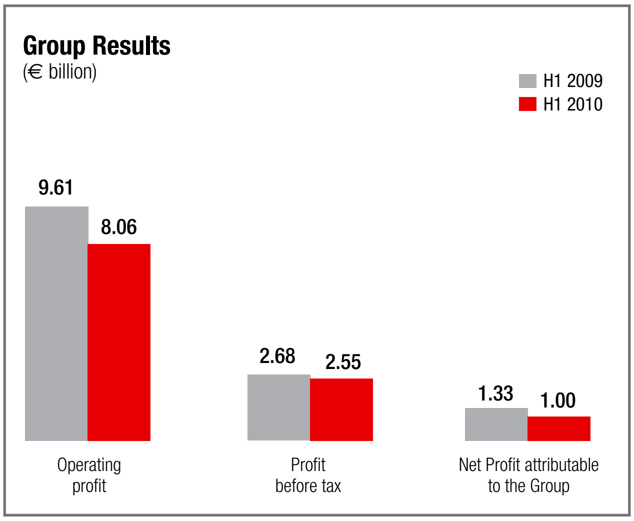
At the end of M9 2010 the signs that growth was moderating in the economies in which UniCredit operates intensified - in contrast to good first-half growth mainly due to the recovery of world trade. This recovery was accompanied by a period of improved growth in banking business volumes, though this is still modest. Against this background the various economies' growth potential continues to diverge, especially in the non-euro area of the EU. Measures to support the financial systems' liquidity continued in Q3 2010 and helped to keep reference rates decidedly low though they have begun to rise from their historic lows. Credit quality's deterioration is a continuing serious problem, above all in the corporate segment, which is responding too late to the previous economic slowdown.

In Q3 2010 the Group recorded **net profit** of €334 million, as against €148 million in Q2, which included €162 million goodwill impairment. Compared to Q2 revenue was stable, while costs contracted slightly by 0.7%. **Write-downs of loans** improved by 4.8% to €1,634 million.

Net Profit attributable to the Group reached €1,003 million in M9 2010, down by 24.6% from M9 2009. **Annualized EPS** was 7 cents (as against 10 cents in M9 2009), while **ROE**[1] was 2.7% as against 4% in M9 2009.

Net Profit attributable to the Group was affected by **Operating Profit**, down by 16.1% from M9 2009 mainly due to revenue weakness. By Business Area this fall in **Operating Profit** was attributable to Retail as to €654 million (-26.3%), CIB as to €789 million (-13.6%), CEE as to €197 million (-9.6%) and Private Banking as to €52 million (-22.3%), while Asset Management's encouraging trend continued with an increase of €82 million (+46.8%).

Profit before Tax contracted somewhat less, by 4.8%, thanks to lower loan write-downs than in M9 2009 (-17.7%).



1. Annualized figures. Calculated on the basis of the average Shareholders' Equity for the period (excluding dividends to be distributed and reserves in respect of AfS assets and cash-flow hedge), net of goodwill arising from the business combination with HVB and Capitalia, which were carried out with an exchange of shares and recorded in accordance with IFRS 3.

Group Results (Continued)

Main Results and Performance for the period (Continued)

Operating Profit: Breakdown

Operating Profit exceeded €8 billion in M9 2010, a fall of 16.1% from M9 2009 (-18.1% at constant exchange rates and businesses).

The cause of this performance by **Operating Profit** was basically a fall in **Operating Income**, entirely due to **Net Interest Income**, which contracted by 10.6% from M9 2009.
This fall from the 2009 figure was mainly attributable to the lower mark-down on deposits following a sharp reduction in interest rates, as well as lower lending volumes and changes in the rules on the highest debit balance charge previously levied in the Italian market.

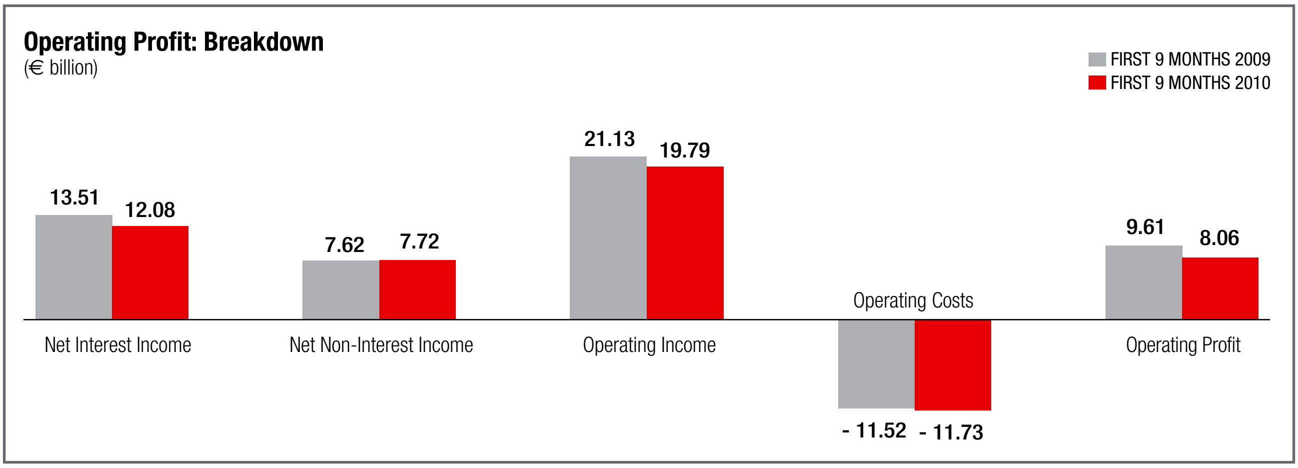
In fact **Operating Income** fell by 6.3% or 7.9% at constant exchange rates and businesses from M9 2009, to €19.8 billion, falling in all business segments with the exception of Asset Management, where it grew by 16.4% y/y thanks to a €13 billion increase in assets under management. By contrast all the other segments were affected - mainly in terms of net interest income - from the mentioned weakness factors, only partly offset by a good performance in fees and commissions. **Operating Income** fell in Retail by 9.7%, in CIB by 8.5%, in Private Banking by 7.7% and in CEE by 1.8%.

Net Non-Interest Income grew by 1.2% y/y on the back of good result from **Net Fees and Commissions**, which rose by 13.3% y/y, offset by **Net trading, hedging and fair value income**, which contracted by 39.5%.

Operating Profit: Breakdown

(€ million)

	FIRST 9 MONTHS		CHANGE		QUARTERLY FIGURES						
					2010			2009			
	2010	2009	AMOUNT	%	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net interest income	12,077	13,508	- 1,431	- 10.6%	3,988	4,112	3,978	4,108	3,990	4,814	4,704
Net non-interest income	7,715	7,621	94	1.2%	2,506	2,381	2,828	2,335	2,741	3,022	1,858
Operating income	**19,793**	**21,129**	**- 1,336**	**- 6.3%**	**6,494**	**6,493**	**6,806**	**6,443**	**6,731**	**7,836**	**6,562**
Operating costs	(11,728)	(11,521)	- 207	1.8%	(3,911)	(3,939)	(3,878)	(3,803)	(3,831)	(3,868)	(3,822)
Operating profit	**8,065**	**9,608**	**- 1,543**	**- 16.1%**	**2,583**	**2,554**	**2,928**	**2,640**	**2,900**	**3,968**	**2,740**
Cost/income (%)	**59.3%**	**54.5%**			**60.2%**	**60.7%**	**57.0%**	**59.0%**	**56.9%**	**49.4%**	**58.2%**



Operating Costs increased y/y by €207 million or 1.8% (0.7% at constant exchange rates and businesses). The largest increases were recorded in CEE (up by €133 million, or 9.2% y/y or 5.3% at constant exchange rates), in CIB (up by €72 million, 2.7% y/y) and in the Corporate Centers (up by €64 million, or 9% y/y), partly offset by a fall in Retail's costs of €148 million (3.3% at constant exchange rates), while the change in Asset Management was marginal (an increase of €4 million or 1.2%).

These performances by **Operating Income** and **Operating Costs** gave a Group **Cost/Income Ratio** of 59.3%, an increase of 4.8 percentage points over M9 2009, when it was 54.5%.

Operating Profit by Business Segment

The contribution of each business segment to Group Operating Profit is given in the following table.

Operating Profit by Business Segment

(€ million)

	NET INTEREST INCOME	NET NON-INTEREST INCOME	OPERATING INCOME	OPERATING COSTS	OPERATING PROFIT FIRST 9 MONTHS '10	OPERATING PROFIT FIRST 9 MONTHS '09	OPERATING PROFIT CHANGE %
Retail	4,379	3,111	7,490	(5,657)	1,833	2,487	- 26.3%
Corporate & Investment Banking (CIB)	5,298	2,428	7,726	(2,712)	5,014	5,803	- 13.6%
Private Banking	171	436	607	(426)	182	234	- 22.3%
Asset Management	7	606	613	(356)	258	175	46.8%
Central Eastern Europe (CEE)	2,444	990	3,434	(1,576)	1,858	2,056	- 9.6%
Total other divisions	(221)	143	(78)	(1,002)	(1,080)	(1,147)	- 5.9%
Group Total	**12,077**	**7,715**	**19,793**	**(11,728)**	**8,065**	**9,608**	**- 16.1%**

Net Interest Income

Net Interest Income fell by €1.4 billion to €12.1 billion in M9 2010 (as against €13.5 billion in M9 2009), a contraction of 11.5% at constant exchange rates and businesses.
Net Interest was €11.8 billion, down by 11.1% from M9 2009; the fall from Q2 2010 was €58 million or 1.5%. The change from 2009 was due largely to the following factors: (a) a sharp fall in interest rates, which had a negative impact on income from deposits; (b) a reduction in loan volume (only partly offset by improved margins) and (c) the rule changes for the highest debit balance charge previously levied in the Italian market (partly offset by the introduction of a new fee).

Net loans to customers were €559 billion at September 30, 2010 - broadly in line with the June 30, 2010 figure, but down 1.2% from September 30, 2009, mainly in the Corporate & Investment Banking area (-2.3%) as a result of the overall slowdown in the economic cycle.

Deposits from customers and debt securities in issue totaled €588.6 billion at September 30, 2010, a decrease of 0.3% from September 30, 2009 (-0.8% at constant exchange rates) following a reduction in the stock of bonds issued. Deposits from customers were up by 3.2% over M9 2009 (2.4% at constant exchange rates) especially in the CIB area (+7.8% or 7.2% at constant exchange rates) and in CEE (5.6% or 2.6% at constant exchange rates).

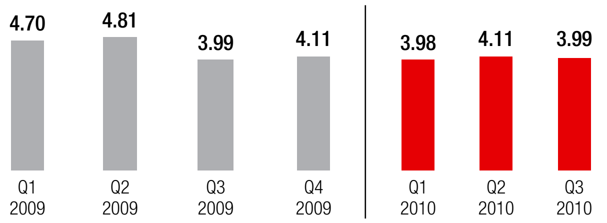
Dividends and other income from equity investments rose by €42.7 million over M9 2009, but fell by €66 million from Q2 2010, mainly due to the effect of subsidiaries consolidated using the equity method.

Net Interest Income

(€ million)

	FIRST 9 MONTHS 2010	FIRST 9 MONTHS 2009	CHANGE AMOUNT	CHANGE %
Interest income and similar revenues	21,555	27,298	- 5,742	- 21.0%
Interest expense and similar costs	(9,741)	(14,010)	4,269	- 30.5%
Net interest	***11,814***	***13,287***	***- 1,473***	***- 11.1%***
Dividends and other income from equity investments	263	221	42	19.2%
Net interest income	**12,077**	**13,508**	**- 1,431**	**- 10.6%**

Net Interest Income
(Quarterly figures, € billion)



Group Results (Continued)

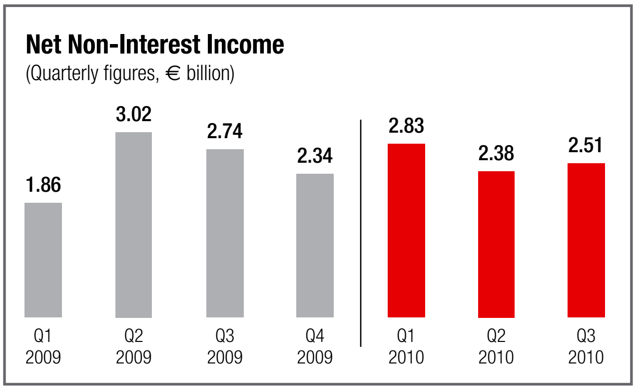
Main Results and Performance for the period (Continued)

Net Non-Interest Income

Net Non-Interest Income was €7.7 billion in M9 2010, an increase of €94 million over M9 2009.

Net Non-Interest Income (€ million)

	FIRST 9 MONTHS		CHANGE	
	2010	2009	AMOUNT	%
Fee and commission income	7,726	6,980	746	10.7%
Fee and commission expense	(1,309)	(1,314)	6	- 0.4%
Net fees and commissions	*6,417*	*5,666*	*751*	*13.3%*
Net trading, hedging and fair value income	*999*	*1,651*	*- 652*	*- 39.5%*
Other administrative income	954	975	- 21	- 2.1%
Other administrative expense	(655)	(671)	16	- 2.4%
Net other expense/income	*299*	*304*	*- 5*	*- 1.6%*
Net non-interest income	**7,715**	**7,621**	**94**	**1.2%**

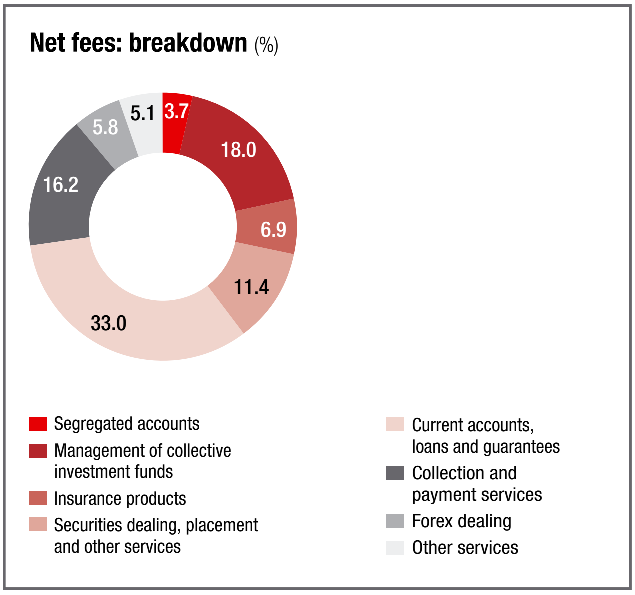


Within this figure, **net commissions** sustained their upward trend, totaling €6.4 billion in M9 2010, compared to €5.7 billion in M9 2009, an increase of 13.3%. This increase was driven by both **asset management and administration services** (+15.8%), which reported increases in all components, especially investment funds, and **commissions on current accounts** (+18.6%), due not least to the introduction of a new pricing structure under the new rules on the highest debit balance charge.

The strong performance of **net fees and commissions** offset a reduction in **trading, hedging and fair value income,** which fell by €652 million, or 39.5% from M9 2009, due to the great instability of both debt and equity markets. This reduction was generated in CEE (-€350 million) and the Corporate Centre (-€301 million, largely due to marking to market certain Group strategic and investment positions). By contrast the CIB area reported an improvement of €30 million mainly due to interest and exchange-rate transactions.

Net fees and commissions (€ million)

	FIRST 9 MONTHS		CHANGE	
	2010	2009	AMOUNT	%
Asset management, custody and administration:	2,566	2,216	+ 350	+ 15.8%
Segregated accounts	*238*	*192*	*+ 46*	*+ 24.0%*
Management of collective investment funds	*1,155*	*916*	*+ 239*	*+ 26.1%*
Insurance products	*444*	*408*	*+ 36*	*+ 8.8%*
Securities dealing, placement and other services	*729*	*700*	*+ 29*	*+ 4.1%*
Current accounts, loans and guarantees	2,117	1,785	+ 332	+ 18.6%
Collection and payment services	1,037	1,079	- 42	- 3.9%
Forex dealing	371	347	+ 24	+ 6.9%
Other services	326	239	+ 87	+ 36.4%
Total	**6,417**	**5,666**	**+ 751**	**+ 13.3%**



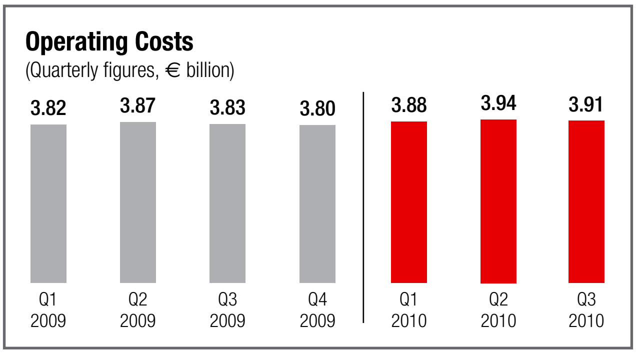
Operating Costs

M9 2010 **Operating Costs** were €11.7 billion, up by 1.8% (0.7% at constant exchange rates and businesses) over M9 2009.

Operating Costs

(€ million)

	FIRST 9 MONTHS		CHANGE	
	2010	2009	AMOUNT	%
Payroll costs	(7,009)	(6,821)	- 188	2.8%
Other administrative expenses	(4,072)	(4,087)	15	- 0.4%
Recovery of expenses	320	318	2	0.6%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(966)	(931)	- 35	3.8%
Operating Costs	**(11,728)**	**(11,521)**	**- 207**	**1.8%**



Payroll costs were €7.0 billion, up 2.8% (+1.9% at constant exchange rates and businesses) over M9 2009. This increase was attributable to changes in salary increases under collective labor agreements partly offset by a reduction in staff. They also include the effect of an agreement relating to changes in Group top management.

As at September 30, 2010, **the FTE[2] headcount** was 161,169 employees, a reduction of 3,893 employees since the beginning of 2010 (689 employees since June) and a reduction of 5,252 employees from September 2009.

Reductions from the beginning of the year were mostly concentrated in:
- Retail: a reduction of 1,782 employees, of whom 1,610 in Italy; and CIB: a reduction of 586 employees, of whom 334 in Italy, largely as a result of integration activities and layoffs agreed with the staff of the former Capitalia Group;
- CEE: a reduction of 749 employees, mainly in Kazakhstan (-492 employees) and Ukraine (-424 employees);
- GBS: a reduction of 665 employees, here considered in the business segment "Parent Company and other subsidiaries";
- Asset Management: a reduction of 62 employees as a result of the restructuring of its constituent companies.

Other administrative expenses totaled €4.1 billion, down from both M9 2009 (by 0.4% or 1.6% at constant exchange rates and businesses) and Q2 2010 (by 5.1% or 5.2% at constant exchange rates and businesses).

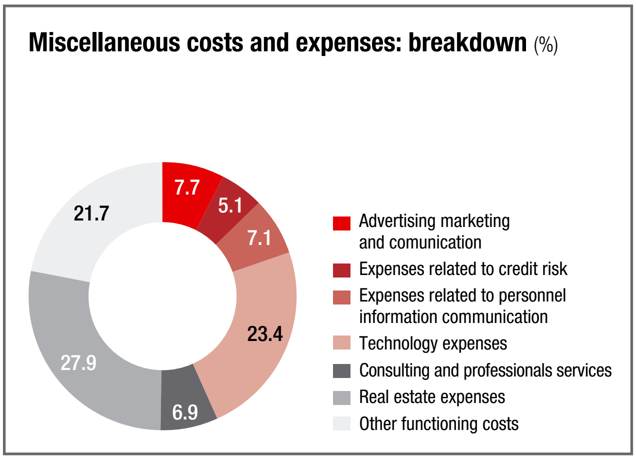
Expenses that increased over M9 2009 included: those relating to property, by €50 million; credit risk by €40 million, due to increases in legal expenses for recoveries; and advertising and marketing by €42 million, chiefly connected with the sponsorship of the UEFA Champions League and the new TV advertising campaigns (undertaken specifically for the Retail sector).

The largest cost reductions were seen in ICT-related items (-€86 million) and other operating expenses (-€78 million) mainly costs for outsourced administrative services, postal expenses and insurance, as a result of the Group's efficiency promotion policies.

Other administrative expenses

(€ million)

	FIRST 9 MONTHS		CHANGE	
	2010	2009	AMOUNT	%
Indirect taxes and duties	(360)	(348)	- 12	3.6%
Miscellaneous costs and expenses	(3,711)	(3,739)	28	- 0.7%
advertising marketing and comunication	*(287)*	*(244)*	*- 42*	*17.3%*
expenses related to credit risk	*(190)*	*(150)*	*- 40*	*27.0%*
expenses related to personnel	*(264)*	*(254)*	*- 10*	*4.1%*
information communication technology expenses	*(869)*	*(955)*	*86*	*- 9.0%*
consulting and professionals services	*(257)*	*(264)*	*7*	*- 2.6%*
real estate expenses	*(1,037)*	*(987)*	*- 50*	*5.0%*
other functioning costs	*(807)*	*(885)*	*78*	*- 8.8%*
Other administrative expenses	**(4,072)**	**(4,087)**	**15**	**- 0.4%**



2. FTE: Staff on the payroll less secondees in other companies and long-term absentees, plus secondees from other companies; all categories are accounted for on the basis of hours worked i.e. that for which the company bears a cost.

Group Results (Continued)

Main Results and Performance for the period (Continued)

Recoveries of expenses were €320 million in M9 2010, a slight increase over M9 2009 (+€2 million).

Depreciation, amortization and write-downs of tangible and intangible assets were up by 3.8% y/y due to the write-down of customer relationships in UniCredit Luxembourg and higher depreciation in Italy, attributable to investments in ICT. The total of depreciation and amortization was up by 6.9% over Q2 2010.

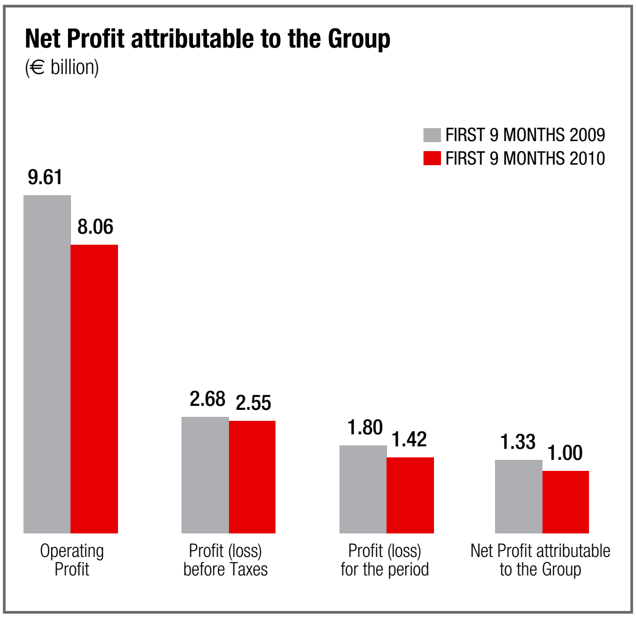
Net Profit attributable to the Group

The items between **operating profit** and **net profit** are given in the following table for disclosure purposes.

Net Profit attributable to the Group

(€ million)

	FIRST 9 MONTHS		CHANGE		QUARTERLY FIGURES 2010			QUARTERLY FIGURES 2009			
	2010	2009	AMOUNT	%	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating profit	*8,065*	*9,608*	*- 1,543*	*- 16.1%*	*2,583*	*2,554*	*2,928*	*2,640*	*2,900*	*3,968*	*2,740*
Goodwill impariment	(162)	-	- 162	n.s.	-	(162)	-	-	-	-	-
Provisions for risks and charges	(293)	(377)	84	- 22.2%	(32)	(106)	(156)	(232)	(154)	(155)	(68)
Integration costs	(27)	(321)	294	- 91.5%	(16)	(6)	(6)	63	(12)	(242)	(67)
Net write-downs of loans and provisions for guarantees and commitments	(5,141)	(6,245)	1,104	- 17.7%	(1,634)	(1,716)	(1,791)	(2,068)	(2,164)	(2,431)	(1,650)
Net income from investments	110	15	95	n.s.	2	39	68	217	181	(133)	(33)
Profit (loss) before taxes	*2,551*	*2,680*	*- 129*	*- 4.8%*	*903*	*604*	*1,044*	*620*	*751*	*1,007*	*922*
Income tax for the period	(1,135)	(885)	- 250	28.3%	(390)	(342)	(403)	(124)	(188)	(363)	(334)
Profit (loss) for the period	*1,416*	*1,795*	*- 379*	*- 21.1%*	*513*	*262*	*641*	*496*	*563*	*644*	*588*
Minorities	(241)	(269)	28	- 10.5%	(122)	(56)	(63)	(63)	(103)	(90)	(76)
Net profit (loss) attributable to the Group before PPA	**1,175**	**1,526**	**- 351**	**- 23.0%**	**391**	**206**	**578**	**433**	**460**	**554**	**512**
Purchase Price allocation effects	(173)	(195)	22	- 11.5%	(57)	(58)	(58)	(62)	(66)	(64)	(65)
Net profit (loss) attributable to the Group	**1,003**	**1,331**	**- 328**	**- 24.7%**	**334**	**148**	**520**	**371**	**394**	**490**	**447**



Goodwill Impairment

Goodwill impairment was €162 million in relation to the stake in the subsidiary ATF Bank in Kazakhstan and was recognized in Q2 2010.

Provisions for Risks and Charges

Provisions for risks and charges were €293 million, down by €84 million from M9 2009, and mainly related to legal and tax disputes and provisions for loan recovery costs.

Integration Costs

Integration costs were €27 million, mainly due to Asset Management's reorganization and the effect of time value on the provisions made in previous financial years, compared to €321 million made in M9 2009, linked to the restructuring of the CIB area.

Net Impairment Losses on Loans, and Provisions for Guarantees and Commitments

The reduction in **Net Impairment Losses on Loans, and Provisions for Guarantees and Commitments** continued. They totaled €5.1 billion at September 30, 2010, and were down by 4.8% from Q2 2010 and by 17.7% from M9 2009.

The reduction from M9 2009 concerned especially the CIB area (down by €692 million or 20.7%) and Retail (down by €85 million or 6%), whereas CEE recorded an increase of €148 million.

Cost of risk calculated on the basis of average customer loans continued to improve. At September 30, 2010 it equals 117 bp annualized in Q3 2010. In respect of M9 2009, the yearly cost of risk equals 122 bp, with a fall of 19 bp.

With regard to **asset quality**, the carrying value of impaired loans was €35.7 billion, an increase of 15% over December 31, 2009, giving a ratio of impaired loans to total customer loans of 6.3% as against 5.5% at December 31, 2009.

Loans to Customers Asset Quality

(€ million)

	NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED LOANS	PAST-DUE LOANS	IMPAIRED LOANS	PERFORMING LOANS	TOTAL CUSTOMER LOANS
As at 09.30.2010							
Face value	37,784	18,541	4,954	3,888	**65,167**	526,083	**591,250**
as a percentage of total loans	*6.39%*	*3.14%*	*0.84%*	*0.66%*	***11.02%***	*88.98%*	
Writedowns	22,677	5,333	1,044	411	**29,465**	2,949	**32,414**
as a percentage of face value	*60.0%*	*28.8%*	*21.1%*	*10.6%*	***45.2%***	*0.6%*	
Carrying value	15,107	13,208	3,910	3,477	**35,702**	523,134	**558,836**
as a percentage of total loans	*2.70%*	*2.36%*	*0.70%*	*0.62%*	***6.39%***	*93.61%*	
As at 12.31.2009							
Face value	32,836	16,430	4,436	3,932	**57,634**	537,032	**594,666**
as a percentage of total loans	*5.52%*	*2.76%*	*0.75%*	*0.66%*	***9.69%***	*90.31%*	
Writedowns	20,144	4,883	1,130	428	**26,585**	3,095	**29,680**
as a percentage of face value	*61.3%*	*29.7%*	*25.5%*	*10.9%*	***46.1%***	*0.6%*	
Carrying value	12,692	11,547	3,306	3,504	**31,049**	533,937	**564,986**
as a percentage of total loans	*2.25%*	*2.04%*	*0.59%*	*0.62%*	***5.50%***	*94.50%*	

The increase in **impaired loans** over December 31, 2009 was mainly due to non-performing loans, as to €2.4 billion, and doubtful loans, as to €1.7 billion.

Group Results (Continued)

Main Results and Performance for the period (Continued)

Net Income from Investments

In M9 2010 **Net Income from Investments** was €110 million.

Assets sold in the period included shares in the property funds Omicron Plus and Core Nord Ovest, which generated a capital gain of €65 million, the sale of a private-equity stake in Russian Alcohol (€13 million), the VISA shares held as investments (€16 million), the sale of Polish government securities (€25 million), the disposal of some of the shares in Pioneer funds at a profit of €27 million, the sale of the stake in Heidelberger Cement at a profit of €28 million, and of SGSS at a profit of €16 million.

Shares held in Assicurazioni Generali were sold with a capital loss of €72 million.

In M9 2010 property assets were down-valued in Germany by EOF, real estate company, by €49 million.

Profit before Tax by Business Segment

Profit before Tax for M9 2010 - taking into account provisions, integration costs and net impairment losses on loans, as well as net income on investments - was €2.6 billion, as against €2.7 billion for M9 2009.

The following table shows **Profit before Tax** broken down by business segment.

Profit before Tax by Business Segment

(€ million)

	OPERATING PROFIT	GOODWILL IMPAIRMENT	PROVISIONS FOR RISK AND CHARGES	INTEGRATION COSTS	PROFIT (LOSS) AND NET WRITE DOWNS ON LOANS	NET INCOME FROM INVESTMENT	PROFIT BEFORE TAX FIRST 9 MONTHS '10	PROFIT BEFORE TAX FIRST 9 MONTHS '09
Retail	1,833	-	(20)	(10)	(1,343)	9	469	903
Corporate & Investment Banking (CIB)	5,014	-	(33)	(3)	(2,647)	62	2,393	1,845
Private Banking	182	-	(5)	(1)	(4)	(1)	172	222
Asset Management	258	-	(1)	(9)	-	(1)	247	182
Central Eastern Europe (CEE)	1,858	-	(30)	(3)	(1,010)	39	854	825
Parent Company and other companies	(1,080)	(162)	(205)	(2)	(137)	2	(1,584)	(1,297)
Group Total	**8,065**	**(162)**	**(293)**	**(27)**	**(5,141)**	**110**	**2,551**	**2,680**

Income Tax for the period

Income Tax for M9 2010 was €1,135 million, giving a tax rate of 44.5% as against 33% in M9 2009. The significant impact of tax on the Group's net profit was mainly due to the non-deductibility of goodwill impairment (net of which the tax rate would be 41.8%) and the significant effect of IRAP (Regional Tax on Productive Activities) on Italian businesses.

Profit for the period

Profit for the period was €1,416 million. After **minorities** of €241 million and the effects of **purchase price allocation** amounting to €173 million and mostly arising from the acquisition of the Capitalia Group, **Net Profit attributable to the Group** was €1,003 million, as against €1,331 million in M9 2009.

Principles of Value Creation and Capital Allocation

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

- formulation of the proposed propensity for risk and capitalization targets;
- analysis of the risks associated with the value drivers and resulting allocation of capital to the business lines and to the Business Units;
- assignment of performance targets in line with risk;
- analysis of the impact on the Group's value and of the creation of value for shareholders;
- drafting and proposal of the financial plan and dividend policy.

The process of allocation is based on a "dual track" logic, i.e., the higher amount as between economic capital and regulatory capital (Core Tier 1) is allocated at the consolidated level and for each business line/Business Unit.

If economic capital is higher, this approach makes it possible to allocate the real risk capital that the Supervisory Authority does not consider yet and, if regulatory capital is higher, to allocate capital in accordance with the regulatory rules.

EVA Generated by Business Segment (€ million)

	FIRST 9 MONTHS	
	2010	2009
Retail	(222)	174
Corporate Investment Banking (CIB)	87	87
Private Banking	86	132
Asset Management	163	106
Central Eastern Europe (CEE)	25	126
Other components[1]	(1,515)	(1,915)
Total	**(1,376)**	**(1,288)**

Note:
2009 figures were recasted, where necessary, on a like-to-like basis to consider changes in scope of business segments and computation rules.
1. Global Banking Services, Corporate Centre, inter-segment adjustments and consolidation adjustments not attributable to individual segments.

Group Results (Continued)

Capital and Value Management (Continued)

Capital Ratios

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

With the introduction of Basel 2, the latter aspect assumes even greater importance. In fact, calculating the Risk-Weighted Assets for portfolios managed using the Advanced model not only depends on the nominal value of the assets but also on the relevant credit parameters. Besides volume dynamics, it also becomes crucial to monitor and forecast the change in the loan quality of the portfolio in view of the macroeconomic scenario (the so-called pro-cyclical effect).

For each fiscal year the Group sets a Core Tier 1 ratio target ensuring that its credit rating is in line with the major international banking groups.

The Core Tier 1 Ratio (Basel 2) at September 2010 was 8.61%. The Tier 1 Ratio and Total Capital Ratio, respectively, were 9.67% and 12.97%.

Capital Ratios (€ million)

	AS AT 09.30.2010	AS AT 12.31.2009 AFTER CAPITAL INCREASE	AS AT 12.31.2009 BEFORE CAPITAL INCREASE
Total Capital[1]	58,821	58,257	54,372
Tier 1 Capital	43,848	42,919	39,034
Core Tier 1 Capital	39,047	38,288	34,435
Total RWA	453,478	452,388	452,388
Total Capital Ratio	**12.97%**	**12.88%**	**12.02%**
Tier 1 Ratio	**9.67%**	**9.49%**	**8.63%**
Core Tier 1 Ratio	**8.61%**	**8.47%**	**7.62%**

2009 After Capital Increase figures include the capital increase announced on September 29, 2009 and concluded on February 24, 2010.

1. On May 18, 2010 Banca d'Italia issued a document containing new regulatory instructions on the treatment of revaluation reserves in respect of debt securities held as "financial assets available for sale", for the purpose of calculating supervisory capital (prudential filters). In particular, Banca d'Italia allowed the option to deduct all capital gains and losses arising out of changes in fair value recognized in the above reserves after December 31, 2009 and deriving from debt securities issued by the Central Administrations of EU Countries, instead of the previously prevailing asymmetric approach, i.e. full deduction from Tier 1 capital of net capital losses and inclusion of 50% of capital gains in Tier 2 capital. On June 28, 2010 the Group informed Banca d'Italia of its decision to exercise the new option, which was accordingly applied starting from the calculation of supervisory capital as at June 30, 2010.

Shareholders' Equity attributable to the Group

Shareholders' Equity attributable to the Group, including net profit for the period of €1,003 million, was €64,487 million as at September 30, 2010 as against €59,689 million at December 31, 2009.
The table below shows the main changes in M9 2010.

Shareholders' Equity attributable to the Group (€ million)

Shareholders' Equity as at December 31, 2009	**59,689**
Capital increase (net of capitalized costs)	3,916
Disbursements related to Cashes transaction *("canoni di usufrutto")*	(116)
Dividend payment	(550)
Forex translation reserve	626
Change in afs / cash-flow hedge reserve	(106)
Others	26
Net profit for the period	1,003
Shareholders' Equity as at September 30, 2010	**64,487**

Results by Business Segment

The following table shows the results by business segment for the first nine months of 2010, which will be discussed in subsequent chapters.

Compared to the same period of 2009, as already mentioned, Poland is considered within the respective key business areas. Prior-year profit and loss data have been restated to take these changes in scope into account.

Key figures by Business Segment

(€ million)

	RETAIL	CORPORATE & INVESTMENT BANKING (CIB)	PRIVATE BANKING	ASSET MANAGEMENT	CENTRAL EASTERN EUROPE (CEE)	PARENT COMPANY AND OTHER SUBSIDIARIES (CONSOLIDATION ADJUSTMENTS INCLUDED)	CONSOLIDATED GROUP TOTAL
Income statement							
OPERATING INCOME							
First 9 months 2010	7,490	7,726	607	613	3,434	(78)	19,793
First 9 months 2009	*8,292*	*8,443*	*658*	*527*	*3,499*	*(291)*	*21,129*
OPERATING COSTS							
First 9 months 2010	(5,657)	(2,712)	(426)	(356)	(1,576)	(1,002)	(11,728)
First 9 months 2009	*(5,805)*	*(2,640)*	*(424)*	*(352)*	*(1,443)*	*(856)*	*(11,521)*
OPERATING PROFIT							
First 9 months 2010	1,833	5,014	182	258	1,858	(1,080)	8,065
First 9 months 2009	*2,487*	*5,803*	*234*	*175*	*2,056*	*(1,147)*	*9,608*
PROFIT BEFORE TAX							
First 9 months 2010	469	2,393	172	247	854	(1,584)	2,551
First 9 months 2009	*903*	*1,845*	*222*	*182*	*825*	*(1,297)*	*2,680*
EVA							
First 9 months 2010	(222)	87	86	163	25	(1,515)	(1,376)
First 9 months 2009	*174*	*87*	*132*	*106*	*126*	*(1,915)*	*(1,288)*
Cost/income ratio							
First 9 months 2010	75.5%	35.1%	70.1%	58.0%	45.9%	n.s.	59.3%
First 9 months 2009	*70.0%*	*31.3%*	*64.5%*	*66.7%*	*41.2%*	*n.s.*	*54.5%*
Employees[1]							
as at September 30, 2010	62,045	16,405	3,064	1,898	51,641	26,116	161,169
as at December 31, 2009	*63,827*	*16,991*	*3,112*	*1,960*	*52,390*	*26,783*	*165,062*

Notes:

2009 figures were recasted, where necessary, on a like-to-like basis to consider changes in scope of business segments and EVA computation rules.

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

Results by Business Segment (Continued)

Retail

Introduction

The main aim of UniCredit Group's Retail Strategic Business Area[1] is to allow individuals, households and small businesses to meet their financial needs by offering them a comprehensive range of reliable, high-quality products and services at a competitive price.

The Retail SBA includes:

- **the Italian commercial banks, UniCredit Banca, UniCredit Banca di Roma and Banco di Sicilia;**
- **the Retail business lines of UniCredit Bank AG in Germany and UniCredit Bank Austria in Austria;**
- **UniCredit Family Financing Bank, the Group bank that specializes in consumer credit and residential mortgages, supporting the Retail banks with solutions to meet the many financing needs of households;**
- **FinecoBank in Italy, DAB Bank in Germany, and DAT Bank in Austria; the Group Banks that offer the banking and investment services of traditional banks, but set themselves apart by their specialization in online trading and a marked focus on technological innovation;**
- **the Retail business lines of Bank Pekao.**

Financial Performance

The Retail SBA's progressive results for the first nine months of 2010 were influenced by extreme conditions in money markets, which had a negative impact on net interest income. This was only partially offset by increased fees, an ongoing focus on cost containment, and the first positive results of a series of measures intended to reduce provisions connected to the loan portfolio. However, the third quarter showed signs that the economy was recovering, although there were differences in the pace of growth between emerging and developed economies. There were signs that financial markets were beginning to ease after the tensions caused by the sovereign debt crisis in the first half of the year. The progressive decline in interest rates that began almost two years ago also showed the first signs of slowing.

The Retail SBA's operating profit was affected by changes in **operating income**, which totaled €7,490 million at the end of September, a decrease of 9.7% compared with the first nine months of the previous year, owing exclusively to the contraction in net interest income.

The performance of **net interest income** was particularly poor, due to the worsening in the market rates trend that brought Euribor to an all-time low (in the first nine months of 2010, the one-month Euribor recorded an average drop of 59 basis points compared to the same period of 2009). This progressive reduction in market rates, which began in the last few months of 2008, had a negative impact on the Retail SBA's profitability. The reduction is notably due to the Italian portfolio and almost entirely results from the sharp contraction in spreads on deposits. Moreover, the measures to abolish the maximum overdraft commission in Italy as from the second half of 2009 contributed to reducing the net interest income on loans by penalizing the comparison of the nine months of 2010 with the same period in the previous year.

On the other hand, in terms of **commission**, the Retail SBA recorded growth in the first nine months of 2010 compared to the same period in 2009. This growth was concentrated in Italy and was primarily due to up-front commissions for the sale of financial and bancassurance products. A significant contribution to the growth in commissions was due to the commission for provision of funds which, as of July 2009, in accordance with the "anti-crisis

Income Statement

(€ million)

	FIRST 9 MONTHS		CHANGE	2010		CHANGE %	2009
RETAIL	2010	2009	%	Q3	Q2	ON Q2 2010	Q3
Operating income	7,490	8,292	- 9.7%	2,415	2,517	- 4.0%	2,551
Operating costs	(5,657)	(5,805)	- 2.6%	(1,865)	(1,903)	- 2.0%	(1,887)
Operating profit	1,833	2,487	- 26.3%	551	614	- 10.3%	664
Net write-downs on loans	(1,343)	(1,428)	- 6.0%	(368)	(452)	- 18.5%	(412)
Profit before tax	469	903	- 48.0%	173	159	+ 9.0%	234

1. The Introduction lists the main organizational changes and main business lines and legal entities that make up the Retail Strategic Business Area, also known as the Retail SBA. The Financial Performance section reports the Retail SBA's overall consolidated results based on the scope of consolidation in 2010. The 2009 data are stated on a proforma basis in relation to the new area to allow for standardized comparisons.

decree", replaced the previous calculation method commonly known as the "maximum overdraft commission"; in the first half of 2009, this was recorded under net interest income.

In the third quarter of 2010, operating income has falled 4% compared with the second quarter, totalizing €2,415 million. This was largely due to the fall in commission income from asset management and brokerage activities, owing to the seasonality of the third quarter. This was only partially offset by the increase in net interest income, owing to the slight rise in rates (in the third quarter, the one-month Euribor recorded an average increase of 19 basis points compared with the second quarter), which interrupted a series of negative contributions to quarterly changes in operating income.

Operating costs continued to fall in the third quarter, totaling €1,865 million, down 2% compared with the previous quarter.

In the first nine months of 2010, costs totaled €5,657 million, down 2.6% compared with the same period in 2009.
This decrease was due to the combined effects of the change in personnel costs and other administrative expenses as a result of the structural cost-cutting measures introduced some time ago.
The reduction in personnel costs was due mainly to the large-scale workforce restructuring program, which continued in the first nine months of 2010. The number of **FTEs**[2] in the Retail SBA at September 30, 2010 compared with the end of 2009, fell by 1,782, or 2.8%, primarily in Italy and Germany.
The reduction in the variable compensation component also contributed to the fall in personnel costs. Other administrative expenses recorded a reduction due to cost containment in the first nine months of 2010, primarily in Italy, especially in relation to information and communication technology expenses, consultancy and professional services expenses, and other running costs.

Balance Sheet

(€ million)

	AMOUNTS AS AT			CHANGE ON DEC '09	
RETAIL	09.30.2010	06.30.2010	12.31.2009	AMOUNT	%
Loans to customers	173,411	173,840	175,029	- 1,617	- 0.9%
Customer deposits (incl. Securities in issue)	239,105	239,866	245,201	- 6,096	- 2.5%
Total RWA	79,051	75,237	75,014	4,036	+ 5.4%
RWA for Credit Risk	65,227	61,337	60,168	5,059	+ 8.4%

Breakdown of loans by country and deposits

(€ million)

	LOANS TO CUSTOMERS		CHANGE	DEPOSITS FROM CUSTOMERS AND DEBT SECURITIES IN ISSUE		CHANGE
RETAIL	09.30.2010	12.31.2009	%	09.30.2010	12.31.2009	%
Italy	113,010	114,547	- 1.3%	172,492	181,179	- 4.8%
Germany	32,542	33,878	- 3.9%	32,937	30,065	+ 9.6%
Austria	19,664	19,182	+ 2.5%	21,159	21,926	- 3.5%
Poland	8,194	7,422	+ 10.4%	12,517	12,031	+ 4.0%
Total	**173,411**	**175,029**	**- 0.9%**	**239,105**	**245,201**	**- 2.5%**

Key Ratios and Indicators

	FIRST 9 MONTHS		CHANGE	
RETAIL	2010	2009	AMOUNT	%
EVA (€ million)	(222)	174	- 396	- 227.2%
Absorbed Capital (€ million)	5,473	5,350	124	+ 2.3%
RARORAC	- 5.40%	4.34%	n.s.	
Operating Income/RWA (avg)	13.11%	13.84%	- 73pb	
Cost/Income	75.5%	70.0%	552pb	
Cost of Risk	1.03%	1.05%	- 2pb	

Staff Numbers

	AS AT			CHANGE ON DEC '09	
RETAIL	09.30.2010	06.30.2010	12.31.2009	AMOUNT	%
Full Time Equivalent	62,045	62,595	63,827	- 1,782	- 2.8%

2. FTE - Full Time Equivalents.

Results by Business Segment (CONTINUED)

Retail (CONTINUED)

In spite of cost containment efforts, the **cost/income ratio**, as at September 2010, was 75.5%, with **operating profit** of €1,833 million, both having worsened compared to the same period of the previous year (respectively +5.5% and -26%).

The Retail SBA **net impairment losses on loans** amounted to €1,343 million in the first nine months of 2010, improved 6% compared with the previous year, recording a total **annualized cost of risk** of 103 basis points in the first nine months of 2010, down by 2 basis points compared with the same period of the previous year. This improvement is evident in all countries and customer segments, thanks to improving macroeconomic scenario and managerial actions put in place. The only portfolio where the trend is in the opposite direction is Poland, which accounts for 5% of the overall Retail SBA total and his high cost of risk reflects a different product mix (high weight of consumer credit).

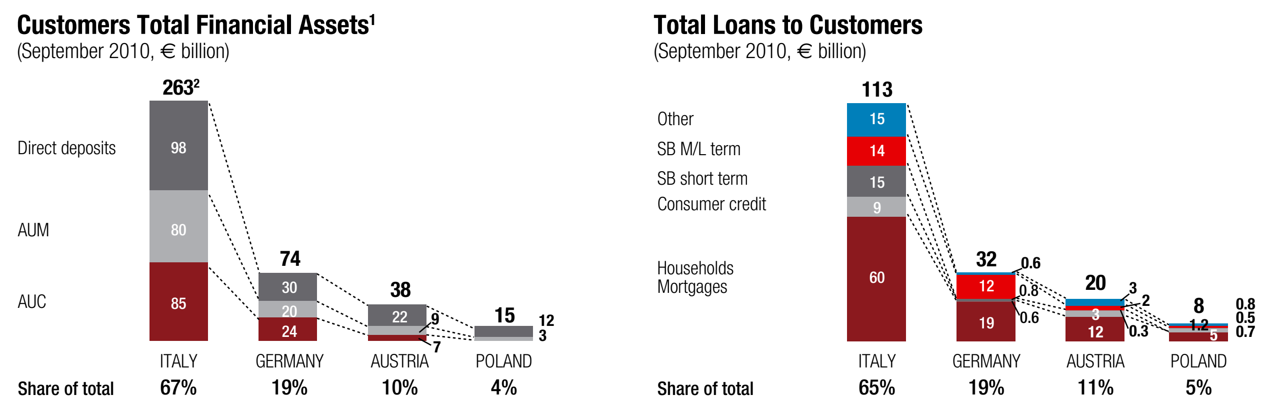
In the first nine months of 2010, the Retail SBA generated a **pre-tax profit** of €469 million, a decrease of 48% on the €903 million recorded in the first nine months of 2009, while the figure for the third quarter of 2010 was €173 million, up by 9% compared with the €159 million recorded in the previous quarter. This increase was due primarily to the reduction in impairment losses on loans.

At the end of September 2010, the Retail SBA's **loans to customers** totaled €173.4 billion, with a reduction of €0.4 billion in the third quarter, resulting in a progressive fall of €1.6 billion, or 0.9%, compared with December 2009. This decrease, which was concentrated in Italy, primarily concerned the stock of mortgages held by UniCredit Family Financing Bank, and was only partially offset by the reverse trend in Austria and Poland.

The Retail SBA's **customer deposit** stock, including deposits and debt securities in issue, totaled €239,1 billion at the end of September 2010, with a fall of €0.8 billion compared to June and of €6 billion compared to December 2009 (-2.5%). After factoring in adjustments in relation to the bonds used by UniCredit Family Financing Bank (intended to finance the stock of mortgages and personal loans originating from the commercial banks), the actual decrease in total deposits was €4 billion. This reduction is primarily due to the fall in customer deposits in Italy (especially in Retail Italy Network and Fineco Bank).

The Retail SBA recorded an **RWA** value of €79 billion at the end of September, up by €4 billion, or 5.4%, compared with the value recorded at the end of December 2009. This increase, attributable mainly to Austria, was due to the exposure of part of the loan portfolio to changes in the foreign exchange markets, which was only partially counterbalanced by the benefits of the transition to advanced methods of calculating operational risk in Italy. Net of this change in Austria, the Retail SBA recorded a reduction of €3 billion.

Breakdown by business line, geographic area and company



1. Data including asset of Fineco Bank in Italy, DAB Group in Germany.
2. New commercial network data, net of Institutionals.

The two graphs show the contribution of the four countries to the breakdown of the Retail SBA's financial assets and loans, subdivided by types of product. At the end of September 2010, of **total financial assets** of about €390 billion, Italy contributed 67%, Germany 19%, Austria 10%, and Poland 4%.

In Italy and Germany, greater penetration of **indirect deposits** was recorded (63%), while in the other countries - which traditionally have higher percentages of savings deposits - the weighting was 42% in Austria and 21% in Poland.

Of total **loans to customers** of around €173 billion, Italy contributed 65%, Germany 19%, Austria 11%, and Poland the remaining 5%. The mix was also different in the four countries. **Mortgages** for home purchases represented the largest product in all areas with average penetration of approximately 56%. In terms of **consumer credit**, Italy contributed 68% of the €13 billion in total loans. Finally, Italy contributed 89% of the Retail SBA's short-term loans to small businesses.

The third quarter was characterized by a series of activities designed to implement the UniCredit Group's consolidation project, known as "One for Clients" **(ONE4C)**, as of November 1. The project aims to create a single bank by merging seven Group companies with a view to focusing more on customers' needs and strengthening regional links by continuing to use the divisional model. The project's main objective is to simplify customer relations by reducing response times and improving qualitative standards through the structural modification of service models, the revision of the model that determines the power to issue credit and loan quality control processes, and the reorganization of the distribution network. The project will initially be implemented in Italy, Austria and Germany, and will be extended to other countries following an assessment and relevant decision-making process.

Retail Network Italy

With regard to **customer satisfaction**, the third quarter was characterized by the continuation of pre-existing initiatives (TRI*M[3] Index, Mystery Shopping, complaint management, Operating Quality) aimed at improving results in this respect. In September 2010, the TRI*M index recorded a value of 62, an improvement of 2 points compared to June, and of 4 points compared to December, continuing the upward trend from 2009. Moreover, the **"Welcome Business"** training initiative has been launched as part of ONE4C, involving 1,600 employees of the SME channel, which was created as a result of a careful reorganization of clients depending on their individual characteristics and has been met with great interest.

In the **Mass Market segment**, the third quarter saw the launch of the **"Genius for University"** initiative in the major Italian universities. UniCredit intends to use the project to present to students its range of products and services designed specifically to meet their financial needs. The **"Genius Card Nectar"**, the first prepay card in Italy to participate in the Nectar loyalty scheme, was also launched. The new prepay card is a versatile and economical method of payment, which is intended to gain new customers thanks to the large number of consumers signed up to the Nectar loyalty program. The product was launched in conjunction with a dedicated print and online advertising campaign aimed at enhancing the value of the partnership between UniCredit and Nectar.

In the third quarter, the **Personal Banking segment** put an end to its **"UniCredit First Ti Premia"** initiative, which was launched to gain new clients through targeted offers of products under particularly advantageous conditions. The **"Pioneer Idee e Investimento"** consultancy service continued to be on offer, giving clients the chance to invest in funds specifically picked out by Pioneer to help them to diversify their portfolio and take advantage of market trends. The range of products was augmented in order to encourage a greater diversification of customer portfolios and to increase product personalization through equity exposure, replacing investment vehicles that offer lower added value for the customer in view of the current interest rate scenario. Finally, as part of the ONE4C project, UniCredit's approach to Retail customers was transformed as a result of a new segmentation based on redefining thresholds, with a view to improving the level of service offered to personal banking customers through better management and a more extensive national presence. More specifically, personal banking customers were divided into two groups and allocated two different types of consultant. Personal banking consultants are responsible for managing the financial needs of their clients by looking to increase their share of wallet and acquiring new clients through referrals, whereas smart affluent consultants are tasked with taking care of the growth and development of high-potential clients by encouraging them to become personal banking customers.

As regards **commercial results**, the network generated around €4.6 billion in investment product sales in the third quarter, bringing the total figure for the first nine months of 2010 to €19.6 billion, thanks to the strong contribution of bond placements and bancassurance products. The net balance of assets under management rose by €2.5 billion (4.6% of stock), above all due to placements of UniGarantito and UniOpportunità, guaranteed-principal insurance products offering a guaranteed minimum annual return, which totaled about €4 billion of policies sold.

The **Small Business segment** continued to support the network in the third quarter of 2010, offering targeted products and services for small businesses and launching dedicated commercial initiatives to meet the specific needs of clients in this segment. The new **"Ufficio Protetto"** policy, a recurring premium property/casualty insurance product, was launched, comprising three separate packages (silver/gold/platinum) that can be personalized by the client in terms of guarantees and limits, based on their individual coverage needs. The product is intended to meet the primary need of protecting clients' assets in the event of damage

3. The TRI*M index measures the level of customer retention through a weighted summation of assessments that interviewees give the Company based on 4 main retention indices, two of which are related to satisfaction (overall satisfaction and likelihood of recommending), while the other two measure loyalty (likelihood of repeat purchases and competitive advantage).

Results by Business Segment (Continued)

Retail (Continued)

caused to property used for business purposes and the payment of compensation for damage caused either directly or indirectly to third parties or employees.

The **"Big in Business"** project was brought to an end. Aimed at all employees in the segment, the scheme was designed to help improve day-to-day operations and the quality of service offered to small business clients. It aimed to identify the most common operating problems and find ad-hoc solutions, as well as encouraging sharing of professional successes and different service models. Around 5,000 employees were involved in a diagnostic phase via online surveys, one-to-one interviews and targeted focus groups. This was followed by a stage of training and on-site shadowing. The project was an ambitious one, aimed at strengthening the UniCredit Group's position as a point of reference for small businesses.

The three commercial banks continued to actively support small businesses through the provision of around €7.8 billion of new borrowing, translating into over 133,000 completed applications since the start of the year, with the acceptance rate of loan applications remaining stable, at 78%. In particular, **"Progetto Impresa Italia"** [Italy Business Project] has provided for the allocation of an additional upper limit, diffused locally through the sectorial associations and Confidi, in order to support small business and guarantee the flow of resources at a time of market liquidity crisis. As part of this project, the first nine months of 2010 saw an additional €970 million of new borrowing (including new agreements and an increase in short-term renewals) issued in 11,578 transactions, bringing the total financing granted since the launch of the project in early 2008 to €1.7 billion.

In the spirit of supporting businesses in temporary financial difficulties, the **"SOS Impresa Italia"** [Italy Business SOS] initiative was continued. The project began with an agreement signed in September 2009 with artisans and retailers' associations, to rescue structurally sound businesses affected by the crisis by offering innovative financial instruments (for example, extended repayment plans or the temporary suspension of loan repayments, etc.). From its inception until September 2010, around 28,000 small businesses were helped to remain solvent, of which 18,000 with new loans totaling €2.3 billion.

Retail Network Germany

For **UniCredit Bank AG**, the third quarter was dominated by the development of a new IT platform.

The **Mass Market segment** continued to focus on the consumer credit business, with the launch of a publicity campaign advertising the quality of **UniCredit Bank AG**'s consultancy services. The online channel for consumer credit sales was also relaunched, with the introduction of an attractive income-based pricing scheme in collaboration with UniCredit Family Financing Bank S.p.A. The third quarter confirmed the upward trend in consumer credit, recording an increase of more than 80% in new production volumes compared with the previous year. The Mass Market segment continued to focus on cross-selling via a process of need-based consultancy. **"Wüstenrot"** products, savings products linked to residential mortgages, continued their upward sales trend, recording an increase of more than 25% in new production compared with the previous year.

The **Personal Banking segment** continued to focus its sales activities mainly on managed solutions via its leading product, **"HVB VermögensDepot privat"**. This innovative product aims to meet clients' needs by combining the bank's know-how in asset allocation with the transparency of ETFs, together with frequent personalized performance monitoring. A new commodity-based guaranteed-principal fund was also launched. The revision of the bancassurance business model launched at the beginning of the year succeeded in improving **UniCredit Bank AG**'s consultants' sale process for insurance products, giving rise to a considerable increase in the number of consultants proactively offering these products and a rise in revenue of more than 30% compared with the previous year.

The **Small Business segment** continued to focus on loan products. Among the key initiatives of the third quarter was **"HVB InvestKredit"**, offering an attractive return of 4.99% for financing aimed at medium- and long-term investments. This led to an increase of 10% in new production of **"Darlehen"** compared with 2009. Furthermore, the commercial network's growing focus on **"Sonderkredite"**, a government-backed product, enabled it to increase the portfolio of this product by 6% compared with last year. In order to attract new clients, **UniCredit Bank AG** continued to focus on **"Konto4Business"**, a value-added modular account that provides a range of useful services in collaboration with Deutsche Post and Creditreform. **UniCredit Bank AG** also continued to promote **"Business Dialog"**, a consultancy service that aims to help business clients in their private investments by taking advantage of the expertise of the Retail SBA's investment specialists.

Retail Network Austria

In the **Mass Market segment** in the third quarter of 2010, **UniCredit Bank Austria** expanded its range of credit cards and revised costs and reloads for its existing credit cards. It also launched a new Platinum Card and various Gold Cards, which attracted a total of 19,000 customers. A new initiative, ***"Herbstschwerpunkt"***, was launched, through which consultants contact clients who have shown an interest in **UniCredit Bank Austria**'s products throughout the year, with a view to increasing sales.

A promising event-driven campaign was launched in September, aimed at increasing the proportion of customers who use ATMs. The expansion of its client base, a crucial point for the Mass Market segment this year, was pursued through a campaign targeting students and highlighting activities concerning the Member get Member scheme, **"Family and Friends"**. Finally, the third quarter saw the first benefits of the review of consultants' portfolios, completed in the second quarter, which further improved portfolio quality.

In the **Personal Banking segment**, **UniCredit Bank Austria** continued in the third quarter to pursue its objective of becoming the leading bank for affluent clients in Austria. It also sought to promote stable relations between clients and consultants, with a view to paying particularly close attention to the challenges posed by the crisis in financial markets. Each client was contacted at least once a year for a check-up meeting aimed at analyzing the opportunity to alter the composition of their portfolio. Activities aimed at increasing the number of consultants who pass the exam for competence in asset management were ongoing. In the investment products segment, **UniCredit Bank Austria** issued 4 **"ErfolgsAnleihen"** bonds offering simplicity and transparency, with a maturity of between 4 and 6 years. The issue generated €125 million in sales. The famous **"Wohnbauanleihen"** - a constant feature of the structured bond range - was issued, offering clients tax benefits. In the fund market, customers opted mainly for traditional, prudent products, such as **"Pioneer Investment bond funds"** and the **"Real Invest Austria"** property fund.
In September, **UniCredit Bank Austria** launched a campaign dedicated to recurring premium bancassurance products based on placement of the traditional **"VorsorgePlus-Pension"**, a guaranteed-capital supplementary pension product that offers an annuity, and the new pension insurance product, **"Pensions Management"**. Both were accompanied by a POS advertising campaign, guaranteeing clients who subscribed to either of the products by the end of the year a 10% discount on the premium for 2010. Finally, in response to the demand for secure investments, in August **UniCredit Bank Austria** launched another two single premium insurance products, **"Active Cash fix 3/2021"** and **"Active Capital fix 3/2021"**, which have generated €15 billion in sales to date.

In the **Small Business segment**, **UniCredit Bank Austria** continued to offer the **"account4business"** product, its new modular current account, the outcome of a new concept based on price transparency. It is dedicated to small businesses and aims to help customers manage their business transactions (cash dispenser, credit card, ready-to-use web shop, Internet Paying System). A new version of the account dedicated to small business clients has been launched in a pilot region of the country, and has seen 450 new current accounts opened since the end of August. Customer satisfaction, measured using the TRI*M index, continued to show an upward trend, although there were differences between alternative and traditional channels. In terms of commercial performance, **UniCredit Bank Austria** managed to slow down the decline in its loan activities. New production of loans with preferential terms doubled compared with the same period in 2009. Clients' financial activities increased, owing primarily to private investments of business clients due to the implementation of the **"one-stop-shopping"** service model. In the third quarter, a campaign was launched in order to promote an increase in the credit facilities granted to a select group of clients, identified using a system that calculates a client's maximum creditworthiness based on their characteristics and any gap that may exist between this and the actual amount issued by the bank. From the group of around 2,000 clients selected, 100 new loans were generated in just two months. Another four Info-Days dedicated to small business clients were scheduled to be held in the fourth quarter in Innsbruck, Bregenz, Villach and Vienna. These are aimed at creating a positive impact in terms of reputation and image. Each of the **"Small Business Information Days with special advisory offers"** will benefit from the active participation of government bodies and other organizations (in collaboration with around 12 partners for each information day). In September, **UniCredit Bank Austria** organized the fifth specialized training course in professional health care, which provides useful information for doctors with a view to obtaining a contract with the national health insurance company.

UniCredit Family Financing Bank

In the third quarter, **UniCredit Family Financing Bank** focused on optimizing its **"Mutuo Salva Rata"** mortgage, which enables clients to enjoy the benefits of a variable rate whilst having the certainty of a rate that will never exceed a certain amount, to be defined upon subscription, in order to tailor it to better meet clients' needs. The preparations for the **ONE4C** project were begun, with a view to informing all stakeholders of the changes that will take place. All necessary amendments were made to information materials.

Several **sales initiatives** dedicated to the various channels were launched. In the **non-banking channel**, a new agreement due to come into force in the fourth quarter was signed with Subaru Italia, which will involve a wide range of products, including car loans from UniCredit Family Financing, as well as Corporate Banking, Retail Banking and Leasing products. In the **banking channel**, both management of the online campaign for the Mutuo Opzione Sicura mortgage and commercial initiatives on internet search engines were kept up, with a view to increasing the visibility of mortgages and loans. Promotional activities were launched for the Lufthansa Miles&More, Fiat, Trenitalia and Enel **credit cards**, while an agreement was concluded for the launch of the new partnership with Quixa. **Salary-Guaranteed Loan** activities focused on adjusting operating processes and contracts to the new regulations.

Results by Business Segment (Continued)

Retail (Continued)

As regards the **business support area**, various initiatives were launched during the third quarter of 2010. The post-loan management process was optimized thanks to the creation of a new operational and commercial work flow. As regards service quality monitoring, two new reports were added to **"Bussola"** [Compass], the integrated KPI monitoring system: the first focuses on renegotiation, while the second monitors the number of transactions in the various phases of the loan-issuing process. In the Internal Customer Satisfaction area, three additional Mortgage Barometer surveys were launched: *Istant Feed Back Cliente Finale* [End Client Instant Feedback], *Panel Ascolto* [Listening Panel] and *Flash Service Quality*. The latter recorded a net increase in customer satisfaction, proving that the corrective measures taken have been effective. Thanks to the 'Listening Panel', it is also possible to obtain feedback aimed at improving the level of service offered to the client.

In terms of **commercial results**, UniCredit Family Financing Bank closed the first nine months of 2010 with a stock of mortgages worth €60.2 billion. New production of mortgages totaled around €3.3 billion, indicating strong growth in the segment, which benefited from the market recovery and the positive results of sales initiatives. Commercial spreads remained substantially stable in the period, with an average spread of volumes disbursed of 138 bps in the first nine months of the year.

On the consumer credit side in Italy, with an existing stock of €8.8 billion, new flows of €2.7 billion were generated during the first nine months of 2010. These results are primarily attributable to the contribution made by personal loans (€1.7 billion) and car loans (€0.4 billion).

As regards the **overseas market**, activities aimed at developing and consolidating international initiatives continued in the third quarter. The Munich branch continued its operations in the credit card segment, issuing around 20,000 new cards since the beginning of the year, reaching a level of over 193,000 cards for a total business volume of over €188 million. Furthermore, personal loan distribution activities continued through branches of UniCredit Bank AG, disbursing a total of €252 million (+6.1% y/y) in loans. In Bulgaria, the subsidiary UniCredit Consumer Financing AD continued to develop, disbursing fixed term and personal loans amounting to €60 million (+80% y/y) since the beginning of the year. In Romania, the subsidiary UniCredit Consumer Financing IFN gradually expanded the business of distributing personal loans through the branches of UniCredit Tiriac Bank with total disbursements of €64 million approximately (+45% y/y).

Asset Gathering

The strategy was based on enriching and innovating products and services in order to strengthen the company's leadership in its reference markets and enhance customer satisfaction levels. There will be a continued focus on asset allocation activities, making the most of the company's ability to offer high quality and high added value advisory solutions through its network of financial advisors. Projects are also planned to develop synergies with DAB and DAT, with a view to expanding into overseas markets.

Fineco Bank continued to improve its existing products and services in the trading, banking and investment fields in Italy, focusing in particular on optimizing the performance of the technological platform. Operating efficiency measures and the integration of the financial consultant network were continued following the merger with Xelion that began in 2008. The **Fineco Advice** service was launched to improve relations between financial consultants and clients, with a view to eliminating any conflict of interests that may arise in product choice and portfolio allocation. In order to maximize new business in all channels through a balanced mix of direct action, word-of-mouth and brand awareness, advertising activities continued to use the **"Stai davanti"** communication concept launched at the end of 2009. Thanks to the very high level of customer satisfaction, winning new business by word-of-mouth continues to be the most effective way of opening new accounts, ensuring that the cost of attracting new business remains low and the average quality of accounts opened is high. The first Member get Member campaign launched in February 2010, called **FinecoBuzz**, which resulted in over 16,000 accounts being opened in 2 months, was followed in June by the new **FinecoFlash** campaign, which aims to increase both the frequency and overall effectiveness of the Member get Member campaign.

In the first nine months of 2010, Fineco's net deposits amounted to €745 million, while assets totaled €34.2 billion (+3% compared with December 2009 and +7% compared with September 2009). Thanks to its network of financial advisors, Fineco is 3rd in the Assoreti list in terms of stock[4] and 4th in terms of net inflow[5]. With regard to online trading, Fineco is ranked first in terms of third-party account business volume in major markets[6] (MTA, TAH, S&P/MIB Futures and Mini S&P/MIB) and in terms of transactions in the shares segment. Fineco Bank has confirmed its market leading position[6] as a broker in Italy with 18.9 million transactions and as the top European broker in terms of the number of executions and the range of products offered in a single account.

4. Source: Assoreti - "Assoreti periodic quarterly stock report - June 2010".
5. Source: Assoreti - "Assoreti monthly periodic flow report - August 2010".
6. Source: Assosim - "Report on the trading data of ASSOSIM members in the markets managed by Borsa Italiana SpA - June 2010".

DAB Group, which operates with DAB Bank in Germany and DAT Bank in Austria, extended its trading and consultancy business, consolidating its leadership as a broker. Through the new **"DAB one"** project it will be offering its customers even more effective ways of carrying out their banking and trading transactions. With "DAB one" it intends to become the best direct bank for all investors, traders and managers. During the first nine months of 2010, DAB optimized and boosted its website, expanding its offer of ETFs and derivatives, and introducing FOREX currency trading by using the Fineco platform. End of period data confirmed a growth in stocks of +7.1% compared to the end of the previous financial year, bringing assets to €24.9 billion. Total net inflow was €1,240 million. During the first nine months of 2010, DAB Bank achieved 2.9 million transactions and DAT Bank 0.8 million transactions.

Retail Network Poland

During the third quarter of 2010, **Bank Pekao** continued to focus on lending activity, both to private customers and small companies, focusing on three key products (cash flow loans, mortgages and small business loans).

In the **Mass Market segment**, **Bank Pekao** increased its sales in the third quarter by 25% compared with the previous quarter. It recorded an increase in the market share of new mortgage business from 8.4% in December 2009 to 17% in September 2010. The stock of mortgages at the end of September was 14.5% higher than in September 2009, with a continued focus on the profitability of new agreements. The **Bank Pekao** stock of consumer credit rose by 4.5% from the beginning of the year, thanks to the ***"Pożyczka Ekspressowa PEX"*** consumer credit sales, boosted by a television marketing campaign.

In the **Personal Banking segment**, during the first nine months of 2010, **Bank Pekao** generated €0.9 billion in gross sales of funds 2.7 times greater than the figure for the previous year, reinforcing its market leading position with a market share of 17.7% as at September 2010. **Bank Pekao**'s total deposits rose by 6.2% compared to September 2009.

Bank Pekao, boosted by the launch of a new version of the internet banking platform, continued to record an increase in the number of internet banking clients using its leading products: **"Pekao24"** for private clients, which has attracted 1.65 million customers (+26% y/y) and **"Pekao24Firma"** for small business clients, which has 148,000 customers (+26% y/y).

Results by Business Segment (Continued)

Corporate & Investment Banking (CIB)

Introduction

The Corporate & Investment Banking (CIB) area targets corporate customers with revenues of over €3 million and institutional customers of the UniCredit Group with a matrix-based organizational model that calls for a clear separation of coverage and distribution areas (Networks) from areas dedicated to the development of products and services (Product Lines).

CIB is committed to taking advantage of the potentials inherent in such organizational model by leveraging the Group's wide customer base and its own positioning among leading European players within Corporate & Investment Banking.

Within a macro-economic scenario, in which some feeble signs of recovery start to be seen and high volatility of markets still persists, CIB pursues its strategy aiming at:
- **raising the profile of high-value-added products vis-à-vis plain vanilla products;**
- **optimizing capital allocation, maximizing risk-adjusted profitability in a sustainable manner;**
- **taking advantage of growth opportunities in Central and Eastern Europe.**

Within the ONE4C project and in order to further improve customer service, the turnaround definition of target corporate customers will be raised from €3 million to €50 million; this will make it easier to take advantage of the potential represented by the unique product expertise within CIB.

Financial Performance

Operating income of €7,726 million is lower by 8.5% in comparison with the same period of the previous year, mainly due to loans reduction, pressure on commercial spreads and lower interest rates on trading assets. CIB diversification of business activities allowed stable q/q revenues with net interest income decrease, principally due to a sharp rise of rates in Q2, offset by improving performance of trading revenues.

Operating costs of €2,712 million in September 2010 show a 2.7% increase over the same period of the previous year, but down by 2.2% from the previous quarter. In spite of a reduction of FTEs, **payroll costs** advanced by 5% y/y reflecting the requirement of mandatory salary and variable compensation increase which is consistent with the improved Profit before tax. However the downward trend, seen in both payroll costs and FTEs development started in Q2, is still confirmed in Q3 (-2.7% q/q). **Other administrative expenses** also decrease in Q3 2010 (-1.2% q/q), but remain unchanged year-on-year.

Net impairment losses on loans and provisions decline by 20.7% from the same period of the previous year due, in particular, to the combined effect of improved credit environment in Austria and Germany and repositioning actions undertaken. However, a slight increase in provisions is recorded over the previous quarter (+5.6% q/q).

Although with reduced profitability (-64.2% q/q), **investment income** confirms the positive contribution recorded since Q1 2010 with a cumulated income at €62 million including €35 million in the first quarter, €20 million in the second and €7 million in the third. Performance is particularly strong on a year-on-year basis.

In September 2010, **profit before tax** is €2,393 million, an increase of €548 million over the same period of the previous year, mostly attributable to the relevant growth of fee income, the improved credit environment, that results in a reduction in **net impairment losses on loans and provisions**, and the positive contribution of **investment income**.

Income Statement

(€ million)

	FIRST 9 MONTHS		CHANGE	2010		CHANGE %	2009
CORPORATE & INVESTMENT BANKING	2010	2009	%	Q3	Q2	ON Q2 2010	Q3
Operating income	7,726	8,443	- 8.5%	2,493	2,493	n.s.	2,891
of which:							
- trading revenues	*789*	*760*	*+ 3.9%*	*265*	*100*	*+ 166.5%*	*508*
- non-trading revenues	*6,937*	*7,684*	*- 9.7%*	*2,228*	*2,394*	*- 6.9%*	*2,384*
Operating costs	(2,712)	(2,640)	+ 2.7%	(898)	(918)	- 2.2%	(889)
Operating profit	5,014	5,803	- 13.6%	1,595	1,575	+ 1.3%	2,003
Net write-downs on loans	(2,647)	(3,339)	- 20.7%	(854)	(808)	+ 5.6%	(1,157)
Profit before tax	2,393	1,845	+ 29.7%	748	764	- 2.2%	617

Quarterly profit before tax is down by €17 million (-2.2% q/q) due to the slight increase in provisions, while operating profit improves by 1.3%.

The volume of **loans and receivables with customers** is down by 3% from 2009 year-end and 2.3% q/q.

On the other hand, **customer deposits** are up by 22.1% (5% at unchanged perimeter) over 2009 year-end and by 6.4% q/q.

Risk-weighted assets post a decline from 2009 levels, with a further reduction from Q2 2010 (-3.3% q/q).

EVA and **RARORAC** are flat versus previous year as the improved cost of risk and the lower absorbed capital more than compensated the net interest income reduction; a strong contribution was also provided by a higher fee income.

The **cost-income ratio** for CIB stood at 35.1% in September 2010, an increase of 383bp over the same period in 2009.

In the first nine months of 2010 the **cost of risk** stands at 1.2%, a reduction of 16bp compared to the same period of the previous year due to continued improvements in net impairment losses on loans and provisions.

FTEs (Full Time Equivalents) are significantly down (-3.5%) compared to 2009 year-end.

Balance Sheet

(€ million)

	AMOUNTS AS AT			CHANGE ON DEC '09	
CORPORATE & INVESTMENT BANKING	09.30.2010	06.30.2010	12.31.2009	AMOUNT	%
Loans to customers	286,784	293,665	295,620	- 8,836	- 3.0%
Customer deposits (incl. Securities in issue)	183,246	172,263	150,079	33,167	+ 22.1%
Total RWA	259,874	268,622	267,751	- 7,877	- 2.9%
RWA for Credit Risk	240,364	246,404	248,289	- 7,925	- 3.2%

Note:
Customer Deposits include €25 billion of Securities not included in 2009 figures (change of perimeter, inclusion of UniCredit Foreign Branches).

Breakdown of loans by country and deposits

(€ million)

	LOANS TO CUSTOMERS		CHANGE	DEPOSITS FROM CUSTOMERS AND DEBT SECURITIES IN ISSUE		CHANGE
CORPORATE & INVESTMENT BANKING	09.30.2010	12.31.2009	%	09.30.2010	12.31.2009	%
Italy	138,548	142,607	- 2.8%	77,888	48,919	+ 59.2%
Germany	97,470	104,109	- 6.4%	68,316	64,799	+ 5.4%
Austria	45,412	44,458	+ 2.1%	25,591	26,197	- 2.3%
Poland	12,144	11,558	+ 5.1%	11,883	10,725	+ 10.8%
Intercompany cross country loans & deposits	(6,791)	(7,114)	- 4.5%	(432)	(561)	- 22.9%
Total	**286,784**	**295,620**	**- 3.0%**	**183,246**	**150,079**	**+ 22.1%**

Key Ratios and Indicators

	FIRST 9 MONTHS		CHANGE	
CORPORATE & INVESTMENT BANKING	2010	2009	AMOUNT	%
EVA (€ million)	87	87	n.s.	- 0.1%
Absorbed Capital (€ million)	19,041	19,381	- 340	- 1.8%
RARORAC	0.61%	0.60%	1pb	
Operating Income/RWA (avg)	3.86%	3.90%	- 4pb	
Cost/Income	35.1%	31.3%	383pb	
Cost of Risk	1.21%	1.36%	- 16pb	

Staff Numbers

	AS AT			CHANGE ON DEC '09	
CORPORATE & INVESTMENT BANKING	09.30.2010	06.30.2010	12.31.2009	AMOUNT	%
Full Time Equivalent 100%	16,405	16,486	16,991	- 586	- 3.4%
Full Time Equivalent proportional	16,385	16,466	16,972	- 588	- 3.5%

Results by Business Segment (Continued)

Corporate & Investment Banking (CIB) (Continued)

Breakdown by business line, geographic area and company

The CIB organizational model is based on a matrix structure with a clear separation of sales-related capabilities, represented by the distribution networks in reference markets (Network Italy, Network Germany, Network Austria, Network Poland and Financial Institution Group) from product-related capabilities. The latter are incorporated in so-called Product Lines, which are responsible for the entire product range offered by CIB. These are:

- **Financing & Advisory (F&A):** competence area for all business activities related to lending and advisory services for companies and institutional customers at the Group level, with a product range including the most sophisticated products such as Corporate Finance & Advisory, Syndications, Leveraged Buy-Out Finance, Project & Commodity Finance, Real Estate Finance, Shipping Finance and Principal Investments;
- **Markets:** competence center for products and activities related to Rates, FX, Equities, Credit and Capital Markets;
- **Global Transaction Banking (GTB)**: competence center specialized in Cash Management & eBanking products, Supply Chain Finance and Trade Finance, and in complex transactions in the area of Structured Trade & Export Finance, and, lastly, in Global Securities Services;
- **Leasing:** responsible for coordinating all activities for the structuring, pricing and sale of leasing products in the Group with its own distribution Network, which operates in close cooperation with the banking Networks.

Full coverage of all CIB operations by the four dedicated Product Lines makes it possible for each of them to have full accountability for the relative portion of entire Income Statement and some items of managerial Balance Sheet, thereby allowing for a more complete and efficient management of the value generated by individual product and service components.

Results and initiatives by geographic area

Network Italy

During the third quarter, CIB continued to manage the Italian region through the five major geographic areas ("Markets") the Bank is divided into, while initiatives were developed through the two dedicated sales channels into which customers can be ideally grouped, i.e., SMEs (small and medium-sized enterprises) and CIB (Corporate & Investment Banking).

For the first nine months of 2010, Network Italy posted revenues slightly lower than the same period of previous year. The performance is reflected in a decreasing net interest income due to the reduction in loan volumes and to average spread on deposit that is still below 2009 level, even if a partial recovery takes place in Q3. On the other hand, there was an increase in fee income (+37% y/y), driven by good results in the F&A area and the recovery of fee income on transnational services.

In keeping with CIB's medium-term strategic objectives, this area has gradually shifted its focus to customers with better risk profiles with a constant emphasis on cross-selling opportunities. In addition, CIB moved forward with initiatives aimed at continually improving asset quality and optimizing risk-weighted assets, improving by 10% y/y.

Network Germany

In the first nine months of 2010, sales performance of the business in Germany reflects a substantial increase in revenues as compared to same period of previous year. Fee income recorded a good performance both quarter-on-quarter and year-on-year, thanks also to the increased focus of sales efforts on products with a higher value-added. Improving performance for net interest income as well, driven by good results in F&A area.

CIB Network Germany corroborated its role in support of economic and industrial development by confirming the importance of customers. At the same time, it placed considerable emphasis on credit quality, to the extent that it reported a significant y/y reduction in the cost of risk together with a renewed focus on risk adjusted profitability (lower than the same period of the previous year).

With the aim of constantly enhancing customer relationships and understanding their financial requirements and related risks, "industry knowledge workshops" were organized also in Q3. Such events allowed relationship managers to acquire a more thorough knowledge of key aspects of corporate performance by industrial sector, to deliver services more effectively and with a higher value-added (e.g. advisory services and capital markets products), and again to confirm customer proximity.

Work groups continued their activity in order to improve the degree of integration between Product Lines and the sales network with the ultimate goal of better matching the features of products and services offered with actual customer needs.

Network Austria
CIB's Network Austria ended the first nine months of 2010 with revenues substantially in line with that of previous year, and despite a climate of uncertainty in the market that triggered a y/y reduction in loan volumes. Repricing policies continued to be pursued in order to foster the resilience of net interest income, that is up q/q.

The renewed focus on portfolio optimization from a risk-return stand-point resulted in a reduction of the cost of risk, above 20% y/y.

Once again in Q3 2010, this area intensified its use of financial analysis support tools including Working Capital Check or "VerschuldungsKapazitätsRechner," which allowed relationship managers to anticipate potential critical areas in the customer's current financial position and to work with the customer to develop appropriate action plans. The use of these instruments made it possible to provide more specific support to the sales network to help it understand actual customer needs by adding advisory services to the relationship management.

The initiative called "AufschwungKredit" (or "Economic Revival Loan") was also developed over the third quarter; this is aimed at supporting those customers who have experienced a temporary rating downgrade but still have a strong competitive position in their reference market.

Network Poland (excluding Pekao Leasing and Pekao Factoring)
In the first nine months of 2010, Network Poland strengthened its strategic direction aimed at optimizing credit quality and minimizing the cost of risk and the absorption of capital with a continued focus on pricing policy.

In Q3 2010, revenues rose by 7% on a quarterly basis, with the improving trend driven by both net interest income and fee income.

Positive Q3 performance can be partially ascribed to commercial initiatives undertaken in previous quarters with the aim to pursue opportunities linked to economic recovery.

Results and initiatives by business area

Financing & Advisory
Again in the third quarter, F&A confirmed its goal of being one of the major financing houses in Europe, leveraging the advantages of business area specialization in order to provide customers with excellent service and ensure greater profitability on loans.

In keeping with expectations, and despite a market environment that continues to be weak, the first nine months of the year witnessed an extraordinary increase in fee income (+74.1% over the same period of the previous year) confirming the success of the sales strategy launched, which is based on the integrated management of the loan portfolio and the optimization of overall returns through cross-selling and up-selling activities.

On the other hand, in line with market trends, there was a decline in net interest income on a quarterly basis and in comparison to the same period of 2009.

The net interest income was down reflecting the shortfall of volume on a quarterly and annual basis which is in tune with the market's somewhat flat performance. This performance did not have a negative impact on market share though.

The risk management measures in place since the beginning of the year made it possible to confirm the gradual reduction of the cost of credit risk year-on-year. The ratio of revenues to risk-weighted assets continues to follow an upward trend year-on-year confirming that the actions taken to protect value creation were effective.

Markets
Within the Group, Markets acts as a center of expertise for all activities related to financial markets and is also the channel that gives UniCredit preferential access to markets.
In keeping with its premise of strengthening its presence as one of the key players in Europe, Markets launched a number of strategic initiatives aimed at creating a sustainable business with a focus on customers and capable of generating a stable flow of revenues for the Group, while keeping the related risk and cost profile under control.
In particular, three major guidelines have been identified:
- full exploitation of the Group's customer base with improved market share in core markets and products;
- optimized use of capital through the centralized management of risks, a preference for businesses with low capital absorption and the mitigation of existing risks;

Results by Business Segment (Continued)

Corporate & Investment Banking (CIB) (Continued)

- increased internal productivity through the harmonization of IT systems and the consolidation of risks from trading operations in two hubs (London and Munich) in order to ensure a simplification of processes and, as a consequence, a reduction in costs (including staff expenses).

In Q3 2010, international financial markets reported a moderate improvement over the previous quarter. The normalization of credit and equity market volatility seen in July was interrupted in August due to continuing concerns among investors on the solvency of certain countries in the Euro zone and the prospects of global economic growth. The volume of activity in capital markets generated by customers, which was down in July and August also due to foreseeable seasonal factors, recovered substantially in September as market conditions improved. Volatility in Forex Markets rose as a result of the sizeable appreciation of the Euro against the US dollar started in September.

Owing to its business model, the performance of Markets was positive for the quarter with revenues up by 16% over Q2 2010. Compared to Q3 2009, which was characterized by exceptionally favorable market conditions, revenues decreased by 42%. Furthermore, the risk profile of Markets improved on a quarterly basis. In Q3 2010 VaR declined, driving September to annual low, while risk-weighted assets reduced by 6% from Q2 2010 resulting in an increase in the ratio of revenues to risk-weighted assets over the same period in 2009.

In terms of business lines, **Fixed Income & Currencies** reported an increase of about 9% in revenues over Q2 2010 as a result of good business performance in Rates and Credit Markets which offset a slowdown in FX operations. UniCredit was ranked first in structured products, third in single-name German CDS, fourth in international CDS by Deutsches Risk Magazine.
The revenues of **Equities** doubled compared to the second quarter due to a significant uptick in equity derivatives operations with customers. UniCredit was awarded as Best Equity Derivatives and Structured Products House in Germany (Deutsches Risk Magazine).

The **Capital Markets** business line recorded a 8% q/q increase in revenues. In the Group's core countries, this business area strengthened its market share whether in Debt Capital Markets or Equity Capital Markets. The most significant mandates carried out during the quarter were as follows: bond issues of Atlantia (a leading company in Europe in the management of toll roads), the Republic of Poland and Continental (one of the largest worldwide manufacturers in the automobile industry), equity issues of Lukoil (the largest Russian oil company), PGE (the main power producer in Poland) and the combined convertible-rights issue of Q-Cells (the worldwide leader in the photovoltaic industry).

Global Transaction Banking (GTB)

The GTB product line offers a complete set of products and services in the area of payments, E-banking, Trade Finance, Supply Chain Financing, Export Finance and Custodian Bank services in Central and Eastern Europe due to its in-depth knowledge of the domestic market together with international experience gained in transaction banking. GTB's operations include the management of sight deposits and account keeping.

CIB's business strategy assigns a key role to GTB products, which, by their nature, make it possible to improve the composition and sustainability of revenues, while at the same time limiting the level of capital absorption. Again in the third quarter, GTB continued to invest in updating and developing its technological platform, and enhancing product-specialist units with the aim of taking full advantage of the economies of scale inherent in this business.

Although the market environment continues to suffer from low interest rates and the long-term effects of the entry into force of SEPA and the PSD directive on payment services, the sales-related measures taken allowed the GTB product line to take full advantage of the slow but stable economic recovery under way. GTB based its sales strategy on the selective use of the potential of cross-selling and up-selling opportunities offered by existing customers through the upgrading of current services and platforms, and on broadening the deposit base and expanding business in emerging economies.

In the first nine months of 2010 GTB recorded a decline in revenues as compared to the same period of previous year, mainly due to the lower value-day effect as a result of the PSD directive and reduction in average spread on deposits, that result lower than in the first nine months of 2009. An improving development of sight deposit volumes is however to remark, together with foreign guarantees. Performance is also improving for Structured Trade and Export Finance, as regards important transactions that have been closed.

Leasing

The Leasing Product Line continued its commitment to maximize cooperation with the banks in the countries where the Bank is present, through the modification and rationalization of distribution models, which are increasingly focused on multiple channels in order to make the best use of synergies within the Group and increase the effectiveness and efficiency of the sales force.

The Leasing product line consolidated its leadership position, especially in the Italian market in the automobile, equipment and real estate industries, and it continues to grow rapidly in the renewable energy sector, and particularly in Italy, Austria, Germany and Czech Republic.

The banking channel is strengthening in terms of the percentage of new business volume (+44% financed volumes over the same period in 2009) with a resulting increase in its share of total new business (32% in September 2010, up from 24% in the same period in 2009).

The partnership with international Vendors continues to be intensified especially in Central and Eastern Europe that made up 33% of the new business in the area.

The emphasis on pricing policies, the increase in new production (+14% y/y) and reduced cost of funding contribute to a y/y rise in net interest income. The good performance of net interest income is not able though to counterbalance the negative trend of non-interest income. On a y/y comparison, therefore, revenues retrace by 1%.

Non-interest income reduction is mainly related to negative performance of trading revenues and early redemption income, together with some factors that negatively impacted the Balance of other operating income/expenses in Central and Eastern Europe countries.

In addition, this area continued to pursue strategies to diversify funding. To be specific, in September 20, 2010 two new loans were executed with EIB with the aim of supporting Italian SMEs, with a special emphasis on investments in the renewable energy sector.

Results by Business Segment (Continued)

Private Banking

Introduction

The operations of the Private Banking business unit primarily target medium to high net worth private customers by providing consultancy services and wealth management solutions using a comprehensive approach. The business unit operates through a network of approximately 1,300 private bankers located in about 250 branches in four main countries (Italy, Germany, Austria and Poland), in addition to a selective presence in several European markets (Luxembourg and San Marino).

Financial Performance

In the first nine months of 2010, stock indices were down in Italy (FTSE MIB -11.8% from December 2009) and slightly up in Germany (DAX +4.6%) and Austria (ATX +1.8%). In fact, during the last quarter, financial market performance differed in the Group's key countries with greater turbulence in European markets in the Mediterranean area affected by fears over the sustainability of government debt in recent months.

As of September 30, 2010, **total financial assets under management and administration** in the business unit came to €142.1 billion, a decrease of 0.7% from December 31, 2009, with a slight recovery from the €140.1 billion as of June 30, 2010.

Total Financial Assets

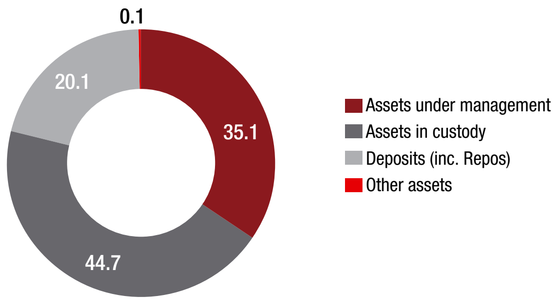
(billion €)

	AMOUNTS AS AT			CHANGE ON DEC '09	
PRIVATE BANKING	09.30.2010	06.30.2010	12.31.2009	AMOUNT	%
Total Assets	**142.1**	**140.1**	**143.0**	**- 1.0**	**- 0.7%**
Ordinary Assets	**109.4**	**109.1**	**111.0**	**- 1.6**	**- 1.4%**
AuM	*38.5*	*37.8*	*35.0*	*3.5*	*10.0%*
AuC	*48.9*	*48.6*	*49.7*	*- 0.7*	*- 1.5%*
Deposits (inc. Repos)	*21.9*	*22.7*	*26.3*	*- 4.4*	*- 16.6%*
Other assets	*0.1*	*0.1*	*0.1*	*-*	*...*

Adjusted for extraordinary items[1], as of September 30, 2010 financial assets were slightly over €109 billion representing a decrease of €1.6 billion (-1.4%) from the figure at year-end 2009. Performance was primarily affected by a **net outflow**[2] of €1.8 billion during the period which was mostly due to an outflow of €3.8 billion in deposits. This impact was partially offset by the satisfactory business results achieved in terms of the net inflow of asset under management (€2.7 billion), including €2 billion in Italy, and by a small positive performance effect of 0.2 billion.

Consequently the composition of **financial assets**[2] at September 30, 2010 showed a notable shift toward assets under management, which represented 35.1% of total assets (from 31.5% at December 31, 2009) with a lower percentage of deposits (repurchase agreements included), dropping to 20.1% (from 23.7% at year end 2009); the inflow of assets under administration remained largely stable.

Percentage breakdown of financial assets[2] at September 30, 2010



1. Extraordinary transactions are those operations, which, due to their nature, large size and little or no profitability, are not attributable to ordinary company assets (mainly assets from institutional clients and business client shareholding).
2. Excluding extraordinary transactions.

In terms of economic performance, the **operating profit** for the Private Banking business unit as of September 30, 2010 was €182 million, down by 22.3% compared to the same period in the previous financial year, during which market conditions, particularly in terms of interest rates, were notably different.

Revenues of €607 million were down by 7.7% y/y; specifically:

- **Net interest income** contracted significantly (-34.4% y/y), due both to a reduction in volumes (customer deposits at September 30, 2010 came to €22.6 billion compared to €27.5 billion at September 30, 2009), and to reduced spreads, both as a consequences of a significant reduction in market rates and strong competitive pressure on interest rates;
- **Net non-interest income**, on the other hand, was up (+9.9% y/y), driven by an increase in net commissions of 9.4% y/y, thanks to the significant growth of asset management products, both in terms of upfront fees and recurring commissions, as well as higher commissions for fiduciary services related to the tax amnesty in Italy.

Operating costs totaled €426 million, which was largely unchanged from the first nine months of 2009 (+0.3% y/y). The increase in payroll costs (+3% y/y), which was largely due to a higher percentage of the variable component (H1 2009 had benefited from the release of provisions for the 2008 bonus) and the first time consolidation of Schoellerinvest KAG in Austria, was almost entirely offset by a decrease in administrative expenses (-2.7% y/y).

Due to the reduction in revenues, the **cost-income ratio** at September 30, 2010 rose to 70.1% compared to 64.5% in the same period of the previous year.

Income Statement

(€ million)

	FIRST 9 MONTHS		CHANGE	2010		CHANGE %	2009
PRIVATE BANKING	2010	2009	%	Q3	Q2	ON Q2 2010	Q3
Operating income	607	658	- 7.7%	187	205	- 8.8%	196
Operating costs	(426)	(424)	+ 0.3%	(140)	(143)	- 2.4%	(143)
Operating profit	182	234	- 22.3%	47	62	- 23.7%	53
Profit before tax	172	222	- 22.7%	42	59	- 28.4%	54

Key Ratios and Indicators

	FIRST 9 MONTHS		CHANGE	
PRIVATE BANKING	2010	2009	AMOUNT	%
EVA (€ million)	86	132	- 47	- 35.2%
Absorbed Capital (€ million)	375	330	44	+ 13.4%
RARORAC	30.52%	53.40%	n.s.	
ROA, bp (*)	73pb	84pb	- 10pb	
Cost/Income	70.1%	64.5%	561pb	
Operating costs/Total Financial Assets (**)	51pb	54pb	- 3pb	

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

Staff Numbers

	AS AT			CHANGE ON DEC '09	
PRIVATE BANKING	09.30.2010	06.30.2010	12.31.2009	AMOUNT	%
Full Time Equivalent	3,064	3,062	3,112	- 48	- 1.5%

Results by Business Segment (Continued)

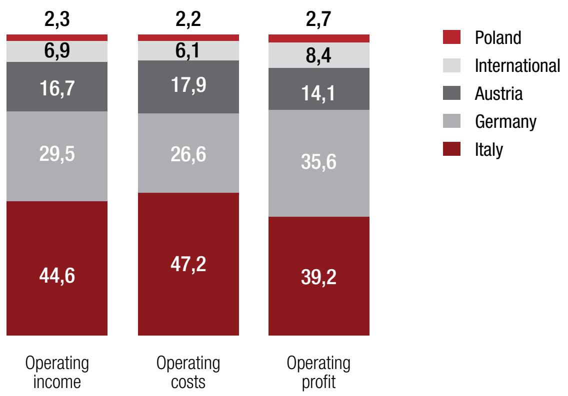
Private Banking (Continued)

Breakdown by business, geographic area and company

The business unit may be broken down into 5 business lines: PB Italy (including San Marino), PB Germany, PB Austria, PB Poland, and PB International, which includes the operational units in Switzerland and Luxembourg.

Key figures for each are outlined below.

Contribution by country at September 30, 2010[3] (%)



Financial assets in Private Banking **Italy** totaled €79.5 billion. Ordinary financial assets, equal to €61.4 billion at September 30, were nearly unchanged compared to the figure at the beginning of the year (+0.1%). The net outflow of ordinary assets which amounted to -€0.2 billion during the period, was entirely due to the results of Banca Agricola Commerciale of San Marino due to the tax amnesty in Italy and the continuation of the difficulties of the local financial market.

UniCredit Private Banking instead reported a net inflow of ordinary assets +€0.1 billion, characterised by a significant shift of customer portfolios toward managed assets (+€2 billion) against a drop in direct deposits (-€1.6 billion) and in assets under administration (-€0.3 billion). Returning to Private Banking Italy overall, operating profit for the first nine months of 2010 was €76 million, a decline of 25.5% from the same period of the previous year. This decrease was primarily due to reduced revenues (-8% y/y), where the excellent performance of net commissions (+22.8% y/y) only partially offset the notable decline in net interest income, which more than halved due to the interest rate scenario and lower deposit volumes. Therefore, the cost-income ratio rose to 71.8% from 65.2% in 2009. In the first nine months UniCredit Private Banking generated a net profit, for accounting purposes, of €49.4 million.

As of September 30, 2010, Private Banking **Germany** reported €30.2 billion in total financial assets, including €27.4 billion in ordinary assets. The latter figure was down by 4.1% from December 31, 2009. There was a net outflow of ordinary assets of €1.1 billion for the period, with significant deposit outflows (-€1.3 billion), but lower outflows of assets under administration (-€0.2 billion) compared to a net inflow of assets under management totaling €0.4 billion. As for income, operating profit totaled €70 million, an 18.6% decrease y/y, due mainly to the decline in net interest income (-22.4% y/y), but also due to the slight decrease in net commissions (-3.5% y/y), while the savings achieved in payroll costs and other administrative expenses resulted in a significant reduction in operating costs (-6.6% y/y). The cost-income ratio for the period came to 61.2% rising from 57.9% at September 30, 2009.

As of September 30, 2010, Private Banking **Austria** had financial assets totaling €16.4 billion with the ordinary component (€14.3 billion) down by 1.4% from the beginning of the year. There was a net outflow of ordinary assets during the period (-€0.2 billion) as a result of the outflow of direct deposits (-€0.3 billion). However, there was an inflow of €0.1 billion in assets under management. Operating profit was down by 19.5% to €27 million due to a decline in revenues (-3.7% y/y), as a result of the negative balance between the reduction in net interest income (-28.9% y/y) and the increase in commissions (+3.4% y/y), and due to higher costs (+3.8% y/y) mainly due to the higher branch network staff levels deemed necessary following the transfer of customers from the Retail business area (between the end of 2009 and beginning of 2010) and the first time consolidation of Schoellerinvest KAG in 2010. The cost-income ratio rose from 67.7% at September 30, 2009 to 72.9%.

As of September 30, 2010, Private Banking **International** had financial assets totaling €14.9 billion, of which €4.6 billion were ordinary. The latter showed a decreasing trend (-3.8% from the beginning of the year) generated by a net outflow of ordinary assets of €0.2 billion. As of September 30, 2010, operating profit was €16 million, a 6.4% increase y/y, due to a reduction in costs (-4.5% y/y) as a result of the reorganization of operations that occurred in 2009, with revenues down slightly

3. Excluding the costs of the holding company's governance units.

(-0.5% y/y). It should be noted that results for this business unit still include UniCredit Suisse Bank since the sale of the company was finalized in October 2010.

In **Poland**, financial assets at the end of September totaled €2.2 billion, a decline of 3.9%[4] from December 31, 2009. In the first nine months of 2010, there was an overall net outflow of €0.1 billion as a result of a deposit outflow of €0.2 billion which was only partially offset by the €0.1 billion inflow in assets under management. In terms of income, operating profit for the period was up 4.4%[4] y/y to €5 million due to the 7.7%[4] reduction in operating costs which offset lower revenues (-3.6%[4] y/y). As in the case of most other countries, Poland was also negatively affected by a sharp decline in net interest income (-14.2%[4] y/y), which was not fully offset by the good growth in net non-interest income (+11.6%[4] y/y). The cost-income ratio dropped from 66.1% at September 30, 2009 to 63.3%.

4. % change expressed at constant exchange rates.

Results by Business Segment (Continued)

Asset Management

Introduction

Asset Management operates under the brand Pioneer Investments, the asset management company whithin the UniCredit Group specializing in the management of customer investments worldwide.
The business line, a partner of many leading international financial institutions, offers investors a broad range of innovative financial solutions, including mutual funds, hedge funds, assets under administration, portfolios for institutional investors and structured products.

At the end of the third quarter of 2010, assets managed by Pioneer Investments were up by 9.2 billion since the beginning of the year due to the net sales of 1.7 billion, the positive impact of the revaluation of US dollar on the Euro (+1.8 billion) and the favourable market performance (5.7 billion).

In order to maximize the quality of service to the Customers (Retail, Private and Institutional) and offer a high standard range of products through its distribution channels, UniCredit started a project of strategic review for the development and continuing growth of Pioneer Group.
The purpose is the identification of the best strategic option for Pioneer Investments which will allow Pioneer to maximize value for both customers and shareholders, improving at the same time efficiency and increasing scale.

Financial Performance

In the first nine months of 2010, Asset Management reported operating profit of 258 million. Compared to the corresponding period of 2009, this represents an increase of 83 million (+47%) largely due to the increase in net commissions (94 million), which was partially offset by an increase in payroll costs (19 million) as a consequence of non-recurring items.

Operating income totaled 613 million, an increase of 16% over the corresponding period of 2009, largely due to the increase in average assets under management of 25 billion (+16%).

Operating costs were slightly up (4 million) primarily due to the reversal of previous year bonus accrual booked in 2009.
On normalized basis, payroll costs for the first nine months of 2010 were down by 4% compared to the same period of the previous year.

Administrative expenses were down (10 million) mainly due to lower legal expenses related to the Madoff case.

On a quarterly comparison, in the third quarter of 2010 operating profit was 88 million, substantially in line with the previous quarter.

Income Statement

(€ million)

ASSET MANAGEMENT	FIRST 9 MONTHS 2010	FIRST 9 MONTHS 2009	CHANGE %	2010 Q3	2010 Q2	CHANGE % ON Q2 2010	2009 Q3
Operating income	613	527	+ 16.4%	203	209	- 3.0%	184
Operating costs	(356)	(352)	+ 1.2%	(114)	(121)	- 5.4%	(126)
Operating profit	258	175	+ 46.8%	88	88	+ 0.1%	58
Profit before tax	247	182	+ 36.0%	80	86	- 7.2%	58

Profit before tax was 80 million, a decrease of 6 million (7%) compared to the second quarter of 2010.
Such decrease was primarily due to integration costs (10 million) posted in the third quarter. Net of this extraordinary item, profit before tax was up by 4%.

Cost-income ratio stood at 58.0%, representing a significant improvement over the corresponding figure for 2009 (66.7%) thanks to a substantial increase in revenues.

At the end of September 2010, Asset Management counts 1,898 full time equivalent (FTE) employees, a reduction of 62 FTEs from December 2009.

Key Ratios and Indicators

	FIRST 9 MONTHS		CHANGE	
ASSET MANAGEMENT	2010	2009	AMOUNT	%
EVA (€ million)	163	106	56	+ 53.0%
Absorbed Capital (€ million)	290	351	- 61	- 17.3%
RARORAC	74.90%	40.50%	n.s.	
ROA, bp (*)	43pb	41pb	2pb	
Cost/Income	58.0%	66.7%	n.s.	
Operating costs/Total Financial Assets, bp (**)	25pb	27pb	- 2pb	

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

Staff Numbers

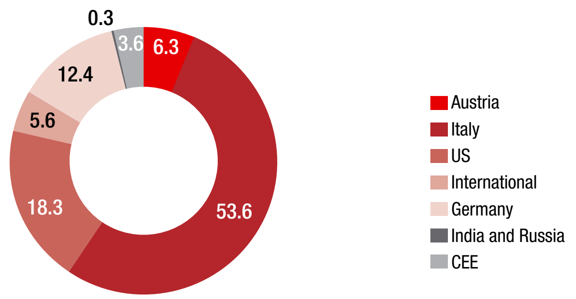
	AS AT			CHANGE ON DEC '09	
ASSET MANAGEMENT	09.30.2010	06.30.2010	12.31.2009	AMOUNT	%
Full Time Equivalent	1,898	1,913	1,960	- 62	- 3.2%

Breakdown by business line, geographic area and company

In the first nine months of 2010, the Pioneer group reported net inflows of 1.7 billion. Positive net sales were mainly reported in Italy (1.2 billion), International (0.9 billion) and CEE (0.5 billion).

Assets under management totaled 185 billion, a 5.2% increase since the beginning of the year due to the positive net sales (+1.0%), the market effect (+3.2%) and the exchange rate effect (+1.0%) thanks to the appreciation of US Dollar.

AuM by Distribution Area (%)



Total Financial Assets

(billion €)

	AMOUNT AS AT			CHANGE ON DEC '09		AMOUNT AS AT	CHANGE ON SEP '09	
ASSET MANAGEMENT	09.30.2010	06.30.2010	12.31.2009	AMOUNT	%	30.09.2009	AMOUNT	%
Total Financial Assets	**191.4**	**191.8**	**182.0**	**9.5**	**+ 5.2%**	**181.4**	**10.0**	**+ 5.5%**
Asset under management	**185.0**	**185.5**	**175.8**	**9.1**	**+ 5.2%**	**172.0**	**13.0**	**+ 7.5%**
- Italy	*99.2*	*98.7*	*95.0*	*4.2*	*+ 4.4%*	*92.7*	*6.4*	*+ 6.9%*
- USA	*33.8*	*35.6*	*32.2*	*1.6*	*+ 4.8%*	*30.8*	*2.9*	*+ 9.5%*
- International	*10.4*	*10.0*	*8.5*	*1.8*	*+ 21.4%*	*7.4*	*3.0*	*+ 40.8%*
- India and Russia	*0.5*	*0.4*	*0.4*	*0.1*	*+ 29.6%*	*0.8*	*- 0.3*	*- 35.1%*
- Germany	*22.9*	*23.0*	*22.8*	*0.1*	*+ 0.5%*	*20.9*	*2.1*	*+ 9.8%*
- CEE	*6.6*	*6.1*	*5.6*	*1.0*	*+ 17.7%*	*5.5*	*1.1*	*+ 20.7%*
- Austria	*11.6*	*11.7*	*11.2*	*0.3*	*+ 3.1%*	*13.9*	*- 2.3*	*- 16.6%*
Asset under administration	**6.5**	**6.3**	**6.2**	**0.3**	**+ 5.1%**	**9.4**	**- 2.9**	**- 31.1%**

(*) Switzerland riclassified from Germany to International since December 31st, 2009.

Results by Business Segment (Continued)

Asset Management (Continued)

USA
The business unit ended the first nine months of the year with net sales close to zero (+3 million) and assets of 33.8 billion (US$46.1 billion), an increase of 4.8% since the beginning of the year mainly due to the favourable exchange rate effect (+5.6%). Net of Vanderbilt, net sales were 737 million, while the Assets under Management totaled 29.5 billion (US$40.2 billion), an increase of 10.7% since the beginning of the year.

Italy
The business unit's assets totaled 99.2 billion, an increase of 4.4% since the beginning of the year due to net inflows of 1.2 billion (+1.2%) and to the positive market effect of 3 billion (+3.2%).
Positive net sales were mainly the result of the strong contribution from the Mutual Funds and Traditional Insurance areas. Retail was positive (+1.6 billion), while the Institutional channel was negative (-916 million).
The market share of Pioneer Investments was substantially unchanged, from 15.03% in the second quarter of 2010 to 14.88% at the end of September 2010

Germany
The business unit ended the first nine months of 2010 with net outflows of 673 million mainly in the Institutional channel. Assets, which totaled 22.9 billion, increased by 0.5% since the beginning of the year, primarily due to the positive market effect (+3.4%), which was partly offset by the negative net sales (-2.9%).
In addition to the above mentioned assets under management, the business unit includes assets under administration of 0.5 billion, substantially unchanged from the beginning of the year.

International
In the first nine months of the year, the business unit reported net inflows of 867 million, mainly attributable to growth in North Asia (569 million), Chile (563 million), France (279 million) and Spain (112 million).
Assets, equal to 10.4 billion, were thus 21.4% higher since the beginning of the year, partly due to positive market effect (+11.2%).

CEE
The business unit ended the period with net inflows of 506 million, mostly concentrated in Poland (+397 million) where Pioneer Pekao consolidated its leadership position among asset management companies with a market share of 16.13% and in the Czech Republic (+56 million).
Thanks also to the positive market effect (+8.7%), assets under management equal to 6.6 billion, up by 17.7% from the beginning of the year.

Austria
In the first nine months of the year, the business unit reported net outflows totaling 180 million. However, thanks to the positive market effect (+4.7%) assets under management stood at 11.6 billion, 3.1% higher since the beginning of the year.
In addition to the above mentioned assets under management, the business unit includes assets under administration of 6.0 billion.

India
Assets under management, equal to 514 million, were 27.2% higher since the beginning of the year, mainly thanks to the positive market effect.

Russia
Assets under management equal to 24 million, increasing since the beginning of the year mainly thanks to market effect.

Alternative Investments
In the first nine months of the year, the business unit reported net outflows totaling 209 million.
Overall assets under management in hedge funds, amounting to 2.3 billion, were therefore 7.4% lower since the beginning of the year despite the positive market effect (+0.7%).
The flows and AuM data are already included in other business units' figures.

Central Eastern Europe (CEE)

Introduction

In Q3 Central and Eastern European countries have continued to show moderate positive developments. Economic growth has been strenghtening, amid strong export demand, growth in inventories and in a few countries also some moderate revival of domestic demand. Non-performing loans are stabilising and we expect the peak to materialise end 2010 or in the first months of 2011.
In line with economic recovery, in 2010, CEE banking business activities are gradually strenghtening. Though with a rebalancing model, banking in CEE remains a dynamic business, with potential substantially exceeding that in Western Europe and hereby again confirming UniCredit's long term strategy to be a major player in the region.
In this environment, UniCredit's CEE banks, overall the clear market leader in the CEE region, showed a satisfactory development in Q3 and again provided a very important contribution to the results of the Group. Efficiency in costs and strict credit risk management remained focal points also in this quarter. Based on its strong market position both in business with corporate and individual customers, the network in Central and Eastern Europe is of highest importance for UniCredit Group.

Financial Performance

Income Statement

(€ million)

	FIRST 9 MONTHS		CHANGE % ON FIRST 9 MONTHS '09		2010		CHANGE % ON Q2 2010		2009
CENTRAL EASTERN EUROPE	2010	2009	ACTUAL	NORMALIZED[1]	Q3	Q2	ACTUAL	NORMALIZED[1]	Q3
Operating income	3,434	3,499	- 1.8%	- 6.5%	1,216	1,146	+ 6.1%	+ 7.1%	1,102
Operating costs	(1,576)	(1,443)	+ 9.2%	+ 5.3%	(537)	(533)	+ 0.7%	+ 1.3%	(487)
Operating profit	1,858	2,056	- 9.6%	- 14.7%	679	613	+ 10.9%	+ 12.2%	615
Net write-downs on loans	(1,010)	(1,217)	- 17.0%	- 21.2%	(319)	(377)	- 15.5%	- 15.4%	(510)
Profit before tax	854	825	+ 3.5%	- 1.7%	366	233	+ 57.2%	+ 68.5%	105
Profit (Loss) for the period	684	676	+ 1.1%	- 4.2%	289	178	+ 62.0%	+ 77.1%	84

1. At constant exchange rates.

Balance Sheet

(€ million)

	AMOUNTS AS AT			CHANGE ON DEC '09	
CENTRAL EASTERN EUROPE	09.30.2010	06.30.2010	12.31.2009	AMOUNT	%
Total Loans	72,826	74,459	70,117	2,708	+ 3.9%
of which: - with customers	*62,471*	*63,170*	*58,084*	*4,387*	*+ 7.6%*
Customer deposits (incl. Securities in issue)	53,227	53,941	50,572	2,656	+ 5.3%
Total RWA	75,320	76,231	69,614	5,706	+ 8.2%
RWA for Credit Risk	66,688	67,371	61,056	5,632	+ 9.2%

Key Ratios and Indicators

	FIRST 9 MONTHS		CHANGE	
CENTRAL EASTERN EUROPE	2010	2009	AMOUNT	%
EVA (€ million)	25	126	- 102	- 80.3%
Absorbed Capital (€ million)	6.919	6.748	172	+ 2.5%
RARORAC	0.48%	2.50%	- 202pb	
Operating Income/RWA (avg)	6.23%	6.40%	- 17pb	
Cost/Income	45.9%	41.2%	465pb	
Cost of Risk	2.20%	2.69%	- 50pb	
Tax rate	19.9%	18.0%	188pb	

Staff Numbers

	AS AT			CHANGE ON DEC '09	
CENTRAL EASTERN EUROPE	09.30.2010	06.30.2010	12.31.2009	AMOUNT	%
Full Time Equivalent (KFS group 100%)	51,641	51,736	52,390	-749	- 1.4%
Full Time Equivalent (KFS Group proportional)	41,846	41,931	42,629	- 783	- 1.8%

Results by Business Segment (Continued)

Central Eastern Europe (CEE) (Continued)

The Q3 **net interest income** of €843 million improved by 2.7% over the preceding quarter at current rates, slightly reduced some weakening of the reporting currencies of the CEE banks in Q3. Net of the exchange rate differences, the quarterly growth of net interest income was 3.7% (at constant exchange rates). This growth occurred in almost all countries and was largely attributable to the increase of loan volumes and improvements in deposit margins. **Net fee & commission income** overall improved by 2.4% over the previous quarter, at constant exchange rates. The market for assets under management and assets under custody has not yet gained its former level while commercial services such as credit cards, FX-transactions and lending fees however developed favourably in practically all countries. The Q3 **trading result** improved, too: while still significantly behind the results recorded last year in an environment of high market volatility in FX and interest rates, the Q3 results show a sign of strengthening with a 185% increase over the prior quarter, caused mainly by mark-to-market funding derivatives and increased FX trading. In sum, **operating income** reached €1,216 million in the current quarter, representing an increase of 6.1% (+7.1% at constant rates) over the second quarter of this year.

The market-driven relative slowdown in business and revenue growth continues to be effectively counterbalanced by a strict cost management: **operating costs** grew only by 1.3% (at constant rates) to €537 million in the third quarter of 2010, despite the introduction of the banking tax in Hungary which is imposed on assets and therefore reported under operating expenses. The cost-income ratio again improved in the Q3, by 2.4 percentage points to 44.1%.

As a result, **gross operating result** improved in the current quarter to €679 million, a plus of 10.9% over the previous quarter at current rates and of 12.2% at constant rates, net of exchange rate effects.

Compared to the previous quarter, the **net write-downs on loans** decreased by 15.4% at constant rates in Q3 to €318.5 million, due mainly to a very good collections result: write-backs on loans more than doubled over the previous quarter, reflecting both the Group's concerted strengthening of an active portfolio management and to the onset of a benign development in some economies. At €1,010 million for the first nine months, they net write-down on loans remain 17.0% below the previous year's level (-21.2% at current rates) resulting in a reduction of the cost of risk ratio (in percent of the average loan volume) to 2.2% versus 2.7% in September 2009.

At €266 million the contribution to the Group's Q3 **consolidated profit** thus shows a significant improvement of 63% over the last quarter.

Breakdown by business, geographic area and company

Turkey

In the first nine months of 2010, strong macroeconomic recovery (GDP Q1: 11.7%, Q2: 10.3%) continued in Turkey leading to positive macroeconomic outlook supported by low inflation and stable interest rate environment. Koç Financial Services Group (KFS Group), the financial holding company controlling 81.8% of Yapı Kredi Bank, recorded increased profitability driven by above sector volume growth, solid fee income, tight cost control and asset quality improvement while maintaining strong capital, funding and liquidity position.

In M9, KFS Group, recorded 1,809 million Turkish lira consolidated net income, indicating an increase of 36% y/y. Capital adequacy ratio was 16.8% for Yapı Kredi, the main subsidiary of KFS according to local regulations while at consolidated level it amounted to 15.6%. Being the 4th largest private sector bank by total assets, Yapı Kredi and its subsidiaries have leading positions in credit cards, leasing and factoring.

In M9, KFS Group recorded 4,079 million Turkish lira revenues driven by solid fee growth (10% y/y) on the back of above sector volume performance despite net interest margin pressure. Continuation of controlled cost and headcount management resulted in a cost/income ratio of 43%.

In terms of lending, KFS Group recorded above sector growth (25% ytd) on the back of sustained performance by Yapı Kredi, especially in local currency lending. Local currency loan growth was mainly driven by mortgages and SME loans. In credit cards, Yapı Kredi maintained its leading position in the sector with 19.8% market share. KFS Group also recorded an above sector deposit growth (15% ytd) driven by Yapı Kredi, especially in local currency deposits. As of the end of September, KFS Group recorded 9% ytd increase in assets under management and maintained its #2 position in the sector with 18.7% market share.

As a mean to diversify funding sources, Yapı Kredi successfully secured a dual-tranche multi-currency syndicated loan facility in September 2010 amounting to USD 1,250 million. The Bank also secured a long-term borrowing of USD 750 million with 5 year maturity.

Yapı Kredi continued its focus on increasing commercial effectiveness and recorded strong improvement in key productivity indicators including loans per employee and deposits per employee. Increased commercial effectiveness was driven by acceleration of new loan generation, also on the back of decreased customer lending response times and performance of newly launched product packages.

The bank also succeeded in selling a wider product range to customers previously only using credit cards.
The Bank continued its branch expansion plan in with 28 new openings in the current year. As of September 2010, Yapı Kredi has the fourth largest branch network in Turkey with 862 branches, the fifth largest ATM network with more than 2,400 ATMs as well as an award winning internet branch and call center.
In July 2010, Yapı Kredi was cited as one of the three most valuable brands in the banking sector, jumping up three places compared to last year, in Capital Magazine's "Most Valuable Brands of Turkey". According to the June Nilson report, Yapı Kredi's credit card brand World ranked 8th worldwide in terms of transaction volume.

Russia

In the first nine months of 2010 Russian economy was hit by severe wildfires and droughts, which drastically cut agricultural production and seemingly constrained the ongoing recovery of domestic demand. This contributed to a general slowdown of the broader economy, as according to the government estimates real GDP growth has slowed to just 2.4% y/y in August, down from some 5.2% in Q2 2010. In this environment, the profit before tax of the banking sector nevertheless exceeded already in August 2010 the overall 2009 result by 56% and is expected to double by the end of 2010 supported by the steadily recovering real sector and accelerating private consumption.

ZAO UniCredit Bank is one of the top Russian universal banks providing a comprehensive product and service range to retail, affluent, corporate and institutional customers through its widespread branch network as well as at a continuously increasing proportion through third parties and alternative channels. The bank demonstrates a solid and robust financial standing supported by its conservative risk and liquidity policy. Total assets amount to 495 billion rubles and shareholders equity stands at almost 61 billion rubles as at September 30, 2010. With a market share of about 1.9% (as of August 1, 2010) ZAO UniCredit Bank is the largest foreign bank in Russia and ranks on 8th position by total assets.

Despite the adverse macroeconomic environment and the fierce competition the customer base is continuously broadening. The Bank currently maintains a countrywide network of 106 outlets plus one Representative Office in Minsk, Belarus, and serves almost 830,000 individual and SME clients and more than 5,200 corporate clients.

As of September 30, 2010 the Bank recorded a net profit for the period of 6.1 billion rubles which is by 20.5% ahead of the result for the same period of last year. The strong performance stems to a large extent from effective risk management. Decreased risk costs compensated the slightly lower level of revenues which were impacted by trading shortfalls caused by the changed market environment following the continuous decline of interest rates. With a capital adequacy ratio of more than 15% the Bank is adequately capitalized and the strong emphasis on deposit-taking allows to solidly managing the loans to deposits ratio at 141%.

In M9, the Bank achieved strong results in terms of cost management, asset quality and balance sheet structure optimization. Besides successful efforts to countervail the overall interest margin compression, the latter contributed significantly to the net interest income increase of 45% compared to last year. Fee income rose by more than 3% versus last year supported by sustained flows of FX commissions. Comprehensive cost containment measures proved highly efficient thus the overall costs developed flat resulting in an excellent C/I ratio of below 36%. Asset quality improved significantly driven by slowed non-performing loan (NPL) inflows, effective collection and intensified restructuring. Net write-downs on loans fell by 34% below last year's level and NPL ratio declined from 8.5% as of December 31, 2009 down to 7% as of September 30, 2010.

Total assets of the Bank slightly decreased in Q3 to 495 billion rubles following the maturity of a tranche of CBR bonds. Despite significant unexpected repayments due to high market liquidity and tough competition on prime risk the overall loan portfolio grew by nearly 6% above the level of December 31, 2009. In the third quarter, both corporate and retail loan portfolio continued to grow and the overall loan portfolio increased by 3.5% q/q.

Corporate banking remains the Bank's engine in terms of revenues and volumes. Due to the ongoing strained economic situation the lending growth is still slower than expected but developed positively throughout the last two quarters. In Q3 the corporate loan portfolio including private banking increased by 4% to 316 billion rubles. The corporate banking market shows continuously decreasing market rates and intensified competition for prime risk. State banks are most active but there are also clear evidences of growing risk appetite from international banks. The Bank puts strong attention on credit risk, in particular on restructuring to further improve the portfolio quality. The strengthening of key relationships, growing the loan portfolio and further diversification of the customer base especially in the mid market are core targets in corporate banking. Another key effort is put on offering derivative products and transactional business to corporate customers.

In retail banking, the loan portfolio increased over the last two quarters by almost 7% driven by a strong increase of sales figures for mortgages, car and cash loans.

Results by Business Segment (Continued)

Central Eastern Europe (CEE) (Continued)

In Q3 the Bank successfully launched its multichannel project with the aim to further enhance the service level and increase the number of services offered.

Croatia

Economic environment risks remained in place in Q3 2010 but despite that fact Zagrebačka banka Group (ZABA Group)'s performance proved its strong fundamentals by sustaining its leading market position in M9. Zagrebačka banka (the Bank) holds the leading position in the Croatian banking market offering a comprehensive product range to retail, private and small business customers, with a focus on meeting changing needs and a new lifestyle of customers.

ZABA Group revenues in M9 amount to €433.5 million as both net interest income and net fees and commissions outperformed the same period of 2009, while trading results decreased by -76% y/y due to lower market volatility.

Total Revenues have been growing for four consecutive quarters driven by NII supported by assets growth, significantly reduced funding cost and other operating income (seasonality of Istraturist operations). Net F&C income increased in Q3 compared to Q2 due to impact of some large transactions as well as higher credit cards fees also driven by tourist season.

Operating expenses increased in Q3 compared to Q2 due to intensified business activities (marketing, campaigns and projects) as well as seasonal Istraturist impact but expected to be flat y/y for the end of 2010 as a result of continued focus on cost management and strict cost control.

In M9 ZABA Group achieved a gross operating profit of €227.7 million that is by -4.7% lower y/y. Such performance is driven by a total revenues decline (-1.1%) and an increase of operating costs of +3%. Additionally, y/y growth was achieved in net interest income that increased by 11.3% reflecting well managed pricing policy and reduced funding cost (attributable to decline of reference rates and deposits down-pricing), as well as in net fees and commissions growing 8%, primarily driven by arrangement fees.

Loan loss provisions substantially increased (by 138.2% y/y) driven by prolonged recession in Croatia and consequently a deterioration of asset quality. The quality of the loan portfolio remained a main focus through continuous monitoring, recognition of early signs, intensive soft collection and debt restructuring activities.
Net profit in M9 fell by 29.5% y/y due to a significant increase in loan provisions, reflecting the adverse market conditions.

In the course of the first nine months of 2010, the Bank led a selective pricing policy in housing lending, targeting the young population and customers with regular income, providing them loans with discount to the standard offer. Also, aiming to boost sale of real estate whose construction was financed by the Bank, a special offer was created in cooperation with respective investors. Sales of housing loans till the end of Q3 increased significantly, generating a dominant market share in housing loans of 31.4%.

The Bank launched "Green Loans", the first such product at the market, aiming to support building and purchase of real estate with advanced energy efficiency. This action had very positive feedback from the market, confirming the innovative and environmental responsibility of the Bank. Also, the Bank, again the first in Croatia and even more one of the few in the world, launched mobile banking applications for iPhone. By offering even two banking applications for iPhone (m-zaba for Individuals and for Corporate clients), the bank is a frontrunner in the world's most modern banking trends.

Despite the still ongoing recession, through its' commercial activities the Bank has been focused on real estate whose construction was financed by the Bank and created a special offer for such real estate, in cooperation with investors.

In September 2010, the Bank has started the loyalty program Multiplus, a strategic alliance with the largest local retailer and a telecommunication company. Both strategic alliances should have a positive revenue impact on the credit card and other businesses, as well as on customer satisfaction.

Being a market leader in Individuals and Small Business Segment in Croatia, the bank has a market share of 24.7% in loans and 25.4% in deposits to Individuals and Small Business. Compared to the end of 2009, total retail loans at the end of September 2010 increased by 2.0% to €4.4 billion, while retail deposits increased by 4.9% to €4.9 billion, driven by growth of term deposits of 4.4%.

In M9 the Bank confirmed its position as the leading corporate bank in Croatia. Loans to corporate clients increased to €4.7 billion while corporate client deposits at the end of September 2010 amounted at €2.1 billion. The Bank's market shares are stable. The Bank continued to concentrate its activities with both the public sector (including significant financial involvement to the government and the public sector overall) and the private sector (large and mid-sized companies and multinational clients).

In Q3, Zagrebačka banka continued to hold its leading position in investment banking in Croatia. In July 2010, the Bank was engaged as the exclusive M&A advisor to Atlantic Grupa, the leading consumer goods distributor in SEE and one of the leading European producers of sport foods, in the acquisition of a majority stake in Droga Kolinska, a Slovenia-based manufacturer and marketer of high quality food and beverage products, including the arrangement of the acquisition financing package for the transaction (jointly with a banking partner). In the Capital Markets segment, the Bank acted as joint lead agent and underwriter for the second tranche of domestic government bond issues in amount of €650 million and 1.5 billion Croatian kuna.

Other countries

UniCredit Bank **Czech Republic** confirmed in Q3 the increasing trend in revenues (growing 4.1% q/q at constant rates). Despite continuing low interest rates (with key CNB rates at 0.75%) the net interest income increased q/q by 2.8% at constant rates, thanks to the succesfull strategical focus on highly profitable business opportunities, which also contributed to the increase of net fees by 3.7% at constant rates.

Costs remained stable q/q despite the fact that the bank accelerates investments into retail branch expansion. Loan loss provisions stay also stable q/q. As a result, the net profit of the bank increased q/q 10.5%, standing year to date at 91.7 million EUR.

UniCredit Bank **Slovakia** actively benefitted from a positive macroeconomic environment and has been steadily growing during all quarters of 2010. Interest generation from loan business, higher market interest rates environment in the Euro zone and costs saving activities contributed to increase the net profit in Q3 vs. Q2 by more than 140pp. Consistent growth of loan volumes generating additional interests and fee income contribute to a positive outlook. Being a leading bank in Slovakia in newly granted household financing loans, the bank continuously improves market share on loans as well as deposits. Despite of high loan volume growth (more than 12pp y/y) Bank keeps high capital adequacy ratio at above 14pp.

UniCredit Bank **Hungary** maintained its stable performance and strong profitability. Operating income exceeded that of previous year's by double-digit 12%, driven by strong net interest income. Risk costs show a more favorable development than in previous year (-11,3%), with focus on restructuring and renegotiation of problematic loans. However, the positive development in revenues, provisions and disciplined cost management was impacted by the first tranche of the new special bank tax paid at the end of the quarter.

Balance Sheet development is impacted by restrained lending and flat deposit growth. Corporate loan volumes could not remain unaffected by the unfavorable market tendencies, where slight advance in Retail ensured moderate increase of market share. The loan to deposit ratio remained stable at a satisfactory level of 110,6% vs. the sector average of 140%.

Assets under Management remained on a growth path and surpassed last year's level by 32%, thanks to both good performance of funds and stable capital inflow. Beside traditionally strong positions in Corporate, the Bank is strengthening its Retail market share by offering special yield and capital guaranteed funds.

In first nine months of 2010, UniCredit Bank **Slovenia** achieved revenues of €54 million, 16% more than in M9 of the previous year. This improvement in revenues comes from strong net interest income (+39% yoy, also benefiting from dividend income in July) and strong net fee and commission income (+19% y/y, thanks to good performance both on the retail and the corporate side). This growth in revenues was achieved despite negative trading results of about €3 million, influenced by the market conditions. Loan loss provisions amounted to about €12 million, remaining on a similar level as in the previous year. The net profit for the period amounted to more than €11 million, doubling the result of the M9 of previous year. In Q3 alone profit materialized at almost €5 million, more than €2 million higher than in Q2.

In **Bosnia and Herzegovina**, UniCredit, represented by UniCredit d.d., Mostar, and UniCredit a.d., Banja Luka, is among the leading banking groups. The 2 banks serve more than one million customers and operate through a network of 137 branches.
In spite of a still difficult economic environment, for the first nine months 2010 revenues increased by 2% y/y, expenses were reduced by 4% y/y and GOP increased significantly by 18% y/y, due to growth in non interest income, successful interest margin management and cost cutting activities like for example the optimization of the branch network. Retail segment improved its business results and is currently developing new products and services. The focus of corporate banking is on a growth-strategy by approaching all major industries and supporting their financing needs. Current indicators show good results in segment of medium-sized enterprises and sales growth in Global Transaction Banking which is also reflected in the high level of corporate client satisfaction.

In first nine months of 2010 UniCredit Bank **Serbia** achieved a result after tax in the amount of more than 2.4 billion Serbian Dinars, with net interest income remaining the main driver of revenues. Net fees and commissions, however, also strongly

Results by Business Segment (Continued)

Central Eastern Europe (CEE) (Continued)

increased in Q3 mainly due to special retail initiatives and strong efforts in cross selling activities in all business segments. The strict monitoring of cost management targets resulted in a very positive trend of the cost development, which - despite the depreciation of the Serbian Dinar - resulted in improving the cost-to-income ratio further to 41% against 43% as per end of 2009. Also the Net Loans/Deposits ratio with 140% improved significantly y/y. Given the market environment, UniCredit Bank Serbia defended its market position successfully and continuously improved its profitability.

In a challenging economic environment in **Romania**, with stagnating investment and low private consumption, UniCredit Tiriac Bank (UCT) registered a gross operating profit of RON 222 million (EUR 52 million) in Q3, 10% higher than in Q2, and RON 595 million (EUR 141million) for the first nine months, up 28% y/y. M9 revenues were 15.3% higher y/y and above budget. Operating expenses remained at the level of last year, generating further improvement in efficiency to a 42.3% cost-to-income ratio. Loans grew 13% y/y, well above the market. Risk costs doubled in M9 compared to last year to RON 351 million, yet comfortably covered by the net operating profit. The NPL ratio reached 10.3%.

Net profit in Q3 was 20% lower than Q2, and ytd 15% lower than last year due to the higher provisions. ROE and ROA still remain higher than in the market. UCT maintains a solid capital adequacy level of 12.13% at the end of the period.

Despite the still ongoing recession, M9 Corporate revenues grew 19.4% yoy and its loan portfolio exceeded the market growth. Deposits dropped somewhat mainly due to repayment of expensive large tickets in the corporate and private banking segments. Main focus of the corporate business line was on risk management, lending growth, transactional business, treasury sales and customer care program. Retail revenues increased 4.3% yoy (over 12% including the results of UCFin, which provides the Group consumer loans in Romania, using the branch network of the bank). Its loans and deposits increased slightly year-to-date, higher or in line with the market in different product lines. In mass market the Retail focus was put on standard products (such as salary packages and cash loans), while in the affluent segment the emphasis was put on improving quality and developing specialized service and dedicated products. The new service model and small-size branch optimization started giving fruits, increasing productivity.

In the still challenging macro-environment of Q3 in **Bulgaria**, UniCredit Bulbank preserved its number one position in total assets with €5.7 billion (2.1% higher y/y). Compared to the recent tendency of slightly falling interest rates, customer deposits grew by 4.8% y/y to €3.4 billion, mainly driven by the retail segment. Showing some tentative signals of a recovering economy, total loans increased by 4.7% y/y to €4.1 billion with the largest contributions coming from the corporate segment and retail mortgages. The capital adequacy of the bank was stable at 16.9%. The NPL ratio was below the system average, pointing at 8.5% as of September 2010.

Being a market leader in gross loans and customer deposits UniCredit Bulbank followed a cautious and watchful pricing policy. This increased the profitability in Q3 and helped to achieve a growth of 3.6% y/y in total revenues (up to €224 million YTD). On the background of higher profits, various cost containment measures were successfully implemented, which decreased operating expenditures by 2.7% y/y and partially compensated for the higher loan loss provisions. The cost/income ratio decreased to 40.2% (-2.5pp y/y) which is a strong argument for the improved efficiency of the bank. In consequence, gross operating profit was up by 8% y/y to €134 million. The steady stream of interest income was further supported by secured fee and commission revenues and lower-than-average on the market cost of risk. Also, trading and FX income noticeably outperformed y/y. In effect, UniCredit Bulbank generated a net profit of €70 million, about a quarter of the net profit of the total banking system.

In the first three quarters of 2010 AS UniCredit Bank, active in all 3 **Baltic countries**, faced an ongoing difficult economic environment resulting in a negative GDP evolution, especially in Latvia and Lithuania, and a drop of the lending volumes in the market. The positive trend in net interest income which started in Q2 continued in Q3 with an increase of 17% versus Q2, with the overall revenues at LVL 7.3 million (or € 10.3 million). At the same time, the bank continues to pursue tight cost management while loan loss provisions had to be increased further. In 2010 AS UniCredit Bank increased its capital in the amount of LVL 13 million boosting the bank´s capital adequacy ratio to a sound level of 10.46% as of September 30, 2010.

In first nine months of 2010 banks in **Ukraine** enjoyed a liquidity boom fuelled by steady inflows of customer deposits and as of September 30, 2010, customers' deposits volume of banking system increased by 17.9% compared to year-end 2009 and exceeded its pre-crisis level. Ukrsotsbank had 14.8 billion Ukrainian Hryvnias of customer deposits as of September 30, 2010, which is 20.3% higher compared to the deposits volume as of the beginning of the year. Based on such development the Bank commands a market share in corporate deposits of 3.3% and in individual's deposits of 3.7%.

The significant increase in customer deposits has allowed Ukrsotsbank to improve the Loan/Deposit Ratio from 291% as of December 31, 2009 to 214% as of September 30, 2010.

However, positive trends seen in the monetary market still have not led to a significant increase in lending activities. The bank's gross customer loans decreased by 6.2% since the beginning of the year to 38 billion Ukrainian Hryvnias. In accordance with the general market development also Ukrsotsbank's risk position remained tense so that a major portion of the gross operating profit still had to be allocated to loan loss provisions. In M9 the charge was equal to 1.6 billion Ukrainian Hryvnias, which is 15% lower than the level of provision made in M9 2009.

Ukrsotsbank demonstrated strong operating efficiency in M9, keeping a Cost/Income ratio of 33%, thanks to the continued implementation of a new core banking system and continued improvement of the effectiveness of its branch network.

In order to increase retail acquiring activity in terms of payment transactions and account turnover of Private Individuals in Q3 Retail was launching co-branding projects together with Visa International and several Ukrainian retail chains. In Corporate, a dedicated agricultural customer desk with special emphasis on trade finance was established; the first deals acquired are already at an advanced stage. The Bank reinforced its leading position on the factoring market thanks to active promotion of all domestic and international factoring products, as well as updated factoring methodology.

Macroeconomic situation in **Kazakhstan** is experiencing a substantial improvement led by a strong rebound in manufacturing and exports. 2010 real GDP is expected to grow 6.3% y/y, which is among the highest in the CEE region. Lending volumes in the banking sector have been stagnant in the H1 2010. However, Q3 results showed some positive trends in loan growth for the whole sector and UniCredit's subsidiary ATF Bank in particular, with loan portfolio growing by 1.2% q/q at constant rates.

The quality on the loan portfolio remains weak both for the industry and ATF. However, ATF didn't experience any further deterioration in asset quality since Q2, due to improving economic conditions as well as extensive restructuring and workout efforts on the bank's side. The new strategy of the bank targeting large state and international clients is starting to bring results with a significant loan pipeline. The bank was also able to substantially improve its non-interest income share in revenues, and the trend is expected to continue via launch of new products. Continued efforts on the retail branch optimization are to bring further efficiency gains next year.

Other Information

Transactions for rationalizing Group operations and other corporate transactions

In the first nine months of 2010, the Group began several projects to rationalize the operations of certain subsidiaries in keeping with the business model and with the aim of achieving greater synergies and cost reductions.

In addition, on August 3 UniCredit's Board voted on the merger of UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia, UniCredit Corporate Banking, UniCredit Private Banking, UniCredit Family Financing Bank and UniCredit Bancassurance Management & Administration into the Parent Company as a part of the "ONE4C Project".
See the following section for additional information on this project.

The Group also undertook some new initiatives aimed at external growth to consolidate and strengthen its leadership in some business sectors.

Reorganization of the operations of the subsidiary UniCredit Mediocredito Centrale S.p.A. (MCC)

In the first nine months of 2010, the Group started the process of reorganizing the operations of MCC focusing the company's business on the public sector, and specifically, the promotion and management of government benefit programs for businesses at the national and regional levels to support economic development, and loan products with preferential terms. As a result, operations were rationalized by reallocating non-core operations within the Group in keeping with the divisional business model, and transferring IT and back office activities to Group companies that perform shared services.

In this context, the following steps were finalized:
- the transfer of MCC's Operational Support Division to UniCredit Business Partner effective January 1, 2010;
- the transfer of MCC's IT and Back Office Divisions to UniCredit Global Information Services and UniCredit Business Partner respectively, effective April 1, 2010.

On September 1, 2010, a transaction was also finalized for the partial spin-off of MCC's Corporate Division to UniCredit Corporate Banking, the Group's bank that specializes in the corporate sector, which mainly consists of Project Finance, Structured Corporate Finance, Industry Lending and Structured Trade & Export Finance (with respect to the latter, excluding the balance of existing loans).

Rationalization of the Italian management of the Group's private equity funds

At the beginning of this year, in order to simplify the Group's structure and achieve economic and operational benefits, the Group initiated the process of merging S+R Investimenti e Gestioni SGR into Sofipa SGR; these are the two Italian Group companies that manage private equity funds.

This transaction will provide cost savings by eliminating shared expenses, concentrating promotional and management activities for the Group's private equity funds in Italy into a single entity, and making it more effective to access reference markets to raise funds as a single entity.

The merger took effect last July 12.

Rationalization of the Group's non-performing loan operations

In order to rationalize the Group's non-performing loan ("NPLs") operations, reduce related administrative costs and optimize the service of managing the Group's non-performing loans from an economic and financial standpoint, last July the Group launched a project to integrate the operations of Aspra Finance S.p.A. ("ASPRA") – a special-purpose vehicle that centralized the NPLs of Capitalia and later the NPLs of the other former UniCredit legal entities – into UniCredit Credit Management Bank S.p.A. ("UCCMB") – the Group bank operating in the area of NPL management that also manages the NPLs held by ASPRA under a specific outsourcing agreement – both of which are wholly-owned subsidiaries.

In order to implement the rationalization of NPL management, it was decided that the best solution would be to merge ASPRA into UCCMB, which would then become the Group bank with responsibility for the centralized management of NPLs. Centralizing these loans will make it possible to simplify corporate structures and to standardize management and operational policies for NPLs with the resulting optimization of risk-associated costs by rationalizing several of the related administrative activities, such as the possibility of centrally managing legal expenses.

The Parent Company is also required to contribute to Aspra's future capital increase of up to €3 billion by November, and in any case, before the merger, in order to allow the latter to repay loans granted earlier by UniCredit to purchase non-recourse NPLs currently on the books.

In September, the Bank of Italy authorized the merger of Aspra into UCCMB, and the transaction is expected to go into effect by the end of this year.

Project to create a Global Card Payment Company

In order to rationalize and internalize activities supporting the credit and debit card business (which includes processes related to issuing credit and debit cards, acquiring POSs and ATMs, managing electronic payments for corporations and government agencies and electronic ticketing), in 2008 a process was started to improve and coordinate the efficiency of these activities in support of this business and to achieve economies of scale and scope.
To achieve this goal, in August the Parent Company's Board of Directors approved the launch of a project calling for the creation of a Global Card Payment Company. The company selected for this purpose was the subsidiary Quercia Software S.p.A., which will serve as the only service center supporting the credit and debit card businesses for the entire Group. It will be responsible for providing these services, while banks will continue their role as issuers.

The main objectives of the Global Card Payment Center are:
- to ensure the utmost efficiency and speed in responding to business requirements;
- to facilitate the centralized management of related IT and back-office activities;
- to create a more successful cost model guaranteed by the significant processing volumes to be carried out through an internationalization and rationalization program that is currently under way. Once completed, this process will generate annual savings for the Group estimated at over €45 million in 2015;
- to create a credit and debit card Competence Center at the Group level and enhance the existing expertise in the related hubs;
- to guarantee the full availability of a broad portfolio of products and services for the various entities. In fact, using a centralized approach, it would be possible to generate considerable savings in terms of time to market for those Group entities that are required to develop products that are already available for others;
- as noted earlier, to continue to make the banks responsible for issuing cards and for the various related risks;
- to maintain the level of service quality, so as to foster business processes and keep risks under control as far as possible. Most importantly, with respect to the latter, the elimination of fragmented production processes would foster improved operational risk management in general, and especially in the area of fraud.

The project is expected to be completed by the end of this year.

In order to implement the project, on October 13, 2010, the Extraordinary Shareholders' Meeting of Quercia Software approved the transformation of Quercia S.p.A. into a joint venture corporation.

Other transactions involving subsidiaries and associates

UniCredit Bank Austria AG

Capital increase of UniCredit Bank Austria AG
This March, the subsidiary UniCredit Bank Austria AG (a 99.995% holding of the Parent Company) finalized a capital increase of €2 billion in order to satisfy the expectations of local regulatory authorities and rating agencies, and to bring the company in line with key Austrian competitors in terms of ratios and position themselves favorably to take advantage of opportunities resulting from future economic growth in Austria and Central Eastern Europe. Following the Parent Company's subscription of its applicable share and the unassigned portion, its stake in UniCredit Bank Austria AG rose to 99.996%.

Reorganization of Markets and Investment Banking (former MIB) of UniCredit Bank Austria AG and UniCredit Bank AG
In the first nine months of 2010, the Group completed the reorganization of the operations of the former MIB Division of UniCredit Bank Austria AG. The final requirement in this process was the transfer to UniCredit Bank AG of the majority of these operations carried out by the subsidiary CAIB UniCredit AG ("CAIB," previously UniCredit CA IB Beteiligungs AG) through the following steps:
- the transfer to UniCredit Bank Austria AG (or to its direct subsidiaries) of CAIB's subsidiaries, and the spin-off of certain selected operations to UniCredit Bank Austria AG (these transactions were completed in Q1 2010);
- the subsequent transfer to UniCredit Bank AG of CAIB and its subsidiary, UniCredit CAIB Securities UK, which operates in the UK (this occurred on June 1, 2010);
- lastly, the merger of CAIB into UniCredit Bank AG, which went into effect for legal purposes on July 1, 2010.

Other Information (Continued)

Transactions for rationalizing Group operations and other corporate transactions (Continued)

Since July 1, 2010, UniCredit Bank AG has operated in Austria out of a newly opened branch in Vienna.
On August 5, an agreement (which will go into effect September 1, 2010) was entered into for the transfer of the Corporate Product Specialists division of UniCredit Bank AG to UniCredit Corporate Banking. This division includes the operations of Corporate Treasury Sales, Corporate Finance Advisory and Senior Bankers performed through its Milan branch.

Fondo Italiano di Investimento SGR S.p.A.

Last March, UniCredit participated in the establishment of Fondo Italiano di Investimento SGR S.p.A. This company was established with initial share capital of €3.5 million, with UniCredit holding a 14.29% stake.
This transaction was part of a project developed by the Ministry of the Economy and Finance, Cassa Depositi e Prestiti, UniCredit, Intesa SanPaolo, Monte dei Paschi di Siena, the Italian Banking Association and Confindustria for the creation of an Italian investment fund for SME.

Specifically, the aim of the fund is to support the development of companies in order to generate a significant core of "high-achieving medium-sized domestic companies" over the medium term with sufficient capital to handle the challenges of the competition. The investment target is companies with revenues of €10-100 million. The fund's target size is €3 billion. The first closing of €1.2 billion (the initial project called for an endowment of €1 billion) will be subscribed in equal amounts (€250 million each) by the three Sponsoring Banks, including UniCredit and Cassa Depositi e Prestiti as well as a large group of credit unions contributing a total of €200 million. A further €1 billion will be raised from institutional investors, while the subsequent increase will be assessed on a needs basis.

Friuli Venezia Giulia Logistical Development Project

Last March, UniCredit Corporate Banking established a company called UniCredit Logistics Srl in order to develop a project aimed at creating a port hub through the development of the port infrastructures in Trieste and Monfalcone.

In particular, this project, which will be financed using project finance/government funding, and which will be completed over several phases in collaboration with other financial and industrial partners, entails the following:
- the gradual expansion of the Trieste container terminal and the construction of a new terminal in Monfalcone;
- the improvement/expansion of rail lines and roads going to the terminal;
- the inclusion of individuals and entities involved in this initiative in UniCredit Logistics.

Initiatives in the areas of "environmental sustainability" and "social business"

Creation of joint venture with WWF and other industrial partners for the establishment of an Energy Service Company (ESCO)

As a part of its operations aimed at fostering environmental sustainability initiatives, and to take advantage of business opportunities tied to financing energy projects with a low environmental impact, the Parent Company decided to participate in the creation of a joint venture to perform Energy Service Company (ESCO) operations with the WWF and several industrial partners.

This joint venture would operate in the area of advisory services and the design and completion of projects promoting energy efficiency and involving "carbon management" renewable energy sources with the possibility that financial solutions will be offered to support the related projects. The equity investment during the start-up phase will total €1 million, of which €300,000 will be subscribed by UniCredit.

During its first year of operation, the plan calls for the joint venture to focus on certain geographic areas, and then to gradually expand to all of Italy using UniCredit channels to promote energy finance packages.

The Group anticipates that the project will be operational by the end of this year.

Grameen Italia project

As part of a project promoted in a partnership with Grameen Trust, University of Bologna and UniCredit Foundation, UniCredit will acquire a 25% equity stake (at a cost of €500,000) in Grameen Italia SpA. This company will make micro-loans to finance independent small businesses with the aim of promoting the social development of indigent segments of the population. UniCredit will contribute to the initiative by supporting the related borrowing requirements.

Transactions to dispose of equity investments and divisions

In Italy

Assicurazioni Generali S.p.A.

Last March, the subsidiary UniCredit Bank Ireland Plc ("UniCredit Ireland") sold its entire stake held in Assicurazioni Generali (2.84%) through an accelerated bookbuilding offer directed solely to institutional investors for the total amount of about €796 million. This transaction resulted in a capital loss of about €72 million at the consolidated level.

The sale of this stake was one of the commitments made by UniCredit to the Italian Antitrust Authority in accordance with the order authorizing the merger of Capitalia S.p.A. into UniCredit (Order No. 17283 of September 18, 2007 and subsequent extensions issued on December 3, 2008 and November 12, 2009).

Foreign operations

Open Accumulative Pension Fund Otan JSC

On March 15, 2010, the subsidiary JSC ATF Bank sold its entire stake (89%) in JSC Open Accumulative Pension Fund Otan (Kazakhstan), generating a total capital gain of about €5 million at the consolidated level.

Visa Inc.

In H1 2010, several Group subsidiaries sold shares of Visa Inc., generating total capital gains of about €16 million at the consolidated level.

Other Information (Continued)

Capital Strengthening

On January 7, 2010 UniCredit's Board of Directors approved the final terms and conditions of the rights issue resolved on by the shareholders in EGM on November 16, 2009. The new ordinary shares were offered from January 11 to January 29, 2010 in Italy and Germany and from January 14 to January 29, 2010 in Poland. 98.23% of the shares offered i.e. 2,472,338,679 new UniCredit ordinary shares were subscribed (and no subscriptions were revoked in the Polish and German public offerings). Rights not exercised during the offer period were 297,005,168 valid for the subscription of 44,550,771 UniCredit ordinary shares and were all sold in the Mercato Telematico Azionario (screen-based stock market) organized and managed by Borsa Italiana SpA pursuant to Article 2441 (3) Italian Civil Code, through UniCredit Bank AG, Milan Branch, on the trading days from February 8 to 12, 2010. On February 24, 2010 the capital increase resolved on by the mentioned EGM held on November 16, 2009 was thus completed, after which the number of ordinary shares issued was 2,516,889,453.

The ONE4C Project

In order to satisfy the changed expectations of clients and the need to be closer to local markets which have emerged in the new international banking context, the Board of Directors of UniCredit approved the ONE4C ("One for Clients") project at its extraordinary meeting of April 13, 2010.

Specifically, the Board approved the proposed absorption by UniCredit of UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia, UniCredit Corporate Banking, UniCredit Private Banking, UniCredit Family Financing Bank and UniCredit Bancassurance Management & Administration.

After this merger, UniCredit will, as well as fulfilling its role as Parent Company, directly engage in banking and commercial business with clients.

The "One for Clients" project aims to further increase customer satisfaction through specialization and more rapid response times. This means simplifying the corporate structure of the Group, thus increasing its closeness to the markets and communities in which it operates while preserving its most important bank brands (UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia). This project will also create a more efficient organization, not least through the delegation of more decision-taking powers to the Italian branch network.

As was already the case in Austria, Germany and Poland, the new position of a Country Chairman for Italy was also approved by the Board on April 13. This position will have the role of coordinating all business conducted in the Italian market, and a pivotal role in the development of the Group's local market strategy, sharing joint responsibility with local business managers for the profitability of operations in Italy.

The "One for Clients" project strengthens the current divisional model of the Group, and will see the definition, in Italy, Germany and Austria, of four specialized business segments:
- Households, dedicated to private clients with assets of up to €500,000
- SMEs, for businesses with an annual turnover of up to €50 million
- Corporate Banking, for businesses with an annual turnover of over €50 million
- Private Banking, for clients with assets of more than €500,000.

Seven Business Areas will be set up in Italy, whose heads will act as a focus point for relations with the principal partners in local entities, within the framework of an Italy Network Committee presided over by the Country Chairman, which will also involve the three heads of the Italian divisions and the head of the territorial relations department.

On June 15, 2010, pursuant to Art. 57 of the Consolidated Finance Act, Banca d'Italia issued its authorization of the merger.
On August 3 UniCredit's Board of Directors approved the merger (which is expected to become effective on November 1, 2010), pursuant to Art. 2505 (2) of the Italian Civil Code and Art. 23 of the Articles of Association. The 'ONE4C' merger deed was signed on October 19, 2010 and came into force on November 1, 2010.

Subsequent Events and Outlook

Subsequent Events

Having entered into an agreement to sell its shareholding in UniCredit Suisse Bank SA to the company's managers supported by the Banca dello Stato del Cantone Ticino on July 22, 2010, UniCredit Private Banking completed the transaction on October 14, 2010 on receipt of the authorisation of FINMA (Switzerland's federal financial markets regulator).

As noted in the above "ONE4C Project" section, the ONE4C merger agreement was signed on October 19, 2010 and came into effect on November 1, 2010.

On October 18, 2010 UniCredit, certain Group companies and the delegations of the trade unions FABI, FIBA/CISL, FISAC/CGIL, SILCEA, SINFUB, UGL CREDITO and UILCA entered into a protocol on the general reorganisation plan whose purpose is to manage the UniCredit Group's employment matters ahead of the absorption by the Parent, UniCredit SpA, of the commercial segment banks (see the "ONE4C Project" section above) and the 2010/2013 general reorganisation plan for the Group's Italian businesses. This protocol extends to five years the period in which the total redundancies declared by the company, i.e. 4,700 people, are to be managed, and activated a termination plan for 3,000 people to be completed by December 31, 2013.

On October 26, 2010 the Board of Directors appointed Roberto Nicastro as General Manager and Paolo Fiorentino as Chief Operating Officer on the proposal of Federico Ghizzoni, CEO.

Outlook

In the third quarter 2010 there were signs of moderate economic growth and a recovery in banking business volumes. Reference interest rates are beginning to rise above their historic lows, even though the action of central banks still aims to keep them low in order not to undermine the basis for recovery. This should lead to an improvement in operating margins, which have been severely penalized in the last few quarters. Loan loss provisions are also expected to slow as credit quality stabilizes.

Our Group has built up a solid capital base and completed significant transformation projects (of which the completion of the 'ONE4C' project in Italy is the most visible example) to bring the bank ever closer to its local markets and is now poised to take advantage of the signs of growth in the economy, though these are widely differentiated according to the geographies in which the Group operates.

The completion of the new management structure, the reaffirmation of the Group's international vocation and the strength of its distribution network, increasingly rooted in local markets, are the basis for even stronger marketing efforts, together with constant attention to operating process efficiency.

The growth potential of Central-Eastern European countries will continue to be a distinctive factor and this - together with recovered earning capacity in those countries most severely affected by the crisis - will enable the Group to achieve profitability in line with the highest international standards.

Milan, November 9, 2010

THE BOARD OF DIRECTORS

Chairman
DIETER RAMPL

CEO
FEDERICO GHIZZONI

Further Information

The Consolidated Interim Report as at September 30, 2010, which is presented in reclassified or condensed form, was prepared under IFRS.

For consolidation purposes, the Accounts as at September 30, 2010 of the Parent Company and subsidiaries were used and were properly reclassified and adjusted to take into account consolidation requirements, and modified as necessary to bring them into line with Group accounting principles.

In those cases in which the accounts did not fully reflect the reporting of items on an accruals basis, such as certain administrative expenses, the accounting figure was supplemented by estimates based on the budget.

All intercompany balance sheet and operating figures of a material amount were eliminated. All unreconciled amounts were posted to other assets or liabilities or to net other income/expenses, if not related to interests or commissions.

This Consolidated Interim Report is not audited by the External Auditors.

Declaration by the Nominated Official in charge of drawing up Company Accounts

The undersigned Marina Natale, in her capacity as the nominated official in charge of drawing up UniCredit SpA's company accounts

DECLARES

as prescribed by §154 bis, 2 of the Testo unico delle disposizioni in materia di intermediazione finanziaria [the "Single Financial Services Act"] that the Consolidated Interim Report at September 30, 2010 agrees with the documentary records, ledgers and accounting data.

Milan, November 9, 2010

Nominated Official in charge
of drawing up Company Accounts

MARINA NATALE

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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
Consolidated Interim Report as at March 31, 2010 and September 30, 2010 and Consolidated First Half Financial Report as at June 30, 2010
by contributing to reforestation projects in Italy.

For the Consolidated Interim Report as at March 31, 2010 and September 30, 2010
and Consolidated First Half Financial Report as at June 30, 2010,
we worked to offset related emissions in association with AzzeroCO$_2$

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