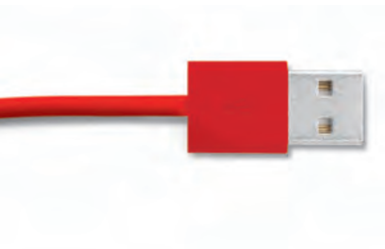
UniCredit

Clear answers for real benefits.

2012 Consolidated Reports and Accounts



Customer testimonials are the common thread of this year's annual report to illustrate the concrete solutions we provide every day. These true stories were told first-hand and collected by the colleagues who worked with them to offer real benefits.

Each story lends an authentic voice to how we are having a positive impact on our stakeholders. We are making a difference by recognizing everyday challenges and opportunities, and by contributing to the economic, social and cultural well-being of the communities we serve.

This report's creative concept reflects our commitment by displaying two pieces that fit together. This represents the union between the real-life needs of our clients and the practical solutions that we offer.

Above all, we believe that being a commercial bank means engaging in meaningful dialogue with those with whom we come into contact. This enables us to provide simple, quick and effective responses that perfectly meet customer needs.

Inside you will find some of these stories. We hope the next one will be yours.

2012 Consolidated Reports and Accounts

PLANNING

Customer care that crosses national boundaries

"UniCredit Bank Hungary's products and services have had a strong impact on our business. And their representatives always demonstrate a keen interest in meeting our needs – delivering solutions with a high level of flexibility and professionalism. Their tailored solutions are priced appropriately and applied quickly and easily to our business. UniCredit's presence throughout numerous countries also makes the bank a reliable partner in internationalizing our business."

Carlo Innocenti, CEO of Serioplast,
customer of UniCredit Bank in Hungary

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Notes

The following conventional symbols have been used in the tables:

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

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

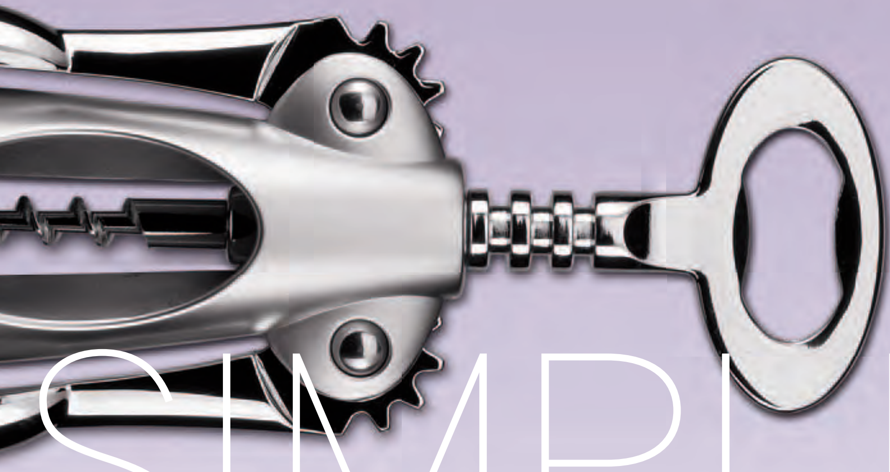
RECHARGING

Supporting enterprise with concrete actions
UniCredit International

"I own a small business that produces equipment for recycling precious metals. After winning a bid for a project with the Indian government last year, we were in need of a qualified partner to manage our complex operations abroad. UniCredit believed in us and our work, providing us with the initial warranty request, a letter of credit and the loans we needed. Thanks to their support, we successfully completed the project."

Paolo Balestri, Balestri impianti,
customer of UniCredit in Italy

Introduction



SIMPLICITY

Home loans made easy

"Zagrebačka Banka helped me to resolve my personal and professional financing challenges. I previously worked in Zagreb, where I lived in a rented apartment. When I found another job in my hometown of Split, the bank helped me to secure a state-subsidized loan that allowed me to move back and buy a house. My personal banker was highly skilled and engaged, and my loan application was processed quickly and approved immediately."

Goran Dlaka, customer of Zagrebačka Banka in Croatia

Board of Directors, Board of Statutory Auditors and External Auditors as at December 31, 2012

Board of Directors appointed by the Shareholders' Meeting on May 11, 2012 (*)

Giuseppe Vita	**Chairman**
Candido Fois	**Deputy Vice Chairman**
Vincenzo Calandra Buonaura Luca Cordero di Montezemolo Fabrizio Palenzona	**Vice Chairmen**
Federico Ghizzoni	**CEO**
Mohamed Ali Al Fahim Manfred Bischoff Henryka Bochniarz Alessandro Caltagirone Francesco Giacomin Helga Jung Friedrich Kadrnoska Marianna Li Calzi Luigi Maramotti Giovanni Quaglia Lucrezia Reichlin Lorenzo Sassoli de Bianchi Anthony Wyand	**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**
Roberto Nicastro	**General Manager**
Marina Natale	**Nominated Official in charge of drawing up Company Accounts**
KPMG S.p.A.	**External Auditors**

UniCredit S.p.A.
Registered Office in Rome: Via Alessandro Specchi, 16
Head Office in Milan: Piazza Cordusio
Share capital Euro € 19,654,856,199.43 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 and of the National Compensation Fund

(*) Vice Chairman Khadem Abdualla Al Qubaisi handed in his resignation with effect from October 3, 2012.
On October 18, 2012 the Board of Directors appointed Director Luca Cordero di Montezemolo Vice Chairman and co-opted Mr Mohamed Ali Al Fahim.
Director Antonio Maria Marocco handed in his resignation with effect from December 3, 2012.
On December 18, 2012 the Board of Directors co-opted Prof. Giovanni Quaglia.
Director Friedrich Kadrnoska handed in his resignation with effect from the end of the Shareholders' Meeting scheduled for May 11, 2013.

Chairman’s message to the Shareholders

GIUSEPPE VITA
Chairman

“The steps we have taken to build a simpler, stronger bank will ensure a bright future for our Group.”

Dear Shareholders,

First, I would like to thank you for the honor you have bestowed upon me by appointing me Chairman of UniCredit SpA. When I assumed my position in May of 2012, I knew that UniCredit was greatly esteemed as a strong European bank. Since then, my respect for this important institution has only deepened.

During my first few months as chairman, I visited many of our offices and branches across Europe, where I sat down and spoke with our talented people at all levels of the organization. I also met with the main regulatory and supervisory authorities in the different countries where UniCredit works.

These visits left me with a lasting impression of the influential role UniCredit plays in Europe and of the important opportunities we have in key countries. They strengthened my conviction that a brilliant future awaits our Group.

I am pleased to report on the new make-up of our Board of Directors. The changes to our Board membership, made last May, resulted in new appointments to our four Board Committees, namely Corporate Governance, HR and Nomination; Internal Controls & Risks; Permanent Strategic; and Remuneration.

These Committees actively engaged in many of our Group’s important decisions throughout the year, most notably, the implementation of Project GOLD. In many respects, this project is the new foundation of UniCredit’s future. It simplifies our structure by empowering countries with greater responsibility while clarifying roles at the Group level. It allows our commercial networks to move closer to customers and be quicker to markets. And it makes banking at UniCredit simpler and more efficient, so we can better serve the real needs of our customers.

Although uncertainty continues to linger in parts of the European economy, it has been gratifying for all of us to follow our bank's positive share performance on the stock exchange. This restored market confidence combined with our good results allow us to propose resuming a dividend in 2012. I see these developments as clear signs that our Group is moving in the right direction and that Europe's economic horizon is growing brighter.

As I look to that horizon, I see the need for stronger European integration. Yes, we have a common currency, but can we say that we have achieved a truly common Europe? I believe that much still remains to be done before we can answer that question in the affirmative. Until then, I continue to observe the progressive fragmentation of European financial markets along national lines, which prevents monetary policies and cross-border banks from functioning the way they must.

Moving forward, I believe that greater political integration is essential if we are to build a stronger, more effective European Union – individual countries cannot succeed alone. Only an integrated and sovereign Europe can be an influential player in today's competitive global economy.

The elections in Italy and Germany this year will bring long political campaigns in Europe and elsewhere in the world to a close. It is our hope that EU leaders will refocus their attention on working together to develop reforms that continue to restore market confidence and economic growth in Europe.

UniCredit stands as a champion of a European Union that remains true to its vision and takes the steps needed to preserve its unity.

A strong Europe needs strong European financial institutions like UniCredit. And thanks to the hard work of our people and our management, in 2012 we strengthened our capital and liquidity positions, we reduced our funding gap and we increased our deposits. The steps we have taken to build a simpler, stronger bank will ensure a bright future for our Group.

Sincerely,

Giuseppe Vita
Chairman

CEO's Letter to the Shareholders

FEDERICO GHIZZONI
Chief Executive Officer

"2012 was the year in which we took action to secure our future as a rock-solid European commercial bank."

Dear Shareholders,

2012 was a difficult year for the European economy, and UniCredit was not immune. Nevertheless, I believe it will be remembered as the turning point for our Group. For it was the year in which we took action to secure our future as a rock-solid European commercial bank.

We secured our capital position in 2012, and simplified operations, reduced costs, strengthened our risk management culture, and introduced innovative products and new initiatives, to lead the way to a more productive and prosperous future.

We began the year by achieving the first target of our three-year strategic plan, which was to strengthen the foundations of our Group through the reinforcement of our capital position. At the time, we were the only bank in Europe to carry out a successful capital increase.

We achieved a strong liquidity position in our countries, largely by reducing our commercial funding gap by more than €45 billion. This was accomplished, in part, by increasing our direct funding in Italy and other key markets.

We undertook a number of measures to improve revenues and simplify the Group structure. One key initiative was the redesign of our business model to move us closer to our customers.

The framework to accomplish this is Project Group Organization Leaner Design (GOLD). The initiative is our multi-year reorganization plan designed to assure that our Group becomes more efficient, less complex and more customer focused.

Project GOLD simplifies operations by empowering our countries with greater decision-making authority. This permits us to work closer with clients and create better-tailored solutions. It allows us to be easier to deal with and provides a clearer chain of command. It enables our commercial networks to be quicker to markets. And it allows our countries to support local market development. One of the many ways we are doing this is by leveraging our expertise and networks to help customers internationalize their businesses. We first began this initiative in Italy and are expanding it to other countries in which we work.

We strengthened our internal control and risk management culture to simplify the way in which we do business, delivering greater clarity. And it will set the stage for increased profitability and more sustainable customer relationships.

Innovation remains a top priority for us. We are creating the products and services that our customers want and need. And we are developing new, more convenient channels through which they can bank with us. By offering customers the option to use their mobile phones, tablets or computers to manage their finances, we are becoming a simpler, more efficient bank. This in turn will help us to reduce costs and ensure our sustainability.

We are developing a more integrated approach to our annual reporting. Our goal is to deliver both our financials and non-financials in one publication, to be consistent with the sustainability component of our strategic plan.

As we implement our plan, we are seeing positive results. We increased our direct funding by more than €22 billion, posting good results in Germany and CEE with pre-tax profits totaling roughly €4.2 billion. Our CIB Division experienced real growth and raised its profile in debt capital markets. By becoming the lead manager in issuing more than €65 billion in euro-denominated bonds, our division is now ranked number two in Europe.

I am confident that the steps we have taken to build a simpler, stronger bank, have positioned us to achieve sustainable revenue and commercial growth in the coming year. We are well prepared to accomplish these objectives thanks to our exceptional people. Their hard work carried out in our 22 countries, combined with our innovative products, our cost discipline and our risk management culture all accrete to deliver a strong competitive advantage.

For all of these reasons, I am convinced that in 2013 we will continue to be successful in implementing our strategy and realizing our ambition to be one of the strongest banks in Europe.

Sincerely,

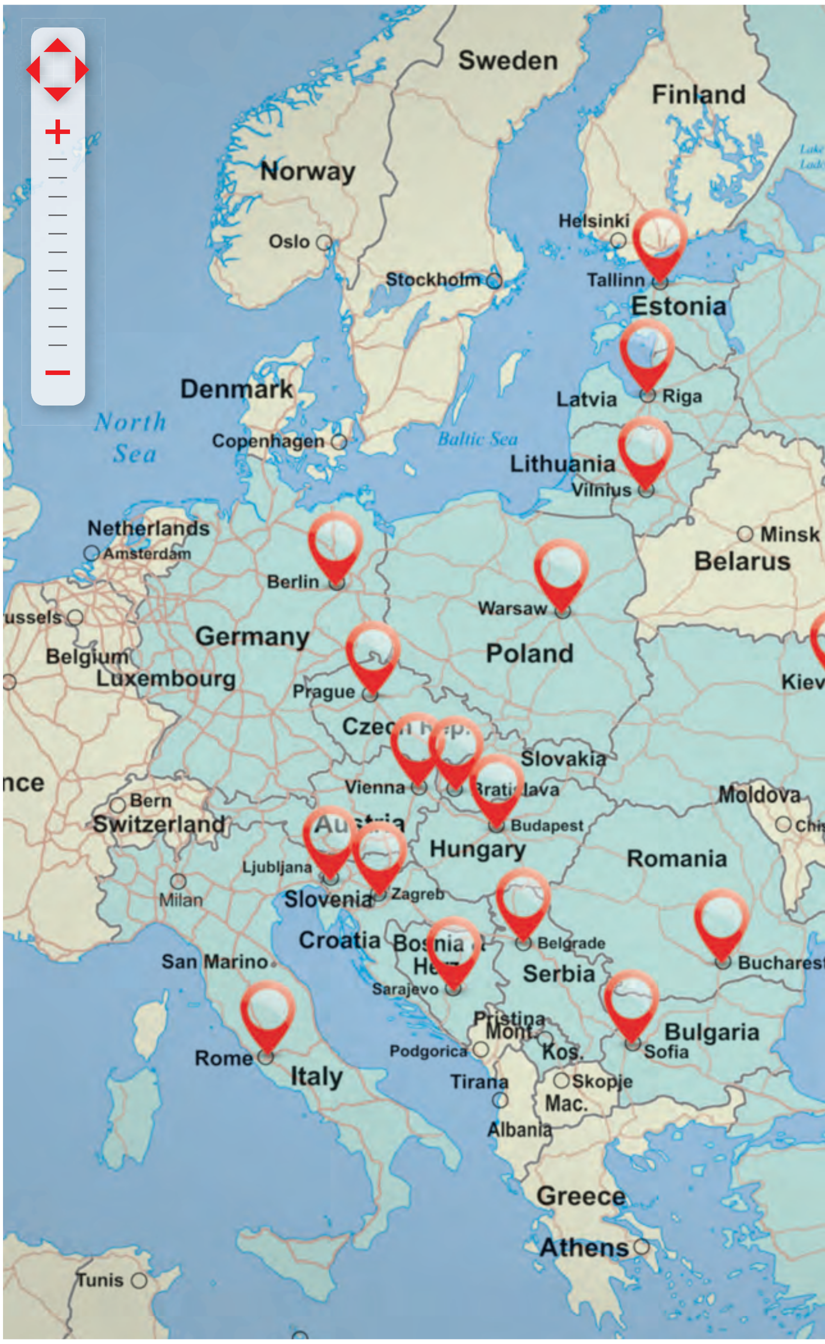
Federico Ghizzoni
Chief Executive Officer

Highlights

UniCredit operates in 22 Countries with more than 156,000 employees and over 9,300 branches.

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

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



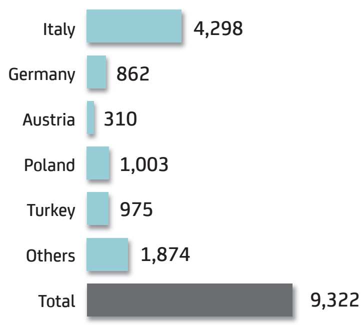
(currency amounts are shown in € million)

OPERATING INCOME	25,049
OPERATING PROFIT (LOSS)	10,070
NET PROFIT (LOSS)	865

SHAREHOLDERS' EQUITY	62,784
CORE TIER 1 RATIO	10.84%
TIER 1 RATIO	11.44%

EMPLOYEES[1]	over 156,000
BRANCHES[2]	over 9,300
TOTAL ASSETS	926,827

BRANCHES BY COUNTRY[2]

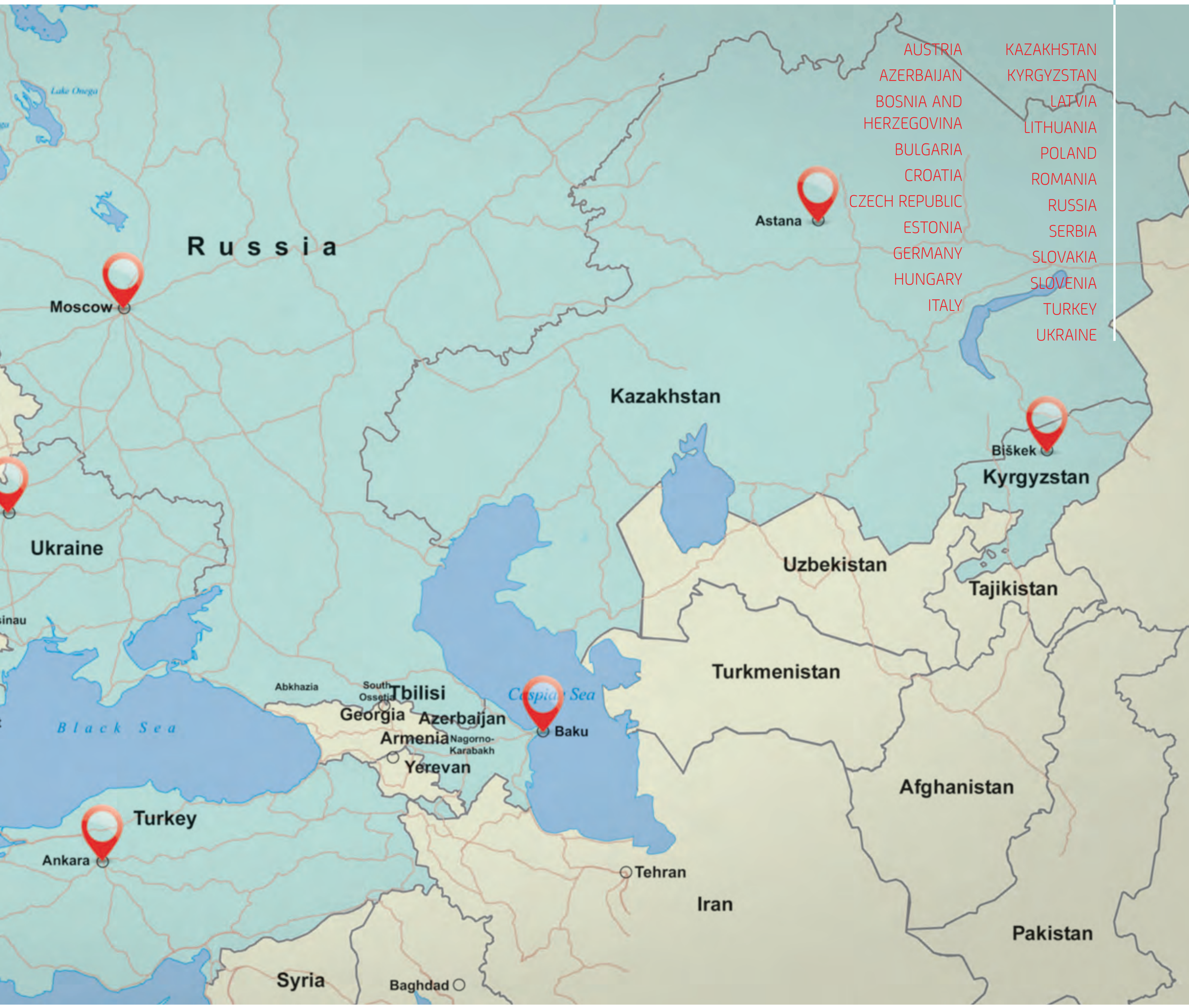


1. Data as at December 31, 2012. FTE = "Full Time Equivalent": number of employees counted for the rate of presence. Figures include all employees of subsidiaries consolidated proportionately, such as Koç Financial Services Group employees.
2. Data as at December 31, 2012. Figures include all branches of subsidiaries consolidated proportionately, such as Koç Financial Services Group branches.

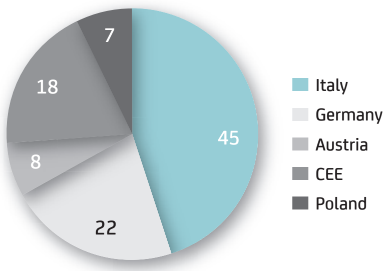
* Data as at December 31, 2012.

WHERE WE OPERATE*

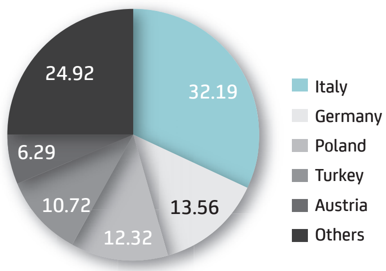
AUSTRIA
AZERBAIJAN
BOSNIA AND HERZEGOVINA
BULGARIA
CROATIA
CZECH REPUBLIC
ESTONIA
GERMANY
HUNGARY
ITALY
KAZAKHSTAN
KYRGYZSTAN
LATVIA
LITHUANIA
POLAND
ROMANIA
RUSSIA
SERBIA
SLOVAKIA
SLOVENIA
TURKEY
UKRAINE



REVENUES BY REGION* (%)



EMPLOYEES BY COUNTRY[1] (%)



Focus

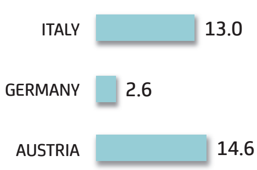
AUSTRIA, GERMANY AND ITALY

UniCredit occupies a strategic position in Italy, Germany and Austria. With about 310 branches in Austria, 860 in Germany and 4,300 in Italy, UniCredit comprises one of the largest banking networks in the heart of Europe. Accounting for more than one-third of the GDP of the European Union, these three countries benefit from their close ties to the growing economies of Central and Eastern Europe.

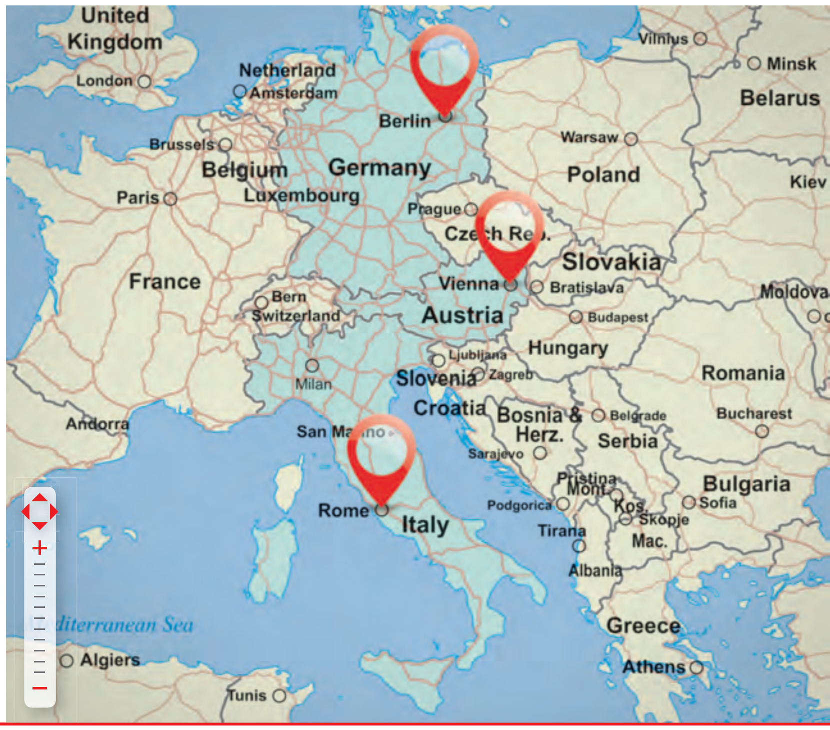
While 2013 may prove to be another challenging year for this region, sequential economic growth is projected to accelerate gradually. The ECB's announcement of the Outright Monetary Transactions (OMT) bond purchase program has significantly diminished tail risks in the eurozone, and the outlook has improved in tandem with market sentiment since August 2012. With the ECB providing an effective and credible backstop, financial markets are increasingly likely to reflect fundamentals. Italy's economy is projected to modestly expand in the second half of 2013. The factors underpinning these expectations are namely the lesser drag from fiscal consolidation in 2013 compared to the 2012, the gradual improvement in financial market conditions, which should soon start to positively affect sentiment and, most importantly, financing conditions for the private sector, which posed particular challenges to Italy in 2012. Finally, the third factor is the projected re-acceleration in global trade which is likely to be a key driver of economic growth for all euro area countries. It will also result in a moderate upward trend in consumption, thanks to rising wages and a solid labor market. In Austria, stronger trade and the international competitiveness of its industrial sector will likely foster an upswing in 2013, boosted by a slight increase in investment.

In the medium and long term, the OMT has helped to create a more favorable environment for politicians to implement structural reforms. These remain essential to achieving a sufficient degree of macroeconomic and fiscal convergence across the eurozone, while efforts continue to shape a credible pan-European architecture. This process is vital to making the eurozone stronger and more competitive moving forward. In Italy, the sustainability of the recovery will largely depend on the quick and effective implementation of reforms to restore long-term competitiveness and reduce public debt. Taking into account the reforms that have already been implemented in Italy, we expect real economic growth to continue at an average annual rate of roughly 1% in Italy and 1.8% in Austria and Germany from 2014 to 2017.

MARKET SHARE[1] (%)



1. Market share in terms of total Customer Loans as at December 31, 2012.
Source: Eurostat, UniCredit Research.



CENTRAL AND EASTERN EUROPE

UniCredit is a market leader in Central and Eastern Europe, it has a broad network of roughly 3,800 branches.

Its regional footprint is diverse, and include a direct presence in 19 countries. It is ranked in the top five in 11 of these countries*. In fact the CEE now accounts for 26.2 percent of the Group's reveneus**.

The region's economic environment is expected to improve, with GDP growth forecast to rise from 2.5 percent in 2012 to 2.9 percent in 2013 and to 3.4 percent in 2014. With Q4 2012 representing the bottom of the cycle, a sequential improvement in the numbers should be evident by Q1 2013.

Among the factors expected to aid recovery following a weak 2012, is a gradual improvement in external demand, with the potential to drive an increase in industrial production and exports across the region. Domestic demand should be supported by easier financing conditions, as central banks have cut interest rates and governments now have ample access to external financing.

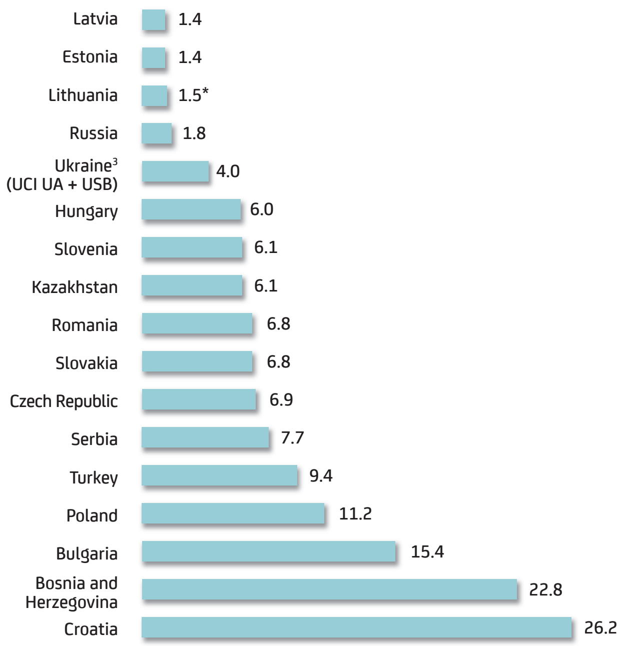
It is not forecast an increase in interest rates in any CEE country for 2013. At the same time, lower inflation in some countries will boost purchasing power, and the positive trend in private credit should support an increase in activity in comparison with 2012. The region will also benefit from significant recent progress in narrowing budget deficits and stabilizing the ratio of public debt to GDP at relatively low levels.

In most cases, the turnaround will rely initially on strong external demand, with domestic demand to follow. Turkey is an exception, with domestic demand already showing signs of recovery. In Russia, domestic demand, which has lagged behind the rest of the region, remained relatively strong for much of 2012, but is at risk of a moderate slowdown in 2013.

From a medium- to long - term perspective, we believe that the majority of Central and Eastern Europe economies will continue to see an increase in living standards as growth is supported by

competitive labor costs, flexible labor markets and a gradual recovery in foreign direct investment. Nevertheless, the primary challenge for the region remains a structural shortfall in savings, with the exception of Russia.

MARKET SHARE[2] (%)



* as at 30 September, 2012.

** as at 31 December 2012.

2. Market Share in terms of Total Assets as at December 31, 2012. Market Share in Azerbaijan and Kyrgyzstan not available.

3. Pro-forma (Ukrsotsbank + UniCredit Bank Ukraine).

Source: UniCredit Research, UniCredit CEE Strategic Analysis.

Business Model

The UniCredit business model is based on the following principles:

- maintaining the so-called "global" Divisions / functions (Corporate Investment Banking (CIB)/ Global Banking Services (GBS)) which allow the Group to maintain and increase a competitive advantage in terms of costs and competencies, while envisaging the refocusing of CIB Division on selected customers with a strong demand for "Investment Banking" products;

- higher responsibility of the Countries/ local Banks, through increased autonomy and decision levers, in order to guarantee increased proximity to the client and faster decision processes (direct management of marketing activities and of certain businesses);

- confirmation of the steering, coordination and control role of the Holding Company, in particular through a focus on internal control topics, a supervision of Group key processes and a global coordination of some functions (Planning, Finance & Administration, Risk Management and Legal & Compliance).

Organizational Structure

UniCredit Group organization reflects an organizational and business model which maintains a divisional structure for the government of the Corporate Investment Banking business/products and the business in the CEE Countries, as well as a global control over the Global Banking Services functions, while ensuring the autonomy of the Countries/ Banks on specific activities, in order to guarantee increased proximity to the client and faster decision processes:

- the **Chief Executive Officer** (CEO), while maintaining the overall responsibility on all regional businesses reporting to him (Italy, Germany, Austria, Poland and CEE), oversees directly the Italian business and delegates the supervision of Austria, Poland and CEE Division to the General Manager and the supervision of Germany to the Deputy General Manager responsible for the CIB Division.

- The **CIB Division**, which maintains the role as a Global Division, with a coverage role for the multinational customers ("Multinational"), for selected "Large corporate" clients with a strong potential demand for investment banking products, for the Financial and Institutional Groups (FIG) customers and for the Global Lines "Global Transaction Banking (GTB)", "Global Financing & Advisory (F&A)" and "Markets".

- The **General Manager** is responsible for some cross-Group topics/ areas such as: i) managing strategic marketing activities ii) assisting the Chief Executive Officer in the Internal Control System ("ICS System") management, in order to ensure its effective functioning and iii) fostering, also through the other competent functions, an ongoing dialogue and relationship with the Group regulators.

- The **CEE Division** coordinates the Group activities in 19 countries of Central and Eastern Europe, aligning them to a single comprehensive business vision in the area.

- The **Chief Operating Officer** ("COO") concentrates under a sole responsibility all the managerial levers regarding the organizational, operational and service functions (included HR Management) – such as Organization, ICT, Operations, Workout, Security – responsible for supporting, also through the Group Global Service Factories, the sustainable business growth of the Group, ensuring the utmost quality of services provided and optimizing cost structures and Group's internal processes.

- As far as the Italian perimeter is concerned, within the major responsibility and autonomy of the local countries/banks, the **Country Chairman Italy** is responsible for all the coordination, control and development activities of the segments so called "Individuals" (Mass Market, Personal Banking and Private Banking), Small Business and Corporate segments (now including the former segment Medium Enterprises) of the Italian perimeter, leveraging on a Network breaking down into 7 "Regions", a "Direzione Network Real Estate" and a Network dedicated to the Private Banking segment.

- The **Asset Management** Product Line is responsible for the development of asset management in all geographic areas by guiding, coordinating and monitoring the development of business activities on a global level.

- Lastly, the functions called **Competence Lines** (Planning, Finance & Administration, Risk Management, Legal & Compliance, Internal Audit, Human Resources, Organization and Identity & Communications) oversee the guidance, coordination and control of UniCredit's activities and manage the related risks.

PEACE OF MIND

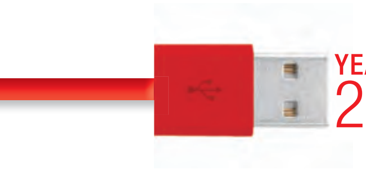
How to save a Customer's holiday

"When I lost my Visa card while on vacation abroad, UniCredit Bank's emergency cash disbursal service saved me from what could have been a disastrous situation.
I used the service twice while visiting Paris and Moscow and it exceeded my expectations, allowing me to pay for my hotel, entertainment and other expenses. I was impressed by the service's quality and speed – I was able to have cash in-hand in less than an hour.
This experience taught me that my bank is 100 percent prepared to support me at anytime, even in the most difficult of situations.
I know now that I can count on UniCredit's professional advice and real solutions for whatever I need."

Yurov Valeriy Anatolievich,
customer of UniCredit Bank in Ukraine

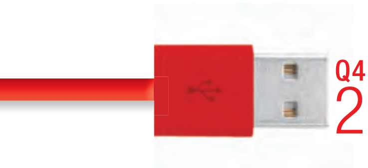
Strategy and Results

2012 Highlights



YEAR 2012:

- Group Net Profit: €865 million (-€9.2 billion in FY11);
- Revenues: €25.0 billion (+0.1% Y/Y), of which €0.8 billion from buy-backs[1];
- Operating Costs: €15.0 billion (-2.9% Y/Y);
- Cost/Income ratio at 61.8% net of buy-backs (+0.1% Y/Y);
- Gross Operating Profit: €10.1 billion (+5.1% Y/Y, -3.2% net of buy-backs);
- Loan Loss Provisions: €9.6 billion (+67.7% Y/Y), with bottom line impact partially offset by a €2.0 billion goodwill tax redemption.



Q4 2012:

- Group Net Loss: €553 million, as against a profit of €114 million in Q4 11 and €335 million in Q3 12;
- Revenues: €5.7 billion (-5.6% Y/Y, -6.1% Q/Q), of which €39 million from buy-backs;
- Operating Costs: €3.7 billion (-2.7% Y/Y, -1.1% Q/Q);
- Cost/Income ratio at 65.0% net of buy-backs (+2.4 p.p. Y/Y, +3.1 p.p. Q/Q);
- Gross Operating Profit: €2.0 billion (-12.2% Y/Y and -13.5% Q/Q net of buy-backs);
- Loan Loss Provisions: €4.6 billion (3.2x Q4 11, 2.6x Q3 12), with bottom line impact partially offset by €2.0 billion from goodwill tax redemption.

1. The buy-backs mentioned are related to tender offers on T1-UT2 in Q1 12 (€697 million) and on ABS in Q3 12 (€59 million) and Q4 12 (€39 million), all amounts before tax.

Note to the Report on Operations and the Consolidated Accounts

General Aspects

The **UniCredit group's Consolidated Report and Accounts** at December 31, 2012 have been compiled under IFRS as required by Banca d'Italia Circular 262 dated December 22, 2005 (first amendment dated November 18, 2009). These instructions lay down the Accounts tables and compilation methods, as well as the Notes to the Accounts.

The **Consolidated Report and Accounts** comprise the Balance Sheet, the Income Statement, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement and the Notes to the Accounts, as well as a Report on Operations, results and the Group's financial situation and Annexes.

Included in this package are:
- The Attestation of the Consolidated Accounts pursuant to art. 81-ter of Consob regulation 11971 dated May 14, 1999 as amended and supplemented.
- The Report of the External Auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of January 27, 2010.

UniCredit's website also contains the press releases concerning the main events of the period and the presentation to the market of the results for the period.

Any discrepancies between data disclosed in the Report on Operations and in the Consolidated Financial Statements are solely due to the effect of rounding.

General Principles Followed in the Preparation of the Report on Operations

In light of the need to ensure that in both form and content disclosure is clear, true and fair, the **Report on Operations** includes information in accordance with the principles of prior-period quarterly reports including condensed balance sheet and income statement prepared following principles previously used - as required by Consob Notice 6064293 dated July 28, 2006 a line-by-line reconciliation of these to the statutory statements is given in an annex to the Accounts - and in other interim financial statements.

The report is accompanied by a number of tables - Highlights, Condensed Accounts, Quarterly Figures, Comparison Q4 2012 / Q4 2011, Segment Reporting, How the Group Has Grown and the UniCredit Share - as well as a comment on Group Results and Results by Business Segment.

Reconciliation Principles Followed for the Condensed Balance Sheet and Income Statement

The main reconciliations - of which the amounts are given in the reconciliation tables annexed to this volume - were the following:

Balance Sheet
- The aggregation of Financial assets designated at fair value, Available-for-sale financial assets, Held-to-maturity financial assets and Equity investments as Financial investments.
- Grouping under Hedging instruments, both assets and liabilities, of Hedging derivatives and Value adjustments to macro-hedged financial assets.
- The inclusion of Severance pay (TFR) and Technical reserves under Other liabilities.

Income Statement
- Dividends and other income include gains (losses) on equity investments valued at net equity and do not include dividends on held-for-trading shares, which are included in trading, hedging and fair value income.
- The balance of other income/expense includes the insurance business result and other operating expense/income not including recovery of expenses which is classified under its own item.
- Payroll costs, other administrative expense, write-downs of tangible and intangible assets and provisions for risks and charges are presented net of integration costs, which are shown in their own item.
- Write-downs of tangible assets do not include impairment losses and write-backs on investment property, which are recognized in net income from investments.
- Net income from investments includes gains (losses) and write-downs and write-backs on available-for-sale financial assets and held-to-maturity financial assets, gains (losses) on disposal of investments, as well as gains (losses) on equity investments and on disposals of investments.

Note to the Report on Operations and the Consolidated Accounts (Continued)

Changes Made to Increase Comparability

As at December 31, 2012, in accordance with IFRS5, the assets of the following companies were recognized under item "Non-current assets and disposal groups classified as held for sale" and item "Liabilities included in disposal groups classified as held for sale" as a result of their classification as "discontinued operations":
- JSC ATF BANK;
- UNICREDIT BANK OJSC;
- ATF CAPITAL B.V.;
- ATF FINANCE JSC;
- ATF INKASSATSIYA LTD.

The previous periods were restated accordingly to increase comparability, pursuant to the regulations in force.

In addition, Balance Sheet figures relating to comparable periods were restated to reflect the presentation on a net basis of some derivative contracts entered into with central counterparties.

With respect to Income Statement figures, comparable periods were restated following:
- the reclassification of carried out by some Group companies in the first half of 2012 of reversals connected with the passing of time from interest to net write-downs on loans;
- the recognition under item gains (losses) on financial assets and liabilities held for trading of the of the margins embedded in the sale price of some trading products, traded by some Group entities, which were previously recorded as fees and commissions.

Consolidation Area

In the year 2012 the consolidation area changed as follows:
- fully consolidated subsidiaries decreased from 760 at the end of 2011 to 737 at the end of 2012;
- proportionally consolidated entities at the end of 2012 totaled 30 companies, unchanged compared with December 31, 2011.

For further details see Part A - Accounting Policies - Section 3 - Consolidation Procedures and Scope and Part B - Consolidated Balance Sheet - Assets - Section 10 - Investments in associates and joint ventures (item 100).

Non-Current Assets and Asset Groups Held for Disposal

As at December 31, 2012, the main items reclassified according to IFRS5 under non-current assets and asset groups held for disposal were mainly related to:
- with respect to the individual asset and liabilities held for sale:
  - Business Oil of Italpetroli group;
  - properties owned by Group's entities.
- with respect to discontinued operations:
  - JSC ATF BANK;
  - UniCredit Bank OJSC;
  - ATF Capital B.V.;
  - ATF Finance JSC;
  - ATF Inkassatsiya LTD.

For further details see the Notes to the Consolidated Accounts - Part B - Consolidated Balance Sheet - Assets - Section 15.

Segment Reporting (Summary)

Segment reporting is presented and commented on the basis of the organizational structure used (up to December 31, 2012) in management reporting of Group results, which consists of the following business segments:
- F&SME Network Italy;
- F&SME Network Germany;
- F&SME Network Austria;
- F&SME Network Poland;
- F&SME Factories;
- Corporate & Investment Banking (CIB);
- Private Banking;
- Asset Management;
- Central Eastern Europe (CEE);
- Group Corporate Center (including Global Banking Services, Corporate Centre, inter-segment adjustments and consolidation adjustments not attributable to individual segments).

Profit and loss data are given in the items of the reclassified income statement down to operating profit.

On December 18, 2012 the Board of Directors approved the implementation of the new organizational set-up aimed at maximizing the clarity in the definition of the roles and responsibilities of the different functions in the Bank, thus guaranteeing higher proximity to the client with faster decision-making processes and improved operational efficiency.

A bank account that’s always within a reach

FREEDOM

“The Pekao24Mobile app is user-friendly, quick and efficient. It’s particularly handy when it comes to managing my account, such as checking my balance, following specific transactions and managing transfers or deposits. And its wheel-type interface is modern, eye-catching and very functional. I would say the app meets all my needs.”

Daniel Lipski, customer of Bank Pekao in Poland

Report on Operations

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

Highlights

Income Statement

(€ million)

	YEAR		
	2012	2011	CHANGE
Operating income	25,049	25,013	+ 0.1%
of which: - net interest	*14,285*	*15,252*	*- 6.3%*
- dividends and other income from equity investments	*397*	*380*	*+ 4.4%*
- net fees and commissions	*7,793*	*8,048*	*- 3.2%*
Operating costs	(14,979)	(15,431)	- 2.9%
Operating profit	10,070	9,582	+ 5.1%
Profit (loss) before tax	317	2,195	- 85.6%
Net profit (loss) attributable to the Group	**865**	**(9,206)**	**n.s.**

The figures in these tables refer to reclassified income statement.

Operating income and Operating profit (loss) as at December 31, 2011 were restated to take account of:

- the reclassification, carried out by three subsidiaries of the Group in the first half of 2012, of reversals connected with the passing of time from item “Net interest” to item “Net write-downs on loans and provisions for guarantees and commitments” with impact on Operating profit (loss);
- the reclassification of markups incorporated in the sale price of some trading products, traded by some Group entities, which are recognized under item “Net trading, hedging and fair value income” with impact on Operating profit (loss), which were previously recorded under item “Net fees and commissions”;
- the reclassification of leasehold improvements from “Net other expenses/income” to “Other administrative expenses”.

As at December 31, 2012, in accordance with IFRS5, the profit/loss of the following companies was entirely recognized under item “Profit (loss) after tax from discontinued operations” as a result of their classification as “discontinued operations”: JSC ATF BANK; UNICREDIT BANK OJSC; ATF CAPITAL B.V.; ATF FINANCE JSC; ATF INKASSATSIYA LTD.
The previous period was restated accordingly to increase comparability, pursuant to the regulations in force.

Balance Sheet

(€ million)

	AMOUNTS AS AT		
	12.31.2012	12.31.2011	CHANGE
Total assets	926,827	913,567	+ 1.5%
Financial assets held for trading	107,119	120,374	- 11.0%
Loans and receivables with customers	547,144	555,946	- 1.6%
of which: - impaired loans	*44,058*	*38,806*	*+ 13.5%*
Financial liabilities held for trading	99,123	111,386	- 11.0%
Deposits from customers and debt securities in issue	579,965	557,448	+ 4.0%
of which: - deposits from customers	*409,514*	*395,288*	*+ 3.6%*
- securities in issue	*170,451*	*162,160*	*+ 5.1%*
Shareholders' Equity	**62,784**	**51,479**	**+ 22.0%**

The figures in these tables refer to reclassified balance sheet.
See § “Net Impairment Losses on Loans and Provision for Guarantees and Commitments” in these Report on Operations for more details.

Staff and Branches

	AS AT		
	12.31.2012	12.31.2011	CHANGE
Employees[1]	156,354	160,360	- 4,006
Employees (subsidiaries are consolidated proportionately)	146,110	150,240	- 4,130
Branches[2]	9,322	9,496	- 174
of which: - Italy	*4,298*	*4,400*	*- 102*
- Other countries	*5,024*	*5,096*	*- 72*

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

	YEAR		
	2012	2011	CHANGE
EPS[1] (€)	0.15	- 5.12	5.27
Cost/income ratio[2]	59.8%	61.7%	- 189bp
EVA[3] (€ million)	(4,057)	(3,355)	- 702

1. €46 million was deducted from net profit attributable to the Group of €865 million due to disbursements charged to equity made in connection with contract of usufruct on treasury shares agreed under the Cashes transaction.
   The 2011 EPS calculation used a net losses of €9,378 million instead of €9,206 million due to payments charged to equity relating to the own shares usufruct agreement entered into as part of the Cashes transaction.
2. The cost/income ratio as at December 31, 2011 differs from that disclosed in the Consolidated Financial Statements as at December 31, 2011 following the reclassification of leasehold improvements from "Net other expenses/income" to "Other administrative expenses".
3. Economic Value Added, equal to the difference between NOPAT (net operating profit after tax) and the cost of capital.

Risk Ratios

	AS AT	
	12.31.2012	12.31.2011[1]
Net non-performing loans to customers / Loans to customers	3.54%	3.24%
Net impaired loans to customers / Loans to customers	8.05%	7.18%

1. The comparable period refers to the historical data as at December 31, 2011.

See § "Net write-downs of loans and provisions for guarantees and commitments" in these Report on Operations, for more details.

Capital Ratios

	AS AT	
	12.31.2012	12.31.2011
Capital for regulatory purposes (€ million)	62,018	56,973
Total risk weighted assets (€ million)	427,127	460,395
Core Tier 1 Ratio	**10.84%**	**8.40%**
Total regulatory capital / Total risk-weighted assets	**14.52%**	**12.37%**

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

Ratings

	SHORT-TERM DEBT	MEDIUM AND LONG-TERM	OUTLOOK	STANDALONE RATING
Fitch Ratings	F2	A-	NEGATIVE	a-
Moody's Investors Service	P-2	Baa2	NEGATIVE	C-
Standard & Poor's	A-2	BBB+	NEGATIVE	bbb+

Data as at March 7, 2013.

Condensed Accounts

Consolidated Balance Sheet

(€ million)

ASSETS	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011	CHANGE AMOUNT	CHANGE PERCENT
Cash and cash balances	7,570	9,547	- 1,977	- 20.7%
Financial assets held for trading	107,119	120,374	- 13,255	- 11.0%
Loans and receivables with banks	74,475	56,162	+ 18,313	+ 32.6%
Loans and receivables with customers	547,144	555,946	- 8,802	- 1.6%
Financial investments	108,686	99,211	+ 9,476	+ 9.6%
Hedging instruments	20,847	15,479	+ 5,368	+ 34.7%
Property, plant and equipment	11,833	12,093	- 260	- 2.1%
Goodwill	11,678	11,567	+ 110	+ 1.0%
Other intangible assets	3,980	3,986	- 5	- 0.1%
Tax assets	17,609	14,299	+ 3,310	+ 23.1%
Non-current assets and disposal groups classified as held for sale	3,968	4,811	- 844	- 17.5%
Other assets	11,919	10,094	+ 1,825	+ 18.1%
Total assets	**926,827**	**913,567**	**+ 13,260**	**+ 1.5%**

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011	CHANGE AMOUNT	CHANGE PERCENT
Deposits from banks	117,445	131,583	- 14,138	- 10.7%
Deposits from customers	409,514	395,288	+ 14,225	+ 3.6%
Debt securities in issue	170,451	162,160	+ 8,291	+ 5.1%
Financial liabilities held for trading	99,123	111,386	- 12,263	- 11.0%
Financial liabilities designated at fair value	852	786	+ 66	+ 8.4%
Hedging instruments	21,309	16,748	+ 4,561	+ 27.2%
Provisions for risks and charges	8,014	8,496	- 482	- 5.7%
Tax liabilities	7,886	6,184	+ 1,701	+ 27.5%
Liabilities included in disposal groups classified as held for sale	3,560	4,450	- 891	- 20.0%
Other liabilities	22,220	21,688	+ 533	+ 2.5%
Minorities	3,669	3,318	+ 351	+ 10.6%
Group Shareholders' Equity:	62,784	51,479	+ 11,305	+ 22.0%
- Capital and reserves	*61,100*	*62,417*	*- 1,317*	*- 2.1%*
- Available-for-sale assets fair value reserve and cash-flow hedging reserve	*820*	*(1,731)*	*+ 2,550*	*n.s.*
- Net profit (loss)	*865*	*(9,206)*	*+ 10,071*	*n.s.*
Total liabilities and Shareholders' Equity	**926,827**	**913,567**	**+ 13,260**	**+ 1.5%**

Notes:

As at December 31, 2012, in accordance with IFRS5, the assets/liabilities of the following companies were recognized under item "Non-current assets and disposal groups classified as held for sale" / "Liabilities included in disposal groups classified as held for sale" as a result of their classification as "discontinued operations": JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC, ATF INKASSATSIYA LTD.
The previous period was restated accordingly to increase comparability, pursuant to the regulations in force.

Comparative figures relating to December 31, 2011 of some items of assets/liabilities were restated to reflect the presentation on a net basis of some derivative contracts entered into with central counterparties (CCP), as described in more detail in Part B of the Notes to the Consolidated Accounts.

Consolidated Income Statement

(€ million)

	YEAR		CHANGE		
	2012	2011	€M	PERCENT	ADJUSTED[1]
Net interest	14,285	15,252	- 967	- 6.3%	- 5.8%
Dividends and other income from equity investments	397	380	+ 17	+ 4.4%	- 11.1%
Net fees and commissions	7,793	8,048	- 255	- 3.2%	- 2.9%
Net trading, hedging and fair value income	2,314	1,099	+ 1,214	+ 110.5%	+ 113.8%
Net other expenses/income	261	234	+ 28	+ 11.8%	+ 19.1%
OPERATING INCOME	**25,049**	**25,013**	**+ 37**	**+ 0.1%**	**+ 0.4%**
Payroll costs	(8,916)	(9,169)	+ 253	- 2.8%	- 2.7%
Other administrative expenses	(5,541)	(5,661)	+ 119	- 2.1%	- 1.9%
Recovery of expenses	532	525	+ 7	+ 1.3%	+ 1.4%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(1,054)	(1,126)	+ 72	- 6.4%	- 6.8%
Operating costs	**(14,979)**	**(15,431)**	**+ 452**	**- 2.9%**	**- 2.8%**
OPERATING PROFIT (LOSS)	**10,070**	**9,582**	**+ 488**	**+ 5.1%**	**+ 5.4%**
Net write-downs on loans and provisions for guarantees and commitments	(9,613)	(5,733)	- 3,879	+ 67.7%	+ 68.4%
NET OPERATING PROFIT (LOSS)	**457**	**3,848**	**- 3,391**	**- 88.1%**	**- 81.5%**
Provisions for risks and charges	(166)	(718)	+ 552	- 76.8%	- 75.4%
Integration costs	(277)	(270)	- 6	+ 2.4%	+ 2.4%
Net income from investments	303	(665)	+ 967	n.s.	n.s.
PROFIT (LOSS) BEFORE TAX	**317**	**2,195**	**- 1,878**	**- 85.6%**	**- 74.1%**
Income tax for the period	1,539	(1,414)	+ 2,954	n.s.	n.s.
NET PROFIT (LOSS)	**1,856**	**780**	**+ 1,076**	**+ 137.8%**	**+ 85.6%**
Profit (Loss) from non-current assets held for sale, after tax	(168)	(610)	+ 441	- 72.4%	- 72.9%
PROFIT (LOSS) FOR THE PERIOD	**1,687**	**170**	**+ 1,517**	**n.s.**	**n.s.**
Minorities	(358)	(365)	+ 7	- 2.0%	- 1.2%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**1,330**	**(194)**	**+ 1,524**	**n.s.**	**n.s.**
Purchase Price Allocation effect	(435)	(809)	+ 374	- 46.2%	- 45.9%
Goodwill impairment	(30)	(8,203)	+ 8,173	- 99.6%	- 100.0%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**865**	**(9,206)**	**+ 10,071**	**n.s.**	**n.s.**

Notes:

1. Changes at constant foreign exchange rates and perimeter.

Comparative figures as at December 31, 2011 differ from those disclosed in the Consolidated Financial Statements as at December 31, 2011 due to:

- the reclassification, carried out by three subsidiaries of the Group in the first half of 2012, of the reversals connected with the passing of time from item "Net interest" to item "Net write-downs on loans and provisions for guarantees and commitments";
- the recognition under item "Net trading, hedging and fair value income" of the margins incorporated in the sale price of some trading products, traded by some Group entities, which were previously recorded under item "Net fees and commissions".

Please note that since the third quarter of 2012 leasehold improvements, previously shown under item "Net other expenses/income", have been included in item "Other administrative expenses", together with the relevant rents; previous period has been restated to increase comparability.

As at December 31, 2012, in accordance with IFRS5, the profit/loss of the following companies was entirely recognized under item "Profit (loss) after tax from discontinued operations" as a result of their classification as "discontinued operations": JSC ATF BANK; UNICREDIT BANK OJSC; ATF CAPITAL B.V.; ATF FINANCE JSC; ATF INKASSATSIYA LTD.
The previous period was restated accordingly to increase comparability, pursuant to the regulations in force.

Quarterly Figures

Consolidated Balance Sheet

(€ million)

	AMOUNTS AS AT				AMOUNTS AS AT			
ASSETS	12.31.2012	09.30.2012	06.30.2012	03.31.2012	12.31.2011	09.30.2011	06.30.2011	03.31.2011
Cash and cash balances	7,570	5,914	31,307	19,427	9,547	5,450	6,481	5,747
Financial assets held for trading	107,119	112,902	112,702	108,290	120,374	130,857	101,307	101,207
Loans and receivables with banks	74,475	91,122	65,232	64,810	56,162	72,069	70,837	66,962
Loans and receivables with customers	547,144	558,709	553,427	550,345	555,946	558,941	558,455	555,372
Financial investments	108,686	102,230	99,530	103,327	99,211	96,680	97,107	96,291
Hedging instruments	20,847	21,076	19,044	17,029	15,479	16,000	10,718	9,828
Property, plant and equipment	11,833	11,747	11,843	12,113	12,093	12,184	12,246	12,527
Goodwill	11,678	11,691	11,665	11,664	11,567	11,529	19,795	19,835
Other intangible assets	3,980	3,932	3,950	3,929	3,986	3,907	4,885	4,935
Tax assets	17,609	13,264	13,584	13,606	14,299	13,476	12,286	12,753
Non-current assets and disposal groups classified as held for sale	3,968	4,384	4,445	4,430	4,811	4,917	5,947	5,613
Other assets	11,919	12,792	11,844	10,766	10,094	12,509	12,813	14,715
Total assets	**926,827**	**949,761**	**938,574**	**919,736**	**913,567**	**938,519**	**912,877**	**905,783**

(€ million)

	AMOUNTS AS AT				AMOUNTS AS AT			
LIABILITIES AND SHAREHOLDERS' EQUITY	12.31.2012	09.30.2012	06.30.2012	03.31.2012	12.31.2011	09.30.2011	06.30.2011	03.31.2011
Deposits from banks	117,445	131,659	126,920	124,674	131,583	139,263	115,451	112,663
Deposits from customers	409,514	417,048	414,446	403,155	395,288	389,129	403,661	399,141
Debt securities in issue	170,451	164,694	162,174	163,430	162,160	165,835	178,408	179,609
Financial liabilities held for trading	99,123	107,807	107,913	105,000	111,386	127,213	92,140	91,823
Financial liabilities designated at fair value	852	842	787	857	786	912	1,065	1,156
Hedging instruments	21,309	20,912	19,119	17,029	16,748	16,009	10,040	8,447
Provisions for risks and charges	8,014	8,180	8,241	8,370	8,496	8,615	8,252	8,156
Tax liabilities	7,886	6,200	6,192	6,441	6,184	5,849	5,332	5,797
Liabilities included in disposal groups classified as held for sale	3,560	4,234	4,154	4,242	4,450	4,780	5,120	4,664
Other liabilities	22,220	22,021	24,151	21,130	21,688	25,351	25,284	26,138
Minorities	3,669	3,608	3,445	3,542	3,318	3,271	3,397	3,502
Group Shareholders' Equity:	62,784	62,557	61,031	61,865	51,479	52,292	64,726	64,686
- Capital and reserves	*61,100*	*61,178*	*60,982*	*61,115*	*62,417*	*62,621*	*63,384*	*64,259*
- Available-for-sale assets fair value reserve and cash-flow hedging reserve	*820*	*(39)*	*(1,034)*	*(164)*	*(1,731)*	*(1,008)*	*20*	*(384)*
- Net profit (loss)	*865*	*1,418*	*1,083*	*914*	*(9,206)*	*(9,320)*	*1,321*	*810*
Total liabilities and Shareholders' Equity	**926,827**	**949,761**	**938,574**	**919,736**	**913,567**	**938,519**	**912,877**	**905,783**

Notes:

The amount shown in the item "Cash and cash balances" as at March 31, 2012 differs from that disclosed in the Consolidated Interim Report as at March 31, 2012 as a result of the reclassification of demand deposits with Central Banks, previously classified in "Loans and receivables with banks".

As at December 31, 2012, in accordance with IFRS5, the assets/liabilities of the following companies were recognized under item "Non-current assets and disposal groups classified as held for sale" / "Liabilities included in disposal groups classified as held for sale" as a result of their classification as "discontinued operations": JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC, ATF INKASSATSIYA LTD.
The previous periods were restated accordingly to increase comparability, pursuant to the regulations in force.

Comparative figures relating to December 31, 2011 of some items of assets/liabilities were restated to reflect the presentation on a net basis of some derivative contracts entered into with central counterparties (CCP), as described in more detail in Part B of the Notes to the Consolidated Accounts.

Consolidated Income Statement

(€ million)

	2012				2011			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net interest	3,335	3,556	3,650	3,744	3,772	3,789	3,858	3,832
Dividends and other income from equity investments	106	68	169	54	47	91	126	117
Net fees and commissions	1,958	1,918	1,932	1,985	1,975	1,935	2,030	2,108
Net trading, hedging and fair value income	238	445	402	1,229	249	(234)	340	744
Net other expenses/income	72	91	55	43	5	100	54	75
OPERATING INCOME	**5,709**	**6,078**	**6,207**	**7,055**	**6,048**	**5,681**	**6,408**	**6,876**
Payroll costs	(2,114)	(2,242)	(2,260)	(2,300)	(2,167)	(2,347)	(2,332)	(2,323)
Other administrative expenses	(1,477)	(1,326)	(1,358)	(1,380)	(1,488)	(1,397)	(1,424)	(1,351)
Recovery of expenses	179	109	135	109	164	143	113	104
Amortisation, depreciation and impairment losses on intangible and tangible assets	(272)	(264)	(258)	(260)	(296)	(272)	(277)	(282)
Operating costs	**(3,685)**	**(3,724)**	**(3,740)**	**(3,831)**	**(3,786)**	**(3,873)**	**(3,920)**	**(3,852)**
OPERATING PROFIT (LOSS)	**2,024**	**2,354**	**2,467**	**3,225**	**2,262**	**1,808**	**2,488**	**3,024**
Net write-downs on loans and provisions for guarantees and commitments	(4,608)	(1,776)	(1,872)	(1,357)	(1,420)	(1,773)	(1,109)	(1,431)
NET OPERATING PROFIT (LOSS)	**(2,584)**	**578**	**595**	**1,868**	**841**	**35**	**1,379**	**1,593**
Provisions for risks and charges	(44)	(46)	(61)	(16)	(48)	(266)	(244)	(161)
Integration costs	(253)	(4)	(15)	(5)	(90)	(174)	(3)	(3)
Net income from investments	(40)	232	81	29	(123)	(611)	(16)	85
PROFIT (LOSS) BEFORE TAX	**(2,921)**	**760**	**601**	**1,876**	**581**	**(1,016)**	**1,116**	**1,513**
Income tax for the period	2,721	(189)	(249)	(744)	(249)	(147)	(463)	(554)
NET PROFIT (LOSS)	**(200)**	**571**	**352**	**1,133**	**331**	**(1,163)**	**653**	**959**
Profit (Loss) from non-current assets held for sale, after tax	(154)	(5)	(6)	(4)	(39)	(514)	(30)	(27)
PROFIT (LOSS) FOR THE PERIOD	**(354)**	**567**	**346**	**1,129**	**292**	**(1,677)**	**624**	**932**
Minorities	(72)	(119)	(68)	(98)	(78)	(81)	(99)	(107)
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**(426)**	**447**	**278**	**1,031**	**214**	**(1,758)**	**525**	**825**
Purchase Price Allocation effect	(105)	(107)	(106)	(117)	(92)	(687)	(14)	(15)
Goodwill impairment	(22)	(6)	(2)	-	(8)	(8,195)	-	-
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**(553)**	**335**	**169**	**914**	**114**	**(10,641)**	**511**	**810**

Notes:

Starting from Q1 2012 mark-up embedded in trading transactions sale price,negotiated by some Group's entities, are booked in "Net trading, hedging and fair value income" (before booked in "Net fees and commisions"); previous periods have been reclassified.

Quarterly figures for 2011 and figures for the first quarter of 2012 differ from those disclosed in the Consolidated Financial Statements as at December 31, 2011 and in the Consolidated Interim Report as at March 31, 2012 due to the reclassification, carried out by three subsidiaries of the Group, of reversals connected with the passing of time from "Net interest" to "Net write-downs on loans and provisions for guarantees and commitments".

Please note that since the third quarter of 2012 leasehold improvements, previously shown under item "Net other expenses/income", have been included in item "Other administrative expenses", together with the relevant rents; previous periods have been restated to increase comparability.

As at December 31, 2012, in accordance with IFRS5, the profit/loss of the following companies was entirely recognized under item "Profit (loss) after tax from discontinued operations" as a result of their classification as "discontinued operations": JSC ATF BANK; UNICREDIT BANK OJSC; ATF CAPITAL B.V.; ATF FINANCE JSC; ATF INKASSATSIYA LTD.
The previous periods were restated accordingly to increase comparability, pursuant to the regulations in force.

Comparison of Q4 2012 / Q4 2011

Condensed Income Statement

(€ million)

	Q4		CHANGE		
	2012	2011	€M	PERCENT	ADJUSTED[1]
Net interest	3,335	3,772	- 438	- 11.6%	- 12.0%
Dividends and other income from equity investments	106	47	+ 60	+ 127.9%	+ 126.0%
Net fees and commissions	1,958	1,975	- 17	- 0.9%	- 1.9%
Net trading, hedging and fair value income	238	249	- 11	- 4.6%	- 9.4%
Net other expenses/income	72	5	+ 68	n.s.	n.s.
OPERATING INCOME	**5,709**	**6,048**	**- 339**	**- 5.6%**	**- 6.4%**
Payroll costs	(2,114)	(2,167)	+ 52	- 2.4%	- 3.0%
Other administrative expenses	(1,477)	(1,488)	+ 11	- 0.7%	- 1.5%
Recovery of expenses	179	164	+ 14	+ 8.7%	+ 8.3%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(272)	(296)	+ 24	- 8.1%	- 8.8%
Operating costs	**(3,685)**	**(3,786)**	**+ 102**	**- 2.7%**	**- 3.3%**
OPERATING PROFIT (LOSS)	**2,024**	**2,262**	**- 238**	**- 10.5%**	**- 11.4%**
Net write-downs on loans and provisions for guarantees and commitments	(4,608)	(1,420)	- 3,188	+ 224.5%	+ 222.0%
NET OPERATING PROFIT (LOSS)	**(2,584)**	**841**	**- 3,426**	**n.s.**	**n.s.**
Provisions for risks and charges	(44)	(48)	+ 4	- 7.9%	+ 3.7%
Integration costs	(253)	(90)	- 163	+ 180.4%	+ 181.3%
Net income from investments	(40)	(123)	+ 83	- 67.6%	- 69.4%
PROFIT (LOSS) BEFORE TAX	**(2,921)**	**581**	**- 3,502**	**n.s.**	**n.s.**
Income tax for the period	2,721	(249)	+ 2,970	n.s.	n.s.
NET PROFIT (LOSS)	**(200)**	**331**	**- 531**	**n.s.**	**n.s.**
Profit (Loss) from non-current assets held for sale, after tax	(154)	(39)	- 115	+ 294.2%	+ 284.6%
PROFIT (LOSS) FOR THE PERIOD	**(354)**	**292**	**- 646**	**n.s.**	**n.s.**
Minorities	(72)	(78)	+ 6	- 7.9%	- 13.4%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**(426)**	**214**	**- 640**	**n.s.**	**n.s.**
Purchase Price Allocation effect	(105)	(92)	- 13	+ 13.6%	+ 19.1%
Goodwill impairment	(22)	(8)	- 14	+ 174.5%	- 51.7%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**(553)**	**114**	**- 667**	**n.s.**	**n.s.**

Notes:

1. Changes at constant exchange rates and perimeter.

Comparative figures of Q4 2012 differ from those disclosed in the Consolidated Financial Statements as at December 31, 2011 due to:

- the reclassification, carried out by three subsidiaries of the Group in the first half of 2012, of the reversals connected with the passing of time from item "Net interest" to item "Net write-downs on loans and provisions for guarantees and commitments";
- the recognition under item "Net trading, hedging and fair value income" of the margins incorporated in the sale price of some trading products, traded by some Group entities, which were previously recorded under item "Net fees and commissions".

Please note that since the third quarter of 2012 leasehold improvements, previously shown under item "Net other expenses/income", have been included in item "Other administrative expenses", together with the relevant rents; previous periods have been restated to increase comparability.

As at December 31, 2012, in accordance with IFRS5, the profit/loss of the following companies was entirely recognized under item "Profit (loss) after tax from discontinued operations" as a result of their classification as "discontinued operations": JSC ATF BANK; UNICREDIT BANK OJSC; ATF CAPITAL B.V.; ATF FINANCE JSC; ATF INKASSATSIYA LTD.
The previous period was restated accordingly to increase comparability, pursuant to the regulations in force.

Segment Reporting (Summary)

Key figures by business segment

(€ million)

	F&SME NETWORK ITALY	F&SME NETWORK GERMANY	F&SME NETWORK AUSTRIA	F&SME NETWORK POLAND	F&SME FACTORIES	CORPORATE & INVESTMENT BANKING	PRIVATE BANKING	ASSET MANAGEMENT	CENTRAL EASTERN EUROPE	GROUP CORPORATE CENTER[1]	CONSOLIDATED GROUP TOTAL
Income statement											
OPERATING INCOME											
2012	6,334	1,459	1,091	1,112	1,993	7,067	919	702	4,727	(356)	25,049
2011	*6,306*	*1,593*	*1,120*	*1,149*	*1,994*	*7,221*	*902*	*751*	*4,493*	*(517)*	*25,013*
Operating costs											
2012	(4,110)	(1,458)	(926)	(667)	(832)	(2,631)	(556)	(480)	(2,193)	(1,127)	(14,979)
2011	*(4,418)*	*(1,468)*	*(901)*	*(685)*	*(856)*	*(2,765)*	*(574)*	*(465)*	*(2,117)*	*(1,184)*	*(15,431)*
OPERATING PROFIT											
2012	2,225	1	166	445	1,161	4,436	363	222	2,534	(1,483)	10,070
2011	*1,889*	*125*	*219*	*464*	*1,138*	*4,456*	*328*	*287*	*2,376*	*(1,700)*	*9,582*
PROFIT BEFORE TAX											
2012	(1,013)	(50)	32	418	403	193	307	196	1,695	(1,865)	317
2011	*(248)*	*58*	*68*	*378*	*447*	*2,078*	*275*	*262*	*1,599*	*(2,722)*	*2,195*
Balance Sheet											
LOANS TO CUSTOMERS											
as at December 31, 2012	117,388	40,804	20,134	11,021	55,056	213,116	8,798	-	70,185	10,643	547,144
as at December 31, 2011	*125,260*	*43,040*	*21,130*	*9,149*	*56,398*	*220,677*	*8,078*	-	*66,745*	*5,470*	*555,946*
DEPOSITS FROM CUSTOMERS AND DEBT SECURITIES IN ISSUE											
as at December 31, 2012	136,404	46,110	28,648	13,487	18,423	132,806	39,825	-	64,074	100,187	579,965
as at December 31, 2011	*128,467*	*49,337*	*27,418*	*12,260*	*15,767*	*126,783*	*35,473*	-	*56,909*	*105,035*	*557,448*
TOTAL RISK WEIGHTED ASSETS											
as at December 31, 2012	48,619	14,869	12,193	9,593	49,025	162,616	5,180	1,986	83,183	39,863	427,127
as at December 31, 2011	*57,031*	*14,699*	*10,913*	*8,184*	*48,108*	*194,997*	*4,902*	*1,795*	*79,793*	*39,974*	*460,395*
EVA											
2012	(1,385)	(133)	(75)	142	(269)	(2,067)	177	88	326	(863)	(4,057)
2011	*(803)*	*(49)*	*(49)*	*139*	*(10)*	*(199)*	*140*	*168*	*467*	*(3,158)*	*(3,355)*
Cost/income ratio											
2012	64.9%	99.9%	84.8%	60.0%	41.7%	37.2%	60.5%	68.3%	46.4%	n.s.	59.8%
2011	*70.1%*	*92.2%*	*80.4%*	*59.6%*	*42.9%*	*38.3%*	*63.6%*	*61.8%*	*47.1%*	*n.s.*	*61.7%*
Employees[2]											
as at December 31, 2012	29,381	7,622	3,900	13,527	6,185	8,635	2,978	1,968	46,847	35,312	156,354
as at December 31, 2011	*30,300*	*7,521*	*3,913*	*13,988*	*6,181*	*9,390*	*3,027*	*1,949*	*48,018*	*36,073*	*160,360*

Notes:

The figures in these tables have been 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 attribuable to individual segments.
2. "Full Time Equivalent". Thee figures include all the employees of subsidiaries consolidated proportionately, such as Koc Financial Services.

Operating income and Operating profit (loss) as at December 31, 2011 were restated to take account of:

- the reclassification, carried out by three subsidiaries of the Group in the firs half of 2012, of reversal connected with the passing of time from item "Net interest" to item "Net write-down on loans and provisions for guarantees and commitments" with impact on Operating profit (loss);
- the reclassification of markups incorporated in the sale price of some trading products, traded by some Group entities, which are recognized under item "Net trading, hedging and fair value income" with impact on Operating profit (loss), which were prevoiusly recorded under item "Net fees and commission";
- the reclassification of lease holde improvements from "Net other expenses/income" to "Other administrative expenses".

As at December 31, 2012, in accordance with IFRS5, the profit/loss of the following companies was entirely recognized under item "Profit (loss) after tax from discounted operations" as a result of their classification as "discounted operations". JSC ATF BANK; UNICREDIT BANK OJSC; ATF FINANCE JSC; ATF INKASSATSIYA LTD.
The previous period was restated accordignly to increase comparability, pursuant the regulations in force.

How the UniCredit Group has grown

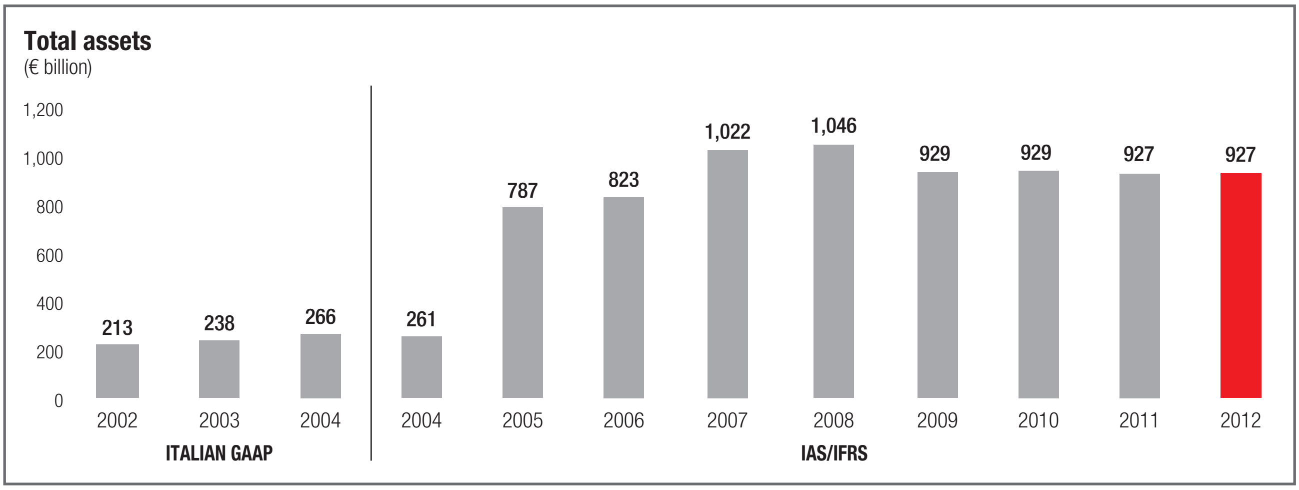
UniCredit S.p.A. (formerly Unicredito Italiano S.p.A.) and the Group of companies with the same name which the latter heads up came about as a result of the merger, in October 1998, between the Credito Italiano S.p.A., founded in 1870 under the name of Banca di Genova, and Unicredito S.p.A., the latter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

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

Group Figures 2002 - 2012

	IAS/IFRS									ITALIAN GAAP		
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2004	2003	2002
Income Statement (€ million)												
Operating income	25,049	25,200	26,347	27,572	26,866	25,893	23,464	11,024	10,203	10,375	10,465	10,099
Operating costs	(14,979)	(15,460)	(15,483)	(15,324)	(16,692)	(14,081)	(13,258)	(6,045)	(5,701)	(5,941)	(5,703)	(5,483)
Operating profit (loss)	10,070	9,740	10,864	12,248	10,174	11,812	10,206	4,979	4,502	4,434	4,762	4,616
Profit (loss) before income tax	317	2,060	2,517	3,300	5,458	9,355	8,210	4,068	3,238	2,988	3,257	2,924
Net profit (loss) for the period	1,687	644	1,876	2,291	4,831	6,678	6,128	2,731	2,239	2,300	2,090	1,962
Net profit (loss) attributable to the Group	865	(9,206)	1,323	1,702	4,012	5,961	5,448	2,470	2,069	2,131	1,961	1,801
Balance sheet (€ million)												
Total assets	926,827	926,769	929,488	928,760	1,045,612	1,021,758	823,284	787,284	260,909	265,855	238,256	213,349
Loans and receivables to customers	547,144	559,553	555,653	564,986	612,480	574,206	441,320	425,277	139,723	144,438	126,709	113,824
of which: non-performing loans	*19,360*	*18,118*	*16,344*	*12,692*	*10,464*	*9,932*	*6,812*	*6,861*	*2,621*	*2,621*	*2,373*	*2,104*
Deposits from customers and debt securities in issue	579,965	561,370	583,239	596,396	591,290	630,533	495,255	462,226	155,079	156,923	135,274	126,745
Shareholders' Equity	62,784	51,479	64,224	59,689	54,999	57,724	38,468	35,199	14,373	14,036	13,013	12,261
Profitability ratios (%)												
Operating profit (loss) / Total assets	1.09	1.05	1.17	1.32	0.97	1.16	1.24	0.63	1.73	1.67	2.00	2.16
Cost/income ratio	59.8	61.4	58.8	55.6	62.1	54.4	56.5	54.8	55.9	57.3	54.5	54.3

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



UniCredit Share

Share Information

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Share price (€) (*)											
- maximum	4.478	13.153	15.314	17.403	31.810	42.841	37.540	32.770	24.629	24.607	29.450
- minimum	2.286	4.222	9.820	4.037	8.403	28.484	30.968	22.592	21.303	17.386	17.554
- average	3.292	8.549	12.701	11.946	21.009	36.489	34.397	25.649	22.779	22.085	23.831
- end of period	3.706	4.228	10.196	14.730	9.737	31.687	37.049	32.457	23.602	23.881	21.259
Number of outstanding shares (million)											
- at period end[1]	5,789	1,930	19,297.6	16,779.3	13,368.1	13,278.4	10,351.3	10,303.6	6,249.7	6,316.3	6,296.1
- shares cum dividend	5,693	1,833	18,330.5	18,329.5	13,372.7	13,195.3	10,357.9	10,342.3	6,338.0	6,316.3	6,296.1
of which: savings shares	*2.42*	*2.42*	*24.2*	*24.2*	*21.7*	*21.7*	*21.7*	*21.7*	*21.7*	*21.7*	*21.7*
- average[1]	5,473	1,930	19,101.8	16,637.8	13,204.6	11,071.6	10,345.2	6,730.3	6,303.6	-	-
Dividend											
- total dividends (€ million)	512	(***)	550	550	(**)	3,431	2,486	2,276	1,282	1,080	995
- dividend per ordinary share	0.090	(***)	0.030	0.030	(**)	0.260	0.240	0.220	0.205	0.171	0.158
- dividend per savings share	0.090	(***)	0.045	0.045	(**)	0.275	0.255	0.235	0.220	0.186	0.173

1. The number of shares is net of Treasury shares and included n. 96.76 million of shares held under a contract of usufruct.

(*) Following extraordinary corporate operations, which involve the detachment of rights, stock splitting or grouping, demerger operations and distribution of extraordinary dividends, the price of the shares can fluctuate so much that they are no longer comparable. Thus, the time series hereby published are adjusted accordingly to restore the continuity of historical price series.

(**) 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").

(***) As per Bank of Italy's paper dated March 2, 2012, in keeping with the decision of UniCredit S.p.A.'s Board of Directors and in line with the intention announced to the Shareholders' Meeting in 2012, UniCredit S.p.A. did not pay any dividends with respect to its 2011 financial results.

In 2011 the following operations were carried:
- out the €2.5 billion free capital increase, through the allocation to capital of an equivalent amount transferred from the "Issue-premium reserve";
- the reverse stock split of ordinary and savings shares based on a ratio of 1 new ordinary or savings share for every 10 existing ordinary or savings shares;
- elimination of the per-share nominal value of UniCredit shares.

In the first quarter of 2012 was fully subscribed the capital increase of €7.5 billion equal to a number of shares issued of 3,859.602.938.

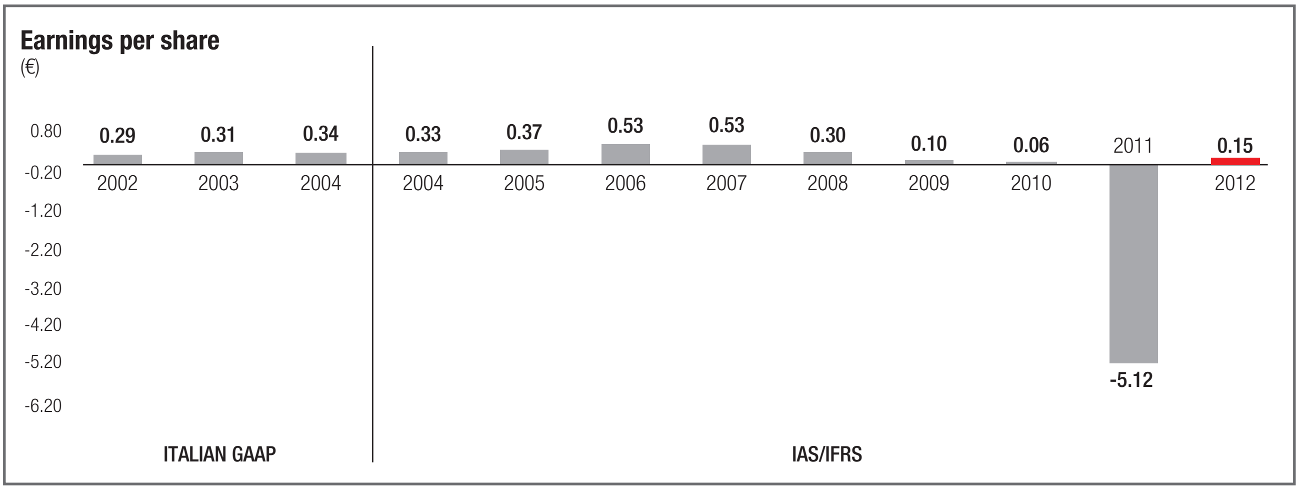
Earnings Ratios

	IAS/IFRS									ITALIAN GAAP		
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2004	2003	2002
Shareholders' Equity (€ million)	62,784	51,479	64,224	59,689	54,999	57,690	38,468	35,199	14,373	14,036	13,013	12,261
Group portion of Net profit (loss) (€ million)	865	(9,206)	1,323	1,702	4,012	5,901	5,448	2,470	2,069	2,131	1,961	1,801
Net worth per share (€)	10.85	26.67	3.33	3.56	4.11	4.35	3.72	3.42	2.30	2.25	2.06	1.95
Price / Book value	0.34	0.16	3.06	4.14	2.37	7.29	9.97	9.50	10.26	10.51	11.59	10.92
Earnings per share (€)	0.15	- 5.12	0.06	0.10	0.30	0.53	0.53	0.37	0.33	0.34	0.31	0.29
Payout ratio (%)	59.2		41.6	32.3	(*)	58.1	45.6	92.1		60.2	55.1	55.2
Dividend yield on average price per ordinary share (%)	2.73		1.55	1.58	(*)	3.98	3.90	4.79		5.02	4.32	3.70

Information in the table are "historical figures" and they must be read with reference to each single period.

(*) 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 EPS, net profit for the 2010 of €1,323 million was changed to €1,167 million; net losses for 2011 of €9,206 million was changed to €9,378 million; net profit for 2012 of €865 million was deducted of €46 million.



Group Results

Macroeconomic situation, banking and financial markets

International situation

USA/Eurozone

After showing signs of improvement in early 2012, the global economic recovery weakened in the second quarter due to increased tensions in financial markets tied to the sovereign debt crisis in the euro area and the slowdown in growth in some emerging countries. However, the measures taken in the summer by the European authorities, in particular by the European Central Bank (ECB), eliminated the risk of extreme scenarios for the euro area, thus contributing to a significant improvement in financial market sentiment. In addition, toward the end of the year a last-minute agreement was signed to avert the so-called "fiscal cliff" in the United States, eliminating a further risk to the global economy, and the first signs of recovery were seen in some of the major emerging economies such as China.

As for the euro area, 2012 began with reduced tensions tied to the debt crisis in financial markets, partly due to the two three-year liquidity injections (LTRO) of the European Central Bank. The second quarter, however, saw renewed tensions in the sovereign debt market and a further deterioration in growth prospects, also linked to a slowdown in global growth. In the summer, the ECB's announcement of a new plan for the purchase of government securities (Outright Monetary Transactions or OMT) that allows the central bank to intervene in the sovereign bond markets of the countries that make a formal request for help and commit to undertaking a series of agreed reforms, substantially reduced the risk of extreme scenarios for the euro area. This resulted in a significant easing of tensions in financial markets that continued until early 2013. In terms of growth, the gross domestic product contracted in all quarters of the year except for the first quarter, which was characterized by stagnation.
The weakness of the economy in 2012 is linked to various factors such as tensions in financial markets, the general slowdown in the global economy, and the impact of fiscal consolidation in the countries on the eurozone's periphery. Although 2012 ended with a sharp contraction in gross domestic product, the latest indicators suggest a cyclical improvement as from the beginning of 2013. In December, an important step forward in ensuring economic and financial stability of the euro area was taken when the heads of state and government of the EU countries signed an agreement on banking supervision: as from March 1, 2014, the ECB will be responsible for overseeing all banks in the eurozone - and in the countries outside the eurozone that will join the EU - whose assets are worth at least €30 billion or represent no less than 20% of the country's GDP.

In the United States, the economy expanded by 2.2% in 2012 as against 1.8% in 2011. The quarterly growth rate, however, was highly variable, in particular in the second half of the year, when sustained growth in the third quarter (annualized rate of +3.1%) was followed by a slight contraction in the fourth quarter (-0.1%) which was caused solely by inventories, net exports, and government spending. Private domestic demand - private consumption expenditure and investment - accelerated in the fourth quarter. In line with the acceleration in private domestic spending, employment growth in the fourth quarter was much stronger than in the previous quarter. The weak growth in the fourth quarter is therefore not worrying. A significant boost to the economy came from the real estate market. Indeed, in 2012 activity in the construction sector and real estate prices fell to their lowest point and began to recover. The Federal Reserve, however, in the light of a worse than expected improvement in the labor market, decided to provide additional stimulus to the economy through the purchase of securities. At its September meeting, the Fed announced a new round of purchases of MBS (mortgage-backed securities) at a pace of $40 billion per month, while at the December meeting it announced that as from January 2013 it will buy an initial $45 billion of long-term Treasury bonds each month, thus bringing the total purchases of securities to $85 billion a month.

Banking and financial markets

At the end of 2012, the slowdown seen during the year in bank lending to the private sector in the euro area accelerated: in December it shrank by 0.7% year over year compared with a 1.0% increase in December 2011. The weakness of loans as a whole in the euro area is mainly due to a sharp contraction in loans to businesses, compared to marginally positive growth in loans to households. Lending to the private sector (households and businesses) remained weak in all the Group's three key countries, although the slowdown in 2012 was particularly marked in Italy, where loans to the private sector continued to contract until December. This decrease concerned principally loans to businesses, but also loans to households. In Germany, loans to the private sector (according to the ECB's monthly statistics) were still expanding at the end of 2012, but at a slower pace than at the end of 2011, due to a slight increase in loans to households that was accompanied by a slowdown in loans to businesses. In Austria, too, loans to the private sector (both to households and to businesses) were in a downtrend at the end of 2012, while continuing to show marginally positive growth rates.
As for the banking sector's deposit base in the Group's three key countries, in the second part of 2012 bank deposits in Italy were on a steady upward trend, with current account deposits also showing improvement, while in Germany and Austria they remained resilient. With regard to bank interest rates, lending rates decreased during the year in all the Group's three key countries, with consequent reduction/stabilization of the bank spread (the difference between the average interest rate on loans and the average interest rate on deposits).
As for stock markets, in the wake of the normalization of financial markets following the European Central Bank's announcement of the OMT, in the second half of 2012 the volatility in financial markets continued to decrease and the solid performance of stock markets was confirmed. The German stock market showed the strongest recovery, with growth of about 30% year over year in 2012 compared to December 2011. The Austrian market ended the year with a rise of about 27% year over year, while the Italian stock market expanded by 8.0% year over year at the end of 2012.

CEE Countries

2012 saw a slowdown in growth across Central and Eastern Europe, in large part because the region had to work through collateral damage via a number of channels from EMU and the slowdown in trade more globally. There was differentiation across the region, with Russia and Turkey outperforming others on growth. We expect growth in 2013 to be better, recovering from 2.5% in 2012 to 2.9%, before reaching 3.4% in 2014.
Poor foreign demand translated into a slump in industry and exports. Year-end 2012 was particularly weak on both fronts, with few exceptions (Russia). Some of this was concentrated in the transport sector as the production of vehicles slumped.
A gradual regional recovery should transpire this year on the back of stronger global trade and a recovery in Germany.
Domestic demand is also suffering because of poor sentiment, weak labor markets and sluggish credit extension. Russia and the Baltics are the outliers while in Turkey consumption weakened due to elevated inflation, financial market stresses at the beginning of 2012 and slowing, albeit still strong and positive, credit growth.
In the newer EU countries credit growth was forced significantly weaker, in part due to both supply and demand credit constraints.

One clear positive is that inflation has peaked in many countries, allowing central banks to ease monetary policy in the face of the slowdown in activity. This easing in inflation was facilitated by currency appreciation, modest food price inflation and stable oil prices, which helped to lower energy inflation.
Meanwhile the region continued to enjoy strong foreign capital inflows, mostly in the form of foreign capital to sovereign and bank fixed income markets, helping avoid financing stresses in the face of lower growth. While FDI in 2012 eased in line with global demand, a number of the newer EU countries continue to make good use of EU structural funds, helping to support investment.
Fiscal performance remains solid in most cases. Public debt to GDP across the region averages less than 50% in CEE ex-CIS and at just 13% of GDP in CIS. The widening in budget deficits last year was modest while in many cases much of the necessary consolidation measures to stabilize public debt have been passed. There are of course exceptions, with Hungary, Serbia, Ukraine and Croatia falling behind in their consolidation efforts.

Group Results (Continued)

Main results and performance for the period

Introduction

In 2012 the **Net profit attributable to the group** was €865 million, compared to €9,206 million loss in 2011 that was affected by non-recurring items, like write-downs of the equity investment in Mediobanca and write-downs of intangible assets such as goodwill and brands, as well as by restructuring costs incurred under the strategic plan.

The **Net operating profit** was at €457 million, down by €3,391 million (-88.1%) compared to 2011.

Such a decrease is largely driven by higher **Net write downs on loans and provision for guarantees and commitments**, which are up by €3,879 million to €9,613 million (+67.7% compared to 2011).

The **Operating profit** registered an increase of 5.1% to €10,070 million, as a result of slight increase of **operating income** over the last year (+0.1%) and **operating expenses** reduction by 2.9%.

Operating income

The **Operating income** was at €25,049 million in 2012, slightly increasing (+0.1%, +0.4% at constant exchange rates and perimeter) over the last year and including 795 million revenues generated by public offers of buy back of Bonds issued by the Group (net of this component the operating income would register a decline of 3%).

Net interest amounted to €14,285 million in 2012, down by €967 million over the 2011 (-6.3%, or -5.8% at constant exchange rates and perimeter).

Such a downward trend was primarily affected by interest rates dynamics which registered minimum values in 2012, following the monetary policies adopted by the European Central Bank and the main World Economies' Central Banks (3-month Euribor indicates a decrease of 82 basis points, from 1.39% on average in 2011 to 0.57% in 2012). Besides also the volumes' dynamic must be considered, being characterized by loans contraction, as a consequence of the low credit demand, and by deposits growth, as a consequence of a higher customers' appetite for liquidity products and a strategy aimed to strengthen the commercial deposits basis rather than the interbank and the institutional investors' financing channels.

At December 31, 2012 the loans to customers were at €547.1 billion down by 1.6% over 2011. The decrease is mainly due to Italy and Germany, while the CEE & Poland Countries registered a growth of 3.2% at constant exchange rates, dragged by Poland, Russia and Turkey. Deposits from customers were at €409.5 billion up by €14.2 billion over 2011, thanks to positive contribution from all countries.

Dividends and other income from equity investments were at €397 million, increasing by €17 million over 2011.

Net fees and commissions amounted to €7,793 million in 2012, with a drop of 3.2% compared to 2011 (-2.9% at constant exchange rates and perimeter). Such an evolution is largely attributable to investment services (asset management, administrative and bancassurance). Fees related to lending and transactional activities remained substantially flat.

Net trading, hedging and fair value amounted to €2,314 million, more than doubled compared to the previous year. The trend was positively influenced by the success recorded on the public offers of buy-back of bonds issued by the Group which generated a gross gain of €795 million.
Excluding this component the yearly result would increase by 38.2% over 2011 thanks to a favourable dynamic of the financial markets.

Finally, **Net other expenses/income** were at €261 million, up by €28 million compared to 2011.

Operating income

(€ million)

	YEAR					
	2011	2012	% CHANGE	2012 Q4	% CHANGE ON Q4 2011	% CHANGE ON Q3 2012
Net interest	15,252	14,285	- 6.3%	3,335	- 11.6%	- 6.2%
Dividends and other income from equity investments	380	397	+ 4.4%	106	+ 127.9%	+ 56.8%
Net fees and commissions	8,048	7,793	- 3.2%	1,958	- 0.9%	+ 2.1%
Net trading, hedging and fair value income	1,099	2,314	+ 110.5%	238	- 4.6%	- 46.6%
Net other expenses/income	234	261	+ 11.8%	72	n.s.	- 21.0%
Operating income	**25,013**	**25,049**	**+ 0.1%**	**5,709**	**- 5.6%**	**- 6.1%**

Operating costs

Operating costs, in 2012, were at €14,979 million, down by 2.9% compared to 2011 (-2.8% at constant exchange rates and perimeter). Geographical view highlights how the cost reductions achieved by the Western Europe Countries (-4% on yearly basis) more than offset the CEE & Poland growth (+2.2% on yearly basis at constant exchange rates and perimeter) where the Group continued to invest, in particular in Turkey and Russia.

Payroll costs amounted to €8,916 million, decreasing by 2.8% over 2011. This was due both to staff reduction (down by around 4,000 units to 156.354 *Full Time Equivalent)* which offsets the wage pressures recorded in some countries were the Group operates, and due to a lower weight of the variable component which reflects the results achieved in the year.

Other administrative expenses were at €5,541 million, 2.1% below 2011 (-1.9% at constant exchange rates and perimeter). Higher attention to cost containment is particularly visible on discretionary spending such as those related to advertising and marketing (-12.4% at constant exchange rates), personnel related (-16.5% at constant exchange rates) and consulting (-10.0% at constant exchange rates).

Write downs of tangible and intangible assets amounted to €1,054 million, decreasing compared to the previous year (-6.4%). Such a decrease is mainly due to the extension of the useful life of the IT investments, as noted on the results of the first quarter of 2012.

Operating costs

(€ million)

	YEAR		%	2012	% CHANGE	% CHANGE
	2011	2012	CHANGE	Q4	ON Q4 2011	ON Q3 2012
Payroll costs	(9,169)	(8,916)	- 2.8%	(2,114)	- 2.4%	- 5.7%
Other administrative expenses	(5,661)	(5,541)	- 2.1%	(1,477)	- 0.7%	+ 11.4%
Recovery of expenses	525	532	+ 1.3%	179	+ 8.7%	+ 64.5%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(1,126)	(1,054)	- 6.4%	(272)	- 8.1%	+ 2.9%
Operating costs	**(15,431)**	**(14,979)**	**- 2.9%**	**(3,685)**	**- 2.7%**	**- 1.1%**

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

Net write-downs on loans and provisions for guarantees and commitments amounted to €9,613 million in 2012 pointing to an increase of 67.7% compared to previous year. Such a trend is reflected in CoR of 174bps being 71bps above 2011.
This dynamic was influenced in particular by Italy, where in addition to a macroeconomic scenario deterioration, weighted the decision to increase the coverage ratio level of non-performing portfolio which moved from the 42.1% of 2011 to 43.4% at December 31, 2012, with a specific accrual done in the fourth quarter.

A negative contribution on 2012 dynamic, was also given by Germany (69 basis points of cost of risk in 2012 compared to 20 basis points in 2011) which anyway remains at standards of absolute excellence and that in 2012 was particularly impacted by a re-classification from accruals for risks and charges of a single Project Finance operation.

Growth of provisions is reflected in the higher amount of impaired loans that increased their weight in total loans from 6.98% at December 31, 2011 to 8.05% at December 31, 2012. The coverage ratio was 44.8% compared to 44.4% registered in December 2011.

Group Results (Continued)

Main results and performance for the period (Continued)

Loans to customers - asset quality

(€ million)

	NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED LOANS	PAST-DUE LOANS	IMPAIRED LOANS	PERFORMING LOANS	TOTAL CUSTOMERS LOANS
As at 12.31.2012							
Face value	44,377	22,516	8,036	4,858	**79,787**	505,921	**585,708**
as a percentage of total loans	*7.58%*	*3.84%*	*1.37%*	*0.83%*	***13.62%***	*86.38%*	
Writedowns	25,017	7,374	2,532	806	**35,729**	2,835	**38,564**
as a percentage of face value	*56.4%*	*32.8%*	*31.5%*	*16.6%*	***44.8%***	*0.6%*	
Carrying value	19,360	15,142	5,504	4,052	**44,058**	503,086	**547,144**
as a percentage of total loans	*3.54%*	*2.77%*	*1.01%*	*0.74%*	***8.05%***	*91.95%*	
As at 12.31.2011 restated (1)							
Face value	40,414	18,031	7,099	4,276	**69,820**	520,024	**589,844**
as a percentage of total loans	*6.85%*	*3.06%*	*1.20%*	*0.72%*	***11.84%***	*88.16%*	
Writedowns	23,110	5,401	1,850	653	**31,014**	2,884	**33,898**
as a percentage of face value	*57.2%*	*30.0%*	*26.1%*	*15.3%*	***44.4%***	*0.6%*	
Carrying value	17,304	12,630	5,249	3,623	**38,806**	517,140	**555,946**
as a percentage of total loans	*3.11%*	*2.27%*	*0.94%*	*0.65%*	***6.98%***	*93.02%*	
As at 12.31.2011 historical							
Face value	42,245	18,735	7,250	4,301	**72,531**	522,279	**594,810**
as a percentage of total loans	*7.10%*	*3.15%*	*1.22%*	*0.72%*	***12.19%***	*87.81%*	
Writedowns	24,127	5,704	1,856	660	**32,347**	2,910	**35,257**
as a percentage of face value	*57.1%*	*30.4%*	*25.6%*	*15.3%*	***44.6%***	*0.6%*	
Carrying value	18,118	13,031	5,394	3,641	**40,184**	519,369	**559,553**
as a percentage of total loans	*3.24%*	*2.33%*	*0.96%*	*0.65%*	***7.18%***	*92.82%*	

(1) At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

In Q1 2012 past-due impaired loans included certain types of exposure which 31 December 2011 benefited from a temporary or permanent 180-day default trigger. Loans that benefited from the temporary waiver (i.e. loans to resident firms or firms registered in Italy) fall under Bank of Italy rules that came into force on 1 January 2012; those that benefited from the permanent waiver (i.e. retail loans and loans to public-sector entities resident or registered in Italy) under the Financial Stability Board's recommendations, to which the Group has adhered.

Profit (loss) before tax

Profit (loss) before tax of 2012 at €317 million declining compared to the previous year (-85.6%).

Provision for Risk and charges amounted to -€166 million, showing a strong decrease compared to -€718 million registered in 2011 (-76.8%). 2011 result was penalized by a prudential provision regarding a project finance operation in Germany.

Integration costs in 2012 amounted to -€277 million, in slight increase with respect to -€270 million registered in the previous year (+2.4%). In particular in 2012, in Italy, €141 million were accounted, mainly (€119 million) due to accruals for extraordinary staff costs for the *"esodi"* plan which, due to the pension reform Monti-Fornero, generated a need of replenishment due to the extension of the stay period of the *"esodati"* in the *"esuberi"* fund, €102 million in Germany and €33 million in Austria for network restructuring projects.

Finally, **Net income from investments** totaled €303 million, compared to -€665 million recorded in 2011. In addition to the capital gains achieved by the sales of financial activities classified in the AFS Portfolio and the improvement of Private Equity investments, it's worth to mention the London Stock Exchange participation complete dismissal (€111 million) and the partial dismissal of the Moscow Stock Exchange participation (€76 million). Moreover, in 2011, relevant write-downs were recorded, in particular €404 million write-down of the equity investment in Mediobanca and €399 million write-down of Greek Government bonds.

Profit (loss) before tax by business segment

(€ million)

	OPERATING INCOME	OPERATING COSTS	PROFIT (LOSS) AND NET WRITE DOWNS ON LOANS	NET OPERATING PROFIT	PROFIT BEFORE TAX 2011	PROFIT BEFORE TAX 2012
F&SME Network Italy	6,334	(4,110)	(3,104)	(879)	(248)	(1,013)
F&SME Network Germany	1,459	(1,458)	9	10	58	(50)
F&SME Network Austria	1,091	(926)	(85)	81	68	32
F&SME Network Poland	1,112	(667)	(27)	418	378	418
F&SME Factories	1,993	(832)	(738)	423	447	403
Corporate & Investment Banking	7,067	(2,631)	(4,635)	(199)	2,078	193
Private Banking	919	(556)	(25)	338	275	307
Asset Management	702	(480)	-	222	262	196
Central Eastern Europe	4,727	(2,193)	(895)	1,640	1,599	1,695
Group Corporate Center	(356)	(1,127)	(113)	(1,597)	(2,722)	(1,865)
Total Group	**25,049**	**(14,979)**	**(9,613)**	**457**	**2,195**	**317**

Profit (loss) attributable to the Group

Profit (loss) for the period totaled €1,687 million (+892.4% compared to 2011).

Income tax for the period amounted to €1,539 million, in 2012, compared to -€1,414 million in 2011, benefiting from the exercise of the option for the substitutive tax system of goodwill, brands and intangible activities referred to majority stakes.

Minority interests amounted to -€358 million, -2% compared to 2011.

Purchase Price Allocation amounted to -€435 million, +€374 million compared to 2011. Moreover, 2011 was also affected by the write-down of the HVB, Bank Austria, Banca di Roma, Banco di Sicilia and Ukrsotsbank brands.

Goodwill Impairment amounted to -€30 million, compared to -€8,203 million recorded the previous year due to goodwill and brands depreciation.

As a result of all these elements, the **Group** obtained **net profit** of €865 million, compared to the €9,206 million loss of 2011.

Profit (loss) attributable to the Group

(€ million)

	YEAR 2011	YEAR 2012	% CHANGE	2012 Q4	% CHANGE ON Q4 2011	% CHANGE ON Q3 2012
Operating income	**25,013**	**25,049**	**+ 0.1%**	**5,709**	**- 5.6%**	**- 6.1%**
Operating cost	(15,431)	(14,979)	- 2.9%	(3,685)	-2.7%	-1.1%
Operating profit (loss)	**9,582**	**10,070**	**+ 5.1%**	**2,024**	**-10.5%**	**-14.0%**
Net write-downs on loans and provisions for guarantees and commitments	(5,733)	(9,613)	+ 67.7%	(4,608)	224.5%	159.5%
Net operating profit (loss)	**3,848**	**457**	**- 88.1%**	**(2,584)**	**n.s.**	**n.s.**
Provision for risk and charges	(718)	(166)	- 76.8%	(44)	-7.9%	-4.5%
Integration costs	(270)	(277)	+ 2.4%	(253)	180.4%	n.s.
Net income from investment	(665)	303	n.s.	(40)	- 67.6%	- 117.2%
Profit (loss) before tax	**2,195**	**317**	**- 85.6%**	**(2,921)**	**n.s.**	**n.s.**
Income tax for the period	(1,414)	1,539	n.s.	2,721	n.s.	n.s.
Profit (loss) for the period	**170**	**1,687**	**n.s.**	**(354)**	**n.s.**	**n.s.**
Minorities	(365)	(358)	- 2.0%	(72)	-7.9%	-39.8%
Net profit (loss) attributable to the Group before PPA	**(194)**	**1,330**	**n.s.**	**(426)**	**n.s.**	**n.s.**
Purchase Price Allocation effects	(809)	(435)	- 46.2%	(105)	13.6%	-1.8%
Goodwill impairment	(8,203)	(30)	- 99.6%	(22)	174.5%	282.2%
Net profit (loss) attributable to the Group	**(9,206)**	**865**	**n.s.**	**(553)**	**n.s.**	**n.s.**

Group Results (Continued)

Capital and Value Management

Principles of value creation and disciplined capital allocation

In order to create value for the shareholders, the Group's strategic guidelines are aimed at optimizing the composition of its business portfolio. This goal is pursued through a process of capital allocation to each business line in relation to its specific risk profile and ability to generate extra income measured as EVA, which is the main performance indicator related to TSR (Total Shareholder Return).
The development of Group operations with a view to value creation requires a process for allocating and managing capital governed by different phases in the process of planning and control, articulated as:
- formulation of the proposed propensity for risk and capitalization targets;
- analysis of the risks associated with the value drivers and resulting allocation of capital to the business lines and to the Business Units;
- assignment of performance targets in line with risk;
- analysis of the impact on the Group's value and of the creation of value for shareholders;
- drafting and proposal of the financial plan and dividend policy.

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

Capital Ratios

The Group dynamically manages its capital base by monitoring regulatory capital ratios, anticipating the appropriate changes necessary to achieve its targets, and optimizing the composition of its assets and equity. Planning and monitoring refer, on the one hand, to shareholders' equity and the composition of regulatory capital (Core Tier 1, Tier 1, Lower and Upper Tier 2, and Tier 3 Capital) and, on the other hand, to the Risk-Weighted Assets (RWAs). The Risk-Weighted Assets, for portfolios managed using the "advanced model", not only depend on the nominal value of the assets but also on the relevant credit parameters. Besides volume dynamics, it is also crucial to monitor and forecast the change in the loan quality of the portfolio in view of the macroeconomic scenario (the so-called pro-cyclical effect).

The Core Tier 1 Ratio[2] (Basel 2) at December 2012 was 10.84%. The Tier 1 Ratio and Total Capital Ratio, respectively, were 11.44% and 14.52%.

Capital Ratios (€ million)

	AS AT	
	12.31.2012	12.31.2011
Total Capital	62,018	56,973
Tier 1 Capital	48,868	42,917
Core Tier 1 Capital	46,314	38,691
Total RWA	427,127	460,395
Total Capital Ratio	**14.52%**	**12.37%**
Tier 1 Ratio	**11.44%**	**9.32%**
Core Tier 1 Ratio	**10.84%**	**8.40%**

The recent economic and financial crisis, which began in 2007, has raised an intense debate on the need to promote a stronger and more resilient financial system. Therefore, over the last two years, global regulators introduced a series of new regulatory requirements that will contribute greatly to re-shape the financial markets' landscape. In particular, in December 2010, the Basel Committee for Banking Supervision (BCBS) published a series of changes relative to the requirements for banking institutions on capital and liquidity, also known as "Basel 3". The regulatory changes introduced by the Basel 3 framework define more stringent rules for capital requirements and introduce for the first time liquidity and leverage limits. According to the Basel 3 framework, the new rules will be introduced gradually (i.e. phased-in), in order to allow the banking system to comply with the new requirements and contain the impact on the real economy. The Basel 3 framework will be translated into law by means of two separate legislative instruments: a Directive (CRD IV) and a Regulation (CRRI), which will include the majority of the measures relating to capital requirements, the provisions of which will be directly binding and applicable within each European Union Member State. The first proposal of the new regulation has been published by the European Commission in July 2011 and at the time of writing has not been defined the implementation date of the new rules, although it seems likely that the introduction will occur during 2014.

2. Core Tier 1 Ratio is defined according to the internal methodology, as currently it's not included in the Prudential Reporting Schemes.

Shareholders' Equity attributable to the Group

The **Shareholders' Equity of the Group**, including the profit of the period, amounted to €62,784 million at December 31, 2012, compared to €51,479 million at December 31, 2011.

The statement of changes in Shareholders' Equity is included in the Consolidated Accounts.

The following table shows the main changes that occurred in 2012.

Shareholders' Equity attributable to the Group (€ million)

Shareholders' Equity as at December 31, 2011	**51,479**
Capital increase (net of capitalized costs)	7,360
Disbursements related to Cashes transaction ("canoni di usufrutto")	(46)
Dividend payment	-
Forex translation reserve	498
Change in afs / cash-flow hedge reserve	2,550
Others	78
Net profit (loss) for the period	865
Shareholders' Equity as at December 31, 2012	**62,784**

Reconciliation of the Parent Company's Accounts to the Consolidated Accounts

The following table reconciles the Parent Company's Shareholder's Equity and **Net profit** to the corresponding consolidated figures.

Reconciliation of Parent Company to Consolidated Accounts (€ million)

	SHAREHOLDERS' EQUITY	OF WHICH: NET PROFIT
Balance as at December 31, 2012 as per UniCredit S.p.A. Accounts	**57,989**	**(220)**
Surplus over carrying values:	5,410	2,757
- subsidiaries (consolidated)	*4,961*	*2,549*
- associates accounted for at net equity	*449*	*208*
Dividends received in the period by the Holding Company	-	(1,673)
Other reclassification on consolidation	(615)	-
Balance as at December 31, 2012 attributable to the Group	**62,784**	**865**
Minorities	3,669	358
Balance as at December 31, 2012 (minorities included)	**66,453**	**1,223**

Results by Business Segment

Family & Small Medium Enterprise (F&SME)

F&SME Network Italy

The primary goal of the Family & SME Division is to allow individuals, households, small and medium enterprises to meet their financial needs by offering them a complete range of reliable, high-quality products and services at a competitive price.

The Group's major strengths in retail banking are the experience of its employees and the central role played by customer satisfaction. UniCredit holds a strategic position in the retail banking segment in Italy thanks to its nearly 4,000 branches throughout the country.

Income Statement, Key Ratios and Indicators

(€ million)

F&SME NETWORK ITALY	YEAR 2011	YEAR 2012	% CHANGE	2012 Q4	% CHANGE ON Q4 2011	% CHANGE ON Q3 2012
Operating income	6,306	6,334	+ 0.4%	1,548	- 3.4%	+ 2.2%
Operating costs	(4,418)	(4,110)	- 7.0%	(963)	- 8.3%	- 3.8%
Net write-downs on loans	(2,019)	(3,104)	+ 53.8%	(1,512)	+ 212.1%	+ 196.9%
Net operating profit	(130)	(879)	n.s.	(926)	n.s.	n.s.
Profit before tax	(248)	(1,013)	n.s.	(1,010)	n.s.	n.s.
Loans to customers eop	125,260	117,388	- 6.3%	117,388	- 6.3%	- 2.4%
Customer deposits (incl. Securities in issue) eop	128,467	136,404	+ 6.2%	136,404	+ 6.2%	+ 1.4%
Total RWA eop	57,031	48,619	- 14.7%	48,619	- 14.7%	- 7.1%
EVA	(803)	(1,385)	+ 72.4%	(842)	n.s.	n.s.
Absorbed Capital	4,563	5,392	+ 18.2%	4,323	- 15.8%	- 22.3%
RARORAC	- 17.60%	- 25.68%	n.s.	- 77.95%	n.s.	n.s.
Cost/Income	+ 70.1%	+ 64.9%	- 517bp	+ 62.2%	- 334bp	- 387bp
Cost of Risk	1.58%	2.55%	97bp	5.09%	356bp	340bp
Full Time Equivalent eop	30,300	29,381	- 3.0%	29,381	-3.0%	- 1.2%

The F&SME Network Italy closed 2012 with an **operating income** of €6,334 million, slightly better than 2011 (0.4%). This trend was due to an increase in net interest margin (+2.7%), thanks to higher average volume of deposits and better spreads on sight deposits. Margins on loans has been affected by higher cost of funding in combination with lower volumes (~-€8 billion). The decrease on fees (-2%) is due to the contraction of upfront fees on sales of investments products, only partially offset by increased fees on loans. The last quarter 2012 reached an operating income of €1,548 million, higher than previous quarter (+2.2%). Net interest margins benefiting from higher level of commercial spread on loans to customers that more than offset Euribor reduction. The fees increase (+1.8%) was driven by placement of third parties Bond (Banco Popolare).

The **operating costs** amounted to €4,110 million, down by 7% over the previous year thanks to the savings on other administrative expenses and efficiency on structural staff expenses, linked to the reduction of FTEs (-919 FTEs or -3% y/y) in line with efficiency planned in the strategic plan. Compared to the previous quarter, the operating costs were down by 3.8%, thanks to the saving on other administrative expenses for cost reduction actions and HR costs saving for strong reduction of FTEs (-361 Ftes q/q or -1.2%).

The increase in revenues and cost efficiency, had a positive effect on **cost/income**, that in December 2012 showed a value of 64.9%, better than the value of December 2011 (70.1%).

Net write-downs on loans amounted to €3,104 million, representing an increase over 2011 (+53.8%), due to higher flows to default and worsening of impaired portfolio on middle enterprises. The cost of risk in 2012, was 255 bps with a strong increase of 97 basis points compared to the value recorded in the same period of 2011 (158bps). In the last quarter 2012 net write-downs on loans amounted to €1,512 million (+196.9% q/q), due to worsening of impaired portfolio of the small and medium enterprises and higher flows to default in the small enterprises, driving to a cost of risk of 509 bps (+340 basis points).

The F&SME Network Italy closed 2012 with a gross loss of €1,013 million, driven by the strong impact of asset quality deterioration mainly in the IV quarter. The quarter closed with a gross loss of €1,010 million.

At the end of 2012 the volume of **loans to customers** was €117,388 million, with a reduction of 6.3% compared to 2011, due to the declining stock of mortgages. **Customer deposits (including securities in issue)** totaled €136,404 million, an increase of 6.2% from 2011.

F&SME Network Germany

The primary goal of the Family & SME Division is to allow individuals, households and small and medium enterprises to meet their financial needs by offering them a complete range of reliable, high-quality products and services at a competitive price.

The Group's major strengths in retail banking are the experience of its employees and the central role played by customer satisfaction. UniCredit holds a strategic position in the retail banking segment in Germany thanks to its nearly 620 branches throughout the country.

Income Statement, Key Ratios and Indicators

(€ million)

F&SME NETWORK GERMANY	YEAR 2011	YEAR 2012	% CHANGE	2012 Q4	% CHANGE ON Q4 2011	% CHANGE ON Q3 2012
Operating income	1,593	1,459	- 8.4%	361	- 4.0%	+ 1.4%
Operating costs	(1,468)	(1,458)	- 0.7%	(368)	- 0.9%	+ 1.2%
Net write-downs on loans	(17)	9	- 151.5%	36	+ 226.3%	- 284.5%
Net operating profit	108	10	- 90.9%	30	+ 85.0%	- 212.5%
Profit before tax	58	(50)	- 185.3%	(69)	+ 205.4%	n.s.
Loans to customers eop	43,040	40,804	- 5.2%	40,804	- 5.2%	- 0.6%
Customer deposits (incl. Securities in issue) eop	49,337	46,110	- 6.5%	46,110	- 6.5%	- 0.6%
Total RWA eop	14,699	14,869	+ 1.2%	14,869	+ 1.2%	- 0.0%
EVA	(49)	(133)	+ 169.3%	(30)	- 10.2%	- 31.1%
Absorbed Capital	1,051	1,376	+ 31.0%	1,313	+ 10.1%	- 6.0%
RARORAC	- 4.70%	- 9.66%	- 496bp	- 9.18%	208bp	335bp
Cost/Income	+ 92.2%	+ 99.9%	n.s.	+ 101.8%	310bp	- 12bp
Cost of Risk	0.04%	n.s.	n.s.	0.35%	- 25bp	- 54bp
Full Time Equivalent eop	7,521	7,622	+ 1.3%	7,622	+ 1.3%	- 0.0%

From January until December 2012 F&SME Network Germany reported an **operating income** of €1,459 million, down by 8.4% over the year of 2011, driven by the development of market rates, which decreased tremendously. The negative spreads on deposits caused by this development cannot be compensated by higher volumes or pricing actions. Additionally the lending margin continued to decline due to the decreasing stock effects. In opposite the new business mainly for mortgages and special loans could be clearly increased. Commissions went up about 3% thanks to successfully sold Group Bonds. Nevertheless we consider an ongoing customer reluctance to invest due to continuing uncertainty of the financial markets.
Compared to the last quarter, F&SME Germany kept the operating income almost stable.

Operating costs totaled by €1,458 million, a slight decrease of -0.7% compared to the 2011. While staff expenses increased due to contractual wage drifts based on the agreements with labour unions, other administrative expenses decreased. A strict efficiency plan for cost management with clear rules for expenses led to the significant reduction of the cost basis. Compared to previous quarter the operating expenses stayed stable as well.

Despite the stable cost situation the **cost/income** ratio worsened to 99.9% in 2012 due to the difficult situation for the operating income.

Net writedowns on loans (€+9 million) could be furthermore improved, coming from an already very low level for the CoR with -4bps in 2011. Several impacts bear fruits and show an improvement in cost of risk. The tough situation for the German economy led to an increased number of releases for GLLP and lower necessity to build now ones. In addition all internal levers for monitoring the risk situation were improved and adjusted (e.g. improved methodology for the handling of GLLP, recalibration of the rating of private customers and the respective LGD).

F&SME Network Germany ended the year 2012 with a **net operating profit** of €10 million vs €108 million in previous year. The **profit before taxes** results in 2012 with -€50 million vs €58 million in 2011. The tense situation for the operating income causes necessary adjustments for the capacities in the network with an higher amount for restructuring costs.

F&SME Network Germany ended 2012 with a volume of **loans to customers** of €40,804 million, down by -5.2% compared to previous year. **Customer deposits** (including securities in issue) amounted to lower €46,110
(-6.5% y/y), which results from one single big deal end of 2011 with a Public Sector client. **Risk weighted assets** went up (due to higher operational risks) at €14,869 with an increase of +1.2%.

Results by Business Segment (Continued)

Family & Small Medium Enterprise (F&SME) (Continued)

F&SME Network Austria

The primary goal of the Family & SME Division is to allow individuals, households and small enterprises to meet their financial needs by offering them a complete range of reliable, high-quality products and services at a competitive price. The Group's major strengths in retail banking are the experience of its employees and the central role played by customer satisfaction. UniCredit holds a strategic position in the retail banking segment in Austria thanks to its strong network especially in Vienna (about 275 branches throughout the country) and its product Know-how in advisory services for SMEs.

Income Statement, Key Ratios and Indicators

(€ million)

F&SME NETWORK AUSTRIA	YEAR 2011	YEAR 2012	% CHANGE	2012 Q4	% CHANGE ON Q4 2011	% CHANGE ON Q3 2012
Operating income	1,120	1,091	- 2.6%	269	- 4.8%	- 0.6%
Operating costs	(901)	(926)	+ 2.7%	(254)	+ 5.9%	+ 11.8%
Net write-downs on loans	(158)	(85)	- 46.2%	(12)	n.s.	- 57.0%
Net operating profit	62	81	+ 31.1%	3	- 91.7%	- 79.4%
Profit before tax	68	32	- 52.1%	(45)	- 218.0%	n.s.
Loans to customers eop	21,130	20,134	- 4.7%	20,134	- 4.7%	+ 0.3%
Customer deposits (incl. Securities in issue) eop	27,418	28,648	+ 4.5%	28,648	+ 4.5%	+ 3.3%
Total RWA eop	10,913	12,193	+ 11.7%	12,193	+ 11.7%	+ 12.5%
EVA	(49)	(75)	+ 53.2%	(37)	n.s.	+ 79.1%
Absorbed Capital	974	1,123	+ 15.3%	1,124	+ 68.8%	- 0.5%
RARORAC	- 5.04%	- 6.70%	- 165bp	- 13.09%	n.s.	- 582bp
Cost/Income	+ 80.4%	+ 84.8%	439bp	+ 94.4%	n.s.	n.s.
Cost of Risk	0.73%	0.41%	- 32bp	0.23%	19bp	- 30bp
Full Time Equivalent eop	3,913	3,900	- 0.3%	3,900	- 0.3%	+ 1.4%

F&SME Austria Network held its own in the difficult environment prevailing in 2012. Net operating profit permitted F&SME Austria to make substantial provisions with a view to improving competitiveness and its cost effectiveness.

At €1,091 million, **operating income** was 2.6% lower than in the previous year. Net interest remained stable at €686 million (–1.0%). This reflects a decline in lending volume (–4.7% eop y/y), while primary funds rose by 4.5%. However, strong competition for deposits reduced spreads on the liabilities side. The yield curve was very low and flat, impacting margins. The downward revenue trend in 2012 was mainly due to weak net fees and commissions, which were well below (–5.0%) the level of 2011. Upfront fees for sales of mutual funds and other securities business (custody and transational fees) did not yet show a sustainable recovery, given the low investment appetite among all customer groups, which only improved slightly in the final quarter of 2012. Other factors which led to the decline are structural trends in account management and payment transactions, and indirectly also cyclical features such as weak loan fees.

Operating costs totalled €926 million (+2.7% yoy). However, the cost side (as well as revenues) was influenced by the consolidation of a credit card service provider (AirPlus). HR-related costs rose by 4.7% due to overtime worked in connection with the implementation of the Payments Directive and extensive adjustments ahead of the changeover to EuroSIG, the Group-wide standardised IT platform, which caused problems and required strong efforts to restore customer satisfaction. Non-staff expenses increased at a disproportionately low rate (+1.8%); in this context, cooperation with UBIS, the specialised services provider, proved to be effective already in the first year. In combination with weaker revenues, these additional costs led to a rise in the **cost/income** ratio to 84.8%.

In 2012, **net write-downs on loans** declined by almost one-half over the previous year, to €85 million, the cost of risk fell to 41bps, the lowest level in five years. This played a decisive role in the performance of this business segment. The release of specific provisions as a result of improved asset quality was accompanied by a reduction of the IBNR provision for performing loans thanks to progress in methodology.

The significant decrease in net write-downs on loans leads the **net operating profit** to reach €81 million in 2012, up by 31.1% from €62 million in 2011.
The improvement in operating performance in 2012 was absorbed by non-operating items. **Profit before tax** was €32million, down by €36million or 52.1% from 2011. The strongest impact came from the restructuring provision made in the context of Smart Banking Solutions, a key project with the aim to reduce the high cost/income ratio. In retail the sales activities moved to attractive mix of modern branch design and multi-channel communication (online, Internet, SmartBanking, video) to respond to changes in consumer habits (digitalisation) and demographic trends (urbanisation).
This will involve closing a number of branches.

F&SME Network Poland

The primary goal of the Family & SME Division in Poland is to allow individuals, households, small and medium enterprises to satisfy their financial needs by offering them a complete range of reliable, high-quality products and services at a competitive price.

The Group's major strengths in retail banking are the experience of its employees and the central role played by customer satisfaction. UniCredit holds a strategic position in the retail banking segment in Poland, thanks to its nearly 1,000 branches throughout the country.

Income Statement, Key Ratios and Indicators

(€ million)

F&SME NETWORK POLAND	YEAR 2011	YEAR 2012	% CHANGE	2012 Q4	% CHANGE ON Q4 2011	% CHANGE ON Q3 2012
Operating income	1,149	1,112	- 3.2%	283	+ 5.5%	- 0.8%
Operating costs	(685)	(667)	- 2.5%	(162)	+ 3.2%	- 6.3%
Net write-downs on loans	(87)	(27)	- 69.0%	19	- 219.7%	- 201.1%
Net operating profit	378	418	+ 10.7%	140	+ 45.8%	+ 48.7%
Profit before tax	378	418	+ 10.8%	140	+ 45.9%	+ 48.6%
Loans to customers eop	9,149	11,021	+ 20.5%	11,021	+ 20.5%	+ 2.2%
Customer deposits (incl. Securities in issue) eop	12,260	13,487	+ 10.0%	13,487	+ 10.0%	+ 0.5%
Total RWA eop	8,184	9,593	+ 17.2%	9,593	+ 17.2%	+ 0.9%
EVA	139	142	+ 2.7%	52	+ 46.4%	+ 71.6%
Absorbed Capital	388	482	+ 24.3%	509	+ 31.2%	+ 2.3%
RARORAC	+ 35.73%	+ 29.50%	n.s.	+ 40.71%	421bp	n.s.
Cost/Income	+ 59.6%	+ 60.0%	40bp	+ 57.2%	- 125bp	- 339bp
Cost of Risk	0.96%	0.26%	- 69bp	0.69%	- 137bp	- 139bp
Full Time Equivalent eop	13,988	13,527	- 3.3%	13,527	- 3.3%	- 0.5%

In 2012 F&SME Network Poland reported an **operating income** of €1,112 million, lower by 3.2% comparing to 2011. Key driver is net interest income, which rose at fixed exchange rate, supported by the growth of lending and deposit volumes. In the fourth quarter of 2012 F&SME Network Poland reported an operating income of €283 million, higher by +5,5% comparing to the last quarter of 2011.

Operating costs, in 2012 stood at €667 million, decreasing by 2.5% comparing to 2011 thanks to increased efficiency and reduction of both HR and non-HR costs. Strict control of costs together with decrease of revenues had a neutral effect on the **cost/income**, which in 2012 amounted to 60.0%, stable comparing to the value registered in 2011 (+40bps)

The improvement of the cost efficiency is supported by the further development of electronic banking system functionalities.
The number of individuals with an access to electronic banking Pekao24 increased in the last 12 months by 12.3%. The number of business client with the access to electronic banking system PekaoFIRMA24 increased in the last year by 11.0%.

Net write-downs on loans totaled €27 million, as a result of introduced in 2012 planned methodological changes in the area of provisions calculation for collective portfolio and IBNR, mainly related to the area of recovery rate calculation and extension of LCP for some portion of portfolio.

The F&SME Network Poland ended 2012 with **profit before taxes** of €418 million, with a 10.8% increase comparing to the 2011, primarily due to a lower operating income reimbursed by the improvement in costs and risk provisions.

At the end of 2012 **loans to customers** volume was of €11,021 million, which increased by 20.5% comparing to the end of 2011. The F&SME Network Poland improved its competitive position in the retail market both in cash loans and mortgage loans.

As at December 31, 2012 **customer deposits** (including securities in issue) stood at €13,487 million, growing by +10.0% compared to the end of 2011 driven by the growth of the volumes on current accounts. F&SME Network Poland is market leader in mutual funds for retail customers with relatively stable high level of market share. In the first quarter of 2012 'Premium Personal Banking' was launched to service affluent clients. 'Premium Personal Banking' aims at creating the most comprehensive offer for the affluent client in the Polish market. The new service is distinguished by individual financial planning using professional tool and high quality of service.

Risk weighted assets came in at €9,593 million, an increase of 17.2% from December 2011.

Results by Business Segment (Continued)

Family & Small Medium Enterprise (F&SME) (Continued)

F&SME Factories

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

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

These companies seek to pursue excellence in terms of products and services and provide efficient sales and after-sales assistance by also supporting the Networks to improve the level of customer satisfaction.

Income Statement, Key Ratios and Indicators

(€ million)

F&SME NETWORK FACTORIES	YEAR 2011	YEAR 2012	% CHANGE	2012 Q4	% CHANGE ON Q4 2011	% CHANGE ON Q3 2012
Operating income	1,994	1,993	- 0.1%	504	- 8.4%	+ 6.6%
Operating costs	(856)	(832)	- 2.9%	(213)	+ 0.6%	+ 7.6%
Net write-downs on loans	(647)	(738)	+ 14.1%	(186)	- 7.5%	+ 15.4%
Net operating profit	491	423	- 13.8%	105	- 23.5%	- 7.5%
Profit before tax	447	403	- 9.7%	103	- 14.0%	- 3.2%
Loans to customers eop	56,398	55,056	- 2.4%	55,056	- 2.4%	+ 2.3%
Customer deposits (incl. Securities in issue) eop	15,767	18,423	+ 16.8%	18,423	+ 16.8%	+ 6.0%
Total RWA eop	48,108	49,025	+ 1.9%	49,025	+ 1.9%	+ 1.3%
EVA	(10)	(269)	n.s.	(47)	n.s.	- 21.3%
Absorbed Capital	2,929	4,367	+ 49.1%	4,388	+ 107.3%	- 0.7%
RARORAC	- 0.35%	- 6.15%	- 580bp	- 4.27%	n.s.	112bp
Cost/Income	+ 42.9%	+ 41.7%	- 120bp	+ 42.2%	377bp	39bp
Cost of Risk	1.19%	1.35%	16bp	1.37%	- 9bp	18bp
Full Time Equivalent eop	6,181	6,185	+ 0.1%	6,185	+ 0.1%	- 0.6%

The F&SME Factories closed 2012 with an **operating income** of €1,993 million, stable compared to the same period of 2011. This trend is mainly due to net interest margin improvement (+5%), driven by spread effect and increasing volumes on deposits of Asset Gathering. Fees are decreasing mainly due to lower negotiation fees in asset gathering and lower bancassurance fees related to consumer credit products. Compared to the previous quarter the operating income was up by 6.6%, mainly because of decrease in Leasing net interest margin for lower cost of borrowing, especially in Italy and for repricing actions on some specific positions in Factoring.

Operating costs amounted to €832 million, down over the 2011 (-2.9%) due to savings in Consumer Finance and Leasing. In the Consumer Finance savings are related to lower administrative expenses, driven by cost efficiency actions realized during the year and to HR costs, mainly in Italy. In Leasing savings mainly depend on FTEs reduction, with HR cost impacts, and on cost efficiency actions with direct effects on other administrative expenses (travel, consultancy etc.). Compared to the previous quarter, costs have increased by 7.6%, mainly in the other administrative expenses.

The increase in revenues and the cost efficiency had a positive impact on **cost/income** in December 2012, recording a value of 41.7%, down from the value of December 2011 (-120 bps).

The **net write-downs on loans** amounted to €738 million, with an increase compared to 2011 (+14.1%) mainly due to higher new flows to default in Leasing. The cost of risk in 2012 raised to 135 bps, up by 16 basis points compared to the value recorded in 2011. Compared to the previous quarter the net write-downs on loans showed a worsen result (+15.4%) with a negative effect on cost of risk (+18 bps).

The F&SME Factories perimeter closed 2012 with a **profit before tax** of €403 million, lower than the same period of the previous year (-9.7%).

At the end of December 2012 **loans to customers** stood at €55,056 million, with a decrease of 2.4% compared to 2011. The **customer deposits** (including securities in issue) were 18,423 million, with an increase of 16.8% y/y.

Corporate & Investment Banking (CIB)

Introduction

The Corporate & Investment Banking (CIB) division is dedicated to corporate customers with revenues of over €50 million and institutional customers of UniCredit Group. The business model adopted is focused on a clear distinction between coverage and local distribution (Network) areas, and those areas dedicated to centralized specialization of dedicated products or services, namely Financing & Advisory (F&A), Markets and Global Transaction Banking (GTB).

Income Statement, Key Ratios and Indicators

(€ million)

CORPORATE & INVESTMENT BANKING	YEAR 2011	YEAR 2012	% CHANGE	2012 Q4	% CHANGE ON Q4 2011	% CHANGE ON Q3 2012
Operating income	7,221	7,067	- 2,1%	1,594	+ 3.6%	- 8.3%
Operating costs	(2,765)	(2,631)	- 4,8%	(607)	- 10.6%	- 9.4%
Net write-downs on loans	(1,944)	(4,635)	+ 138,4%	(2,549)	n.s.	+ 250.0%
Net operating profit	2,512	(199)	- 107,9%	(1,561)	n.s.	n.s.
Profit before tax	2,078	193	- 90,7%	(1,349)	n.s.	n.s.
Loans to customers eop	220,677	213,116	- 3,4%	213,116	- 3.4%	- 4.9%
Customer deposits (incl. Securities in issue) eop	126,783	132,806	+ 4,8%	132,806	+ 4.8%	- 9.7%
Total RWA eop	194,997	162,616	- 16,6%	162,616	- 16.6%	- 3.2%
EVA	(199)	(2,067)	n.s.	(1,449)	n.s.	n.s.
Absorbed Capital	13,702	16,491	+ 20,4%	14,740	+ 1.7%	- 11.6%
RARORAC	- 1.45%	- 12.53%	n.s.	- 39.33%	n.s.	n.s.
Cost/Income	+ 38.3%	+ 37.2%	- 106bp	+ 38.1%	n.s.	- 49bp
Cost of Risk	0.88%	2.13%	125bp	4.66%	384bp	334bp
Full Time Equivalent eop	9,390	8,635	- 8,0%	8,635	- 8.0%	- 1.4%

The Corporate & Investment Banking division ended 2012 with a **profit before tax** of €193 million, down from 2011 (-€1,885 million y/y) notwithstanding the resilience of gross operating profit (-0.4% y/y).

Operating income was €7,067 million, down by 2.1% y/y, negatively influenced by a still challenging financing environment, lower one-off contributions and clear deleveraging actions. **Net interest income** at December 2012 was €4,748 million, down €42 million y/y, driven primarily by the unfavorable rise in funding costs and volumes reduction; improved performance in trade-related interests and rates operations, instead, helped to mitigate the negative trend. **Net commission and fees** record a decrease (-10.8% y/y) due to general reduction of client activity in financial markets and unfavorable regulatory impacts.
The quarterly trend shows a reduction in Operating income (-8.3% q/q) as a result of higher one-off income in previous quarter, negative regulatory impact on net commissions and fees and lower contribution from trading profit.

Operating costs at December 2012 amount to €2,631 million, down 4.8% compared to 2011 thanks primarily to decrease in **payroll costs** (-6.1% y/y) following a noticeably reduction in FTEs (-755 FTE y/y). **Other administrative expenses** are also down (-3.7% y/y) sustained by effective policy of cost control.

Net write-downs on loans and provisions totaled €4,635 million in 2012, with a noticeable deterioration from 2011 levels (-€ 2,691 million y/y) following enhancement actions of coverage in Italy and accounting reclassification in Germany.

Net operating profit at December 2012 was -€199 million, substantially down compared to 2011 levels (-€ 2,710 million y/y), mainly impacted by increased net write-downs on loans and provisions.

As of December 31 2012 **loans to customers** recorded volumes down by 3.4% compared to 2011 as a results of overall slowdown in commercial lending operations.

Deposits from customers (including securities) were down by 4.8% compared to 2011, reflecting a clear improvement in funding gap (-€13,584 million y/y).

Risk weighted assets are visibly down compared to 2011 (-€32,381 million y/y) thanks to a material reduction in credit risk and in spite of the increased market risk component due to implementation of Basel 2.5 directives.

EVA as of December 2012 was -€2,067 million, substantially down compared to 2011 level (-€1,868 million y/y) following the increase in net write-downs on loans and provisions and a simultaneous rise in cost of capital.

At December 2012 the **cost/income ratio** was 37.2%, an improvement by 106bp compared to 2011.

The **cost of risk** for 2012 was 2.1%, up by 125bp compared to 2011.

The **FTE** (Full Time Equivalent) trend fell by 8% compared to 2011 following a general restructuring plan.

Results by Business Segment (Continued)

Private Banking

Introduction

The Private Banking division provides high net worth individuals with solutions and services to manage their personal wealth. Among others it is catering to the needs of entrepreneurs, top managers and other opinion leaders thus serving some of UniCredit's key clients. Independent advisory leading to advanced solutions, an uncompromising focus on customer value and constantly striving for excellence are the core values of Private Banking.
The division boasts trustful and lasting relationships with more than 200,000 clients in Italy, Germany, Austria, Luxembourg and Poland, managed by more than 1,200 private bankers located in about 250 branch offices.

Income Statement, Key Ratios and Indicators

(€ million)

PRIVATE BANKING	YEAR 2011	YEAR 2012	% CHANGE	2012 Q4	% CHANGE ON Q4 2011	% CHANGE ON Q3 2012
Operating income	902	919	+ 1.9%	233	+ 2.6%	+ 4.1%
Operating costs	(574)	(556)	- 3.1%	(138)	- 2.8%	- 0.3%
Net write-downs on loans	(6)	(25)	n.s.	(12)	n.s.	+ 24.9%
Net operating profit	323	338	+ 4.6%	83	- 1.7%	+ 9.5%
Profit before tax	275	307	+ 11.7%	58	+ 10.8%	- 31.9%
Loans to customers eop	8,078	8,798	+ 8.9%	8,798	+ 8.9%	+ 3.9%
Customer deposits (incl. Securities in issue) eop	35,473	39,825	+ 12.3%	39,825	+ 12.3%	+ 1.8%
Total RWA eop	4,902	5,180	+ 5.7%	5,180	+ 5.7%	+ 1.5%
EVA	140	177	+ 26.5%	37	+ 71.3%	- 25.4%
Absorbed Capital	421	446	+ 6.0%	427	- 3.0%	- 8.3%
RARORAC	+ 33.25%	+ 39.70%	n.s.	+ 34.70%	n.s.	n.s.
Cost/Income	+ 63.6%	+ 60.5%	- 310bp	+ 59.2%	- 331bp	- 263bp
Full Time Equivalent eop	3,027	2,978	- 1.6%	2,978	- 1.6%	- 0.7%

Operating income of the Private Banking division was €919 million up by 1.9% y/y, driven by the good trend of **net commissions**, especially sales fees in Italy, mostly on asset under management products. Net Interest, on the other hand, was basically flat on the previous year, with the growth of customer deposits (+12.3% y/y end of period data) offsetting the spread slowdown, partially attributable to market rates decline.

Operating costs amounted to €556 million down by 3.1% on the previous year. Staff expenses decreased also thanks to lower variable component and social charges. The increase of other administrative expenses was fully due to higher tax charges on securities accounts in Italy, that were entirely offset by expenses recovery. Actually, excluding payroll costs, total operating costs fell, as a result of effective expenditure containment actions.

Marked improvement on **cost/income ratio**, that as of December 31, 2012 stood at 60.5% compared to 63.6% as of the same period of 2011.

Net operating profit of €338 million went up by 4.6% y/y, impacted by higher net write downs on loans mostly in Germany.

The division achieved a double digit growth on **profit before taxes** (+11.7% y/y) which amounted to €307 million as of 2012 year end, thanks to lower provisions for risk and charges booked compared to the previous year.

During 2012 the Private Banking division has worked intensively on commercial synergies with other divisions of the Group, on the innovation of the service model and the launching of new products for the networks.

The relationship with our clients benefited from the segment-specific enhancement of the service models, especially focusing on entrepreneurs and professionals as target clients.

Also on the product innovation side relevant results were achieved throughout the year. In detail, the main initiatives were the launch of an innovative guaranteed mandate solution based mostly on ETFs, "UniCredit Green" which is unique in Italy. In Germany "Depot Global" was introduced: a new advisory service based on a flat fee, also the first of its kind in the market. Based on these success stories similar products will be launched shortly also in other important markets of UniCredit group.

Asset Management

Introduction

Asset Management operates under the Pioneer Investments brand, the asset management company within 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 financial solutions, including mutual funds, assets under administration and portfolios for institutional investors.
Pioneer Investments started an organic growth strategic plan which will further enhance the quality of Pioneer Investments' product offering while maintaining focus on delivering an outstanding level of client service.
In 2012, its relationship with UniCredit was also reviewed through a distribution agreement that sets specific requirements in terms of performance and quality of service provided by Pioneer. Reciprocally, UniCredit has committed to effectively support Pioneer leveraging on its distribution network, maintaining agreed level of market share.

Income Statement, Key Ratios and Indicators

(€ million)

ASSET MANAGEMENT	YEAR 2011	YEAR 2012	% CHANGE	2012 Q4	% CHANGE ON Q4 2011	% CHANGE ON Q3 2012
Operating income	751	702	- 6.5%	193	+ 10.6%	+ 12.7%
Operating costs	(465)	(480)	+ 3.3%	(131)	+ 10.4%	+ 5.2%
Net write-downs on loans	-	-	n.s.	-	n.s.	n.s.
Net operating profit	287	222	- 22.4%	62	+ 10.9%	+ 32.5%
Profit before tax	262	196	- 25.4%	42	+ 15.9%	- 4.4%
EVA	168	88	- 47.3%	3	- 87.6%	- 86.0%
Absorbed Capital	307	294	- 4.2%	274	- 10.5%	- 8.2%
RARORAC	+ 54.69%	+ 30.10%	n.s.	+ 4.85%	n.s.	n.s.
Cost/Income	+ 61.8%	+ 68.3%	n.s.	+ 67.9%	- 10bp	- 481bp
Full Time Equivalent eop	1,949	1,968	+ 0.9%	1,968	+ 0.9%	+ 2.0%

In 2012 Asset Management reported **operating profit** of €222 million, down 22.4% over 2011.

Operating income stood at €702 million, down €49 million (-6.5%) compared to 2011. Such a decrease is primarily attributable to lower **net commissions** (-€41 million) as a result of lower AuM.

In 2012 **operating costs** increased compared to 2011 (+€15 million or +3.3%) mainly due to negative fx effect. At constant Fx the increase results significantly lower (+€3 million or +0.7%).

Because of the above factors as well as a provision related to Vanderbilt legal dispute, **profit before tax** totaled €196 million in the current year, down €66 million (-25.4%) compared to 2011.

Compared to the data of the third quarter of the current year operating profit for the fourth quarter of 2012 was up €15 million or +32.5%. Such an increase is essentially attributable to higher revenues (+€22 million or +12.7%) mainly as a consequence of performance fees booked in the fourth quarter. The fourth quarter also shows an increase in costs (+€6 million or +5.2%) mainly related to higher marketing and internal communication expenses.

The Business Line's results are reflected in the following value indicators: **EVA** was €88 million in 2012 compared to €168 million of the previous year (-47.3%); the cost/income ratio stood at 68.3% in 2012, having been impacted by substantial revenue decrease.

At the end of December 2012 Asset Management had 1,968 **Full Time Equivalent** employees, with an increase of 19 FTEs respect of December of previous year, mainly as a consequence of switch of temporary workforce into permanent staff.

Results by Business Segment (Continued)

Central Eastern Europe (CEE)

Introduction

UniCredit is a market leader in Central and Eastern Europe, where it has a broad network of about 2,600 branches. Its regional footprint is diverse and includes a direct presence in 17 countries. The Group's market position in CEE provides local banks with substantial competitive advantages. This includes the sharing of best practices, significant economies of scale, access to international markets and strong brand recognition. Moreover, the diversified portfolio in this region enables modular growth and increased market penetration for UniCredit's global product lines.

Income Statement, Key Ratios and Indicators

(€ million)

CENTRAL EASTERN EUROPE	YEAR 2011	YEAR 2012	% CHANGE	2012 Q4	% CHANGE ON Q4 2011	% CHANGE ON Q3 2012
Operating income	4,493	4,727	+ 5.2%	1,263	+ 11.6%	+ 2.7%
Operating costs	(2,117)	(2,193)	+ 3.6%	(568)	+ 4.8%	+ 3.6%
Net write-downs on loans	(768)	(895)	+ 16.4%	(286)	+ 26.7%	+ 38.0%
Net operating profit	1,608	1,640	+ 2.0%	409	+ 12.3%	- 13.7%
Profit before tax	1,599	1,695	+ 6.0%	400	+ 9.1%	- 26.5%
Loans to customers eop	66,745	70,185	+ 5.2%	70,185	+ 5.2%	+ 0.0%
Customer deposits (incl. Securities in issue) eop	56,909	64,074	+ 12.6%	64,074	+ 12.6%	+ 6.2%
Total RWA eop	79,793	83,183	+ 4.2%	83,183	+ 4.2%	- 0.2%
EVA	467	326	- 30.2%	89	+ 17.3%	- 24.3%
Absorbed Capital	6,074	7,310	+ 20.3%	7,314	+ 18.1%	- 3.1%
RARORAC	+ 7.69%	+ 4.46%	- 323bp	+ 4.84%	- 3bp	- 136bp
Cost/Income	+ 47.1%	+ 46.4%	- 73bp	+ 45.0%	- 290bp	38bp
Cost of Risk	1.21%	1.30%	9bp	1.63%	25bp	44bp
Full Time Equivalent eop	48,018	46,847	- 2.4%	46,847	- 2.4%	- 0.9%

With an increase of the **operating income** by +5% to €4.7 billion and of the **pre-tax profit** by +6% to €1.7 billion, the CEE Division again contributed significantly to the Group's results. Business volumes showed a healthy expansion with an increase of overall **customer loans** by 5% to €70.2 billion and of **customer deposits** (incl. securities issued) by 13% to €64.1 billion, thus further reducing the dependence on external funding. The increase of risk weighted assets by only 4%, remaining 1% below the growth of loans, indicates further improvements in capital efficiency.

The continued, stable development of **operating income** was carried by the growth of net interest income, a stable fee & commission income, and a good trading result. **Net interest income** increased by 4%, driven by the increase of business volumes while margins were under pressure in most countries due to lower interest rate levels, the wide-spread increase in competition for customer deposits, and still comparatively high liquidity and refinancing costs. In contrast to this, Turkey reported a further increase in interest margins due to a more benign economic environment and to an effective business mix management. **Net fee & commission income** improved moderately by about 2%, with the positive development in most countries - particularly from credit card and payment transactions - being counterbalanced by the impact of reporting and regulatory changes especially in Turkey. The trading result improved by about 20% over the previous year, with increases positive result in all countries. The **trading result** is largely defined by the client-driven FX- and interest rate risk management as a response to the high market volatilities.

The ongoing strict cost management kept the increase of **operating costs** in 2012 below the rate of +4% over the previous year, thus remaining below both the increase in revenues and the average inflation rate in the region in the same period. The cost-income ratio therefore improved further to 46.4%, an improvement of 73bp over the previous year.

Given the persisting weaknesses in most economies and the recent austerity measures, credit risk remained rather stable in 2012. **Net write-downs** on loans increased by 16% to €895 million resulting in a moderate increase of the corresponding cost of risk ratio from 1,21% in 2011 to 1,30% in 2012. This increase is partially also due to the exceptionally low risk costs in Turkey in 2011. The non-operating positions contributed for €55 million to the 2012 pre-tax profit resulting in an increase of +€64 million compared to previous year - despite higher **provisions for risk and charges** - thanks to strong increase of **profit on investments** which improved to €119 million. A large part of this profit was derived from the sale of further shares in the Moscow Interbank Currency Exchange. Last year, similar profits were largely off-set by the impairment of Greek bonds.
At the end of 2012 the CEE banks operated 2,543 **branch offices**, 65 branches less than in 2011. While Turkey continued with its network expansion strategy in 2012, the recent branch expansion programs in the Czech Republic and in Russia were practically already concluded in 2011. In other countries, chiefly in the Ukraine, Romania, Hungary and Bulgaria, the network was streamlined for efficiency in 2012.
This was the main reason for the decrease in the **number of employees** which, expressed in full-time equivalents, decreased by 1,172 FTE in 2012 to 46,847 FTE at the end of the year.

Global Banking Services (GBS)

Introduction

The mission of the Global Banking Services area is to optimize costs and internal processes guaranteeing operating excellence and supporting the sustainable growth of the Business Lines.

It falls within the scope of the COO, whose main areas of responsibility are: ICT, Operations, Workout, Real Estate, Global Sourcing, Security and Organization.

Income Statement, Key Ratios and Indicators

(€ million)

GLOBAL BANKING SERVICES	YEAR 2011	YEAR 2012	% CHANGE	2012 Q4	% CHANGE ON Q4 2011	% CHANGE ON Q3 2012
Total Direct Costs:	(3,682)	(3,584)	- 2.7%	(934)	- 0.1%	+ 6.5%
o/w Staff Expenses	(1,064)	(1,019)	- 4.3%	(251)	+ 1.7%	+ 1.5%
o/w Other expenses and depreciation	(2,619)	(2,565)	- 2.0%	(683)	- 0.7%	+ 8.5%
Full Time Equivalent eop	16,074	15,814	- 1.6%	15,814	- 1.6%	+ 2.4%

The 2012 financial year of the Global Banking Services Division was characterised by two significant corporate operations: the launch on January 1st, 2012 of UniCredit Business Integrated Solutions S.C.p.A. (hereinafter UBIS SCpA.) and the establishment of a joint venture with HP for the management of salaries and administrative procedures within the context of Human Resources.

UBIS SCpA., 100% owned by UniCredit S.p.A., began following the All4Quality Project as the consolidation of 13 services companies of the Group dedicated to the provision of services of Information and Communication Technology (ICT), Back Office and Middle Office, Real Estate, Security and Procurement. The new entity, which represents the first tangible milestone of the strategic plan announced in November 2011, is among the top European services companies; it has adopted a new organisational model aimed at improving the operational and organisational efficiency of the Group guaranteeing at the same time high standards of innovation, flexibility and transparency.

In May 2012 a 15 year agreement was signed between UBIS SCpA. and HP in order to optimize the activities relative to salaries and Information Technology for the administrative procedures of Human Resources which gave rise to ES Share Service Center of which UBIS SCpA. holds 49%. Thanks to the best practice of HP and the technical expertise of UniCredit S.p.A., the new service model will guarantee several benefits for the Bank, such as economy of scale, rationalisation of administrative costs, better quality in the transactions and an optimisation of the reporting relative to personnel and salaries.

The Global Banking Services Division closed financial 2012 have managed **total direct costs** of 3,584 million, a drop of 2.7% compared to the same result in 2011. This result was made possible thanks to the constant ability to carry out actions aimed at containing the cost base which allowed us to reverse the natural trend of growth resulting from the impact of the inflation, the salary increase, the personnel costs, the taxes, especially in the Real Estate field due to the introduction in Italy of the *IMU* - as well as resulting from the significant IT investments which this year as well were made available to the various business areas of the Bank (including meeting the numerous regulatory requirements).

The reduction in the **personnel expenses**, of -4.3% y/y, is the result of a careful management dynamic of the resources which have fallen y/y by 260 units not only due to the joint venture operation described but also thanks to additional efficiency obtained especially in the mature markets Back Office. In the last part of the year, it must be noted that the transfer into the Division of 434 redundancies, coming mainly from the Network in Italy, employed in the internalization of activities, managed up to today by outside companies.

Other expenses and depreciation highlight a decrease of 2.0% y/y due to a specific policy of containment of the discretionary (in particular consulting and travel expenses) and non-discretionary expenses - promoted by the Mindset 400 project - as well as thanks to the initiatives of optimization of the spaces and costs in the Real Estate field, in line with the objectives defined in the Business Plan. In the Real Estate field, the Group continued its commitment to optimize its presence in the principal italian cities with potential savings on an annual basis of €9 million (pro-forma) provided by the reduction of 4 buildings for 65,000 sq metres downsizing.

In Italy the renegotiation activities continued of the lease agreements with new savings of approximately Euro 1.2 million per year, which passes the threshold of Euro 10 million in savings per year overall obtained by the start of the project called kill the rent.

In the IT field, the release also in Austria of the EuroSIG system (single platform serving Commercial Banking) must be pointed out, already implemented in Italy, Germany and the Czech Republic. At the same time the implementation of EuroMIB was extended, global platform for the Markets business, at the branches of New York and Singapore, which follow the migrations of the principal trading floors (Milan, Munich and London) carried out in 2011.

Other information

Report on corporate governance and proprietary structures

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

An explanatory chapter on the Corporate Governance structure is likewise included below in this document.

Report on remuneration

Pursuant to Art. 84-quater, paragraph 1, of the Issuers’ Regulations implementing the Legislative Decree no. 58 of February 24, 1998, the “Report on remuneration” is available on UniCredit’s website (http://www.unicreditgroup.eu).

Rationalization of Group operations and other corporate transactions

In accordance with its organizational and business model, the Group completed a number of projects to rationalize its perimeter and reorganize the operations of some of its subsidiaries also with the aim of achieving greater synergies and cost reductions.
In addition, some shareholdings considered no longer strategic were divested.

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

The plan designed to rationalize the support units and companies of the Group Global Banking Services area, which is fully described in the 2011 financial statements, has been completed as far the Italian businesses are concerned by finalizing the merger, effective from January 1, 2012, of UniCredit Real Estate ScpA into UniCredit S.p.A. and of UniCredit Business Partner ScpA into UniCredit Business Integrated Solutions ScpA (UBIS).
At the same time, UniCredit S.p.A. transferred its “General Real Estate Services” and “Information and Communication Technology, Security (ICT), Global Sourcing and Operations” business units to UBIS.

With respect to the foreign businesses, the reorganization of operations and units in the Global Banking Services area was achieved as follows:
- in Austria, through the merger of UniCredit Business Partner GmbH (a back-office, controlled by UBIS) into UniCredit Business Integrated Solutions Austria GmbH (an IT company of which UBIS acquired control from UniCredit Bank Austria AG), effective from February 1, 2012; in addition, in September UniCredit Bank Austria sold its subsidiary Domus Facility Management GmbH to the above-mentioned UniCredit Business Integrated Solutions Austria, into which it is expected to merge in the first quarter of 2013;
- in Germany, through the merger into a single company, UniCredit Global Business Services GmbH (wholly owned by UniCredit Bank AG), of all middle- and back-office, procurement, and facility management operations, as well as some operating activities falling within the real estate facility management.

Following this reorganization, UBIS assumed the role of operating sub-holding to provide the Group’s support services both in Italy and abroad.
In this role, the company ensures a global vision for external and domestic customers’ requests in terms of priorities and opportunities and maximizes the effectiveness of investments by combining the technologies and the tools used.
In addition to the reorganization of operations in the Global Banking Services area, the executive plan to qualify UBIS as the sole company providing support services also calls for maintaining a strategic focus on extra captive market segments through specific subsidiaries or associates if oriented towards special markets, co-branding actions, partnerships or joint ventures to grow such markets.
Against this backdrop, an initiative designed to rationalize support services for the Human Resources processes (“HR administrative services”) was developed with Hewlett Packard (HP) by setting up a

company specializing in the provision of such services and signing a multi-year agreement with the newly-established company for the provision of HR administrative services to Group companies in Italy and in Austria. On May 1 the plan was finalized with the transfer from UBIS to the above-mentioned company, called ES Share Service Center S.p.A. (ES SSC), of the unit responsible for managing the HR administrative services, previously in UCBP and transferred to UBIS after the absorption of UCBP. As a result of the transfer, UBIS now holds 49% of ES SSC, with HP holding 51%.

Merger of Pioneer Alternative Investment Management SGRpA into Pioneer Investment Management SGRpA

With the aim of having a single asset management company in Italy, in January 2012 UniCredit launched a plan for the merger of Pioneer Alternative Investment Management SGRpA (PAIM - a company promoting and managing hedge funds) into Pioneer Investment Management SGRpA (PIM - a mutual fund management and asset management service company). The new company resulting from the merger consolidates its position as the market leader by promoting the various types of funds and therefore providing customers with a wide range of products.

The merger, authorized by the Bank of Italy and approved by PAIM's and PIM's meetings in June, became effective on September 1, 2012.

Merger of Family Credit Network S.p.A. into UniCredit S.p.A.

In accordance with the organizational and business model, a plan was approved in March 2012 for the merger of Family Credit Network S.p.A. (FCN) into UniCredit S.p.A., as a result of which the Parent Company will directly grant "financing against salary-guaranteed loans" and loans through financial intermediaries/ financial agents/credit brokers.

After obtaining authorization from the Bank of Italy, the transaction was approved by the acquiree's meeting on July 31, 2012 and by the acquirer's Board of Directors on August 3, 2012 (pursuant to art. 2505 of the Civil Code). On October 16, 2012 the deed of merger relating to the above-mentioned plan was finally drawn up with effect from November 10, 2012.

Merger of UniCredit Audit S.C.p.A., UniManagement S.C.r.l., UniCredit Merchant S.p.A. and UniCredit Logistics S.r.l. into UniCredit S.p.A.

In July 2012 UniCredit carried on the reorganization of the Group's Italian businesses aimed at streamlining the Group structure, simplifying the governance and reducing costs by starting a project for the rationalization of certain activities carried out by some Italian subsidiaries through direct merger into UniCredit S.p.A.
Specifically, the project - which will be implemented by the first half of 2013 - calls for the merger into UniCredit S.p.A. of UniCredit Audit (which provides Audit services for Italian companies), UniManagement (which provides management training services for the Group), UniCredit Merchant (which manages certain minority investments and some investments of Principal Investments) and UniCredit Logistics (a company for the development of infrastructure and logistics services). In this regard, after the approval of the respective Boards of Directors in July 2012, in December 2012 the project for the merger was approved by the acquirees' meetings and by the acquirer's Board of Directors (pursuant to art. 2505 of the Civil Code). On February 25, 2013 the deed of merger was drawn up with effect from March 1, 2013.
With respect to Italian subsidiaries, UniCredit approved the launch of the initiatives designed to

- merge Fineco Leasing (specializing in real estate leasing) and Joinet (an e-commerce service company) into UniCredit Leasing and into I-Faber, respectively;
- liquidate Localmind (consulting company specializing in the distribution of the operating units of the Group's banks across the country).

These transactions are expected to be completed by the end of 2013.

Rationalization of the Group businesses in the CEE region

As part of the planned rationalization of the Group businesses in the CEE region, in November 2012 UniCredit approved a project for the absorption of the subsidiary UniCredit Bank Slovakia a.s. (Slovakia) into the subsidiary in the Czech Republic (UniCredit Bank Czech Republic a.s.). The absorption - not yet approved by local authorities - is expected to be completed by the end of 2013 and as of 2014 will generate synergies in terms of efficiency, capital structure and liquidity management.

Other information (Continued)

Report on corporate governance and proprietary structures (Continued)

Other transactions involving shareholdings

The Family Office project: establishment of a dedicated consultancy (SIM)

The "Private - Ultra High Net Worth Individuals" (individuals with a disposable income exceeding €10 million) market segment is strategic for the Group in terms of highest profitability and asset growth rates. Against this backdrop, UniCredit decided to implement the Family Office project establishing a consultancy dedicated to the needs of the "business families" belonging to the above-mentioned segment.
The new consultancy - established in September 2011 and called Cordusio Sim Advisory & Family Office - is wholly owned by Cordusio Fiduciaria (which in turn is wholly owned by UniCredit) in order to capitalize on both the synergies generated by the expertise gained by Cordusio in ten years and the well-established brand as well as to optimize processes, reduce costs and improve the effectiveness of the activity.
The new consultancy, which received CONSOB's authorization to operate in April 2012, started operating in October 2012. More specifically, the company is the entity within the Group dedicated to the offering of consultancy services focusing on investment and integrated financial solutions (e.g. account aggregation/consolidation services, integrated planning, business advisory & governance of business families), i.e. advice on how to manage the portfolios of clients of the Group's entities and of third-party intermediaries, and on the asset protection.

Establishment of a Newco for the start-up of the "east" magazine

The magazine about geopolitics "east", launched by UniCredit in 2004, has since been a well-known landmark in the field of specialized magazines dealing with EU issues and international relations.
Against this backdrop, and given the magazine's strategic importance to the Group, it was considered appropriate to establish a NewCo to help the Group cultivate relationships with Europe and the rest of the world through the promotion of a magazine, autonomous and independent, which represents an opportunity to have an influential voice in the international debate on the European integration process and the evolution of markets in the Near and the Far East.
In December 2012 the company EuropEye, owner of the "east" magazine, was established; it is controlled by UniCredit, which holds a 90% stake, and by The European Council for Foreign Relations and Far Out Films (each holding a 5% stake).

Sale of non-strategic shareholdings

Sale of the stake in Sofipa SGR S.p.A.

Following the approval by the competent authorities, in December 2012 the stake held by UniCredit S.p.A. (100% of share capital) in Sofipa SGR S.p.A. was sold to Synergo 2 S.p.A., a newly established company owned by Cuneo e Associati S.p.A. and Mr Paolo Zapparoli, shareholders of Synergo S.p.A.
As part of this transaction, UniCredit S.p.A. subscribed for €50 million of shares in Sinergia II, the fund launched by Synergo SGR S.p.A. in 2011 targeting investments in medium-sized Italian enterprises, whose fundraising phase is nearing completion.

Sale of the stake held in London Stock Exchange Group Plc

The sale, via an accelerated bookbuild, of the entire stake worth €198.3 million in London Stock Exchange Group plc was closed in May 2012 (16.6 million ordinary shares representing 6.1% of share capital), resulting in a positive contribution to net income on a consolidated basis of approximately €121.5 million.

Sale of 3.4% of the stake held in MICEX-RTS

In July 2012, ZAO UniCredit Bank reduced its stake in MICEX-RTS, Moscow's Stock Exchange, from 9.6% to 6.2% by selling 3.4% of its shareholding to the American private equity fund Cartesian Capital Plc and to the Russian Direct Investment Fund (RDIF). The transaction resulted in a gross capital gain on a consolidated basis of €75.6 million.

Subsequent transactions

Capital contributions to subsidiaries active in factoring and leasing markets

Over the last three years, Italy's factoring market showed significant development in spite of an economic downturn, largely due to the characteristics of the product, which allows customers to meet their financial needs and better manage their trade receivables.
Against this backdrop, in 2012, at the end of the second year of its five-year business plan, the subsidiary UniCredit Factoring far exceeded the goals set, showing excellent growth also in terms of market share, now above 16%.
The growth of the company's activity will receive a further boost as a result of ongoing projects that provide for a significant increase in assets. In order to support the growth plan and meet the company's regulatory requirements, a €300 million capital contribution to the subsidiary was completed in January 2013.

Similarly, with respect to the leasing market, a capital contribution was made to Fineco Leasing (€25 million) to allow it to maintain its uptrend in volumes until it will be absorbed into the subsidiary UniCredit Leasing (which is expected to take place by 2013).

Sale of 9.1% of the stake held in Bank Pekao S.A.

In January 2013, UniCredit S.p.A. reduced its stake in Bank Pekao S.A. from 59.2% to 50.1% by selling 9.1% via an accelerated bookbuild open to institutional investors only.
Upon the sale, which yielded approximately €890 million, a gross capital gain of about €135 million on a consolidated basis was realized, which was entirely allocated to capital reserves as Pekao S.A. is a fully consolidated subsidiary of UniCredit S.p.A.

Joint venture agreement with Renault and Nissan to provide auto financing services in Russia

In late January 2013, a joint venture agreement was signed to provide auto financing services in Russia. Renault-Nissan will hold a 60% stake and Bank Austria AG a 40% stake.
This joint venture is the evolution of the trade agreement between Renault and ZAO UniCredit Bank entered into in 2006. The joint venture is expected to become operational as from the end of 2013, subject to approval by the regulators.

Certifications and other communications

With reference to the "Rules of Markets organized and managed by Borsa Italiana S.p.A." dated October 3, 2011 (Title 2.6 "Obligations of issuers", Section 2.6.2. "Disclosure requirements", paragraph 10) the satisfaction of conditions provided by Section 36 of Consob Regulation No. 16191/2007, letters a), b) and c) is hereby certified.

With reference to paragraph 8 of Art. 5 - "Public information on transactions with related parties" of Consob Regulation containing provisions relating to transactions with related parties (adopted by Consob with Resolution No. 17221 of March 12, 2010, as subsequently amended by Resolution No. 17389 of June 23, 2010), it should be noted that:

a) according to the "Procedures for transactions with related parties", adopted by UniCredit S.p.A.'s Board of Directors on November 9, 2010 and published on the website www.unicreditgroup.eu, in 2011 the Bank's *Presidio Unico* received no reports of transactions of greater significance;
b) in 2011, no transactions with related parties as defined by Article 2427, paragraph 22-bis of the Civil Code were conducted, under different conditions from normal market conditions materially affecting the Group's financial and economic situation;
c) in 2011, there were no changes or developments in the individual transactions with related parties already described in the latest annual report that had a material effect on the Group's financial position or results during the reference period.

For more information on related-party transactions please refer to the Consolidated Financial Statements - Notes to the consolidated accounts - Part H.

Bank of Italy's review of provisioning

In December 2012 the Bank of Italy undertook a review of corporate policies and practices regarding loan loss provisions. The review, conducted in January and February 2013, involved the major Italian banks and was aimed at verifying the effective implementation of corporate policies concerning valuation methods for impaired loans. In particular, the analyses conducted on UniCredit S.p.A. and UniCredit Credit Management Bank S.p.A. focused on the policies developed for the determination of value adjustments and assessments made on a sample of positions classified as non-performing loans.
The review, also conducted in cooperation with the corporate functions, revealed the need for additional assessments - immediately included in the 2012 financial statements after the completion of the review - and business practices, which will be implemented in 2013.

Other information (Continued)

Capital Strengthening

UniCredit S.p.A.'s Extraordinary Shareholders' Meeting, held in Rome on December 15, 2011, approved the capital strengthening measures announced to the market on November 14, 2011.

More specifically, the Shareholders' Meeting approved:
- the capitalization of the share premium reserve originated by the CASHES shares through a free capital increase, pursuant to Article 2442 of the Italian Civil Code;
- the cancellation of the nominal value of UniCredit ordinary and savings shares;
- a share capital increase by way of a rights issue for a total maximum amount of €7.5 billion to be carried out through the issuance of new ordinary shares with regular beneficial ownership rights to be offered on a pre-emptive basis to existing holders of UniCredit ordinary and savings shares, pursuant to Article 2441, first, second and third paragraph of the Italian Civil Code;
- a reverse stock split of ordinary and savings shares based on a ratio of 1 new ordinary or savings share for every 10 outstanding ordinary or savings shares;
- an amendment to UniCredit's Articles of Association enabling the Board of Directors to offer shareholders the chance to receive dividends either in cash or UniCredit ordinary shares (scrip dividend) or a mix of cash and ordinary shares.

UniCredit S.p.A.'s Board of Directors also announced its intention not to submit to the Shareholders' Meeting, in 2012, any proposals for the payment of dividends with respect to its 2011 financial results, as per Bank of Italy's paper dated March 2, 2012.

Therefore, in 2011 the following steps were taken:
- the €2,499,217,969.50 free capital increase, through the allocation to capital of an equivalent amount transferred from the "Issue-premium reserve";
- the cancellation of the nominal value of UniCredit S.p.A. ordinary and savings shares;
- the reverse stock split of ordinary and savings shares based on the ratio approved by the Extraordinary Shareholders' Meeting on December 15, 2011. As a result of this initiative, the number of ordinary and savings shares decreased from 19,274,251,710 to 1,927,425,171 and from 24,238,980 (after the cancellation of 3 shares) to 2,423,898 respectively.

On January 4, 2012 the Board of Directors of UniCredit S.p.A. approved the terms and the timetable of the pre-emptive offer of ordinary shares to existing shareholders based on the resolution of the Extraordinary Shareholders' Meeting of December 15, 2011:
- the new ordinary shares, with no par value, were offered on a pre-emptive basis to existing holders of ordinary and savings shares of the Company at the price of €1.943 per share, at the subscription ratio of 2 new ordinary shares for every 1 ordinary and/or savings share held;
- The number of the new ordinary shares was set at a maximum of 3,859,602,938, increasing the Company's share capital by, and for an aggregate amount of, €7,499,208,508.53.

During the subscription period (January 9, 2012 - January 27, 2012 in Italy, Germany and Austria and January 12, 2012 - January 27, 2012 in Poland), 1,925,199,755 subscription rights were exercised and, thus, 3,850,399,510 shares were subscribed representing 99.8% of the total shares offered, for an aggregate amount of €7,481,326,247.93.

The unexercised rights, relating to the subscription of 9,203,428 UniCredit S.p.A. ordinary shares, were offered by UniCredit, through UniCredit Bank AG, Milan Branch, on the Stock Exchange, pursuant to Article 2441, paragraph 3, of the Italian Civil Code. All the rights were sold during the first trading session on February 1, 2012 and the new shares were subsequently subscribed.
The capital increase was therefore fully subscribed.

* * *

On March 27, 2012, the Board of Directors voted in favor of the issue of the UniCredit ordinary shares promised under the already approved Group Key Resources Plan, following the verification of the achievement of the performance targets set in the Plan. To that effect, the Board of Directors approved a free increase in share capital for an amount of €276,700.57 corresponding to 84,023 ordinary shares.

Furthermore, in execution of the Group Senior Executive Plan, the Board of Directors resolved an increase in UniCredit share capital for a maximum number of 9,222,891 ordinary shares, corresponding to maximum €46,114,455, at the service of the exercise of the performance stock options, exercisable as of the year following the 4-year performance period (2012-2015) and until December 31, 2022, conditional upon achieving of performance targets set by the Board of Directors and subsequently verified at the end of the 4-year period of reference.

Review of internal composition of UniCredit S.p.A. Shareholders' Equity

As described in Consolidated First Half Financial Report as at 30 June 2012, over the course of 2012 UniCredit S.p.A. undertook a survey of the internal composition of its equity, in order to verify the manner in which its system of reserves was organised, to ensure that this was consistent with the origin of those reserves and their characterisation under the legal framework.
UniCredit S.p.A. began that survey at the end of the fifteen-year period of expansion that had transformed UniCredit from a national bank to a pan-European banking group, a process of expansion and consolidation that culminated in a new strategy in November 2011 that would ensure the Group was appropriately positioned for the new macroeconomic and regulatory environment. In connection therewith, the decision was made to conduct a survey of the Bank's equity in order to examine its composition, and if appropriate make reclassifications, combinations and divisions of the items that make up the equity.
Following that work, the results of which are set forth in the 2012 UniCredit's financial statements, as well as in 2012 consolidated financial statements, the Board of Directors has considered it desirable that it should in classifying the equity reserves apply a criterion that gives preference to the origin and economic nature of the items, and the events from which they derived (a substantive approach), rather than one that recognises as profit reserves only those components that derive from the non-utilisation of year end profits (a formal approach).
The substantive approach - obviously with the same level of shareholders' equity - provides information that is equally reliable compared to the previous approach, but is more significant because it reflects the characteristics, nature and effects of the transactions that generated the reserves, in accordance, among other things, with the Framework of the IAS/IFRS that give prevalence to substance over form.
Following application of this new approach, some reserves that last year were considered as capital and thus included among "Reserves - other" will now be classified as profit reserves with a consolidated impact of €572.8 million (€4,391 million in UniCredit S.p.A.).

During the survey, there has been detected the presence of a number of "negative reserves" alternatively classified as a decrease of the profit reserves or the other reserves in the balance sheet. These items - which related, for example, to differences that arose upon the transition to IAS/IFRS (what are known as first-time adoption reserves), or to capital losses that occurred upon sales of treasury shares - are set out in the UniCredit S.p.A.'s balance sheet, and have been met, on a provisional basis, out of available equity reserves, pending their ultimate elimination by resolution of the shareholders' meeting.

In relation to these items of negative reserves, it is believed that their reclassification into the profit or capital reserves would not be possible because the "negative reserves" would cause an erosion of the UniCredit S.p.A.'s equity as a whole. The total value of these reserves, regardless of their origin, would have an effect on the availability/distributability of the positive items of the equity.
For that reason, the Board of Directors has considered more coherent representing these negative reserves altogether as a negative item under "Reserves - other".
Following the application of that approach, "negative reserves" that were previously included under "Reserves - from profits" have been restated under "Reserves - other" for an amount equal to €2,703 million (in line with UniCredit S.p.A.).
In connection with the aforementioned survey and reclassification of reserves, the Board of Directors has also considered that three more measures should be submitted for approval by shareholders, under their consideration of the 2012 financial statements. All three of the measures are intended to achieve a more efficient organisation of the UniCredit S.p.A.'s system of reserves.
Those additional interventions on the Company's equity - bringing the Legal Reserve to the minimum at which it is considered complete under article 2430 of the Civil Code, the making-up of the "negative reserves", and the reallocation of the loss from the previous financial year - are described in a report from the Board of Directors, which is being published and made available to shareholders in accordance with applicable statutory and regulatory provisions.

Subsequent Events and Outlook

Subsequent Events

On March 15, 2013, the Board of Directors executed the "Group Key Resources Plan" and the "2011 Group Executive Incentive System" approved by the Shareholders' Meeting in April 2011, by resolving the issue of UniCredit ordinary shares, following the verification of the achievement of the performance targets set in the Plans. To that effect, the Board of Directors confirmed its approval for a free increase in share capital for an amount of € 6,907,674.33 corresponding to nr. 2,097,587 ordinary shares.

On March 18, 2013, the Rating Agency Fitch Ratings aligned UniCredit SpA's ratings with that of the recently downgraded sovereign Italy ('BBB+' long- and 'F2' short-term Issuer Default Rating).

The Viability (= standalone) rating has been revised to 'bbb+' from 'a-'. As a consequence outstanding debt ratings have also been lowered. The negative outlook is unchanged.

On April 9, 2013 the National Bank of Kazakhstan has communicated that, at its last meeting held on March 29, 2013, the purchase of JSC ATF Bank by KazNitrogenGaz LLP has been approved. The closing of the transaction is expected by end of April 2013.

Outlook

After some signs of improvement at the beginning of 2012, from the second quarter onwards, the worldwide economic recovery became weaker, sharpening the financial markets tensions due to the Euro Area sovereign debt crisis and the weakening of growth dynamics in some emerging Countries. Anyway, from summer onwards, the European Central Bank (ECB), strongly reduced the risk of extreme scenarios for the Euro Area, contributing to a clear loosening of the financial markets tensions. Moreover, toward year-end, the agreement that avoided the so called “fiscal cliff” in the United States was also approved and the first recovery signals in some of the main emerging economies such as China were observed.

In the Euro Area, 2012 ended with a marginal contraction of the economic activity, whilst the recession has been particularly strict in Italy due to the domestic demand crash. The unfavorable macroeconomic environment caused a particularly weak dynamic of the household loans. In Austria and Germany, where the Group is very deep-rooted, the growth environment was more favorable, with a real GDP growth around 1.0%.
Let aside 2012, in 2013 a gradual recovery is expected, pushed by a less strict fiscal consolidation, a progressive improvement of the household financing conditions, especially in Italy, and, overall, by a gradual acceleration of the worldwide commerce.

ECB cut the reference and deposits rates by 25 basis points, in July, bringing them to 0.75% and 0% respectively, besides during the September meeting the ECB announced a new buying plan of government securities (OMT) that allows the Central Bank to intervene on the government securities market of those Countries which would submit a formal request, signing a commitment to undertake a series of predetermined structural reforms.

Despite risks of renewing tensions on financial markets, the ECB support, together with the positive outcomes of the interventions aimed at strengthen the capital position of European banks, would allow the system as a whole to progressively normalize the credit intermediation activity.

Despite the global economy slowdown trend, in 2012 UniCredit Group showed a good resilience in Gross Operating Profit, stemming from revenues overall stability (also thanks to the buy-back of bonds issued by the Group) and costs reduction. On the other hand, the negative macroeconomic conditions, especially in Italy, still produce a deterioration of the asset quality, which translates into a high level of loan loss provisions, also determined by the Group’s decision to adopt an extremely prudential policy on the depreciation of the credit positions at risk. The capital and liquidity positions were further strengthened, in line with predefined targets.

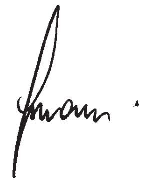
This year, Group results will continue to be affected by the international macroeconomic environment. Although the measures adopted by the European Authorities (ECB in particular) contained the pressures on the sovereign debt, the Italian economic perspectives still remain uncertain.
This will continue to penalize the Group’s income statement, both on revenues and on loan loss provisions.
The benefit coming both from UniCredit’s geographical and business diversification will keep being an important mitigation factor. In line with the strategic guidelines of the industrial plan, the Group will keep a particular focus on the capital and liquidity position and on the cost containment program.
Further benefits are expected to come from the simplification of the organizational structure already approved by the Board of Directors last year and put into operation during January 2013.

Milan - March 15, 2013

THE BOARD OF DIRECTORS

Chairman
GIUSEPPE VITA

CEO
FEDERICO GHIZZONI



UTILITY

Helping artisans recraft their business

"I've been a craftsman for many years and I am very satisfied with my relationship with Zagrebačka Banka. I believe the bank recognizes the economic potential of craftsmanship. They helped me to expand my activities and to adapt my business model to meet EU conditions. This was done through a program that provided me with financial assistance, as well as consulting services so that I could make the best financing choices."

Ivan Obad, President of the Chamber of Trades and Crafts Zagreb, customer of Zagrebačka Banka in Croatia

Corporate Governance

Corporate organizational structure

Introduction

UniCredit's overall corporate governance framework, i.e. the system of rules and procedures that its corporate bodies refer to steer their principles of behaviour and fulfil the various responsibilities towards the group's stakeholders, has been defined in the light of current provisions and the recommendations contained in the Corporate Governance Code for Listed Companies (the "Code"). The Code, according to the major international markets experience, identifies the corporate governance best practices for listed companies recommended by the Corporate Governance Committee, to be applied according to the "comply or explain" principle that requires the explanation of the reasons of failure to comply with one or more recommendations contained in its principles or criteria. Moreover, as a bank, UniCredit, is subject to the Supervisory Provisions issued by Banca d'Italia and, with regards to the corporate governance issues, into the specific rules prescribed by "Supervisory Regulations on banks organization and corporate governance" issued on 2008 and by the later application of the Supervisory Regulations on banks organization and corporate governance issued in January 2012.

Since 2001 UniCredit has annually drawn up and submitted a "Corporate Governance Report" to its shareholders, by drafting a special report for distribution to its shareholders, institutional and non-institutional investors and Borsa Italiana. The report supplies suitable information on UniCredit's own Corporate Governance system.

Due to continuing changes to the regulatory scenario both at the European and Italian level, and to international best practices in general, Borsa Italiana decided to revise the corporate governance principles; accordingly, in March 2006 it issued a new version of the Corporate Governance Code.

In March 2010, the Corporate Governance Committee, brought about by Borsa Italiana, approved a new text of the recommendations of the Code concerning the remuneration of the directors and executives with strategic responsibilities, in order to implement the recommendations issued by the EU Commission in 2009.

In December 2011, the Corporate Governance Committee introduced significant changes to the wording of the Code in order to take into account the several legislative interventions that had made certain of its recommendations out-of-date and in order to conform it to the development of the national and international best practice. In particular, in such a context, from a "subjective" point of view, the Code has taken into account the need to further graduate its enforcement in relation to the size of the listed companies, and, from an "objective" point a view, the aim of strengthening the centrality of the role of the Board of Directors and of its independent members, as well as rationalizing the control system. The issuers were invited to implement such amendments by the end of the fiscal year beginning in 2012, providing information in the Corporate Governance Report to be published in the following fiscal year.

In light of the provisions contained in the version of the Code issued on December 2011 as well as based on the last format of "Corporate Governance Report" supplied by Borsa Italiana, UniCredit drafted its Report on corporate governance and ownership structures pursuant to Section 123/bis of Legislative Decree no. 58 dated February 24, 1998 (the "TUF").
The "Report on corporate governance and ownership structures" approved by the Board of Directors (on March 15, 2013) is published at the same time with the Report on Operations on the website of the Issuer (http://www.unicreditgroup.eu/en/governance/system-policies/corporate-governance-report.html).

UniCredit is an issuer of stocks listed on the regulated markets of Milan, Frankfurt and Warsaw, and therefore fulfils the legal and regulatory obligations related to listings on these markets.

The information provided, unless otherwise specified, refers to the financial year from January 1, 2012 to December 31, 2012.

Since its establishment, UniCredit has adopted traditional management and control system.

The distinctive feature of this model is that the management of the company, the supervision on its management and the legal accounting supervision are separated. The Board of Directors is solely responsible for the strategic supervision and management of the enterprise, while the Board of Statutory Auditors is entrusted with supervising its administration. Legal accounting supervision on the company is entrusted to an external audit firm by the Shareholders' Meeting on the basis of a proposal from the Board of Statutory Auditors, in compliance with relevant current laws.
This governance model was chosen because it has proven, over time, to make it possible to manage the business efficiently, while ensuring effective controls. That is, it creates the necessary conditions for UniCredit S.p.A. to be able to guarantee the sound and prudent management of a complex and global banking group, namely the UniCredit Group.

Moreover, certain aspects of the traditional management system are the sole responsibility of the Shareholders' Meeting: this creates an opportunity for dialogue and debate between management and shareholders about various elements of governance. These include the appointment and dismissal of directors, the appointment of the Board of Statutory Auditors members, the setting of the related remuneration, the appointment of the external auditing firm, as well as the approval of the financial statements, the profit allocations and the compensation policies for management.

Shareholders' Meeting

A General Shareholders' Meeting is convened at least once a year within 180 days of the end of the financial year, in order to resolve upon the issues that prevailing laws and the Articles of Association make it responsible for. An Extraordinary Shareholders' Meeting is convened whenever it is necessary to resolve upon any of the matters that are exclusively attributed to it by prevailing laws.

The Agenda of the Shareholders' Meeting is established pursuant to legal requirements and the UniCredit's Articles of Association by whoever exercises the power to call a meeting.

The Ordinary Shareholders' Meeting has adopted the Regulations governing General and Extraordinary Meetings in a functional and regular way. The Regulations is available on the Governance/Shareholders Meeting section of UniCredit website.

Board of Directors

The Board of Directors of UniCredit may be comprised of between a minimum of 9 up to a maximum of 24 members. As at March 15, 2013 UniCredit has 19 directors.

Their term in office is three financial years, unless a shorter term is established at the time they are appointed, and ends on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year in which they were in office.

The term in office of the current Board of Directors, which was appointed by the Shareholders' Meeting of May 11, 2012, will expire on the date of the Shareholders' Meeting called to approve the 2014 financial statements.

Directors shall be elected on the basis of a slate mechanism pursuant to the procedures specified in Clause 20 of the UniCredit's Articles of Association.

The Board of Directors has adopted its own Regulations governing its powers, functioning and jurisdiction. These Regulations include, inter alia, the decisions made by the Board of Directors concerning the number of offices in supervisory, managerial and controlling bodies that UniCredit Directors can hold in companies not belonging to UniCredit Group as well as the procedure to be followed whenever the threshold is exceeded. On March 20, 2012 the Board also established its qualitative and quantitative composition deemed optimal for achieving the correct performance of the functions assigned to the Board of Directors, according to the current provisions of laws and regulations.

Moreover, Directors must take account of the provisions of Section 36 of Law no. 214/2011 which establishes that holders of a seat in managerial, supervisory and control bodies, as well as top management officers in companies or group of companies active in banking, insurance and financial markets are forbidden to hold, or to exercise, similar offices in competing companies or group of companies.

Independence of Directors

According to the Enforcement Criteria envisaged by the Code and pursuant to Section 148 of TUF, the Directors' independence shall be assessed by the Board of Directors after their appointment and, subsequently, every year, on the basis of the information provided by the same director or, however, available to the Issuer. The results of the assessments of the Board shall be notified to the market.

The Corporate Governance, HR and Nomination Committee and the Board of Directors, the latter on March 15, 2013, carried out the assessment based on the statements made by the persons concerned. The professional, commercial and financial relationships entertained (the credit relationships included too) have been taken into account. In that regard, such relationships have been examined taking also into account the following criteria:

Corporate organizational structure (Continued)

i) the nature and the characteristics of the relationship, ii) the amount of the transactions both generally and relatively speaking, iii) the subjective profile of the relationship.

As a result of such assessment, the number of the independent Directors according to the provisions of the Code is equal to 12, and the relevant notification to the market through a press release was the following:
- Independent directors pursuant to Section 3 of the Code: Mr. Cordero di Montezemolo, Mr. Al Fahim, Mr. Bischoff, Ms. Bochniarz, Mr. Caltagirone, Mr. Kadrnoska, Ms. Li Calzi, Mr. Maramotti, Mr. Quaglia, Ms. Reichlin, Mr. Sassoli de Bianchi and Mr. Wyand;
- Non-independent directors pursuant to Section 3 of the Code: Mr. Vita, Mr. Fois, Mr. Calandra Buonaura, Mr. Palenzona, Mr. Ghizzoni, Mr. Giacomin and Ms. Jung;
- Independent directors pursuant to Section 148 of the TUF: Mr. Vita, Mr. Fois, Mr. Calandra Buonaura, Mr. Cordero di Montezemolo, Mr. Palenzona, Mr. Al Fahim, Mr. Bischoff, Ms. Bochniarz, Mr. Caltagirone, Mr. Giacomin, Mr. Kadrnoska, Ms. Li Calzi, Mr. Maramotti, Mr. Quaglia, Ms. Reichlin, Mr. Sassoli de Bianchi and Mr. Wyand;
- Non-independent directors pursuant to Section 148 of the TUF: Mr. Ghizzoni and Ms. Jung.

On March 28, 2013 the Board of Statutory Auditors verified, with a positive outcome, the proper application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of its own members.

Committees appointed by the Board of Directors

In order to support the Directors with an efficient information and consultancy system, able to assure the capability of the Board of Directors to properly assess all the specific matters falling within its jurisdiction, in accordance with the provisions of the Code five committees have been created with the power to provide advice and make proposals; the committees feature limited membership and focus on separate issues: Permanent Strategic Committee; Internal Controls & Risks Committee; Related Parties and Equity Investments Committee, Corporate Governance, HR and Nomination Committee and Remuneration Committee. Such Committees may operate according to procedures considered appropriate and may inter alia split into Sub-Committees.

Permanent Strategic Committee

The Permanent Strategic Committee is comprised of 9 directors, the majority of whom shall be non-executive. The Chairman of the Board and Chief Executive Officer are members by right. The other members shall be chosen based upon their expertise and willingness to accept the office. The Chairman of the Committee is the Chairman of the Board. In principle, the meetings of the Permanent Strategic Committee shall be scheduled on a monthly basis but could be convened whenever necessary to discuss a topic that fall within the scope of the Committee's duties. The meetings will normally be called by the Chairman; however, any two or more Members or two Statutory Auditors can also call a meeting. In this latter case, all the Statutory Auditors are entitled to attend.

In 2012, the Permanent Strategic Committee held nr. 9 meetings.

Duties

The Committee's role is to provide advice and make proposals. The main task of the Permanent Strategic Committee is to provide the Board of Directors with opinions concerning proposals formulated by the CEO to the Board concerning:

a) the Group 3 Year Plan;

b) Group yearly budget;

c) Group yearly capital allocation;

d) Group yearly strategy related to transactions involving shareholdings (M&A/reorganizations);

e) approval of transactions on shareholdings above a certain limit (€300 million for transactions in high-risk countries, and €500 million for transactions in low-risk countries);

f) extraordinary capital allocations and dividend policy, both for the Holding Company and the Group Companies, unless already included in the annual general Capital Allocation guidelines indicated under para. c) above;

g) other transactions/initiatives of strategic relevance to the Group, such as: decisions to enter new geographical and business markets, high-profile joint ventures with industrial and/or financial Groups.

Internal Controls & Risks Committee

The Internal Controls & Risks Committee is comprised of 9 non-executive directors, who are all independent pursuant to Sect. 148, paragraph 3, of the TUF. Moreover, the majority of the members (6 out of 9) meet the independence requirements prescribed by the Code. The Chairman and the Senior Vice Chairman of the Board of Directors are members by right. At least one member of the Committee shall be chosen from directors that were candidates on minority slates - if presented - in order to ensure greater transparency, responsibility and participation by the various components of the corporate structure. Committee members shall be chosen on the basis of their expertise and willingness to accept the office and some of them having specific experience in accounting, fiscal, financial and risk-related areas. The Chairman of the Internal Controls & Risks Committee shall be elected from among the members other than those that are members by right.

The Committee, which has consultative and proposal-making functions, carries out its duties at a plenary session or with a limited membership in two Sub-Committees:

- the Internal Controls Sub-Committee; and
- the Risks Sub-Committee.

The Internal Controls Sub-Committee and the Risks Sub-Committee shall each comprise 6 directors and shall be chaired by the Internal Controls & Risks Committee Chairman, who shall be a member by right of each Sub-Committee together with the Chairman of the Board of Directors and the Senior Vice Chairman.

The current composition of the Sub-Committees is the following:

- Internal Controls Sub-Committee: Mr. Anthony Wyand (Chairman), Mr. Candido Fois, Mr. Francesco Giacomin, Ms. Marianna Li Calzi, Mr. Lorenzo Sassoli de Bianchi and Mr. Giuseppe Vita;
- Risks Sub-Committee: Mr. Anthony Wyand (Chairman), Mr. Candido Fois, Mr. Friedrich Kadrnoska, Mr. Luigi Maramotti, Ms. Lucrezia Reichlin and Mr. Giuseppe Vita.

Meetings of the Internal Controls & Risks Committee are usually called monthly based on the following schedule:

- at least twice annually in plenary session; and
- normally on alternate months with limited membership for the Internal Controls Sub-Committee and Risk Sub-Committee.

However meetings are called whenever deemed necessary to discuss on relevant topics.

In any event meetings - whether plenary or of the Internal Controls and the Risks Sub-Committees - shall normally be called by the Internal Controls & Risks Committee Chairman; however, any 2 or more Members or 2 Statutory Auditors may also call a meeting. In this latter case, all the Statutory Auditors are entitled to attend.

The Chairman of the Board of Statutory Auditors or another Statutory Auditor designated by the Chairman of the Board of Statutory Auditors shall attend the meetings of the Internal Controls & Risks Committee and the Internal Controls and the Risks Sub-Committees. Other Statutory Auditors may be invited to attend, along with members of the external auditing firm.

Committee meetings, whether plenary or of the Internal Controls and the Risks Sub-Committees, shall be attended by the CEO, the General Manager, the Head of Internal Audit and the General Counsel & Group Compliance Officer, the Chief Risk Officer and the Chief Financial Officer, as standing invitees.

In 2012, the Internal Controls & Risks Committee held nr. 7 plenary sessions, 2 meetings of its Internal Controls Sub-Committee and 3 meetings of its Risks Sub-Committee.

Duties

The duties of the Internal Controls & Risks Committee shall in any case cover all the risk and control matters within the competence of the Board of Directors.

1. Plenary meetings: Duties of the Committee

The Internal Controls & Risks Committee shall, in its plenary meetings:

a) support the Board of Directors in defining the guidelines for the internal control system and periodically in assessing the adequacy, efficiency and effectiveness of the system, by ensuring that all the main corporate risks are being correctly identified and adequately measured, managed and monitored;

b) examine the half-yearly situations and the annual accounts (both of UniCredit S.p.A. stand-alone and consolidated), based on the reports received from the Manager in charge of drafting the corporate and financial statements, also to verify the proper application and consistency of accounting standards for the purposes of the consolidated financial statements;

c) examine the guidelines for drawing up the annual budget prepared by the competent function;

d) support the Board of Directors in determining criteria for ensuring the compatibility of corporate risks with sound and proper management of the Company (risk appetite);

Corporate organizational structure (Continued)

e) support the Board of Directors in formalising policies for the management of the risks to which the Group is exposed and periodically reviewing them to ensure their long-term effectiveness;

f) analyse periodical reports prepared by control functions in respect of compliance with regulatory and legal requirements;

g) assess the work carried out by the Group's external auditing firm(s) and the results set out in their report(s) and Management letter(s);

h) analyse the reports on their activities made by the management control coordination committees;

i) establish functional links with similar committees Groupwide.

The Internal Controls & Risks Committee shall report on its activities to the Board after each meeting, and at least every six months, when it meets to approve the financial statements and the interim reports, on the adequacy of the internal control system.

2.1 Duties of the Internal Controls Sub-Committee

The Internal Controls Sub-Committee shall cover all control matters, by:

j) overseeing the Compliance function to ensure that it implements the compliance risk management policies defined by the Board, and that the Internal Audit function implements the Board's guidelines in respect of conducting third level controls;

k) assessing any remarks contained in the reports received from the Internal Audit and Compliance functions, or from the Board of Statutory Auditors of the companies belonging to the Group, or from third party investigations and/or analyses;

l) analysing Group guidelines for Audit activity, assessing the adequacy of the annual audit plan prepared by the Head of Internal Audit and, where necessary, requesting that specific audits be performed;

m) analysing Group guidelines on the matters within the competence of Compliance and monitoring their adoption and implementation;

n) analysing the periodical reports produced by the control functions Internal Audit and Compliance, however not with reference to legal and regulatory requirements;

o) assessing the qualitative and quantitative adequacy of the organizational structure of the Compliance and Internal Audit functions and requesting the head of each function to propose changes to their respective organizations, to be implemented, for Compliance, by the CEO and for Internal Audit by the Head of Internal Audit, the latter's proposals to be accompanied by a non-binding opinion of the CEO;

p) advising on the proposals made by the Chairman of the Board of Directors on the appointment or replacement of the heads of the Internal Audit and Compliance, as well as the variable component of their compensation;

q) examine the quarterly situations.

2.2 Duties of the Risks Sub-Committee

The Risks Sub-Committee shall cover all risk matters, by:

r) examining the Group risk assessment;

s) supporting the Board of Directors in its oversight of the actual functioning of the risk management and control processes (in respect of credit risk, market risk, liquidity risk and operational risk) in compliance with legal and regulatory requirements; and, with regard to credit risk, assisting the Board of Directors in monitoring concentration risk, by industry and individual names;

t) analysing the periodical reports produced by the Risk Management function, however not with reference to legal and regulatory requirements.

Related-Parties and Equity Investments Committee

On February 19, 2013 the Board of Directors abolished the Related Parties and Equity Investments Sub-Committee (former Related-Parties Transactions Sub-Committee) and on the same date approved the establishment of the Related Parties and Equity Investments Committee, confirming the duties and responsibilities previously assigned to the above Sub-Committee.
The Related-Parties and Equity Investments Committee shall comprise 3 members having the requisites of independence as defined by the Corporate Governance Code for Listed Companies and shall appoint a Chairman from among them.

The Related-Parties and Equity Investments Committee shall be called by its Chairman whenever deemed necessary.

The Committee's role is to provide advice and make proposals.
This Committee shall cover all related parties transaction matters according to CONSOB Regulations no. 17221/2010 and connected subjects transaction matters according to the Bank of Italy Circular 263/2006 (Title V, Chapter 5), as well as non-financial equity investments in compliance with the aforementioned Circular (Title V, Chapter IV) within the role allotted to the Independent Directors by the aforesaid rules.

As far as the related parties and connected subjects transactions are concerned, in particular:

- the Committee provides preventive opinions (as the case may be, binding opinions) on procedures whereby related parties and/or connected subjects transactions are identified and managed in UniCredit and Group Companies as well as on the relevant changes thereof;

- the Committee provides preventive and grounded opinions, when explicitly required, also on the interest for the carrying out of the transaction with related parties and/or connected subjects to be completed by UniCredit and/or by Group Companies as well as on their profitability and the intrinsic correctness of their terms and conditions;

- when there are transactions of a greater relevance with related parties and/or connected subjects, the Committee is involved - if deemed advisable by the Committee itself, through one or more members appointed for the task - during the negotiation and the preliminary phase by receiving a complete and timely information flow, with the option to request information and express comments to the delegated bodies and to the persons charged with carrying on the negotiations or the preliminary investigations.

A continuous monitoring of the procedures whereby related parties and/or connected subjects transactions are identified and managed must be ensured to the Committee also in order for it to propose possible corrective actions.

As far as the non-financial equity investments are concerned, the Committee performs the role of assessing, supporting and advising on matters of organization and on the exercise of internal controls over the total activity of acquiring and managing shareholdings in non-financial companies, as well as general verification that the activities carried out within the departments for such shareholdings comply with strategic and management directives.

a) Temporary replacement in case of conflict of interest

In respect of each individual transaction, Committee members must be different from the counterparty, his/her related parties and/or his/her connected subjects.

Should one Committee member be the counterparty (or related/connected to the counterparty), he/she shall promptly inform the Chairman of the Board of Directors and the Committee Chairman and refrain from taking part in the further business of the Committee in respect of the relevant transaction. In this event the Chairman of the Board of Directors, having gathered the opinion of the Committee Chairman, shall replace the member who is in conflict of interest without delay indicating, after having contacted him/her, another member of the Board of Directors in possession of the independence requirements mentioned by the Corporate Governance Code for Listed Companies, such that the Related-Parties and Equity Investments Committee shall again be made up by three non-related and non-connected as well as independent members.

b) Temporary replacement, for unavailability the members, in case of urgent transactions

In case of transactions whose execution is urgent and for which the intervention of the Related-Parties and Equity Investments Committee in the negotiation phase and the initial inquiry as well as in the granting of the opinion is required, the Committee Chairman - after having acknowledged the urgency status of the transaction and ascertained the unavailability of the majority or all the members of the Committee to meet or, anyhow, to carry out the activity required in time for the clinching of the operation - promptly gives notice to the Chairman of the Board of Directors of said unavailability.

In any case, the notification to the Chairman of the Board of Directors must be made no later than the day following that on which the Committee Chairman has received notice of the unavailability of all or the majority of the members.

The Chairman of the Board of Directors - after having heard the opinion of the Chief Executive Officer about the urgency status of the transaction - acts immediately to reintroduce in the Committee the presence of three independent Directors, following the same procedure established with reference to temporary replacement in case of a conflict of interest.

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Referring to paragraphs a) and b), it is specified that:

- the substitutes must receive all the information available in time ahead of the Committee meeting called to express its opinion on the transaction in question;
- the substitutes perform the duties assigned to them until the approval procedure of the transaction in which they have been involved is completed and the relevant decisions taken within the Committee shall be attributable to them.

Corporate organizational structure (Continued)

Corporate Governance, HR and Nomination Committee

The Corporate Governance, HR and Nomination Committee is comprised of 9 directors, the majority of whom shall be non-executive and independent. The Chairman of the Board and Chief Executive Officer are members by right. The other members shall be chosen based upon their expertise and willingness to accept the office. The Chairman of the Committee is the Chairman of the Board. In principle, Committee meetings shall be scheduled on a monthly basis but may be called whenever it is necessary to discuss a topic that falls within the scope of the Committee's duties. Committee meetings shall be called by the Chairman.

In 2012, the Corporate Governance, HR and Nomination Committee held nr. 13 meetings.

Duties

The Committee's role is to provide advice and make proposals. In particular, the Committee shall provide the Board of Directors with opinions concerning proposals formulated by the Chairman/CEO to the Board concerning:

a) the definition of UniCredit's corporate governance system, the corporate structure and governance models/guidelines of the Group;

b) the definition of policies for appointing UniCredit Directors and policies for the evaluation that the Board of Directors must take at least once a year on the size, composition and functioning of the Board itself and its committees;

c) the appointment of the Chief Executive Officer, General Manager, Deputy General Managers and other Directors holding strategic responsibilities, Senior Executive Vice Presidents, as well as other Heads of Department reporting directly to the Chief Executive Officer;

d) the definition of policies concerning the appointment and succession planning of the Chief Executive Officer, General Manager, Deputy General Managers and other Directors holding strategic responsibilities, Senior Executive Vice Presidents, Group Management Team (Executive Vice Presidents) and Leadership Team (Senior Vice Presidents);

e) the definition of policies for appointing corporate officers (members of the Board of Directors, Board of Statutory Auditors, and Supervisory Board of Group Companies);

f) the appointment of corporate officers (members of the Board of Directors, Board of Statutory Auditors, and Supervisory Board) of the Main Group Companies (UniCredit Bank AG, UniCredit Bank Austria, Bank Pekao Mediobanca, Associazione Bancaria Italiana, UniCredit Foundation and UniCredit & Universities);

g) the designation of candidates to the position of director of UniCredit in the event of cooptation, and of candidates to the position of independent director to be submitted to the approval of the UniCredit shareholders' meeting, based also on recommendations received from shareholders;

h) the appointment of members of the UniCredit Board Committees, upon the proposal of the Chairman.

The Corporate Governance, HR and Nomination Committee shall also provide its advice on the compatibility of an appointment of a Director of UniCredit as director, manager or member of controlling bodies in a banking, insurance or financial company (outside UniCredit Group) with his/her office held in UniCredit, also when the fix threshold to the maximum number of office determined by the Board of Directors is exceeded.

Remuneration Committee

The Remuneration Committee is comprised of 5 non-executive directors, the majority of whom shall be independent.
The Chairman and Senior Vice Chairman of the Board of Directors are members by right. The other members shall be chosen based upon their expertise and willingness to accept the office.
The Chairman of the Committee is the Chairman of the Board.
In principle, Committee meetings shall be scheduled on a quarterly basis, but may be called whenever it is necessary to discuss a topic that falls within the scope of the Committee's duties. Committee meetings shall be called by the Chairman.

In 2012, the Remuneration Committee held nr. 6 meetings.

Duties

The Committee's role is to provide advice and make proposals. The main task of the Remuneration Committee is to provide the Board of Directors with opinions concerning proposals formulated by the CEO to the Board concerning:

a) the remuneration of UniCredit Directors who hold specific duties, and especially the remuneration of the CEO;

b) the remuneration of UniCredit's Managing Director, in the event that the Managing Director is also the CEO;

c) the remuneration structure of the CEO, General Manager and Deputy General Managers;

d) the remuneration policy for the Senior Executive Vice Presidents, Group Management Team (Executive Vice Presidents), Leadership Team (Senior Vice Presidents) and Heads of Department reporting directly to the Chief Executive Officer;

e) the approval of Group incentive plans based on financial instruments;

f) the remuneration policy for corporate officers (members of the Board of Directors, Board of Statutory Auditors, and Supervisory Board of Group Companies);

The proposals concerning the Chief Executive Officer that the Committee will be called upon to express its opinion on will be formulated by the Chairman.

The Committee members about whose remuneration the Chairman must express his opinion in respect of their specific positions, shall not attend meetings scheduled to discuss the proposal concerning the aforesaid remuneration.

Corporate organizational structure (Continued)

Status and activities of Directors

Board of Directors

POSITION	MEMBERS	IN OFFICE SINCE	IN OFFICE UNTIL	SLATE SM	SLATE Sm	EXEC.
Chairman	Vita Giuseppe	05.11.2012	Approval of 2014 financial statements	X		
Senior Vice Chairman	Fois Candido	05.11.2012	Approval of 2014 financial statements	X		
Vice Chairman	Calandra Buonaura Vincenzo	05.11.2012	Approval of 2014 financial statements	X		
Vice Chairman	Cordero di Montezemolo Luca	05.11.2012 (4)	Approval of 2014 financial statements	X		
Vice Chairman	Palenzona Fabrizio	05.11.2012	Approval of 2014 financial statements	X		
CEO	Ghizzoni Federico	05.11.2012	Approval of 2014 financial statements	X		X
Director	Al Fahim Mohamed Ali	10.18.2012 (5)	Approval of 2014 financial statements	--		
Director	Bischoff Manfred	05.11.2012	Approval of 2014 financial statements	X		
Director	Bochniarz Henryka	05.11.2012	Approval of 2014 financial statements	X		
Director	Caltagirone Alessandro	05.11.2012	Approval of 2014 financial statements	X		
Director	Giacomin Francesco	05.11.2012	Approval of 2014 financial statements	X		
Director	Jung Helga	05.11.2012 (7)	Approval of 2014 financial statements	X		
Director	Kadrnoska Friedrich	05.11.2012 (8)	Approval of 2014 financial statements	X		
Director	Li Calzi Marianna	05.11.2012	Approval of 2014 financial statements	X		
Director	Maramotti Luigi	05.11.2012	Approval of 2014 financial statements	X		
Director	Quaglia Giovanni	12.18.2012 (9)	Approval of 2014 financial statements	--		
Director	Reichlin Lucrezia	05.11.2012	Approval of 2014 financial statements		X	
Director	Sassoli de Bianchi Lorenzo	05.11.2012	Approval of 2014 financial statements	X		
Director	Wyand Anthony	05.11.2012	Approval of 2014 financial statements	X		
	-----------------------------------	Directors who stepped down during the Period	-----------------------------------			
Chairman	Rampl Dieter	04.29.2009	04.19.2012 (12)	X		
Senior Vice Chairman	Castelletti Luigi	04.29.2009	05.07.2012 (14)	X		
Vice Chairman	Bengdara Farhat Omar	04.29.2009	05.11.2012	X		
Vice Chairman	Al Qubaisi Khadem Abdualla	05.11.2012	10.03.2012 (16)	X		
Director	Belluzzi Giovanni	04.29.2009	05.11.2012	X		
Director	Fontanesi Donato	04.29.2009	05.11.2012	X		
Director	Marocco Antonio Maria	05.11.2012	12.03.2012 (17)	X		
Director	Pesenti Carlo	04.29.2009	01.31.2012 (19)	X		
Director	Schinzler Hans Jürgen	04.29.2009	05.11.2012	X		
Director	Waigel Theodor	04.29.2009	04.19.2012 (12)		X	
Director	Zwickl Franz	04.29.2009	05.11.2012	X		
Indicate quorum required for the presentation of the slates in the last appointment: 0.5%						
Nr. of meetings held during the Period		**BoD: 17**	**IC&RC:21◊ (see for details the "NOTE")**	**RC: 6**	**CGHNC: 13**	**PSC: 9**

Notes:

◊ The Internal Controls & Risks Committee carries out its duties either in plenary session or through (i) its Internal Controls Sub-Committee, (ii) its Risks Sub-Committee. The Committee held no. 7 plenary sessions, 2 meetings of its Internal Controls Sub-Committee and 3 meetings of its Risks Sub-Committee. Moreover, the Related-Parties Transactions and Equity Investments Sub-Committee held no. 9 meetings.

(°) The percentage of the Director's participation in the meetings of the Internal Controls and Risks Sub-Committees during the Period from 19 June 2012 (date on which the CCI&R has appointed the sub-Committees members) to the closing of the Period was respectively as follows:
- Internal Controls Sub-Committee: Mr. Wyand (C) 100%, Mr. Vita 100%, Mr. Fois 100%, Mr. Giacomin 100%, Ms. Li Calzi 100%, Mr. Sassoli de Bianchi 100% (the members no longer in office after the Shareholders' Meeting of 11 May 2012 and the participation percentages are as follows: Mr. Belluzzi 100%, Mr. Maramotti 100%; Mr. Rampl and Mr. Castelletti resigned prior to the date set for the first meeting of the Sub-Committee);
- Risks Sub-Committee: Mr. Wyand (C) 100%; Mr. Vita 100%; Mr. Fois 100%; Mr. Kadrnoska 0%; Mr. Maramotti 100%; Ms. Reichlin 100%; (the members no longer in office after the Shareholders' Meeting of 11 May 2012 and the participation percentages are as follows: Mr. Rampl 100%, Mr. Castelletti 0%, Mr. Zwickl 100%; Mr. Giacomin 100%).

(•) The Board of Directors on 19 February 2013 approved the suppression of the Related Parties and Equity Investments Sub-Committee and the establishment of the Related Parties and Equity Investments Committee, confirming duties and responsibilities already assigned to the suppressed Sub-Committee. Ms. Li Calzi (C), Mr. Sassoli de Bianchi e Mr. Quaglia are the members of the newly formed Committee.

* In this column an "X" shows the independence of the Director.

** This column shows the percentage of the Director's participation in the meetings of the Board of Directors and Committees respectively (number of attendances / number of meetings held by the interested party during the term of office with regard to the Period).

*** This column shows the number of positions as Director or Auditor held by the interested party in other companies listed on regulated markets (both in Italy and abroad), including financial services companies, banks, insurance companies or other large companies. There is a list of such companies for each Director attached to the Report on Corporate Governance and ownership structures, specifying whether the company that the position is held in belongs to the group that the Issuer is related to.

**** A "C" (Chairman) or a "M" (Member) in this column shows that the member of the Board of Directors belongs to the Committee and also indicates his/her position.

NON EXEC.	INDEPENDENT. AS PER * CODE	TUF	% **	NUMBER OTHER POSITIONS ***	INTERNAL CONTROLS & RISKS COMMITTEE ◊ — IC&RC (ATTENDANCE IN PLENARY SESSION)(°) ****	**	RELATED-PARTIES TRANSACTIONS AND EQUITY INVESTMENTS SUB-COMMITTEE (•) ****	**	REMUN. COMMITTEE ****	**	CGHRN COMMITTEE ****	**	PERMANENT STRATEGIC COMMITTEE ****	**
X		X	100%	4	M(1)	100%			C(1)	100%	C(2)	100%	C(1)	100%
X		X	100%	5	M(1)	100%			M(1)	100%			M(1)	100%
X		X	100%	1					M(3)	100%	M	100%	M	100%
X	X	X	70%	10							M(2)	66.67%	M(1)	71.43%
X		X	100%	9							M	92.31%	M	88.89%
			100%	2							M	84.62%	M	100%
X	X	X	100%	5										
X	X	X	70.59%	4									M	77.78%
X	X	X	80%	3					M(1)	100%				
X	X	X	90%	6					M(1)	66.67%	M(2)	83.33%		
X		X	100%	2	M	100%					M(6)	100%		
X			73.33%	3										
X	X	X	70.59%	5	M(8)	50%			M(8)	50%				
X	X	X	100%	1	M	100%	C	100%						
X	X	X	100%	6	M	100%					M	84.62%	M	88.89%
X	X	X	100%	7							M(10)	--		
X	X	X	88.24%	1	M	100%	M(11)	50%					M(1)	71.43%
X	X	X	100%	1	M(1)	50%	M(1)	100%						
X	X	X	100%	3	C	100%			M(3)	100%	M(2)	83.33%	M(6)	100%
X		X	100%	3	M(13)	100%			C(13)	100%	C(13)	100%	P(13)	100%
X	X	X	100%	6	M(15)	66.67%	M(15)	100%	M(15)	100%	M(15)	100%	M(15)	100%
X	X	X	57.14%	--									M(6)	50%
X	X	X	14.29%	11										
X	X	X	100%	8	M(6)	100%	M(6)	100%						
X	X	X	85.71%	1										
X	X	X	87.50%	3							M(18)	100%		
X	X	X	100%	6					M(20)	--				
X	X	X	57.14%	2					M(6)	33.33%			M(6)	100%
X	X	X	40%	8										
X	X	X	100%	8	M(6)	100%								

(1) Position held since 29 May 2012
(2) Position held since 11 May 2012
(3) Position held from 31 January 2012 to 11 May 2012
(4) Appointed as Vice Chairman on 18 October 2012
(5) Co-opted on 18 October 2012
(6) Position held until 11 May 2012
(7) Co-opted on 31 January 2012 and confirmed by the Shareholders' Meeting on 11 May 2012
(8) Resigned effective from the Shareholders' Meeting on 11 May 2013
(9) Co-opted on 18 December 2012
(10) Position held since 18 December 2012
(11) Position held from 29 May 2012 to 19 February 2013
(12) Resigned on 19 April 2012
(13) Position held until 19 April 2012
(14) Resigned on 7 May 2012
(15) Position held until 7 May 2012
(16) Resigned on 3 October 2012
(17) Resigned on 3 December 2012
(18) Position held until 3 December 2012
(19) Resigned on 31 January 2012
(20) Position held until 31 January 2012

Legend

SM Member of the Board of Directors elected from the slate that has obtained the relative majority of the Shareholders' votes

Sm Member of the Board of Directors elected form the slate voted by the minority

Corporate organizational structure (Continued)

Board of Statutory Auditors

Pursuant to the UniCredit's Articles of Association the Ordinary Shareholders' Meeting appoints 5 Statutory Auditors and 4 stand-in Statutory Auditors. Both the Statutory Auditors and stand-in Statutory Auditors may be re-elected.

Effective and stand-in members of the Board of Statutory Auditors are appointed on the basis of slates pursuant to the UniCredit's Articles of Association, and in compliance with current legal provisions. The candidate who has obtained the highest share of votes among the candidates belonging to the slate that obtained the highest number of votes among the minority slates shall be elected by the Shareholders' Meeting as Chairman of the Board of Statutory Auditors.
Their term in office is three financial years and ends on the date of the Shareholders' Meeting called to approve the financial statements for the third year of office.

Members of the Board of Statutory Auditors shall meet the professional experience, integrity and independence requirements laid down by law and they can held administrative and control appointments with other companies within the limits set by current laws and regulations.

The Board of Statutory Auditors appointed by the Shareholders' Meeting on April 22, 2010 and in office until the next Shareholders' Meeting called to approve the 2012 financial statements, to be held on May 11, 2013 in single call, consists of Mr. Maurizio Lauri (Chairman), Cesare Bisoni, Vincenzo Nicastro, Michele Rutigliano and Marco Ventoruzzo (Statutory Auditors). Paolo Domenico Sfameni and Mr. Massimo Livatino are stand-in Statutory Auditors.

Board of Statutory Auditors

POSITION	MEMBERS	IN OFFICE SINCE	IN OFFICE UNTIL	SLATE SM	SLATE Sm	INDEPENDENT AS PER CODE *	%**	NUMBER OTHER POSITIONS ***
Chairman	Lauri Maurizio	04.22.2010	05.11.2013		X	X	100%	11
Statutory Auditor	Bisoni Cesare	04.22.2010	05.11.2013	X		X	100%	2
Statutory Auditor	Nicastro Vincenzo	04.22.2010	05.11.2013	X		X	97.87%	6
Statutory Auditor	Rutigliano Michele	04.22.2010	05.11.2013	X		X	100%	2
Statutory Auditor	Ventoruzzo Marco	04.22.2010	05.11.2013		X	X	87.23%	1
Stand-in Statutory Auditor	Sfameni Paolo Domenico	04.22.2010	05.11.2013	X		--		6
Stand-in Statutory Auditor	Livatino Massimo	04.22.2010	05.11.2013		X	--		5
-------------Auditors who stepped down during the Period-------------								

Indicate quorum required for the presentation of the slates in the last appointment: 0.5%								
Number of meetings held during the Period: 47								

Notes

* In this column an "X" shows the independence of the Auditor

** This column shows the percentage of the Auditors' participation in the meetings of the Board of Statutory Auditors (number of attendances / number of meetings held during the term of office with regard to the Period).

*** This column shows the number of positions as director or auditor held by the interested party pursuant to Sec. 148/bis of the TUF. A complete list of such positions is published by CONSOB on its website pursuant to Sec. 144/quinquiesdecies of CONSOB Issuers Rules.

Legend

SM Member of the Board of Statutory Auditors elected from the slate voted by the majority

Sm Member of the Board of Statutory Auditors elected from the slate voted by a minority

Major Shareholders

On the basis of the results from Shareholders Register, updated to December 31, 2012, UniCredit's major shareholders (shareholders owning more than 2%) were as follows:

DECLARANT	DIRECT SHAREHOLDER	% OF ORDINARY CAPITAL	% OF VOTING CAPITAL
International Petroleum Investment Company	**Aabar Luxembourg S.a.r.l.**	**6.501%**	**6.501%**
Pamplona Capital Management LLP	**PGFF Luxembourg S.a.r.l.**	**5.011%**	**5.011%**
Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona	**Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona**	**3.534%**	**3.534%**
Carimonte Holding S.p.A.	**Carimonte Holding S.p.A.**	**3.013%**	**3.013%**
Capital Research and Management Company	**Capital Research and Management Company**	**2.732%**	**2.732%**
Right of vote for discretional asset management			
- dont on behalf of EuropeanPacific Growth Fund		*2.210%*	*2.210%*
Fondazione Cassa di Risparmio di Torino	**Fondazione Cassa di Risparmio di Torino**	**2.507%**	**2.507%**
- which is lender for:		*0.913%*	*0.913%*
Allianz SE		**2.016%**	**2.016%**
	ALLIANZ S.P.A.	*1.192%*	*1.192%*
	ALLIANZ FINANCE IV LUXEMBOURG S.A.R.L.	*0.728%*	*0.728%*
	ALLIANZ VIE	*0.046%*	*0.046%*
	RB VITA S.P.A.	*0.029%*	*0.029%*
	ALLIANZ IARD	*0.016%*	*0.016%*
	ARCALIS SA	*0.002%*	*0.002%*
	ALLIANZ BELGIUM SA	*0.001%*	*0.001%*
	ALLIANZ LIFE LUXEMBOURG SA (GIA` AGF LIFE LUXEMBOURG SA)	*0.001%*	*0.001%*
	GENERATION VIE SA	*0.001%*	*0.001%*
Del Vecchio Leonardo	**Delfin s.a.r.l.**	**2.005%**	**2.005%**
Central Bank of Libya (*)		**4.988%**	**4.988%**
	Central Bank of Libya	*4.460%*	*4.460%*
	Libyan Foreign Bank	*0.528%*	*0.528%*

Source: Shareholders Register updated to 31 December 2012. Parties exempted from the obligation to provide the communications envisaged by Sec. 119/bis of CONSOB Issuers Rules are not included in the Schedule.

(*) The ownerships and the related percentages referred to the parties marked by an asterisk are referred - pending possible communications from the entities concerned - to the amount of the ordinary share capital preceding the share capital increase that took place in February 2012.

SHARE CAPITAL (AS AT DECEMBER 31, 2012)	SHARES	EURO
Total shares	5,789,536,030	19,647,948,525.10
Ordinary shares	5,787,112,132	19,639,722,542.42
Savings shares	2,423,898	8,225,982.68

Participation Rights

Eligible to attend Shareholders' Meetings are those who hold voting rights and in respect of whom the Company has received, from the broker holding the relevant securities account, the notification within the deadline set forth by applicable law.

Those who hold voting rights may arrange to be represented in the Shareholders' Meeting, in compliance with the provisions of prevailing legislations.

Shareholders' rights are clearly defined by Italian law and Articles of Association.

UniCredit has always encouraged its shareholders to exercise their participation and voting rights at Shareholders' Meetings; for this reason, it has adopted the Regulations governing Shareholders' Meetings to ensure their regular conduct.

Executive Management Committee

Federico Ghizzoni
Chief Executive Officer
and General Manager

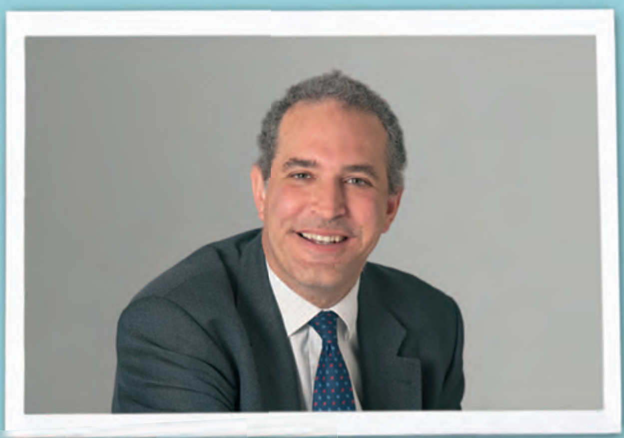
Roberto Nicastro
General Manager

Paolo Fiorentino
Deputy General Manager
Chief Operating Officer

Jean-Pierre Mustier
Deputy General Manager
Head of CIB Division

Paolo Cornetta
Group Head of HR

Nadine Faruque
General Counsel & Group Compliance Officer



Alessandro Maria Decio
Group Chief Risk Officer

Marina Natale
Chief Financial Officer and Manager responsible for the preparation of the Company financial reports

Group Management Team

List of other members of Group Management Team*

SENIOR EXECUTIVE VICE PRESIDENT

Helmut Bernkopf
Head of Commercial Banking -
UniCredit Bank Austria AG

Willibald Cernko
Country Chairman Austria

Ranieri de Marchis
Head of Internal Audit

Luigi Lovaglio
Country Chairman Poland

Gianni Franco Papa
Head of CEE Division

Gabriele Piccini
Country Chairman Italy

Sandro Pierri
Head of Asset Management

Theodor Weimer
Country Chairman Germany

EXECUTIVE VICE PRESIDENT

GENERAL MANAGER AREA
Alessandro Foti
Head of Asset Gathering and
Chief Executive Officer - Finecobank

Carlo Marini
Head of Group Clients Internationalization

Maria Antonella Massari
Head of Group Stakeholder & Service
Intelligence

Alberto Naef
Head of Global Marketing

COUNTRY ITALY
Giampiero Bergami
Regional Manager Centro Nord

Giovanni Buson
Head of Organization Italy

Alessandro Cataldo
Head of Corporate Sales & Marketing

Monica Cellerino
Regional Manager Lombardia

Giovanni Chelo
Regional Manager Sicilia

Felice Delle Femine
Regional Manager Sud

Gianluca Finistauri
Head of Multichannel Distribution Integrated
Strategy

Giovanni Forestiero
Regional Manager Nord Ovest

Frederik Geertman
Regional Manager Centro

Lucio Izzi
Regional Manager Nord Est

Massimiliano Moi
Chief Executive Officer - UniCredit Leasing

Sebastiano Musso
Country Chairman Italy

Rodolfo Ortolani
Head of Business Support and
Value Optimization

Dario Prunotto
Head of Private Banking Italy Network

Remo Taricani
Head of Individual & Smalll Business
Sales & Marketing

COUNTRY AUSTRIA
Robert Zadrazil
Head of Private Banking -
UniCredit Bank Austria

COUNTRY GERMANY
Peter Buschbeck
Head of Private Clients Bank -
UniCredit Bank AG

Juergen Danzmayr
Head of Private Banking - UniCredit Bank AG

Lutz Diederichs
Head of Unternehmer (Corporate) Bank
UniCredit Bank AG

COUNTRY POLAND
Andrzej Kopyrski
Head of Corporate Banking and Markets
Investment Banking Division- Bank Pekao

Grzegorz Piwowar
Head of Retail Banking Division - Bank Pekao

CORPORATE & INVESTMENT BANKING
Andreas Bohn
Head of CIB Germany

Bernhard Brinker
Head of Financial Institutions Groups (FIG)

Simone Mario Concetti
Senior Banker

Dieter Hengl
Head of CIB Austria

Olivier Khayat
Deputy Head of CIB Division,
Co-Head of Global Financing Advisory and
Head (a.i.) of Global Transaction Banking

Thiam J Lim
Head of Markets

Vittorio Ogliengo
Co-Head of Global Financing & Advisory
and Head of CIB Italy

ASSET MANAGEMENT
Daniel Kingsbury
Chief Executive Officer -
Pioneer Investment Management USA

Werner Kretschmer
Chief Executive Officer
Pioneer Investment Austria

Giordano Lombardo
Global Chief Investment Officer -
Pioneer Global Asset Management

CENTRAL EASTERN EUROPE
Mikhail Alekseev
Chief Executive Officer - Russia

Gianfranco Bisagni
Head of CIB CEE

Graziano Cameli
General Manager - Ukraine

Andrea Casini
Chief Operating Officer - Bulgaria

Romeo Collina
Chief Executive Officer - Kazakhstan

Pasquale Giamboi
Head of F&SME Division Bulgaria

Levon Hampartzoumian
Chief Executive Officer - Bulgaria

Paolo Iannone
Chief Operating Officer - Czech Republic

Jiri Kunert
Chief Executive Officer - Czech Republic

Franjo Lukovic
Chief Executive Officer - Croatia

Mihaly Patai
Chief Executive Officer - Hungary

Klaus Priverschek
General Manager - Russia

Rasvan Radu
Chief Executive Officer - Romania

Borys Tymonkin
Chief Executive Officer - Ukraine

Niccolò Ubertalli
General Manager - Romania

Carlo Vivaldi
Deputy Chief Executive Officer - Turkey

COMPETENCE LINES

AUDIT
Giuseppe Aquaro
Head of Internal Audit - UniCredit Bank Austria

Jurgen Dennert
Head of Audit Advisory, Quality Assurance & Operations

CFO
Mirko Davide Georg Bianchi
Head of Group Finance

Stefano Ceccacci
Head of Tax Affairs

Joachim Dobrikat
Head of Accounting, Tax & Shareholdings - UniCredit Bank AG

Francesco Giordano
Chief Financial Officer - UniCredit Bank Austria

Peter Hofbauer
Chief Financial Officer - UniCredit Bank AG

Marco Iannaccone
Chief Financial Officer - Bank Pekao

Oreste Massolini
Head of Planning, Finance & Administration (CFO) - UniCredit Business Integrated Solutions (UBIS)

Arcangelo M. Vassallo
Head of Accounting

Guglielmo Zadra
Head of Planning, Strategy and Capital Management

RISK MANAGEMENT
Giovanni Albanese
Head of Group Credit Risk

Diego Biondo
Chief Risk Officer - Bank Pekao

Juergen Kullnigg
Chief Risk Officer - UniCredit Bank Austria

Maurizio Maria Francescatti
GRM Coordination Market & Liquidity Risk

Massimiliano Fossati
CRO Italy

John Spillane
Head of Group Trading Risks

Andrea Varese
Chief Risk Officer - UniCredit Bank AG

GROUP IDENTITY & COMMUNICATIONS
Maurizio Beretta
Head of Group Identity & Communications

Silvio Santini
Head of Group Brand Management

HUMAN RESOURCES

Michael Hinssen
Head of HR CIB Division and Head of HR Germany - UniCredit Bank AG

Luigi Luciani
Head of HR Italy

Anna Simioni
Head of Corporate Learning

Doris Tomanek
Head of HR Austria & CEE - UniCredit Bank Austria

Pier Vaisitti
Head of HR - Kazakhstan

LEGAL & COMPLIANCE
Carlo Appetiti
Co-Head of Global Compliance

Mark Bailham
Co-Head of Global Compliance

Andreas Frueh
Head of Legal, Corporate Affairs & Documentation - UniCredit Bank AG

Carlo Kostka
Head of Global Legal

Secondino Natale
Head of Group Corporate Bodies

HEAD OFFICE FUNCTIONS
Marco Berini
Co-Head of Research & Development

Giuseppe Scognamiglio
Head of Public Affairs

COO AREA
Paolo Cederle
Head of Operations Management and Chief Executive Officer UniCredit Business Integrated Solutions (UBIS)

Dino Crivellari
Chief Executive Officer - UniCredit Credit Management Bank

Paolo Gencarelli
Head of Service Line Real Estate - UniCredit Business Integrated Solutions (UBIS)

Lissimahos Hatzidimoulas
Head of UBIS Branch Germany and General Manager UGBS Gmbh

Heinz Laber
Head of Human Resources Management and GBS Divisions - UniCredit Bank AG

Giandomenico Miceli
Head of Holding Organization & Global Processes

Massimo Milanta
General Manager - UniCredit Business Integrated Solutions (UBIS)

Pierangelo Mortara
Head of Business Line Global Markets - UniCredit Business Integrated Solutions (UBIS) and General Manager 2 UGBS Gmbh

Laura Stefania Penna
Head of Management Consultancy

Massimo Schiattarella
General Manager - UniCredit Business Integrated Solutions (UBIS)

Paolo Tripodi
Head of Group Organization and Logistics

Roberto Vergnano
Head of GBS - Bank Pekao

Andreas Wagner
Head of CIB Organization and Head of Organization Department - UniCredit Bank AG

Marian Wazynski
Head of Logistics & Procurement - Bank Pekao

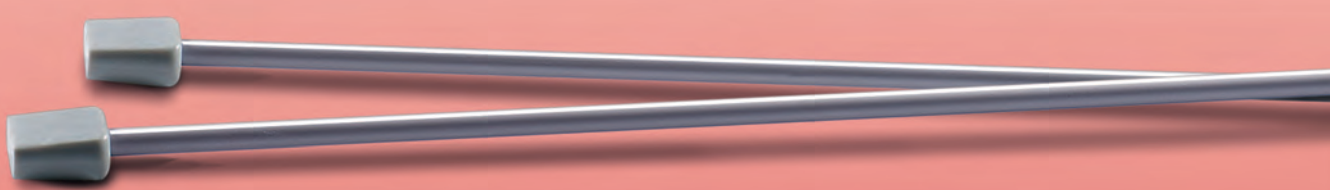
* Data as at March 15, 2013

Meeting customers' specific needs with flat fee

CUSTOMIZED

"Even when it comes to fairly simple banking transactions like payments, we know that UniCredit Bank finds solutions that are mutually beneficial. Their customized payment system, flat fee, not only helps us to understand and plan our monthly expenses but also saves our accountant's time."

Pauls Ābele, Head of Finance, Accounting and IT Board Member of AS "Latvijas Finieris," customer of UniCredit Bank in Baltics



Consolidated Financial Statements

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

Consolidated Accounts

Consolidated Balance Sheet

Consolidated Balance Sheet

(€ '000)

BALANCE SHEET - ASSETS	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
10. Cash and cash balances	7,569,998	9,546,560
20. Financial assets held for trading	107,118,564	120,373,684
30. Financial assets at fair value throgh profit or loss	25,025,015	28,623,092
40. Available-for-sale financial assets	73,594,948	57,767,295
50. Held-to-maturity investments	6,207,867	9,265,450
60. Loans and receivables with banks	74,474,975	56,161,715
70. Loans and receivables with customers	547,144,057	555,945,797
80. Hedging derivatives	17,691,334	13,651,267
90. Changes in fair value of portfolio heged items (+/-)	3,155,541	1,827,857
100. Investments in associates and joint ventures	3,858,440	3,554,675
110. Insurance reserves attributable to reinsures	792	928
120. Property, plant and equipment	11,832,785	12,092,775
130. Intangible assets	15,658,004	15,552,887
of which: - goodwill	*11,677,608*	*11,567,192*
140. Tax assets	17,609,447	14,299,222
a) current tax assets	*1,070,531*	*1,676,842*
b) deferred tax assets	*16,538,916*	*12,622,380*
out of which for purposes of L. 214/2011	*9,444,621*	*5,260,971*
150. Non-current assets and disposal groups classified as held for sale	3,967,553	4,811,083
160. Other assets	11,918,153	10,092,793
Total assets	**926,827,473**	**913,567,080**

As at December 31, 2012, in accordance with IFRS5, the assets of the following companies were recognized under item "Non-current assets and disposal groups classified as held for sale" as a result of their classification as "discontinued operations":
- JSC ATF BANK;
- UNICREDIT BANK OJSC;
- ATF CAPITAL B.V.;
- ATF FINANCE JSC;
- ATF INKASSATSIYA LTD.

The previous period was restated accordingly to increase comparability, pursuant to the regulations in force.

Comparative figures relating to December 31, 2011 of items 20 and 80 of assets and items 40 and 60 of liabilities were restated to reflect the presentation on a net basis of some derivative contracts entered into with central counterparties (CCP), as described in more detail in Part B of the Notes to the Consolidated Accounts.

More specifically, item 20 - *Financial assets held for trading* and item 80 - *Hedging derivatives* of assets decreased by €10,611,725 and €2,589,939 respectively, while item 40 - *Financial liabilities held for trading* and item 60 - *Hedging derivatives* of liabilities decreased by €11,899,998 and €1,301,666 respectively.

Continued: Consolidated Balance Sheet (€ '000)

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT	
	12.31.2012	12.31.2011
10. Deposits from banks	117,445,187	131,582,977
20. Deposits from customers	409,513,673	395,288,269
30. Debt securities in issue	170,451,195	162,159,718
40. Financial liabilities held for trading	99,123,193	111,385,767
50. Financial liabilities at fair value through profit or loss	851,754	785,966
60. Hedging derivatives	14,539,525	11,907,080
70. Changes in fair value of portfolio hedged items (+/-)	6,769,264	4,840,832
80. Tax liabilities	7,885,806	6,184,462
a) current tax liabilities	*3,258,842*	*1,504,449*
b) deferred tax libilities	*4,626,964*	*4,680,013*
90. Liabilities included in disposal groups classified as held for sale	3,559,812	4,450,320
100. Other liabilities	20,951,805	20,388,819
110. Provision for employee severance pay	1,041,009	1,089,409
120. Provisions for risks and charges	8,014,433	8,496,169
a) post retirement benefit obligations	*4,495,222*	*4,509,105*
b) other reserves	*3,519,211*	*3,987,064*
130. Insurance reserves	227,737	209,714
140. Revaluation reserves	(603,441)	(3,843,089)
170. Reserves	10,001,793	15,564,529
180. Share premium	32,877,938	36,823,215
190. Issued capital	19,647,949	12,148,463
200. Treasury shares (-)	(5,049)	(7,337)
210. Minorities (+/-)	3,668,999	3,318,245
220. Net Profit (Loss) for the year (+/-)	864,891	(9,206,448)
Total liabilities and Shareholders' Equity	**926,827,473**	**913,567,080**

As at December 31, 2012, in accordance with IFRS5, the liabilities of the following companies were recognized under item "Liabilities included in disposal groups classified as held for sale" as a result of their classification as "discontinued operations":

- JSC ATF BANK;
- UNICREDIT BANK OJSC;
- ATF CAPITAL B.V.;
- ATF FINANCE JSC;
- ATF INKASSATSIYA LTD.

The previous period was restated accordingly to increase comparability, pursuant to the regulations in force.

Comparative figures relating to December 31, 2011 of items 20 and 80 of assets and items 40 and 60 of liabilities were restated to reflect the presentation on a net basis of some derivative contracts entered into with central counterparties (CCP), as described in more detail in Part B of the Notes to the Consolidated Accounts.

More specifically, item 20 - *Financial assets held for trading* and item 80 - *Hedging derivatives* of assets decreased by €10,611,725 and €2,589,939 respectively, while item 40 - *Financial liabilities held for trading* and item 60 - *Hedging derivatives* of liabilities decreased by €11,899,998 and €1,301,666 respectively.

Consolidated Income Statement

Consolidated Income Statement

(€ '000)

ITEM	YEAR 2012	YEAR 2011
10. Interest income and similar revenues	28,219,931	29,285,997
20. Interest expenses and similar charges	(14,342,857)	(13,979,469)
30. Net interest margin	**13,877,074**	**15,306,528**
40. Fee and commision income	9,416,685	9,792,749
50. Fee and commission expense	(1,672,947)	(1,744,978)
60. Net fee and commissions	**7,743,738**	**8,047,771**
70. Dividend income and similar revenue	226,323	740,877
80. Gains and losses on financial assets and liabilities held for trading	1,327,821	419,377
90. Fair value adjustments in hedge accounting	(133,700)	105,797
100. Gains and losses on disposal of:	**1,591,648**	**315,406**
a) loans	*33,752*	*(21,920)*
b) available-for-sale financial assets	*464,164*	*304,368*
c) held-to-maturity investments	*30,467*	*(3,281)*
d) financial liabilities	*1,063,265*	*36,239*
110. Gains and losses on financial assets/liabilities at fair value through profit or loss	32,902	23,710
120. Operating income	**24,665,806**	**24,959,466**
130. Impairment losses on:	(9,767,582)	(6,351,599)
a) loans	*(8,996,475)*	*(5,574,378)*
b) available-for-sale financial assets	*(158,166)*	*(471,822)*
c) held-to-maturity investments	*(15,830)*	*(152,373)*
d) other financial assets	*(597,111)*	*(153,026)*
140. Net profit from financial activities	**14,898,224**	**18,607,867**
150. Premiums earned (net)	161,315	125,688
160. Other income (net) from insurance activities	(125,739)	(98,814)
170. Net profit from financial and insurance activities	**14,933,800**	**18,634,741**
180. Administrative costs:	(14,631,485)	(15,014,329)
a) staff expense	*(9,137,817)*	*(9,401,681)*
b) other administrative expense	*(5,493,668)*	*(5,612,648)*
190. Net provision for risks and charges	(203,489)	(740,229)
200. Impairment/write-backs on property, plant and equipment	(790,509)	(833,101)
210. Impairment/write-backs on intangible assets	(618,985)	(1,599,584)
220. Other net operating income	805,786	794,354
230. Operating costs	**(15,438,682)**	**(17,392,889)**
240. Profit (loss) of associates	101,430	(323,249)
250. Gains and losses on tangible and intangible assets measured at fair value	1	(6,846)
260. Impairment of goodwill	(30,006)	(8,203,322)
270. Gains and losses on disposal of investments	106,369	180,409
280. Total profit or loss before tax from continuing operations	**(327,088)**	**(7,111,156)**
290. Tax expense (income) related to profit or loss from continuing operations	1,724,428	(1,114,973)
300. Total profit or loss after tax from continuing operations	**1,397,340**	**(8,226,129)**
310. Profit (loss) after tax from discontinued operations	(174,808)	(615,553)
320. Net Profit or Loss for the year	**1,222,532**	**(8,841,682)**
330. Minorities	(357,641)	(364,766)
340. Holdings Income (Loss) of the year	**864,891**	**(9,206,448)**

Earnings per share (€)	0.15	(5.12)
Diluted earnings per share (€)	0.15	(5.11)

Notes:

For further information on earnings per share and diluted earnings per share please see Notes to the Accounts- Part C - Information on the Income Statement - Section 24.

As at December 31, 2012, in accordance with IFRS5, the profit/loss of the following companies was entirely recognized under item "Profit (loss) after tax from discontinued operations" as a result of their classification as "discontinued operations":
- JSC ATF BANK;
- UNICREDIT BANK OJSC;
- ATF CAPITAL B.V.;
- ATF FINANCE JSC;
- ATF INKASSATSIYA LTD.

The previous period was restated accordingly to increase comparability, pursuant to the regulations in force.

In addition, it should be noted that comparative figures as at December 31, 2012 differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of:
- the reclassification, carried out by three subsidiaries of the Group in the first half of 2012, of reversals connected with the passing of time from item 10. Interest income and similar revenues to item 130. Impairment losses on loans;
- the recognition under item 80. Gains and losses on financial assets and liabilities held for trading of the margins embedded in the sale price of some trading products, traded by some Group entities, previously recorded under item 40. Fee and commission income and item 50. Fee and commission expense.

Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income

(€ '000)

ITEMS	YEAR 2012	YEAR 2011
10. Net Profit (Loss) for the year	**1,222,532**	**(8,841,682)**
Other comprehensive income after tax		
20. Available-for-sale financial assets	2,618,870	(1,757,572)
30. Property plant and equipment	-	-
40. Intangible assets	-	-
50. Hedges of foreign investments	-	-
60. Cash flow hedges	4,194	348,584
70. Exchange differences	666,356	(1,196,909)
80. Non current assets classified as held for sale	(89)	(551)
90. Actuarial gains (losses) on defined benefits plans	-	-
100. Valuation reserves from investments accounted for using the equity method	170,721	(206,925)
110. Total of other comprehensive income after tax	**3,460,052**	**(2,813,373)**
120. Comprehensive income after tax (item 10+110)	**4,682,584**	**(11,655,055)**
130. Consolidated comprehensive income attributable to minorities	(599,211)	(147,462)
140. Consolidated comprehensive income attributable to Parent Company	**4,083,373**	**(11,802,517)**

Figures as at December 31, 2011 were restated following the classification - carried out in 2012 - of the following companies as discontinued operations:
- JSC ATF BANK;
- UNICREDIT BANK OJSC;
- ATF CAPITAL B.V.;
- ATF FINANCE JSC;
- ATF INKASSATSIYA LTD.

Statement of changes in Shareholders' Equity

Statement of Changes in Shareholders' Equity includes Group portion and minorities:

Statement of changes in Shareholders' Equity as at December 31, 2012

(€ '000)

				ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES DURING THE YEAR										
							SHAREHOLDERS' EQUITY TRANSACTIONS									
	BALANCE AS AT 12.31.2011	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2012	RESERVES	DIVIDENS	CHANGES IN RESERVES	ISSUE OF NEW SHARES	ACQUISITION OF TREASURY SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES	STOCK OPTIONS	COMPREHENSIVE INCOME 2012	TOTAL SHAREHOLDERS' EQUITY AS AT 12.31.2012	SHAREHOLDERS' EQUITY GROUP AS AT 12.31.2012	SHAREHOLDERS' EQUITY MINORITIES AS AT 12.31.2012
Issued capital:																
a) ordinary shares	12,600,516		12,600,516			(54,058)	7,506,519							20,052,977	19,639,723	413,254
b) other shares	15,259		15,259				(7,033)							8,226	8,226	-
Share premiums	38,591,316		38,591,316	(3,945,277)		3,461								34,649,500	32,877,938	1,771,562
Reserves:																
a) from profits	16,267,044		16,267,044	(5,090,942)		(173,767)	(277)							11,002,058	10,035,652	966,406
b) other	216,420		216,420	(12,771)		(46,531)	(139,630)					67,394		84,882	(33,859)	118,741
Revaluation reserves	(4,043,335)		(4,043,335)			21,443							3,460,052	(561,840)	(603,441)	41,601
Treasury shares	(7,960)		(7,960)			2,705								(5,255)	(5,049)	(206)
Net profit or Loss for the period	(8,841,682)		(8,841,682)	9,048,990	(207,308)								1,222,532	1,222,532	864,891	357,641
Total Shareholders' Equity	**54,797,578**	**-**	**54,797,578**	**-**	**(207,308)**	**(246,747)**	**7,359,579**	**-**	**-**	**-**	**-**	**67,394**	**4,682,584**	**66,453,080**	**62,784,081**	**3,668,999**
Shareholders' Equity Group	51,479,333	-	51,479,333	-	(2,100)	(203,498)	7,359,579	-	-	-	-	67,394	4,083,373	62,784,081		
Shareholders' Equity minorities	3,318,245		3,318,245		(205,208)	(43,249)							599,211	3,668,999		

Balances as at December 31, 2011 differ from the figures disclosed at that date as a result of the reclassification of positive reserves and the restatement of negative reserves carried out by the Parent Company UniCredit S.p.A. as part of a general review of the internal composition of the Shareholders' Equity, as shown in the Statement of changes in Shareholders' Equity as at December 31, 2011.

The amounts reported in column "Stock options" represent the effects relating to the delivery of shares (Stock Options, Performance Shares, Discount and Matching Shares connected with the ESOP Plans and other Group Executive Incentive Plans).

Item "Reserves from profits - Changes in reserves" includes the effects arising from the change in accounting policies followed by the Group to account for the fair value adjustments of Loans Ex Capitalia that has been recognized in the context of the Business Combination for the amount of -182 euro million.

Statement of changes in Shareholders' Equity as at December 31, 2011

(€ '000)

				ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES DURING THE YEAR										
							SHAREHOLDERS' EQUITY TRANSACTIONS									
	BALANCE AS AT 12.31.2010	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2011	RESERVES	DIVIDENS	CHANGES IN RESERVES	ISSUE OF NEW SHARES	ACQUISITION OF TREASURY SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES	STOCK OPTIONS	COMPREHENSIVE INCOME 2011	TOTAL SHAREHOLDERS' EQUITY AS AT 12.31.2011	SHAREHOLDERS' EQUITY GROUP AS AT 12.31.2011	SHAREHOLDERS' EQUITY MINORITIES AS AT 12.31.2011
Issued capital:																
a) ordinary shares	10,012,413		10,012,413			91,570	2,496,533							12,600,516	12,133,204	467,312
b) other shares	12,120		12,120				3,139							15,259	15,259	-
Share premiums	41,091,961		41,091,961			(1,427)	(2,499,218)							38,591,316	36,823,215	1,768,101
Reserves:																
a) from profits	12,570,882	3,275,841	15,846,723	835,274		(414,499)	(454)							16,267,044	15,466,850	800,194
b) other	3,612,656	(3,275,841)	336,815			(174,118)	(3,706)					57,429		216,420	97,679	118,741
Revaluation reserves	(1,237,158)		(1,237,158)			7,196							(2,813,373)	(4,043,335)	(3,843,089)	(200,246)
Treasury shares	(4,218)		(4,218)			(3,742)								(7,960)	(7,337)	(623)
Net profit or Loss for the period	1,644,569		1,644,569	(835,274)	(809,295)								(8,841,682)	(8,841,682)	(9,206,448)	364,766
Total Shareholders' Equity	**67,703,225**	**-**	**67,703,225**	**-**	**(809,295)**	**(495,020)**	**(3,706)**	**-**	**-**	**-**	**-**	**57,429**	**(11,655,055)**	**54,797,578**	**51,479,333**	**3,318,245**
Shareholders' Equity Group	64,224,045	-	64,224,045	-	(560,025)	(435,893)	(3,706)	-	-	-	-	57,429	(11,802,517)	51,479,333		-
Shareholders' Equity minorities	3,479,180		3,479,180		(249,270)	(59,127)							147,462	3,318,245	-	-

€ 3,275.8 million in column "Change in opening balance" refers to the effects on a consolidated basis of the effects of the reclassification of positive reserves and the restatement of negative reserves carried out by the Parent Company UniCredit S.p.A. as part of a general review of the internal composition of the Shareholders' Equity:

i) €572.8 million of positive reserves from allocation of profit from previous year reclassified from "Reserves - other" to "reserves from allocation of profit from previous year";

ii) €2,703 million of negative items of the Shareholders' Equity reclassified from "reserves from allocation of profit from previous year" to "Reserves - other".

The consolidated impact of this review differs from the impact recognized on an individual basis by UniCredit S.p.A. because of the reserves from business combinations, which do not have impacts on a consolidated basis.

The amounts reported in column "Stock options" represent the effects relating to the delivery of shares (Stock Options, Performance Shares, Discount and Matching Shares connected with the ESOP Plans and other Group Executive Incentive Plans).

The changes reported in column 'Issue of new shares' conventionally include those relating to the free capital increase approved by the Extraordinary Shareholders' Meeting on December 15, 2011, carried out by way of an increase in the nominal value of ordinary and savings shares, with transfer from the Share premium reserve, without the issue of new shares.

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

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement (indirect method)

(€ '000)

	YEAR	
	2012	**2011**
A. OPERATING ACTIVITIES		
1. Operations	**14,232,922**	**13,754,994**
- profit and loss of the period (+/-)	864,891	(9,206,448)
- capital gains/losses on financial assets/liabilities held for trading and on assets/liabilities designated at fair value through profit and loss (+/-)	1,295,279	379,148
- capital gains/losses on hedging operations (+/-)	133,700	(105,797)
- net write-offs/write-backs due to impairment (+/-)	11,396,553	16,497,510
- net write-offs/write-backs on tangible and intangible assets (+/-)	1,409,493	2,439,531
- provisions and other incomes/expenses (+/-)	585,196	1,301,394
- not cashed net premiums (-)	15,542	11,457
- other not collected incomes and expenses from insurance activities	7,440	396
- not paid tax (+)	(2,343,571)	786,037
- impairment/write-backs on discontinued operations	417,184	792,319
- other adjustments (+)	451,215	859,447
2. Liquidity generated/absorbed by financial assets	**(19,204,634)**	**(19,183,543)**
- financial assets held for trading	12,196,645	(8,942,942)
- financial assets at fair value	3,448,526	(1,868,070)
- available-for-sale financial assets	(12,635,578)	(6,350,506)
- loans and receivables with banks	(17,652,219)	12,872,599
- loans and receivables with customers	1,964,289	(17,912,258)
- other assets	(6,526,297)	3,017,634
3. Liquidity generated/absorbed by financial liabilities	**(5,217,349)**	**10,170,593**
- deposits from banks	(14,442,110)	20,467,933
- deposits from customers	10,882,254	1,777,208
- debt certificates including bonds	8,710,731	(16,520,036)
- financial liabilities held for trading	(12,326,649)	9,300,786
- financial liabilities designated at fair value	65,788	(481,923)
- other liabilities	1,892,637	(4,373,375)
Net liquidity generated/absorbed by operating activities	**(10,189,061)**	**4,742,044**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by	**10,980,884**	**10,979,955**
- sales of equity investments	51,568	60,332
- collected dividends on equity investments	70,692	73,227
- sales of financial assets held to maturity	10,559,943	9,918,625
- sales of tangible assets	267,188	593,160
- sales of intangible assets	3,686	13,736
- sales of subsidiaries and divisions	27,807	320,875
2. Liquidity absorbed by	**(10,123,491)**	**(11,442,229)**
- purchases of equity investments	(129,553)	(306,221)
- purchases of financial assets held to maturity	(8,448,014)	(9,517,281)
- purchases of tangible assets	(927,889)	(971,176)
- purchases of intangible assets	(616,116)	(617,551)
- purchases of sales/purchases of subsidiaries and divisions	(1,919)	(30,000)
Net liquidity generated/absorbed by investment activities	**857,393**	**(462,274)**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares	7,359,579	(3,706)
- distribution of dividends and other scopes	(253,839)	(983,413)
Net liquidity generated/absorbed by funding activities	**7,105,740**	**(987,119)**
NET LIQUIDITY GENERATED / ABSORBED DURING THE PERIOD	**(2,225,928)**	**3,292,651**

Continued: Consolidated Cash Flow Statement (indirect method)

Reconciliation

(€ '000)

	YEAR	
	2012	2011
Cash and cash equivalents at the beginning of the period	**9,728,137**	**6,414,097**
Net liquidity generated/absorbed during the period	(2,225,928)	3,292,651
Cash and cash equivalents: effect of exchange rate variations	67,789	(160,188)
Cash and cash equivalents at the end of the period	**7,569,998**	**9,546,560**

Key:
(+) generated;
(-) absorbed.

Figures relating to December 31, 2011 were restated following the classification (IFRS5) - carried out in 2012 - as "discontinued operations" of the following companies:
- JSC ATF BANK;
- UNICREDIT BANK OJSC;
- ATF CAPITAL B.V.;
- ATF FINANCE JSC;
- ATF INKASSATSIYA LTD.

For this reason, also the balance of item "Cash and cash equivalents at the beginning of the period" as at December 31, 2012 differs from the balance of item "Cash and cash equivalents at the end of the period" as at December 31, 2011.

Accordingly, Net liquidity absorbed as at December 31, 2012 does not include the portion relating to the group of Kazakh companies amounting to -€181,577 thousand (-€208,507 thousand as at December 31, 2011).

Notes to the Consolidated Accounts

Part A - Accounting Policies

Part A - Accounting Policies

A.1 - General

Section 1 - Statement of Compliance with IFRSs

These Consolidated Accounts have been prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB), including the interpretation documents issued by the SIC and the IFRIC, and endorsed by the European Commission up to December 31, 2012, pursuant to EU Regulation 1606/2002 which was incorporated into Italian legislation through the Legislative Decree no. 38 of February 28, 2005 (see Section 5 - Other matters).

They are an integral part of the Annual Financial Statements as required by art. 154-ter, paragraph 1, of the Single Finance Act (TUF Legislative Decree no. 58 of February 24, 1998).

In its circular 262 of December 22, 2005 (first amendment of November 18, 2009 and further amendments issued through subsequent circular letters) the Bank of Italy - whose powers regarding the accounts of banks and regulated financial companies, previously established under Legislative Decree 87/92, were confirmed in the above mentioned Legislative Decree 58/98 - laid down the formats for the financial statements and explanatory notes used to prepare these Accounts.

Section 2 - Preparation Criteria

As mentioned above, these Consolidated Accounts have been prepared in accordance with the IFRS endorsed by the European Commission. The following documents have been used to interpret and support the application of IFRS, even though they have not all been endorsed by the European Commission:
- Framework for the Preparation and Presentation of Financial Statements issued by the IASB in 2010;
- Implementation Guidance, Basis for Conclusions, IFRICs and any other documents prepared by the IASB or International Financial Reporting Interpretations Committee (IFRIC) supplementing the IFRS;
- Interpretative documents on the application of IFRS in Italy prepared by the Organismo Italiano di Contabilità (OIC) and Associazione Bancaria Italiana (ABI);
- ESMA (European Securities and Markets Authority) and Consob documents on the application of specific IFRS provisions.

The Consolidated Accounts comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement (compiled using the indirect method) and the Notes to the Accounts, together with the Directors' Report on Operations and Annexes.

As noted in the Report on Operations, the Report on Corporate Governance and Ownership Structures is available in the "Governance" section of the UniCredit website (http://www.unicreditgroup.eu/it/Governance/system-policies/corporate_governance_report.htm - Italian version and http://www.unicreditgroup.eu/en/Governance/system-policies/corporate_governance_report.htm - English version).

Figures in the financial statements and Notes to the Accounts are given **in thousands of euros**, unless otherwise specified.

These consolidated accounts have been prepared on the assumption that the business is a going concern in accordance with IAS 1, as there is no uncertainty as to the Company's ability to continue its business operations.
The measurement criteria adopted are therefore consistent with this assumption and with the principles of accrual based accounting, the relevance and materiality of accounting information, and the prevalence of economic substance over legal form. These criteria have not changed with respect to the previous year.

Risk and uncertainty related to the use of estimates

Under the IFRS, management must make judgments, estimates and assumptions that affect the application of accounting principles and the amounts of assets and liabilities and income and expenses reported in the accounts, as well as the disclosure concerning potential assets and liabilities. Estimates and related assumptions are based on previous experience and other factors considered reasonable under the circumstances and have been used to estimate the carrying values of assets and liabilities not readily available from other sources.

Estimated figures have been used for the recognition of some of the largest value-based items in the Consolidated Accounts at December 31, 2012, as required by the accounting policies and regulations described above. These estimates are largely based on calculations of future recoverability of the values recognized in the accounts according to the rules laid down in current legislation and have been made on the assumption of a going concern, i.e. without contemplating the possibility of the forced sale of the estimated items.

The processes adopted confirm the carrying values at December 31, 2012. Valuation is particularly difficult because of the uncertainty in the macroeconomic and market environment, characterized by both marked volatility in the financial parameters defined for the valuation process and signs of deterioration in credit quality.

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

Estimates and assumptions are regularly reviewed. Any changes resulting from these reviews are recognized in the period in which the review was carried out, provided the change only concerns that period. If the revision concerns both current and future periods it is recognized accordingly in both current and future periods.

Uncertainty affecting estimates is generally inherent in the measurement of:
- fair value of financial instruments not listed in active markets;
- loans and receivables, investments and, in general, any other financial assets/liabilities;
- severance pay (Italy) and other employee benefits;
- provisions for risks and charges and contingent assets;
- goodwill and other intangible assets;
- assets and liabilities related to insurance contracts;
- deferred tax assets.

This is because the quantification of these items is mainly dependent on both the evolution of domestic and international socio-economic conditions and the performance of the financial markets, which affect interest rates, securities prices, actuarial assumptions and, more generally, the creditworthiness of borrowers and counterparties.

With specific reference to future cash flow projections used in the valuation of goodwill and other intangible assets, it should be noted that the parameters and information used are significantly influenced by the macro-economic market situation, which may change in unpredictably. For further information see Part B - Consolidated Balance Sheet - Section 13 - Intangible assets.

Section 3 - Consolidation Procedures and Scope

The consolidation criteria and principles used to prepare the consolidated accounts at December 31, 2012 are described below.

Consolidated Accounts

For the preparation of the Consolidated Accounts the following sources have been used:
- UniCredit S.p.A. Accounts (draft) at December 31, 2012.
- The draft Accounts at December 31, 2012 of other fully consolidated subsidiaries duly reclassified and adjusted in order to take account of consolidation needs and, where necessary, to align them to the Group accounting principles. Where the drafts had not yet been approved at the date of preparation of the Accounts, the fourth quarter results authorized by the competent corporate bodies have been used. Since December 2012, the companies belonging to the Leasing subgroup, controlled by UniCredit Leasing S.p.A. and previously consolidated through the sub-consolidated Accounts of the Austrian subsidiaries and the sub-consolidated Accounts of the subsidiaries operating in the CEE area, have provided their own draft Accounts.
- The sub-consolidated Accounts of Compagnia Italpetroli Group including Compagnia Italpetroli S.p.A. and its direct and indirect subsidiaries, at December 31, 2012.

Amounts in foreign currencies are converted at closing exchange rates in the balance sheet, whereas the average exchange rate for the year is used for the income statement.

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

Subsidiaries

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

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

The list of subsidiaries also includes any special purpose entities as required by SIC 12.

Part A - Accounting Policies (Continued)

Under the SIC 12 interpretation UniCredit is required to consolidate special purpose entities for which, in substance, the majority of the risks and rewards incident to the activities of these special purpose entities is attributable to the Bank or, in substance, the Bank controls the special purpose entities. An interest in the equity capital of the special purpose entities is immaterial in this regard.

Thus the consolidation of special purpose entities in accordance with SIC 12 has the same effect as full consolidation. Equity interests held by third parties in a special purpose entity consolidated by the Bank in accordance with SIC 12 are recognized under minority interests.

The carrying amount of an ownership interest in a fully or proportionately consolidated entity held by the Parent Company or another Group company is eliminated - against the recognition of the assets and liabilities of the investee - as an offsetting entry to the corresponding portion of equity of the subsidiary due to the Group.

Intragroup balances, off-balance sheet transactions, income and expenses and gain/losses between consolidated companies are eliminated in full or proportionately, according to the method of consolidation adopted.

A subsidiary's income and expenses are included in the consolidation from the date the Parent acquires control. On disposal of a subsidiary, its income and expenses are consolidated up to the date of disposal, i.e., until the Parent ceases to control the subsidiary. The difference between the proceeds from the disposal of the subsidiary and the carrying amount of its net assets at the same date is recognized in item 270 “Gains (Losses) on disposal of investments” in profit and loss for fully or proportionately consolidated entities.

Minority interests are recognized in the consolidated balance sheet item 210 “Minorities” separately from liabilities and Parent shareholders' equity. Minority interests in the profit or loss of the Group are separately disclosed under item 330 “Minorities” of the consolidated income statement.

With respect to subsidiaries included in the scope of consolidation for the first time, the fair value of the price paid to obtain control of them is measured at the acquisition date.

Joint ventures

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

Interests in joint ventures are recognized using proportionate consolidation.

Associates

These are entities over which an investor has significant influence and which are not subsidiaries or joint ventures. It is presumed that:
- the investor has significant influence if the investor holds, directly or indirectly, at least 20 per cent of the voting power of an investee;
- is able to exercise significant influence through:
  - representation on the board of directors or equivalent governing body of the investee;
  - participation in policy-making process, including participation in decisions about dividends or other distributions;
  - material transactions between the investor and the investee;
  - interchange of managerial personnel;
  - provision of essential technical information.

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

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

Gains and losses on transactions between fully or proportionately consolidated entities and associates are eliminated according to the percentage interest in the associate.

The changes in the revaluation reserves of associates, which are recorded as a contra item to changes in value of assets and liabilities that are relevant to this purpose, are reported separately in the Statement of Comprehensive Income.

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

Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
	A.COMPANY					
	A.1 LINE BY LINE METHOD					
1	UNICREDIT SPA	ROME		HOLDING		
2	A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG	MUNICH	1	GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND)	100.00	
3	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. OBERBAUM CITY KG	GRUNWALD	1	SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	100.00	98.11
4	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. PARKKOLONNADEN KG	GRUNWALD	1	A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG	100.00	98.11
5	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. STUTTGART KRONPRINZSTRASSE KG	GRUNWALD	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	98.11
6	ACTIVE ASSET MANAGEMENT GMBH	GRUNWALD	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
7	AGROB IMMOBILIEN AG	ISMANING	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	52.72	75.02
8	AI BETEILIGUNGS GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
9	ALINT 458 GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	BAD HOMBURG	1	UNICREDIT LEASING S.P.A.	100.00	
10	ALLEGRO LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
11	ALLIB LEASING S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
12	ALLIB NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
13	ALLIB ROM S.R.L.	BUCHAREST	1	UNICREDIT LEASING S.P.A.	100.00	
14	ALMS LEASING GMBH.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
15	ALPINE CAYMAN ISLANDS LTD.	GEORGE TOWN	1	UNICREDIT BANK AUSTRIA AG	100.00	
16	ALTUS ALPHA PLC	DUBLIN	4	UNICREDIT BANK AG	..	(3)
17	ALV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
18	ANI LEASING IFN S.A.	BUCHAREST	1	UNICREDIT GLOBAL LEASING EXPORT GMBH	10.01	
				UNICREDIT LEASING S.P.A.	89.99	
19	ANTARES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
20	ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	90.00	
21	ARABELLA FINANCE LTD.	DUBLIN	4	UNICREDIT BANK AG	..	(3) (4)
22	ARANY PENZUEGYI LIZING ZRT.	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
23	ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	100.00	
24	ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
25	ARRONDA IMMOBILIENVERWALTUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	100.00	
26	ARTIST MARKETING ENTERTAINMENT GMBH	VIENNA	1	MY BETEILIGUNGS GMBH	100.00	
27	AS UNICREDIT BANK, LATVIA	RIGA	1	UNICREDIT BANK AUSTRIA AG	100.00	
28	ATF CAPITAL B.V.	ROTTERDAM	1	JSC ATF BANK	100.00	
29	ATF FINANCE JSC	ALMATY CITY	1	JSC ATF BANK	100.00	
30	ATF INKASSATSIYA LTD	ALMATY CITY	1	JSC ATF BANK	100.00	
31	ATLANTERRA IMMOBILIENVERWALTUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	90.00	
32	AUFBAU DRESDEN GMBH	MUNICH	1	HVB PROJEKT GMBH	100.00	

Part A - Accounting Policies (Continued)

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
33	AUSTRIA LEASING GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	0.40	
				GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.40	99.60
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
34	AUTOGYOR INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
35	AWT HANDELS GESELLSCHAFT M.B.H.	VIENNA	1	AWT INTERNATIONAL TRADE GMBH	100.00	
36	AWT INTERNATIONAL TRADE GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
37	B.I. INTERNATIONAL LIMITED	GEORGE TOWN	1	TRINITRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG	100.00	
38	BA ALPINE HOLDINGS, INC.	WILMINGTON	1	UNICREDIT BANK AUSTRIA AG	100.00	
39	BA BETRIEBSOBJEKTE GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
40	BA BETRIEBSOBJEKTE GMBH & CO BETA VERMIETUNGS OG	VIENNA	1	BA BETRIEBSOBJEKTE GMBH	99.90	
				MY DREI HANDELS GMBH	0.10	
41	BA BETRIEBSOBJEKTE PRAHA, SPOL.S.R.O.	PRAGUE	1	BA BETRIEBSOBJEKTE GMBH	100.00	
42	BA CA LEASING (DEUTSCHLAND) GMBH	BAD HOMBURG	1	UNICREDIT LEASING S.P.A.	94.90	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	5.10	(7)
43	BA CA SECUND LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
44	BA CREDITANSTALT BULUS EOOD	SOFIA	1	HVB LEASING OOD	100.00	
45	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
46	BA GEBAEUDEVERMIETUNGSGMBH	VIENNA	1	BA GVG-HOLDING GMBH	70.00	
47	BA GVG-HOLDING GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
48	BA IMMO GEWINNSCHEIN FONDS1	VIENNA	4	UNICREDIT BANK AUSTRIA AG	..	(3)
49	BA PRIVATE EQUITY GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
50	BA-CA ANDANTE LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
51	BA-CA FINANCE (CAYMAN) II LIMITED	GEORGE TOWN	1	ALPINE CAYMAN ISLANDS LTD.	100.00	
52	BA-CA FINANCE (CAYMAN) LIMITED	GEORGE TOWN	1	ALPINE CAYMAN ISLANDS LTD.	100.00	
53	BA-CA INFRASTRUCTURE FINANCE ADVISORY GMBH	VIENNA	1	ZETA FUENF HANDELS GMBH	100.00	
54	BA-CA LEASING DREI GARAGEN GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
55	BA-CA LEASING MAR IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
56	BA-CA LEASING MODERATO D.O.O.	LJUBLJANA	1	UNICREDIT LEASING S.P.A.	100.00	
57	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
58	BA-CA PRESTO LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
59	BA-CA WIEN MITTE HOLDING GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
60	BA/CA-LEASING BETEILIGUNGEN GMBH	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
61	BACA CENA IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
62	BACA CHEOPS LEASING GMBH	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
63	BACA HYDRA LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
64	BACA KOMMUNALLEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
65	BACA LEASING ALFA S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
66	BACA LEASING CARMEN GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
67	BACA LEASING GAMA S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME		MAIN OFFICE	TYPE OF RELATIONSHIP[1]	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS [2]
68	BACA LEASING UND BETEILGUNGSMANAGEMENT GMBH	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	98.80	99.00
				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
69	BACA NEKRETNINE DOO	SARAJEVO	1	UNICREDIT LEASING S.P.A.	100.00	
70	BACA-LEASING AQUILA INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
71	BACA-LEASING GEMINI INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
72	BACA-LEASING NERO INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
73	BACA-LEASING OMIKRON INGATLANHASZNOSTO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
74	BACA-LEASING URSUS INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
75	BACAL ALPHA DOO ZA POSLOVANJE NEKRETNINAMA	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
76	BACAL BETA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
77	BAL CARINA IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
78	BAL DEMETER IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
79	BAL HESTIA IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
80	BAL HORUS IMMOBILIEN LEASING GMBH	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
81	BAL HYPNOS IMMOBILIEN LEASING GMBH	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
82	BAL LETO IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
83	BAL OSIRIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
84	BAL PAN IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
85	BAL SOBEK IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
86	BALEA SOFT GMBH & CO. KG	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
87	BALEA SOFT VERWALTUNGSGESELLSCHAFT MBH	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
88	BANDON LEASING LTD.	DUBLIN	4	UNICREDIT BANK AG	..	(3)
89	BANK AUSTRIA CREDITANSTALT LEASING IMMOBILIENANLAGEN GMBH	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
90	BANK AUSTRIA FINANZSERVICE GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
91	BANK AUSTRIA HUNGARIA BETA LEASING KORLATOLT FELELOSSEGU TSRSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
92	BANK AUSTRIA IMMOBILIENSERVICE GMBH	VIENNA	1	PLANETHOME AG	100.00	
93	BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH	VIENNA	1	RONDO LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
94	BANK AUSTRIA LEASING HERA IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
95	BANK AUSTRIA LEASING IKARUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
96	BANK AUSTRIA LEASING MEDEA IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)

Part A - Accounting Policies (Continued)

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
97	BANK AUSTRIA REAL INVEST CLIENT INVESTMENT GMBH	VIENNA	1	BANK AUSTRIA REAL INVEST GMBH	100.00	
98	BANK AUSTRIA REAL INVEST GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	94.95	
99	BANK AUSTRIA REAL INVEST IMMOBILIEN-KAPITALANLAGE GMBH	VIENNA	1	BANK AUSTRIA REAL INVEST GMBH	100.00	
100	BANK AUSTRIA WOHNBAUBANK AG	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
101	BANK PEKAO SA	WARSAW	1	UNICREDIT SPA	59.22	
102	BANKHAUS NEELMEYER AG	BREMEN	1	UNICREDIT BANK AG	100.00	
103	BARODA PIONEER ASSET MANAGEMENT COMPANY LTD	MUMBAI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
104	BARODA PIONEER TRUSTEEE COMPANY PVT LTD	MUMBAI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
105	BAULANDENTWICKLUNG GDST 1682/8 GMBH & CO OEG	VIENNA	1	CALG ANLAGEN LEASING GMBH	1.00	
				CALG IMMOBILIEN LEASING GMBH	99.00	
106	BDK CONSULTING	LUCK	1	PUBLIC JOINT STOCK COMPANY UNICREDIT BANK	100.00	
107	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
108	BIL IMMOBILIEN FONDS GMBH & CO OBJEKT PERLACH KG	MUNICH	1	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	94.78	93.87
				WEALTHCAP LEASING GMBH	5.22	5.14
109	BIL LEASING-FONDS GMBH & CO VELUM KG	MUNICH	1	UNICREDIT BANK AG	100.00	33.33
				BIL LEASING-FONDS VERWALTUNGS-GMBH		33.33
110	BIL LEASING-FONDS VERWALTUNGS-GMBH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
111	BLACK FOREST FUNDING LLC	DOVER	4	UNICREDIT BANK AG	..	(3)
112	BLUE CAPITAL EUROPA IMMOBILIEN GMBH & CO. ACHTE OBJEKTE GROSSBRITANNIEN KG	HAMBURG	1	WEALTHCAP FONDS GMBH	90.91	
				WEALTHCAP INVESTORENBETREUUNG GMBH	9.09	
113	BORGO DI PEROLLA SRL	MASSA MARITTIMA	1	FONDIARIA LASA SPA	100.00	
114	BREWO GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
115	BULBANK LEASING EAD	SOFIA	1	UNICREDIT LEASING AD	100.00	
116	BV GRUNDSTUCKSENTWICKLUNGS-GMBH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
117	BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG	MUNICH	1	UNICREDIT BANK AG	100.00	
118	CA-LEASING ALPHA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
119	CA-LEASING DELTA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
120	CA-LEASING EPSILON INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
121	CA-LEASING EURO, S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
122	CA-LEASING KAPPA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
123	CA-LEASING OMEGA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
124	CA-LEASING OVUS S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
125	CA-LEASING PRAHA S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
126	CA-LEASING SENIOREN PARK GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
127	CA-LEASING TERRA POSLOVANJE Z NEPREMICNINAMI D.O.O.	LJUBLJANA	1	UNICREDIT LEASING S.P.A.	100.00	
128	CA-LEASING YPSILON INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
129	CA-LEASING ZETA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
130	CABET-HOLDING GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
131	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	VIENNA	1	CABET-HOLDING GMBH	100.00	

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP[1]	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS [2]
132	CAC REAL ESTATE, S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
133	CAC-IMMO SRO	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
134	CAFU VERMOEGENSVERWALTUNG GMBH & CO OG	VIENNA	1	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
135	CAL-PAPIER INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
136	CALG 307 MOBILIEN LEASING GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
137	CALG 443 GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
				CALG IMMOBILIEN LEASING GMBH	1.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
138	CALG 445 GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
139	CALG 451 GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
140	CALG ALPHA GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
141	CALG ANLAGEN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
142	CALG ANLAGEN LEASING GMBH & CO GRUNDSTUCKVERMIETUNG UND -VERWALTUNG KG	MUNICH	1	CALG ANLAGEN LEASING GMBH	99.90	
143	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
144	CALG GAMMA GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
145	CALG GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	74.80	75.00
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
146	CALG IMMOBILIEN LEASING GMBH	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
147	CALG IMMOBILIEN LEASING GMBH & CO 1050 WIEN, SIEBENBRUNNENGASSE 10-21 OG	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
148	CALG IMMOBILIEN LEASING GMBH & CO 1120 WIEN, SCHONBRUNNER SCHLOSS-STRASSE 38-42 OG	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
149	CALG IMMOBILIEN LEASING GMBH & CO PROJEKT ACHT OG	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
150	CALG IMMOBILIEN LEASING GMBH & CO PROJEKT VIER OG	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
151	CALG MINAL GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
152	CAMPO DI FIORI SAS	ROME	1	IMMOBILIARE PATETTA SRL	96.67	
				SOCIETÀ COLLE AURELIA IMMOBILIARE S.C.A.I. SRL	3.33	
153	CARD COMPLETE SERVICE BANK AG	VIENNA	1	UNICREDIT BANK AUSTRIA AG	50.10	
154	CARDS & SYSTEMS EDV-DIENSTLEISTUNGS GMBH	VIENNA	1	CARD COMPLETE SERVICE BANK AG	5.00	
				DC BANK AG	1.00	
				UNICREDIT BANK AUSTRIA AG	52.00	
155	CBD INTERNATIONAL SP.ZO.O.	WARSAW	1	ISB UNIVERSALE BAU GMBH	100.00	
156	CDM CENTRALNY DOM MAKLERSKI PEKAO SA	WARSAW	1	BANK PEKAO SA	100.00	
157	CEAKSCH VERWALTUNGS G.M.B.H.	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	100.00	
158	CENTAR KAPTOL DOO	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
159	CENTER HEINRICH-COLLIN-STRASSE1 VERMIETUNGS GMBH U.CO KG	VIENNA	4	BA IMMO GEWINNSCHEIN FONDS1	..	[3]

Part A - Accounting Policies (Continued)

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
160 CENTRUM BANKOWOSCI BEZPOSREDNIEJ SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSC	KRAKOW	1	BANK PEKAO SA	100.00	
161 CENTRUM KART SA	WARSAW	1	BANK PEKAO SA	100.00	
162 CHARADE LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
163 CHEFREN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
164 CHIYODA FUDOSAN GK	TOKYO	4	UNICREDIT BANK AG	..	(3)
165 CHRISTOPH REISEGGER GESELLSCHAFT M.B.H.	VIENNA	1	LASSALLESTRASSE BAU-, PLANUNGS-, ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H.	100.00	
166 CIVITAS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
167 CJSC BANK SIBIR	OMSK CITY	1	ZAO UNICREDIT BANK	100.00	
168 CLOSED JOINT-STOCK COMPANY UNICREDIT SECURITIES IN LIQ	MOSCOW	1	AI BETEILIGUNGS GMBH	99.50	
			BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.50	
169 CO.RI.T. S.P.A. IN LIQUIDAZIONE	ROME	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	60.00	
170 COFIRI S.P.A. IN LIQUIDAZIONE	ROME	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	100.00	
171 COMMUNA - LEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	VIENNA	1	REAL-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
172 COMPAGNIA FONDIARIA ROMANA (C.F.R.) SRL	ROME	1	IMMOBILIARE PATETTA SRL	72.50	
			INFISSER SRL	15.00	
			SOCIETÀ VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L.	12.50	
173 COMPAGNIA ITALPETROLI S.P.A.	ROME	1	UNICREDIT SPA	100.00	
174 CONSORZIO QUENIT	VERONA	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	55.00	
175 CONTRA LEASING-GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
			JAUSERN-LEASING GESELLSCHAFT M.B.H.	25.00	
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
176 CORDUSIO SIM - ADVISORY & FAMILY OFFICE SPA	MILAN	1	CORDUSIO SOCIETÀ FIDUCIARIA PER AZIONI	100.00	
177 CORDUSIO SOCIETÀ FIDUCIARIA PER AZIONI	MILAN	1	UNICREDIT SPA	100.00	
178 CRIVELLI SRL	MILAN	1	UNICREDIT SPA	100.00	
179 CUMTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
			UNICREDIT BANK AG	6.15	
180 DAB BANK AG	MUNICH	1	UNICREDIT BANK AG	79.53	
181 DBC SP.Z O.O.	WARSAW	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
182 DC BANK AG	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.94	
183 DC ELEKTRONISCHE ZAHLUNGSSYSTEME GMBH	VIENNA	1	KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H.	100.00	
184 DEBO LEASING IFN S.A.	BUCHAREST	1	UNICREDIT GLOBAL LEASING EXPORT GMBH	10.01	
			UNICREDIT LEASING S.P.A.	89.99	
185 DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT ALPHA MANAGEMENT KG	MUNICH	1	HVB PROJEKT GMBH	100.00	
186 DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT BETA MANAGEMENT KG	MUNICH	1	HVB PROJEKT GMBH	100.00	
187 DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT GAMMA MANAGEMENT KG	MUNICH	1	HVB PROJEKT GMBH	100.00	
188 DINERS CLUB CS S.R.O.	BRATISLAVA	1	DC BANK AG	100.00	
189 DINERS CLUB POLSKA SP.Z.O.O.	WARSAW	1	DC BANK AG	100.00	

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
190	DIRANA LIEGENSCHAFTSVERWERTUNGSGESELLSCHAFT M.B.H.	VIENNA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
191	DIREKTANLAGE.AT AG	SALZBURG	1	DAB BANK AG	100.00	
192	DLV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
193	DOM INWESTYCYJNY XELION SP. Z O.O.	WARSAW	1	BANK PEKAO SA	50.00	
				UNICREDIT SPA	50.00	
194	DOMUS CLEAN REINIGUNGS GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
195	DOMUS FACILITY MANAGEMENT GMBH	VIENNA	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS AUSTRIA GMBH	100.00	
196	DUODEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
197	DV ALPHA GMBH	VIENNA	1	PIRTA VERWALTUNGS GMBH	100.00	
198	DV BETEILIGUNGSVERWALTUNGS GMBH	VIENNA	1	PIRTA VERWALTUNGS GMBH	100.00	
199	EK MITTELSTANDSFINANZIERUNGS AG	VIENNA	1	UNICREDIT BANK AUSTRIA AG	98.00	
200	ENDERLEIN & CO. GMBH	BIELEFELD	1	PLANETHOME AG	100.00	
201	ENTASI SRL	ROME	1	UNICREDIT SPA	100.00	
202	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK GREFRATH KG	OLDENBURG	1	WEALTHCAP INVESTORENBETREUUNG GMBH	0.07	
				WEALTHCAP PEIA MANAGEMENT GMBH	68.45	68.20
203	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK KRAHENBERG KG	OLDENBURG	1	WEALTHCAP INVESTORENBETREUUNG GMBH	0.05	
				WEALTHCAP PEIA MANAGEMENT GMBH	68.49	68.24
204	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK MOSE KG	OLDENBURG	1	WEALTHCAP INVESTORENBETREUUNG GMBH	0.05	0.06
				WEALTHCAP PEIA MANAGEMENT GMBH	68.48	68.23
205	ESPERTI IN MEDIAZIONE SRL	VERONA	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	100.00	
206	EUROFINANCE 2000 SRL	ROME	1	UNICREDIT SPA	100.00	
207	EUROLEASE AMUN IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
208	EUROLEASE ANUBIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
209	EUROLEASE ISIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
210	EUROLEASE MARDUK IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
211	EUROLEASE RA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
212	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
213	EUROPA BEFEKTETESI ALAPKEZELOE ZRT (EUROPA INVESTMENT FUND MANAGEMENT LTD.)	BUDAPEST	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
214	EUROPE REAL-ESTATE INVESTMENT FUND	BUDAPEST	4	UNICREDIT BANK HUNGARY ZRT.	..	(3)
215	EUROPEAN-OFFICE-FONDS	MUNICH	4	UNICREDIT BANK AG	..	(3)
216	EUROVENTURES-AUSTRIA-CA-MANAGEMENT GESMBH	VIENNA	1	CABET-HOLDING GMBH	100.00	
217	EXPANDA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
218	FACTORBANK AKTIENGESELLSCHAFT	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
219	FCT UCG TIKEHAU	PARIS	4	UNICREDIT SPA	..	(3)
220	FINECO LEASING S.P.A.	BRESCIA	1	UNICREDIT SPA	100.00	
221	FINECO VERWALTUNG AG (IN LIQUIDATION)	MUNICH	1	UNICREDIT SPA	100.00	
222	FINECOBANK SPA	MILAN	1	UNICREDIT SPA	100.00	
223	FMC LEASING INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	

Part A - Accounting Policies (Continued)

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
224	FMZ SAVARIA SZOLGALTATO KFT	BUDAPEST	1	UNICREDIT LEASING KFT	75.00	
225	FMZ SIGMA PROJEKTENTWICKLUNGS GMBH	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
226	FOLIA LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
227	FONDIARIA LASA SPA	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
228	FONDO SIGMA	ROME	4	UNICREDIT SPA	..	(3)
229	FOOD & MORE GMBH	MUNICH	1	UNICREDIT BANK AG	100.00	
230	FORUM POLSKIEGO BIZNESU MEDIA SP.Z O.O.	WARSAW	1	PROPERTY SP. Z.O.O. (IN LIQUIDAZIONE)	100.00	
231	FUGATO LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
232	G.N.E. GLOBAL GRUNDSTUCKSVERWERTUNG GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
233	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
234	GBS GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.00	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	1.00	(7)
235	GEBAUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
236	GELDILUX-PP-2011 S.A.	LUXEMBOURG	4	UNICREDIT LUXEMBOURG S.A.	..	(3)
237	GELDILUX-TS-2007 S.A.	LUXEMBOURG	4	UNICREDIT LUXEMBOURG S.A.	..	(3)
238	GELDILUX-TS-2010 S.A.	LUXEMBOURG	4	UNICREDIT LUXEMBOURG S.A.	..	(3)
239	GELDILUX-TS-2011 S.A.	LUXEMBOURG	4	UNICREDIT LUXEMBOURG S.A.	..	(3)
240	GEMEINDELEASING GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	37.30	37.30
				CALG IMMOBILIEN LEASING GMBH	37.50	
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
241	GEMMA VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG	PULLACH	4	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	6.11	(3)
242	GIMMO IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH	MUNICH	1	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	100.00	
243	GOLF- UND COUNTRY CLUB SEDDINER SEE IMMOBILIEN GMBH	MUNICH	1	ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	6.00	
				HVB PROJEKT GMBH	94.00	
244	GRAND CENTRAL FUNDING CORPORATION	NEW YORK	4	UNICREDIT BANK AG	..	(3)
245	GRAND CENTRAL RE LIMITED	HAMILTON	1	UNICREDIT BANK AG	92.50	
246	GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND)	MUNICH	1	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	98.24	
247	GRUNDSTUCKSGESELLSCHAFT SIMON BESCHRANKT HAFTENDE KOMMANDITGESELLSCHAF	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
248	GRUNDSTUCKSVERWALTUNG LINZ-MITTE GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
249	GUS CONSULTING GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
250	H & B IMMOBILIEN GMBH & CO. OBJEKTE KG	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
251	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	MUNICH	1	UNICREDIT BANK AG	10.00	
				WEALTH MANAGEMENT CAPITAL HOLDING GMBH	90.00	
252	H.F.S. IMMOBILIENFONDS GMBH	EBERSBERG	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME		MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
253	H.F.S. LEASINGFONDS DEUTSCHLAND 1 GMBH & CO. KG (IMMOBILIENLEASING)	MUNICH	4	HVB IMMOBILIEN AG	..	(3)
				WEALTHCAP REAL ESTATE MANAGEMENT GMBH	0.08	
254	H.F.S. LEASINGFONDS DEUTSCHLAND 7 GMBH & CO. KG	MUNICH	4	HVB PROJEKT GMBH	0.02	(3)
				WEALTHCAP REAL ESTATE MANAGEMENT GMBH	0.08	
255	HAWA GRUNDSTUCKS GMBH & CO. OHG HOTELVERWALTUNG	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	99.50	
				TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	0.50	
256	HAWA GRUNDSTUCKS GMBH & CO. OHG IMMOBILIENVERWALTUNG	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	99.50	
				TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	0.50	
257	HERKU LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
258	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH	MUNICH	1	UNICREDIT BANK AG	100.00	
259	HOKA LEASING-GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	74.80	75.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
260	HONEU LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
261	HUMAN RESOURCES SERVICE AND DEVELOPMENT GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
262	HVB ALTERNATIVE ADVISORS LLC	WILMINGTON	1	UNICREDIT BANK AG	100.00	
263	HVB ASIA LIMITED	SINGAPORE	1	UNICREDIT BANK AG	100.00	
264	HVB ASSET LEASING LIMITED	LONDON	1	HVB LONDON INVESTMENTS (CAM) LIMITED	100.00	
265	HVB ASSET MANAGEMENT HOLDING GMBH	MUNICH	1	HVB VERWA 4 GMBH	100.00	
266	HVB AUTO LEASING EOOD	SOFIA	1	HVB LEASING OOD	100.00	
267	HVB CAPITAL LLC	WILMINGTON	1	UNICREDIT BANK AG	100.00	
268	HVB CAPITAL LLC II	WILMINGTON	1	UNICREDIT BANK AG	100.00	
269	HVB CAPITAL LLC III	WILMINGTON	1	UNICREDIT BANK AG	100.00	
270	HVB CAPITAL LLC VI	WILMINGTON	1	UNICREDIT BANK AG	100.00	
271	HVB CAPITAL PARTNERS AG	MUNICH	1	UNICREDIT BANK AG	100.00	
272	HVB EXPERTISE GMBH	MUNICH	1	UNICREDIT BANK AG	100.00	
273	HVB EXPORT LEASING GMBH	MUNICH	1	UNICREDIT BANK AG	100.00	
274	HVB FINANCE LONDON LIMITED	LONDON	1	UNICREDIT BANK AG	100.00	
275	HVB FUNDING TRUST	WILMINGTON	4	UNICREDIT BANK AG	..	(3)
276	HVB FUNDING TRUST II	WILMINGTON	1	UNICREDIT BANK AG	100.00	
277	HVB FUNDING TRUST III	WILMINGTON	4	UNICREDIT BANK AG	..	(3)
278	HVB GESELLSCHAFT FUR GEBAUDE BETEILIGUNGS GMBH	MUNICH	1	UNICREDIT BANK AG	100.00	
279	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	MUNICH	1	UNICREDIT BANK AG	100.00	
280	HVB GLOBAL ASSETS COMPANY (GP), LLC	DOVER	1	UNICREDIT BANK AG	100.00	
281	HVB GLOBAL ASSETS COMPANY L.P.	DOVER	1	HVB GLOBAL ASSETS COMPANY (GP), LLC	0.01	
				UNICREDIT BANK AG	4.99	
282	HVB HONG KONG LIMITED	HONG KONG	1	UNICREDIT BANK AG	100.00	
283	HVB IMMOBILIEN AG	MUNICH	1	UNICREDIT BANK AG	100.00	
284	HVB INVESTMENTS (UK) LIMITED	GEORGE TOWN	1	UNICREDIT BANK AG	100.00	
285	HVB LEASING CZECH REPUBLIC S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
286	HVB LEASING MAX INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	

Part A - Accounting Policies (Continued)

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME		MAIN OFFICE	TYPE OF RELATIONSHIP[1]	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS [2]
287	HVB LEASING OOD	SOFIA	1	UNICREDIT BULBANK AD	2.39	
				UNICREDIT LEASING S.P.A.	97.61	
288	HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG	MUNICH	1	UNICREDIT BANK AG	100.00	
289	HVB LONDON INVESTMENTS (AVON) LIMITED	LONDON	1	UNICREDIT BANK AG	100.00	
290	HVB LONDON INVESTMENTS (CAM) LIMITED	LONDON	1	UNICREDIT BANK AG	100.00	
291	HVB PRINCIPAL EQUITY GMBH	MUNICH	1	UNICREDIT BANK AG	100.00	
292	HVB PROFIL GESELLSCHAFT FUR PERSONALMANAGEMENT MBH	MUNICH	1	UNICREDIT BANK AG	100.00	
293	HVB PROJEKT GMBH	MUNICH	1	HVB IMMOBILIEN AG	94.00	
				UNICREDIT BANK AG	6.00	
294	HVB REALTY CAPITAL INC.	NEW YORK	1	UNICREDIT U.S. FINANCE LLC	100.00	
295	HVB SECUR GMBH	MUNICH	1	UNICREDIT GLOBAL BUSINESS SERVICES GMBH	100.00	
296	HVB TECTA GMBH	MUNICH	1	HVB IMMOBILIEN AG	94.00	
				UNICREDIT BANK AG	6.00	
297	HVB VERWA 1 GMBH	MUNICH	1	UNICREDIT BANK AG	100.00	
298	HVB VERWA 4 GMBH	MUNICH	1	UNICREDIT BANK AG	100.00	
299	HVB VERWA 4.4 GMBH	MUNICH	1	HVB VERWA 4 GMBH	100.00	
300	HVB-LEASING AIDA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
301	HVB-LEASING ATLANTIS INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
302	HVB-LEASING DANTE INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
303	HVB-LEASING FIDELIO INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
304	HVB-LEASING FORTE INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
305	HVB-LEASING GARO KFT	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
306	HVB-LEASING HAMLET INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
307	HVB-LEASING JUPITER KFT	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
308	HVB-LEASING LAMOND INGATLANHASZNOSITO KFT.	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
309	HVB-LEASING MAESTOSO INGATLANHASZNOSITO KFT.	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
310	HVB-LEASING NANO KFT	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
311	HVB-LEASING OTHELLO INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
312	HVB-LEASING ROCCA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
313	HVB-LEASING RUBIN KFT.	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
314	HVB-LEASING SMARAGD KFT.	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
315	HVB-LEASING SPORT INGATLANHASZNOSITO KOLATPOT FEOEOASSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
316	HVB-LEASING ZAFIR KFT.	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
317	HVBFF INTERNATIONAL GREECE GMBH	MUNICH	1	HVBFF INTERNATIONALE LEASING GMBH	100.00	
318	HVBFF INTERNATIONALE LEASING GMBH	MUNICH	1	HVBFF OBJEKT BETEILIGUNGS GMBH	10.00	
				WEALTHCAP PEIA MANAGEMENT GMBH	90.00	
319	HVBFF OBJEKT BETEILIGUNGS GMBH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
320	HVBFF PRODUKTIONSHALLE GMBH I.L.	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME		MAIN OFFICE	TYPE OF RELATIONSHIP[1]	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS [2]
321	HVZ GMBH & CO. OBJEKT KG	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
322	HYPO-BANK VERWALTUNGSZENTRUM GMBH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
323	HYPO-BANK VERWALTUNGSZENTRUM GMBH & CO. KG OBJEKT ARABELLASTRASSE	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
324	HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH & CO. IMMOBILIEN-VERMIETUNGS KG	MUNICH	1	HVB PROJEKT GMBH	80.00	
325	HYPOVEREINS IMMOBILIEN EOOD	SOFIA	1	UNICREDIT BULBANK AD	100.00	
326	HYPOVEREINSFINANCE N.V.	AMSTERDAM	1	UNICREDIT BANK AG	100.00	
327	I-FABER SPA	MILAN	1	UNICREDIT SPA	65.32	
328	IMMOBILIARE PATETTA SRL	ROME	1	COMPAGNIA ITALPETROLI S.P.A.	100.00	
329	IMMOBILIARE TABACCAIA SRL	MASSA MARITTIMA	1	BORGO DI PEROLLA SRL	100.00	
330	IMMOBILIEN RATING GMBH	VIENNA	1	BANK AUSTRIA REAL INVEST GMBH	61.00	
				UNICREDIT BANK AUSTRIA AG	19.00	
				UNICREDIT LEASING (AUSTRIA) GMBH	19.00	
331	IMMOBILIENLEASING GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H.	74.80	75.00
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
332	INFISSER SRL	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
333	INPROX CHOMUTOV, S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
334	INPROX KLADNO, S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
335	INPROX POPRAD, SPOL. S.R.O.	BRATISLAVA	1	UNICREDIT LEASING S.P.A.	100.00	
336	INPROX SR I., SPOL. S R.O.	BRATISLAVA	1	UNICREDIT LEASING S.P.A.	100.00	
337	INTEREUROPA-EAST LTD	MOSCOW	1	UCTAM RU LIMITED LIABILITY COMPANY	100.00	
338	INTERKONZUM DOO SARAJEVO	SARAJEVO	1	UNICREDIT LEASING S.P.A.	100.00	
339	INTERNATIONALES IMMOBILIEN-INSTITUT GMBH	MUNICH	1	UNICREDIT BANK AG	94.00	
340	INTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
				UNICREDIT BANK AG	6.15	
341	INTRO LEASING GESELLSCHAFT M.B.H.	VIENNA	1	PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
342	IPSE 2000 S.P.A. (IN LIQUIDAZIONE)	ROME	1	UNICREDIT SPA	50.00	
343	ISB UNIVERSALE BAU GMBH	BRANDENBURG	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
344	ISTRA D.M.C. DOO	UMAG	1	ISTRATURIST UMAG, HOTELIJERSTVO TURIZAM I TURISTICKA AGENCIJA DD	100.00	
345	ISTRATURIST UMAG, HOTELIJERSTVO TURIZAM I TURISTICKA AGENCIJA DD	UMAG	1	ZAGREBACKA BANKA D.D.	71.80	
346	IVONA BETEILIGUNGSVERWALTUNG GMBH	VIENNA	1	BA IMMO GEWINNSCHEIN FONDS1	100.00	
347	JANA KAZIMIERZA DEVELOPMENT SP.Z.O.O.	WARSAW	1	PEKAO PROPERTY SA	100.00	
348	JAUSERN-LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
349	JOHA GEBAEUDE- ERRICHTUNGS- UND VERMIETUNGS-GESELLSCHAFT M.B.H.	LEONDING	1	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	99.03	
350	JSC ATF BANK	ALMATY CITY	1	UNICREDIT BANK AUSTRIA AG	99.67	99.75
351	KAISERWASSER BAU- UND ERRICHTUNGS GMBH UND CO OG	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	0.00
				RAMSES-IMMOBILIENHOLDING GMBH	0.00	100.00
352	KELLER CROSSING L.P.	WILMINGTON	1	US PROPERTY INVESTMENTS INC.	100.00	
353	KINABALU FINANCIAL PRODUCTS LLP	LONDON	1	UNICREDIT BANK AG	100.00	99.90
				VERBA VERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG	0.00	0.10
354	KINABALU FINANCIAL SOLUTIONS LTD	LONDON	1	UNICREDIT BANK AG	100.00	
355	KLEA ZS-IMMOBILIENVERMIETUNG G.M.B.H.	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	100.00
356	KLEA ZS-LIEGENSCHAFTSVERMIETUNG G.M.B.H.	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	100.00

Part A - Accounting Policies (Continued)

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
357	KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H.	VIENNA	1	CARD COMPLETE SERVICE BANK AG	100.00	
358	KUNSTHAUS LEASING GMBH	VIENNA	1	KUTRA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	5.00	
				UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
359	KUTRA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
360	LAGERMAX LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
361	LAGEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
362	LARGO LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
				VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.	98.80	99.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
363	LASSALLESTRASSE BAU-, PLANUNGS-, ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.00	100.00
364	LEASFINANZ BANK GMBH	VIENNA	1	BACA LEASING UND BETEILGUNGSMANAGEMENT GMBH	100.00	
365	LEASFINANZ GMBH	VIENNA	1	BACA LEASING UND BETEILGUNGSMANAGEMENT GMBH	100.00	
366	LEGATO LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
367	LELEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
368	LIFE MANAGEMENT ERSTE GMBH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
369	LIFE MANAGEMENT ZWEITE GMBH	GRUNWALD	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
370	LIFE SCIENCE I BETEILIGUNGS GMBH	MUNICH	1	HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG	100.00	
371	LIMITED LIABILITY COMPANY AI LINE	MOSCOW	1	CLOSED JOINT-STOCK COMPANY UNICREDIT SECURITIES IN LIQ	0.10	100.00
				LIMITED LIABILITY COMPANY AI LINE	99.90	0.00
372	LINO HOTEL-LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
373	LIPARK LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
374	LIVA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
375	LLC UKROTSBUD	KIEV	1	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	99.00	
376	LOCALMIND SPA	MILAN	1	UNICREDIT SPA	95.76	
377	LOCAT CROATIA DOO	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
378	LOWES LIMITED IN LIQUIDATION	NICOSIA	1	AI BETEILIGUNGS GMBH	100.00	
379	LTD SI&C AMC UKRSOTS REAL ESTATE	KIEV	1	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	100.00	
380	M. A. V. 7., BANK AUSTRIA LEASING BAUTRAGER GMBH & CO.OHG.	VIENNA	1	UNICREDIT LUNA LEASING GMBH	98.03	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	1.97	(7)
381	M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. & CO. MCL THETA KG	VIENNA	1	M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H.	100.00	
382	M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H.	VIENNA	1	BANK AUSTRIA REAL INVEST GMBH	99.95	
				TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	0.05	
383	MARTIANEZ COMERCIAL, SOCIEDAD ANONIMA	PUERTO DE LA CRUZ	1	UNICREDIT PEGASUS LEASING GMBH	99.96	

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
384	MBC IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
385	MC MARKETING GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
386	MC RETAIL GMBH	VIENNA	1	MC MARKETING GMBH	100.00	
387	MENUETT GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
388	MERIDIONALE PETROLI SRL	VIBO VALENTIA	1	SOCIETÀ DEPOSITI COSTIERI - SO.DE.CO. SRL	98.66	
389	MERKURHOF GRUNDSTUCKSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG	MUNICH	1	UNICREDIT BANK AG	100.00	
390	METROPOLIS SP. ZO.O.	WARSAW	1	PEKAO PROPERTY SA	100.00	
391	MEZZANIN FINANZIERUNGS AG	VIENNA	1	UNICREDIT BANK AUSTRIA AG	56.67	
392	MIK 2012 KARLATOLT FELELOSSEGU TARSAAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
393	MILLETERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
394	MM OMEGA PROJEKTENTWICKLUNGS GMBH	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
395	MOBILITY CONCEPT GMBH	OBERHACHING	1	UNICREDIT LEASING GMBH	60.00	
396	MOC VERWALTUNGS GMBH & CO. IMMOBILIEN KG	MUNICH	4	HVB PROJEKT GMBH	23.00	(3)
397	MOGRA LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
398	MOVIE MARKET BETEILIGUNGS GMBH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
399	MY BETEILIGUNGS GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
400	NAGE LOKALVERMIETUNGSGESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
401	NATA IMMOBILIEN-LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	51.50	
				UNICREDIT LEASING (AUSTRIA) GMBH	6.00	
402	NF OBJEKT FFM GMBH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
403	NF OBJEKT MUNCHEN GMBH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
404	NF OBJEKTE BERLIN GMBH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
405	NO. HYPO LEASING ASTRICTA GRUNDSTUCKVERMIETUNGS GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
406	NXP CO-INVESTMENT PARTNERS VIII L.P.	LONDON	1	HVB CAPITAL PARTNERS AG	85.00	
407	OCEAN BREEZE ASSET GMBH & CO. KG	MUNICH	1	OCEAN BREEZE ENERGY GMBH & CO. KG	100.00	
408	OCEAN BREEZE ENERGY GMBH & CO. KG	MUNICH	1	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH	100.00	
409	OCEAN BREEZE FINANCE S.A. - COMPARTMENT 1	LUXEMBOURG	4	UNICREDIT BANK AG	..	(3)
410	OCEAN BREEZE GMBH	MUNICH	1	OCEAN BREEZE ENERGY GMBH & CO. KG	100.00	
411	OCT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
412	OLG HANDELS- UND BETEILIGUNGSVERWALTUNGSGESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
413	OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT EGGENFELDENER STRASSE KG	MUNICH	1	HVB IMMOBILIEN AG	94.00	
				UNICREDIT BANK AG	6.00	

Part A - Accounting Policies (Continued)

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME		MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
414	OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT HAIDENAUPLATZ KG	MUNICH	1	HVB IMMOBILIEN AG	94.00	
				UNICREDIT BANK AG	6.00	
415	OOO UNICREDIT LEASING	MOSCOW	1	UNICREDIT LEASING S.P.A.	60.00	
				ZAO UNICREDIT BANK	40.00	
416	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	100.00	
417	OTHMARSCHEN PARK HAMBURG GMBH & CO. CENTERPARK KG	MUNICH	1	HVB PROJEKT GMBH	10.00	
				T & P FRANKFURT DEVELOPMENT B.V.	30.00	
				T & P VASTGOED STUTTGART B.V.	60.00	
418	OTHMARSCHEN PARK HAMBURG GMBH & CO. GEWERBEPARK KG	MUNICH	1	HVB PROJEKT GMBH	10.00	
				T & P FRANKFURT DEVELOPMENT B.V.	30.00	
				T & P VASTGOED STUTTGART B.V.	60.00	
419	PALAIS ROTHSCHILD VERMIETUNGS GMBH & CO OG	VIENNA	1	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
420	PARZHOF-ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.60	99.80
				UNICREDIT LEASING (AUSTRIA) GMBH	0.20	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
421	PAZONYI'98 INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
422	PEKAO BANK HIPOTECZNY S.A.	WARSAW	1	BANK PEKAO SA	100.00	
423	PEKAO FAKTORING SP. ZOO	LUBLIN	1	BANK PEKAO SA	100.00	
424	PEKAO FINANCIAL SERVICES SP. ZOO	WARSAW	1	BANK PEKAO SA	100.00	
425	PEKAO FUNDUSZ KAPITALOWY SP. ZOO	WARSAW	1	BANK PEKAO SA	100.00	
426	PEKAO LEASING HOLDING S.A.	WARSAW	1	BANK PEKAO SA	80.10	
				UNICREDIT LEASING S.P.A.	19.90	
427	PEKAO LEASING SP ZO.O.	WARSAW	1	BANK PEKAO SA	36.49	
				PEKAO LEASING HOLDING S.A.	63.51	
428	PEKAO PIONEER P.T.E. SA	WARSAW	1	BANK PEKAO SA	65.00	
				PIONEER GLOBAL ASSET MANAGEMENT SPA	35.00	
429	PEKAO PROPERTY SA	WARSAW	1	BANK PEKAO SA	100.00	
430	PEKAO TELECENTRUM SP. ZOO	WARSAW	1	BANK PEKAO SA	100.00	
431	PELOPS LEASING GESELLSCHAFT M.B.H.	VIENNA	1	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
432	PENSIONSKASSE DER HYPO VEREINSBANK VVAG	MUNICH	4	UNICREDIT BANK AG	..	(3)
433	PERIKLES 20092 VERMOGENSVERWALTUNG GMBH	MUNICH	1	OCEAN BREEZE ASSET GMBH & CO. KG	100.00	
434	PESTSZENTIMREI SZAKORVOSI RENDELO KFT.	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
435	PETROLI INVESTIMENTI SPA	CIVITAVECCHIA	1	SOCIETÀ DEPOSITI COSTIERI - SO.DE.CO. SRL	100.00	
436	PIANA LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
437	PIONEER ALTERNATIVE INVESTMENT MANAGEMENT (BERMUDA) LIMITED	HAMILTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
438	PIONEER ALTERNATIVE INVESTMENT MANAGEMENT LTD	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
439	PIONEER ALTERNATIVE INVESTMENTS (ISRAEL) LTD	RAMAT GAN.	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
440	PIONEER ALTERNATIVE INVESTMENTS (NEW YORK) LTD	DOVER	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
441	PIONEER ASSET MANAGEMENT AS	PRAGUE	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
442	PIONEER ASSET MANAGEMENT S.A.I. S.A.	BUCHAREST	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	97.42	
				UNICREDIT TIRIAC BANK S.A.	2.58	
443	PIONEER ASSET MANAGEMENT SA	LUXEMBOURG	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
444	PIONEER FUNDS DISTRIBUTOR INC	BOSTON	1	PIONEER INVESTMENT MANAGEMENT INC	100.00	
445	PIONEER GLOBAL ASSET MANAGEMENT SPA	MILAN	1	UNICREDIT SPA	100.00	
446	PIONEER GLOBAL FUNDS DISTRIBUTOR LTD	HAMILTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
447	PIONEER GLOBAL INVESTMENTS (AUSTRALIA) PTY LIMITED	SYDNEY	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME		MAIN OFFICE	TYPE OF RELATIONSHIP[1]	OWNERSHIP RELATIONSHIP		VOTING RIGHTS [2]
				HELD BY	HOLDING %	
448	PIONEER GLOBAL INVESTMENTS (TAIWAN) LTD.	TAIPEI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
449	PIONEER GLOBAL INVESTMENTS LIMITED	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
450	PIONEER INSTITUTIONAL ASSET MANAGEMENT INC	WILMINGTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
451	PIONEER INVESTMENT COMPANY AS	PRAGUE	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
452	PIONEER INVESTMENT FUND MANAGEMENT LIMITED	BUDAPEST	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
453	PIONEER INVESTMENT MANAGEMENT INC	WILMINGTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
454	PIONEER INVESTMENT MANAGEMENT LIMITED	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
455	PIONEER INVESTMENT MANAGEMENT LLC	MOSCOW	1	PIONEER ASSET MANAGEMENT AS	1.00	
				PIONEER GLOBAL ASSET MANAGEMENT SPA	99.00	
456	PIONEER INVESTMENT MANAGEMENT SHAREHOLDER SERVICES INC.	BOSTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
457	PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ	MILAN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
458	PIONEER INVESTMENT MANAGEMENT USA INC.	WILMINGTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
459	PIONEER INVESTMENTS AUSTRIA GMBH	VIENNA	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
460	PIONEER INVESTMENTS KAPITALANLAGEGESELLSCHAFT MBH	MUNICH	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
461	PIONEER PEKAO INVESTMENT FUND COMPANY SA (POLISH NAME: PIONEER PEKAO TFI SA)	WARSAW	1	PIONEER PEKAO INVESTMENT MANAGEMENT SA	100.00	
462	PIONEER PEKAO INVESTMENT MANAGEMENT SA	WARSAW	1	BANK PEKAO SA	49.00	
				PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
463	PIRTA VERWALTUNGS GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
464	PLANETHOME AG	UNTERFOHRING	1	UNICREDIT BANK AG	100.00	
465	PLANETHOME GMBH	MANNHEIM	1	PLANETHOME AG	100.00	
466	POLLUX IMMOBILIEN GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	
467	POMINVEST DD	SPLIT	1	ZAGREBACKA BANKA D.D.	88.66	88.95
468	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
469	PORTIA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
470	POSATO LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
471	PRELUDE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
472	PRIM Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
473	PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL	KIEV	1	UNICREDIT BANK AUSTRIA AG	100.00	
474	PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H.	74.80	75.00
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
475	PROPERTY SP. Z.O.O. (IN LIQUIDAZIONE)	WARSAW	1	BANK PEKAO SA	100.00	
476	PRVA STAMBENA STEDIONICA DD ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
477	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	KIEV	1	PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL	48.40	
				UNICREDIT BANK AUSTRIA AG	49.91	49.93
478	PUBLIC JOINT STOCK COMPANY UNICREDIT BANK	KIEV	1	BANK PEKAO SA	100.00	
479	QUADEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
480	QUART Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)

Part A - Accounting Policies (CONTINUED)

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
481	QUINT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
482	RAMSES IMMOBILIEN GESELLSCHAFT M.B.H. & CO OG	VIENNA	1	RAMSES-IMMOBILIENHOLDING GMBH	0.20	
				UNICREDIT BANK AUSTRIA AG	99.30	
483	RANA-LIEGENSCHAFTSVERWERTUNG GMBH	VIENNA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	99.90	
484	REAL ESTATE MANAGEMENT POLAND SP. Z O.O.	WARSAW	1	UNICREDIT LEASING S.P.A.	100.00	
485	REAL INVEST IMMOBILIEN GMBH	VIENNA	1	M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H.	100.00	
486	REAL-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
487	REAL-RENT LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
488	REDSTONE MORTGAGES LIMITED	LONDON	1	UNICREDIT BANK AG	100.00	
489	REGEV REALITATENVERWERTUNGSGESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
490	RHOTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
				UNICREDIT BANK AG	6.15	
491	RIGEL IMMOBILIEN GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	
492	ROMA 2000 SRL	ROME	1	COMPAGNIA ITALPETROLI S.P.A.	100.00	
493	RONCASA IMMOBILIEN-VERWALTUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	90.00	
494	RONDO LEASING GMBH	VIENNA	1	WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
495	ROSENKAVALIER 2008 GMBH	FRANKFURT	4	UNICREDIT BANK AG	..	(3)
496	ROYSTON LEASING LIMITED	GRAND CAYMAN	4	UNICREDIT BANK AG	..	(3)
497	RSB ANLAGENVERMIETUNG GESELLSCHAFT M.B.H.	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
498	S.I.P.I.C. - SOCIETÀ INDUSTRIALE PETROLIFERA ITALIA CENTRALE SRL	ROME	1	SOCIETÀ DEPOSITI COSTIERI - SO.DE.CO. SRL	100.00	
499	SALOME FUNDING PLC	DUBLIN	4	UNICREDIT BANK AG	..	(3) (5)
500	SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
501	SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. OHG SAARLAND	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
502	SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. OHG VERWALTUNGSZENTRUM	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	97.78	
				TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	2.22	
503	SANITÀ - S.R.L. IN LIQUIDAZIONE	ROME	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	99.60	
504	SANTA ROSA SAS	ROME	1	IMMOBILIARE PATETTA SRL	99.42	
				SOCIETÀ COLLE AURELIA IMMOBILIARE S.C.A.I. SRL	0.58	
505	SAS-REAL INGATLANUEZEMELTETO ES KEZELO KFT	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
506	SCHOELLERBANK AKTIENGESELLSCHAFT	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
507	SCHOELLERBANK INVEST AG	SALZBURG	1	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
508	SECA-LEASING GESELLSCHAFT M.B.H.	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	74.80	75.00
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
509	SEDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
510	SELFOSS BETEILIGUNGSGESELLSCHAFT MBH	GRUNWALD	1	HVB PROJEKT GMBH	100.00	
511	SEXT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
512	SHS LEASING GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME		MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
513	SIA UNICREDIT INSURANCE BROKER	RIGA	1	SIA UNICREDIT LEASING	100.00	
514	SIA UNICREDIT LEASING	RIGA	1	AS UNICREDIT BANK, LATVIA	5.01	
				UNICREDIT LEASING S.P.A.	94.99	
515	SIGMA LEASING GMBH	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.40	99.60
				UNICREDIT LEASING (AUSTRIA) GMBH	0.40	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
516	SIMON VERWALTUNGS-AKTIENGESELLSCHAFT I.L.	MUNICH	1	UNICREDIT BANK AG	99.98	
517	SIRIUS IMMOBILIEN GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	
518	SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	MUNICH	1	HVB PROJEKT GMBH	5.00	
				SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG	95.00	
519	SOCIETÀ SPORTIVA TORREVECCHIA SRL	ROME	1	COMPAGNIA FONDIARIA ROMANA (C.F.R.) SRL	100.00	
520	SOCIETÀ DEPOSITI COSTIERI - SO.DE.CO. SRL	ROME	1	COMPAGNIA ITALPETROLI S.P.A.	100.00	
521	SOCIETÀ DI GESTIONI ESATTORIALI IN SICILIA SO.G.E.SI. S.P.A. IN LIQ.	PALERMO	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	80.00	
522	SOCIETÀ ITALIANA GESTIONE ED INCASSO CREDITI S.P.A. IN LIQUIDAZIONE	ROME	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	100.00	
523	SOCIETÀ PETROLIFERA GIOIA TAURO SRL	REGGIO CALABRIA	1	MERIDIONALE PETROLI SRL	49.00	
				SOCIETÀ DEPOSITI COSTIERI - SO.DE.CO. SRL	51.00	
524	SOCIETÀ VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L.	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
525	SOFIGERE SOCIETE PAR ACTIONS SIMPLIFIEE	PARIS	1	UNICREDIT SPA	100.00	
526	SOLARIS VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG	MUNICH	1	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	94.90	
527	SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG	MUNICH	1	HVB PROJEKT GMBH	100.00	
528	SONATA LEASING-GESELLSCHAFT M.B.H.	VIENNA	1	ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H.	1.00	
				UNICREDIT LEASING (AUSTRIA) GMBH	98.80	99.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
529	SPECTRUM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
530	SPREE GALERIE HOTELBETRIEBSGESELLSCHAFT MBH	MUNICH	1	ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH	100.00	
531	STATUS VERMOGENSVERWALTUNG GMBH	SCHWERIN	1	UNICREDIT BANK AG	100.00	
532	STEWE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	24.00	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	75.80	76.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
533	STRUCTURED INVEST SOCIETE ANONYME	LUXEMBOURG	1	UNICREDIT BANK AG	100.00	
534	STRUCTURED LEASE GMBH	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
535	SUVREMENE POSILOVNE KOMUNIKACIJE D.O.O	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
536	SVIF UKRSOTSBUD	KIEV	4	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	..	(3)
537	T & P FRANKFURT DEVELOPMENT B.V.	AMSTERDAM	1	HVB PROJEKT GMBH	100.00	
538	T & P VASTGOED STUTTGART B.V.	AMSTERDAM	1	HVB PROJEKT GMBH	87.50	
539	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	MUNICH	1	HVB TECTA GMBH	75.00	
540	TERRONDA DEVELOPMENT B.V.	AMSTERDAM	1	HVB PROJEKT GMBH	100.00	
541	TERZ Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
542	TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	99.67	
543	TRANSTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
				UNICREDIT BANK AG	6.15	

Part A - Accounting Policies (Continued)

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME		MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
544	TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
545	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	VIENNA	1	BANK AUSTRIA REAL INVEST GMBH	100.00	
546	TREVI FINANCE N. 2 S.P.A.	CONEGLIANO (TREVISO)	1	UNICREDIT SPA	60.00	
547	TREVI FINANCE N. 3 S.R.L.	CONEGLIANO (TREVISO)	1	UNICREDIT SPA	60.00	
548	TREVI FINANCE S.P.A.	CONEGLIANO (TREVISO)	1	UNICREDIT SPA	60.00	
549	TRICASA GRUNDBESITZ GESELLSCHAFT MBH & CO. 1. VERMIETUNGS KG	MUNICH	1	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	100.00	
550	TRICASA GRUNDBESITZGESELLSCHAFT DES BURGERLICHEN RECHTS NR. 1	MUNICH	1	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	100.00	
551	TRIESTE ADRIATIC MARITIME INITIATIVES SRL	TRIESTE	3	UNICREDIT SPA	34.10	
552	TRINITRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG	MUNICH	1	UNICREDIT BANK AG	100.00	
553	UCL NEKRETNINE D.O.O.	SARAJEVO	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	30.00	
				UNICREDIT LEASING (AUSTRIA) GMBH	70.00	
554	UCTAM BALTICS SIA	RIGA	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
555	UCTAM BULGARIA EOOD	SOFIA	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
556	UCTAM CZECH REPUBLIC SRO	PRAGUE	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	99.96	
				UNICREDIT TURN-AROUND MANAGEMENT GMBH	0.04	
557	UCTAM D.O.O. BEOGRAD	BELGRADE	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
558	UCTAM RK LIMITED LIABILITY COMPANY	ALMATY CITY	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
559	UCTAM RO S.R.L.	BUCHAREST	1	UCTAM BALTICS SIA	0.02	
				UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	99.98	
560	UCTAM RU LIMITED LIABILITY COMPANY	MOSCOW	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
				ZAO UNICREDIT BANK	..	
561	UCTAM UKRAINE LLC	KIEV	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	99.90	
562	UCTAM UPRAVLJANJE D.O.O.	LJUBLJANA	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
563	UFFICIUM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	KUTRA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	5.00	
				UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
564	UNI IT SRL	TRENTO	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	51.00	
565	UNICOM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
566	UNICREDIT (CHINA) ADVISORY LIMITED	BEIJING	1	UNICREDIT BANK AG	100.00	
567	UNICREDIT AUDIT SOCIETÀ CONSORTILE PER AZIONI	MILAN	1	FINECOBANK SPA	0.01	
				PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ	0.02	
				UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	0.02	
				UNICREDIT FACTORING SPA	0.01	
				UNICREDIT SPA	99.94	
568	UNICREDIT AURORA LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
569	UNICREDIT AUTO LEASING E.O.O.D.	SOFIA	1	UNICREDIT LEASING AD	100.00	
570	UNICREDIT BANK A.D. BANJA LUKA	BANJA LUKA	1	UNICREDIT BANK AUSTRIA AG	97.85	
571	UNICREDIT BANK AG	MUNICH	1	UNICREDIT SPA	100.00	

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME		MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
572	UNICREDIT BANK AUSTRIA AG	VIENNA	1	UNICREDIT SPA	99.99	
573	UNICREDIT BANK CZECH REPUBLIC A.S.	PRAGUE	1	UNICREDIT BANK AUSTRIA AG	100.00	
574	UNICREDIT BANK D.D.	MOSTAR	1	UNICREDIT BANK AUSTRIA AG	24.40	24.29
				UNICREDIT SPA	3.27	3.28
				ZAGREBACKA BANKA D.D.	65.59	65.69
575	UNICREDIT BANK HUNGARY ZRT.	BUDAPEST	1	UNICREDIT BANK AUSTRIA AG	100.00	
576	UNICREDIT BANK IRELAND PLC	DUBLIN	1	UNICREDIT SPA	100.00	
577	UNICREDIT BANK OJSC	BISHKEK	1	JSC ATF BANK	97.14	
578	UNICREDIT BANK SERBIA JSC	BELGRADE	1	UNICREDIT BANK AUSTRIA AG	100.00	
579	UNICREDIT BANK SLOVAKIA A.S.	BRATISLAVA	1	UNICREDIT BANK AUSTRIA AG	99.03	
580	UNICREDIT BANKA SLOVENIJA D.D.	LJUBLJANA	1	UNICREDIT BANK AUSTRIA AG	99.99	
581	UNICREDIT BETEILIGUNGS GMBH	MUNICH	1	UNICREDIT BANK AG	100.00	
582	UNICREDIT BPC MORTGAGE S.R.L.	VERONA	1	UNICREDIT SPA	60.00	
583	UNICREDIT BROKER DOO SARAJEVO ZA BROKERSKE POSLOVE U OSIGURANJU	SARAJEVO	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	100.00	
584	UNICREDIT BROKER S.R.O.	BRATISLAVA	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	19.68	
				UNICREDIT LEASING SLOVAKIA A.S.	80.32	
585	UNICREDIT BULBANK AD	SOFIA	1	UNICREDIT BANK AUSTRIA AG	96.53	
				UNICREDIT SPA	..	
586	UNICREDIT BUSINESS INTEGRATED SOLUTIONS AUSTRIA GMBH	VIENNA	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	100.00	
587	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	MILAN	1	CORDUSIO SOCIETÀ FIDUCIARIA PER AZIONI	..	
				FINECOBANK SPA	..	
				PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ	..	
				UNICREDIT AUDIT SOCIETÀ CONSORTILE PER AZIONI	..	
				UNICREDIT BANK AG	..	
				UNICREDIT FACTORING SPA	..	
				UNICREDIT SPA	100.00	
				UNIMANAGEMENT SCRL	..	
588	UNICREDIT BUSINESS PARTNER S.R.O.	PRAGUE	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	100.00	
589	UNICREDIT CAIB HUNGARY LTD	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
590	UNICREDIT CAIB POLAND S.A.	WARSAW	1	UNICREDIT BANK AUSTRIA AG	100.00	
591	UNICREDIT CAIB ROMANIA SRL	BUCHAREST	1	UNICREDIT BANK AUSTRIA AG	100.00	
592	UNICREDIT CAIB SECURITIES ROMANIA SA	BUCHAREST	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	80.02	
				UNICREDIT TIRIAC BANK S.A.	19.98	
593	UNICREDIT CAIB SECURITIES UK LTD.	LONDON	1	UNICREDIT BANK AG	100.00	
594	UNICREDIT CAIB SERBIA LTD. BELGRADE IN LIQUIDATION	BELGRADE	1	UNICREDIT BANK AUSTRIA AG	100.00	
595	UNICREDIT CAIB SLOVAKIA A.S.	BRATISLAVA	1	UNICREDIT BANK SLOVAKIA A.S.	100.00	
596	UNICREDIT CAIB SLOVENIJA, D.O.O.	LJUBLJANA	1	UNICREDIT BANKA SLOVENIJA D.D.	100.00	
597	UNICREDIT CAPITAL MARKETS LLC	NEW YORK	1	UNICREDIT U.S. FINANCE LLC	100.00	
598	UNICREDIT CONSUMER FINANCING AD	SOFIA	1	UNICREDIT BULBANK AD	49.90	
				UNICREDIT SPA	50.10	
599	UNICREDIT CONSUMER FINANCING IFN S.A.	BUCHAREST	1	UNICREDIT SPA	53.94	
				UNICREDIT TIRIAC BANK S.A.	46.06	
600	UNICREDIT CREDIT MANAGEMENT BANK SPA	VERONA	1	UNICREDIT SPA	100.00	

Part A - Accounting Policies (Continued)

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
601 UNICREDIT CREDIT MANAGEMENT IMMOBILIARE S.P.A.	VERONA	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	100.00	
602 UNICREDIT DELAWARE INC	DOVER	1	UNICREDIT SPA	100.00	
603 UNICREDIT DIRECT SERVICES GMBH	MUNICH	1	UNICREDIT BANK AG	100.00	
604 UNICREDIT FACTORING EAD	SOFIA	1	UNICREDIT BULBANK AD	100.00	
605 UNICREDIT FACTORING SPA	MILAN	1	UNICREDIT SPA	100.00	
606 UNICREDIT FLEET MANAGEMENT S.R.O.	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
607 UNICREDIT FLEET MANAGEMENT S.R.O.	BRATISLAVA	1	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
608 UNICREDIT FUGGETLEN BIZTOSITASKOZVETITO KFT	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	25.20	
			UNICREDIT LEASING KFT	74.80	
609 UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	VIENNA	1	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
610 UNICREDIT GLOBAL BUSINESS SERVICES GMBH	UNTERFOHRING	1	UNICREDIT BANK AG	100.00	
611 UNICREDIT GLOBAL LEASING EXPORT GMBH	VIENNA	1	UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH	100.00	
612 UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH	VIENNA	1	UNICREDIT LEASING S.P.A.	100.00	
613 UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	VIENNA	1	UNICREDIT LEASING S.P.A.	100.00	
614 UNICREDIT INGATLANLIZING ZRT	BUDAPEST	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
615 UNICREDIT INSURANCE BROKER EOOD	SOFIA	1	UNICREDIT LEASING AD	100.00	
616 UNICREDIT INSURANCE BROKER SRL	BUCHAREST	1	ALLEGRO LEASING GESELLSCHAFT M.B.H.	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
617 UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	LUXEMBOURG	1	UNICREDIT SPA	100.00	
618 UNICREDIT JELZALOGBANK ZRT.	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
619 UNICREDIT KFZ LEASING GMBH	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	100.00	
620 UNICREDIT LEASING (AUSTRIA) GMBH	VIENNA	1	UNICREDIT LEASING S.P.A.	99.98	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.02	(7)
621 UNICREDIT LEASING AD	SOFIA	1	UNICREDIT BULBANK AD	24.37	
			UNICREDIT LEASING S.P.A.	75.63	
622 UNICREDIT LEASING AVIATION GMBH	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
623 UNICREDIT LEASING CORPORATION IFN S.A.	BUCHAREST	1	UNICREDIT LEASING S.P.A.	80.00	
			UNICREDIT TIRIAC BANK S.A.	20.00	
624 UNICREDIT LEASING CROATIA D.O.O. ZA LEASING	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
625 UNICREDIT LEASING CZ, A.S.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
626 UNICREDIT LEASING D.O.O.	SARAJEVO	1	UNICREDIT LEASING S.P.A.	100.00	
627 UNICREDIT LEASING FINANCE GMBH	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
628 UNICREDIT LEASING FLEET MANAGEMENT S.R.L.	BUCHAREST	1	UNICREDIT GLOBAL LEASING EXPORT GMBH	10.00	
			UNICREDIT LEASING S.P.A.	90.00	
629 UNICREDIT LEASING FUHRPARKMANAGEMENT GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
630 UNICREDIT LEASING GMBH	HAMBURG	1	UNICREDIT BANK AG	100.00	
631 UNICREDIT LEASING HUNGARY ZRT	BUDAPEST	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	5.00	
			UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
632 UNICREDIT LEASING IMMOTRUCK ZRT.	BUDAPEST	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	28.56	
			UNICREDIT LEASING (AUSTRIA) GMBH	71.44	
633 UNICREDIT LEASING KFT	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
634 UNICREDIT LEASING LUNA KFT	BUDAPEST	1	UNICREDIT LEASING S.P.A.	80.00	
635 UNICREDIT LEASING MARS KFT	BUDAPEST	1	UNICREDIT LEASING S.P.A.	80.00	
636 UNICREDIT LEASING REAL ESTATE S.R.O.	BRATISLAVA	1	UNICREDIT LEASING S.P.A.	100.00	
637 UNICREDIT LEASING ROMANIA S.A.	BUCHAREST	1	UNICREDIT LEASING S.P.A.	100.00	
			UNICREDIT TIRIAC BANK S.A.	..	

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
638 UNICREDIT LEASING S.P.A.	BOLOGNA	1	UNICREDIT BANK AUSTRIA AG	31.01	
			UNICREDIT SPA	68.99	
639 UNICREDIT LEASING SLOVAKIA A.S.	BRATISLAVA	1	UNICREDIT BANK SLOVAKIA A.S.	19.90	
			UNICREDIT LEASING CZ, A.S.	8.80	
			UNICREDIT LEASING S.P.A.	71.30	
640 UNICREDIT LEASING SRBIJA D.O.O. BEOGRAD	BELGRADE	1	UNICREDIT LEASING S.P.A.	100.00	
641 UNICREDIT LEASING TECHNIKUM GMBH	VIENNA	1	LEASFINANZ GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
642 UNICREDIT LEASING TOB	KIEV	1	UNICREDIT LEASING S.P.A.	100.00	
643 UNICREDIT LEASING URANUS KFT	BUDAPEST	1	UNICREDIT LEASING S.P.A.	80.00	
644 UNICREDIT LEASING VERSICHERUNGSSERVICE GMBH & CO KG	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
645 UNICREDIT LEASING, LEASING, D.O.O.	LJUBLJANA	1	UNICREDIT BANKA SLOVENIJA D.D.	1.79	
			UNICREDIT LEASING S.P.A.	98.21	
646 UNICREDIT LOGISTICS SRL	VERONA	1	UNICREDIT SPA	100.00	
647 UNICREDIT LONDON INVESTMENTS LIMITED	LONDON	1	UNICREDIT BANK AG	100.00	
648 UNICREDIT LUNA LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
649 UNICREDIT LUXEMBOURG FINANCE SA	LUXEMBOURG	1	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	100.00	
650 UNICREDIT LUXEMBOURG S.A.	LUXEMBOURG	1	UNICREDIT BANK AG	100.00	
651 UNICREDIT MERCHANT PARTNERS GMBH	MUNICH	1	UNICREDIT BANK AG	100.00	
652 UNICREDIT MERCHANT S.P.A.	ROME	1	UNICREDIT SPA	100.00	
653 UNICREDIT OBG S.R.L.	VERONA	1	UNICREDIT SPA	60.00	
654 UNICREDIT PARTNER D.O.O	ZAGREB	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	20.00	
			UNICREDIT LEASING CROATIA D.O.O. ZA LEASING	80.00	
655 UNICREDIT PARTNER D.O.O BEOGRAD	BELGRADE	1	ALLEGRO LEASING GESELLSCHAFT M.B.H.	100.00	
656 UNICREDIT PARTNER LLC	KIEV	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	100.00	
657 UNICREDIT PEGASUS LEASING GMBH	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
658 UNICREDIT POIJIST'OVACI MAKLERSKA SPOL. S R.O.	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
659 UNICREDIT POLARIS LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
660 UNICREDIT RENT D.O.O. BEOGRAD	BELGRADE	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
661 UNICREDIT SECURITIES INTERNATIONAL LIMITED IN LIQUIDATION	NICOSIA	1	AI BETEILIGUNGS GMBH	100.00	
662 UNICREDIT TECHRENT LEASING GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.00	
			UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
663 UNICREDIT TIRIAC BANK S.A.	BUCHAREST	1	ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H.	0.01	
			BANK AUSTRIA-CEE BETEILIGUNGSGMBH	0.01	
			BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	0.01	
			UNICREDIT BANK AUSTRIA AG	95.52	50.56 (6)
			UNICREDIT LEASING (AUSTRIA) GMBH	0.01	
			UNICREDIT LEASING ROMANIA S.A.	..	
664 UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	VIENNA	1	UNICREDIT TURN-AROUND MANAGEMENT GMBH	100.00	
665 UNICREDIT TURN-AROUND MANAGEMENT GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	

Part A - Accounting Policies (Continued)

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
666 UNICREDIT U.S. FINANCE LLC	WILMINGTON	1	UNICREDIT BANK AG	100.00	
667 UNICREDIT ZAVAROVALNO ZASTOPINSKA DRUZBA DOO	LJUBLJANA	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	100.00	
668 UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
669 UNICREDIT-LEASING HOSPES KFT	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
670 UNICREDIT-LEASING NEPTUNUS KFT	BUDAPEST	1	UNICREDIT LEASING S.P.A.	96.35	
671 UNICREDIT-LEASING ORION INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
672 UNICREDIT-LEASING SATURNUS KFT	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
673 UNICREDITO ITALIANO CAPITAL TRUST III	NEWARK	1	UNICREDITO ITALIANO FUNDING LLC III	100.00	
674 UNICREDITO ITALIANO CAPITAL TRUST IV	NEWARK	1	UNICREDITO ITALIANO FUNDING LLC IV	100.00	
675 UNICREDITO ITALIANO FUNDING LLC III	WILMINGTON	1	UNICREDIT SPA	100.00	
676 UNICREDITO ITALIANO FUNDING LLC IV	WILMINGTON	1	UNICREDIT SPA	100.00	
677 UNIMANAGEMENT SCRL	TURIN	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	0.01	
			UNICREDIT SPA	99.99	
678 UNIVERSALE INTERNATIONAL REALITAETEN GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
679 US PROPERTY INVESTMENTS INC.	DALLAS	1	UNICREDIT BANK AG	100.00	
680 V.M.G. VERMIETUNGSGESELLSCHAFT MBH	MUNICH	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
681 VANDERBILT CAPITAL ADVISORS LLC	WILMINGTON	1	PIONEER INSTITUTIONAL ASSET MANAGEMENT INC	100.00	
682 VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
683 VERBA VERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG	MUNICH	1	UNICREDIT BANK AG	100.00	
684 VERWALTUNGSGESELLSCHAFT KATHARINENHOF MBH	MUNICH	1	UNICREDIT BANK AG	100.00	
685 VIENNA DC BAUTRAEGER GMBH	VIENNA	1	WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT	100.00	
686 VIENNA DC TOWER 1 LIEGENSCHAFTSBESITZ GMBH	VIENNA	1	WED DONAU-CITY GESELLSCHAFT M.B.H.	100.00	
687 VIENNA DC TOWER 2 LIEGENSCHAFTSBESITZ GMBH	VIENNA	1	WED DONAU-CITY GESELLSCHAFT M.B.H.	100.00	
688 VILLINO PACELLI SRL	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
689 VUWB INVESTMENTS INC.	ATLANTA	1	WEALTHCAP FONDS GMBH	100.00	
690 WEALTH CAPITAL INVESTMENT INC.	WILMINGTON	1	WEALTHCAP FONDS GMBH	100.00	
691 WEALTH MANAGEMENT CAPITAL HOLDING GMBH	MUNICH	1	UNICREDIT BANK AG	100.00	
692 WEALTHCAP EQUITY GMBH	MUNICH	1	WEALTHCAP INITIATOREN GMBH	100.00	
693 WEALTHCAP EQUITY MANAGEMENT GMBH	MUNICH	1	WEALTHCAP EQUITY GMBH	100.00	
694 WEALTHCAP FONDS GMBH	MUNICH	1	WEALTHCAP INITIATOREN GMBH	100.00	
695 WEALTHCAP INITIATOREN GMBH	MUNICH	1	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
696 WEALTHCAP INVESTORENBETREUUNG GMBH	MUNICH	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
697 WEALTHCAP LEASING GMBH	GRUNWALD	1	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
698 WEALTHCAP PEIA KOMPLEMENTAR GMBH	GRUNWALD	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
699 WEALTHCAP PEIA MANAGEMENT GMBH	MUNICH	1	UNICREDIT BANK AG	6.00	
			WEALTH MANAGEMENT CAPITAL HOLDING GMBH	94.00	

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME	MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
700 WEALTHCAP REAL ESTATE MANAGEMENT GMBH	MUNICH	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
701 WEALTHCAP STIFTUNGSTREUHAND GMBH	MUNICH	1	WEALTHCAP FONDS GMBH	100.00	
702 WEALTHCAP USA IMMOBILIEN VERWALTUNGS GMBH	MUNICH	1	WEALTHCAP FONDS GMBH	100.00	
703 WED DONAU-CITY GESELLSCHAFT M.B.H.	VIENNA	1	WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT	100.00	
704 WED HOLDING GESELLSCHAFT M.B.H.	VIENNA	3	UNICREDIT BANK AUSTRIA AG	48.06	
705 WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT	VIENNA	1	UNICREDIT BANK AUSTRIA AG	38.00	
			WED HOLDING GESELLSCHAFT M.B.H.	62.00	
706 WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
707 Z LEASING ALFA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
708 Z LEASING ARKTUR IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
709 Z LEASING AURIGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
710 Z LEASING CORVUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
711 Z LEASING DORADO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	CALG GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
712 Z LEASING DRACO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
713 Z LEASING GAMA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
714 Z LEASING GEMINI IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
715 Z LEASING HEBE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GEBAUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
716 Z LEASING HERCULES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
717 Z LEASING IPSILON IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
718 Z LEASING ITA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
719 Z LEASING JANUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
720 Z LEASING KALLISTO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
721 Z LEASING KAPA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)
722 Z LEASING LYRA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(7)

Part A - Accounting Policies (Continued)

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP[1]	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS [2]
723	Z LEASING NEREIDE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
724	Z LEASING OMEGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
725	Z LEASING PERSEUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH	100.00	
726	Z LEASING SCORPIUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
727	Z LEASING TAURUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
728	Z LEASING VENUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
729	Z LEASING VOLANS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[7]
730	ZAGREB NEKRETNINE DOO	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
731	ZAGREBACKA BANKA D.D.	ZAGREB	1	UNICREDIT BANK AUSTRIA AG	84.48	
732	ZANE BH DOO	SARAJEVO	1	ZAGREB NEKRETNINE DOO	100.00	
733	ZAO LOCAT LEASING RUSSIA	MOSCOW	1	OOO UNICREDIT LEASING	100.00	
734	ZAO UNICREDIT BANK	MOSCOW	1	UNICREDIT BANK AUSTRIA AG	100.00	
735	ZAPADNI TRGOVACKI CENTAR D.O.O.	RIJEKA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
736	ZB INVEST DOO	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
737	ZETA FUENF HANDELS GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
	A.2 COMPANIES RECOGNISED USING PROPORTIONATE CONSOLIDATION					
1	BA HYPO FINANCIRANJE D.O.O. ZA POSLOVANJE NEKRET- NINAMA	ZAGREB	7	HYPO-BA LEASING SUD GMBH	50.00	
2	EUROLEASE FINANCE, D.O.O.	LJUBLJANA	7	HYPO-BA LEASING SUD GMBH	50.00	
3	FIDES LEASING GMBH	VIENNA	7	CALG ANLAGEN LEASING GMBH	50.00	
4	HYBA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRTNINAMA	ZAGREB	7	HYPO-BA LEASING SUD GMBH	50.00	
5	HYPO-BA LEASING SUD GMBH	KLAGENFURT	7	UNICREDIT LEASING S.P.A.	50.00	
6	HYPO-BA PROJEKT, FINANCIRANJE D.O.O.	LJUBLJANA	7	HYPO-BA LEASING SUD GMBH	50.00	
7	HYPO-BA ZAGREB D.O.O. ZA POSLOVANJE NEKRETNINAMA	ZAGREB	7	HYPO-BA LEASING SUD GMBH	50.00	
8	INPROX LEASING, NEPREMICNINE, D.O.O.	LJUBLJANA	7	HYPO-BA LEASING SUD GMBH	50.00	
9	INPROX OSIJEK D.O.O.	ZAGREB	7	HYPO-BA LEASING SUD GMBH	50.00	
10	KOC FINANSAL HIZMETLER AS	ISTANBUL	7	UNICREDIT BANK AUSTRIA AG	50.00	
11	MONTREAL NEKRETNINE D.O.O.	ZAGREB	7	HYPO-BA LEASING SUD GMBH	50.00	
12	ORBIT ASSET MANAGEMENT LIMITED	HAMILTON	7	PIONEER ALTERNATIVE INVESTMENT MANAGEMENT (BERMUDA) LIMITED	50.00	
13	RCI FINANCIAL SERVICES S.R.O.	PRAGUE	7	UNICREDIT LEASING CZ, A.S.	50.00	
14	STICHTING CUSTODY SERVICES YKB	AMSTERDAM	7	YAPI KREDI BANK NEDERLAND N.V.	40.90	
15	SYNERGA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNIN-AMA	ZAGREB	7	HYPO-BA LEASING SUD GMBH	50.00	
16	UNICREDIT MENKUL DEGERLER AS	ISTANBUL	7	KOC FINANSAL HIZMETLER AS	50.00	
				YAPI KREDI FINANSAL KIRALAMA AO	..	
17	YAPI KREDI B TIPI YATIRIM ORTAKLIGI A.S.	ISTANBUL	7	YAPI KREDI YATIRIM MENKUL DEGERLER AS	18.39	
				YAPI VE KREDI BANKASI AS	4.54	

Continued: Investments in Subsidiaries (consolidated line by line) and interests in joint ventures (recognized using proportionate consolidation)

NAME		MAIN OFFICE	TYPE OF RELATIONSHIP(1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
18	YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY	BAKU	7	YAPI KREDI FINANSAL KIRALAMA AO	0.04	
				YAPI KREDI YATIRIM MENKUL DEGERLER AS	0.04	
				YAPI VE KREDI BANKASI AS	40.82	
19	YAPI KREDI BANK MOSCOW	MOSCOW	7	YAPI KREDI FINANSAL KIRALAMA AO	0.07	
				YAPI VE KREDI BANKASI AS	40.83	
20	YAPI KREDI BANK NEDERLAND N.V.	AMSTERDAM	7	YAPI KREDI HOLDING BV	13.40	
				YAPI VE KREDI BANKASI AS	27.50	
21	YAPI KREDI DIVERSIFIED PAYMENT RIGHTS FINANCE COMPANY	GEORGE TOWN	7	YAPI VE KREDI BANKASI AS	40.90	
22	YAPI KREDI EMEKLILIK AS	ISTANBUL	7	YAPI KREDI FAKTORING AS	0.02	
				YAPI KREDI SIGORTA AS	38.39	
				YAPI KREDI YATIRIM MENKUL DEGERLER AS	0.02	
				YAPI VE KREDI BANKASI AS	..	
23	YAPI KREDI FAKTORING AS	ISTANBUL	7	YAPI KREDI FINANSAL KIRALAMA AO	..	
				YAPI VE KREDI BANKASI AS	40.88	
24	YAPI KREDI FINANSAL KIRALAMA AO	ISTANBUL	7	YAPI VE KREDI BANKASI AS	40.89	
25	YAPI KREDI HOLDING BV	AMSTERDAM	7	YAPI VE KREDI BANKASI AS	40.90	
26	YAPI KREDI INVEST LIMITED LIABILITY COMPANY	BAKU	7	YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY	40.90	
27	YAPI KREDI PORTFOEY YOENETIMI AS	ISTANBUL	7	YAPI KREDI YATIRIM MENKUL DEGERLER AS	35.71	
				YAPI VE KREDI BANKASI AS	5.17	
28	YAPI KREDI SIGORTA AS	ISTANBUL	7	YAPI KREDI FAKTORING AS	3.25	
				YAPI KREDI YATIRIM MENKUL DEGERLER AS	4.90	
				YAPI VE KREDI BANKASI AS	30.27	
29	YAPI KREDI YATIRIM MENKUL DEGERLER AS	ISTANBUL	7	YAPI KREDI FINANSAL KIRALAMA AO	..	
				YAPI VE KREDI BANKASI AS	40.89	
30	YAPI VE KREDI BANKASI AS	ISTANBUL	7	KOC FINANSAL HIZMETLER AS	40.90	

Notes to the table that shows the companies included in the scope of consolidation (line-by-line and proportionate):

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

(2) Voting rights available in general meeting. Voting rights are disclosed only if different from the percentage of ownership.

(3) The company is fully consolidated in compliance with SIC 12.

(4) Breakdown of second-level SPEs consolidated by Arabella Finance Ltd under SIC12: Elektra Purchase No. 17 S.A., Elektra Purchase No. 23 LTD, Elektra Purchase No. 24 LTD, Elektra Purchase No. 28 LTD. The SPEs Elektra Purchase No. 27 LTD and Elektra Purchase No. 50 LTD, consolidated in December 2011, were closed down in 2012.

(5) Following the restructuring of the transaction, the second-level SPEs consolidated by Salome Funding Plc under SIC12 as at December 31, 2011 were closed down in 2012: Cosima Purchase No. 13 LTD, Cosima Purchase No. 14 LTD, Cosima Purchase No. 15 LTD and Cosima Purchase No. 6 S.A.

(6) The equity investment in Unicredit Tiriac Bank S.A. is consolidated at 95.56% by virtue of a direct investment equal to 50.60% and an option on minority interests representing 44.96% of share capital.

(7) In the consolidated financial statements the Group's stake is 100% as the trust company does not share in the profits. The voting rights are held by the grantor, a Group company.

Part A - Accounting Policies (Continued)

Changes in the scope of consolidation

Fully consolidated entities, including the Parent Company, decreased from 760 at December 31, 2011 to 737 at December 31, 2012 (-23 entities).
The number of **proportionately** consolidated entities, totaling 30 at December 31, 2011, was unchanged at December 31, 2012.

Wholly-owned subsidiaries

The following table shows the changes in equity investments in wholly-owned subsidiaries.

Equity investments in wholly-owned subsidiaries (consolidated line by line): annual changes

	NUMBER OF COMPANIES
A. Opening balance	**760**
B. Increased by	**19**
B.1 Newly established companies	4
B.2 Change of the consolidation method	2
B.3 Entities consolidated for the first time in 2012	13
C. Reduced by	**42**
C.1 Disposal	17
C.2 Change of the consolidation method	-
C.3 Absorption by other Group entities	25
D. Closing balance	**737**

Details of 2012 increases or reductions are presented below:

Increases

Newly established companies

COMPANY NAME	MAIN OFFICE
UCTAM BULGARIA EOOD	SOFIA
UNICREDIT MERCHANT PARTNERS GMBH	MUNICH

COMPANY NAME	MAIN OFFICE
UCTAM CZECH REPUBLIC SRO	PRAGUE
MIK 2012 KARLATOLT FELELOSSEGU TARSAAG	BUDAPEST

The above companies belong to the sub-groups Bank Austria, UniCredit Bank AG and UniCredit Leasing.

The changes in the method of consolidation relate to:
- the transfer of the company BA GEBAEUDEVERMIETUNGSGMBH-Vienna from item 100) Investments in entities subject to significant influence valued at Net Equity following the acquisition of control;
- the transfer of the company CONSORZIO QUENIT-Verona from item 100) Investments in non-consolidated subsidiaries to Investments in fully consolidated subsidiaries.

Entities consolidated for the first time in 2012

COMPANY NAME	MAIN OFFICE
UNICREDIT OBG S.R.L.	VERONA
CU@2012 FACILITY SERVICES GMBH	VIENNA
PIRTA VERWALTUNGS GMBH	VIENNA
PERIKLES 20092 VERMOGENSVERWALTUNG GMBH	MUNICH
INTEREUROPA-EAST LTD	MOSCOW
DV BETEILIGUNGSVERWALTUNGS GMBH	VIENNA
DV ALPHA GMBH	VIENNA

COMPANY NAME	MAIN OFFICE
BARODA PIONEER TRUSTEEE COMPANY PVT LTD	MUMBAI
CORDUSIO SIM - ADVISORY & FAMILY OFFICE SPA	MILAN
CHIYODA FUDOSAN GK	TOKYO
HJS 12 BETEILIGUNGSGESELLSCHAFT MBH	MUNICH
OCEAN BREEZE ASSET GMBH & CO. KG	MUNICH
OCEAN BREEZE GMBH	MUNICH

At December 31, 2012 the entities consolidated for the first time mainly related to new companies acquired or which became operational in 2012.
The Special Purpose Entity, Chiyoda Fudosan GK, was also consolidated for the first time in accordance with SIC 12.

Reductions

Disposal

COMPANY NAME	MAIN OFFICE
IRFIS - FINANZIARIA PER LO SVILUPPO DELLA SICILIA S.P.A.	PALERMO
SOCIETÀ VISSANA INDUSTRIA LAVORAZIONE ALIMENTARE S.V.I.L.A. A RESPONSABILITÀ LIMITATA	VISSO
HOLDING SP. Z.O.O. (IN LIQUIDATION)	WARSAW
CAMERON GRANVILLE 2 ASSET MANAGEMENT INC	TAGUIG
CAMERON GRANVILLE 3 ASSET MANAGEMENT INC.	TAGUIG
CAMERON GRANVILLE ASSET MANAGEMENT (SPV-AMC), INC	TAGUIG
PIONEER INVESTMENTS AG	BERN
BA-CREDITANSTALT LEASING ANGLA SP. Z O.O.	WARSAW
BACA ROMUS IFN S.A.	BUCHAREST

COMPANY NAME	MAIN OFFICE
HVB CAPITAL LLC VIII	WILMINGTON
HVB FUNDING TRUST VIII	WILMINGTON
SOCIETÀ BENI CULTURALI A R.L.	ROME
CALG IMMOBILIEN LEASING GMBH & CO PROJEKT FUNF OG	VIENNA
CALG IMMOBILIEN LEASING GMBH & CO PROJEKT ZEHN OG	VIENNA
SOFIPA SOCIETÀ DI GESTIONE DEL RISPARMIO (SGR) S.P.A.	MILAN
THE TRANS VALUE TRUST COMPANY LTD	TOKYO
UNICREDIT-LEASING HOMONNA INGATLNHASZNOSITO KFT	BUDAPEST

The above table refers to disposals and liquidations of inactive companies.

Absorption by other Group entities

COMPANY NAME OF THE MERGERED ENTITY	MAIN OFFICE		COMPANY NAME OF THE TAKING IN ENTITY	MAIN OFFICE
UNICREDIT REAL ESTATE SOCIETÀ CONSORTILE PER AZIONI	GENOA	>>>	UNICREDIT SPA	ROME
UNICREDIT BUSINESS PARTNER SOCIETÀ CONSORTILE PER AZIONI	COLOGNO MONZESE	>>>	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	MILAN
UNICREDIT BUSINESS PARTNER GMBH	VIENNA	>>>	UNICREDIT BUSINESS INTEGRATED SOLUTIONS AUSTRIA GMBH	VIENNA
CU@2012 FACILITY SERVICES GMBH	VIENNA	>>>	DOMUS FACILITY MANAGEMENT GMBH	VIENNA
HVB INTERNATIONAL ASSET LEASING GMBH	MUNICH	>>>	UNICREDIT BANK AG	MUNICH
PIONEER ALTERNATIVE INVESTMENT MANAGEMENT SGR PA	MILAN	>>>	PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ	MILAN
EUROPA FACILITY MANAGEMENT LTD.	BUDAPEST	>>>	PIONEER INVESTMENT FUND MANAGEMENT LIMITED	BUDAPEST
UNICREDIT LEASING BAUTRAGER GMBH	VIENNA	>>>	ALLEGRO LEASING GESELLSCHAFT M.B.H.	VIENNA
BA/CA-LEASING FINANZIERUNG GMBH	VIENNA	>>>	ALLEGRO LEASING GESELLSCHAFT M.B.H.	VIENNA
UNICREDIT-LEASING MIDAS INGATLANHASZNOSITO KARLATOLT FELELOSSEGU TARSASAG	BUDAPEST	>>>	HVB-LEASING GARO KFT	BUDAPEST
GYOR BEVASARLOKOZPONT INGATLANBERUHAZO ES UZEMELTETO KORLATOLT FELELOSSEGU TAESASAG	BUDAPEST	>>>	HVB-LEASING GARO KFT	BUDAPEST
CA-LEASING LAMBDA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	>>>	HVB-LEASING GARO KFT	BUDAPEST
HVB - LEASING PLUTO KFT	BUDAPEST	>>>	HVB-LEASING GARO KFT	BUDAPEST
CA-LEASING BETA 2 INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	>>>	UNICREDIT LEASING KFT	BUDAPEST
MIK INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	>>>	MIK 2012 KARLATOLT FELELOSSEGU TARSAAG	BUDAPEST
MIK BETA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	>>>	MIK 2012 KARLATOLT FELELOSSEGU TARSAAG	BUDAPEST
BA-CA LEASING VERSICHERUNGSSERVICE GMBH	VIENNA	>>>	ALLEGRO LEASING GESELLSCHAFT M.B.H.	VIENNA
FAMILY CREDIT NETWORK SPA	MILAN	>>>	UNICREDIT SPA	ROME
UNICREDIT CAIB CZECH REPUBLIC A.S.	PRAGUE	>>>	UNICREDIT BANK CZECH REPUBLIC A.S.	PRAGUE
UNICREDIT MOBILIEN LEASING GMBH	VIENNA	>>>	UNICREDIT LUNA LEASING GMBH	VIENNA
LF BETEILIGUNGEN GMBH	VIENNA	>>>	LEASFINANZ GMBH	VIENNA
HVB SUPER LEASING EOOD	SOFIA	>>>	BULBANK LEASING EAD	SOFIA
HVB FIERO LEASING EOOD	SOFIA	>>>	BULBANK LEASING EAD	SOFIA
BULBANK AUTO LEASING EOOD	SOFIA	>>>	BULBANK LEASING EAD	SOFIA
COM.P.I.S. - COMPAGNIA PETROLIFERA ITALIA SUD SOCIETÀ A RESPONSABILITÀ LIMITATA	ROME	>>>	SOCIETÀ DEPOSITI COSTIERI - SO.DE.CO. SRL	ROME

Part A - Accounting Policies (Continued)

The following table shows the Entities which changed their company name in 2012.

Entities line by line which changed the company name during 2012

COMPANY NAME	MAIN OFFICE
CABET-HOLDING GMBH (ex CABET-HOLDING-AKTIENGESELLSCHAFT)	VIENNA
DC BANK AG (ex DINERS CLUB CEE HOLDING AG)	VIENNA
FINECO VERWALTUNG AG (IN LIQUIDATION) (ex FINECO VERWALTUNG AG)	MUNICH
SUVREMENE POSILOVNE KOMUNIKACIJE D.O.O (ex MARKETING ZAGREBACKE BANKE, ZA PROPAGANDU, TRZISNAISTRAZIVANJAI IZDVASTVO,D.O.O)	ZAGREB
UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI (ex UNICREDIT GLOBAL INFORMATION SERVICES SOCIETA CONSORTILE PER AZIONI)	MILAN
UNICREDIT SECURITIES INTERNATIONAL LIMITED IN LIQUIDATION (ex UNICREDIT SECURITIES INTERNATIONAL LIMITED)	NICOSIA
WEALTHCAP EQUITY GMBH (ex BLUE CAPITAL EQUITY GMBH	MUNICH
WEALTHCAP LEASING GMBH (ex BIL V & V VERMIETUNGS GMBH	GRUNWALD

COMPANY NAME	MAIN OFFICE
CLOSED JOINT-STOCK COMPANY UNICREDIT SECURITIES IN LIQ (ex CLOSED JOINT-STOCK COMPANY UNICREDIT SECURITIES)	MOSCOW
DOM INWESTYCYJNY XELION SP. Z O.O. (ex XELION DORADCY FINANSOWI SP. ZOO	WARSAW
LOWES LIMITED IN LIQUIDATION (ex LOWES LIMITED)	NICOSIA
UNICREDIT BUSINESS INTEGRATED SOLUTIONS AUSTRIA GMBH (ex UGIS AUSTRIA GMBH)	VIENNA
UNICREDIT CAIB SERBIA LTD. BELGRADE IN LIQUIDATION (ex UNICREDIT CAIB SERBIA LTD. BELGRADE)	BELGRADE
VERBA VERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG (ex VERBA VERWALTUNGSGESELLSCHAFT MBH)	MUNICH
WEALTHCAP EQUITY MANAGEMENT GMBH (ex BLUE CAPITAL EQUITY MANAGEMENT GMBH	MUNICH
WEALTHCAP USA IMMOBILIEN VERWALTUNGS GMBH (ex BLUE CAPITAL USA IMMOBILIEN VERWALTUNGS GMBH	MUNICH

Proportionately consolidated companies

The number of **proportionately** consolidated companies, totaling 30 at December 31, 2011, was unchanged at December 31, 2012.

Section 4 - Subsequent Events

No material events have occurred after the balance sheet date that would make it necessary to change any of the information given in the Consolidated Accounts as of December 31, 2012. For a description of the significant events after year end see the specific paragraph of the Report on Operations.

Section 5 - Other Matters

In 2012, the following principles and accounting interpretations came into force:

- Amendments to IFRS 7 - Financial Instruments: Disclosures - Transfers of Financial Assets (EU Regulation 1205/2011). These amendments require the disclosure of more information in the Annual Reports about financial assets transferred, but not derecognized, and on continuing involvement. They therefore do not have any impact on the figures in the consolidated balance sheet and income statement. The Bank of Italy incorporated these amendments through its circular letter that amended the above-mentioned Circular 262.

The European Commission also endorsed the following accounting principles that have become effective for reporting periods beginning on or after January 1, 2013:

- Amendment to IAS 1 - Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income (EU Regulation 475/2012);
- Amendments to IAS 12 - Deferred tax: Recovery of Underlying Assets (EU Regulation 1255/2012);
- Amendment to IAS 19 - Employee Benefits (EU Regulation 475/2012). The amended IAS 19 will be applicable for reporting periods starting on or after January 1, 2013. The main amendments to IAS 19 introduced by the above-mentioned Regulation principally affect the treatment of "post employees benefits"(including severances), specifically:
  - the elimination of the "corridor method"; as a consequence, the actuarial gains/losses resulting from the valuation of the obligation shall be immediately recognized in balance sheet and accounted for as a contra item to revaluation reserves;
  - revaluation reserve changes must be disclosed in "Other Comprehensive Income";
  - the replacement of "interest cost" and "expected return on plan assets" concepts, with "net interest" concept;
  - the request for more detailed and extended disclosures in the appropriate table of the Notes to the Accounts. More specifically, a sensitivity analysis of the Defined Benefit Obligation shall be provided every time key actuarial assumptions change, describing the methods and assumptions used.

  For more qualitative and quantitative information, see Part B - Section 12.3 Pensions and other post-retirement defined-benefit obligations.
- Amendments to IFRS1 - Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters (EU Regulation 1255/2012);
- Amendments to IFRS 7 - Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (EU Regulation 1256/2012);
- IFRS 13 - Fair value measurement (EU Regulation 1255/2012). The concept of fair value remains unchanged, but specific guidelines have been introduced concerning its determination, and additional disclosure will be required starting from 2013;
- IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine (EU Regulation 1255/2012)

The European Commission endorsed the following accounting principles and interpretations that will be applicable for reporting periods beginning on or after January 1, 2014:
- Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities (EU Regulation 1256/2012);
- IAS 27 revised - Separate Financial Statements (EU Regulation 1254/2012);
- IAS 28 revised - Investments in Associates and Joint Ventures (EU Regulation 1254/2012);
- IFRS 10 - Consolidated Financial Statement (EU Regulation 1254/2012);
- IFRS 11 - Joint Arrangements (EU Regulation 1254/2012);
- IFRS 12 - Disclosure of Interests in Other Entities (EU Regulation 1255/2012).

At December 31, 2012 the IASB issued the following standards, amendments, interpretations or revisions:
- Improvements to IFRSs (2009-2011) (May 2012);
- Amendments to IFRS1 - Government Loans (March 2012);
- IFRS 9 - Financial Instruments (November 2009) and subsequent amendments (amendments to IFRS 9 and IFRS 7 - Mandatory Effective Date and Transition - December 2011);
- Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) (June 2012);
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (October 2012).

However, the application of these principles by the Group is subject to their transposition by the European Commission.

Lastly, it should be noted that for the purpose of calculating the regulatory capital, since June 30, 2010 the Group has exercised the option (granted by the Bank of Italy by order of May 18, 2010) to deduct all capital gain and losses arising out of changes in fair value recognized after December 31, 2009 in revaluation reserves for debt securities issued by the Central Administrations of EU Countries and held as “financial assets available for sale”.

The Consolidated Accounts and the Parent Company Accounts are audited by KPMG S.p.A. pursuant to the resolution passed by the Shareholders’ Meeting on May 10, 2007 and LD 39/2010 of January 27, 2010.

The UniCredit group prepared and published its consolidated financial half-year report at June 30, 2012, subject to limited scope audit, as well as the Consolidated Interim Reports at March 31 and September 30, 2012, within the time limits set by law and in manner required by Consob.

The Parent Company Accounts and the Consolidated Accounts were approved by the Board of Directors meeting of March 15, 2013, which authorized their publication.

The entire document has been filed with the competent offices and entities as required by law.

A.2 - The Main Items of the Accounts

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

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

Like other financial instruments, on initial recognition, at settlement date, a held-for-trading financial asset is measured at its fair value, usually equal to the amount paid, excluding transaction costs and income, which are recognized in profit and loss even when directly attributable to the financial assets. Trading book derivatives are recognized at trade date.

After initial recognition these financial assets are measured at their fair value through profit or loss. An exception is represented by derivatives settled by delivery of an unlisted equity instrument whose fair value cannot be reliably measured, and which are therefore measured at cost.

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

Part A - Accounting Policies (Continued)

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

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

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

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

When an embedded derivative is separated, the host contract is recognized according to its accounting classification.

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

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

AfS financial assets are money market instruments, other debt instruments or equity instruments; they include shares held as minority stakes where these do not constitute controlling or associate interests, or joint control.

On initial recognition, at settlement date, an AfS financial asset is measured at fair value, which is usually equal to the consideration of the transaction, plus transaction costs and income directly attributable to the instrument.

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

The fair value changes recorded in item 140 "Revaluation reserves" are reported in the Statement of Comprehensive Income.

With reference to revaluation reserves arising from debt instruments issued by governments of EU member countries, on May 18, 2010 the Bank of Italy recognized, for the purposes of the calculation of regulatory capital (prudential filters), the possibility of completely neutralizing capital gains and losses arising in the revaluation reserves after 31 December 2009 ("symmetric" approach). The Group adopted this method starting from the regulatory capital calculation made in June 2010,and thereby replaced the "asymmetric" approach previously in use.

Equity instruments (shares) not listed in an active market and whose fair value cannot be reliably determined are valued at cost.

If there is objective evidence of an impairment loss on an available-for-sale financial asset, the cumulative loss that had been recognized directly in equity item 140 "Revaluation reserves", is removed from equity and recognized in profit or loss under item 130 b) "Impairment losses (b) Available for sale financial assets".

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

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

The loss of value is normally considered lasting if fair value falls to less than 50% of cost or lasts for more than 18 months.
If however the fall in the fair value of the instrument is over 20% but less than or equal to 50% or continues for no less than 9 but no longer than 18 months, UniCredit reviews further income and market indicators.
If the results of the review are such as to prejudice the recovery of the amount originally invested, a lasting loss of value is recognized.
The amount taken to profit and loss is the difference between the carrying amount (value of initial recognition less any impairment loss already recognized in profit or loss) and current fair value.

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

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

Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale are not reversed through profit or loss, but recognized at equity.

3 - Held to Maturity Investments (HtM)

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

If, during the financial year, more than an insignificant amount of held-to-maturity investments are sold or reclassified before maturity, the remaining HtM financial assets shall be reclassified as available-for-sale and no financial assets shall be classified as HtM investments for the two following financial years, unless the sales or reclassifications:
- are so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- occur after substantially all of the financial asset's original principal has been collected through scheduled payments or prepayments;
- are attributable to an isolated event that is beyond the reporting entity's control, is non-recurring and could not have been reasonably anticipated.

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

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

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event such as an improvement in the debtor's credit worthiness occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed. The reversal cannot result in a carrying amount of the financial asset that exceeds the amortized cost would have been had the impairment not been recognized. The amount of the reversal is recognized in the same profit or loss item.
Held-to-maturity investments cannot be hedged for other than the credit/non performance risk.

Part A - Accounting Policies (Continued)

4 - Loans and Receivables

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

These items include debt instruments with the above characteristics or those subject to portfolio reclassification in accordance with the rules of IAS 39 (see Part A.3.1 below - Transfers between portfolios) and the net value of finance leases of assets under construction or awaiting lease, provided the leases have the characteristics of contracts entailing the transfer of risk.

After initial recognition at fair value, which is usually the price paid including transaction costs and income directly attributable to the acquisition or issuance of the financial asset (even if not yet paid), a loan or receivable is measured at amortized cost, which can be adjusted to take account of any write-downs/write-backs resulting from the valuation process.

A gain or loss on loans and receivables is recognized in profit or loss:
- when a loan or receivable is derecognized: in item 100 (a) "Gains (losses) on disposal";

or:
- when a loan or receivable is impaired (or the impairment loss previously recognized is reversed): in item 130 (a) "Impairment losses (a) loans and receivables".

Interest on loans and receivables is recognized in profit or loss on an accrual basis by using the effective interest rate method under item 10 "Interest income and similar revenue".

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

Loans and receivables are reviewed in order to identify those that, following events occurring after initial recognition, show objective evidence of possible impairment. These impaired loans are reviewed and analyzed periodically at least once a year.

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

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

The amount of the loss on impaired exposure classified as non-performing, doubtful or restructured according to the categories specified below, is the difference between the carrying value and the present value of estimated cash flows discounted at the original interest rate of the financial asset. If the original rate is not immediately available, or if obtaining it is too burdensome, its best approximation will be applied.

For all fixed rate positions the interest rate so determined is kept constant also in subsequent financial years, while for floating rate positions the interest rate is updated with respect to the floating component used as a reference while keeping the spread originally set constant.

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

Any subsequent change vis-à-vis initial expectations of the amount or timing of expected cash flows of principal and interest causes a change in allowances for impairment and is recognized in profit or loss in item 130(a) "Impairment losses (a) loans and receivables".

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

When the reasons for the impairment no longer exist, and this assessment is objectively attributable to an event such as an improvement in the debtor's credit worthiness occurred after the impairment, a reversal is made in the same profit or loss item, within the amount of the amortized cost that there would have been if there had been no impairments.

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

According to Bank of Italy regulations, impaired loans and receivables are classified into the following categories:
- **Non-performing loans** - formally impaired loans, being exposure to insolvent borrowers, even if the insolvency has not been recognized in a court of law, or borrowers in a similar situation. Measurement is generally on a loan-by-loan basis or, for loans singularly not significant, on a portfolio basis for homogeneous categories of loans.
- **Doubtful loans** - exposure to borrowers experiencing temporary difficulties, which the Group believes may be overcome within a reasonable period of time. Doubtful loans also include loans not classified as non-performing granted to borrowers other than government entities where the following conditions are met:
  - They have fallen due and remained unpaid for more than 270 days (or for more than 150 or 180 days for consumer credit exposure with an original term of less than 36 months, or 36 months or over, respectively);
  - The amount of the above exposure to the same borrower and other defaulted payments that are less than 270 days overdue, is at least 10% of the total exposure to that borrower. Doubtful loans are valued analytically when special elements make this advisable or by applying analytically flat percentages on a historical or stochastic basis in the remaining cases.
- **Restructured loans** - exposure to borrowers with whom a rescheduling agreement has been entered into including renegotiated pricing at interest rates below market, the conversion of part of a loan into shares ("debt to equity swap") and/or any reduction of principal; measurement is on a loan-by-loan basis, including discounted cost due to renegotiation of the interest rate at a rate lower than the original contractual rate.Restructured exposures can be reclassified under unimpaired loans only after two years have passed from the date of signing of the restructuring agreement and a resolution has been adopted by the competent corporate bodies declaring that the debtor's full solvency has been restored and that there are no outstanding balances on all existing lines of credit. Loans under renegotiation involving a debt/equity swap are valued, pending swap finalization, on the basis of the conversion agreements entered into on the balance-sheet date. Please see Section A.3 below for the method used to calculate the fair value of shares arising from these transactions. Any negative differences between the value of the loans and the fair value of the shares are taken to profit and loss as write-downs.
  For details on renegotiated exposures (so-called forborn exposures) see also Part E - Section 1 - Credit Risk - Information on renegotiated exposures.
- **Past-due loans** - total exposure to any borrower not included in the other categories, which at the balance-sheet date has expired facilities or unauthorised overdrafts that are more than 90 days past due and meet the requirements set out by supervisory regulations (ref. Bank of Italy's Circular No. 263 of December 27, 2006 "New regulations for the prudential supervision of banks") for their classification under the "past due exposures" category (TSA banks) or under the "defaulted exposures" category (IRB banks).

Total exposure is recognized in this category if, at the balance-sheet date, either:
- the expired or unauthorized borrowing;

or:
- the average daily amount of expired or unauthorized borrowings during the last preceding quarter is equal to or exceeds 5% of total exposure.

Overdue exposures are valued using a statistical approach based on historical data, applying where available the degree of risk as measured by the risk factor used for Basel 2 reporting (loss given default).

Collective assessment is used for groups of loans for which individually there are no indicators of impairment: to these portfolios a latent impairment can be attributed, according to the method described below, inter alia on the basis of the risk factors used under Basel 2.

Each loan with similar characteristics in terms of credit risk - in relation to loan type, the borrower's sector of economic activity, geographical location, type of security or other relevant factors - is assessed in terms of its probability of default and a loss given default; these are uniform for each class of loan.

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

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

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

Part A - Accounting Policies (Continued)

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

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

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

Loan Securitizations
Loans and receivables also include according to the applicable product breakdown, loans securitised after 1 January 2002 which cannot be derecognized under IAS 39 (see Section 18 - Other Information - Derecognition).

Corresponding amounts received for the sale of securitized loans net of the amount of any issued securities and any other type of credit enhancement held in portfolio (retained risk) are recognized in liability items 10 "Deposits from banks" and 20 "Deposits from customers".

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

Impairment losses on securitized assets sold but not derecognized are reported in item 130(a) "Impairment losses (a) loans and receivables".

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

Any financial asset may be designated, in accordance with the provisions of IAS 39 as a financial instrument measured at fair value through profit and loss on initial recognition, except for the following:
- investments in equity instruments for which there is no price quoted in active markets and whose fair value cannot be reliably determined;
- derivatives.

FIaFV includes financial assets:
(i) not belonging to regulatory trading book, whose risk is:
  - connected with debt positions measured at fair value (see also item 15 "Financial liabilities at fair value through profit and loss");
  - and managed by the use of derivatives not treatable as accounting hedges.

(ii) represented by hybrid (combined) instruments containing embedded derivatives that otherwise should have been separated from the host contract.

FIaFV are accounted for in a similar manner to HfT financial assets (see Section 1), however gains and losses, whether realised or unrealized, are recognized in item 110 "Gains (losses) on financial assets and liabilities measured at fair value".

6 - Hedge Accounting

Hedging instruments are those created to hedge market risks (interest-rate, currency and price) to which the hedged positions are exposed.
They may be described as follows:
- Fair value hedge: a hedge of the exposure to changes in fair value of a recognized asset or liability, or an identifiable portion of such an asset or liability;
- Cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction which could affect profit or loss in future periods;
- Hedge of a net investment in a foreign entity whose operations are presented in a currency other than euro.

Hedging derivatives are initially recognized on trade date and are valued at their fair value.

A hedging relationship qualifies for hedge accounting if there is formal designation and documentation of the hedging relationship including the risk management objective, the strategy for undertaking the hedge, and how the hedging instrument's prospective and retrospective effectiveness will be assessed. It is necessary to assess the hedge's effectiveness, at inception and in subsequent periods, in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

A hedge is regarded as highly effective if, at the inception of the hedge and in subsequent periods, it is determined prospectively to remain highly effective, and the retrospectively verified that the hedge ratio (ie. the changes in fair value of hedged items and hedging instruments) is within a range of 80-125 per cent. The hedge is assessed on an ongoing basis and thus must prospectively remain highly effective throughout the financial reporting periods for which the hedge has been designated.

The assessment of effectiveness is made at each balance-sheet date or other reporting date.
If the assessment does not confirm the effectiveness of the hedge, from that time on hedge accounting is discontinued in respect of the hedge and the hedging derivative is reclassified as a held-for-trading instrument.

In addition, the hedging relationship ceases when the hedging instrument expires or is sold, terminated or exercised; the hedged item is sold, expires or is repaid; or it is no longer highly probable that the forecast transaction will occur.

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

Hedging derivatives are measured at fair value. Specifically:

- **Fair Value Hedging** - an effective fair value hedge is accounted for as follows: the gain or loss from remeasuring the hedging instrument at fair value is recognized through profit or loss in item 90 "Fair value adjustments in hedge accounting"; the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized through profit or loss in the same item. If the hedging relationship is terminated for reasons other than the sale of the hedged item, this is measured according to the original criterion dictated by the accounting standard applied to the relevant portfolio. In the case of interest-bearing instruments, the difference between the carrying amount of the hedged item on termination of the hedging and the carrying amount it would have had if the hedge had never existed, is recognized through profit or loss in interest receivable or payable over the residual life of the original hedge. The difference in fair value of the hedging derivative since the latest effectiveness testing date is recognized in profit or loss under item 90 "Fair value adjustments in hedge accounting". If the hedged item is sold or repaid, the portion of fair value which is still unamortized is at once recognized through profit or loss in the item 100. "Gains (losses) on disposal or repurchase".
- **Cash Flow Hedging** - hedging instruments are valued at fair value. Change in the fair value of a hedging instrument that is considered effective is recognized in equity item 140 "Revaluation reserves". The ineffective portion of the gain or loss is recognized through profit or loss in item 90 "Fair value adjustments in hedge accounting". If a cash flow hedge is determined to be no longer effective or the hedging relationship is terminated, the cumulative gain or loss on the hedging instrument that remains recognized in "Revaluation reserves" from the period when the hedge was effective remains separately recognized in "Revaluation reserves" until the forecast hedged transaction occurs or is determined to be no longer possible; in the latter case gains or losses are transferred through profit or loss to 90 "Fair value adjustments in hedge accounting ". The fair value changes recorded in item 140 "Revaluation reserves" are also disclosed in the Statement of Comprehensive Income.
- **Hedging a Net Investment in a Foreign Entity** - hedges of a net investment in a foreign entity are accounted for similarly to cash flow hedges. The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognized directly in equity is recognized through profit or loss on disposal of the foreign entity.
  The fair value changes recorded in item 140 "Revaluation reserves" are also disclosed in the Statement of Comprehensive Income; the ineffective portion of the gain or loss is recognized through profit or loss in item 90 "Fair value adjustments in hedge accounting".
- **Macro-hedged Financial Assets (Liabilities)** - IAS 39 allows a fair-value item hedged against interest rate fluctuations to be not only a single asset or liability but also a monetary position contained in a number of financial assets or liabilities (or parts of them); accordingly, a group of derivatives can be used to offset fair-value fluctuations in hedged items due to changes in market rates. Macro hedging may not be used for net positions resulting from the offsetting of assets and liabilities. As for fair value micro hedging, macrohedging is considered highly effective if, at the inception of the hedge and in subsequent periods, changes in the fair value attributable to the hedged position are offset by changes in fair value of the hedging instrument and if the hedge ratio is retrospectively assessed falling within the range of 80-125 per cent. Net changes - gains or losses - in the fair value of the macro-hedged assets and liabilities attributable to the hedged risk are recognized in asset item 90 and liability item 70 respectively and offset the profit and loss item 90 "Fair value adjustments in hedge accounting".
  The ineffectiveness of the hedging arises to the extent that the change in the fair value of the hedging item differs from the change in the fair value of the hedged monetary position. The extent of hedge ineffectiveness is in any case recognized in profit and loss item 90 "Fair value adjustments in hedge accounting".
  If the hedging relationship is terminated, for reasons other than the sale of the hedged items, cumulative gain or loss in items 90 (Assets) and 70 (Liabilities) is recognized through profit or loss in interest income or expenses, along the residual life of the hedged financial assets or liabilities.
  If the latter are sold or repaid, unamortized fair value is at once recognized through profit and loss in item 100 "Gains (losses) on disposal or repurchase".

7 - Equity Investments

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

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

Part A - Accounting Policies (Continued)

8 - Property, Plant and Equipment (Tangible Assets)

The item includes:
- land;
- buildings;
- furniture and fixtures;
- plant and machinery;
- other machinery and equipment;

and is divided between:
- assets used in the business;
- assets held as investments.

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

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

Property, plant and equipment also include leasehold improvements relating to assets which can be which can be separately identified.
They are classified according to the specific sub-items relating to the asset type (e.g. plants).

Leasehold improvements are usually borne in order to make leased premises fit for the expected use.
Improvements and additional expenses relating to property, plant and equipment identifiable but not separable are recognized in item 160 "Other assets".

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

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

Subsequent costs are added to the carrying amount or recognized as a separate asset only when it is probable that there will be future economic benefits in excess of those initially foreseen and the cost can be reliably measured. Other expenses borne at a later time (e.g. normal maintenance costs) are recognized in the year they are incurred in profit and loss items:
- 180 b) "General and administrative expenses", if they refer to assets used in the business;

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

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

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

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

Residual useful life is usually assessed as follows:

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

An item with an indefinite useful life is not depreciated.

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

The estimate of the useful life of an asset is reviewed at least at each accounting period-end on the basis inter alia of the conditions of use of the asset, of maintenance conditions and expected obsolescence, and, if expectations differ from previous estimates, the depreciation amount for the current and subsequent financial years is adjusted accordingly.

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

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

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

9 - Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance which is expected to be used during more than one period, controlled by the Group and from which future economic benefits are probable.

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

This item also includes intangible assets used by the Group as lessee under finance leases or as lessor under operating leases (rental/hire).

Intangible assets other than goodwill are recognized at purchase cost, i.e. including any cost incurred to bring the asset into use, less accumulated amortization and impairment losses.

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

Residual useful life is usually assessed as follows:

Software	max. 10 years;
Other intangible assets	max. 20 years.

Intangible assets with an indefinite life are not amortized.

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

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

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

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

Goodwill

In accordance with IFRS3, goodwill is the excess of the cost of a business combination over the net fair value of the assets and liabilities acquired at the acquisition date.

Goodwill arising from the acquisition of subsidiaries and joint ventures (consolidated proportionately) is recognized as an intangible asset, whereas goodwill arising from the acquisition of associates is included in the carrying amount of the investments in associates.

Part A - Accounting Policies (Continued)

At a subsequent financial reporting date, goodwill is recognized net of any cumulative impairment losses and is not amortised.

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

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

Please see Section B 13.3 Intangible Assets - Further Information below for further information on intangibles, goodwill, the CGUs and impairment testing for these.

10 - Non-Current Assets Held for Sale

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

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

The revaluation reserves relating to Non-current assets held for sale, which are recorded as a contra item to changes in value relevant for this purpose), are reported separately in the Statement of Comprehensive Income (see Part D - Consolidated Comprehensive Income).

11 - Current and Deferred Tax

Tax assets and tax liabilities are recognized in the Consolidated Balance Sheet respectively in item 140. of assets ("Tax assets") and item 80. of liabilities ("Tax liabilities").

In compliance with the «Balance sheet liability method», current and deferred tax items are:
• current tax assets, i.e. amount of tax paid in excess of income tax due in accordance with local tax regulations;
• current tax liabilities, i.e. amount of corporate tax due in accordance with local tax regulations;
• deferred tax assets, i.e. amounts of income tax recoverable in future fiscal years and attributable to:
  - deductible temporary differences;
  - the carryforward of unused tax losses; and
  - the carryforward of unused tax credits
• deferred tax liabilities, i.e. the amounts of income tax due in future fiscal years in respect of taxable temporary differences.

Current and deferred tax assets and tax liabilities are calculated in accordance with local tax regulations and are recognized in profit or loss on an accrual basis.

In general, deferred tax assets and liabilities arise when there is a difference between the accounting treatment and the tax treatment of the carrying amount of an asset or liability.

Deferred tax assets and liabilities are recognized applying tax rates that at the balance sheet date are expected to apply in the period when the carrying amount of the asset will be recovered or the liability will be settled on the basis of tax regulations in force, and are periodically reviewed in order to reflect any changes in regulations.

Furthermore, deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profit will be generated by the entity. In accordance with the provisions of IAS12, the probability that sufficient future taxable profit against which the deferred tax assets can be utilized will be available is reviewed periodically. The carrying amount of deferred tax assets should be reduced to the extent that it is not probable that sufficient taxable profit will be available.

Current and deferred taxes are recognized in profit and loss item 290 "Tax expense (income) related to profit or loss from continuing operations", except for tax referred to items that in the same or in another fiscal year are credited or charged directly to equity, such as those relating to gains or losses on available-for-sale financial assets and those relating to changes in the fair value of cash flow hedging instruments, whose changes in value are recognized, net of tax, directly in the Statement of Comprehensive Income - Valuation reserves.

12 - Provisions for Risks and Charges

Retirement Payments and Similar Obligations

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

In detail:

- Defined-benefit plans provide a series of benefits depending on factors such as age, years of service and compensation policies. Under this type of plan actuarial and investment risks are borne by the company;
- Defined-contribution plans are plans under which the company makes fixed contributions. Benefits are the result of the amount of contributions paid and return on contributions invested. The employer bears no actuarial and/or investment risks connected with this type of plans as it has no legal or implicit obligation to make further contributions, shoud the plan not be sufficient to provide benefit to all employes.

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

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

The amount recognized as a liability in item 120 Provisions for risks and charges - (a) Post retirement benefit obligations is the present value of the obligation at the Balance Sheet Date, less the fair value of plan assets (if any) out of which the obligations are to be settled directly deducted any actuarial gains or losses not recognized in the Accounts under the 'corridor' method, which permits non-recognition of actuarial gains or losses when they do not exceed the greater of (i) 10% of the present value of the obligation before deducting plan assets or (ii) 10% of the fair value of any plan assets.

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

Other Provisions

Provisions for risks and charges are recognized when:

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

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

Where the effect of the time value of money is significant, the amount of the provision should be the present value of the best estimate of the cost required to settle the obligation. The discount rate used reflects the current market assessments.

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

Provisions are used only for expenses for which they were originally recognized. Allocations made in the year are recognized in profit and loss item 190 "Provisions for risks and charges" and include increases due to the passage of time; they are also net of any reversal.

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

In certain cases, provisions for risks and charges (e.g. fiscal charges or charges relating to payroll costs) have been classified under their own Profit and Loss item to better reflect their nature.

Part A - Accounting Policies (Continued)

13 - Liabilities, Securities in Issue and Subordinated Loans

The items Deposits with banks, Deposits with customers and Securities in issue are used for all forms of third-party funding other than trading liabilities or those valued at fair value through profit and loss.

These financial liabilities are recognized on the settlement date principle initially at fair value, which is normally the consideration received less transaction costs directly attributable to the financial liability. Subsequently these instruments are measured at amortized cost using the effective interest method.

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

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

Instruments convertible into treasury shares imply recognition, at the issuing date, of a financial liability and of the equity part, recognized in item 160 "Equity instruments", any time contractual terms provide for physical deliverysettlement.

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

The financial liability is initially recognized at amortized cost using the effective interest method.

Securities in issue are recognized net of repurchased amounts; the difference between the carrying value of the liability and the amount paid to buy it in is taken to profit and loss under item 100.d) "Gains (losses) on buy-ins of financial liabilities". Subsequent disposal by the issuer is considered as a new issue which doesn't produce gains or losses.

Group debts do not include covenants (q.v. in the appended Glossary) that would cause default or restructuring events. There are no debt instruments involving convertibility to equity instruments (under IASB IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.

14 - Financial Liabilities Held for Trading

Financial liabilities held for trading include:
- derivatives that are not designated as hedging instruments;
- obligations to deliver financial assets borrowed by a short seller (ie, an entity that sells financial assets it does not yet own);
- financial liabilities issued with an intention to repurchase them in the near term;
- financial liabilities that are part of a portfolio of financial instruments considered as a unit and for which there is evidence of a recent pattern of trading.

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

15 - Financial Liabilities at Fair Value through Profit and Loss

According to IAS 39, financial liabilities, as well as financial assets, may also be designated on initial recognition as measured at fair value, provided that:
- this designation eliminates or considerably reduces the discrepancy that could arise from the application of different methods of measurement of assets and liabilities and related gains or losses;

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

This category may also include financial liabilities represented by hybrid (combined) instruments containing embedded derivatives that otherwise should have been separated from the host contract.

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

16 - Foreign Currency Transactions

A foreign currency transaction is recognized at the spot exchange rate of the transaction date.

Foreign currency monetary assets and liabilities are translated at the closing rate of the period.

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

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

Non-monetary assets and liabilities recognized at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated at the closing rate. The exchange differences are recognized:
- in profit and loss if the financial asset is HfT; or
- in revaluation reserves if the financial asset is AfS.

Hedges of a net investment in a foreign operation are recognized similarly to cash flow hedges.

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

Any goodwill arising on the acquisition of a foreign operation realised after IAS First Time Adoption (ie, 1/1/2004) whose assets are located or managed in a currency other than the euro, and any fair value adjustments of the carrying amounts of assets and liabilities are treated as assets and liabilities of the foreign operation, expressed in the functional currency of the foreign operation and translated at the closing rate.

On the disposal of a foreign operation, the cumulative amount of the exchange rate differences, classified in an Equity reserve, is reclassified in profit or loss.

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

17 - Insurance Assets and Liabilities

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

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

18 - Other Information

Business Combinations

A business combination is a transaction through which an entity obtains control of a company or of a business segment, thus bringing together different businesses into one reporting entity.

A business combination may result in a Parent-subsidiary relationship in which the acquirer is the Parent and the acquiree a subsidiary of the acquirer. A business combination may involve the purchase of the net assets of another entity - in which case goodwill can arise - or the purchase of the equity of the other entity (mergers).

Part A - Accounting Policies (Continued)

IFRS 3 requires that all business combinations shall be accounted for by applying the purchase method, that involves the following steps:
• identifying an acquirer;
• measuring the cost of the business combination;
and:
• allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed.

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

The acquisition date is the date on which the acquirer effectively obtains control of the acquiree. When this is achieved through a single exchange transaction, the date of exchange coincides with the acquisition date.

A business combination may involve more than one exchange transaction; nevertheless, the cost of the business combination remains equal to the fair value of the amount paid at the acquisition date. This involves the revaluation at fair value - and the recognition of the effects in the Income Statement - of the equity investments previously held in the acquired entity.

The cost of a business combination is allocated by recognizing the assets, the liabilities and the identifiable contingent liabilities of the acquired company at their acquisition-date fair value.
Exceptions to this principle are deferred income tax assets and liabilities, employee benefits, indemnification assets, reacquired rights, non-current assets held for sale, and share-based payment transactions that are subject to review in accordance with the principle applicable to them.

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

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

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

If the acquisition concerns a percentage less than 100% of the assets of the acquired company, minorities are recognized.
At the acquisition date, minorities are valued:
• at fair value, or
• as a proportion of minority interests in the assets, liabilities and identifiable contingent liabilities of the acquired company.

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

Before evaluating whether, and to what extent, derecognition is appropriate, under IAS 39 an entity should determine whether the relevant conditions apply to a financial asset in its entirety or to a part of a financial asset. The standard is applied to a part of financial assets being transferred if, and only if, the part being considered for derecognition meets one of the following conditions:
• the part comprises only specifically identified cash flows from a financial asset (or a group of assets), e.g. interest cash flows from an asset;
• the part comprises a clearly identified percentage of the cash flows from a financial asset, e.g., a 90 per cent share of all cash flows from an asset;
• the part comprises only a fully proportionate (pro rata) share of specifically identified cash flow, e.g. 90 per cent share of interest cash flows from an asset.
In all other cases, the standard is applied to the financial asset in its entirety (or to the group of similar financial assets in their entirety).
An entity shall derecognize a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the contractual rights to receive the cash flows of the financial asset to a non-Group counterparty.
Rights to cash flow are considered to be transferred even if contractual rights to receive the asset's cash flow are retained but there is an obligation to pay this cash flow to one or more entities and all the following conditions are fulfilled (pass-through agreement):
• there is no obligation on the Group to pay amounts not received from the original asset;
• sale or pledge of the original asset is not allowed, unless it secures the obligation to pay cash flow;
• the Group is obliged to transfer forthwith all cash flows received and may not invest them, except for liquidity invested for the short period between the date of receipt and that of payment, provided that the interest accrued in that period is paid on.

Recognition is also subject to verification of effective transfer of all the risks and rewards of ownership of the financial asset. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognize the asset (or group of assets) and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.
Conversely, if the entity substantially retains all the risks and rewards of ownership of the asset (or group of assets), the entity shall continue to recognize the transferred asset(s). In this case it is necessary to recognize a liability corresponding to the amount received under the transfer and subsequently recognize all income accruing on the asset or expense accruing on the liability.
The main transactions that do not allow, under the above rules, total derecognition of a financial asset are securitizations, repurchase (sell and buy-backs) and stock lending transactions.
In the case of securitizations the Group does not derecognize the financial asset on purchase of the equity tranche or provision of other forms of support of the structure which result in the Group retaining the credit risk of the securitised portfolio.
In the case of repurchase transactions and stock lending, the assets transacted are not derecognized since the terms of the transaction entail the retention of all their risks and rewards.
Lastly, it should be noted that securities lending transactions collateralized by other securities or not collateralized were recorded as off-balance sheet items.

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

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

The same rules apply to securities lending transactions with the exception, starting from December 31, 2011, of the type of securities lending transactions collateralized by other securities or not collateralized, as specified by the Bank of Italy.
Counterparty risk related to such securities lending or borrowing transactions is shown under item “E. Other” of the tables of Part E - Section 1 - Credit risk - A.2.Internal and external ratings.

Treasury Shares
Changes in treasury shares are reported as a direct contra item to shareholders’ equity, i.e. as a reduction to the latter in the amount of any purchases, and as an increase in the amount of any sales proceeds.
This entails that, if treasury shares are subsequently sold, the difference between the sale price and the related post-tax repurchase cost is recognized entirely as a contra item to shareholders’ equity.

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

The lessee acquires the economic benefit of the use of the leased asset for most of its useful life, in exchange for a commitment to pay to the lessor an amount approximately equivalent to the fair value of the asset and related finance costs. Recognition in the lessor’s accounts is as follows:
• in assets, the value of the loan, less the principal of lease payments due and paid by the lessee;
• in profit or loss, interest received.
See Sections 8 - Property, Plant and Equipment and 9 - Intangible Assets below for treatment of the lessee’s assets.

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

Italian Staff Severance Pay (Trattamento di fine rapporto - “TFR”)
The “TFR” provision for Italy-based employee benefits is to be construed as a “post-retirement defined benefit”. It is therefore recognized on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Section 12 under Retirement Payments and Similar Obligations). This method distributes the cost of the benefit evenly over the employee’s working life. The liability is determined as the present value of average future payments adjusted according to the ratio of years of service to total years of service at the time of payment of the benefit.

Part A - Accounting Policies (Continued)

Following pension reform by Law 252/2005, TFR installments accrued to December 31,2006 (or to the date between 01-Jan-2007 and 30-Jun-2007 on which the employee opted to devolve their TFR to a supplementary pension fund) stay in the employer and are considered a post-employment defined benefit plan therefore incurring actuarial valuation, though with simplified actuarial assumptions, i.e., forecast future pay rises are not considered.

TFR installments accrued since January 1, 2007 (date of Law 252's coming into effect) (or since the date between 01-Jan-2007 and 30-Jun-2007) are, at the employee's discretion, either paid into a pension fund or left in the company and (where the company has in excess of 50 employees) paid into an INPS Treasury fund by the employer, and are considered a defined-contribution plan.

Costs relating to TFR are taken to income statement item 180.a) "Administrative costs: Payroll" and include (i) service cost for company with less than 50 employees, (ii) interest cost on the obligation already existing at the beginning of the year, (iii) yearly instalment for the excess of actuarial gains and losses according to "corridor" method and (iv) the accrued installment for the year paid into the supplementary pension scheme or to the Treasury fund of INPS.

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

Share-Based Payment

Equity-settled payments made to employees in consideration of services rendered, using equity instruments comprise:
- Stock options;
- Performance shares (i.e. awarded on attainment of certain objectives);
- Restricted shares (i.e. subject to a lock-up period).

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

This fair value is recognized as cost in profit and loss item 180. a) "Administrative costs - staff expense" offsetting the Shareholders' Equity item 170 "Reserves", on an accruals basis over the period in which the services are acquired.

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

Other Long-term Employee Benefits

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

Guarantees and Credit Derivatives in the Same Class

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

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

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

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

RECOGNITION OF INCOME AND EXPENSES

Interest Income and Expense

Interest income and expense and similar income and expense items relate to monetary items - ie, liquidity and debt , financial instruments held for trading, measured at fair value through profit or loss or available for sale-, HtM financial assets, loans and receivables, deposits, and securities in issue.

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

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

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

Fees and Commissions

Fees and commissions are recognized according to the provision of the services from which they have arisen.

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

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

Dividends

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

RELEVANT IFRS DEFINITIONS

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

Amortized cost

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

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

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

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

Impairment of financial assets

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

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

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

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

Part A - Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

Reversals of impairment losses

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

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

A.3 - Information on fair value

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

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

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

For financial instruments listed in active markets, fair value is determined on the basis of official prices in the most advantageous market to which the Group has access (Mark to Market).

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

If market quotations are not available, the Group uses valuation models (Mark to Model) in keeping with the methods generally accepted and used by the market. Valuation models include techniques based on the discounting of future cash flows and on volatility estimates, and they are subject to revision both during their development and periodically in order to ensure their consistency with the objectives of the valuation.

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

Indeed, these prices/quotations are relevant for determining significant parameters in terms of the credit risk, liquidity risk and price risk of the instrument being valued.
Reference to these "market" parameters makes it possible to limit the discretionary nature of the valuation, and ensures that the resulting fair value can be verified.

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

As a further guarantee of the objectivity of valuations derived from valuation models, the Group employs:
- independent price verifications (IPVs);
- fair value adjustments (FVAs).

Independent price verification requires that the prices for trading positions be verified monthly by Risk Management units that are independent from the units that assume the risk exposure.

This verification calls for comparing and adjusting the daily price in line with valuations obtained from independent market participants.

For instruments not quoted in active markets, the above verification process uses prices contributed by infoproviders as a reference, and assigns a greater weighting to those prices that are considered representative of the instrument being valued.

This valuation includes the "executability" of the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices from different sources, and the process followed by the infoprovider to obtain the information.

Independent price verification is supplemented by the calculation of further regulatory fair-value adjustments, which are also recognized for accounting purposes, to take into account risks associated with both the limited liquidity of the positions and the valuation models used.

Part A - Accounting Policies (Continued)

A.3.1 Transfers between Portfolios

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

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

The following table provides the book value and the fair value as at December 31, 2012 (broken down by type of underlying asset and portfolio) of assets which were reclassified in the second half of 2008 and in the first half of 2009.
The income/expenses that would have been recognized if such reclassifications had not occurred, as well as those effectively recognized through profit or loss or at equity, are also provided.

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

As a result, the overall impact before tax that would have been recognized in the income statement as of December 31, 2012, if these assets had not been reclassified, would have been a gain of €853,083 thousand, while the impact actually recognized was a gain of €285,402 thousand.

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

					INCOME/EXPENSES ABSENT RECLASSIFICATION (BEFORE TAXES)		INCOME/EXPENSE RECOGNIZED DURING THE PERIOD (BEFORE TAXES)	
INSTRUMENTS TYPE (1)	ACCOUNTING PORTFOLIO BEFORE RECLASSIFICATION (2)	ACCOUNTING PORTFOLIO AFTER RECLASSIFICATION (3)	CARRYING AMOUNT AS AT 12.31.2012 (4)	CARRYING AMOUNT AS AT 12.31.2012 (5)	FROM MEASUREMENT (6)	OTHER (7)	FROM MEASUREMENT (8)	OTHER (9)
A. Debt securities			**6,867,031**	**6,474,014**	**482,794**	**336,908**	**(20,547)**	**280,936**
	Held for trading	Available for sale	24,733	24,733	111	1,834	583	1,385
	Held for trading	Held to maturity	207,340	217,586	(2,405)	15,479	-	14,725
	Held for trading	Loans to Banks	2,049,228	2,123,344	102,720	77,515	-	83,469
	Held for trading	Loans to Customers	4,416,311	3,967,504	365,182	235,205	(21,130)	174,693
	Available for sale	Loans to Banks	-	-	-	-	-	-
	Available for sale	Loans to Customers	169,419	140,847	17,186	6,875	-	6,664
B. Equity instruments			**-**	**-**	**-**	**-**	**-**	**-**
	Held for trading	Available for sale	-	-	-	-	-	-
C. Loans			**335,929**	**366,915**	**10,034**	**23,347**	**-**	**25,013**
	Held for trading	Available for sale	-	-	-	-	-	-
	Held for trading	Held to maturity	-	-	-	-	-	-
	Held for trading	Loans to Banks	99,247	104,544	4,523	8,859	-	10,057
	Held for trading	Loans to Customers	236,682	262,371	5,511	14,488	-	14,956
	Available for sale	Loans to Banks	-	-	-	-	-	-
	Available for sale	Loans to Customers	-	-	-	-	-	-
D. Units in investment funds			**-**	**-**	**-**	**-**	**-**	**-**
	Held for trading	Available for sale	-	-	-	-	-	-
Total			**7,202,960**	**6,840,929**	**492,828**	**360,255**	**(20,547)**	**305,949**

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 €3,680,312 thousand at December 31, 2012.

During the period the Group also reclassified debt securities with a carrying value of €1,040,306 thousand from Held-to-maturity investments to Available-for-sale financial assets.
The securities reclassified are mostly Government bonds issued by Republic of Turkey (€940,022 thousand) and Asset Backed Securities (€100,284 thousand).
This reclassification mainly performed by a Joint Venture of the Group, was due to a decrease in the issuers' credit rating and a significant increase in the risk weights required by local regulations for the calculation of capital requirements, following the requirements of international financial reporting standards.

A.3.2 Fair Value Hierarchy

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

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

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

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

FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	AMOUNTS AS AT 12.31.2012			AMOUNTS AS AT 12.31.2011		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Financial assets held for trading	15,849,091	89,065,863	2,203,610	17,238,259	97,718,147	5,417,278
2. Financial assets at fair value through P&L	10,036,999	11,652,568	3,335,448	5,546,388	21,348,015	1,728,689
3. Available for sale financial assets	55,141,467	13,403,478	5,050,003	39,735,575	12,726,559	5,305,161
4. Hedging derivative assets	-	17,635,111	56,223	-	13,651,267	-
Total	**81,027,557**	**131,757,020**	**10,645,284**	**62,520,222**	**145,443,988**	**12,451,128**
1. Financial liabilities held for trading	5,837,169	91,737,453	1,548,571	8,839,266	98,236,892	4,309,609
2. Financial liabilities at fair value through P&L	-	851,754	-	-	785,966	-
3. Hedging derivative liabilities	345	14,494,700	44,480	700	11,906,380	-
Total	**5,837,514**	**107,083,907**	**1,593,051**	**8,839,966**	**110,929,238**	**4,309,609**

In order to bring the method of disclosure in the Balance Sheet of OTC Derivatives managed through central counterparties (CCP) into line with the accounting best practice and improve the presentation of the liquidity profile and counterparty risk connected with them, when (i) the clearing systems of CCP guarantee the elimination or reduce to immaterial the credit and liquidity risks of these contracts and (ii) the entity intends to settle these contracts on a net basis, the financial assets and liabilities under review were offset. The effect as at December 31, 2012, already included in the net presentation of these transactions, leads to a reduction in the total of €20,273,065, of which €16,363,717 and €3,909,348 in items "1.Financial assets held for trading" and "4.Hedging derivative assets" respectively of assets, and €18,477,355 and €1,795,710 in items "1.Financial liabilities held for trading" and "3.Hedging derivative liabilities" respectively of liabilities.

The comparative balances of Balance Sheet as at December 31, 2011 were reduced accordingly by €13,201,664, of which €10,611,725 and €2,589,939 in items "1.Financial assets held for trading" and "4.Hedging derivative assets" respectively of assets, and €11,899,998 and €1,301,366 in items "1.Financial liabilities held for trading" and "3.Hedging derivative liabilities" respectively of liabilities.

In addition, at December 31, 2012, in accordance with the IFRS5, all assets/liabilities of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale"/"Liabilities included in disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

Part A - Accounting Policies (Continued)

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

(€ '000)

	CHANGES IN 2012			
	FINANCIAL ASSETS			
	HELD FOR TRADING	AT FAIR VALUE THROUGH P&L	AVAILABLE FOR SALE	HEDGING DERIVATIVES
1. Opening balances	**5,417,268**	**1,728,689**	**5,305,262**	**-**
2. Increases	**7,373,233**	**2,704,642**	**1,554,601**	**56,223**
2.1 Purchases	6,281,956	65,254	1,104,987	56,223
2.2 Profits recognized in:	180,911	12,545	329,042	-
2.2.1 Income Statement	180,911	12,545	64,697	-
- of which unrealized gains	*153,003*	*7,054*	*56,067*	-
2.2.2 Equity	X	X	264,345	-
2.3 Transfers from other levels	676,469	2,626,394	24,995	-
2.4 Other increases	233,897	449	95,577	-
3. Decreases	**10,586,891**	**1,097,883**	**1,809,860**	**-**
3.1 Sales	7,492,711	583,792	752,439	-
3.2 Redemptions	303,968	19,921	228,130	-
3.3 Losses recognized in:	132,204	7,937	411,666	-
3.3.1 Income Statement	132,204	7,937	152,398	-
- of which Unrealized losses	*98,860*	*7,937*	*83,740*	-
3.3.2 Equity	X	X	259,268	-
3.4 Transfers to other levels	2,349,833	483,493	361,759	-
3.5 Other decreases	308,175	2,740	55,866	-
4. Closing balances	**2,203,610**	**3,335,448**	**5,050,003**	**56,223**

Item "3.5 Other decreases" includes, *inter alia*, the effects of the classification as "discontinued operations" of the following companies: JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD.

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

(€ '000)

	CHANGES IN 2012		
	FINANCIAL LIABILITIES		
	HELD FOR TRADING	AT FAIR VALUE THROUGH P&L	HEDGING DERIVATIVES
1. Opening balances	**4,309,599**	**-**	**-**
2. Increases	**1,205,423**	**-**	**44,480**
2.1 Issuance	335,797	-	44,480
2.2 Losses recognized in:	193,619	-	-
2.2.1 Income Statement	193,619	-	-
- of which unrealized losses	*148,189*	-	-
2.2.2 Equity	X	X	-
2.3 Transfers from other levels	547,714	-	-
2.4 Other increases	128,293	-	-
3. Decreases	**3,966,451**	**-**	**-**
3.1 Redemptions	1,441,514	-	-
3.2 Purchases	267,264	-	-
3.3 Profits recognized in:	381,820	-	-
3.3.1 Income Statement	381,820	-	-
- of which Unrealized gains	*362,692*	-	-
3.3.2 Equity	X	X	-
3.4 Transfers to other levels	1,647,864	-	-
3.5 Other decreases	227,989	-	-
4. Closing balances	**1,548,571**	**-**	**44,480**

Item "3.5 Other decreases" includes, *inter alia*, the effects of the classification as "discontinued operations" of the following companies: JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD.

The non-observable market parameters used for the valuation of Level 3 instruments (already subject to FVA to price the estimate limits) are:
- determination of the credit standing of the issuer or the underlying portfolios for ABS-type exposures
- the assumptions (distribution of cashflow, sum of parts) contained in the models used to measure equities and UCITS
- volatility, correlation and credit spread parameters used to measure certain types of structured derivatives.

Sensitivity to a simultaneous variation of the above risk factors mainly refers to parameters used to assess credit standing.

A.3.3 Day One Profit/Loss

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

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

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

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

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

The balance of value adjustments to reflect model risk changed from € 110,507 thousand at December 31, 2011 to € 117,385 thousand at December 31, 2012.

Part B - Consolidated Balance Sheet - Assets

Part B - Consolidated Balance Sheet - Assets

Assets

Section 1 - Cash and cash balances - Item 10

At December 31, 2012 the item Cash and cash balances amounted to €7,570 million, a decrease of €1,977 million (- 20.7%) from 2011 (€9,547 million). The decrease was due to the sub-item "b) Demand deposits with Central Banks" which totaled €5,519 million at end 2011 and €3,065 million at December 31, 2012 (-€2,454 million, - 44.5%).

1.1 Cash and cash balances: breakdown

(€ '000)

	AMOUNTS AS AT	
	12.31.2012	12.31.2011
a) Cash	4,505,003	4,027,194
b) Demand deposits with Central Banks	3,064,995	5,519,366
Total	**7,569,998**	**9,546,560**

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

Section 2 - Financial assets held for trading - Item 20

As at December 31, 2012 Financial assets held for trading amounted to €107,119 million, a decrease of €13,255 million (-11%) over 2011 (€120,374 million).

This decrease is attributable to derivative instruments (€8,629 million) and financial assets (non-derivatives) (€4,626 million).

In detail, derivative instruments decreased from €90,443 million to €81,814 million.
This change refers to:
- banks: -€5,610 million (from €59,762 million in 2011 to €54,152 million in 2012);
- customers: -€3,019 million (from €30,681 million in 2011 to €27,662 million in 2012).

Financial assets (non-derivatives) decreased from €29,930 million in 2011 to €25,304 million in 2012.
The decrease in financial assets (non-derivatives) was mainly due to:
- a reduction in debt securities (-€3,493 million or -20%), which decreased from €17,622 million in 2011 to €14,129 million in 2012;
- a reduction in loans (-€1,390 million or -19%), which decreased from €7,228 million in 2011 to €5,838 million in 2012.

2.1 Financial assets held for trading: product breakdown

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2012 LEVEL 1	AMOUNTS AS AT 12.31.2012 LEVEL 2	AMOUNTS AS AT 12.31.2012 LEVEL 3	AMOUNTS AS AT 12.31.2011 LEVEL 1	AMOUNTS AS AT 12.31.2011 LEVEL 2	AMOUNTS AS AT 12.31.2011 LEVEL 3
A) Financial assets (non-derivatives)						
1. Debt securities	**9,049,710**	**3,929,559**	**1,149,614**	**9,156,130**	**6,198,507**	**2,267,664**
1.1 Structured securities	78,137	1,032,258	319,339	9,185	918,718	737,272
1.2 Other debt securities	8,971,573	2,897,301	830,275	9,146,945	5,279,789	1,530,392
2. Equity instruments	**3,793,653**	**3,763**	**63,561**	**3,472,662**	**672**	**101,717**
3. Units in investment funds	**1,069,239**	**341,035**	**66,363**	**1,442,253**	**38,890**	**23,645**
4. Loans	**1**	**5,712,558**	**125,019**	**739**	**7,195,501**	**31,826**
4.1 Reverse repos	-	5,615,603	-	-	7,009,232	-
4.2 Other	1	96,955	125,019	739	186,269	31,826
Total (A)	**13,912,603**	**9,986,915**	**1,404,557**	**14,071,784**	**13,433,570**	**2,424,852**
B) Derivative instruments						
1. Financial derivatives	**1,696,931**	**78,108,751**	**688,162**	**2,527,152**	**81,994,836**	**978,337**
1.1 Trading	1,693,994	76,818,760	687,734	2,520,546	80,601,215	977,282
1.2 Related to fair value option	-	98,824	-	-	113,050	-
1.3 Other	2,937	1,191,167	428	6,606	1,280,571	1,055
2. Credit derivatives	**239,557**	**970,197**	**110,891**	**639,323**	**2,289,741**	**2,014,089**
2.1 Trading	239,557	965,405	110,891	639,323	2,276,695	1,962,026
2.2 Related to fair value option	-	-	-	-	-	-
2.3 Other	-	4,792	-	-	13,046	52,063
Total (B)	**1,936,488**	**79,078,948**	**799,053**	**3,166,475**	**84,284,577**	**2,992,426**
Total (A+B)	**15,849,091**	**89,065,863**	**2,203,610**	**17,238,259**	**97,718,147**	**5,417,278**
Total Level 1, Level 2 and Level 3			107,118,564			120,373,684

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies - A3 Information on fair value.

At December 31, 2012, in accordance with IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

In order to bring the method of disclosure in the Balance Sheet of OTC Derivatives managed through Central Counterparty Clearing Houses (CCPs) into line with the accounting best practice and improve the presentation of the liquidity profile and counterparty risk connected with them, when (i) the clearing systems of CCPs guarantee the elimination or reduce to immaterial the credit and liquidity risks of these contracts and (ii) the entity intends to settle these contracts on a net basis, the financial assets and liabilities under review were offset.

The effect as at December 31, 2012, already included in the net presentation of these transactions, totals €16,363,717.

The comparative balances of Balance Sheet as at December 31, 2011 related to Derivative instruments were reduced accordingly by €10,589,793 and €21,932 in sub-item "B.1.1 Trading financial derivatives" and in sub-item "B.2.1 Trading credit derivatives" respectively.

Part B - Consolidated Balance Sheet - Assets (Continued)

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

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2012	12.31.2011
A. Financial assets (non-derivatives)		
1. Debt securities	**14,128,883**	**17,622,301**
a) Governments and Central Banks	6,669,049	3,993,432
b) Other public-sector entities	1,156,837	5,538,017
c) Banks	3,825,355	5,544,442
d) Other issuers	2,477,642	2,546,410
2. Equity instruments	**3,860,977**	**3,575,051**
a) Banks	262,217	330,947
b) Other issuers	3,598,760	3,244,104
- insurance companies	*110,251*	*139,746*
- financial companies	*111,519*	*123,361*
- non-financial companies	*3,370,933*	*2,978,706*
- other	*6,057*	*2,291*
3. Units in investment funds	**1,476,637**	**1,504,788**
4. Loans	**5,837,578**	**7,228,066**
a) Governments and Central Banks	81,976	54,657
b) Other public-sector entities	35,470	110,097
c) Banks	2,347,460	664,743
d) Other issuers	3,372,672	6,398,569
Total A	**25,304,075**	**29,930,206**
B. Derivative instruments		
a) Banks	54,152,400	59,762,316
- fair value	54,152,400	59,762,316
b) Customers	27,662,089	30,681,162
- fair value	27,662,089	30,681,162
Total B	**81,814,489**	**90,443,478**
Total (A+B)	**107,118,564**	**120,373,684**

At December 31, 2012, in accordance with IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

Net presentation of OTC derivatives managed and settled on a net basis through Central Counterparty Clearing Houses (CCPs) results in a reduction in balances as at December 31, 2012 of €16,363,717 compared with the gross-presentation model.
The comparative balances of Balance Sheet as at December 31, 2011 related to Derivative instruments were reduced accordingly by €10,611,725 in sub-item "b) Derivative instruments - Customers".

2.3 Financial assets held for trading: annual changes

(€ '000)

	CHANGES IN 2012 DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMENT FUNDS	LOANS	TOTAL
A. Opening balance	**17,622,301**	**3,575,051**	**1,504,788**	**7,228,066**	**29,930,206**
B. Increases	**491,671,732**	**75,662,593**	**36,659,651**	**369,040,962**	**973,034,938**
B.1 Purchases	487,397,604	72,782,700	36,111,861	368,696,846	964,989,011
B.2 Positive changes in fair value	1,422,579	575,861	99,504	129,526	2,227,470
B.3 Other changes	2,851,549	2,304,032	448,286	214,590	5,818,457
C. Decreases	**495,165,150**	**75,376,667**	**36,687,802**	**370,431,450**	**977,661,069**
C.1 Sales	489,196,753	73,307,316	36,324,970	2,284,307	601,113,346
C.2 Redemptions	2,761,691	-	-	367,766,638	370,528,329
C.3 Negative changes in fair value	1,230,792	439,690	66,664	148,503	1,885,649
C.4 Transfers to other portfolios	40,856	-	-	-	40,856
C.5 Other changes	1,935,058	1,629,661	296,168	232,002	4,092,889
D. Closing balance	**14,128,883**	**3,860,977**	**1,476,637**	**5,837,578**	**25,304,075**

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

At December 31, 2012 Financial assets at fair value were €25,025 million, a decrease of €3,598 (-12.6%) over the €28,623 million of end 2011. This decrease was mainly due to debt securities (-€2,943 million, -11.3%).

Assets are recognized in this item to reduce the accounting mismatch arising from financial instruments measured (with changes in fair value) in the income statement in order to manage the risk profile.

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

(€ '000)

	AMOUNTS AS AT 12.31.2012			AMOUNTS AS AT 12.31.2011		
ITEM/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**9,972,613**	**10,920,258**	**2,235,572**	**5,462,300**	**19,518,743**	**1,090,291**
1.1 Structured securities	1,306	32,019	18,195	1,602	36,102	43,935
1.2 Other debt securities	9,971,307	10,888,239	2,217,377	5,460,698	19,482,641	1,046,356
2. Equity instruments	**437**	**11**	**35,443**	**440**	**11**	**35,445**
3. Units in investment funds	**63,949**	**-**	**431,374**	**83,648**	**-**	**492,590**
4. Loans	**-**	**732,299**	**633,059**	**-**	**1,829,261**	**110,363**
4.1 Structured	-	-	-	-	-	-
4.2 Other	-	732,299	633,059	-	1,829,261	110,363
Total	10,036,999	11,652,568	3,335,448	5,546,388	21,348,015	1,728,689
Cost	9,687,439	11,454,058	3,068,867	5,468,021	21,428,176	1,705,757
Total Level 1, Level 2 and Level 3			25,025,015			28,623,092

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies - A3 - Information on fair value.

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

(€ '000)

	AMOUNTS AS AT	
ITEM/VALUES	12.31.2012	12.31.2011
1. Debt securities	**23,128,443**	**26,071,334**
a) Governments and Central Banks	3,099,900	2,186,364
b) Other public-sector entities	11,559,610	13,336,980
c) Banks	5,912,845	9,136,107
d) Other issuers	2,556,088	1,411,883
2. Equity instruments	**35,891**	**35,896**
a) Banks	250	380
b) Other issuers	35,641	35,516
- insurance companies	*21*	*13*
- financial companies	-	-
- non-financial companies	*35,596*	*35,477*
- other	*24*	*26*
3. Units in investment funds	**495,323**	**576,238**
4. Loans	**1,365,358**	**1,939,624**
a) Governments and Central Banks	237,096	249,143
b) Other public-sector entities	914,758	1,460,387
c) Banks	191,649	208,422
d) Other entities	21,855	21,672
Total	**25,025,015**	**28,623,092**

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

Part B - Consolidated Balance Sheet - Assets (Continued)

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

(€ '000)

	CHANGES IN 2012				
	DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMENT FUNDS	LOANS	TOTAL
A. Opening balance	**26,072,636**	**35,896**	**576,238**	**1,939,624**	**28,624,394**
B. Increases	**12,462,079**	**34,061**	**41,367**	**144,039**	**12,681,546**
B.1 Purchases	12,046,636	33,929	33,275	21,384	12,135,224
B.2 Positive changes in fair value	246,234	-	7,431	38,988	292,653
B.3 Other increases	169,209	132	661	83,667	253,669
C. Decreases	**15,406,272**	**34,066**	**122,282**	**718,305**	**16,280,925**
C.1 Sales	13,163,638	33,734	87,360	426,595	13,711,327
C.2 Redemptions	1,826,125	-	27,190	177,556	2,030,871
C.3 Negative changes in fair value	228,657	126	306	105,055	334,144
C.4 Other decreases	187,852	206	7,426	9,099	204,583
D. Closing balance	**23,128,443**	**35,891**	**495,323**	**1,365,358**	**25,025,015**

Section 4 - Available for sale financial assets - Item 40

Available for sale financial assets amounted to €73,595 million, up by 27.4% (+€15,828 million) over December 31, 2011 (€57,767 million).
This increase is attributable to debt securities, representing 95% of item 40, which grew from €53,904 million in 2011 to €69,749 million in 2012, and was mainly due to purchases of Italian, Austrian, Turkish and Czech government bonds.

4.1 Available for sale financial assets: product breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2012			AMOUNTS AS AT 12.31.2011		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**54,484,088**	**13,185,750**	**2,078,758**	**39,097,624**	**12,479,994**	**2,326,117**
1.1 Structured securities	83,199	311,488	167,101	68,474	32,426	536,863
1.2 Other	54,400,889	12,874,262	1,911,657	39,029,150	12,447,568	1,789,254
2. Equity instruments	**434,424**	**30,744**	**1,889,574**	**490,358**	**18,542**	**1,842,569**
2.1 Measured at fair value	434,424	30,744	725,296	490,358	18,542	967,169
2.2 Carried at cost	-	-	1,164,278	-	-	875,400
3. Units in investment funds	**222,955**	**186,984**	**1,081,671**	**147,593**	**201,020**	**1,136,475**
4. Loans	**-**	**-**	**-**	**-**	**27,003**	**-**
Total	**55,141,467**	**13,403,478**	**5,050,003**	**39,735,575**	**12,726,559**	**5,305,161**
Total Level 1, Level 2 and Level 3			**73,594,948**			**57,767,295**

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies - A3 - Information on fair value.

Sub-item 1.1 "Structured securities" includes also structured credit securities composed of *Asset Backed Securities* (ABS - see also Definition of Terms and Acronyms).

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

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
1. Debt securities	**69,748,596**	**53,903,735**
a) Governments and Central Banks	56,801,832	41,984,609
b) Other public-sector entities	791,978	685,742
c) Banks	7,744,531	6,485,086
d) Other issuers	4,410,255	4,748,298
2.Equity instruments	**2,354,742**	**2,351,469**
a) Banks	531,840	548,898
b) Other issuers	1,822,902	1,802,571
- insurance companies	*86,005*	*42,343*
- financial companies	*366,667*	*528,124*
- non-financial companies	*936,062*	*1,222,609*
- other	*434,168*	*9,495*
3. Units in investment funds	**1,491,610**	**1,485,088**
4. Loans	**-**	**27,003**
a) Governments and Central Banks	-	-
b) Other public-sector entities	-	-
c) Banks	-	-
d) Other entities	-	27,003
Total	**73,594,948**	**57,767,295**

Equity instruments issued by borrowers with exposures classified as non-performing or doubtful are of a non-significant amount.

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

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
1. Financial assets subject to micro-hedging of fair value	**33,899,147**	**26,798,928**
a) Interest rate risk	33,899,147	26,530,775
b) Price risk	-	15,424
c) Currency risk	-	252,729
d) Credit risk	-	-
e) Multiple risks	-	-
2. Financial assets subject to micro-hedging of cash flows	**-**	**-**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	-	-
Total	**33,899,147**	**26,798,928**

Part B - Consolidated Balance Sheet - Assets (Continued)

4.4 Available for-sale financial assets: annual changes

(€ '000)

	CHANGES IN 2012				
	DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMEN FUNDS	LOANS	TOTAL
A. Opening balance	**54,054,885**	**2,352,032**	**1,485,088**	**27,003**	**57,919,008**
B. Increases	**121,675,949**	**877,616**	**471,788**	**368**	**123,025,721**
B.1 Purchases	112,632,370	163,254	410,056	-	113,205,680
B.2 Positive changes in fair value	5,113,407	108,112	14,661	111	5,236,291
B.3 Write-backs	13,824	-	6,700	-	20,524
- through profit or loss	*13,694*	*X*	*6,697*	-	*20,391*
- in equity	*130*	-	*3*	-	*133*
B.4 Transfer from other portfolio	1,081,163	-	-	-	1,081,163
- Held for trading financial assets	*40,856*	-	-	-	*40,856*
- HTM financial assets	*1,040,307*	*X*	*X*	-	*1,040,307*
B.5 Other changes	2,835,185	606,250	40,371	257	3,482,063
C. Descreases	**105,982,238**	**874,906**	**465,266**	**27,371**	**107,349,781**
C.1 Sales	20,235,117	508,840	390,932	16,043	21,150,932
C.2 Redemptions	83,024,144	522	2,886	6,933	83,034,485
C.3 Negative changes in fair value	727,051	50,114	13,591	14	790,770
C.4 Impairment	12,961	141,017	24,542	-	178,520
- through profit or loss	*12,961*	*141,017*	*24,542*	-	*178,520*
- in equity	-	-	-	-	-
C.5 Transfers to other portfolios	-	-	-	-	-
C.6 Other changes	1,982,965	174,413	33,315	4,381	2,195,074
D. Closing balance	**69,748,596**	**2,354,742**	**1,491,610**	**-**	**73,594,948**

The amount recorded under Transfer from other portfolio refers to the reclassification of debt securities from Held-to-maturity financial assets to Available-for-sale financial assets as described in Part A - A.3.1 Transfers between Portfolios.

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

Held-to-maturity investments decreased from €9,265 million in 2011 to €6,208 million in 2012, a reduction of €3,057 million (-33%).

5.1 Held-to-maturity investments: product breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2012				AMOUNTS AS AT 12.31.2011			
		FAIR VALUE				FAIR VALUE		
	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**6,207,867**	**4,142,242**	**1,496,910**	**529,223**	**9,265,450**	**5,031,972**	**2,360,434**	**1,534,630**
- Structured securities	79,017	-	48,990	17,415	95,631	-	8,295	55,871
- Other securities	6,128,850	4,142,242	1,447,920	511,808	9,169,819	5,031,972	2,352,139	1,478,759
2. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Level 1, Level 2 and Level 3				**6,168,375**				**8,927,036**

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies - A3- Information on fair value.

Sub-item 1. - "Structured securities" includes also structured credit securities composed of *Asset Backed Securities* (ABS - see also Definition of Terms and Acronyms).

5.2 Held-to-maturity investments: breakdown by issuer/borrower

(€ '000)

TYPE OPERATIONS/VALUES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
1. Debt securities	**6,207,867**	**9,265,450**
a) Governments and Central Banks	4,973,456	6,890,425
b) Other public-sector entities	149,477	167,578
c) Banks	606,608	1,559,508
d) Other issuers	478,326	647,939
2. Loans	**-**	**-**
a) Governments and Central Banks	-	-
b) Other public-sector entities	-	-
c) Banks	-	-
d) Other entities	-	-
Total	**6,207,867**	**9,265,450**
Total fair value	**6,168,375**	**8,927,036**

5.3 Held-to-maturity investments: assets subjet to micro hedging

There is no HTM assets subject to micro hedging.

5.4 Held-to-maturity investments: annual changes

(€ '000)

	CHANGES IN 2012		
	DEBT SECURITIES	LOANS	TOTAL
A. Opening balance	**9,265,450**	**-**	**9,265,450**
B. Increases	**8,796,121**	**-**	**8,796,121**
B.1 Purchases	8,448,014	-	8,448,014
B.2 Write-backs	599	-	599
B.3 Transfers from other portfolios	-	-	-
B.4 Other changes	347,508	-	347,508
C. Decreases	**11,853,704**	**-**	**11,853,704**
C.1 Sales	197,314	-	197,314
C.2 Redemptions	10,362,629	-	10,362,629
C.3 Write-downs	16,429	-	16,429
C.4 Transfers to other portfolios	1,040,306	-	1,040,306
C.5 Other changes	237,026	-	237,026
D. Closing balance	**6,207,867**	**-**	**6,207,867**

The amount recorded under Transfers to other portfolios refers to the reclassification of debt securities from Held-to-maturity investments to Available-for-sale financial assets as described in Part A - A.3.1 Transfers between Portfolios.

Section 6 - Loans and receivables with banks - Item 60

At December 31, 2012 Loans to banks were €74,475 million, an increase €18,313 million (33%) from 2011 (€56,162 million).
This increase was due to a change in the Compulsory reserves at Central Banks resulting from a different technical use of liquidity.

At December 31, 2012 the net interbank position was -€42,970 million, at end 2011 it was -€75,421 million.

Loans to banks / deposits from banks

(€ million)

	AMOUNTS AS AT		CHANGE	
	12.31.2012	12.31.2011	AMOUNT	%
Loans to banks	74,475	56,162	18,313	32.6%
Deposits from banks	(117,445)	(131,583)	14,138	-10.7%
Change (negative balance)	**(42,970)**	**(75,421)**	**32,451**	**-43.0%**

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

Part B - Consolidated Balance Sheet - Assets (Continued)

6.1 Loans and receivables with banks: product breakdown

(€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
A. Loans to Central Banks	**28,340,963**	**10,609,013**
1. Time deposits	1,308,196	336,572
2. Compulsory reserves	26,590,475	9,005,512
3. Reverse repos	424,649	342,900
4. Other	17,643	924,029
B. Loans to banks	**46,134,012**	**45,552,702**
1. Current accounts and demand deposits	20,736,875	20,027,023
2. Time deposits	4,857,437	3,832,949
3. Other loans	13,543,876	16,482,028
3.1 Reverse repos	*9,427,872*	*9,534,693*
3.2 Finance leases	*4,566*	*4,036*
3.3 Other	*4,111,438*	*6,943,299*
4. Debt securities	6,995,824	5,210,702
4.1 Structured	*70,003*	*66,594*
4.2 Other	*6,925,821*	*5,144,108*
Total carryng amount	**74,474,975**	**56,161,715**
Total fair value	**75,189,011**	**54,712,221**
Total impaired assets	**160,689**	**62,345**

The sub-item 3 "Other loans" does not include the type of securities lending transactions collateralized by securities or not collateralized. These transactions are classified under "off-balance sheet" exposures of table A.1.3 of Part E - Section 1 - Credit Risk. See also the section "Other Information" of Part B.

Sub-item 4.1 "Structured" includes also structured credit securities composed of Asset Backed Securities (ABS - see also Definition of Terms and Acronyms).

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

6.2 Loans and receivables with banks subject to micro-hedging

(€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
1. Loans and receivables subject to micro-hedging of fair value	**431,697**	**415,166**
a) Interest rate risk	431,697	415,166
b) Currency risk	-	-
c) Credit risk	-	-
d) Multiple risks	-	-
2. Loans and receivables subject to micro-hedging of cash flows	**43,918**	**-**
a) Interest rate risk	43,918	-
b) Currency risk	-	-
c) Other	-	-
Total	**475,615**	**415,166**

6.3 Finance leases

(€ '000)

LESSOR INFORMATION	AMOUNTS AS AT 12.31.2012		AMOUNTS AS AT 12.31.2011	
	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF MINIMUM LEASE PAYMENTS	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF MINIMUM LEASE PAYMENTS
Amounts receivable under finance leases				
Up to 12 months	1,348	1,255	1,523	1,421
From 1 to 5 years	2,560	2,331	991	720
Later than 5 years	1,105	980	2,057	1,895
Total gross/net investment value	**5,013**	**4,566**	**4,571**	**4,036**
of which: - Unguaranteed residual values of assets leased under finance leases	*1,166*	*1,159*	*838*	*834*
Less: Unearned finance income (by remaining maturity)	**(447)**	**X**	**(535)**	**X**
Present value of minimum lease payments receivable (net investment in the lease)	**4,566**	**4,566**	**4,036**	**4,036**

Section 7 - Loans and receivables with customers - Item 70

As at December 31, 2012 Loans and receivables with customers amounted to €547,144 million, down €8,802 million over 2011 (€555,946 million). This change was due to the combination of:

- a €3,660 million decrease in current accounts;
- a €18,484 million increase in repos;
- a €7,466 million decrease in mortgages;
- a decline in credit cards and personal loans, including wage assignment loans (€967 million);
- a €1,231 million decrease in finance leases;
- a €7 million reduction in factoring;
- a significant decrease in other loans (€14,098 million);
- a €142 million increase in debt securities.

7.1 Loans and receivable with customers: product breakdown

(€ '000)

	AMOUNTS AS AT					
	12.31.2012			12.31.2011		
		IMPARED			IMPARED	
TYPE OF TRANSACTION/VALUES	PERFORMING	PURCHASED	OTHERS	PERFORMING	PURCHASED	OTHERS
1. Current accounts	50,341,841	29,144	8,998,289	55,245,150	26,609	7,757,028
2. Reverse repos	32,202,407	-	97	13,718,120	-	5
3. Mortgages	162,155,036	9,991	17,234,117	171,227,349	3,649	15,633,975
4. Credit cards and personal loans, including wage assignement loans	19,727,921	1,766	719,777	20,811,912	4,690	599,931
5. Finance leases	27,883,413	-	4,384,173	29,883,702	-	3,614,605
6. Factoring	10,935,116	-	340,749	10,963,399	-	319,467
7. Other loans	187,922,814	84,032	12,183,122	203,560,157	122,438	10,605,127
8. Debt securities	11,917,986	-	72,266	11,729,840	-	118,644
8.1 Structured securities	*4,275,701*	-	*48,729*	*4,152,538*	-	*92,540*
8.2 Other debt securities	*7,642,285*	-	*23,537*	*7,577,302*	-	*26,104*
Total carrying amount	**503,086,534**	**124,933**	**43,932,590**	**517,139,629**	**157,386**	**38,648,782**
Total fair value	**522,468,092**	**124,933**	**43,909,653**	**533,821,742**	**157,387**	**38,604,953**
Total carrying amount Performing and Impaired			**547,144,057**			**555,945,797**

The column "Impaired - purchased" includes impaired loans purchased as part of disposals other than business combinations.

The sub-items 2 "Reverse repos" and 7. "Other transactions" did not include the type of securities lending transactions collateralized by securities or not collateralized. These transactions were classified under "off-balance sheet" exposures of table A.1.6 of Part E - Section 1 - Credit Risk. See also the section "Other Information" of Part B.

Sub-item 8.1 "Structured securities" includes also structured credit securities composed of *Asset Backed Securities* (ABS - see also Definition of Terms and Acronyms).

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

The sub-item "7. Other loans" includes:
- €61,264 million for other non-current account loans (€65,112 million as at December 31, 2011);
- €29,215 million for pooled transactions (€33,849 million as at December 31, 2011);
- €14,173 million advances to customers for import/export (€14,162 million as at December 31, 2011);
- €11,204 million for advances to ordinary customers (€14,301 million as at December 31, 2011);
- € 9,935 million "hot money" transactions (€13,348 million as at December 31, 2011).

Sub-items 7. "Other loans" and 8.2 "Other Debt Securities" include €357 million and €360 million respectively arising from the "Trevi Finance", "Trevi Finance 2" and "Trevi Finance 3" securitization transactions, in respect of which the underlying assets were not re-recognized in the accounts, since the transactions were performed before January 1, 2002. An Italian Government bond partly guarantees the securities of item 8.2 for €203 million.
The assets underlying these securitization transactions are non-performing loans, whose carrying amount was €504 million at December 31, 2012, as against a face value of €3,824 million.

Part B - Consolidated Balance Sheet - Assets (CONTINUED)

7.2 Loans and receivables with customers: breakdown by issuer/borrower

(€ '000)

TYPE OF TRANSACTION/VALUES	AMOUNTS AS AT 12.31.2012			AMOUNTS AS AT 12.31.2011		
		IMPARED			IMPARED	
	PERFORMING	PURCHASED	OTHERS	PERFORMING	PURCHASED	OTHERS
1. Debt securities:	**11,917,988**	**-**	**72,266**	**11,729,840**	**-**	**118,644**
a) Governments	712,987	-	-	235,837	-	-
b) Other public-sector entities	2,960,455	-	-	2,337,524	-	-
c) Other issuers	8,244,546	-	72,266	9,156,479	-	118,644
- non-financial companies	*1,156,966*	-	-	*2,459,031*	-	-
- financial companies	*3,385,142*	-	*22,056*	*2,333,971*	-	*26,104*
- insurance companies	*444,104*	-	-	*444,246*	-	-
- other	*3,258,334*	-	*50,210*	*3,919,231*	-	*92,540*
2. Loans to	**491,168,546**	**124,933**	**43,860,324**	**505,409,789**	**157,386**	**38,530,138**
a) Governments	6,341,407	-	5,802	10,446,254	-	5,554
b) Other public-sector entities	21,254,189	-	249,991	21,814,307	-	151,353
c) Other entities	463,572,950	124,933	43,604,531	473,149,228	157,386	38,373,231
- non-financial companies	*256,209,005*	*106,227*	*33,258,217*	*285,504,389*	*137,276*	*29,208,076*
- financial companies	*51,879,600*	*104*	*610,866*	*26,538,032*	*3,481*	*374,324*
- Insurance companies	*772,821*	-	*17,519*	*1,019,218*	-	*19,951*
- other	*154,711,524*	*18,602*	*9,717,929*	*160,087,589*	*16,629*	*8,770,880*
Total	**503,086,534**	**124,933**	**43,932,590**	**517,139,629**	**157,386**	**38,648,782**
Total Performing and Impaired			**547,144,057**			**555,945,797**

For further details see the Report on operations or Part E - Risk and related risk management policies - Credit quality.

The column "Impaired - purchased" includes impaired loans purchased as part of disposals other than business combinations.

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

7.3 Loans and receivables with customers: hedged assets

(€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
1. Loans and receivables subject to micro-hedging of fair value	**389,818**	**754,543**
a) interest rate risk	292,002	615,822
b) currency risk	-	-
c) credit risk	97,816	138,721
d) multiple risk	-	-
2. Loans and receivables subject to micro-hedging of cash flows	**1,903**	**28,740**
a) interest rate risk	1,903	28,740
b) currency risk	-	-
c) other	-	-
Total	**391,721**	**783,283**

7.4 Finance leases

(€ '000)

LESSOR INFORMATION	AMOUNTS AS AT 12.31.2012		AMOUNTS AS AT 12.31.2011	
	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF MINIMUM LEASE PAYMENTS	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF MINIMUM LEASE PAYMENTS
Amounts receivable under finance leases				
Up to 12 months	8,918,914	7,961,691	7,308,241	6,273,320
From 1 to 5 years	13,537,778	11,022,786	15,468,873	12,922,249
Later than 5 years	15,620,847	13,283,109	16,681,670	14,302,738
Total gross/net investment value	**38,077,539**	**32,267,586**	**39,458,784**	**33,498,307**
of which: - Unguaranteed residual values of assets leased under finance leases	*4,110,616*	*4,090,383*	*4,467,625*	*4,448,181*
Less: Unearned finance income (by remaining maturity)	**(5,809,953)**	**X**	**(5,960,477)**	**X**
Present value of minimum lease payments receivable (net investment in the lease)	**32,267,586**	**32,267,586**	**33,498,307**	**33,498,307**

Section 8 - Hedging derivatives - Item 80

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

(€ '000)

	AMOUNTS AS AT 12.31.2012				AMOUNTS AS AT 12.31.2011			
	FAIR VALUE			NOTIONAL AMOUNT	FAIR VALUE			NOTIONAL AMOUNT
	LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3	
A. Financial derivatives	**-**	**17,634,318**	**56,223**	**189,937,190**	**-**	**13,643,260**	**-**	**107,160,134**
1) Fair value	-	13,057,723	56,223	170,651,073	-	9,747,901	-	86,702,955
2) Cash flows	-	4,576,595	-	19,286,117	-	3,895,359	-	20,457,179
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**793**	**-**	**220,000**	**-**	**8,007**	**-**	**509,000**
1) Fair value	-	793	-	220,000	-	8,007	-	509,000
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**17,635,111**	**56,223**	**190,157,190**	**-**	**13,651,267**	**-**	**107,669,134**

Total Level 1, Level 2 e Level 3	**17,691,334**	**13,651,267**

In order to bring the method of disclosure in the Balance Sheet of OTC Derivatives managed through central counterparties (CCP) into line with the accounting best practice and improve the presentation of the liquidity profile and counterparty risk connected with them, when (i) the clearing systems of CCP guarantee the elimination or reduce to immaterial the credit and liquidity risks of these contracts and (ii) the entity intends to settle these contracts on a net basis, the financial assets and liabilities under review were offset.
The effect as at December 31, 2012, already included in the net presentation of these transactions, totals €3,909,348.
The comparative balances of Balance Sheet as at December 31, 2011 were reduced accordingly by €2,589,939 in sub-item "A.1 Financial derivatives - Fair value".

8.2 Hedging derivatives: breakdown by hedged assets and risk

(€ '000)

	AMOUNTS AS AT 12.31.2012								
	FAIR VALUE HEDGES						CASH-FLOW HEDGES		TOTAL NET INVEST. ON FOREIGN INVESTM.
	MICRO-HEDGE								
TRANSACTIONS/TYPE OF HEDGES	INTEREST RATE RISK	CURRENCY RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISKS	MACRO HEDGE	MICRO-HEDGE	MACRO-HEDGE	
1. Available-for-sale financial assets	285	-	-	-	-	X	-	X	X
2. Loans and receivables	-	-	792	X	-	X	-	X	X
3. Held-to-maturity investments	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	3,159,112	X	1,456,420	X
5. Other investments	-	-	-	-	-	X	-	X	-
Total assets	**285**	**-**	**792**	**-**	**-**	**3,159,112**	**-**	**1,456,420**	**-**
1. Financial liabilities	666,001	-	66,638	X	141,033	X	-	X	X
2. Portfolio	X	X	X	X	X	9,080,878	X	3,117,521	X
Total liabilities	**666,001**	**-**	**66,638**	**-**	**141,033**	**9,080,878**	**-**	**3,117,521**	**X**
1. Expected transactions	X	X	X	X	X	X	2,654	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

Net presentation of OTC derivatives managed through central counterparties (CCP) results in a reduction in balances as at December 31, 2012 of €3,909,348 compared with the gross-presentation model.

Part B - Consolidated Balance Sheet - Assets (Continued)

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

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

(€ '000)

CHANGES TO HEDGED ASSETS/VALUES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
1. Positive changes	**5,357,195**	**3,152,346**
1.1 of specific portfolios:	528,510	404,961
a) loans and receivables	*528,510*	*404,961*
b) available-for-sale financial assets	-	-
1.2 overall	4,828,685	2,747,385
2. Negative changes	**2,201,654**	**1,324,489**
2.1 of specific portfolios:	185,468	328,813
a) loans and receivables	*185,468*	*328,813*
b) available-for-sale financial assets	-	-
2.2 overall	2,016,186	995,676
Total	**3,155,541**	**1,827,857**

9.2 Banking group assets subject to macro-hedging of interest-rate risk: breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
1. Loans and receivables	7,159,957	11,482,030
2. Available-for-sale financial assets	-	-
3. Portfolio	52,682,147	36,324,480
Total	**59,842,104**	**47,806,510**

Section 10 - Investments in associates and joint ventures - Item 100

As at December 2012, investments in associates and joint ventures amounted to €3,858 million, up €303 million from €3,555 million at the end of 2011.

10.1 Equity investments in joint ventures (valued at equity) and companies under significant influence: information on shareholders' equity

	NAME	MAIN OFFICE	TIPE OF RELATIONSHIP [(1)]	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS [(2)]
	VALUED AT EQUITY METHOD					
1	ADLER FUNDING LLC	DOVER	8	UNICREDIT BANK AG	32.81	
2	ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE DOBROVOLJNIM MIROVINSKIM FONDOM	ZAGREB	8	ZAGREBACKA BANKA D.D.	49.00	
3	ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE OBVEZNIM MIROVINSKIM FONDOM	ZAGREB	8	ZAGREBACKA BANKA D.D.	49.00	
4	ALTOS-IMMORENT IMMOBILIENLEASING GMBH	VIENNA	8	CALG IMMOBILIEN LEASING GMBH	33.33	
5	AVIVA SPA	MILAN	8	UNICREDIT SPA	49.00	
6	BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT	INNSBRUCK	8	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	37.53	41.70
				UNICREDIT BANK AUSTRIA AG	9.85	4.93
7	BANQUE DE COMMERCE ET DE PLACEMENTS SA	GENEVA	8	YAPI VE KREDI BANKASI AS	30.67	
8	BKS BANK AG	KLAGENFURT	8	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	28.01	29.64
				UNICREDIT BANK AUSTRIA AG	8.02	7.46
9	BLUVACANZE SPA	MILAN	8	UNICREDIT SPA	42.85	
10	BULKMAX HOLDING LTD	LA VALLETTA	8	HVB CAPITAL PARTNERS AG	45.00	
11	CA IMMOBILIEN ANLAGEN AKTIENGESELLSCHAFT	VIENNA	8	UNICREDIT BANK AUSTRIA AG	18.16	
12	CASH SERVICE COMPANY AD	SOFIA	8	UNICREDIT BULBANK AD	20.00	
13	CNP UNICREDIT VITA S.P.A.	MILAN	8	UNICREDIT SPA	38.80	
14	COMTRADE GROUP B.V.	AMSTERDAM	8	HVB CAPITAL PARTNERS AG	21.05	
15	CONSORZIO SE.TEL. SERVIZI TELEMATICI IN LIQUIDAZIONE	NAPLES	8	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	33.33	
16	CREDITRAS ASSICURAZIONI SPA	MILAN	8	UNICREDIT SPA	50.00	
17	CREDITRAS VITA SPA	MILAN	8	UNICREDIT SPA	50.00	
18	DA VINCI S.R.L.	ROME	8	FONDO SIGMA	25.00	[(3)]

Continued: 10.1 Equity investments in joint ventures (valued at equity) and companies under significant influence: information on shareholders' equity

	NAME	MAIN OFFICE	TIPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
19	EUROPROGETTI & FINANZA S.P.A. IN LIQUIDAZIONE	ROME	8	UNICREDIT SPA	39.79	
20	FIDIA SGR SPA	MILAN	8	UNICREDIT SPA	50.00	
21	G.B.S. - GENERAL BROKER SERVICE S.P.A.	ROME	8	UNICREDIT SPA	20.00	
22	INCONTRA ASSICURAZIONI S.P.A.	MILAN	8	UNICREDIT SPA	49.00	
23	KRAJOWA IZBA ROZLICZENIOWA SA	WARSAW	8	BANK PEKAO SA	34.44	
24	MARINA CITY ENTWICKLUNGS GMBH	VIENNA	8	CABET-HOLDING GMBH	25.00	
25	MARINA TOWER HOLDING GMBH	VIENNA	8	CABET-HOLDING GMBH	25.00	
26	MARTUR SUNGER VE KOLTUK TESISLERI TICARET VE SANAYI A. S.	ISTANBUL	8	HVB CAPITAL PARTNERS AG	20.00	
27	MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	MILAN	8	UNICREDIT SPA	8.66	
28	MEGAPARK OOD	SOFIA	8	BANK AUSTRIA REAL INVEST GMBH	43.50	
29	MULTIPLUS CARD D.O.O. ZA PROMIDZBU I USLUGE	ZAGREB	8	SUVREMENE POSILOVNE KOMUNIKACIJE D.O.O	75.00	25.00
30	NAUTILUS TANKERS LIMITED	LA VALLETTA	8	HVB CAPITAL PARTNERS AG	45.00	
31	NEEP ROMA HOLDING SPA	ROME	8	UNICREDIT SPA	40.00	
32	NOTARTREUHANDBANK AG	VIENNA	8	UNICREDIT BANK AUSTRIA AG	25.00	
33	OAK RIDGE INVESTMENT LLC	WILMINGTON	8	PIONEER INSTITUTIONAL ASSET MANAGEMENT INC	49.00	
34	OBERBANK AG	LINZ	8	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	29.15	32.54
				UNICREDIT BANK AUSTRIA AG	4.19	1.65
35	OBJEKT-LEASE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	VIENNA	8	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	49.23	
				UNICREDIT LEASING (AUSTRIA) GMBH	0.77	
36	OESTERREICHISCHE HOTEL- UND TOURISMUSBANK GESELLSCHAFT M.B.H.	VIENNA	8	UNICREDIT BANK AUSTRIA AG	50.00	
37	OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT	VIENNA	8	CABET-HOLDING GMBH	24.75	
				SCHOELLERBANK AKTIENGESELLSCHAFT	8.26	
				UNICREDIT BANK AUSTRIA AG	16.14	
38	OESTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH	VIENNA	8	UNICREDIT BANK AUSTRIA AG	29.30	
39	PALATIN GRUNDSTUCKVERWALTUNGS GESELLSCHAFT M.B.H.	STOCKERAU	8	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
40	PSA PAYMENT SERVICE AUSTRIA GMBH	VIENNA	8	CAFU VERMOEGENSVERWALTUNG GMBH & CO OG	4.50	
				EUROVENTURES-AUSTRIA-CA-MANAGEMENT GESMBH	5.78	
				UNICREDIT BANK AUSTRIA AG	13.59	
41	PURGE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	8	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	50.00	
42	REMBRA LEASING GESELLSCHAFT M.B.H.	VIENNA	8	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
43	SCHUL- UND AMTSGEBAUDE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	GRAZ	8	UNICREDIT LEASING (AUSTRIA) GMBH	33.33	
44	SCHULERRICHTUNGSGESELLSCHAFT M.B.H.	VIENNA	8	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
45	SIA SPA	MILAN	8	UNICREDIT SPA	24.07	
46	SMIA SPA	ROME	8	UNICREDIT SPA	26.38	
47	SP PROJEKTENTWICKLUNG SCHOENEFELD GMBH & CO.KG	STOCCARDA	8	UNICREDIT BANK AUSTRIA AG	50.00	
48	SVILUPPO GLOBALE GEIE	ROME	8	UNICREDIT SPA	33.33	
49	SW HOLDING SPA	ROME	8	UNICREDIT MERCHANT S.P.A.	28.57	13.79
50	TORRE SGR S.P.A.	ROME	8	PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ	37.50	
51	UNI GEBAEUDEMANAGEMENT GMBH	LINZ	8	BA GVG-HOLDING GMBH	50.00	
52	WIEN MITTE IMMOBILIEN GMBH	VIENNA	8	BA-CA WIEN MITTE HOLDING GMBH	50.00	
53	WKBG WIENER KREDITBURGSCHAFTS- UND BETEILIGUNGSBANK AG	VIENNA	8	UNICREDIT BANK AUSTRIA AG	30.80	
54	YAPI KREDI KORAY GAYRIMENKUL YATIRIM ORTAKLIGI AS	ISTANBUL	8	YAPI VE KREDI BANKASI AS	30.45	

Notes to the table 10.1 - Equity investments in joint ventures (valued at equity) and in companies under significant influence:

(1) Type of relationship:

8 = associates

(2) Voting rights available at the general meeting. Voting rights are disclosed only if different from the percentage of ownership

(3) Company owned by an entity fully consolidated under SIC.12.

See "Part A - Accounting Policies. Section 3 - Consolidation procedures and scope" for a description of the criteria for determining the consolidation scope and methods, as well as for an indication of the reasons.

Part B - Consolidated Balance Sheet - Assets (Continued)

The following table shows the changes in associates (consolidated at net equity).

Equity investments in companies under significant influence

	NUMBER OF COMPANIES
A. Opening balance	**57**
B. Increased by	**11**
B.1 Newly established companies	-
B.2 Change of the consolidation method	7
B.3 Entities consolidated for the first time in 2012	4
C. Reduced by	**14**
C.1 Disposal	6
C.2 Change of the consolidation method	7
C.3 Absorption by other entities	1
D. Closing balance	**54**

Details of 2012 increases or reductions are presented below.

Increases

Change of the consolidation method

COMPANY NAME	MAIN OFFICE
OBJEKT-LEASE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	VIENNA
PURGE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA
SCHUL- UND AMTSGEBAUDE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	GRAZ
ALTOS-IMMORENT IMMOBILIENLEASING GMBH	VIENNA

COMPANY NAME	MAIN OFFICE
PALATIN GRUNDSTUCKVERWALTUNGS GESELLSCHAFT M.B.H.	STOCKERAU
REMBRA LEASING GESELLSCHAFT M.B.H.	VIENNA
SCHULERRICHTUNGSGESELLSCHAFT M.B.H.	VIENNA

The 2012 changes in the consolidation method relate to associates belonging to the sub-conglomerate Unicredit Leasing Austria.

Entities consolidated for the first time in 2012

COMPANY NAME	MAIN OFFICE
SMIA SPA	ROME
NAUTILUS TANKERS LIMITED	LA VALLETTA

COMPANY NAME	MAIN OFFICE
BULKMAX HOLDING LTD	LA VALLETTA
MEGAPARK OOD	SOFIA

Reductions

Disposal

COMPANY NAME	MAIN OFFICE
OECLB HOLDING GMBH IN LIQUIDATION	VIENNA
SOCIETÀ GESTIONE PER IL REALIZZO SPA IN LIQUIDAZIONE	ROME
CENTRAL POLAND FUND LLC	DELAWARE

COMPANY NAME	MAIN OFFICE
PIRELLI PEKAO REAL ESTATE SP. Z O.O.	WARSAW
IPG-INDUSTRIEPARK GYOR PROJEKTIERUNGSGESELLSCHAFT M.B.H.	GERASDORF
AIRPLUS AIR TRAVEL CARD VERTRIEBSGESELLSCHAFT M.B.H.	VIENNA

The above table shows disposals and liquidations of inactive companies.

Change of the consolidation method

COMPANY NAME	MAIN OFFICE
BA GEBAEUDEVERMIETUNGSGMBH	VIENNA
ANGER MACHINING GMBH (*)	TRAUN
PAPCEL A.S. (*)	LITOVEL
V.A. HOLDING GMBH (*)	VIENNA

COMPANY NAME	MAIN OFFICE
FONDIARIA - SAI SPA	TURIN
FORSTINGER INTERNATIONAL GMBH (*)	VIENNA
PAYLIFE BANK GMBH (*)	VIENNA

The changes in the consolidation method refer to the transfer from investments in entities subject to significant influence valued at net equity of the following companies:

- Ba Gebauedevermietungs GMBH, to wholly owned subsidiaries following the acquisition of control;
- Fondiaria - SAI, to available-for-sale financial assets, as the investee is no longer subject to significant influence;
- (*) 5 companies of the Bank Austria subgroup reclassified to item 150) Non-current assets and disposal groups classified as held for sale.

In addition, two companies subject to significant influence valued at equity merged: WIENER KREDITBUERGSCHAFTSGESELLSCHAFT M.B.H.-Vienna was absorbed by WKBG WIENER KREDITBURGSCHAFTS-UND BETEILIGUNGSBANK AG-Vienna.

Entities at equity which changed the company name during 2012

COMPANY NAME	MAIN OFFICE
WKBG WIENER KREDITBURGSCHAFTS- UND BETEILIGUNGS BANK AG (ex. KAPITAL-BETEILIGUNGS AKTIENGESELLSCHAFT)	VIENNA

COMPANY NAME	MAIN OFFICE
PSA PAYMENT SERVICE AUSTRIA GMBH (ex ADF SERVICE GMBH)	VIENNA

10.2 Equity investments in companies under joint control and in companies under significant influence: accounting information

NAME	TOTAL ASSET	TOTAL REVENUES	NET PROFIT (LOSS)	SHAREHOLDERS' EQUITY	CONSOLIDATED CARRYING VALUE	FAIR VALUE (2)	NOTES
A. EQUITY METHOD							
A.2 Companies under significant influence							
ADLER FUNDING LLC	166,452	30,251	10,617	7,270	2,389		
ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE DOBROVOLJNIM MIROVINSKIM FONDOM	21,493	11,988	5,786	17,669	8,664		
ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE OBVEZNIM MIROVINSKIM FONDOM	4,528	3,260	898	2,810	1,381		
ALTOS-IMMORENT IMMOBILIENLEASING GMBH	56,529	1,411	283	583	194		(3)
AVIVA SPA	10,231,986	1,589,100	36,000	778,512	383,824		(1) (3)
BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT	9,492,841	159,118	43,606	823,338	411,419	199,354	(1)
BANQUE DE COMMERCE ET DE PLACEMENTS SA	1,744,537	84,531	27,110	280,133	35,136		(3)
BKS BANK AG	6,455,993	140,772	30,758	674,534	248,694	203,492	(1)
BLUVACANZE SPA	137,332	229,473	(7,029)	16,604	1,924		(3)
BULKMAX HOLDING LTD	13,454	-	-	6,669	3,001		(3)
CA IMMOBILIEN ANLAGEN AKTIENGESELLSCHAFT	5,529,862	147,479	21,813	1,417,774	257,465	134,657	
CASH SERVICE COMPANY AD	6,605	2,977	135	6,323	1,265		(3)
CNP UNICREDIT VITA S.P.A.	11,580,638	1,523,990	40,598	707,577	300,335		(1) (3)
COMTRADE GROUP B.V.	102,368	80,079	3,534	17,062	3,592		
CONSORZIO SE.TEL. SERVIZI TELEMATICI IN LIQUIDAZIONE	86	1	(1)	27	10		
CREDITRAS ASSICURAZIONI SPA	346,752	35,912	12,709	39,217	19,608		(3)
CREDITRAS VITA SPA	17,504,072	400,154	44,150	669,009	334,505		(3)
DA VINCI S.R.L.	167,008	39	(16,158)	2,076	517		
EUROPROGETTI & FINANZA S.P.A. IN LIQUIDAZIONE	6,852	2,051	(3,378)	(3,378)	-		
FIDIA SGR SPA	4,815	300	(1,022)	3,409	1,705		
G.B.S. - GENERAL BROKER SERVICE S.P.A.	23,064	10,950	33	1,676	335		
INCONTRA ASSICURAZIONI S.P.A.	146,195	33,594	1,741	15,521	7,605		
KRAJOWA IZBA ROZLICZENIOWA SA	28,795	26,794	6,080	22,679	7,813		
MARINA CITY ENTWICKLUNGS GMBH	11,332	2	(334)	118	29		
MARINA TOWER HOLDING GMBH	1,511	-	(4)	1,476	370		
MARTUR SUNGER VE KOLTUK TESISLERI TICARET VE SANAYI A.S.	142,302	61,425	31,260	64,860	12,973		
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	79,407,000	1,028,657	126,475	6,683,802	578,482	347,467	
MEGAPARK OOD	74,793	-	-	(17,682)	-		
MULTIPLUS CARD DOO ZA PROMIDZBU I USLUGE	1,776	5,672	303	(1,149)	-		
NAUTILUS TANKERS LIMITED	16,300	-	-	16,272	7,322		(3)
NEEP ROMA HOLDING SPA	299,667	86,317	(43,492)	(85,948)	-		(3)
NOTARTREUHANDBANK AG	1,111,362	15,639	11,072	24,985	6,247		
OAK RIDGE INVESTMENT LLC	1,976	10,616	741	723	9,482		(1) (3)
OBERBANK AG	17,642,700	317,600	85,466	1,322,519	493,205	451,002	(1)
OBJEKT-LEASE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	11,337	369	76	2,340	1,170		(3)
OESTERREICHISCHE HOTEL- UND TOURISMUSBANK GESELLSCHAFT M.B.H.	1,078,582	5,811	1,911	25,925	12,963		
OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT	36,037,512	126,475	65,279	648,579	332,519		(1)
OESTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH	1,628	3,426	(27)	48	14		
PALATIN GRUNDSTUCKVERWALTUNGS GESELLSCHAFT M.B.H.	7,333	152	(478)	2,044	1,022		
PSA PAYMENT SERVICE AUSTRIA GMBH	154,097	13,862	2,308	33,696	8,042		
PURGE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	618	21	2	39	18		(3)
REMBRA LEASING GESELLSCHAFT M.B.H.	146	25	(530)	(836)	-		(3)
SCHUL-UND AMTSGEBAUDE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	586	64	48	235	78		(3)

Part B - Consolidated Balance Sheet - Assets (Continued)

Continued: 10.2 Equity investments in companies under joint control and in companies under significant influence: accounting information

NAME	TOTAL ASSET	TOTAL REVENUES	NET PROFIT (LOSS)	SHAREHOLDERS' EQUITY	CONSOLIDATED CARRYING VALUE	FAIR VALUE (2)	NOTES
SCHULERRICHTUNGSGESELLSCHAFT M.B.H.	1,879	85	(211)	1,787	893		(3)
SIA SPA	265,748	348,415	21,650	142,098	34,202		
SMIA SPA	39,376	-	-	37,904	9,999		
SP PROJEKTENTWICKLUNG SCHOENEFELD GMBH & CO.KG	16,441	201	(264)	15,141	7,571		
SVILUPPO GLOBALE GEIE	3,035	2,032	21	322	107		
SW HOLDING SPA	354,277	26,548	26,072	353,672	101,047		
TORRE SGR S.P.A.	43,813	8,810	716	37,058	18,539		(1) (3)
UNI GEBAEUDEMANAGEMENT GMBH	2,055	56	3	(191)	-		
WIEN MITTE IMMOBILIEN GMBH	332,094	1,681	1,681	131,271	65,636		
WKBG WIENER KREDITBURGSCHAFTS- UND BETEILIGUNGSBANK AG	30,421	2,347	(377)	26,860	8,271		
YAPI KREDI KORAY GAYRIMENKUL YATIRIM ORTAKLIGI AS	44,742	4,823	(1,691)	26,047	3,238	6,476	(3)
B. COMPANIES AT PROPORTIONAL METHOD							
B.2 Companies under joint control							
BA HYPO FINANCIRANJE D.O.O.ZA POSLOVANJE NEKRET-NINAMA	13,475	348	(16)	54	-		
EUROLEASE FINANCE, D.O.O.	5,817	588	106	422	-		
FIDES LEASING GMBH	51,321	1,303	(7)	266	-		
HYBA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRTNINAMA	2,238	101	1	147	-		
HYPO-BA LEASING SUD GMBH	2,595	-	(18)	2,587	-		
HYPO-BA PROJEKT, FINANCIRANJE D.O.O.	23,832	1,381	68	168	-		
HYPO-BA ZAGREB D.O.O. ZA POSLOVANJE NEKRETNINAMA	26,661	1,647	(24)	(2,451)	-		
INPROX LEASING, NEPREMICNINE, D.O.O.	2,979	316	5	70	-		
INPROX OSIJEK D.O.O.	4,202	146	9	175	-		
KOC FINANSAL HIZMETLER AS	1,841,258	782	(19)	1,840,982	-		
MONTREAL NEKRETNINE D.O.O.	4,628	461	307	2,169	-		
ORBIT ASSET MANAGEMENT LIMITED	293	2,134	-	36	-		
RCI FINANCIAL SERVICES S.R.O.	131,756	32,544	7,794	50,361	-		
STICHTING CUSTODY SERVICES YKB	125	-	-	125	-		
SYNERGA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNIN-AMA	21,198	570	11	275	-		
UNICREDIT MENKUL DEGERLER AS	6,599	5,191	(5,655)	3,334	-		
YAPI KREDI B TIPI YATIRIM ORTAKLIGI AS	36,936	4,413	3,497	36,280	-		
YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY	220,750	27,768	3,405	59,323	-		
YAPI KREDI BANK MOSCOW	160,102	13,240	4,876	52,614	-		
YAPI KREDI BANK NEDERLAND N.V.	1,757,733	97,753	21,238	244,072	-		
YAPI KREDI DIVERSIFIED PAYMENT RIGHTS FINANCE COMPANY	761,268	15,187	-	3	-		
YAPI KREDI EMEKLILIK AS	379,237	135,355	27,988	79,354	-		
YAPI KREDI FAKTORING AS	708,532	71,311	10,866	49,450	-		
YAPI KREDI FINANSAL KIRALAMA AO	1,393,291	121,155	56,223	428,855	-		
YAPI KREDI HOLDING BV	45,413	-	(58)	45,383	-		
YAPI KREDI INVEST LIMITED LIABILITY COMPANY	79	61	5	79	-		
YAPI KREDI PORTFOEY YOENETIMI AS	30,482	20,841	10,292	27,463	-		
YAPI KREDI SIGORTA AS	540,939	418,109	33,759	166,926	-		
YAPI KREDI YATIRIM MENKUL DEGERLER AS	872,230	122,125	32,751	121,187	-		
YAPI VE KREDI BANKASI AS	51,241,717	5,305,060	905,792	6,725,499	-		
TOTAL EQUITY INVESTMENTS VALUED AT EQUITY					**3,744,820**		

		CONSOLIDATED CARRYING VALUE
N. 54 INVESTMENTS VALUED AT EQUITY		**3,744,820**
INVESTMENTS VALUED AT COST:		**113,620**
n. 125 Unicredit Bank AG Subsidiaries and Associates	13,662	
n. 63 Unicredit Bank Austria Subsidiaries and Associates	11,450	
n. 38 Other Subsidiaries and Associates (4)	88,508	
TOTAL		**3,858,440**

Notes to the table 10.2 - Equity investments in companies under joint control and in companies under significant influence:

(1) Includes “positive differences in net equity”.

(2) Under IFRS, investments in associates with a fair value lower than carrying value should be impairment tested by calculating recoverable value, i.e. the greater of fair value net of cost of sales and value in use, and an impairment loss/write-down be recognized when the recoverable value is lower than carrying value.
At December 31, 2012 the recoverable value of the equity investments was redefined and was greater than carrying value.

(3) Data taken from the draft accounts for 2012 approved by the company’s governing bodies. If not available, they were taken from the latest approved financial statements or balance sheets.

(4) The consolidated book value of the “investments valued at cost - other subsidiaries and associates”, €88.5 million (€34.8 as at December 31, 2011), includes €66,6 million related to a shareholding in an associate acquired following a debt restructuring deal (debt-to-equity) concluded towards the end of the financial year.

10.3 Equity instruments: annual changes

(€ '000)

	CHANGES IN	
	2012	2011
A. Opening balance	**3,554,675**	**3,963,087**
B. Increases	**624,441**	**726,633**
B.1 Purchases	129,553	306,221
B.2 Write-backs	21	1,019
B.3 Revaluation	-	-
B.4 Other changes	494,867	419,393
C. Decreases	**320,676**	**1,135,045**
C.1 Sales	51,568	60,332
C.2 Write-downs	99,955	497,687
C.3 Other changes	169,153	577,026
D. Closing balance	**3,858,440**	**3,554,675**
E. Total revaluation	**-**	**-**
F. Total write-downs	**482,320**	**509,017**

10.4 and 10.5 and 10.6 Commitments relating to equity investments in subsidiaries/joint ventures/companies under to significant influence

The following was disclosed as at December 31, 2012:

- a commitment to make a capital contribution of €1.5 million to the subsidiary UniCredit Consumer Financing IFN S.A. to support its growth plan;
- a commitment to make a capital contribution of €0.8 million to the subsidiary EuropEye S.r.l. (established in December 2012) to support the start-up phase; this contribution was entirely paid to the subsidiary in January 2013;
- a commitment to make a capital contribution of €0.3 million to the subsidiary Sicilia Convention Bureau S.r.l. to cover losses that will arise in the next two years; €0.1 million was paid to the subsidiary in January 2013;
- a commitment to set up a subsidiary in Brazil to support the activity of the UniCredit Rep. Office in São Paulo, as part of the reorganization of the Group's international network. The new company will have capital of €0.2 million.

The agreement under which UniCredit S.p.A. gave UniCredit Bank AG shares representing equity investments in foreign subsidiaries belonging to the banking group as collateral against financial exposures for a total value of €7.05 billion expired in 2012.

As at December 31, 2012, a commitment to provide Neep Roma Holding S.p.A. (a company in which UniCredit S.p.A. holds 40%, which inter alia owns 78.04% of A.S. Roma S.p.A.) with the resources (€12 million) necessary for the recapitalization of its subsidiary was disclosed.

Section 11 - Insurance reserves attributable to reinsurers - Item 110

11.1 Insurance reserves attributed to reinsurers: breakdown

(€ '000)

	AMOUNTS AS AT	
	12.31.2012	12.31.2011
A. Non-life business	**-**	**-**
A.1 Provision for unearned premiums	-	-
A.2 Provision for outstanding claims	-	-
A.3 Other insurance provisions	-	-
B. Life business	**792**	**928**
B.1 Mathematical provisions	-	-
B.2 Provision for outstanding claims	648	836
B.3 Other insurance provisions	144	92
C. Provision for policies where the investment risk is borne by the policyholders	**-**	**-**
C.1 Provision for policies where the performance is connected to investment funds and market indices	-	-
C.2 Provision for pension funds	-	-
D. Total insurance reserves attributable to reinsurers	**792**	**928**

Part B - Consolidated Balance Sheet - Assets (Continued)

11.2 Changes in item 110 "Technical reserves attributed to reinsures"

(€ '000)

	CHANGES IN 2012							
	NON -LIFE BUSINESS			LIFE BUSINESS			PROVISION FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS	
	PROVISION FOR UNEARNED PREMIUMS	PROVISIONS FOR OUTSTANDING CLAIMS	OTHER INSURANCE PROVISIONS	MATHEMATICAL PROVISIONS	PROVISION FOR OUTSTANDING CLAIMS	OTHER INSURANCE PROVISIONS	RELATING TO POLICIES WHERE THE PERFORMANCE IS CONNECTED TO INVESTMENT FUNDS AND MARKET INDICES	PROVISION FOR PENSION FUNDS
Amounts ceded to reinsurers from insurance provisions - opening balance	**-**	**-**	**-**	**-**	**836**	**92**	**-**	**-**
a) Increases	-	-	-	-	31	52	-	-
b) Decreases	-	-	-	-	219	-	-	-
Amounts ceded to reinsures from insurance provisions - closing balance	**-**	**-**	**-**	**-**	**648**	**144**	**-**	**-**

Section 12 - Property, plant and equipment - Item 120

Property, plant and equipment, which include land, buildings used in the business, real estate investments, technical furniture and fittings, amounted to €11,833 million at end 2012, down by €260 million over the €12,093 million at end 2011.

12.1 Property, plant and equipment assets: breakdown of assets carried at cost

(€ '000)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
A. Assets for operational use		
1.1 owned	**8,249,738**	**8,482,174**
a) land	1,462,786	1,528,403
b) buildings	3,221,779	3,352,322
c) office furniture and fitting	291,396	238,781
d) electronic systems	743,031	710,728
e) other	2,530,746	2,651,940
1.2 leased	**141,892**	**73,727**
a) land	45,671	14,169
b) buildings	85,878	47,858
c) office furniture and fitting	45	45
d) electronic systems	-	99
e) other	10,298	11,556
Total A	**8,391,630**	**8,555,901**
B. Held-for-investment assets		
2.1 owned	**3,236,494**	**3,330,055**
a) land	1,160,802	1,244,350
b) buildings	2,075,692	2,085,705
2.2 leased	**126,813**	**127,542**
a) land	23,556	23,556
b) buildings	103,257	103,986
Total B	**3,363,307**	**3,457,597**
Total (A+B)	**11,754,937**	**12,013,498**

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups held for sale". The previous period was restated accordingly to increase comparability.

12.2 Tangible assets: breakdown of assets designed at fair value or revalued

(€ '000)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
A. Assets for operational use		
1.1 owned	**-**	**-**
a) land	-	-
b) buildings	-	-
c) office furniture and fitting	-	-
d) electronic systems	-	-
e) other	-	-
1.2 leased	**-**	**-**
a) land	-	-
b) buildings	-	-
c) office furniture and fitting	-	-
d) electronic systems	-	-
e) other	-	-
Total A	**-**	**-**
B. Held-for-investment assets		
2.1 owned	**77,848**	**79,277**
a) land	19,491	17,876
b) buildings	58,357	61,401
2.2 leased	**-**	**-**
a) land	-	-
b) buildings	-	-
Total B	**77,848**	**79,277**
Total (A+B)	**77,848**	**79,277**

Under IAS 40.32A the Group uses the revaluation model (fair value) to measure investment properties linked with liabilities which pay a return linked to the fair value of the investments in question.

Part B - Consolidated Balance Sheet - Assets (Continued)

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

(€ '000)

	CHANGES IN 2012					
	LAND	BUILDINGS	OFFICE FURNITURE AND FITTINGS	ELECTRONIC SYSTEMS	OTHER	TOTAL
A. Gross opening balance	**1,555,061**	**6,153,753**	**1,396,910**	**3,381,516**	**4,261,415**	**16,748,655**
A.1 Total net reduction in value	-	(2,681,174)	(1,154,180)	(2,659,092)	(1,593,025)	(8,087,471)
A.2 Net opening balance	**1,555,061**	**3,472,579**	**242,730**	**722,424**	**2,668,390**	**8,661,184**
B Increases	**53,271**	**314,422**	**109,584**	**316,210**	**380,269**	**1,173,756**
B.1 Purchases	6,369	117,420	63,985	267,460	290,164	745,398
B.2 Capitalised expenditure on improvements	-	39,533	-	-	-	39,533
B.3 Write-backs	4,428	30,338	28	483	5,084	40,361
B.4 Increases in fair value:	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
B.5 Positive exchange differences	3,164	43,461	1,200	7,812	8,946	64,583
B.6 Transfer from properties held for investment	2,261	4,245	-	-	-	6,506
B.7 Other changes	37,049	79,425	44,371	40,455	76,075	277,375
C. Reductions	**99,875**	**479,344**	**60,873**	**295,603**	**507,615**	**1,443,310**
C.1 Disposals	24,523	36,188	1,054	18,975	77,672	158,412
C.2 Depreciation	-	171,214	52,260	256,304	211,293	691,071
C.3 Impairmente losses	842	23,863	359	2,388	11,331	38,783
a) in equity	-	-	-	-	-	-
b) through profit or loss	*842*	*23,863*	*359*	*2,388*	*11,331*	*38,783*
C.4 Reduction of fair value:	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
C.5 Negative exchange differences	132	6,527	612	1,036	1,574	9,881
C.6 Trasfer to:	61,092	147,150	3,052	10,649	43,468	265,411
a) property, plant and equipment held for investment	*613*	*35,249*	-	-	-	*35,862*
b) assets held for sale	*60,479*	*111,901*	*3,052*	*10,649*	*43,468*	*229,549*
C.7 Other changes	13,286	94,402	3,536	6,251	162,277	279,752
D. Net final balance	**1,508,457**	**3,307,657**	**291,441**	**743,031**	**2,541,044**	**8,391,630**
D.1 Total net reduction in value	-	(2,814,791)	(1,278,677)	(2,945,740)	(1,275,761)	(8,314,969)
D.2 Gross closing balance	**1,508,457**	**6,122,448**	**1,570,118**	**3,688,771**	**3,816,805**	**16,706,599**
E. Carried at cost (*)	**-**	**-**	**-**	**-**	**-**	**-**

(*) The Group does not use the revaluation model (fair value) to measure tangible assets held for use in the business.
Following the restatement of property, plant and equipment in the above table 12.1, 2011 opening balances have been adjusted.

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

(€ '000)

	CHANGES IN 2012	
	LAND	BUILDINGS
A. Opening balances	**1,285,782**	**2,251,092**
B. Increases	**15,594**	**229,236**
B.1 Purchases	3,947	135,457
B.2 Capitalised expenditure on improvements	1,270	2,286
B.3 Increases in fair value	-	1
B.4 Write backs	2,260	14,197
B.5 Positive exchange differences	2,010	22,765
B.6 Transfer from properties used in the business	613	35,249
B.7 Other changes	5,494	19,281
C. Reductions	**97,527**	**243,022**
C.1 Disposals	41,153	67,622
C.2 Depreciation	-	72,060
C.3 Reductions in fair value	-	-
C.4 Impairment losses	10,994	27,764
C.5 Negative exchange differences	14,612	1,840
C.6 Transfer to:	25,505	61,832
a) properties used in the business	*2,261*	*4,245*
b) non current assets classified as held for sale	*23,244*	*57,587*
C.7 Other changes	5,263	11,904
D. Closing balances	**1,203,849**	**2,237,306**
E. Measured at fair value	**1,428,010**	**2,595,248**

12.5 Commitments to purchase property, plant and equipment

(€ '000)

	AMOUNTS AS AT	
	12.31.2012	12.31.2011
A. Contractual commitments	20,186	7,867

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups held for sale". The previous period was restated accordingly to increase comparability.

Outstanding commitments refer to the purchase of property, plant and equipment.

Section 13 - Intangible assets - Item 130

An Intangible asset is an identifiable non-monetary asset without physical substance, to be used for several years. Intangible assets include goodwill and, among "other intangible assets", brands, core deposits, customer relationships and software.
Goodwill is the excess of the cost of a business combination over the net fair value of the assets and liabilities of companies or businesses at the acquisition date.
At December 31, 2012 this item was €15,658 million, broadly in line with €15,553 million at December 31, 2011.

13.1 Intangible assets: breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2012		AMOUNTS AS AT 12.31.2011	
ASSETS/VALUES	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE
A.1 Goodwill	**X**	**11,677,608**	**X**	**11,567,192**
A.1.1 attributable to the Group	X	11,677,608	X	11,567,192
A.1.2 attributable to minorities	X	-	X	-
A.2 Other intangible assets	**3,887,439**	**92,957**	**3,892,733**	**92,962**
A.2.1 Assets carried at cost:	3,887,439	92,957	3,892,733	92,962
a) Intangible assets generated internally	*822,741*	-	*647,827*	-
b) Other assets	*3,064,698*	*92,957*	*3,244,906*	*92,962*
A.2.2 Assets valued at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**3,887,439**	**11,770,565**	**3,892,733**	**11,660,154**
Total finite and indefinite life		**15,658,004**		**15,552,887**

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

The Group does not use the revaluation model (fair value) to measure intangible assets.
Intangible Assets - Other - Indefinite life include trademarks (brands).
Intangible Assets - Other - Definite life include:
- Customer Relationships and Core Deposits of €2,221 million;
- Software of €621 million;
- Licences, patents and similar rights of €112 million.

Part B - Consolidated Balance Sheet - Assets (Continued)

13.2 Intangible assets: annual changes

(€ '000)

	CHANGES IN 2012 / OTHER INTANGIBLE ASSETS					
		GENERATED INTERNALLY		OTHER		
	GOODWILL	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE	TOTAL
A. Gross opening balance	**22,847,237**	**1,176,659**	**-**	**7,268,701**	**1,072,993**	**32,365,590**
A.1 Total net reduction in value	(11,280,045)	(527,343)	-	(3,942,735)	(930,023)	(16,680,146)
A.2 Net opening balance	**11,567,192**	**649,316**	**-**	**3,325,966**	**142,970**	**15,685,444**
B Increases	**157,790**	**351,644**	**-**	**342,525**	**1,772**	**853,731**
B.1 Purchases	23,815	20,402	-	239,430	-	283,647
B.2 Increases in intangible assets generated internally	X	326,991	-	7,369	-	334,360
B.3 Write-backs	X	-	-	11	-	11
B.4 Increases in fair value		-	-	-	-	-
- in equity	*X*	-	-	-	-	-
- through profit or loss	*X*	-	-	-	-	-
B.5 Positive exchange differences	133,975	808	-	38,638	1,772	175,193
B.6 Other changes	-	3,443	-	57,077	-	60,520
C. Reduction	**47,374**	**178,219**	**-**	**603,793**	**51,785**	**881,171**
C.1 Disposals	-	8	-	3,678	-	3,686
C.2 Write-downs	30,006	147,970	-	471,026	-	649,002
- amortization	X	147,970	-	461,609	-	609,579
- write-downs	30,006	-	-	9,417	-	39,423
+ in equity	*X*	-	-	-	-	-
+ through profit or loss	*30,006*	-	-	*9,417*	-	*39,423*
C.3 Reduction in fair value		-	-	-	-	-
- in equity	*X*	-	-	-	-	-
- through profit or loss	*X*	-	-	-	-	-
C.4 Transfer to non-current assets held for sale	-	1,224	-	7,140	-	8,364
C.5 Negative exchange differences	17,368	149	-	12,141	1,696	31,354
C.6 Other changes	-	28,868	-	109,808	50,089	188,765
D. Net Closing Balance	**11,677,608**	**822,741**	**-**	**3,064,698**	**92,957**	**15,658,004**
D.1 Total net write-down	(11,297,540)	(673,168)	-	(4,396,046)	(977,764)	(17,344,518)
E. Gross closing balance	**22,975,148**	**1,495,909**	**-**	**7,460,744**	**1,070,721**	**33,002,522**
F. Carried at cost	**-**	**-**	**-**	**-**	**-**	**-**

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale" and measured at the lower value between carrying value and Sale price less costs to sell. According to this valuation the Customer Relationship and the Trade Mark of JSC ATF BANK were impaired and this amount was disclosed under the other changes, section C. Reduction, of this note and within the Section 21 - Profit (Loss) after tax from discontinued operations - Item 310 of the Consolidate Income Statement.
The purchases of the period are related to the initial recognition of the goodwill recognized along with the purchase of the company General Logistic Solutions LLC, which was respectively fully written-off as at the end of reporting period, and the initial recognition of the goodwill recognized along with the purchase of the company CU @ 2012 Facility Services GmbH.
The write-downs through profit or loss of the period are mainly referred to the write-off of the Customer Relationship of Unicredit Securities International Limited, company in voluntary liquidation.

For further details on goodwill impairment losses and write-downs of other intangible assets with an indefinite life please refer to the following pages.

13.3 Other information

Information on intangible assets noted during business combinations

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

(€ million)

INTANGIBLE ASSETS (EXCEPT SOFTWARE)	TOTAL 12.31.2011	AMORTIZATION	IMPAIRMENT	(*) OTHER CHANGES	TOTAL 12.31.20112
Trademarks	143	-	-	(50)	93
Core deposits and customer relationships	2,494	(203)	(8)	(62)	2,221
Goodwill	11,567	-	(30)	140	11,678
TOTAL	**14,204**	**(203)**	**(38)**	**29**	**13,992**

(*) mainly relating to the reduction in the value of the Trademark (€50 million) and the Customer Relationship (€74 million) of JSC ATF BANK resulting from the reclassification under IFRS 5 and the positive exchange rate effects recorded during the period in respect of the items in foreign currencies (€129 million).

Any discrepancies in this table and between data shown in it and other information in the Explanatory Notes are solely due to the effect of rounding.

Trademarks and goodwill are considered indefinite-life intangible assets. They are expected to contribute indefinitely to income flows.
The other intangible assets noted have finite useful lives, originally valued by discounting financial flows over the residual lifetime of the relationships in place on the date of the business combination from which they derive. Finite-life intangible assets are subject to amortization based on the associated useful life.
The types of intangible assets noted as a result of business combinations and the methods used to determine their associated fair value on the acquisition date are indicated below.

Trademarks

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

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

Since 2007, the Group’s trademark policy has been characterized by initiatives designed to strengthen the value of the UniCredit trademark, meanwhile preserving the local trademarks of the Group’s banks. These initiatives include:
- the introduction of the UniCredit trademark in all countries where the Group operates, so that it is present alongside the local trademarks of the Group’s banks;
- as from 2009, the sponsorship of the UEFA Champions League;
- the recent launch of advertising campaigns focused on the UniCredit trademark in the major countries where the Group operates.

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

During the fourth quarter of 2012, the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD, operating in Kazakhstan, were reclassified to discontinued operations and related liabilities and therefore measured at the lower of carrying amount and fair value less costs to sell. This measurement resulted in a €50 million reduction in the value of BANK JSC ATF’s trademark.
Therefore, the residual value of intangible assets with an indefinite useful life (trademarks) refers only to Fineco Bank as to €93 million.

Core Deposits

The value of the Core Deposit comes from the fact that part of the short-term deposits of a bank (current accounts and savings deposits) and current account overdrafts remains deposited in the accounts for significant periods of time.
The useful life of the relationship is longer than the contract duration. The spread between the actual cost of deposits by means of Core Deposits and the cost of deposits at interbank market rates (the markdown) represents the most significant value component associated with this intangible asset.
The income planning used to determine the fair value of Core Deposits also takes into account the fee component, which contributes to the total income from these relationships.

Part B - Consolidated Balance Sheet - Assets (Continued)

The determination of the fair value of this asset is based on the discounting of cash flows that represent the income margins generated by the deposits over the residual duration of the relationships in place on the date of acquisition. Inasmuch as these are finite-life assets, the associated value is amortized on a straight line over the expected duration of their economic benefit.
The average residual useful life of Core Deposits is 19 years.

Customer Relationships

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

These fees are considered recurring, because they are tied to managed assets held by customers.
The average residual useful life of these intangible assets is 18 years.

Asset under Custody (AuC)
The value of this intangible asset comes mainly from the ability of the company to obtain a profit from customer assets under administration.
The income flows used to value this asset when first posted consist of the fees received for the work associated with assets under administration.
These fees are considered recurring, because they are generated by the normal activity of customers acting on their own portfolios.
The average residual useful life of these intangible assets is 9 years.

Life Insurance
The value of this intangible asset comes mainly from the ability of the company to obtain a profit from the placement of products related to the "bancassurance" business with its own customers.
The income flows used to value this asset when first posted consist of the fees received for the work associated with the bancassurance business.
These fees are considered recurrent because, from the point of view of the investor, they are similar to the products of managed/administered deposits.
The average residual useful life of these intangible assets is 24 years.

Products
This intangible asset relates to the profitability generated by trading on behalf of the asset management companies of the Group. The income flows used to evaluate this asset when first posted consist of the fees received for the brokerage work on behalf of the asset management companies themselves.
These fees are considered recurring, because they are generated by the normal activity of the funds in which customers' deposits have been invested.
Furthermore, in some cases, the value of the asset is related to fees received for the disbursement of regional incentives.
The average residual useful life of these intangible assets is 3 years.

Other
This intangible asset includes all other types of so-called customer relationships, including by way of example those deriving from the ability of the company to obtain placement fees on third-party bonds and from securities auctions.
The average residual useful life of these intangible assets is 17 years.

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

Impairment testing of intangible assets during business combinations

In accordance with IAS 36, impairment testing of all indefinite-useful-life intangible assets, including goodwill, must be performed at least annually and, in any case, whenever there is objective evidence of the occurrence of events that may have reduced their value (trigger events).
For UniCredit the trigger event is a market capitalization lower than Shareholders' Equity.
Recoverable value is the greater of the value in use (present value of future cash flows generated by the asset being valued) and the associated fair value, less costs to sell.
The recoverable value of intangible assets subject to impairment testing must be determined for the individual assets, unless both the following conditions exist:
- the value in use of the asset is not estimated to be close to the fair value, net of sales costs;
- the asset does not generate incoming cash flows largely independent of those coming from other assets.

If these conditions exist, the impairment test is conducted at the level of the Cash Generating Unit (CGU), as required by the cited accounting principle.
It should be noted that the impairment testing performed by the UniCredit group by way of the determination of the value in use of the Cash Generating Units (CGU), as described below, includes both indefinite-useful-life intangible assets (goodwill and trademarks) and finite-useful-life intangible assets (core deposits and customer relationships), whenever the loss indicators provided for by the accounting principle occur.

We believe that core deposits and customer relationships cannot be subjected to separate impairment testing, because these assets do not generate cash flows independent of the cash flows from other assets.
It should be noted that intangible assets and Cash Generating Units are subjected to impairment testing with reference to their current state, without taking account of the effects of restructuring plans/programs not yet approved by the competent bodies.
Given that performing an analytical test of the positive fair value adjustments recorded according to the purchase method provided for by IFRS 3 with reference to loans to customers (included in the carrying value of the Group) would be excessively burdensome, their periodic sustainability is assessed within the overall carrying value of the Group as part of the impairment test of the intangible assets, deducting their share of amortized cost for the period from the Group's income flows.
For the impairment testing, the value in use of the Cash Generating Units (CGU) to which these intangible assets are allocated must be calculated taking into account the cash flows for all assets and liabilities included in the CGU and not only those for which goodwill and/or the intangible asset were recorded when applying IFRS 3.

Definition of Cash Generating Units (CGU)

Estimating the value in use for the purposes of any impairment testing of intangible assets, including goodwill, which do not generate cash flows except in conjunction with other business assets, requires that these assets first be attributed to operating units that are relatively autonomous in the business context (from the points of view of independent cash flows generated and of internal planning and reporting). These operating units are defined as Cash Generating Units (CGU).
In accordance with the provisions of IFRS 3 and IAS 36, for the purposes of impairment testing, goodwill has been allocated to the following operational Divisions of the Group, identified as CGUs for which the main profitability determinants are also reported.

Commercial Banking Italy: the "commercial network" of the Italian perimeter consists of 7 Regions, each responsible, within its area of competence, for the Private, Small Business and Corporate customer segments in Italy; they direct, coordinate and control the development of related business activities, also with the support of the relevant functions of the Parent Company.
The objective is to enlarge the customer base, exploiting the multi-channel approach and maintaining focus on risk in order to reduce its cost. The proximity to territories and customers will be a key factor in growth.
Indeed, with the new organizational structure (GOLD project) the bank is now closer to its customers:

- 7 Bank managers were introduced to manage the 76 areas, each of them monitored by a person in charge;
- a specialized Private Banking network was maintained, but it is fully integrated into the Italian network;
- the different business lines were integrated to enable a cross-business customer management.

Commercial Banking Germany: it focuses on the Retail, Private, Small Business and Corporate customer segments in Germany. Key factors for this CGU are also the multi-channel banking services and the reduction of the costs of the network. The strategy aims to attract affluent customers and become a leader in services to families through a personalized/innovative consulting approach. Besides catering for private clients, the CGU's focus is on the SME segment in order to better satisfy the financial needs of businesses. Commercial Banking Germany is organized on a regional basis for retail, private and corporate clients.

Commercial Banking Austria: it is oriented to the needs of Retail, Private and Corporate customers in Austria. The goal of this CGU, oriented to the needs of private customers and SMEs like the Italian and the German CGUs, is to strengthen sales effectiveness in order to preserve market shares through the implementation of initiatives concerning the affluent segments (consulting model) and SME (lean banking). For Austria, the key factors are also multi-channel banking services and the reduction of the costs of the network. This CGU is organized in regional networks for all types of customers (Retail, Private and Corporate), with parallel specific structures dedicated to Public and Real Estate segment.

Poland: Poland has become a Region including both the Retail and the Corporate and Private segments, in addition to Multinational and Investment Banking customers. The 360° focus on Poland market carried out with a single and integrated strategic guideline allows further strengthening of the presence in a market that it is still growing, thanks to synergies arising among various business in order to service and develop all the different customers' segments.

CIB Global: the Corporate and Investment Banking ("CIB") Division covers Large Corporate and Multinational customers, selected customers of the Real Estate, Banks and Financial Institutions segment and has the primary objective of maximizing the risk-weighted value creation. Within the Group, the CIB Division has primary responsibility for proposing and implementing the CIB strategy of the Group, as well as executing it, and is responsible for the Profit & Loss of CIB, with reference to its customer segments/markets/regions. It governs the business focusing on strategies for customer management, product development, marketing, sales and distribution. This includes the development of business and service models, brand management, optimization of financial capital allocated and the management and development of human capital allocated.
The CIB Division aims to meet the financial needs of CIB customers through:

- Corporate Banking and Transaction Services;
- Structured Finance, Capital Markets and Investment Products;
- access to markets of Western, Central and Eastern Europe.

Part B - Consolidated Balance Sheet - Assets (Continued)

The range of products and services is characterized by:
- products/services of excellent quality, reliable and transparent, that meet financial and investment needs;
- offering customers products and services, as well as innovative and sophisticated, such as to ensure a "premium price" for the Group;
- ensuring speed and quality of loans and of the approach to liquidity and credit risk through a customer-oriented credit process;
- optimization of capital absorbed through the adoption of an approach specifically focused on the mitigation of credit and market risk as well as through the identification of counterparties/transactions for the reduction/sale of exposures.

AM: this product line is responsible for the development of Asset Management in all geographical areas, including the CEE countries, directing, coordinating and controlling the development of business activities at the regional level, through the establishment of a compact asset management business extended to distribution channels owned or not, and to other institutional counterparties.
To achieve these goals, the Head of Asset Management Product Line relies on widely used best practices and the specific expertise of the Sub-holding company/Entity of perimeter.

Asset Gathering: AG is specialized in deposit taking from private retail customers through direct channels and financial advisers. Asset Gathering operates through FinecoBank S.p.A. (FinecoBank) in Italy, DAB Bank (DAB Bank) in Germany and Direktanlage.at AG (DAB.at and together with DAB Bank, the DAB group) in Austria, which provide all banking and investment services generally offered by traditional retail banks. These banks differentiate themselves by their focus on technological innovation, mainly through their development of innovative businesses such as online trading. In addition, these banks rely on their own sales network of financial advisors as a means of offering their financial services to its customers.

CEE area: it covers the Group's activities in the countries of Central and Eastern Europe (excluding Poland). The focus is maintained on countries such as Turkey, Russia and the Czech Republic, where UniCredit has solid roots and a good position in terms of risk return.
Another key pillar is the optimization of investments, in order to take only those that focus on maximizing the value of the CEE area.
Cost optimization is still under way. In addition, further initiatives will be taken primarily aimed at creating:
- a new service model for branch offices with the identification of the most suitable "size";
- further centralization and optimization of back-office activities;
- improvement of the management of IT supply and demand;
- optimization of real estate costs and evaluation of potential opportunities for sale.

The growth strategy is driven by the multi-channel development in almost all countries, focusing on re-pricing and cross-selling to improve profitability. Consequently, an important pillar is the development of new sales channels (including the Internet and mobile banking).

GBS: it includes ICT operational and service functions.

Governance: it performs a role of steering, coordination and control.

The CGU is the lowest level at which goodwill is monitored at Group level. The CGUs identified correspond to the organizational business units through which the Group develops its activity.

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

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

All identified goodwill has been allocated to the various CGUs.

It should be noted that as at December 31, 2012 the CGUs used to perform the impairment test differ from those used at December 31, 2011 as a result of the reorganization (GOLD project) approved in December 2012 and entered into force in January 2013. This new representation permits to better reflect the methods used by the management to manage and monitor the Group's activity. See Part L of the Notes to the Consolidated Accounts with regard to the previous CGUs.

As a result, both recoverable and carrying amounts were determined with reference to this new structure.
Following the reorganization, the goodwill was allocated to the new CGUs.
In more detail:
- if a CGU resulting from the reorganization includes the totality of a previous CGU (or one of its components) to which the goodwill was specifically allocated, the same amount was re-allocated to the new CGU;
- otherwise, the goodwill was allocated on the basis of the respective values.

The following table shows how goodwill (including the part attributable to minorities) has been allocated to the new CGUs.

(€ million)

	CGU FOLLOWING RE-ORGANIZATION (GOLD PROJECT)										
CGU BEFORE RE-ORGANIZATION	AM	CEE DIVISION	CB (*) ITALY	CB (*) GERMANY	CB (*) AUSTRIA	POLAND	CIB GLOBAL	AG	GBS	GOVERNANCE	TOTAL
AM	1,264										1,264
CEE Division		2,296									2,296
Private			294	60	69	25					448
CIB				356	188	823	1,471				2,838
F&SME Network IT			3,366								3,366
F&SME Network GER				17							17
F&SME Network AU					282						282
F&SME Poland						745					745
F&SME Factory			351			14		597			962
Corporate Center									2	-	2
Total	**1,264**	**2,296**	**4,011**	**433**	**538**	**1,607**	**1,471**	**597**	**2**	**-**	**12,220**

(*) Commercial Banking

Any discrepancies in this table and between data given in the above table and other information in Explanatory Notes are solely due to the effect of rounding.

The book value of the CGUs

The book value of the CGUs is determined in accordance with the criterion used to determine their recoverable value. The recoverable value of the CGUs includes flows from their respective financial assets and liabilities, so the book value must also include the financial assets and liabilities generating those flows.

The book value of each CGU is determined based on its contribution to consolidated shareholders' equity, including minority interests. Specifically, the book value of Poland and of the CEE CGU, excluding Leasing CEE and Consumer Finance Romania and Bulgaria, is determined via the summation of the individual book values of each company in the consolidated financial statements (corresponding to their book Shareholders' Equity), taking into account any intangible assets recognized at the time of purchase (net of later amortization and impairment) and the consolidation entries.

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

The carrying amounts of the CGUs as at December 31, 2012, determined as described above, and the portions of goodwill and other intangible assets allocated to each of them are shown below.

(€ million)

CASH GENERATING UNIT (CGU)	VALUE AS AT 12.31.2012	OF WHICH GOODWILL (GROUP SHARE)	OF WHICH OTHER INTANGIBLE ASSET (*)
Commercial Banking Italy	15,606	4,010	0
Commercial Banking Germany	4,134	433	0
Commercial Banking Austria	2,963	538	0
Poland	7,428	1,084	0
CIB Global	9,976	1,471	0
Asset Management	1,410	1,258	0
Asset Gathering	925	597	62
CEE	17,411	2,283	0
o/w Ukraine	*789*	*0*	*0*
GBS	841	2	0
Governance	3,365	0	1,412
Total	**64,059**	**11,678**	**1,474**

At December 31, 2012, Kazakhstan was reclassified to discontinued operations and related liabilities and measured at the lower of carrying value and fair value less costs to sell. Accordingly it has been excluded from the Goodwill impairment test as per IAS 36 par. 2

Any discrepancies in this table and between data given in the above table and other information in Explanatory Notes are solely due to the effect of rounding.

(*) Stated amounts are net of deferred taxes.

Part B - Consolidated Balance Sheet - Assets (Continued)

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

As noted, in accordance with IAS 36, the impairment test for indefinite-life intangible assets must be performed at least annually and in any case whenever there is any indication that their value may be impaired. The referenced accounting principles require that the impairment test be carried out by comparing the book value of each CGU with its recoverable amount. When the latter proves to be less than the book value, a write-down must be recorded in the financial statements. The recoverable amount of the CGU is the greater of its fair value (net of costs to sell) and the related value in use. In particular the recoverable amount is equal to fair value for Poland CGU and to value in use for the remaining CGUs. For Poland the market price of €38.33 (€156PLN translated into euros at the exchange rate of December 31, 2012, equal to 4.074) was used as a reference for the calculation of the fair value, following the sale of a minority stake in Pekao, completed in January 2013.

Projections

Because of the uncertainty in the markets and, in particular, the uncertainty about the development of the banking sector, it was not possible either to develop a new Strategic Plan with an updated underlying scenario or update the Strategic Plan presented in 2011.
Given the different impact of the financial crisis on the macro-regions of the Group, a different approach was adopted for each of them for the goodwill impairment test in December 2012.
In the CEE, the projections on the banking sector remained much in line with the underlying projections of the strategic plan. This made it possible to use the same financial projections of the Strategic Plan for the various countries of the area.
For Western Europe and Italy the effect of financial crisis has significantly changed the macroeconomic scenario compared to the time when the Strategic Plan was approved, thereby making it impossible to use for this area the data of the Plan for the projection of expected cash flows. The latter were determined centrally by applying to the 2013 budget, drawn up according to the new organizational structure (GOLD project), the growth rates of the volumes and of the income statement items of the Italian, German and Austrian banking systems (on the basis of an updated macro-scenario produced by UniCredit Research and consistent with external sources of information).
The projections determined in this way do not include the effect of any management actions.
As a result, 2013 budget data for the goodwill impairment test were projected in the period 2014-2017 using the expected variations on the main items of the income statement and balance sheet on the banking systems of the countries in which the Group operates, determined on the basis of an updated macroeconomic scenario as against the underlying scenario of the Strategic Plan, maintaining the strategic pillars envisaged in the Plan.
The average real growth of Italian GDP in 2013-2015 was significantly revised downwards (from 0.8% envisaged in the Plan to 0.4%) and Euribor estimates were reduced in the same period from 2.0% to 0.9%. The review of these two parameters significantly affected both the generation of revenues and write-downs on loans.
The normalization of the macroeconomic scenario expected in the coming years will bring the Italian GDP growth close to the long-term potential. At the same time, a gradual re-absorption by the ECB of the excess of liquidity currently affecting Europe and a series of increases in the benchmark rate as from the end of 2014 are predicted.
Based on these macroeconomic forecasts, the net result of UniCredit's activities in Italy should reach again appropriate levels, driven by a robust recovery in net interest margin and by a significant decrease in the provisions for loan losses.
The deterioration of the macroeconomic scenario was less marked in Austria and Germany and, as a result, it had a less significant impact on the German and Austrian banking system, also due to the lower sensitivity to the rates of the banks operating in these two countries and the lower cost of risk. The improvement in the expected cash flows of the two countries is due primarily to the increase in the volumes of loans and deposits and to the optimization of the cost base undertaken by the major banks of the system (expected increase in costs lower than inflation).
With reference to the cost of risk considered in the projections, for prudential reasons internal estimates provided by Risk Management (developed on the basis of the same macroeconomic scenario) were used as they better reflect the specific features of the Group's loan portfolio.
The projections of future results were extended to 2022, with the aim of assessing the profitability of the Group and its ability to create value over time, which is independent from the current macroeconomic situation. These projections were developed by extrapolation for all CGUs and for all CEE countries at growth rates decreasing to the terminal value as required by IAS 36.33.
Expected cash flow for 2022 represents the basis for calculating the Terminal Value, which represents the ability of the CGUs to generate future cash flows beyond that year. Based on the methodology adopted, the Terminal Value is calculated as a perpetual income estimated on the basis of a normalized, economically sustainable cash flow, consistent with a constant or decreasing long-term growth rate ("g"), as required by the IAS/IFRS. In any case, the average growth rates used after the period of explicit projection do not exceed the average rates of long-term growth of the sectors/countries in which the bank operates.

The value in use is determined by discounting the financial flows at a rate that takes into account present market rates and the specific risks of the asset. Taking into consideration the different risk levels of their respective operating environments, we used different risk premiums for each CGU which were specific to the individual entity or operating sector. The discount rates include a component related to country risk.
The Board of Directors has approved the valuation procedure (impairment test) based on the financial flow estimates and additional assumptions, developed by the Management.

Macroeconomic scenario

The following tables show the forecasts concerning the main macroeconomic indicators, related to the markets in which the Group operates, which were used to verify the adequacy of the estimated future cash flows and the comparison with external sources of information.

Eurozone

(y/y % changes)

ITALY	2013B	2014F	2015F	2016F	2017F
GDP real	-0.5	0.7	1.1	1.2	1.1
Inflation (CPI)	1.7	1.8	2.0	2.0	2.0
Unemployment (change, pp)	0.8	0.2	-0.3	-1.2	-0.6

(y/y % changes)

GERMANY	2013B	2014F	2015F	2016F	2017F
GDP real	1.4	1.5	1.4	1.3	1.3
Inflation (CPI)	1.8	1.9	2.1	2.1	2.1
Unemployment (change, pp)	0.2	-0.1	0.0	0.0	0.0

(y/y % changes)

AUSTRIA	2013B	2014F	2015F	2016F	2017F
GDP real	1.2	1.5	1.7	1.7	1.8
Inflation (CPI)	1.9	1.9	1.9	1.9	1.9
Unemployment (change, pp)	0.0	-0.2	-0.2	-0.1	0.0

(y/y % changes)

IMF GDP GROWTH	2013F	2014F	2015F	2016F	2017F
Italy	-0.7	0.5	1.2	1.4	1.4
Germany	0.9	1.4	1.4	1.3	1.3
Austria	1.1	2.0	2.1	1.9	1.6

(y/y % changes)

IMF CPI GROWTH	2013F	2014F	2015F	2016F	2017F
Italy	1.8	1.0	1.2	1.3	1.4
Germany	1.9	2.1	2.1	2.1	2.1
Austria	1.9	1.9	1.9	1.9	1.9

Financial indicators

	2013B	2014F	2015F	2016F	2017F
Euribor 3m avg	0.4	0.9	1.5	2.2	3.0
BTP-Bund spread (10 Y, avg)	306	230	185	148	100

Central Eastern Europe (CEE)

	GDP REAL		INFLATION (AVG)	
	2013	2015	2013	2015
Poland	1.7	4.0	2.2	3.5
Hungary	0.5	2.8	4.3	3.1
Czech Rep.	1.4	3.5	2.5	2.0
Slovakia	2.1	4.6	3.2	3.5
Slovenia	0.7	2.5	1.7	2.4
Lithuania	3.2	3.7	2.8	2.8
Latvia	3.2	3.5	2.5	2.4
Estonia	3.5	3.9	3.0	2.7
Bulgaria	1.5	4.0	2.7	2.7
Romania	1.3	3.5	4.2	3.5
Croatia	0.5	2.5	3.1	2.5
Bosnia - H.	0.8	3.6	2.8	2.4
Serbia	1.9	3.0	7.6	5.3
Turkey	5.0	4.8	6.4	6.2
Ukraine	2.3	4.6	9.9	7.0
Russia	3.7	3.7	6.3	5.2
Kazakhstan	5.2	7.2	7.1	7.2

Part B - Consolidated Balance Sheet - Assets (Continued)

	INTERBANK RATES		EXCHANGE RATES (AVG)	
	2013	2015	2013	2015
Poland	3.8	4.5	4.1	3.8
Hungary	6.3	5.6	288.6	255.0
Czech Rep.	0.5	2.4	24.5	24.0
Slovakia	EUR	EUR	EUR	EUR
Slovenia	EUR	EUR	EUR	EUR
Lithuania	1.0	2.6	3.5	3.5
Latvia	0.8	3.6	0.7	0.7
Estonia	EUR	EUR	EUR	EUR
Bulgaria	0.1	2.8	2.0	2.0
Romania	5.3	4.5	4.6	3.9
Croatia	2.0	2.4	7.5	7.3
Bosnia - H.	0.6	2.1	2.0	2.0
Serbia	11.2	8.5	115.0	105.0
Turkey	5.9	8.5	2.2	2.1
Ukraine	N.A.	6.0	11.8	9.9
Russia	5.6	5.2	40.6	40.3
Kazakhstan	4.0	6.0	200.7	207.1

Impairment test model

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

The Discounted Cash Flow model used by the Group is based on three stages:
- first period from 2013 to 2017, which considers the financial projections based on an updated macroeconomic and banking scenario as described above, approved by the management (2013 budget; 2014-17 projections); for the period 2014-15 of CEE area the same financial projections of the strategic plan were used, according to which the first period ends in 2015 and the intermediate period begins in 2016;
- intermediate period from 2018 to 2022, for which the cash flow projections are extrapolated by applying, as from the last explicit forecast period (2017), growth rates decreasing to those of the "terminal value";
- "Terminal value" determined with nominal growth rates of 2%. The average nominal growth rate of GDP in the eurozone from 1996 to 2012 was 3.1% (of which 1.6% was due to inflation). The nominal rate of 2%, corresponding to approximately 0% in real terms, was chosen for prudential reasons.

To take account of the uncertainty about Italy's economy, a multi-scenario analysis was performed for the CGU Commercial Banking Italy assuming, in the alternative scenario, an increase in net interest income, significantly lower than the base scenario resulting from the full alignment in 2017 of the net interest income to the lower value forecast for the Italian banking system. The cost of risk was accordingly aligned in the same year to the lower values relating to the system. Consequently, the average of the two scenarios was considered the final result of the impairment test of the CGU Commercial Banking Italy.

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

Discount rates of cash flows

The main assumptions used by Management to calculate the CGUs' recoverable amount were as follows:

CGU	INITIAL DISCOUNT RATE NET OF TAX (KE)	FINAL DISCOUNT RATE NET OF TAX (KE)	NOMINAL GROWTH RATE USED TO CALCULATE TERMINAL VALUE
Commercial Banking Italy	12.29%	10.00%	2.00%
Commercial Banking Germany	10.89%	10.00%	2.00%
Commercial Banking Austria	11.32%	10.00%	2.00%
Poland	14.92%	10.50%	2.00%
CIB Global	13.05%	10.00%	2.00%
Asset Gathering	9.87%	10.00%	2.00%
Asset Management	11.37%	10.00%	2.00%
Central Eastern Europe (CEE)[1]	18.44%	11.40%	2.00%
of which:			
JSC Ukrsotsbank (USB)	*28.72%*	*12.00%*	*2.00%*
Group	12.48%	10.37%	2.00%

1. The discount rate used for the Central Eastern Europe CGU is the weighted arithmetic mean of the discount rates used for individual countries belonging to the individual business sector.

As shown in the above table, future financial flows were discounted using a conservative estimate of the discount rate, incorporating the various risk factors linked to the business sector into the equity cost (Ke). The discount rate is a nominal rate, net of taxes.
The cost of capital used in the goodwill impairment test is in line with the consensus estimates of analysts.
In order to align the cost of capital to the methods used for the calculation of cash flows, the Country rate, previously equal to the sum of Euroswap and UniCredit CDS, has been calculated as the sum of Bund and UniCredit CDS for Global CGU, while it is equivalent to the yield of the relevant government bond for Commercial Banking CGUs.

In particular, the cost of capital for the CGUs is the sum of the following:
- Country rate: whose methodology is different depending on whether the CGU is global (operating in various countries) or relating to a single region:
  - Global CGUs: Country rate is the sum of:
- risk-free rate: the average over the last six years of the five-year Bund. The six-year horizon was adopted in line with the average economic cycle in the eurozone;
- debt risk premium: the average over the last six years of the Credit Default Swap paid by UniCredit.
  - Commercial Banking: due to the high regional specificity, rather than the risk-free rate and the debt risk premium, the Country rate is the government rate of the Country and, in particular:
- for Commercial Banking Italy average of the last six years of the 5-year BTP;
- for Commercial Banking Austria average of the last six years of the 5-year Austrian government rate;
- for Commercial Banking Germany average of the last six years of the 5-year Bund.
- Risk premium on own equity: calculated using the option-based model, based on the volatility of UniCredit's share price over the last six years. For global CGUs, the last six years' average volatility of the shares of banks operating in the same sector was used.

The cost of capital, different for the various CEE countries, is the sum of the following:
- risk-free rate: the average over the last six years of the five-year local currency swap rate. If no swap rate was available, the most liquid and representative interbank rate was taken;
- country risk premium: the average Credit Default Swap paid by the country over the last six years (in some countries, if a sufficiently long historical series is not available, a shorter period or the asset swap spread paid by a benchmark Government bond with the same maturity issued by the country in question is considered);
- risk premium on own equity: calculated using the option-based model, based on the volatility of UniCredit's share price over the last six years.

The cost of capital for the Group is the sum of:
- weighted average rate of the country rates of the various divisions RWA-weighted;
- weighted average of the various risk premiums on own equity RWA-weighted.

The cost of capital as defined above, converges in a linear fashion to the cost of capital of the Terminal Value, over the 10 years planned in the model.

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

Another parameter used by the model to calculate the initial allocated capital and its evolution over time is the Core Tier 1 ratio.
For Western Europe Businesses, the target Core Tier 1 ratio is 9%, in line with the expectations following the introduction of the new regulatory framework. Basel 3 rules have introduced a new target of 7% for Core Tier 1 which is equal to the sum of the new minimum and the conservation buffer. The additional 2% arises from the Group being designated as Systemically Important Financial Institution (SIFI) and the possible introduction by national banking regulators of additional buffers.
For CEE countries the initial values correspond to the actual regulatory ratios, assuming their convergence to 9% in the long term, in line with the other business segments.

Comparison with market capitalization
The Group's total value in use used in the impairment test is higher than the current market capitalization. This situation is common to most European banks: the price-to-book multiple of the banks in the Stoxx 600 Banks is significantly lower than the historical average. For UniCredit, the difference is largely explained by the short-term prospects implicit in the current market price, which is influenced by expectations of moderate profit for 2013 and the continuing uncertainty surrounding the outlook for GDP growth in the global economy.
Furthermore, the recent sovereign debt crisis impacted the Group as it is perceived to be an Italian bank, although a significant part of its business is located in Countries other than Italy.

By contrast, the value in use takes account of mid- to long-term revenue prospects that are implicit in the financial projections used.

Part B - Consolidated Balance Sheet - Assets (CONTINUED)

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

The table below summarizes the percentage deviations of the basic assumptions (cost of capital, capital ratio, long-term growth rate and streams of income used for the estimation of cash flows) adopted for the different CGUs, needed to make the recoverable amount of the CGU equal to its book value:

	INCREASE OF THE DISCOUNT RATE AFTER TAX (KE)	INCREASE OF THE CORE TIER1 RATIO TARGET	DECREASE OF THE NOMINAL GROWTH RATE FOR THE CALCULATION OF TERMINAL VALUE	DECREASE OF ANNUAL EARNINGS
CGU	ABSOLUTE CHANGE	ABSOLUTE CHANGE	ABSOLUTE CHANGE	% CHANGE
Commercial Banking Italy	-[1]	-[1]	-[1]	-[1]
Commercial Banking Germany	3.4%	6.1%	-22.2%	-28.4%
Commercial Banking Austria	1.1%	2.3%	-3.7%	-13.3%
Poland[1]	2.1%	8.7%	-4.6%	-18.6%
CIB Global	2.4%	4.8%	-12.9%	-20.8%
Asset Gathering	8.7%	42.2%	-51.5%	-54.2%
Asset Management	4.1%	55.2%	-9.7%	-36.3%
Central Eastern Europe (CEE) excl. Ukraine	0.4%	1.1%	-1.1%	-4.7%

1. Recoverable amount is in line with the carrying value, thus no downward changes in the basic assumptions are possible.

The decrease in annual earnings may arise either from changes in the key macroeconomic assumptions underlying the financial projections (e.g. Euribor, GDP, etc.) or from business assumptions (e.g. cost of risk, operating costs, etc.) being different from those expected.

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

	1% INCREASE OF THE DISCOUNT RATE AFTER TAX (KE)	1% INCREASE OF CORE TIER 1 RATIO TARGET	1% DECREASE OF THE NOMINAL GROWTH RATE FOR THE CALCULATION OF TERMINAL VALUE	5% DECREASE OF ANNUAL EARNINGS
Change of Group value in use	-11.6%	-5.4%	-5.6%	-5.1%

The parameters and information used to verify the sustainability of goodwill (in particular the financial projections used) are significantly influenced by the macroeconomic environment and the market conditions. If the deterioration of the macroeconomic situation should continue in the coming years, the results of the next sustainability tests on goodwill could show a recoverable amount less than the carrying value and therefore highlight the need to perform a goodwill impairment.
The risk of a future impairment increases with respect to the CGU Commercial Banking in Italy, whose recoverable amount as at December 2012 was in line with the carrying value. Thus, negative changes in macroeconomic variables (i.e. EURIBOR less than expected) or business variables (i.e. Cost of risk higher than expected) underlying the financial projections could result in the need to carry out an impairment of goodwill allocated to the CGU.

Results of the impairment test
The impairment test confirmed the carrying value of goodwill in the consolidated financial statements as at December 31, 2012 for all CGUs and for the Group as a whole.

Also with regard to intangible assets other than goodwill, the impairment test at December 31, 2012 confirmed that their recoverable amount is higher than the amount recorded in the consolidated financial statements, taking into account the related deferred tax effect and the write-downs already recorded.

It should also be noted that the parameters and information used to verify the recoverability of goodwill (in particular the expected cash flows for the various CGUs, as well as the discount rates used) are significantly influenced by the macroeconomic and market situation, which may be subject to currently unpredictable shifts. The effect that these shifts - and changes in the corporate strategies - may have on the estimated cash flows of the different CGUs and on the main assumptions made could therefore lead, in the coming financial years, to different results from those reported in these consolidated financial statements.

It should be noted that the goodwill was also tested according to the organizational model in use until December 2012, with an outcome in line with the one resulting from the new organizational perimeter.

Section 14 - Tax assets and tax liabilities - Item 140 (assets) and 80 (liabilities)

As at December 2012, tax assets amounted to €17,609 million (€14,299 million as at end 2011) and refer to:
- current tax assets in the amount of €1,071 million (€1,677 million as at end 2011);
- deferred tax assets in the amount of €16,539 million (€12,622 million as at end 2011).

As at December 2012, tax liabilities amounted to €7,886 million (€6,184 million as at end 2011) and refer to:
- current tax liabilities in the amount of €3,259 million (€1,504 million as at end 2011);
- deferred tax liabilities in the amount of €4,627 million (€4,680 million as at end 2011).

14.1 Deferred tax assets: breakdown

(€ '000)

	AMOUNTS AS AT	
	12.31.2012	12.31.2011
Deferred tax assets related to:		
Assets/liabilities held for trading	485,532	487,583
Other financial instruments	5,499,075	2,012,214
Property, plant and equipment / intangible assets	2,478,551	2,801,610
Provisions	1,325,513	1,271,401
Other assets / liabilities	160,448	313,647
Loans and receivables with banks and customers	4,965,150	3,775,184
Tax losses carried forward	830,037	1,178,109
Other	794,610	782,632
Total	**16,538,916**	**12,622,380**

At December 31, 2012, in accordance with IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

14.2 Deferred tax liabilities: breakdown

(€ '000)

	AMOUNTS AS AT	
	12.31.2012	12.31.2011
Deffered tax liabilities related to:		
Loans and receivables with banks and customers	520,971	741,215
Assets / liabilities held for trading	232,286	292,659
Other financial instruments	1,583,913	1,385,638
Property, plant and equipment / intangible assets	1,203,548	1,229,947
Other assets / liabilities	433,292	271,986
Deposits from banks and customers	54,436	112,214
Other	598,518	646,354
Total	**4,626,964**	**4,680,013**

At December 31, 2012, in accordance with IFRS5, all liabilities of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD were recognized under item "Liabilities included in disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

Deferred tax assets were booked as balancing entries to current tax payable during the year. The item was also affected by the application of special legal provisions, resulting in:
- the payment of a 16% substitute tax, totaling €1,922 million, to realign the value of goodwill, trademarks and other intangible assets connected with controlling interests booked in the consolidated financial statements as per article 15(10) of law decree 185 of November 29, 2008 and article 23 of law decree 98 of December 29, 2011, calculated on a tax basis of €12 billion; the realignment resulted in the recognition of new deferred tax assets, totaling €3,304 million in corporate income tax (IRES), and €618.7 million in regional production tax (IRAP). The deferred tax will generate benefits in terms of lower current taxes over 10 installments starting from the year 2018;
- the mandatory conversion into tax credits, since the financial statements for 2011 showed a loss for the year, pursuant to article 2 (55-58) of law decree 225 of December 29, 2010, of prepaid taxes recorded in past years in relation to €588 million in impairment of loans and goodwill; as a result, reversals of the deferred tax assets due to be recognized in 2012 and in part of 2013 were canceled.

Part B - Consolidated Balance Sheet - Assets (CONTINUED)

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

(€ '000)

	CHANGES IN	
	2012	2011
1. Opening balance	**11,244,359**	**10,572,233**
2. Increases	**6,147,126**	**2,125,324**
2.1 Deferred tax assets arising during the year	6,061,148	1,898,594
a) relating to previous years	*27,291*	*422,637*
b) due to change in accounting policies	-	*39,265*
c) write-backs	*145,821*	*33,670*
d) other	*5,888,036*	*1,403,022*
2.2 New taxes or increases in tax rates	10,350	61,079
2.3 Other increases	75,628	165,651
3. Decreases	**1,719,298**	**1,491,557**
3.1 Deferred tax assets derecognized during the year	1,048,330	1,246,004
a) reversals of temporary differences	*938,941*	*1,025,919*
b) write-downs of non-recoverable items	*52,781*	*146,742*
c) change in accounting policies	-	-
d) other	*56,608*	*73,343*
3.2 Reduction in tax rates	3,871	7,398
3.3 Other decreases	667,097	238,155
a) conversion into tax credits under Law No. 214/2011	*588,386*	-
b) other	*78,711*	*238,155*
4. Final amount	**15,672,187**	**11,206,000**

Figures relating to December 31, 2011 were restated following the classification (IFRS5) - carried out in 2012 - as "discontinued operations" of the following companies:
- JSC ATF BANK;
- UNICREDIT BANK OJSC;
- ATF CAPITAL B.V.;
- ATF FINANCE JSC;
- ATF INKASSATSIYA LTD.

For this reason, also the balance of item "Final amount" as at December 31, 2011 differs from the balance of item "Opening balance" as at December 31, 2012.

14.3.1 Deferred tax assets (L. 214/2011): annual changes (balancing P&L)

(€ '000)

	CHANGES IN	
	2012	2011
1. Opening balance	**5,260,971**	**4,567,348**
2. Increases	**4,777,106**	**989,215**
3. Decreases	**593,456**	**295,592**
3.1 Reversal	5,070	295,592
3.2 Conversion into tax credits	588,386	-
a) due to loss positions arising from P&L	*588,386*	-
b) due to tax losses	-	-
3.3 Other decreases	-	-
4. Final amount	**9,444,621**	**5,260,971**

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

(€ '000)

	CHANGES IN	
	2012	2011
1. Opening balance	**3,871,986**	**3,884,533**
2. Increases	**379,059**	**779,821**
2.1 Deferred tax liabilities arising during the year	330,050	726,450
a) relating to previous years	*12,311*	*9,659*
b) due to change in accounting policies	-	-
c) other	*317,739*	*716,791*
2.2 New taxes or increases in tax rates	219	2,467
2.3 Other increases	48,790	50,904
3. Decreases	**698,905**	**770,245**
3.1 Deferred tax liabilities derecognized during the year	554,788	592,215
a) reversals of temporary differences	*419,233*	*298,512*
b) due to change in accounting policies	-	-
c) other	*135,555*	*293,703*
3.2 Reduction in tax rates	5,518	2,180
3.3 Other decreases	138,599	175,850
4. Final amount	**3,552,140**	**3,894,109**

Figures relating to December 31, 2011 were restated following the classification (IFRS5) - carried out in 2012 - as "discontinued operations" of the following companies:
- JSC ATF BANK;
- UNICREDIT BANK OJSC;
- ATF CAPITAL B.V.;
- ATF FINANCE JSC;
- ATF INKASSATSIYA LTD.

For this reason, also the balance of item "Final amount" as at December 31, 2011 differs from the balance of item "Opening balance" as at December 31, 2012.

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

(€ '000)

	CHANGES IN 2012	CHANGES IN 2011
1. Opening balance	**1,416,380**	**714,084**
2. Increases	**90,247**	**773,222**
2.1 Deferred tax assets arising during the year	87,680	621,072
a) relating to previous years	-	*520*
b) due to change in accounting policies	-	-
c) other	*87,680*	*620,552*
2.2 New taxes or increase in tax rates	266	151,278
2.3 Other increases	2,301	872
3. Decreases	**639,898**	**70,926**
3.1 Deferred tax assets derecognized during the year	634,334	52,436
a) reversals of temporary differences	*129,698*	*51,013*
b) write-downs of non-recoverable items	-	-
c) due to change in accounting policies	-	-
d) other	*504,636*	*1,423*
3.2 Reduction in tax rates	97	54
3.3 Other decreases	5,467	18,436
4. Final amount	**866,729**	**1,416,380**

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

(€ '000)

	CHANGES IN 2012	CHANGES IN 2011
1. Opening balance	**832,953**	**487,538**
2. Increases	**296,007**	**426,430**
2.1 Deferred tax liabilities arising during the year	286,226	255,684
a) relating to previous years	-	*237*
b) due to change in accounting policies	-	-
c) other	*286,226*	*255,447*
2.2 New taxes or increase in tax rates	3,379	9,570
2.3 Other increases	6,402	161,176
3. Decreases	**54,136**	**128,064**
3.1 Deferred tax liabilities derecognized during the year	49,113	64,367
a) reversal of temporary differences	*47,210*	*57,174*
b) due to change in accounting policies	-	-
c) Other	*1,903*	*7,193*
3.2 Reduction in tax rates	305	-
3.3 Other decreases	4,718	63,697
4. Final amount	**1,074,824**	**785,904**

Figures relating to December 31, 2011 were restated following the classification (IFRS5) - carried out in 2012 - as "discontinued operations" of the following companies:
- JSC ATF BANK;
- UNICREDIT BANK OJSC;
- ATF CAPITAL B.V.;
- ATF FINANCE JSC;
- ATF INKASSATSIYA LTD.

For this reason, also the balance of item "Final amount" as at December 31, 2011 differs from the balance of item "Opening balance" as at December 31, 2012.

14.7 Other information

In line with IAS 12, no deferred tax assets were recognized for tax losses brought forward where future taxable income, against which the losses could be used, is not considered likely. Tax losses not yet used, for which deferred tax assets have been recognized, amounted to €6,937 million for the Group, of which:
- €1,802 million relating to UniCredit S.p.A.'s international branches;
- €4,217 million relating to subsidiaries of the UniCredit Bank AG sub-group;
- €918 million relating to subsidiaries of the UniCredit Bank Austria AG sub-group.

The amount recognized relating to UniCredit S.p.A.'s international branches, relates to losses that may be offset for tax purposes only against future income produced by the branch in its country of establishment.

See Part C - Consolidated Income Statement, Section 20 - Tax expense (income) related to profit or loss from continuing operations - Item 290.

Part B - Consolidated Balance Sheet - Assets (Continued)

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

These items include non-current assets and the group of associated assets and liabilities (i.e. a group of units generating financial cash flow) whose sale is highly probable. They are recognized at the lesser of the carrying amount and fair value net of disposal costs.
Disclosures in the Balance Sheet as at December 31, 2012, compared to December 31, 2011, include the sale of IRFIS - Finanziaria per lo sviluppo della Sicilia S.p.A., of three buildings owned by HVB Gesellschaft für Gebäude mbH & Co. KG and of other two buildings owned by Omnia Grunstücks-GMBH & Co and Salvatorplatz-Grundstücksgesellschaft MBH respectively. At the same date, the following was recognized as discontinued operations: two buildings owned by UniCredit Bank Austria AG located in Schottengasse, Vienna, and Bank Pekao SA in Marynarska Street respectively; the land owned by Terreno Grundstücksverwaltung GMBH & CO. Entwicklungs-und Finanzierungsvermittlungs-KG; other property owned by Fondo Sigma, Ivona Beteiligungsverwaltung GMBH, and Mezzanin Finanzierungs AG; and EK Mittelstandsfinanzierungs AG, whose classification as discontinued operation resulted in the reclassification of its subsidiaries V.A. Holding GMBH, Anger Machining GMBH, Forstinger International GMBH, and Papcel AS.
Data as at December 31, 2012, with respect to the individual assets and liabilities held for sale, refer primarily to the Business Oil of the Italpetroli group and to property owned by UniCredit Bank Austria AG, UniCredit Bank AG, Joha Gebäude-Errichtungs-und Vermietungsgesellschaft MBH and Ivona Beteiligungsverwaltung GMBH, data relating to discontinued operations refer to JSC ATF BANK and its shareholdings (OJSC UniCredit Bank, ATF Capital BV, ATF and ATF Finance JSC Inkassatsiya LTD), which in view of the ongoing negotiations started along 2012, have met the requirements for classification in accordance with IFRS 5.

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

(€ '000)

	AMOUNTS AS AT	
	12.31.2012	12.31.2011
A. Individual assets		
A.1 Financial assets	26,791	38,206
A.2 Equity investments	26,765	1,328
A.3 Property, plant and equipment	334,066	277,582
A.4 Intangible assets	105	1,537
A.5 Other non-current assets	25,855	26,508
Total A	**413,582**	**345,161**
B. Assets groups classified as held for sale		
B.1 Financial assets held for trading	-	-
B.2 Financial assets at fair value through profit or loss	1,397	1,302
B.3 Available for sale financial assets	61,922	151,713
B.4 Held to maturity investments	-	-
B.5 Loans and receivables with banks	107,707	203,281
B.6 Loans and receivables with customers	2,947,679	3,607,206
B.7 Equity investments	-	-
B.8 Property, plant and equipment	95,158	105,283
B.9 Intangible assets	8,217	132,557
B.10 Other assets	331,891	264,580
Total B	**3,553,971**	**4,465,922**
Total A+B	**3,967,553**	**4,811,083**
C. Liabilities associated with assets classified as held for sale		
C.1 Deposits	7,462	207,902
C.2 Securities	-	-
C.3 Other liabilities	51,893	44,262
Total C	**59,355**	**252,164**
D. Liabilities included in disposal groups classified as held for sale		
D.1 Deposits from banks	158,274	223,975
D.2 Deposits from customers	2,681,118	3,091,013
D.3 Debt securities in issue	620,185	830,536
D.4 Financial liabilities held for trading	37	-
D.5 Financial liabilities at fair value through profit or loss	-	-
D.6 Provisions	-	-
D.7 Other liabilities	40,843	52,632
Total D	**3,500,457**	**4,198,156**
Total C+D	**3,559,812**	**4,450,320**

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

15.2 Other information
There is no significant information to be reported.

15.3 Details of investments in companies subject to significant influence not valued at net equity
There is no Equity interests in the associates included in *Non-current assets and disposal groups* in 2012.

Section 16 - Other assets - Item 160
At December 31, 2012 Other assets were €11,918 million, up by €1,825 million (+18%) over 2011 (€10,093 million).
This increase was mainly due to definitive items that could not be recognized in other items - up from €2,154 million at end 2011 to €3,729 million at end 2012 (+ €1,575 million, +73%).

16.1 Other assets: breakdown
(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
Margin with derivatives clearers (non-interest bearing)	39,594	57,416
Gold, silver and precious metals	48,238	126,743
Accrued income other capitalised income	613,409	451,379
Cash and other valuables held by cashier:	470,772	452,951
- current account cheques being settled, drawn on third parties	*452,444*	*429,285*
- current account cheques payable by group banks, cleared and in the process of being debited	*956*	*3,401*
- money orders, bank drafts and equivalent securities	*17,311*	*20,205*
- coupons, securities due on demand, revenue stamps and miscellaneous valuables	*61*	*60*
Interest and changes to be debited to:	120,982	159,887
- customers	*112,949*	*135,300*
- banks	*8,033*	*24,587*
Items in transit between branches not yet allocated to destination accounts	1,019,466	752,304
Items in processing	1,191,763	1,335,686
Items deemed definitive but not-attributable to other items:	3,728,924	2,153,581
- securities and coupons to be settled	*78,840*	*28,457*
- other transactions	*3,650,084*	*2,125,124*
Adjustments for unpaid bills and notes	68,066	295,237
Tax items other than those included in item 140	2,270,032	2,104,160
Other items	2,346,907	2,203,449
Total	**11,918,153**	**10,092,793**

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

In accordance with the requirements of the Technical note issued by the Bank of Italy on August 8, 2012 an analysis has been performed with the aim of identifying items whose cash flows depend on the occurrence or non-occurrence of uncertain future events over which the Bank has not complete control.

The analysis has revealed the presence of assets, whose amount is not relevant, that have not been derecognized from the financial statements in view of the fact that the bank has not waived its rights and might therefore be damaged by their derecognition if this resulted in the impairment of its ability to assert its rights in court. In any case, these assets are covered by adequate provisions for risks and charges.

Part B - Consolidated Balance Sheet - Liabilities

Liabilities

Section 1 - Deposits from banks - Item 10

Deposits from banks decreased from €131,583 million at end 2011 to 117,445 million at end 2012.

The decrease in deposits from banks (-€12,277 million or -13,14%) was mainly due to a reduction in loans (-€12,152 million), and in more detail:
- to a reduction in repos, which decreased from €31,444 million in 2011 to €21,379 million at December 31, 2012 (-€10,065 million);
- to a reduction in other loans, which decreased from €21,825 million in 2011 to €19,737 million in 2012 (-€2,087 million).

1.1 Deposits from banks: product breakdown

(€ '000)

	AMOUNTS AS AT	
TYPE OF TRANSACTIONS/VALUES	12.31.2012	12.31.2011
1. Deposits from Central Banks	**36,349,193**	**38,209,743**
2. Deposits from banks	**81,095,994**	**93,373,234**
2.1 Current accounts and demand deposits	15,811,170	12,780,322
2.2 Time deposits	17,465,991	20,118,987
2.3 Loans	41,116,364	53,268,613
2.3.1 repos	*21,378,960*	*31,443,921*
2.3.2 other	*19,737,404*	*21,824,692*
2.4 Liabilities in respect of commitments to repurchase treasury shares	-	-
2.5 Other liabilities	6,702,469	7,205,312
Total	**117,445,187**	**131,582,977**
Fair Value	**122,049,554**	**129,790,721**

At December 31, 2012, in accordance with IFRS5, all liabilities of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD were recognized under item "Liabilities included in disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

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

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

(€ '000)

	AMOUNTS AS AT	
	12.31.2012	12.31.2011
Deposits from banks: subordinated debts	78,585	146,532

1.3 Breakdown of item 10 "Deposits from banks": structured debts

There were no deposits from banks: structured debts.

1.4 Deposit from banks: liability items subjected to micro-hedging

(€ '000)

	AMOUNTS AS AT	
TYPE OF TRANSACTIONS/VALUES	12.31.2012	12.31.2011
1. Liability item subject to micro-hedging of fair value	**-**	**-**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Multiple risks	-	-
2. Liability items subject to micro-hedging of cash flows	**-**	**53,809**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	-	53,809
Total	**-**	**53,809**

1.5 Amounts payable under finance leases

There are no amounts payable to banks under finance leases.

Section 2 - Deposits from customers - Item 20

Deposits from customers amounted to €409,514 million (€395,288 million as at the end 2011) and increased by €14,225 million (or +3.6%).

2.1 Deposits from customers: product breakdown

(€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
1. Current accounts and demand deposits	240,475,968	220,900,934
2. Time deposits	106,590,604	109,975,999
3. Loans	50,886,549	51,374,997
3.1 repos	*41,035,071*	*39,023,129*
3.2 other	*9,851,478*	*12,351,868*
4. Liabilities in respect of commitments to repurchase treasury shares	648,900	605,369
5. Other liabilities	10,911,652	12,430,970
Total	**409,513,673**	**395,288,269**
Fair Value	**409,133,022**	**393,150,884**

At December 31, 2012, in accordance with IFRS5, all liabilities of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD were recognized under item "Liabilities included in disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

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

(€ '000)

	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
Deposits from customers: subordinated debts	428,534	453,110

2.3 Breakdown of item 20 "Deposits from customers": structured debts

(€ '000)

	AMOUNTS AS AT 12.31.2012 CARRYING VALUE	AMOUNTS AS AT 12.31.2011 CARRYING VALUE
Deposits from customers: structured debts	51,571	42,632

2.4 Deposits from customers: liability items subject to micro-hedging

(€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
1. Liability items subject to micro-hedging of fair value	**-**	**-**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	-	-
2. Liability item subject to micro-hedging of cash flows	**1,144**	**2,669**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	1,144	2,669
Total	**1,144**	**2,669**

2.5 Amounts payable under finance leases

(€ '000)

	AMOUNTS AS AT 12.31.2012 MINIMUM LEASE PAYMENTS	AMOUNTS AS AT 12.31.2012 PRESENT VALUE OF MINIMUM LEASE PAYMENTS
Amounts payable under finance leases		
Up to 12 months	38,261	28,012
From 1 to 5 years	199,326	182,926
Over 5 years	225,047	154,188
Total value of minimum lease payments	**462,634**	**365,126**
Time value effect	**(97,585)**	**X**
Present value of minimum payment obligation	**365,049**	**365,126**

Part B - Consolidated Balance Sheet - Liabilities (Continued)

Section 3 - Debt securities in issue - Item 30

At December 31, 2012 Debt securities in issue were €170,451 million, up by €8 billion (+5%) from 2011.

3.1 Debt securities in issue: product breakdown

(€ '000)

TYPE OF SECURITIES/VALUES	AMOUNTS AS AT 12.31.2012				AMOUNTS AS AT 12.31.2011			
	BALANCE SHEET VALUE	FAIR VALUE			BALANCE SHEET VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
A. Listed securities								
1. Bonds	145,409,232	53,090,622	94,995,036	1,514,882	148,301,161	22,156,945	116,551,341	1,303,206
1.1 structured	3,440,661	63,531	3,434,948	-	6,112,801	4,027	5,795,830	186,910
1.2 other	141,968,571	53,027,091	91,560,088	1,514,882	142,188,360	22,152,918	110,755,511	1,116,296
2. Other securities	25,041,963	1,473,079	2,993,996	20,665,418	13,858,557	559,483	3,363,469	9,758,898
2.1 structured	652,024	-	654,944	-	838,685	5,297	778,938	-
2.2 other	24,389,939	1,473,079	2,339,052	20,665,418	13,019,872	554,186	2,584,531	9,758,898
Total	**170,451,195**	**54,563,701**	**97,989,032**	**22,180,300**	**162,159,718**	**22,716,428**	**119,914,810**	**11,062,104**
Total Level 1, Level 2 and Level 3				**174,733,033**				**153,693,342**

In 2012 the Group issued mainly unstructured bonds, increasing Level 1 instruments.

At December 31, 2012, in accordance with IFRS5, all liabilities of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD were recognized under item "Liabilities included in disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

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

The sum of the sub-items 1.1 "Structured bonds" and 2.1 "Other structured securities" was equal to €4,093 million and accounted for 2% of total debt securities. They mainly refer to equity-linked and interest-rate linked instruments.

The fair value of derivatives embedded in structured securities, presented in Line 20 of Assets and Line 40 of Liabilities and included in Trading derivatives - Others, amounted to a net balance of €126 million negative.

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

(€ '000)

	AMOUNT AS AT	
	12.31.2012	12.31.2011
Debt securities in issue: subordinated securities	20,246,820	23,403,408

3.3 Breakdown of item 30 "Debt securities in issue": securities subject to micro-hedging

(€ '000)

TYPE OPERATIONS/VALUES	AMOUNT AS AT	
	12.31.2012	12.31.2011
1. Securities subject to micro-hedging of fair value	**351,146**	**773,761**
a) Interest rate risk	351,146	773,761
b) Currency risk	-	-
c) Multiple risks	-	-
2. Securities subject to micro-hedging of cash flows	**1,920,573**	**3,392,186**
a) Interest rate risk	1,920,573	3,392,186
b) Currency risk	-	-
c) Other	-	-
Total	**2,271,719**	**4,165,947**

Section 4 - Financial liabilities held for trading - Item 40

Financial liabilities held for trading, which amounted to €99,123 million as at December 31, 2012, decreased over 2011 (€111,386 million).

4.1 Financial liabilities held for trading: product breakdown

(€ '000)

TYPE OF OPERATIONS / GROUP COMPONENTS	AMOUNTS AS AT 12.31.2012					AMOUNTS AS AT 12.31.2011				
	NOMINAL VALUE	FAIR VALUE			FAIR VALUE (*)	NOMINAL VALUE	FAIR VALUE			FAIR VALUE (*)
		LEVEL 1	LEVEL 2	LEVEL 3			LEVEL 1	LEVEL 2	LEVEL 3	
A. Financial liabilities										
1. Deposits from banks	360,329	239,578	392,451	22,406	654,476	3,231	863,055	106,847	12,341	980,660
2. Deposits from customers	2,998,429	3,609,114	3,260,138	57,295	6,864,236	4,474,553	4,064,959	4,916,144	2,222	7,937,243
3. Debt securities	9,209,347	63,286	8,075,290	386,661	8,585,965	9,797,446	2,038	8,395,672	993,216	9,378,263
3.1 Bonds	7,627,813	63,286	6,621,021	354,149	7,099,183	7,013,109	-	6,504,711	749,229	7,241,278
3.1.1 Structured	*6,530,244*	-	*5,880,470*	*219,833*	X	*5,768,027*	-	*5,348,612*	*611,242*	X
3.1.2 Other	*1,097,569*	*63,286*	*740,551*	*134,316*	X	*1,245,082*	-	*1,156,099*	*137,987*	X
3.2 Other securities	1,581,534	-	1,454,269	32,512	1,486,782	2,784,337	2,038	1,890,961	243,987	2,136,985
3.2.1 Structured	*1,581,534*	-	*1,454,269*	*32,512*	X	*2,784,337*	*2,038*	*1,890,961*	*243,987*	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**12,568,105**	**3,911,978**	**11,727,879**	**466,362**	**16,104,677**	**14,275,230**	**4,930,052**	**13,418,663**	**1,007,779**	**18,296,166**
B. Derivatives instruments										
1. Financial derivatives	X	1,696,258	78,961,932	974,530	X	X	3,269,278	82,185,091	1,223,366	X
1.1 Trading	X	1,694,384	77,097,793	894,480	X	X	3,268,887	80,431,800	1,029,873	X
1.2 Related to fair value option	X	-	500,893	-	X	X	-	460,338	-	X
1.3 Other	X	1,874	1,363,246	80,050	X	X	391	1,292,953	193,493	X
2. Credit derivatives	X	228,933	1,047,642	107,679	X	X	639,936	2,633,138	2,078,464	X
2.1 Trading derivatives	X	228,933	1,039,328	106,808	X	X	639,936	2,615,250	2,027,527	X
2.2 Related to fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	8,314	871	X	X	-	17,888	50,937	X
Total B	**-**	**1,925,191**	**80,009,574**	**1,082,209**	**-**	**-**	**3,909,214**	**84,818,229**	**3,301,830**	**-**
Total A+B	**12,568,105**	**5,837,169**	**91,737,453**	**1,548,571**	**16,104,677**	**14,275,230**	**8,839,266**	**98,236,892**	**4,309,609**	**18,296,166**
Total Level 1, Level 2 and Level 3			**99,123,193**					**111,385,767**		

In order to bring the method of disclosure in the Balance Sheet of OTC Derivatives managed through central counterparties (CCP) into line with the accounting best practice and improve the presentation of the liquidity profile and counterparty risk connected with them, when (i) the clearing systems of CCP guarantee the elimination or reduce to immaterial the credit and liquidity risks of these contracts and (ii) the entity intends to settle these contracts on a net basis, the financial assets and liabilities under review were offset.

The effect as at December 31, 2012, already included in the net presentation of these transactions, totals €18,477,355.

The comparative balances of Balance Sheet as at December 31, 2011 related to Derivative instruments were reduced accordingly by €11,878,066 and €21,932 in sub-item "B.1.1 Trading financial derivatives" and in sub-item "B.2.1 Trading credit derivatives" respectively.

(*) Fair Value: calculated excluding value adjustments due to changes in credit rating of the issuer since the issue date.

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

"Deposits from banks" and "Deposits from customers" include technical overdrafts totaling €4,192 million as at 2012 and €5,468 million as at 2011, in respect of which no nominal amount was attributed.

4.2 Breakdown of item 40 "Financial liabilities held for trading": subordinanted liabilities

(€ '000)

	AMOUNTS AS AT	
	12.31.2012	12.31.2011
Financial liabilities held for trading: subordinated liabilities	418,475	655,088

At December 31, 2012 subordinated financial liabilities held for trading consist solely of debt securities.

4.3 Breakdown of item 40 "Financial liabilities held for trading": structured debts

(€ '000)

	AMOUNTS AS AT	
	12.31.2012 CARRYING VALUE	12.31.2011 CARRYING VALUE
Financial liabilities held for trading: structured debts	-	5,616

Part B - Consolidated Balance Sheet - Liabilities (Continued)

4.4 Financial liabilities (other than "short selling") held for trading: annaul changes

(€ '000)

	CHANGES IN 2012			
	DEPOSITS FROM BANKS	DEPOSITS FROM CUSTOMERS	DEBT SECURITIES IN ISSUE	TOTAL
A. Opening balance	**3,232**	**4,493,853**	**9,390,923**	**13,888,008**
B. Increases	**4,088,700**	**530,010,676**	**7,239,068**	**541,338,444**
B.1 Issues	-	80,197	1,853,877	1,934,074
B.2 Sales	4,088,634	529,848,505	2,394,427	536,331,566
B.3 Increases in fair value	19	37,717	2,217,916	2,255,652
B.4 Other changes	47	44,257	772,848	817,152
C. Decreases	**3,731,578**	**531,475,534**	**8,104,748**	**543,311,860**
C.1 Purchases	737	-	2,983,146	2,983,883
C.2 Redemptions	3,730,799	531,404,844	2,943,691	538,079,334
C.3 Reductions of fair value	15	22,076	1,039,712	1,061,803
C.4 Other changes	27	48,614	1,138,199	1,186,840
D. Closing balance	**360,354**	**3,028,995**	**8,525,243**	**11,914,592**

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

As at December 31, 2012 Financial liabilities at fair value through profit or loss amounted to €852 million, up €66 million compared with the previous year due to changes in market conditions/prices.

5.1 Financial liabilities at fair value through profit or loss: product breakdown

(€ '000)

TYPE OF OPERATIONS / GROUP COMPONENTS	AMOUNTS AS AT 12.31.2012					AMOUNTS AS AT 12.31.2011				
	NOMINAL VALUE	FAIR VALUE			FAIR VALUE*	NOMINAL VALUE	FAIR VALUE			FAIR VALUE*
		LEVEL 1	LEVEL 2	LEVEL 3			LEVEL 1	LEVEL 2	LEVEL 3	
1. Deposits from banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Structured	-	-	-	-	X	-	-	-	-	X
1.2 Other	-	-	-	-	X	-	-	-	-	X
2. Deposits from customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Structured	-	-	-	-	X	-	-	-	-	X
2.2 Other	-	-	-	-	X	-	-	-	-	X
3. Debt securities	**837,781**	**-**	**851,754**	**-**	**912,740**	**936,298**	**-**	**785,966**	**-**	**951,659**
3.1 Structured	837,781	-	851,754	-	X	936,298	-	785,966	-	X
3.2 Other	-	-	-	-	X	-	-	-	-	X
Total	**837,781**	**-**	**851,754**	**-**	**912,740**	**936,298**	**-**	**785,966**	**-**	**951,659**
Total Level 1, Level 2 and Level 3		851,754					785,966			

(*) Fair value: calculated excluding value adjustments due to changes in credit rating of the issuer since the issue date.
Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies - A.3 Information on fair value.

5.2 Breakdown of item 50 "Financial liabilities at fair value through profit or loss": subordinated liabilities

There were no subordinated liabilities.

5.3 Financial liabilities at fair value through profit or loss: annual changes

(€ '000)

	CHANGES IN 2012			
	DEPOSITS FROM BANKS	DEPOSITS FROM CUSTOMERS	DEBT SECURITIES IN ISSUE	TOTAL
A. Opening balance	**-**	**-**	**785,966**	**785,966**
B. Increases	**-**	**-**	**134,871**	**134,871**
B.1 Issues	-	-	-	-
B.2 Sales	-	-	-	-
B.3 Increases in fair value	-	-	134,620	134,620
B.4 Other changes	-	-	251	251
C. Decreases	**-**	**-**	**69,083**	**69,083**
C.1 Purchases	-	-	23,866	23,866
C.2 Redemptions	-	-	41,018	41,018
C.3 Reductions of fair value	-	-	2,066	2,066
C.4 Other changes	-	-	2,133	2,133
D. Closing balance	**-**	**-**	**851,754**	**851,754**

Section 6 - Hedging derivatives - Item 60

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

(€ '000)

	AMOUNTS AS AT 12.31.2012				AMOUNTS AS AT 12.31.2011			
	FAIR VALUE			NOTIONAL AMOUNT	FAIR VALUE			NOTIONAL AMOUNT
	LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3	
A. Financial derivatives	**345**	**14,493,769**	**44,480**	**139,960,373**	**700**	**11,906,380**	**-**	**101,443,125**
1) Fair value	345	10,814,233	44,480	121,663,718	700	7,254,930	-	86,316,474
2) Cash flows	-	3,679,536	-	18,296,655	-	4,651,450	-	15,126,651
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**931**	**-**	**221,000**	**-**	**-**	**-**	**363,000**
1) Fair value	-	931	-	221,000	-	-	-	363,000
2) Cash flows	-	-	-	-	-	-	-	-
Total	**345**	**14,494,700**	**44,480**	**140,181,373**	**700**	**11,906,380**	**-**	**101,806,125**
Total Level 1, Level 2 e Level 3			**14,539,525**				**11,907,080**	

In order to bring the method of disclosure in the Balance Sheet of OTC Derivatives managed through central counterparties (CCP) into line with the accounting best practice and improve the presentation of the liquidity profile and counterparty risk connected with them, when (i) the clearing systems of CCP guarantee the elimination or reduce to immaterial the credit and liquidity risks of these contracts and (ii) the entity intends to settle these contracts on a net basis, the financial assets and liabilities under review were offset.

The effect as at December 31, 2012, already included in the net presentation of these transactions, totals €1,795,710.

The comparative balances of Balance Sheet as at December 31, 2011 were reduced accordingly by €1,301,666 in sub-item "A.1 Financial derivatives - Fair value".

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies - A3 - Information on fair value.

6.2 Hedging derivatives: brekdown by hedged items and risk type

(€ '000)

	AMOUNTS AS AT 12.31.2012								
	FAIR VALUE						CASH FLOW		
	MICRO-HEGE								
TRANSACTIONS/HEDGE TYPES	INTEREST RATE RISK	CURRENCY RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISKS	MACRO-HEDGE	MICRO-HEDGE	MACRO-HEDGE	FOREIGN INVESTMENTS
1. Available-for-sale financial assets	531,692	-	-	-	-	X	-	X	X
2. Loans and receivables	12,128	-	931	X	-	X	-	X	X
3. Held to maturity investments	X	-	-	X	-	X	-	X	X
4. Portafoglio	X	X	X	X	X	8,110,893	X	1,042,760	X
5. Others	-	-	-	-	-	X	-	X	-
Total assets	**543,820**	**-**	**931**	**-**	**-**	**8,110,893**	**-**	**1,042,760**	**-**
1. Financial liabilities	166,808	-	-	X	16,123	X	3,921	X	X
2. Portfolio	X	X	X	X	X	2,021,414	X	2,632,855	X
Total liabilities	**166,808**	**-**	**-**	**-**	**16,123**	**2,021,414**	**3,921**	**2,632,855**	**-**
1. Highly probable transactions (CFH)	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

Net presentation of OTC derivatives managed through central counterparties (CCP) results in a reduction in balances as at December 31, 2012 of €1,795,710 compared with the gross-presentation model.

Part B - Consolidated Balance Sheet - Liabilities (Continued)

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

7.1 Changes to macro-hedged liabilities

(€ '000)

CHANGES TO MACRO-HEDGED FINANCIAL LIABILITIES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
1. Positive changes to financial liabilities	7,345,347	5,741,004
2. Negative changes to financial liabilities	(576,083)	(900,172)
Total	**6,769,264**	**4,840,832**

7.2 Liabilities subject to macro-hedging of interest rate risk: breakdown

(€ '000)

HEDGED LIABILITIES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
1. Deposits	294,678	311,922
2. Debt securities in issue	3,075,792	4,577,286
3. Portfolio	100,403,495	114,835,930
Total	**103,773,965**	**119,725,138**

Section 8 - Tax liabilities - Item 80

See Section 14 of Assets.

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

See Section 15 of Assets.

Section 10 - Other liabilities - Item 100

As at December 31, 2012, Other liabilities amounted to €20,952 million (€20,389 as at December 31, 2011).

10.1 Other liabilities: breakdown

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
Liabilities in respect of financial guarantees issued	37,951	17,234
Impairment: of financial guarantees issued, of credit derivatives, of irrevocable commitments to distribute funds	1,825,463	1,244,536
Obligations for irrevocable commitments to distribute funds	-	-
Accrued expenses other than those to be capitalized for the financial liabilities concerned	825,402	1,022,390
Share Based Payment classified as liabilities under IFRS 2	5,606	275
Other liabilities due to employees	2,627,997	2,795,512
Other liabilities due to other staff	14,792	13,947
Other liabilities due to Directors and Statutory Auditors	5,349	5,658
Interest and amounts to be credited to:	335,979	447,958
- customers	*284,871*	*388,655*
- banks	*51,108*	*59,303*
Items in transit between branches and not yet allocated to destination accounts	1,089,388	1,027,686
Available amounts to be paid to others	1,773,068	1,490,562
Items in processing	2,636,329	3,208,131
Entries related to securities transactions	223,838	440,046
Items deemed definitive but not attributable to other lines:	3,203,042	2,839,533
- accounts payable - suppliers	*1,127,586*	*1,092,567*
- provisions for tax withholding on accrued interest, bond coupon payments or dividends	*3,757*	*2,516*
- other entries	*2,071,699*	*1,744,450*
Liabilities for miscellaneous entries related to tax collection service	186	189
Adjustments for unpaid portfolio entries	504,593	4,100
Tax items different from those included in item 80	1,828,902	1,222,301
Other entries	4,013,920	4,608,761
Total	**20,951,805**	**20,388,819**

At December 31, 2012, in accordance with IFRS5, all liabilities of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD were recognized under item "Liabilities included in disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

The item "Impairment: of financial guarantees issued, of credit derivatives, of irrevocable commitments to distribute funds" includes €891 million (€714 million as at December 31, 2011) relating to the impairment of the guarantee issued in the context of the securitization transaction "Trevi Finance 3".
This commitment aims at guaranteeing the redemption of class C mezzanine securities issued by the vehicle company as part of the securitization.
This item also includes €239 million related to commitments regarding a project finance transaction in Germany.

These securities are zero-coupon bonds with a maturity value (August 16, 2016) of €1,012.8 million and a carrying value of €770 million in the vehicle company's financial statements as at December 31, 2012.

The liability recognized at the balance sheet date corresponds to the present value of the guarantee, discounted at the interest rate that reflects the specific risks connected with this liability.

Section 11 - Provision for employee severance pay- Item 110

The “TFR” provision for Italy-based employee benefits is to be construed as a “post-retirement defined benefit”. It is therefore recognised on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Part A2 - The Main Items of the Accounts).

11.1 Provision for employee severance pay: annual change

(€ ‘000)

	CHANGES IN	
	2012	2011
A. Opening balances	**1,089,409**	**1,201,833**
B. Increases	**56,700**	**64,740**
B.1 Provisions for the year	48,580	54,854
B.2 Other increases	8,120	9,886
C. Reductions	**105,100**	**177,164**
C.1 Severance payments	91,338	149,009
C.2 Other decreases	13,762	28,155
D. Closing balance	**1,041,009**	**1,089,409**

Section 12 - Provisions for risks and charges - Item 120

As at December 31, 2012, Provisions for risks and charges amounted to €8,014 million, a decrease of €482 million over end 2011 (€8,496 million).

The sub-item “1. Pensions and other post-retirement benefit obligations”, which essentially contains defined-benefit funds described in 12.3 below, amounted to €4,495 million at 31 December 2012, as against €4,509 million in 2011.

The sub-item “2. Other provisions for risks and charges”, which amounted to €3,519 million at end 2012, as against €3.987 million in 2011, contains:

- Legal disputes: provisions for legal disputes, cases in which the Group is a defendant and post-insolvency clawback petitions. See Part E - Section 4 “Operational Risk” - item B - “Legal risk” for further information concerning legal disputes;
- Staff expenses: sundry HR costs;
- Other: provisions for risks and charges not attributable to the above items. See the table 12.4 below for details.

12.1 Provisions for risk and charges: breakdown

(€ ‘000)

	AMOUNTS AS AT	
ITEM/COMPONENTS	12.31.2012	12.31.2011
1. Pensions and other post retirement benefit obligations	**4,495,222**	**4,509,105**
2. Other provisions for risk and charges	**3,519,211**	**3,987,064**
2.1 Legal disputes	1,324,347	1,496,203
2.2 Staff expenses	401,129	243,832
2.3 Other	1,793,735	2,247,029
Total	**8,014,433**	**8,496,169**

12.2 Provision for risk and charges: annual changes

(€ ‘000)

	CHANGES IN 2012	
ITEM/COMPONENTS	PENSION AND POST RETIREMENT BENEFIT OBLIGATIONS	OTHER PROVISIONS
A. Opening balance	**4,509,105**	**3,987,064**
B. Increases	**354,585**	**544,610**
B.1 Provisions for the year	124,026	387,861
B.2 Changes due to the passing time	219,263	33,306
B.3 Differences due to discount-rate changes	-	25,346
B.4 Other adjustment	11,296	98,097
C. Decreases	**368,468**	**1,012,463**
C.1 Use during the year	316,354	699,522
C.2 Differences due to discount-rate changes	-	3,505
C.3 Other decreases	52,114	309,436
D. Closing balance	**4,495,222**	**3,519,211**

Part B - Consolidated Balance Sheet - Liabilities (Continued)

12.3 Pensions and other post-retirement defined-benefit obligations

1. INTRODUCTION TO THE FUNDS
There are several defined-benefits plans within the Group, i.e., plans whose benefit is linked to salary and employee length of service both in Italy and abroad. The Austrian, German and Italian plans account for over 90% of the Group's pension obligations. Most of the Group's plans are not financed. The most notable exceptions, with respect to the defined-benefits plans in Germany, are the "Direct Pension Plan" (an external fund managed by independent trustees), the "HVB Trust Pensionfonds AG" and the Pensionskasse der "HypoVereinsbank WaG", all set up by UCB AG, and by UniCredit S.p.A. with respect to the UK defined-benefit plans. The Group's defined-benefit plans are mainly closed to new recruits (for example in Austria, Germany and Italy, where most new recruits join defined-contribution plans and the related contributions are charged to the income statement). The obligations arising from defined-benefit plans are determined using the "projected unit credit method". The assets of financed plans are valued at their fair value at the balance sheet date. The balance sheet is the result of the deficit or surplus (i.e., the difference between obligations and assets) net of unrecognized actuarial gains and losses. Actuarial gains and losses are recognized in the income statement on a pro rata temporis basis as from the financial year following the year end according to the residual working life of the beneficiaries and only for the portion in excess of the "corridor" (10%). The actuarial assumptions used to determine obligations vary from country to country and from plan to plan in accordance with IAS 19. The discount rate is determined, depending on the currency of denomination of the commitments and the maturity of the liability, on the basis of the market yields at the balance sheet date of a basket of "prime corporate bonds" (high quality corporate bonds). It should be noted that, in order to increase its representativeness on medium- and long-term maturities, the basket contains some "investment grade" bonds whose rating is lower than AA, for which an adjustment is made. In addition, statistical/econometric methods commonly used are applied to extrapolate the yields expressed by the basket of securities for maturities greater than 30 years. As of January 1, 2013, following the entry into force of the amendments to IAS 19 ('IAS 19R'), the elimination of the "corridor" method will result in an impact on the Group's net equity related to the recognition in the "revaluation reserves" of actuarial gains or losses not previously recognized in line with this "method". According to estimates, the overall impact for the Group at January 1, 2013 will result in a reduction in the equity revaluation reserves of approximately €1.2 billion, after tax and assuming the full taxability of these components (€1.7 billion before tax).

(€ '000)

2. CHANGES IN PROVISIONS	12.31.2012	12.31.2011
Opening net defined-benefit obligations	**4,466,044**	**4,472,296**
Service cost	95,518	102,812
Cost of defined-benefit plans relating to previous employment	(214)	-
Finance cost	215,131	211,647
Actuarial (gains) losses recognized in the year	27,108	25,946
(Gains) losses on curtailments	4,131	3,211
Benefit paid	(312,734)	(329,210)
Other increases	9,420	27,053
Other reductions	(52,090)	(47,711)
Closing net defined-benefit obligations	**4,452,314**	**4,466,044**

(€ '000)

3. CHANGES TO PLAN ASSETS AND OTHER INFORMATION	12.31.2012	12.31.2011
Current value of plan assets	**3,291,514**	**3,324,130**
Expected return	166,932	163,599
Actuarial gains (losses)	44,166	(106,608)
Contribution paid by employer	389,128	44,347
Benefit paid	(146,548)	(139,971)
Other increases	(38,626)	6,017
Other reductions	3,488	-
Closing current value of plan assets	**3,710,054**	**3,291,514**

(€ '000)

MAIN CATEGORIES OF PLAN ASSETS	12.31.2012	12.31.2011
1. Equities	437,597	254,264
2. Bonds	2,542,058	2,176,147
3. Properties	166,613	124,074
4. Other assets	563,786	737,029
Total	**3,710,054**	**3,291,514**

(€ '000)

4. RECONCILIATIONS OF PRESENT VALUES OF PROVISIONS TO PRESENT VALUE OF PLAN ASSETS AND TO ASSETS AND LIABILITIES RECOGNIZED IN THE BALANCE SHEET	12.31.2012	12.31.2011
Amount recognized in the Balance Sheet		
Present value of funded defined obligations	3,765,529	3,088,806
Present value of unfunded defined obligations	5,373,379	4,534,914
Present value of plan assets	(3,710,054)	(3,291,514)
Total	**5,428,854**	**4,332,206**
Unrecognized actuarial gains (losses)	(1,519,967)	(156,388)
IAS 19 (58) effect on current surplus value of plan assets	-	90,049
Net liability	**3,908,887**	**4,265,867**

The net liability disclosed in 2012 includes €543,427 thousand of plan asset surpluses recognized under the item of Assets "Other assets" (200,177 in 2011).

ACTUARIAL RETURN ON PLAN ASSETS	2012	2011
Expected return on plan assets	166,932	163,599
Actuarial gain (loss) on plan assets	44,166	(106,608)

The previous tables show the Group's potential liabilities related to Pensions and other post-retirement benefit obligations. According to IAS 19, also the Provision for employee severance pay provided by the Italian law, qualifying as a defined benefit plan, has been subject to actuarial valuation. A summary table of actual value of the Group's defined-benefit obligations and of the principal actuarial assumptions is given below.

5. PRINCIPAL ACTUARIAL ASSUMPTIONS	12.31.2012	12.31.2011
Discount rate	3.81%	5.10%
Expected return on plan assets (*)	5.21%	5.21%
Rate of increase in future compensation and vested rights (**)	2.84%	2.86%
Rate of increase in pension obligations	2.08%	2.09%
Expected inflation rate	2.02%	1.92%

(*) The rate related to the expected return is the one used for financial year 2012.
(**) Valid for the purposes of the "retirement provisions".

(€ '000)

6. COMPARATIVE DATA	12.31.2012	12.31.2011
Total defined-benefit obligations		
Present value of defined-benefit obligations	10,316,963	8,700,403
Plan assets	(3,710,054)	(3,291,514)
Plan (surplus)/deficit	**6,606,909**	**5,408,889**
Unrecognized actuarial gains (losses)	(1,657,013)	(143,662)
IAS 19 (58) effect on current surplus value of plan assets	-	90,049
Recognized provisions	**4,949,896**	**5,355,276**

12.4 Provisions for risks and charges - other provisions

(€ '000)

	AMOUNTS AS AT	
	12.31.2012	12.31.2011
2.3 Other provisions for risks and charges - other		
- Real estate risks and costs	266,936	287,357
- Restructuring costs	74,182	185,120
- Out-of-court settlements and legal costs	37,011	41,724
- Allowances payable to agents	130,158	126,213
- Disputes regarding financial instruments and derivatives	388,815	354,117
- Tax disputes	200,818	186,604
- Costs for liabilities arising from equity investment disposals	29,578	49,563
- Other	666,237	1,016,331
Total	**1,793,735**	**2,247,029**

The reduction in the residual sub-item "Other" at December 31, 2012 is mainly due to the recording as write-downs of charges relating to risks arising from contractual obligations previously recognized in this sub-item, following the actual disbursement and/or formalization of the irrevocable commitment to disburse funds related to contractual obligations previously entered into.

Part B - Consolidated Balance Sheet - Liabilities (Continued)

Section 13 - Insurance reserves - Item 130

13.1 Insurance provisions: breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2012			AMOUNTS AS AT 12.31.2011
	DIRECT BUSINESS	INDIRECT BUSINESS	TOTAL	TOTAL
A. Non-life business	**105,802**	**-**	**105,802**	**89,325**
A.1 Provision for unearned premiums	78,190	-	78,190	60,709
A.2 Provision for outstanding claims	26,836	-	26,836	28,139
A.3 Other provisions	776	-	776	477
B. Life business	**121,935**	**-**	**121,935**	**120,389**
B.1 Mathematical provisions	107,657	-	107,657	112,692
B.2 Provisions for amounts payable	2,563	-	2,563	2,899
B.3 Other insurance provisions	11,715	-	11,715	4,798
C. Insurance provisions when investment risk is borne bye the insured party	**-**	**-**	**-**	**-**
C.1 Provision for policies where the performance is connected to investment funds and market indices	-	-	-	-
C.2 Provision for pension funds	-	-	-	-
D. Total insurance provisions	**227,737**	**-**	**227,737**	**209,714**

13.2 Insurance reserves: annual changes

(€ '000)

	CHANGES IN 2012					
	NON-LIFE BUSINESS			LIFE BUSINESS		
	PROVISION FOR UNEARNED PREMIUMS	PROVISION FOR OUTSTANDING CLAIMS	OTHER PROVISIONS	MATHEMATICAL PROVISIONS	PROVISION FOR AMOUNTS PAYABLE	OTHER PROVISIONS
Insurance provisions - opening balance	**60,709**	**28,139**	**477**	**112,692**	**2,899**	**4,798**
a) increases	17,893	5,975	299	3,230	108	6,965
b) decreases	412	7,278	-	8,265	444	48
Insurance provisions - closing balance	**78,190**	**26,836**	**776**	**107,657**	**2,563**	**11,715**

Section 14 - Redeemable shares - Item 150

There are no amounts to be shown.

Section 15 - Group Shareholders' Equity- Items 140, 170, 180, 190, 200 and 220

At December 31, 2012 Group Shareholders' Equity, including profit for the period of €865 million, amounted to €62,784 million, as against €51,479 million at end 2011.
The following table shows the breakdown of Group Equity and the changes over the previous year:

Group capital: breakdown

(€ '000)

	AMOUNTS AS AT		CHANGES	
	12.31.2012	12.31.2011	AMOUNT	%
1. Share capital	19,647,949	12,148,463	7,499,486	61.7%
2. Share premium reserve	32,877,938	36,823,215	(3,945,277)	-10.7%
3. Reserves	10,001,793	15,564,529	(5,562,736)	-35.7%
4. Treasury shares	(5,049)	(7,337)	2,288	31.2%
a. Parent Company	(2,440)	(2,440)	-	0.0%
b. Subsidiaries	(2,609)	(4,897)	2,288	46.7%
5. Revaluation reserve	(603,441)	(3,843,089)	3,239,648	84.3%
6. Equity instruments	-	-	-	0.0%
7. Net profit (loss)	864,891	(9,206,448)	10,071,339	109.4%
Total	**62,784,081**	**51,479,333**	**11,304,748**	**22.0%**

This table includes the effects of the reclassification of positive reserves and the restatement of negative reserves carried out as part of the general review of the internal composition of the UniCredit S.p.A. Shareholders' Equity, as shown in detail in table 15.4 Reserves from allocation of profit from previous year: other information of this section.

The €11,305 million increase in Group Equity is the result of:

An increase in share capital as resolved by the extraordinary Shareholders' meeting on December 15, 2011.	7,499 million
A decrease in share premium reserve for coverage of the previous year loss, as resolved by the Shareholders' meeting on May 11, 2012.	(3,945) million
A decrease in reserves, including the change in Treasury shares due to:	
• the allocation of the reserve for coverage of the previous year loss;	(5,263) million
• the allocation of the reserve for capitalized costs, net of the sale of unexercised rights, following the capital increase resolved by the extraordinary Shareholders' meeting on December 15, 2011;	(140) million
• the decrease of the reserve for disbursement related to Cashes transaction ("canoni di usufrutto");	(46) milion
• the decrease of the reserve for the change in accounting policies followed by the Group to account for the fair value adjustments of Loans ex Capitalia that has been recognized in the context of the Business Combination;	(182 milion)
• the increase of the reserve for costs related to Share Based Payment;	67 milion
• other changes.	4 milion
A change in the revaluation reserve due to:	
• an increase in exchange-rate differences;	498 milion
• an increase in available-for-sale financial assets;	2,542 milion
• an increase in cash-flow hedge and in disposal groups classified as held for sale;	9 milion
• an increase in the reserve for the valuation of equity investments valued at equity method.	191 milion
Result of the period higher than in 2011.	10,071 milion

15.1 "Share capital" and "treasury shares" - breakdown

(€ '000)

	12.31.2012		12.31.2011	
	ISSUED SHARES	UNDERWRITTEN SHARES	ISSUED SHARES	UNDERWRITTEN SHARES
A. Share Capital				
A.1 ordinary shares	19,639,723	-	12,133,204	-
A.2 savings shares	8,226	-	15,259	-
Total A	**19,647,949**	**-**	**12,148,463**	**-**
B. Treasury Shares	**(5,049)**	**-**	**(7,337)**	**-**

In 2012 the Share Capital - which as at December 31, 2011 was represented by 1,927,425,171 ordinary shares and 2,423,898 savings shares, each with no par value - was subject to the changes described in detail in the chapter "Capital Strengthening" of the "Report on Operations".

More specifically, the Share Capital increased from €12,148,463 thousand at the end of 2011 to €19,647,949 thousand at the end of 2012, with an increase of €7,499,209 thousand and a free increase of €277 thousand, the latter carried out through a transfer from the Reserve for the Group medium-term incentive plans.

The above-mentioned increases resulted in the issue of 3,859,602,938 and 84,023 ordinary shares respectively, for a total amount of 3,859,686,961 ordinary shares.

Following the aforementioned increases, the Share Capital is represented by 5,787,112,132 ordinary shares and 2,423,898 savings shares.

At the end of 2012, the number of Treasury Shares outstanding was equal to 47,600 ordinary shares, unchanged over the end of 2011 since no transactions were conducted during the period under review.

Following the resolution of the ordinary Shareholders' Meeting of May 11, 2012, the loss for the year 2011 was written off through the use of Share premiums worth €3,945,277 thousand and Reserves worth €5,263,271 thousand, including the portion relating to donations.

Part B - Consolidated Balance Sheet - Liabilities (Continued)

15.2 Capital Stock - number of shares: annual changes

	CHANGES IN 2012	
ITEMS/TYPE	ORDINARY	OTHERS (SAVING)
A. Issued shares as at the beginning of the year	**1,927,425,171**	**2,423,898**
- Fully paid	1,927,425,171	2,423,898
- Not fully paid	-	-
A.1 Own shares (-)	(47,600)	-
A.2 Shares outstanding: opening balance	1,927,377,571	2,423,898
B. Increases	**3,859,686,961**	**-**
B.1 New issues	3,859,686,961	-
- against payment	3,859,602,938	-
- business combinations	-	-
- bonds converted	-	-
- warrants exercised	-	-
- other	*3,859,602,938*	-
- free	84,023	-
- to employees	*84,023*	-
- to directors	-	-
- other	-	-
B.2 Sales of treasury shares	-	-
B.3 Other changes	-	-
C. Decreases	**-**	**-**
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Business tranferred	-	-
C.4 Other changes	-	-
D. Shares outstanding: closing balance	**5,787,064,532**	**2,423,898**
D.1 Treasury Shares (+)	47,600	-
D.2 Shares outstanding as at the end of the year	5,787,112,132	2,423,898
- Fully paid	5,787,112,132	2,423,898
- Not fully paid	-	-

Ordinary shares include 96,756,406 shares over which UniCredit has a usufruct right. The provisions of the contract of usufruct related to the 96,756,406 shares (issued as part of the capital increase of January 2009) involve discretionary payments linked to the Euribor rate and conditional upon the payment of dividends on ordinary and/or savings shares. On these shares the voting right cannot be exercised.

15.3 Capital: other information

	12.31.2012	12.31.2011
Par value per share	-	-
Share reserved for issue on exercise of options	-	-
Agreed sales of shares	-	-

Pursuant to the resolution passed by the Extraordinary Shareholders' Meeting on December 15, 2011, ordinary and savings shares have no par value.

15.4 Reserves from allocation of profit from previous year: other information

(€ '000)

	AMOUNTS AS AT	
	12.31.2012	12.31.2011
Legal Reserve	1,517,514	1,517,514
Statutory Reserve	-	1,195,845
Other Reserves	8,518,138	12,753,491
Total	**10,035,652**	**15,466,850**

Sub-item "Other reserves" includes the effects of the reclassification of Equity reserves carried out as part of a general review of the internal composition of net equity as described in detail in paragraph "Review of internal composition of UniCredit S.p.A. Shareholders' Equity" of the report on operations.
More specifically, the changes in the reserves from allocation of profit from previous year with effects on data as at January 1, 2011 relate to the following items:

Positive reserves reclassified to reserves from allocation of profit from previous year amounting to €572.8 million, relating to:
- reserve from cancellation following the absorption of a subsidiary (UBM) relating to retained profits from previous years amounting to €560 million;
- other reserves amounting to €12.8 million.

Negative reserves, reclassified from reserves from allocation of profit from previous year to "Other reserves" (-€2,703 million):
- reserves from adoption of international accounting standards (FTA) amounting to -€2,097.8 million;
- reserve from disposal of Treasury Shares amounting to -€585.6 million;
- other reserves from allocation of profit from previous year amounting to -€19.6 million.

15.5 Other Information

Revaluation reserve: breakdown

(€ '000)

ITEM/TYPES	AMOUNTS AS AT 12.31.2012	12.31.2011
1. Available-for-sale financial assets	65,045	(2,477,269)
2. Property, plant and equipment	-	-
3. Intangible assets	-	-
4. Hedges of foreign investments	-	-
5. Cash-flow hedges	754,523	746,615
6. Exchange differences	(1,724,525)	(2,222,377)
7. Non-current assets classified as held for sale	(96)	(1,130)
8. Special revaluation laws	277,020	277,020
9. Revaluation reserves of investments valued at net equity	24,592	(165,948)
Total	**(603,441)**	**(3,843,089)**

As at December 31, 2012, in accordance with IFRS5, the assets of the following companies were recognized under item "Non-current assets and disposal groups classified as held for sale" as a result of their classification as "discontinued operations":
- JSC ATF BANK;
- UNICREDIT BANK OJSC;
- ATF CAPITAL B.V.;
- ATF FINANCE JSC;
- ATF INKASSATSIYA LTD.

The previous period was restated accordingly to increase comparability, pursuant to the regulations in force.

The FX currency reserves as at December 31, 2012 mainly refer to the following currencies:
- UAH (Ukraine): 562 million (negative);
- Turkish Lira: 502 million (negative);
- Ruble: 359 million (negative);
- Ron: 93 million (negative).

Item 6 "Exchange differences" also includes the negative portion related to the subsidiaries in Kazakhstan, which is covered by an adequate provision for risks and charges. For more details see the specific section.

Section 16 - Minorities - Item 210

The table below shows a breakdown of minorities as at December 31, 2012.

Minority interests: breakdown

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2012	12.31.2011
1) Share Capital	413,254	467,312
2) Share premium reserve	1,771,562	1,768,101
3) Reserves	1,085,147	918,935
4) Treasury shares	(206)	(623)
5) Revaluation reserves	41,601	(200,246)
6) Equity instruments	-	-
7) Profit (loss) for the year - Minority interests	357,641	364,766
Total	**3,668,999**	**3,318,245**

16.1 Capital instruments: breakdown and annual changes

There are no equity instruments.

Part B - Consolidated Balance Sheet - Liabilities (Continued)

Other information

1. Guarantees given and commitments

(€ '000)

TRANSACTIONS	AMOUNTS AS AT 12.31.2012	12.31.2011
1) Financial guarantees given to	**19,393,243**	**16,590,948**
a) Banks	2,596,019	2,381,340
b) Customers	16,797,224	14,209,608
2) Commercial guarantees given to	**48,460,965**	**48,974,773**
a) Banks	5,667,499	6,080,862
b) Customers	42,793,466	42,893,911
3) Other irrevocable commitments to disburse funds	**88,446,364**	**87,444,743**
a) Banks:	2,156,455	5,307,765
i) usage certain	*317,553*	*567,212*
ii) usage uncertain	*1,838,902*	*4,740,553*
b) Customers:	86,289,909	82,136,978
i) usage certain	*16,533,700*	*10,292,460*
ii) usage uncertain	*69,756,209*	*71,844,518*
4) Underlying obligations for credit derivatives: sales of protection	**-**	**671,460**
5) Assets used to guarantee others' obligations	**249,339**	**230,955**
6) Other commitments	**17,484,138**	**34,809,491**
Total	**174,034,049**	**188,722,370**

Sub-item "Underlying obligations for credit derivatives: sales of protection" amounts to zero as a result of the expiry and/or the disposal, by the Austrian subsidiary, of certain transactions similar to financial guarantees.

2. Assets used to guarantee own liabilities and commitments

(€ '000)

PORTFOLIOS	AMOUNTS AS AT 12.31.2012	12.31.2011
1. Financial assets held for trading	14,596,512	18,302,986
2. Financial assets designated at fair value	10,963,132	15,999,733
3. Financial assets available for sale	29,831,562	39,689,297
4. Financial assets held to maturity	4,242,429	5,665,934
5. Loans and receivables with banks	1,827,327	1,152,279
6. Loans and receivables with customers	64,638,259	48,964,481
7. Property, plant and equipment	75,918	59,950

Deposits from banks include €34,002 million related to Central Banks' refinancing operations collateralized by securities nominal worth €59,851 million. Of these, the securities not recognized on balance-sheet - since they represent repurchased or retained Group's financial liabilities - amount to nominal €50,737 million.

In addition to assets used to guarantee own liabilities and commitments shown in the table above, the table below summarizes all financial assets pledged as collateral (encumbrance) of own business activity at year end.

(€ '000)

ASSETS BREAKDOWN	AMOUNTS AS AT 12.31.2012
Assets used to guarantee own liabilities and commodities	126,099,221
Assets underlying repurchased Italian Covered Bonds (Obbligazioni Bancarie Garantite)	23,173,023
Assets underlying Foreign Covered Bonds (Pfandbriefe)	35,096,189
Assets sold not derecognized (traditional securitizations)	10,135,698
Assets underlying reverse repo used to guarantee repo	21,775,594
Total on-balance sheet assets pledged as collateral (encumbered)	**216,279,725**

Security borrowing transactions collateralized by securities or not collateralized

(€ '000)

LENDER BREAKDOWN	AMOUNTS AS AT 12.31.2012 - AMOUNTS OF THE SECURITIES BORROWED / TRANSACTION PURPOSE: GIVEN AS COLLATERAL IN OWN FUNDING TRANSACTIONS	SOLD	SOLD IN REPO TRANSACTIONS	OTHER PURPOSES
A. Banks	288,184	1,027,696	9,998,839	1,161,790
B. Financial companies	-	103,720	1,570,210	281,221
C. Insurance companies	-	116,679	111,448	131,358
D. Non-financial companies	-	9,011	353,222	98,235
E. Others	219,782	797	2,373,203	19
Total	**507,966**	**1,257,903**	**14,406,922**	**1,672,623**

3. Operating leases

(€ '000)

	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
Lesee information		
Operating leases		
Future minimum non-cancellable lease payments:		
- up to twelve months	168,467	172,408
- from one to five years	350,665	356,211
- over five years	151,190	280,157
Total amounts	**670,322**	**808,776**
Future minimum non-cancellable lease payments (to be received)		
Total payments	2,565	4,541
Lessor information		
Operating leases		
Future minimum non-cancellable lease payments (to be received):		
- up to twelve months	79,539	62,903
- from one to five years	328,366	299,172
- over five years	211,961	236,432
Total amounts	**619,866**	**598,507**

4. Breakdown of investments relating to unit-linked and index-linked policies

There were no transactions concerning unit-linked and index-linked policies.

5. Asset management and trading on behalf of others

(€ '000)

TYPE OF SERVICES	12.31.2012
1. Management and trading on behalf of third parties	**824,764,680**
a) Purchases	433,678,011
1. settled	*432,611,757*
2. unsettled	*1,066,254*
b) Sales	391,086,669
1. settled	*390,084,312*
2. unsettled	*1,002,357*
2. Segregated accounts	**209,380,938**
a) Individual	80,032,576
b) Collective	129,348,362
3. Custody and administration of securities	**585,722,812**
a) Third party securities on deposits: relating to depositary bank activities (excluding segregated accounts)	7,292,493
1. securities issued by companies included in consolidation	*10,953*
2. other securities	*7,281,540*
b) Third party securities held in deposits (excluding segregated accounts): other	288,504,105
1. securities issued by companies included in consolidation	*49,230,039*
2. other securities	*239,274,066*
c) Third party securities deposited with third parties	211,475,814
d) Property securities deposited with third parties	78,450,400
4. Other	**15,432,575**

Part C - Consolidated Income Statement

Part C - Consolidated Income Statement

Section 1 - Interest income and expense - Items 10 and 20

In 2012, interest income and similar revenues were €28,220 million, a slight increase over the previous year.
More specifically, "Interest income from financial assets denominated in currency", which was 32% of item 10 (29% in 2011) in 2012, increased by €740 million from €8,304 million in 2011 to €9,044 million in 2012.

In the following table, the columns "Debt Securities" and "Loans" include interest income from impaired assets, other than income recognized under "Write-backs", amounting to €15 million and €1,153 million respectively.

1.1 Interest income and similar revenues: breakdown

(€ '000)

ITEMS/TYPE	2012 DEBT SECURITIES	2012 LOANS	2012 OTHER TRANSACTIONS	2012 TOTAL	2011 TOTAL
1. Financial assets held for trading	464,926	46,118	105,412	616,456	942,065
2. Financial assets at fair value through	543,489	55,149	-	598,638	773,408
3. Available-for-sale financial assets	2,327,059	674	-	2,327,733	2,015,227
4. Held-to-maturity investments	353,231	-	-	353,231	372,488
5. Loans and receivables with banks	211,576	640,787	-	852,363	1,024,761
6. Loans and receivables with customers	589,985	20,992,920	-	21,582,905	22,444,376
7. Hedging derivatives	X	X	1,667,053	1,667,053	1,479,956
8. Other assets	X	X	221,552	221,552	233,716
Total	**4,490,266**	**21,735,648**	**1,994,017**	**28,219,931**	**29,285,997**

1.2 and 1.5 Interest income/expense and similar revenues/charges: hedging differentials

(€ '000)

ITEMS	2012	2011
A. Positive differentials relating to hedging operations	10,807,720	9,244,430
B. Negative differentials relating to hedging operations	(9,140,667)	(7,764,474)
C. Net differential	**1,667,053**	**1,479,956**

For the sake of comparability, the table 1.2 "Interest income and similar revenues" also includes the figures of the table 1.5 "Interest expense and similar costs".

1.3 Interest income and similar revenues: other information

1.3.1 Interest income from financial assets denominated in currency

(€ '000)

ITEMS	2012	2011
a) Assets denominated in currency	9,043,808	8,304,234

1.3.2 Interest income from finance leases

(€ '000)

ITEMS	2012	2011
a) Financial transactions: contingent rents recognised as income in the period	706,637	655,168

In 2012, Interest expense and similar charges were €14,343 million, a slight increase (363 million) over the previous year.
More specifically, "Interest expense on liabilities denominated in currency" were 27% of item 20 in 2012, an increase over the previous year.

1.4 Interest expense and similar charges: breakdown

(€ '000)

ITEMS/TYPE	2012 DEBTS	2012 SECURITIES	2012 OTHER TRANSACTIONS	2012 TOTAL	2011 TOTAL
1. Deposits from Central Banks	(327,264)	X	-	(327,264)	(210,840)
2. Deposits from banks	(1,126,407)	X	-	(1,126,407)	(1,408,276)
3. Deposits from customers	(5,465,335)	X	-	(5,465,335)	(4,971,092)
4. Debt securities in issue	X	(6,233,651)	-	(6,233,651)	(6,001,993)
5. Financial liabilities held for trading	(25,061)	(211,827)	(533,083)	(769,971)	(960,354)
6. Financial liabilities at fair value through profit or loss	-	(12,002)	-	(12,002)	(23,351)
7. Other liabilities and funds	X	X	(408,227)	(408,227)	(403,563)
8. Hedging derivatives	X	X	-	-	-
TOTAL	**(6,944,067)**	**(6,457,480)**	**(941,310)**	**(14,342,857)**	**(13,979,469)**

1.5 Interest expense and similar charges: hedging differentials

For the sake of comparability, information on hedging differentials is provided in Table 1.2.

1.6 Interest expense and similar charges: other information

1.6.1 Interest expense on liabilities denominated in currency

(€ '000)

ITEMS	2012	2011
a) Liabilities denominated in currency	(3,831,028)	(3,105,447)

1.6.2 Interest expense on finance leases

(€ '000)

ITEMS	2012	2011
a) Financial leasing transaction: contingent rents recognised as expense in the period	(76,731)	(61,605)

With respect to both Interest income and Interest expense (tables 1.1, 1.3.1 and 1.4, 1.6.1) it should be noted that the 2011 figures differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.), which as at December 31, 2012, in accordance with IFRS5, were shown under item "310. Profit (loss) after tax from discontinued operations".

With specific reference to interest income (table 1.1), it should be noted that comparative figures as at December 31, 2011 differ from those disclosed in the "2011 Consolidated Reports and Accounts" also as a result of the reclassification, carried out by three Group companies in the first half of 2012, of reversals connected with the passing of time from item "10. Interest income and similar revenues" to item "130. Impairment losses on loans".

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

In 2012 Fee and commission income totaled €9,417 million, a slight decrease over the previous year (€9,793 million).

2.1 Fee and commission income: breakdown

(€ '000)

TYPE OF SERVICES/VALUES	2012	2011
a) guarantees given	**591,985**	**623,998**
b) credit derivatives	**84**	**4,767**
c) management, brokerage and consultancy services	**3,717,902**	**4,058,384**
1. securities trading	326,471	379,511
2. currency trading	205,986	223,786
3. portfolio management	1,527,416	1,587,521
3.1 individual	*209,365*	*256,730*
3.2 collective	*1,318,051*	*1,330,791*
4. custody and administration of securities	166,723	209,678
5. custodian bank	41,302	59,730
6. placement of securities	457,867	466,406
7. reception and transmission of orders	128,020	128,683
8. advisory services	75,329	111,971
8.1 related to investments	*30,512*	*54,969*
8.2 related to financial structure	*44,817*	*57,002*
9. distribution of third party services	788,788	891,098
9.1 portfolio management	219,122	209,512
9.1.1 individual	*2,402*	*3,499*
9.1.2 collective	*216,720*	*206,013*
9.2. insurance products	508,609	620,235
9.3. other products	61,057	61,351
d) collection and payment services	**1,989,898**	**1,822,054**
e) securitization servicing	**66,052**	**68,411**
f) factoring	**96,984**	**92,016**
g) tax collection services	**-**	**-**
h) management of multilateral trading facilities	**-**	**-**
i) management of current accounts	**1,762,311**	**1,668,628**
j) other services	**1,191,469**	**1,454,491**
Total	**9,416,685**	**9,792,749**

Item "j) other services" mainly comprises:
- fees on loans granted: €731 million in 2012, €915 million in 2011 (-20%);
- fees for foreign transactions and services of €87 million in 2012, €105 million in 2011 (-16%);
- fees for various services provided to customers (e.g. treasury, merchant banking, etc.) of €130 million in 2012, €160 million in 2011 (-19%);
- fees for ATM and credit card services not included in collection and payment services, amounting to €100 million in 2012, €83 million in 2011 (+21%).

Part C - Consolidated Income Statement (CONTINUED)

Fee and Commission Expense was €1,673 million, a decrease over 2011 (€1,745 million).

2.2 Fee and commission expense: breakdown

(€ '000)

TYPE OF SERVICES/VALUES	2012	2011
a) guarantees received	**(111,491)**	**(133,295)**
b) credit derivatives	**(17,632)**	**(96,778)**
c) management, brokerage and consultancy services	**(768,814)**	**(779,807)**
1. trading financial instruments	(93,516)	(85,282)
2. currency trading	(16,306)	(20,054)
3. portfolio management	(147,003)	(168,190)
3.1 own portfolio	*(110,186)*	*(121,640)*
3.2 third party portfolio	*(36,817)*	*(46,550)*
4. custody and administration of securities	(161,744)	(186,627)
5. placement of financial instruments	(89,384)	(85,588)
6. off-site distribution of financial instruments, products and services	(260,861)	(234,066)
d) collection and payment services	**(551,838)**	**(500,998)**
e) other services	**(223,172)**	**(234,100)**
Total	(1,672,947)	(1,744,978)

With respect to both Fee and commission income and Fee and commission expense it should be noted that the 2011 figures differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of:

- the reclassification under item 80. "Gains and losses on financial assets and liabilities held for trading" of the margins embedded in the sale price of some trading products, traded by some Group entities, previously recorded under item 40. "Fee and commission income" and item 50. "Fee and commission expense";
- the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.), which as at December 31, 2012, in accordance with IFRS5, were shown under item 310. "Profit (loss) after tax from discontinued operations".

Section 3 - Dividend income and similar revenue - Item 70

In 2012 Dividend income, which is recognized in the accounts in the year in which their distribution is approved, totaled €94 million, or €226 million if Income from units in investment funds is also considered, as against €741 million in 2011.

3.1 Dividend income and similar revenue: breakdown

(€ '000)

	2012		2011	
ITEMS/REVENUES	DIVIDENDS	INCOME FROM UNITS IN INVESTMENT FUNDS	DIVIDENDS	INCOME FROM UNITS IN INVESTMENT FUNDS
A. Financial assets held for trading	10,862	12,682	496,308	18,323
B. Available for sale financial assets	71,892	117,596	73,601	141,880
C. Financial assets at fair value thought profit or loss	22	1,623	27	515
D. Investments	11,646	X	10,223	X
Total	**94,422**	**131,901**	**580,159**	**160,718**
Total Dividends and Income from units in investment funds		**226,323**		**740,877**

It should be noted that the 2011 figures differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.), which as at December 31, 2012, in accordance with IFRS5, were shown under item 310. "Profit (loss) after tax from discontinued operations".

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

2012 Trading income, comprising income from the sale and valuation of trading assets and liabilities, trading gains (losses) on derivatives and exchange differences, was €1,328 million - an increase from the 2011 figure of €419 million.

This table summarizes trading income for 2012 and 2011 with y/y changes.

Gains and losses on financial assets and liabilities held for trading

(€ million)

TRANSACTIONS/P&L ITEMS	2012	2011	CHANGE
Financial assets held for trading	1,435	(1,251)	2,686
Financial liabilities held for trading	(1,274)	571	-1,845
Financial assets and liabilities in currency: exchange differences	362	518	-156
Financial and credit derivatives	805	581	224
Total	**1,328**	**419**	**909**

It should be noted that the 2011 figures differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of:

- the reclassification under item 80. "Gains and losses on financial assets and liabilities held for trading" of the margins embedded in the sale price of some trading products, traded by some Group entities, previously recorded under item 40. "Fee and commission income" and item 50. "Fee and commission expense";
- the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.), which as at December 31, 2012, in accordance with IFRS5, were shown under item 310. "Profit (loss) after tax from discontinued operations".

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

(€ '000)

	2012				
TRANSACTIONS/P&L ITEMS	UNREALIZED PROFITS	REALIZED PROFITS	UNREALIZED LOSSES	REALIZED LOSSES	NET PROFIT
1. Financial assets held for trading	**1,452,247**	**2,873,773**	**(706,808)**	**(2,184,184)**	**1,435,028**
1.1 Debt securities	735,032	1,148,628	(403,787)	(667,101)	812,772
1.2 Equity instruments	644,811	1,137,090	(251,937)	(944,465)	585,499
1.3 Units in investment funds	53,450	128,509	(25,644)	(59,060)	97,255
1.4 Loans	10,724	19,140	(4,550)	(5,592)	19,722
1.5 Other	8,230	440,406	(20,890)	(507,966)	(80,220)
2. Financial liabilities held for trading	**873,023**	**1,064,049**	**(2,539,045)**	**(671,929)**	**(1,273,902)**
2.1 Debt securities	826,391	904,411	(2,134,961)	(327,615)	(731,774)
2.2 Deposits	-	-	-	-	-
2.3 Other	46,632	159,638	(404,084)	(344,314)	(542,128)
3. Other financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**361,500**
4. Derivatives	**105,509,040**	**115,251,399**	**(105,728,557)**	**(114,523,818)**	**805,195**
4.1 Financial derivatives:	105,018,119	110,103,417	(105,386,892)	(109,263,997)	767,778
- on debt securities and interest rates	*104,709,233*	*105,737,631*	*(104,597,752)*	*(105,855,124)*	*(6,012)*
- on equity securities and share indices	*277,284*	*4,204,331*	*(712,751)*	*(3,311,660)*	*457,204*
- on currency and gold	*X*	*X*	*X*	*X*	*297,131*
- other	*31,602*	*161,455*	*(76,389)*	*(97,213)*	*19,455*
4.2 Credit derivatives	490,921	5,147,982	(341,665)	(5,259,821)	37,417
Total	**107,834,310**	**119,189,221**	**(108,974,410)**	**(117,379,931)**	**1,327,821**

Part C - Consolidated Income Statement (Continued)

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

In 2012 the item Fair value adjustments in hedge accounting amounted to -€133.7 million (+€105.8 million in 2011), which was the result of €20,418 million gains and €20,551 million losses.

5.1 Fair value adjustments in hedge accounting: breakdown

(€ '000)

P&L COMPONENT/VALUES	2012	2011
A. Gains on:		
A.1 Fair value hedging instruments	17,432,242	19,827,540
A.2 Hedged asset items (in fair value hedge relationship)	2,912,434	1,859,015
A.3 Hedged liability items (in fair value hedge relationship)	56,808	395,337
A.4 Cash-flow hedging derivatives	14,521	10,123
A.5 Assets and liabilities denominated in currency	1,637	40
Total gains on hedging activities	**20,417,642**	**22,092,055**
B. Losses on:		
B.1 Fair value hedging instruments	(16,421,323)	(18,212,857)
B.2 Hedged asset items (in fair value hedge relationship)	(1,677,365)	(1,366,270)
B.3 Hedged liability items (in fair value hedge relationship)	(2,433,062)	(2,395,562)
B.4 Cash-flow hedging derivatives	(18,875)	(9,098)
B.5 Assets and liabilities denominated in currency	(717)	(2,471)
Total losses on hedging activities	**(20,551,342)**	**(21,986,258)**
C. Net hedging result	**(133,700)**	**105,797**

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

In 2012 the disposal/repurchase of financial assets/liabilities generated net gains in the amount of €1.592 million (€315 million in 2011).

2012 net result recognized under *3. Available for sale financial assets - 3.1 Debt securities* is equal to €170 million and mainly refers to gains on disposal of Polish Government securities of €67 million and Italian Government securities of €49 million.

2012 net result recognized under *3. Available for sale financial assets - 3.2 Equity instruments* is €287 million and includes the gains from disposals mainly due to:
- London Stock Exchange, €109 million;
- Private equity, €90 million (o/w €75 million referred to Alliance Boots);
- OJSC Micex - RTS, €75 million.

Net result on Held-to-maturity investments amounts to €30 million and is mainly related to the gains from the selling of government securities (+€36 million).

The net result on repurchase of financial liabilities (€1,063 million) refers to the repurchase of debt securities, mainly relating to the tender offer concerning hybrid capital instruments launched in the first quarter of 2012, as to €881 million, and to the extinction of other liabilities as to €182 million (of which €99 million relating to the tender offer concerning ABS issued by some Group's SPV following some securitization transactions regarding assets sold but not derecognized).

2011 net result recognized under 3. Available for sale financial assets - 3.1 Debt securities included Polish Government securities of €18 million.

In FY 2011 *3. Available for sale financial assets - 3.2 Equity instruments* totaled €255 million, mainly due to OJSC Micex Stock Exchange (€80 million), Cassa di Compensazione e Garanzia SpA (€54 million), B&C earn out (€45 million), Private Equity (€26 million), DHAB I S.A. (€12 million), Net Insurance SpA (€6 million), Colony Sardegna S.a.r.l. (€3 million).

6.1 Gains and losses on disposals/repurchases: breakdown

(€ '000)

ITEMS/P&L ITEMS	2012 GAINS	2012 LOSSES	2012 NET PROFIT	2011 GAINS	2011 LOSSES	2011 NET PROFIT
Financial assets						
1. Loans and receivables with banks	14,990	(4,047)	10,943	11,872	(4,146)	7,726
2. Loans and receivables with customers	130,020	(107,211)	22,809	51,647	(81,293)	(29,646)
3. Available-for-sale financial assets	628,741	(164,577)	464,164	376,137	(71,769)	304,368
3.1 Debt securities	324,355	(154,537)	169,818	95,240	(53,286)	41,954
3.2 Equity instruments	288,357	(1,399)	286,958	272,460	(17,516)	254,944
3.3 Units in Investment funds	15,952	(3,291)	12,661	8,188	(919)	7,269
3.4 Loans	77	(5,350)	(5,273)	249	(48)	201
4. Held-to-maturity investments	40,937	(10,470)	30,467	971	(4,252)	(3,281)
Total assets	814,688	(286,305)	528,383	440,627	(161,460)	279,167
Financial liabilities						
1. Deposits with banks	77,173	(2,601)	74,572	28	(5)	23
2. Deposits with customers	112,888	(4,912)	107,976	3,352	-	3,352
3. Debt securities in issue	906,624	(25,907)	880,717	40,399	(7,535)	32,864
Total liabilities	1,096,685	(33,420)	1,063,265	43,779	(7,540)	36,239
Total financial assets and liabilities			1,591,648			315,406

It should be noted that the 2011 figures differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.), which as at December 31, 2012, in accordance with IFRS5, were shown under item 310. "Profit (loss) after tax from discontinued operations".

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

Gains and losses on financial assets/liabilities at fair value comprise net gains arising from the valuation of financial assets and liabilities recognized in the accounts, as well as credit and financial derivatives economically associated with them and already recognized under Financial assets/liabilities held for trading (Sub-Items: *"1. Financial derivatives - 1.1 Associated with the fair value option" and "2. Credit derivatives - 2.1 Associated with the fair value option").*

At end 2012 this item showed a profit of €33 million (€24 million profit in 2011).

This table summarizes the net result of assets and liabilities valued at fair value for 2012 and 2011, with y/y changes.

Gains and losses in financial assets and liabilities at fair value through profit or loss: breakdown

(€ million)

TRANSACTIONS/P&L ITEMS	2012	2011	CHANGE
Financial assets	119	334	-215
Financial liabilities	(137)	114	-251
Financial assets and liabilities in currency: exchange differences	-	-	-
Financial and credit derivatives	51	(424)	475
Total	33	24	9

7.1 Net change in financial assets and liabilities at fair value through profit or loss: breakdown

(€ '000)

TRANSACTIONS/P&L ITEMS	2012 UNREALIZED PROFITS	2012 REALIZED PROFITS	2012 UNREALIZED LOSSES	2012 REALIZED LOSSES	2012 NET PROFIT
1. Financial assets	271,485	262,191	(313,221)	(101,616)	118,839
1.1 Debt securities	223,734	166,851	(207,111)	(89,498)	93,976
1.2 Equity securities	-	-	(126)	-	(126)
1.3 Units in investment funds	8,763	3,820	(379)	(358)	11,846
1.4 Loans	38,988	91,520	(105,605)	(11,760)	13,143
2. Financial liabilities	-	10,960	(147,225)	(1,138)	(137,403)
2.1 Debt securities	-	10,960	(147,225)	(1,138)	(137,403)
2.2 Deposits from banks	-	-	-	-	-
2.3 Deposits from customers	-	-	-	-	-
3. Financial assets and liabilities in foreign currency: exchange differences	X	X	X	X	-
4. Credit and financial derivatives	175,583	40,378	(141,801)	(22,694)	51,466
Total	447,068	313,529	(602,247)	(125,448)	32,902

Part C - Consolidated Income Statement (Continued)

Section 8 - Impairment losses - Item 130

2012 loan loss provisions were €8,996 million, an increase over the previous year (€5,574 million).

8.1 Impairment losses on loans and receivables: breakdown

(€ '000)

TRANSACTIONS/ P&L ITEMS	2012								2011 TOTAL
	WRITE-DOWNS			WRITE-BACKS					
	SPECIFIC			SPECIFIC		PORTFOLIO			
	WRITE-OFFS	OTHER	PORTFOLIO	INTEREST	OTHER	INTEREST	OTHER	TOTAL	
A. Loans and receivables with banks	**(4,288)**	**(18,409)**	**(2,093)**	**15**	**13,664**	**-**	**3,440**	**(7,671)**	**89,706**
- Loans	(4,288)	(18,409)	(1,095)	15	13,388	-	3,440	(6,949)	96,722
- Debt securities	-	-	(998)	-	276	-	-	(722)	(7,016)
B. Loans and receivables with customers	**(1,715,922)**	**(10,038,933)**	**(1,048,588)**	**557,824**	**2,553,676**	**1,400**	**701,739**	**(8,988,804)**	**(5,664,084)**
Impared related to purchase agreements	**(8,999)**	**(49,744)**	**-**	**8,546**	**8,784**	**-**	**-**	**(41,413)**	**(3,274)**
- Loans	(8,999)	(49,744)	X	8,546	6,838	X	X	(43,359)	(3,274)
- Debt securities	-	-	X	-	1,946	X	X	1,946	-
Other loans	**(1,706,923)**	**(9,989,189)**	**(1,048,588)**	**549,278**	**2,544,892**	**1,400**	**701,739**	**(8,947,391)**	**(5,660,810)**
- Loans	(1,704,035)	(9,975,231)	(1,014,146)	549,278	2,534,458	1,400	700,879	(8,907,397)	(5,609,915)
- Debt securities	(2,888)	(13,958)	(34,442)	-	10,434	-	860	(39,994)	(50,895)
C. Total	**(1,720,210)**	**(10,057,342)**	**(1,050,681)**	**557,839**	**2,567,340**	**1,400**	**705,179**	**(8,996,475)**	**(5,574,378)**

The columns "Write-backs: interest" disclose any increase in the presumed recovery value of impaired positions arising from interest accrued in the year on the basis of the original effective interest rate used to calculate write-downs.

Sub-item B. Loans and receivables with customers - Impared related to purchase includes write-downs and write-backs related to impaired loans acquired as part of disposals other than business combinations.

8.2 Impairment losses on available for sale financial assets: breakdown

(€ '000)

TRANSACTIONS/P&L ITEMS	2012					2011 TOTAL
	WRITE-DOWNS		WRITE-BACKS			
	SPECIFIC		SPECIFIC			
	WRITE-OFFS	OTHER	WRITE-OFFS	OTHER	TOTAL	
A. Debt securities	-	(12,961)	3,436	10,258	733	(264,261)
B. Equity instruments	(12,961)	(128,093)	X	X	(141,054)	(137,298)
C. Units in investment funds	(5,137)	(19,405)	X	6,697	(17,845)	(70,263)
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. Total	**(18,098)**	**(160,459)**	**3,436**	**16,955**	**(158,166)**	**(471,822)**

2012 impairment losses on AfS securities (equity instruments) are €158 million, mainly due to: Private equity (-€39 million), B+C Bauverwaltung Genußschein e PORR AG Vozugsaktien (-€31 million), Union Verwaltungs und Treuhand-Gesellshaft mit Beschrankter Haftung (-€10 million), Wustenrot & Wurttembergische AG (-€8 million), FSL Holdings PTE. LTD (-€6 million), Compagnia Investimenti e Sviluppo C.I.S.SpA (-€5 million).
2012 impairment losses on shares in UCITS are -€18 million, largely due to private equity funds.
2011 impairment losses on AfS securities (equity instruments) were -€137 million, mainly due to: Risanamento SpA (-€23 million), Deutsche Schiffsbank AG (-€20 million), Comital SpA (-€13 million), RCG Holdings LLC (-€9 million), MPC Munchmeyer Petersen Capital AG (-€7 million), Seves Holding SpA (-€5 million), Aedes SpA (-€3 million), Gabetti Property Solutions SpA (-€3 million), Cowen Group Inc. (-€3 million).
2011 impairment losses on AfS securities (debt securities) were €264 million, mainly due to the write-downs of Greek Government securities (-€247 million).

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

(€ '000)

TRANSACTIONS/P&L ITEMS	2012 WRITE-DOWNS SPECIFIC WRITE-OFFS	2012 WRITE-DOWNS SPECIFIC OTHER	2012 WRITE-DOWNS PORTFOLIO	2012 WRITE-BACKS SPECIFIC INTEREST	2012 WRITE-BACKS SPECIFIC OTHER	2012 WRITE-BACKS PORTFOLIO INTEREST	2012 WRITE-BACKS PORTFOLIO OTHER	2012 TOTAL	2011 TOTAL
A. Debt securities	(14,319)	(2,110)	-	-	599	-	-	(15,830)	(152,373)
B. Loans to banks	-	-	-	-	-	-	-	-	-
C. Loans to customers	-	-	-	-	-	-	-	-	-
D. Total	**(14,319)**	**(2,110)**	**-**	**-**	**599**	**-**	**-**	**(15,830)**	**(152,373)**

The columns "Write-backs: interest" disclose any increase in the presumed recovery value arising from interest accrued in the year on the basis of the original effective interest rate used to calculate write-downs.

8.4 Impairment losses on other financial transactions: breakdown

(€ '000)

TRANSACTIONS/P&L ITEMS	2012 WRITE-DOWNS SPECIFIC WRITE-OFFS	2012 WRITE-DOWNS SPECIFIC OTHER	2012 WRITE-DOWNS PORTFOLIO	2012 WRITE-BACKS SPECIFIC INTEREST	2012 WRITE-BACKS SPECIFIC OTHER	2012 WRITE-BACKS PORTFOLIO INTEREST	2012 WRITE-BACKS PORTFOLIO OTHER	2012 TOTAL	2011 TOTAL
A. Guarantees given	-	(208,257)	(279,054)	-	161,717	-	30,974	(294,620)	(150,449)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	(306,143)	(2,365)	-	2,933	-	2,207	(303,368)	1,277
D. Other transactions	-	(2,994)	(1,340)	-	3,482	-	1,729	877	(3,854)
E. Total	**-**	**(517,394)**	**(282,759)**	**-**	**168,132**	**-**	**34,910**	**(597,111)**	**(153,026)**

The columns "Write-backs: interest" disclose any increase in the presumed recovery value arising from interest accrued in the year on the basis of the original effective interest rate used to calculate write-downs.

With reference to tables 8.1, 8.2 e 8.4, it should be noted that the 2011 figures differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.), which as at December 31, 2012, in accordance with IFRS5, were shown under item "310. Profit (loss) after tax from discontinued operations".

In addition, with reference to table 8.1, it should be noted that comparative figures as at December 31, 2011 differ from those disclosed in the "2011 Consolidated Reports and Accounts" also as a result of the reclassification, carried out by three Group companies in the first half of 2012, of reversals connected with the passing of time from item "10. Interest income and similar revenues" to item "130. Impairment losses on loans".

Section 9 - Premiums earned (net) - Item 150

2012 Net premium earned on insurance business, including that of both life and general insurers was €161 million as against €126 million in 2011 - a change of €36 million (+28% over 2011).

9.1 Premium earned (net) - breakdown

(€ '000)

PREMIUMS COMING FROM INSURANCE BUSINESS	2012 DIRECT BUSINESS	2012 INDIRECT BUSINESS	2012 TOTAL	2011 TOTAL
A. Life business				
A.1 Gross premiums written (+)	34,469	-	34,469	28,328
A.2 Reinsurance premiums paid (-)	(3,487)	X	(3,487)	(4,927)
A.3 Total	**30,982**	**-**	**30,982**	**23,401**
B. Non-life business				
B.1 Gross premiums written (+)	195,277	-	195,277	151,379
B.2 Reinsurance premiums paid (-)	(49,402)	X	(49,402)	(37,635)
B.3 Change in gross value of premium reserve (+/-)	(21,941)	-	(21,941)	(22,673)
B.4 Change in provision for unearned premiums ceded to reinsurers (-/+)	6,399	-	6,399	11,216
B.5 Total	**130,333**	**-**	**130,333**	**102,287**
C. Total net premiums	**161,315**	**-**	**161,315**	**125,688**

Part C - Consolidated Income Statement (Continued)

Section 10 - Other income (net) from insurance activities - Item 160

2012 Other income (net) from insurance business mainly comprised claims paid of €124 million and showed a loss of €126 million (-€99 million in 2011).

10.1 Other income (net) from insurance business: breakdown

(€ '000)

ITEMS	2012	2011
1. Net change in insurance provisions	3,665	(10,641)
2. Claims paid pertaining to the year	(123,965)	(101,552)
3. Other income and expense from insurance business	(5,439)	13,379
Total	**(125,739)**	**(98,814)**

10.2 Net change in insurance provisions: breakdown

(€ '000)

ITEMS	2012	2011
1. Life business		
A. Actuarial provisions	**6,179**	**(10,226)**
A.1 Gross amount for the year	6,179	-
A.2 (-) Amount attributable to reinsurers	-	(10,226)
B. Other insurance provisions	**(2,514)**	**(415)**
B.1 Gross amount for the year	-	(415)
B.2 (-) Amount attributable to reinsurers	(2,514)	-
C. Insurance reserves when investments risk is born by the insured party	**-**	**-**
C.1 Gross amount for the year	-	-
C.2 (-) Amount attributable to reinsurers	-	-
Total "Life business provisions"	**3,665**	**(10,641)**
2. Non-life business		
Change in provisions for non-life business other than claim provisions, net of amounts ceded to reinsurers	-	-

10.3 Claims settled during the year: breakdown

(€ '000)

CLAIMS EXPENSE	2012	2011
Life business: expense relating to claims, net of reinsures portions		
A. Amounts paid out	**(21,041)**	**(17,383)**
A.1 Gross annual amount	(22,466)	(17,978)
A.2 (-) Amount attributable to reinsurers	1,425	595
B. Change in provisions for amounts payable	**(430)**	**(594)**
B.1 Gross annual amount	(1,090)	(830)
B.2 (-) Amount attributable to reinsurers	660	236
Total life business claims	**(21,471)**	**(17,977)**
Non-life business: expense relating to claims, net of amounts recovered from reinsures		
C. Claims paid	**(97,258)**	**(81,035)**
C.1 Gross annual amount	(113,841)	(93,177)
C.2 (-) Amount attributable to reinsurers	16,583	12,142
D. Change in recoveries net of reinsurers' portion	**-**	**-**
E. Change in claims reserve	**(5,236)**	**(2,540)**
E.1 Gross annual amount	(4,700)	(9,999)
E.2 (-) Amount attributable to reinsurers	(536)	7,459
Total non-life business claims	**(102,494)**	**(83,575)**
Total claims of the year	**(123,965)**	**(101,552)**

10.4 Other income and expense from insurance activities: breakdown

(€ '000)

	2012		
	OTHER INCOMES	OTHER EXPENSES	TOTAL
10.4.1 Life business	-	(2,518)	(2,518)
10.4.2 Property business	655	(3,576)	(2,921)
Total	**655**	**(6,094)**	**(5,439)**

Net result of the insurance business

The Net result of the insurance business, i.e. the result of two companies of the Koç sub-group (Yapı Kredi Sigorta AS and Yapı Kredi Emeklilik AS) and of one company of the Hvb sub-group (Grand Central Re Limited) includes items 150 - "Premiums earned (net)" and 160 - "Other income (net) from insurance activities" and was €36 million as against €27 million in 2011.

Net result of the insurance business (€ '000)

ITEMS	2012	2011
Item 150 - Premiums earned (net)	161,315	125,688
Item 160 - Other income (net) from insurance activities	(125,739)	(98,814)
Total	**35,576**	**26,874**

Section 11 - Administrative costs - Item 180

2012 Administrative costs were €14,631 million, down 2.5% over 2011 (€15,014 million).
Specifically:

- **payroll expense** was €9,138 million, down €264 million over 2011;
- **other administrative costs** were €5,494 million, down 119 million over 2011.

11.1 Payroll: breakdown

(€ '000)

TYPE OF EXPENSES/SECTORS	2012	2011
1) Employees	**(9,023,194)**	**(9,273,436)**
a) wages and salaries	(6,167,990)	(6,342,797)
b) social charges	(1,354,543)	(1,403,033)
c) severance pay	(140,793)	(182,483)
d) social security costs	-	-
e) allocation to employee severance pay provision	(52,939)	(59,856)
f) provision for retirements and similar provisions:	(345,125)	(345,515)
- defined contribution	*(3,451)*	*(1,899)*
- defined benefit	*(341,674)*	*(343,616)*
g) payments to external pension funds:	(266,540)	(240,195)
- defined contribution	*(262,389)*	*(236,744)*
- defined benefit	*(4,151)*	*(3,451)*
h) costs related to share-based payments	(74,828)	(56,881)
i) other employee benefits	(642,444)	(659,154)
l) recovery payments seconded employees	22,008	16,478
2) Other staff	**(98,970)**	**(110,053)**
3) Directors and Statutory Auditors	**(15,653)**	**(18,192)**
4) Early retirement costs	**-**	**-**
Total	**(9,137,817)**	**(9,401,681)**

See Table 11.3 for details of sub-item f) provision for retirement payments and similar provisions - defined benefit.

See Table 11.4 for details of sub-item i) other employee benefits.

See Part I for details of sub-item h) costs related to share-based payments.

It should be noted that the 2011 figures differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.), which as at December 31, 2012, in accordance with IFRS5, were shown under item 310. "Profit (loss) after tax from discontinued operations".

11.2 Average number of employees by category

	2012	2011
Employees:	**160,851**	**163,915**
a) Senior managers	2,195	2,340
b) Managers	37,899	39,488
c) Remaining employees staff	120,757	122,087
Other Staff	**4,087**	**3,549**
Total	**164,938**	**167,464**

Part C - Consolidated Income Statement (Continued)

Employees by category at year end

	AMOUNTS AS AT	
	12.31.2012	12.31.2011
Employees:	**158,819**	**162,885**
a) Senior managers	2,080	2,310
b) Managers	36,787	39,012
c) Remaining employees staff	119,951	121,563
Other Staff	**4,045**	**4,129**
Total	**162,864**	**167,014**

11.3 Defined benefit company pension funds: total cost

(€ '000)

	2012	2011
Current service cost	(95,518)	(102,812)
Interest cost	(337,092)	(337,099)
Expected return on plan assets	121,961	125,452
Net actuarial gain/loss recognized in year	(27,108)	(25,946)
Past service cost	214	-
Gains/losses on curtailments and settlements	(4,131)	(3,211)
Total	**(341,674)**	**(343,616)**

11.4 Other employee benefits

(€ '000)

	2012	2011
- Seniority premiums	(92,283)	(53,872)
- Leaving incentives	(244,976)	(268,313)
- Other	(305,185)	(336,969)
Total	**(642,444)**	**(659,154)**

11.5 Other administrative expenses: breakdown

(€ '000)

TYPE OF EXPENSES/SECTORS	2012	2011
1) Indirect taxes and duties	**(609,436)**	**(626,431)**
1a. Settled	(605,979)	(624,141)
1b. Unsettled	(3,457)	(2,290)
2) Miscellaneous costs and expenses	**(4,884,232)**	**(4,986,217)**
a) advertising marketing and comunication	**(382,141)**	**(434,423)**
b) expenses related to credit risk	**(292,480)**	**(268,792)**
c) expenses related to personnel	**(278,936)**	**(334,103)**
d) Information & Communication Technology expenses	**(1,164,567)**	**(1,117,582)**
Lease of ICT equipment and software	(206,241)	(211,429)
Software expenses: lease and maintenance	(345,743)	(304,005)
ICT communication systems	(165,203)	(163,487)
ICT services: external personnel/outsourced services	(294,108)	(294,410)
Financial information providers	(153,272)	(144,251)
e) consulting and professionals services	**(467,191)**	**(518,306)**
Consulting	(313,989)	(349,309)
Legal expenses	(153,202)	(168,997)
f) real estate expenses	**(1,250,525)**	**(1,274,632)**
Premises rentals	(735,940)	(759,750)
Utilities	(218,677)	(207,799)
Other real estate expenses	(295,908)	(307,083)
g) operative costs	**(1,048,392)**	**(1,038,379)**
Surveillance and security services	(68,474)	(71,113)
Money counting services and transport	(92,541)	(93,454)
Insurance	(88,859)	(85,648)
Postage and transport of documents	(147,990)	(163,836)
Printing and stationery	(78,702)	(88,572)
Administrative and logistic services	(267,918)	(222,586)
Association dues and fees	(234,129)	(219,019)
Other administrative expences - Other	(69,779)	(94,151)
Total (1+2)	**(5,493,668)**	**(5,612,648)**

Expenses related to personnel include the expenses that, in compliance with IAS 19, do not represent remuneration of the working activity of an employee.

Starting from the First Half Financial Report as at June 30, 2012 the method of disclosure of the breakdown of "other administrative expenses" was reviewed. The data of the comparable period, too, were restated accordingly. In addition, it should be noted that the 2011 figures differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.), which as at December 31, 2012, in accordance with IFRS5, were shown under item 310. "Profit (loss) after tax from discontinued operations".

Pursuant to article 2427, first paragraph of the Italian Civil Code, the fees paid to the auditing firm KPMG S.p.A. by UniCredit S.p.A and the Italian entities of the UniCredit group relating to FY 2012 were as follows:

- Legal audit of annual accounts (including the audit of the first half financial report): €5,924 thousand;
- Other checks: €1,322 thousand;
- Tax advisory: 0 (zero);
- Other non-audit services: €332 thousand.

The above amounts are net of VAT and expenses and do not include the audit fees for the annual statements of the investment funds.

Section 12 - Net provisions for risks and charges - Item 190

lIn 2012 Net provisions for risks and charges, which amounted to -€203 million (-€740 million in 2011), were due to expected charges deriving from post-insolvency clawback petitions, claims for damages, litigation and disputes of other nature. This item is updated according to litigation undergoing and its expected outcome.

In particular, in 2012 provisions (-€911 million) were 26% lower than in 2011 (€-1,229 million), while the reallocation amounted to €708 million, as against €488 million in 2011.

12.1 Net provisions for risks and charges: breakdown

(€ '000)

ASSETS/P&L ITEMS	2012 PROVISIONS	2012 REALLOCATION SURPLUS	2012 TOTAL	2011 TOTAL
1. Other provisions				
1.1 legal disputes	(395,202)	151,239	(243,963)	(375,200)
1.2 staff costs	(127)	42	(85)	(562)
1.3 other	(515,939)	556,498	40,559	(364,467)
Total	**(911,268)**	**707,779**	**(203,489)**	**(740,229)**

Net provisions in sub-item "1.3 other" as at December 31, 2012 were positive also due to the re-allocation of a provision previously made for risks connected with contractual obligations (€413 million), against the recognition, during the period, of related write-downs under item 130, following the actual disbursement and/or formalization of the irrevocable commitment to disburse the funds related to contractual obligations previously assumed.

Provisions in sub-item "1.3 other", amounting to €516 million, include, inter alia, €122 million relating to the exchange rate loss on the equity of the Kazakh subsidiary, which will be actually incurred during the completion of the transaction.

Section 13 - Impairments/write-backs on property, plant and equipment - Item 200

In 2012 Impairment/write-backs on property, plant and equipment amounted to -€791 million (as against -€883 million in 2011). This amount includes €6,655 thousand impairment losses on tangible assets held for sale. A breakdown of the remaining €784 million is provided in the table below:

13.1 Impairment on property, plant and equipment: breakdown

(€ '000)

ASSETS/P&L ITEMS	2012 DEPRECIATION	2012 IMPAIRMENT LOSSES	2012 WRITE-BACKS	2012 NET PROFIT
A. Property, plant and equipment				
A.1 Owned	**(755,715)**	**(68,494)**	**56,818**	**(767,391)**
- used in the business	(684,852)	(29,736)	40,361	(674,227)
- held for investment	(70,863)	(38,758)	16,457	(93,164)
A.2 Finance lease	**(7,416)**	**(9,047)**	**-**	**(16,463)**
- used in the business	(6,219)	(9,047)	-	(15,266)
- held for investment	(1,197)	-	-	(1,197)
Total	**(763,131)**	**(77,541)**	**56,818**	**(783,854)**

Part C - Consolidated Income Statement (Continued)

Section 14 - Impairments/write backs on intangible assets - Item 210

14.1 Impairment on intangible assets: breakdown

(€ '000)

ASSETS/P&L ITEMS	2012 AMORTISATION	2012 IMPAIRMENT LOSSES	2012 WRITE-BACKS	2012 NET PROFIT
A. Intangible assets				
A.1 Owned	**(603,690)**	**(9,417)**	**11**	**(613,096)**
- generated internally by the company	(147,970)	-	-	(147,970)
- other	(455,720)	(9,417)	11	(465,126)
A.2 Finance leases	**(5,889)**	**-**	**-**	**(5,889)**
Total	**(609,579)**	**(9,417)**	**11**	**(618,985)**

Section 15 - Other net operating income - Item 220

Other net operating income is a residual item comprising sundry gains and expenses not attributable to other income statement items.

Other operating net income: breakdown

(€ '000)

P&L ITEMS/VALUE	2012	2011
Total other operating expense	(769,048)	(721,182)
Total other operating revenues	1,574,834	1,515,536
Other operating net income	**805,786**	**794,354**

15.1 Other operating expense: breakdown

(€ '000)

TYPE OF EXPENSE/VALUE	2012	2011
Costs for operating leases	(4,480)	(4,289)
Non-deductible tax and other fiscal charges	(5,776)	(3,972)
Write-downs on leasehold improvements	(63,838)	(62,418)
Costs related to the specific service of financial leasing	(145,689)	(128,098)
Other	(549,265)	(522,405)
Total other operating expense	**(769,048)**	**(721,182)**

The sub-item *Other* includes:
- various settlements and indemnities of €98 million, €97 million in 2011;
- additional costs for the leasing business of €49 million, €62 million in 2011;
- non-banking business costs €42 million, €36 million in 2011;
- charges relating to Group property of €6 million, €8 million in 2011;
- various payments relating to prior years of €7 million, €27 million in 2011;
- additional costs relating to customer accounts of €21 million, €24 million in 2011;
- new bank levy of €127 million, €135 million in 2011.

15.2 Other operating revenues: breakdown

(€ '000)

TYPE OF REVENUE/VALUES	2012	2011
A) Recovery of costs	**581,521**	**525,033**
B) Other revenues	**993,313**	**990,503**
Revenue from administrative services	98,332	82,246
Revenues on rentals Real Estate investments (net of operating direct costs)	122,825	124,427
Revenues from operating leases	152,752	152,995
Recovery of miscellaneous costs paid in previous years	21,335	22,500
Revenues on Financial Leases activities	154,803	176,309
Others	443,266	432,026
Total operating revenues (A+B)	**1,574,834**	**1,515,536**

The sub-item *Other* includes:
- additional income received from leasing business of €61 million, €69 million in 2011;
- income from non-banking business of €136 million, €104 million in 2011;
- various income from Group property of €19 million, €18 million in 2011;
- payments of indemnities and compensation of €58 million, €53 million in 2011.

With respect to both Other operating expense and Other operating revenues, it should be noted that the 2011 figures differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.), which as at December 31, 2012, in accordance with IFRS5, were shown under item 310. "Profit (loss) after tax from discontinued operations".

Section 16 - Profit (loss) of associates - Item 240

The net result of companies subject to significant influence, which is part of item 240 Profit (loss) of associates, amounted to €101 million (-€323 million in 2011), which is the difference between **A. Income** of €239 million and **B. Expense** of €138 million. In particular:

- the sub-item **A. Income** includes:
  - €239 million **revaluations** related to gains on companies valued at Equity method concerning Oesterreichische KontrollBank (€32 million), Oberbank AG (€28 million), CreditRas Vita (€22 million), Bank fuer Tirol und Vorarlberg (€21 million), Aviva S.p.A. (€18 million), CNP Unicredit Vita (€16 million), Società Gestione per il Realizzo S.p.A. in liquidazione (€16 million), Fondiaria SAI S.p.A. (€13 million), BKS Bank AG (€11 million), Mediobanca (€11 million), SW Holding S.p.A. (€7 million), Martur Sunger Ve Koltuk Tesisleri Ticaret Ve Sanayi A.S. (€6 milllion), CreditRas Assicurazioni (€6 million);
- the sub-item **B. Expense** includes:
  - -€33 million **write-downs** largely referred to losses on companies valued at Equity method, mainly related to Neep Roma Holding SpA (-€19 million) and Da Vinci Srl (-€4 million);
  - -€105 million **impairment losses**, mainly due to write-downs on equity investments and principally related to Bluvacanze S.p.A. (-€10 million) and Fondiaria SAI S.p.A. (-€79 million), whose carrying value was adjusted to the market value following the reclassification of the investment from item 100. Investments in associates and joint ventures to item 40. Available-for-sale financial assets, resulting from the fact that significant influence is no more exercised following the cancellation of the shareholders' agreement between UniCredit S.p.A. and Premafin Finanziaria S.p.A..

16.1 Profit (Loss) of associates: breakdown

(€ '000)

P&L ITEMS/SECTORS	2012	2011
1) Jointly owned companies - Equity		
A. Income	**-**	**-**
1. Revaluations	-	-
2. Gains on disposal	-	-
3. Writebacks	-	-
4. Other gains	-	-
B. Expense	**-**	**-**
1. Writedowns	-	-
2. Impairment losses	-	-
3. Losses on disposal	-	-
4. Other expenses	-	-
Net profit	**-**	**-**
2) Companies subject to significant influence		
A. Income	**239,342**	**264,259**
1. Revaluations	238,725	224,672
2. Gains on disposal	596	38,567
3. Writebacks	21	1,020
4. Other gains	-	-
B. Expense	**(137,912)**	**(587,508)**
1. Writedowns	(32,792)	(71,283)
2. Impairment losses	(104,720)	(504,760)
3. Losses on disposal	(400)	(11,465)
4. Other expenses	-	-
Net profit	**101,430**	**(323,249)**
Total	**101,430**	**(323,249)**

In 2011 the results were:

- sub-item A. Income:
  - €225 million revaluations related to gains on companies valued at Equity method concerning Oberbank AG (€40 million), Oesterreichische KontrollBank (€32 million), Bank fuer Tirol und Vorarlberg (€25 million), Aviva S.p.A. (€21 million), Banque de Commerce et de Placements SA (€17 million), CreditRas Vita (€17 million), BKS Bank AG (€15 million), Mediobanca (€15 million), CNP Unicredit Vita (€9 million), SW Holding S.p.A. (€7 million);
  - €39 million gains on disposal mainly concerning the acquisition of CA Immobilien Anlagen Aktiengesellschaftsgss (€26 million), Metis S.p.A. (€5 million).
- sub-item B. Expense:
  - -€71 million write-downs mainly related to losses on companies valued at Equity method mainly related to Fondiaria SAI S.p.A. (-€52 million), Neep Roma Holding S.p.A. (-€6 million), Da Vinci Srl (-€4 million);
  - -€505 million impairment on companies valued at Equity method mainly due to impairment on implied goodwill on equity investment related to Mediobanca (-€404 million), Fondiaria SAI S.p.A. (-€42 million) e CNP Unicredit Vita (-€35 million);
  - -€11 million loss on disposal mainly related to RCG Holding LLC (-€11 million).

Part C - Consolidated Income Statement (Continued)

Section 17 - Gains and losses on tangible and intangible assets measured at fair value - Item 250

17.1 Net gains (losses) on property, plant and equipment and intangible assets measured at fair value: breakdown

(€ '000)

	2012				
			EXCHANGE DIFFERENCES		
ASSETS/P&L COMPONENTS	REVALUATIONS	WRITEDOWNS	POSITIVE	NEGATIVE	NET PROFIT
A. Property, plant and equipment	**1**	**-**	**-**	**-**	**1**
A.1 Owned:	1	-	-	-	1
- used in the business	-	-	-	-	-
- held for investment	*1*	-	-	-	*1*
A.2 Held by finance leases:	-	-	-	-	-
- used in the business	-	-	-	-	-
- held for investment	-	-	-	-	-
B. Intangible assets	**-**	**-**	**-**	**-**	**-**
B.1 Owned:	-	-	-	-	-
B.1.1 generated internally by the company	-	-	-	-	-
B.1.2 other	-	-	-	-	-
B.2 Held by finance leases	-	-	-	-	-
Total	**1**	**-**	**-**	**-**	**1**

Section 18 - Impairment of goodwill - Item 260

In 2012 impairment of goodwill was €30 million and it was referred to the write-off of the goodwill of General Logistic Solutions LLC, Pioneer Investments AG, Sofipa Societa' di Gestione del Risparmio (SGR) S.p.A..

18.1 Impairment of goodwill: breakdowns

(€ '000)

P&L COMPONENTS	2012	2011
Impairment of goodwill	(30,006)	(8,203,322)

It should be noted that the 2011 figures differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.), which as at December 31, 2012, in accordance with IFRS5, were shown under item 310. "Profit (loss) after tax from discontinued operations".

See Part A - Accounting Policies for a description of the methods used to measure impairment of goodwill.

Section 19 - Gains (losses) on disposals of investments - Item 270

Gains (losses) on disposals of investments are €106 million (€180 million in 2011) comprising:

A. Property

Net result totaled €86 million (as against gains of €132 million in 2011). The item includes the results of the property rationalization plans carried out by HVB Gesellschaft fur Gebaude MBH & CO KG (gains of €28 million), UniCredit (gains of €12 million), Salvatorplatz-Grundstucksgesellshaft MBH (gains of €9 million), Othmarschen Park Hamburg GMBH & Co. Gewerbepark KG (gains of €7 million), ZABA Sub-Group (gains of €7 million) and PEKAO Sub-Group (gains of €5 million).

B. Other Assets

Net result totaled €20 million (as against gains of €49 million in 2011). The item includes:

- €25 million net gains on disposals, mainly shares in Cameron companies (€22 million);
- net result on disposals of other assets -€5 million.

19.1 Gains and losses on disposal of investments: breakdown

(€ '000)

P&L COMPONENTS/SECTOR	2012	2011
A. Property		
- gains on disposal	89,231	136,673
- losses on disposal	(3,140)	(4,839)
B. Other assets		
- gains on disposal	37,586	62,779
- losses on disposal	(17,308)	(14,204)
Net Profit	**106,369**	**180,409**

It should be noted that the 2011 figures differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.), which as at December 31, 2012, in accordance with IFRS5, were shown under item 310. "Profit (loss) after tax from discontinued operations".

In 2011, net profit on disposal of:

A. Property

Net result totaled €132 million (as against gains of €125 million in 2010). The item included the results of the property rationalization plans carried out by UniCredit Real Estate (gains of €32 million), the Leasing Sub-Group (gains of €23 million), the Koç Sub-Group (gains of €23 million), UniCredit Bank Czech Republic (gains of €14 million) and HVB Gesellschaft fur Gebaude MBH & CO KG (gains of €14 million).

B. Other Assets

Net result totaled €49 million (as against gains of €33 million in 2010). The item included:

- €37 million net gains on disposals, mainly shares in HVB Capital Asia Limited (€17 million), in two other companies belonging to the Leasing Sub-Group (€10 million) and in Medio Credito Centrale SpA (€5 million);
- net result on disposals of other assets €12 million.

Section 20 - Tax expense (income) related to profit or loss from continuing operations - Item 290

Taxes on income are levied country by country as there is neither a tax or a type of tax applicable outside the tax regimes of individual countries nor a tax on consolidated transnational income. References to consolidated taxable income therefore refer in all cases exclusively to national taxation.

Each country has its own tax system, therefore both the determination of the tax base and tax rates and the nature, type and timing of formal requirements differ, sometimes considerably. These differences also exist within EU Member States.

Of the countries where the UniCredit group operates, Italy, Germany, Austria, the UK and the US all have domestic tax consolidation schemes.

Tax consolidation rules also differ from country to country, sometimes markedly. Generally speaking, it is fair to say that the main and common benefit of national consolidation is the right to offset profits and losses of companies belonging to the same group.

It should also be noted that the requisites for belonging to a national tax consolidation scheme can be very different from those set for belonging to a Banking Group or group that consolidates its accounts in line with the IAS/IFRS or local accounting standards.

As regards tax rates, and with reference to the Group's key countries, the corporate tax rate is 10% in Bulgaria; 10%-19% (progressive rate) in Hungary; 16% in Romania; 25% in Austria; 31.4% in Germany (considering the corporate income tax and local tax), 27.5% in Italy, as well as IRAP (a regional tax on productive activity) whose nominal rate of 4.65% (plus any additional regional tax), is applied to a different and much broader tax base than that for the corporate income tax; 19% in Poland; 20% in Turkey; 24% in the UK; and 12.5% in Ireland.

It is therefore almost impossible to compare the consolidated tax position with that of individual Group entities.

Moreover, the "elision" that is typical of intercompany transactions in consolidated accounting is not to be found in income tax, which relates to each individual entity.

The Parent Company has taken advantage of the tax exemption for the higher value of the controlling interests relating to goodwill, trademarks and other intangible assets recognized in the consolidated financial statements as at December 31, 2010, pursuant to art. 15, paragraph 10, of Legislative Decree 185 of November 29, 2008, and art. 23 of Legislative Decree 98 of December 29, 2011. More specifically, €12,015 million was exempted from taxation, with the recognition of deferred tax assets totaling €3,304 million for IRES purposes and €618.7 million for IRAP purposes, following the payment of a substitute tax of 16% amounting to €1,922 billion. As a result, net profit was positively impacted for €2,001 million. The amount exempted from taxation will be tax deductible in ten equal installments as from 2018.

Pursuant to art. 2, paragraphs 55 to 58 of Decree Law 225 of December 29, 2010, since an accounting loss was recorded in the 2011 financial statements, the Parent Company implemented the compulsory conversion into tax credits of deferred tax assets recognized in previous financial years relating to write-downs on loans and goodwill. The amount converted was €588 million and the conversion had no impact on net profit.

In addition, a tax benefit of €181 million was recognized following refund claims submitted pursuant to art. 2, paragraph 1 of Legislative Decree 201 of December 6, 2011 relating to the refund of IRAP - taking the form of a refund of IRES - paid in relation to personnel costs.

Part C - Consolidated Income Statement (Continued)

In 2012 Income tax on profit (loss) from continuing operations net of the tax benefit arising from the tax exemption of the higher value of equity investments was €277 million, down from €1,115 million of the previous year.

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

(€ '000)

P&L COMPONENTS/SECTOR	2012	2011
1. Current tax (-)	(3,692,385)	(1,336,908)
2. Adjustment to current tax of prior years (+/-)	151,039	(359,897)
3. Reduction of current tax for the year (+)	16,440	10,084
3. bis Reduction of current tax for the year (L. 214/2011) (+)	588,386	-
4. Changes to deferred tax assets (+/-)	4,430,911	706,271
5. Changes to deferred tax liabilities (+/-)	230,037	(134,523)
6. Tax expense for the year (-)	**1,724,428**	**(1,114,973)**

20.2 Reconciliation of theoretical tax charge to actual tax charge

(€ '000)

	2012	2011
Total profit or loss before tax from continuing operations (item 280)	**(327,088)**	**(7,111,156)**
Theoretical tax rate	27.5%	27.5%
Theoretical computed taxes on income	**89,949**	**1,955,568**
1. Different tax rates	154,891	168,084
2. Non-taxable income - permanent differences	284,111	(19,780)
3. Non-deductible expenses - permanent differences	(431,268)	(2,331,722)
4. Different fiscal laws/IRAP	(497,464)	(305,504)
a) IRAP (italian companies)	(417,381)	(316,206)
b) other taxes (foreign companies)	(80,083)	10,702
5. Prior years and changes in tax rates	217,127	(398,319)
a) effects on current taxes	171,128	(429,626)
- tax loss carryforward/unused tax credit	*16,442*	*(6,643)*
- other effects of previous periods	*154,686*	*(422,983)*
b) effects on deferred taxes	45,999	31,307
- changes in tax rates	*7,250*	*(6,609)*
- new taxes incurred (+) previous taxes revocation (-)	*4,529*	*139*
- true-ups/ adjustments of the calculated deferred taxes	*34,220*	*37,777*
6. Valuation adjustments and recognition of deferred taxes	3,786,051	(137,427)
a) deferred tax assets write-down	(97,759)	(89,323)
b) deferred tax assets recognition	4,092,270	271,819
c) deferred tax assets non recognition	(41,735)	(116,152)
d) deferred tax assets non-recognition according to IAS 12.39 e 12.44	(141,984)	(320,876)
e) other	(24,741)	117,105
7. Amortization of goodwill	-	-
8. Non-taxable foreign income	35,652	83,314
9. Other differences	(1,914,621)	(129,187)
Recognized taxes on income	**1,724,428**	**(1,114,973)**

It should be noted that the 2011 figures differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC,
ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.), which as at December 31, 2012, in accordance with IFRS5, were shown under item 310. "Profit (loss) after tax from discontinued operations".

Section 21 - Profit (Loss) after tax from discontinued operations - Item 310

21.1 Profit (Loss) after tax from discontinued operations: breakdown

(€ '000)

P&L ITEMS/SECTORS	2012	2011
1. Income	429,937	545,656
2. Expenses	(518,221)	(1,161,556)
3. Valuation of discontinued operations and related liabilities	(93,001)	-
4. Profit (Loss) on disposal	-	-
5. Tax	6,477	347
Profit (Loss)	**(174,808)**	**(615,553)**

21.2 Breakdown of tax on discontinued operations

(€ '000)

	2012	2011
1. Current tax (-)	(4,018)	(4,802)
2. Changes in deferred tax assets (+/-)	8,910	3,567
3. Changes in deferred tax liabilities (+/-)	1,585	1,582
4. Income tax (-1+/-2+/-3)	**6,477**	**347**

At December 31, 2012, in accordance with the accounting standard IFRS5, all assets and liabilities of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD were recognized under item "Non-current assets and disposal groups classified as held for sale" and measured at the lower value between carrying value and Sale price less costs to sell and all their income and expenses were disclosed within this Section.

Also the previous period was restated to allow comparison.

Section 22 - Minorities - Item 330

2012 net profit attributable to Minorities was €358 million comprising €361 million from profit-making entities or groups, losses of €0.9 million from loss-making entities or groups and negative consolidation adjustments of €2.47 million.

The larger contributions to profit attributable to minorities came from the Bank Pekao group, the UniCredit Bank AG group and the UniCredit Bank Austria group.

In 2011 net Profit attributable to minorities was €365 million comprising €366 million from profit-making entities or groups; losses of €0.5 million from loss-making entities or groups; and negative consolidation adjustments of €0.7 million.

22.1 and 22.2 Breakdown of item 330 "Minority gains (losses)"

(€ '000)

	2012	2011
Profit (loss) of:	**360,111**	**365,434**
Bank Pekao Sub-Group SA	282,009	277,866
UniCredit Bank Sub-Group AG	41,482	37,846
UniCredit Bank Austria Sub-Group AG	36,845	48,750
Unicredit Leasing Sub-Group S.p.A.	65	(474)
UNI IT S.r.l.	402	-
I-FABER S.p.A.	155	652
DOM INWESTYCYJNY XELION SP.Z.O.O.	69	69
Banca Agr. Comm. Rep. S. Marino S.A.	-	353
IRFIS - Finanziaria per lo sviluppo della Sicilia S.p.A.	-	80
SOGESI - Società di gestioni esattoriali in Sicilia S.p.A.	(863)	-
Other	(53)	292
Other consolidation adjustments	**(2,470)**	**(668)**
Total	**357,641**	**364,766**

Section 23 - Other information

There is no information to be disclosed in this section.

Section 24 - Earnings per share

24.1 and 24.2 Average number of diluted shares and other information

	2012	2011
Net profit for the period attributable to the Group (thousands of euros)	819,096	(9,378,702)
Average number of outstanding shares	5,376,198,213	1,833,025,145
Average number of potential dilutive shares	10,738,661	692,981
Average number of diluted shares	5,386,936,874	1,833,718,126
Earnings per share (€)	**0.15**	**(5.12)**
Diluted earnings per share (€)	**0.15**	**(5.11)**

€45,795 thousand was deducted from 2012 net profit of €864,891 thousand due to disbursements charged to equity made in connection with the contract of usufruct on own shares agreed under the 'cashes' transaction (€172,254 thousands was added to 2011 net loss).

Part D - Consolidated Comprehensive Income

Part D - Consolidated Comprehensive Income

Comprehensive income is disclosed below as per IAS 1.
This table gives income and expense items not recognised in the profit (loss) for the period in accordance with IFRS. The following are included to this end:
- changes in value recognised in the period contra revaluation reserves (net of tax) relating to:
  - available-for-sale financial assets;
  - property, plant and equipment;
  - intangible assets;
  - foreign investment hedges;
  - cash flow hedges;
  - exchange differences;
  - actuarial gains (losses) on employee defined-benefit plans;
- reclassification adjustments, i.e. amounts reclassified in the profit (loss) of the current financial year already recognised as comprehensive income for the same year or previous years.

The above changes in value relating to non-current assets held for disposal and shareholdings valued at net equity are disclosed separately.

Consolidated Analytical Statement of Comprehensive Income

(€ '000)

ITEMS	YEAR 2012 BEFORE TAX EFFECT	YEAR 2012 TAX EFFECT	YEAR 2012 AFTER TAX EFFECT
10. Net Profit (Loss) for the year	**X**	**X**	**1,222,532**
Other comprehensive income			
20. Available for sale financial assets	**3,472,367**	**(853,497)**	**2,618,870**
a) fair value changes	3,546,278	(844,989)	2,701,289
b) reclassification through profit or loss	(68,037)	(6,161)	(74,198)
- due to impairment	*25,696*	*(2,378)*	*23,318*
- gains/losses on disposals	*(93,733)*	*(3,783)*	*(97,516)*
c) other variations	(5,874)	(2,347)	(8,221)
30. Property, plant and equipment	**-**	**-**	**-**
40. Intangible assets	**-**	**-**	**-**
50. Hedges of foreign investments	**-**	**-**	**-**
a) fair value changes	-	-	-
b) reclassifications through profit or loss	-	-	-
c) other variations	-	-	-
60. Cash flow hedges	**18,132**	**(13,938)**	**4,194**
a) fair value changes	14,123	(15,039)	(916)
b) reclassifications through profit or loss	5,902	292	6,194
c) other variations	(1,893)	809	(1,084)
70. Exchange differences	**666,356**	**-**	**666,356**
a) changes in values	-	-	-
b) reclassifications through profit or loss	-	-	-
c) other variations	666,356	-	666,356
80. Non-current assets classified as held for sale	**(89)**	**-**	**(89)**
a) fair value changes	21	-	21
b) reclassifications through profit or loss	-	-	-
c) other variations	(110)	-	(110)
90. Actuarial gains (losses) on defined benefits plans	**-**	**-**	**-**
100. Valuation reserves from investments accounted for using the equity method:	**180,470**	**(9,749)**	**170,721**
a) fair value changes	162,873	(9,749)	153,124
b) reclassification through profit or loss	30,878	-	30,878
- due to impairment	*22,937*	-	*22,937*
- gains/losses on disposals	*7,941*	-	*7,941*
c) other variations	(13,281)	-	(13,281)
110. Total of other comprehensive income after tax	**4,337,236**	**(877,184)**	**3,460,052**
120. Comprehensive income after taxes (Item 10+110)	**4,337,236**	**(877,184)**	**4,682,584**
130. Consolidated comprehensive income attributable to minorities	259,602	(18,032)	(599,211)
140. Consolidated comprehensive income attributable to Parent Company	**4,596,838**	**(895,216)**	**4,083,373**

Part E - Information on risks and related risk management policies

Note:
As required by regulations (Banca d'Italia Circular letter no. 263 issued on December 27, 2006, Title 4 and subsequent updates), the disclosure (Pillar III of Basel 2) is published on UniCredit group's website (www.unicreditgrou.eu).

Part E - Information on risks and related risk management policies

Part E - Risks and related risk management policies only refers to the banking group.

Since insurance companies and other companies don't represent a significant business - if compared to banking group - there is no specific section of this document on their risks and related risk management policies.

Risk Management in UniCredit group

UniCredit group monitors and manages its risks through rigorous methodologies and procedures proving to be effective through all phases of the economic cycle.

The control and steering of the Group's risks are exerted by the Parent Company's Risk Management function which pursues its own steering, coordination and control role in particular through the "Portfolio Risk Managers" which are responsible for the relevant risks, from a Group and cross-divisional perspective. Furthermore, the model considers a specific point of reference for Italy through the "CRO Italy" function, to which the responsibilities related to credit, operational and reputational risks of the Italian perimeter, as well as the managerial coordination of Risk Management functions in the Italian Legal Entities, have been assigned.

During 2012, GRM Competence Line has been object of organizational analyses and reviews either at Global and Local level, with the aim of:
• pursuing compliance to regulatory indications;
• improving processes and making a more efficient use of resources;
• splitting operational risk and credit risk responsibilities;
• within credit risk, splitting operational and transactional roles from risk management roles.

The structures have been subject to organizational and process changes which started in 2012 and the new organizational asset, in terms of guidelines and processes, became operative on 14th January 2013.

In particular, the Risk Management function is responsible for the following tasks:
• optimizing Group's asset quality, minimizing the cost of risks, consistent with the risk / return targets assigned to each Business Area;
• defining, together with the Planning, Finance & Administration function, the Group's risk appetite and evaluating capital adequacy, within the Internal Capital Adequacy Process (ICAAP), consistently with Basel II, Pillar II requirements;
• defining - in compliance with Basel II standards and Bank of Italy requirements - the Group rules, methodologies, guidelines, policies and strategies for risk management, and, in cooperation with the Organisation department, the relevant processes and their implementation;
• setting up a credit and concentration risk control system both of single counterpart/economic groups and significant clusters (e.g. as industrial areas/ economic sectors), monitoring and reporting the limits defined beforehand;
• defining and providing to the Business Areas and to the Legal Entities the valuation, managerial, measurement, monitoring and reporting criteria of the risks and ensuring the consistency of systems and control procedures both at Group and Legal Entity level;
• supporting the Business Areas to achieve their targets, contributing to product and business development (e.g. innovation of credit products, competitive opportunities linked to Basel accords, etc.);
• verifying, by means of the initial and on-going validation process, the adequacy of the risk measurement systems adopted throughout the Group, steering the methodological choices towards higher and homogeneous qualitative standards and controlling the coherence in using the above systems within the processes;
• setting up an adequate system of preventive risk analysis, in order to quantify the impacts of a quick worsening of the economic cycle or of other shock factors (i.e. Stress Test) on the Group's economic and financial structure. This holds for single risk types as well as their integration and comparison to available capital;
• creating a risk culture across the whole Group.

Consistently with the Risk Management function architecture and in order to strengthen the capacity of independent steering, coordination and control of Group risks, improving the efficiency and the flexibility on the risk decision process and addressing the interaction among the relevant risk stakeholders, three distinct levels of Risk Committees are in place:
• the "Group Risk Committee" responsible for the Group strategic risk decisions;
• the "Group Portfolio Risks Committees", tasked with addressing, controlling and managing the different portfolio risks;
• the "Group Transactional Committees" in charge of evaluating the single counterparties / transactions impacting the overall portfolio risk profile.

In particular, Group Risk Committee meets with consulting and suggestion functions for the definition of the CEO's proposal for the Board of Directors, mainly for the following topics:
• Group risk appetite, including capitalization objectives, capital allocation criteria, risk-taking capacity, cost of equity and dividends policy, as well as internal capital limits;
• general strategies for the optimization of risks, and governance guidelines for the management of Group risks;
• initial approval and fundamental modifications of risk control and measurement systems (for credit, market, operational and other risks) including possible action plans, processes, IT and data quality requirements;
• structure of limits by type of risk;

- strategic funding policies and funding plans;
- overall Loan Loss Provisions estimates;
- definition and periodic review of the "ICAAP General Framework", relevant perimeter of application, as well as yearly Regulatory Report.

Furthermore, it meets with approval functions on the following topics:
- definition of guidelines relative to Group financial policies (asset and liability management strategies, including the duration profile at Group level);
- risk allocation across Business Units and Legal Entities, specific risk guidelines and strategies and consequent limit setting for achieving the targets in terms of risk appetite and limits by type of risk;
- cross-border country limit, within the delegated powers;
- initial approval and fundamental changes of methodologies for the measurement and control of Internal Capital;
- approval of policies, strategies and methodologies for the measurement and control of real estate risk, financial investment risk and business risk;
- approval of action plans in case of critical level findings on the risk control and measurement systems derived from internal initial and on-going validation reports;
- approval of business actions/initiatives also having strategic nature in order to safeguard the Group in the "Alarm Phase" of a liquidity crisis.

The Group Risk Committee also receives on regular basis information from the competent Committees/functions on the following topics:
- reorganization projects affecting risk processes and/or organization structures involved in risk management and control activities;
- periodic risk reports (portfolio, large exposures, loan loss provisions, etc.), including those intended for the Regulators (before they have been disseminated);
- reports on breaches of limits;
- corrective action to balance Group risk positions;
- regular reports on loan loss provisions development;
- status update of relevant Basel Accords project activities and processes;
- topics approved or discussed in the Portfolio Risks Committees;
- risk related topics discussed within the other committees of the Parent Company.

Section 1 - Credit Risk

QUALITATIVE INFORMATION

1. General Aspects
Credit risk organizational structures and processes were revised during 2012 in order to comply with regulatory indications and to enhance the Group efficiency. The new credit risk organizational structure, operative on January 14, 2013, is described in the next paragraph, with a specific focus on structures and responsibilities.

In the first quarter of 2012, Group Credit Risk Strategies were released, in consistency with budget targets. In accordance with Risk Appetite and Pillar II metrics, an update on risk concentration at single economic group (Bulk Risks) and at industry level was provided. In order to further improve the process for managing credit concentration risk, in the fourth quarter of 2012, the relative global policy has been updated and dedicated operative instructions for monitoring activity have been released.

The Group continues to invest in a strong implementation of Basel 2 principles in the entire perimeter. With specific reference to credit risk, the Group is currently authorized to use its internal estimates of PD, LGD and EAD parameters for the Group's loan portfolio (Sovereigns, Banks, Multinational Corporates and transactions of Global Project Finance) and for local credit portfolios (enterprise and retail exposures) of the main banks of the Group[1]. As regards the EAD parameter for the Local Italy portfolio, the Group is waiting for the authorization of the internally-estimated models. Currently, the parameters defined with the Foundation approach are used for regulatory reporting, with the exception of Retail Mortgage Loans that are already treated with an internal model.

In accordance with the plan of the gradual extension of the IRB approach approved by the Group and reported to the Regulator (Roll-out Plan), since 2008 the IRB approach has been extended and allowed in other Legal Entities according to a progressive plan by portfolios and methodologies (UniCredit Credit Management Bank SpA, UniCredit Bank Luxembourg SA, UniCredit Banka Slovenija dd, UniCredit Bulbank AD, UniCredit Bank Czech Republic as, UniCredit Bank Ireland plc, UniCredit Bank Hungary zrt, UniCredit Bank Slovakia as and UniCredit Tiriac Bank sa in Romania).

During 2012, the Group extended the internal PD and LGD models of Multinational Corporates to the client segment of Italian Large Corporates, in light of the similarities both in terms of risk assessment and business model of the two portfolios.
As far as the instruments for measurement and control of economic capital are concerned, within the Group platform for the credit risk, the Group proceeded to update the correlations inside the Credit Portfolio Model (CPM) that will be used starting from 2013.

1. UniCredit S.p.A., UniCredit Bank AG, UniCredit Bank Austria AG.

Part E - Information on risks and related risk management policies (CONTINUED)

Stress testing activities on credit risk, consistent with the requirements of the Regulators, in particular the European Banking Authority (EBA), are performed on the basis of a set of internally defined stress scenarios, which includes the main regions where UniCredit group is present and, in particular, the Central and Eastern Europe (CEE). The impacts of the simulation are evaluated both in terms of income, considering the impacts on provisions and profit / loss of the year, and at balance sheet level where the impacts on minimum capital requirements (Pillar I) are considered. During the year, the implementation of a stress test engine on Group IT platform was in progress, whose completion will allow for an integrated IT solution at the level of entire Group and of main Legal Entities as well.

During 2012 the activity of group mapping of the most relevant customer groups (Top Groups) - those having an exposure greater than two per cent of the consolidated regulatory capital - entered fully in place and has been performed by a dedicated unit within the Risk Management. This activity has been focused on the definition and the periodical review of the perimeter of Top Groups, that include both industrial and financial groups. Moreover new support initiatives have been implemented aimed to facilitate the activity for Groups not directly in the scope of this structure, providing methodological and technical assistance.

Within the scope of Italian business, processes and IT procedures related to underwriting, monitoring and workout have been further strengthened: a single group procedure for Group mapping has been released for the mapping of both local and global economic group; Customer Information File has been enhanced with information about corporate customers, provided by external contributors, regarding default records, insolvency proceedings, protests and insolvencies ; a new tool for Large Corporate clients' monitoring has been released.

With the aim of enhancing credit evaluation of clients operating in Real Estate industry, new rating models dedicated to these specific counterparts have been released. In September 2012, a new rating model for mortgages to private individuals was released. Rating models have been recalibrated according to the new 90 days default definition.

In order to complete the process of credit simplification, in January 2012 underwriting and monitoring structures within Italian perimeter (Credit Operations Italy) have been rationalized through the creation of 7 Territorial Credit Hubs, each of them responsible for the entire portfolio (Corporate, SME Corporate, Individuals and Private segments) of the territory of their competence.
Post-underwriting controls have been strengthened through the:
- definition of specific controls on medium long term mortgages for enterprises and private clients;
- implementation of new functionalities for covenants management;
- increase of controls on files guaranteed by consortiums or counter-guaranteed by public funds.

With reference to collateral management, oversight on legal certainty has been further strengthened.

In order to continue to ensure adequate support to the economy, the set of credit products to sustain exporting enterprises has been improved (even with agreement with Sace). Furthermore, areas hit by the earthquake in May 2012 have been sustained both by subscribing initiatives promoted by the Italian government and by launching own initiatives.

2. Credit Risk Management Policies

2.1 Organizational Aspects

The credit risk organization in Parent Company breaks down into two levels:
- functions with responsibilities at Group level;
- functions with responsibilities at Country level.

Functions with responsibilities at Group level include:
- the Group Credit Risks department that, with respect to credit risk, breaks down into the following structures:
  - the Group Credit Risk Policies, responsible - among others - for the following activity:
    - drawing up Group regulations on credit risk topics
  - the Group Credit Risk Strategies, responsible - among others - for the following activities:
    - defining strategies and risk limits, executing stress test activities and portfolio analysis
    - monitoring credit concentration risk through specific limits;
    - developing the methodologies for measuring credit risk;
  - the Group Credit Portfolio Management and Risk Reporting, responsible - among others - for the following activities:
    - drawing up reports needed to monitor the Group credit portfolio trend;
    - monitoring credit portfolio, evaluating the overall quality and managing the quality of the riskiest asset buckets
    - analyzing and monitoring the Special Credit portfolio at consolidated level
- the Group Credit Transactions department that, with respect to credit risk, breaks down into the following structures:
  - the Group Credit Committee Secretariat, responsible for supporting, organizing and coordinating the different procedural phases and information flows for the approval and reporting processes related to "Group Credit Committee", "Group Transactional Credit Committee" and "Group Rating Committee" activities

- the FIBS Credit Transactions, responsible the “Financial Institutions, Banks and Sovereigns” counterparts - among others - of the following activities:
  - delivering expert advice on credit proposals presented by Legal Entities, acting as Group Competence Team;
  - deciding, within its delegated powers, or proposing to the competent delegated bodies, credit proposals booked with the Parent Company;
  - deciding, within its delegated powers, or proposing to the competent delegated bodies, Parent Company Non-Binding Opinion on credit proposals presented by Legal Entities;
- the CIB & Large Credit Transactions, responsible - among others - for the following activities:
  - for the counterparts different from “Financial Institutions, Banks and Sovereigns”, delivering expert advice on credit proposals to be submitted to “Group Credit Committee” or to “Group Transaction Credit Committee”;
  - delivering expert advice on credit proposals related to LPAC transactions (e.g. Project Finance, Acquisition and Leveraged Finance, etc.);
  - delivering expert advice on credit proposals related to Special Products transactions for all the Group Legal Entities, acting as Group competence Team;
  - deciding, within its delegated powers, or proposing to the competent delegated bodies, credit proposals related to Special Products transactions booked with the Parent Company (e.g. ABS, Securitizations);
  - delivering expert advice on restructuring and workout credit proposals to be submitted to “Group Credit Committee” or to “Group Transaction Credit Committee”;
  - evaluating the restructuring/workout classification proposal for FIBS counterparts to be submitted to “Group Credit Committee” or to “Group Transaction Credit Committee”;
- the Country Risk analysis and Monitoring, responsible - among others - for the following activities:
  - analyzing and monitoring country risks
  - deciding or collecting cross borders limits proposals to be submitted to the competent delegated bodies

• the Group Risks Control department that, with respect to credit risk, breaks down into the following structures:
- Group Wide Credit Methodologies responsible - among others - for the following activity:
  - ensuring development, management and continuous models evolution, rating tools, tools for Group Credit Risk Portfolio measurement and Credit risk methodologies
- Group Basel Program responsible - among others - for the following activity:
  - coordinating the implementation of Basel rules on credit risk and reporting to company governance Bodies and Supervisory Authorities
- Group Internal Validation responsible - among others - for the following activity:
  - validating, at Group level, methodologies for the credit risk measurement, as well as related processes, IT tools and Data Quality, with the aim of verifying the compliance either to regulatory requirements than to the internal standards
- Group Rating Desk responsible - among others - for the following activities:
  - assigning rating to certain types of relevant counterparties (Top Banking and Top Corporate);
  - deciding, within its delegated powers, or submitting to the competent delegated Bodies the rating override proposals related to Group Wide rating systems and local rating systems.

At Country level, steering and credit risk control activities, as well as the conducting of “operational” activities (e. g. loans disbursement, monitoring, etc.) falls under the responsibility of controlled subsidiaries CRO.

In UniCredit S.p.A., these functions are undertaken by organizational structures of “CRO Italy”, reporting to “Group CRO” and in particular:

• the Risk Management Italy department responsible - among other activities - for governance and control of credit risk originating in the “Country Chairman Italy” perimeter activities (including Consumer Finance products). The department with respect to credit risk, breaks down into the following structures:
- Credit Risk Portfolio Analytics department responsible - among others - for the following activity:
  - monitoring and forecasting the credit portfolio riskiness composition in terms of credit quality, cost of risk, RWA and capital absorption for UniCredit SpA perimeter, preparing requested reporting.
- Credit Policies & Products Italy department responsible - among others - for the following activity:
  - defining process/product credit rules related to underwriting, monitoring, restructuring and workout for UniCredit S.p.A perimeter.
- Credit Risk Methodologies department responsible - among others - for the following activity:
  - defining and managing methodologies regarding credit risk management. Such methodologies refer to credit risk measurement models for all customer segments.
- Rating Desk Italy unit responsible - among others - for the following activity:
  - deciding, within its delegated powers, or submitting to the competent delegated Bodies the rating override proposals related to Local rating systems for measuring the credit risk related to UniCredit S.p.A enterprises segments.

• the Central Credit Risk Underwriting department responsible - among others - for the following activities:
- coordinating ‘Regional Industry Team Leaders’ activities;
- coordinating correct execution of RIT granting activities;
- coordinating and managing underwriting activities for UniCredit SpA customers related to Consumer Finance products;
- preparatory and administrative activities for proposals to be submitted to Italian Transactional Credit Committee and Italian Special & Transactional Credit Committee;

Part E - Information on risks and related risk management policies (Continued)

- the Territorial Credit Risk Underwriting department responsible - among others - for the following activities (excluding those within Central Credit Risk UW competence perimeter):
  - managing underwriting activities related to UniCredit SpA customers;
  - managing Regional Industry Team 6 underwriting activities;

  The department is split in the following structures:
  - RIT 6 Real Estate;
  - Local Credit HUBs;
- the Loans Administration department responsible - among others - for the following activities:
  - presidium of post credit decision/disbursement administrative activities;
  - subsidized credit management;
  - credit and administrative activities related to "Consorzi di garanzia";
  - coordination and management of Mortgages post disbursement activities, ensuring information assets quality and integrity and risks minimization and deciding requests under their granting powers.

  With reference to credit risk, the department is split in the following structures:
  - Loan Administration Network;
  - Mortgages Loans Administration;
  - Subsidized Loans;
  - Confidi & Public Guarantees;
  - Loan Admin Service & Support;
  - Analysis & Advisory Performing;
  - Asseverazioni e PreAnalisi;
- the Special Credit & Credit Risk Monitoring Italy department responsible - among others - for the following activities:
  - credit monitoring, expired and not paid credits recovery management (including doubtful/workout classification within assigned delegations of power) ensuring the applicability and implementation of strategies and recovery actions;
  - presidium of activities finalized to irregular and problematic cost of risk restraint;
  - decision, within its delegated powers, on restructuring and workout proposals.

  The department is split in the following structures:
  - INC portfolio Italy responsible, with reference to enterprises classified in "incaglio non revocato", for the credit strategy coordination and management with the aim of relationship disengagement or position requalification;
  - Special Credit Support & Administration Italy, responsible of the risk cost presidium and of assigned administrative and accounting activities;
  - Workout Italy, responsible, with reference to the customers with exposure below a defined threshold, for the workout activities coordination and management;
  - Restructuring Italy, responsible, with reference to the customers with exposure below a defined threshold, for the restructuring activities coordination and management, also monitoring the compliance with restructuring plan agreements and possible covenants;
  - Territorial Credit Risk Monitoring Italy responsible for single name credit monitoring management and coordination through positions systematic monitoring, corrective actions definition in collaboration with "Central Credit Risk Monitoring Italy department";
  - Central Credit Risk Monitoring Italy department responsible, excluding Individuals customers, of coordinating and addressing monitoring activities performed by territorial structures exercising decisions activities; furthermore, it's responsible for the Private customers delinquency monitoring and centralized management;
  - Customer Recovery, responsible to manage and support monitoring processes, credit collection and problematic portfolio classification for Individuals, Small Business e Mid Enterprises customers;
  - Special Credit Legal support, responsible to give specific/specialized Legal support to Special Credit structures;
  - Large / MNC Workout & NCP Management, responsible for the coordination and management of workout positions with exposure above the defined threshold;
  - Large & MNC Restructuring, responsible for the coordination and management of restructuring positions with exposure above the defined threshold, also monitoring the compliance with restructuring plan agreements and possible covenants.

Furthermore, with respect to credit risk specific committees are active:
- the "Group Credit Committee", in charge of discussing and approving competent credit proposals, including "restructuring" and "workout" files, relevant strategies and corrective actions to be taken (including classification of status when applicable) for "watchlist" files, specific limits for transactions related to debt capital markets on Trading Book, single issuer exposure limits on Trading Book;
- the "Group Credit and Cross-Border Risks Committee", responsible for monitoring credit and cross-border risks at Group level, for submitting to the "Group Risk Committee" - for either approval or information - credit and cross-border risk strategies, policies, methodologies and limits as well as regular reporting on credit and cross-border risk portfolio and profile;
- the "Group Transactional Credit Committee", with approval function, within the delegated powers (decision-making and/ or issuing of non-binding opinions to the Group Legal Entities) and/or consulting function for files to be approved by upper Bodies regarding credit proposals, excluding "restructuring" and "workout" files, strategies and relevant corrective actions to be taken for "watchlist" files, specific limits for transactions related to debt capital markets, single issuer exposure limits on Trading book;

• the ”Italian Transactional Credit Committee”, in charge of approving, within the delegated powers, and/or consulting function for files to be approved by upper Bodies, regarding UniCredit S.p.A. counterparts (excluding FIBS counterparts) credit proposals (excluding restructuring and workout files), status classification of files, strategies and measures for watchlist files, pledge based credit transactions and for issuing non-binding opinion regarding Italian Legal Entities of the Group proposals;
• the “Group Rating Committee”, responsible for taking decisions and/or issuing non-binding opinions to the Group Legal Entities on rating override proposals;
• the “Italian Special & Transactional Credit Committee”, in charge, within the delegated powers, of evaluation and approval (or issuing of consultative opinions for files to be approved by upper Bodies) of restructuring and workout positions as well as of the client’s positions managed by the “Special Credit Italy” department.

2.2 Factors that generate Credit Risk
In the course of its credit business activities the Group is exposed to the risk that its loans may, due to the deterioration of the debtor’s financial condition, not be repaid at maturity, and thus resulting in a partial or full write-off. This risk is always inherent in traditional lending operations regardless of the form of the credit facility (whether cash or credit commitments, secured or unsecured, etc).

The main reasons for default lie in the borrower’s lacking the autonomous ability to service and repay the debt (due to a lack of liquidity, insolvency, etc.), as well as the occurrence of events that are unrelated to the debtor’s operating and financial condition, such as Country risk or the impact of operational risk. Other banking operations, in addition to traditional lending and deposit activities, can expose the Group to other credit risks. For example, 'non-traditional' credit risk may arise from:
• entering into derivative contracts;
• purchasing and selling securities, futures, currencies or commodities;
• holding third-party securities.

The counterparties in these transactions or issuers of securities held by Group Legal Entities could default as a result of insolvency, political and economic events, lack of liquidity, operating problems or other reasons. Defaults in relation to a large number of transactions, or one or more large transactions, could have a material adverse impact on the Group’s operations, financial condition and operating results.

The Group monitors and manages the specific risk of each counterparty and the overall risk of loan portfolios through procedures, structures and rules, that steer, govern and standardize the assessment and management of credit risk, in line with the Group principles and best practice, and which are capable of extending their effectiveness to all phases of the economic cycle.

2.2.1 Country risk
Country risk is defined as the risk of losses of exposures caused by events in a specific Country which may be under the control of the government but not under the control of a private enterprise or individuals. This may imply that the repayment of assets within a specific Country will be ultimately prevented by actions of the Country's government (e.g. transfer risk, expropriation risk, legal risk, tax risk, security risk, delivery risk) or by a deterioration of the economic and/or political environment (e.g. a sharp recession, currency and/or banking crisis, disaster, war, civil war, social unrest) of a Country. Country risk is managed by determining the appropriate maximum risk levels (country limits), that can be assumed by the various Legal Entities belonging to the Group vis-à-vis all counterparties (sovereigns, government entities, banks, financial institutions, corporate customers, small businesses, individuals, project finance, etc.) residing in or related to the Country, for cross-border transactions (from the standpoint of the Entity providing the loan) in foreign currency (from the standpoint of the borrower).

Country risk management processes are mainly concentrated at Parent Company in terms of both methodological aspects and the decision-making process, in order to ensure a uniform assessment and monitoring approach, particularly for the rating assignment - PD (probability of default) and LGD (loss given default) - as well as control of risk concentration.

The country rating assignment (both in terms PD and LGD) is performed using the specific internal rating model. The analysis, focused on both qualitative and quantitative factors, is an integral part of the final rating calculation process. In case the rating resulting from the model does not appropriately reflect the credit profile of the country, an override is requested from the competent Body. Both the calculation of PD and LGD values are mandatory and must be assigned before any decision on cross-border credit transactions is taken. The rating has to be updated at least once a year or whenever any material information (both positive and negative) impacting the country creditworthiness becomes available.

Cross border plafonds are calculated in a top-down / bottom-up process considering the risk of the Country (rating), the size of the country measured by its share in international trade of goods and services as well as its share in international capital flows, demand of the bank's export customers and business opportunities. Cross border plafond are renewed at least on a yearly basis.

Risk Exposures toward Greece, Portugal, Ireland, Spain and the CEE Countries are closely measured and monitored in terms of counterparty types - individuals, corporates, banks & financial institutions, sovereigns - as well as in terms of product categories - Loans, Bonds, CDS, Derivatives, and Guarantees. In this focused monitoring process, Risk Exposures include both the “domestic risk" if the Borrower is located in the same Country of the Legal Entity granting credit lines and the "cross border risk" if the Borrower is located elsewhere with respect to the granting legal Entity.

Part E - Information on risks and related risk management policies (CONTINUED)

The evolution of the macroeconomic and political scenario has been constantly monitored in order to be consistently reflected within the internal ratings of the mentioned countries; Internal Ratings have been therefore revised more than on a yearly basis, when needed.

For CEE Countries, given the strategic importance for the Group, loans to customers are subject to specific credit risk strategies defined and monitored at country level, taking also into consideration the macroeconomic outlook.

2.3 Credit Risk Management, Measurement and Control

2.3.1 Reporting and Monitoring Activities

The fundamental objective of the reporting and monitoring activities performed by the Group Risk Management function is the analysis of the main drivers and parameters of credit risk (exposure at default ("EAD"), expected loss ("EL"), migration, cost of risk, etc.) in order to promptly initiate any counter-measures on portfolios, sub-portfolios or individual counterparties.

Group Risk Management function performs credit risk reporting at portfolio level, producing reports at Group level, both recurring and specific (on demand of Top Management or Regulators or external entities, e.g. rating agencies) with the objective of analysing the main risk components and their development over time, and thus to detect any signals of deterioration at an early stage and, subsequently, to put in place the appropriate corrective actions. Credit portfolio performance is analysed with reference to its main risk drivers (such as growth and risk indicators), customer segments, regions, industrial sectors, and impaired credits performance and relevant coverage.

Portfolio reporting activities at Group level are performed in close collaboration with the Chief Risk Officers at Legal Entities level and Credit Risk Portfolio Managers who, within their respective perimeters, implement specific reporting activities.

Starting from January 14, 2013, reporting and monitoring activities are mainly performed by two dedicated Group Risk Management units named "Group Risk Reporting" and "Credit Risk Portfolio Analytics", within "Group Credit Risks Department". The Group Risk Reporting unit is in charge of the consolidation of key risks (credit, market, liquidity and operational risks) reporting at Group level, by leveraging on the information supplied by other competent structures of the Group Risk Management. The Credit Risk Portfolio Analytics team, instead, is responsible for the Group credit risk reporting, with specific detail on industries and single portfolios.

During 2011 and in the first half of 2012 reporting activities were additionally refined through the intensive fine-tuning activity of data collection and consolidation processes, an activity already started in late 2010. This has led to a significant improvement in terms of quality of the information reported in consolidated reports such as, for example, the ERM - Enterprise Risk Management Report. Furthermore, portfolio and business segment reporting units also helped to monitor credit risk exposure within their areas of responsibility.

All monitoring activities that aim at identifying and reacting in a timely manner to possible deterioration in the asset quality of the Group's counterparties, instead, have been further enhanced with dedicated functions of the Group Risk Management that deal with the reporting activities aimed at analysing the main components of this risk and their temporal evolution, in order to be able to detect promptly any symptoms of deterioration and, therefore, take appropriate corrective actions.

2.3.2 Governance and policies

Relationships between the Parent Company and Group Legal Entities carrying out credit-related businesses are defined by specific governance rules, assigning the role of guidance, support and control to the Parent Company, in respect of the following areas: credit policies, credit strategies, models development, rating systems validation, credit concentration risk, the issuance of credit products, monitoring and reporting portfolio credit risk.

In particular, Group Legal Entities are required to request the Group Risk Management function's opinion before granting or reviewing credit lines to individual borrowers or economic groups, whenever they exceed defined thresholds, also with reference to the obligation of compliance with the credit risk concentration limits that have to be measured with respect to the regulatory capital.

According to the role assigned to the Parent Company, specifically to the Group Risk Management function under Group governance, "General Group Credit Policies" define group-wide rules and principles for guiding, governing and standardizing the credit risk assessment and management, in line with the regulatory requirements and Group best practice.

The general rules are supplemented by policies governing defined subjects (business areas, segment activities, type of counterpart / transaction, etc.). Such documents are divided in two categories:

- policies on Group-wide topics, developed by the Parent Company and sent to all the Legal Entities. Some examples are the policies on FIBS customers (Financial Institutions, Banks and Sovereigns), on Country Limits, on Project Finance and Acquisition & Leveraged Finance transactions, on collateral management for OTC derivatives and Repo and securities lending business, on assessment, monitoring and management of underwriting risk limits for the syndicated loan, on "Commercial Real Estate Financing (CREF)" and on "Structured Trade and Export Finance (STEF)";

- policies developed locally by single Legal Entitles. Such documents provide detailed credit rules for specific regions, subsidiaries, etc., if required by local market peculiarities, and are applicable only within the specific Legal Entity perimeter.

At both Legal Entity and Parent Company (if necessary) level, the policies are further detailed through operative instructions, describing specific rules and instructions for the day-by-day activity.

Credit Policies have generally a static approach and are revised when necessary. Therefore they need to be supplemented with credit risk strategies that are updated at least annually and define customers/products, industry segments and geographical areas that will form the target of the Legal Entity/the Group's relevant credit business.

2.3.3 Management and Measurement Methods

Credit Risk generally represents the risk of losses of the value of a credit exposure arising from an unexpected worsening of the counterparty's credit quality.

For the purpose of credit risk measurement, credit risk is defined as the risk of incurring losses arising from the possibility that a counterparty, a borrower or an issuer of a financial obligation (bond, note, etc.) is not able to repay interest and/or principal or any other amount due (Default Risk). In a broader sense, credit risk can also be defined as potential losses arising either from a default of the borrower/issuer or a decrease of the market value of a financial obligation due to a deterioration in its credit quality. On this topic the Group is exploring new approaches to cover also the market value component of banking book credit risk.

Credit risk is measured by single borrower/transaction and for the whole portfolio. The tools and processes used for lending to single borrowers during both the approval and monitoring phases include a credit rating process, which is differentiated by customer segment/product to ensure maximum effectiveness.

The assessment of a counterpart's creditworthiness, within the credit proposal evaluation, begins with an analysis of the financial statements and the qualitative data (competitive positioning, corporate and organisational structure, etc.), regional and industry factors and counterpart behaviour within the Legal Entity and the banking system (e.g., "Centrale dei Rischi"), and results in a rating, i.e. the counterpart's probability of default (PD) on a one-year time horizon.

Regular monitoring focuses on the borrower's performance management, using all available internal and external information in order to arrive at a score representing a synthetic assessment of the risk associated to each monitored customer. This score is obtained using a statistical function that summarizes available information using a set of proven significant variables that are predictors of an event of default within a 12 months horizon.

The internal rating, or risk level assigned to the customer/transaction, forms a part of the lending decision calculation. In other words, at a constant credit amount the approval powers granted to the competent bodies are gradually reduced in proportion to an increased borrower-related risk level. The organizational model in use includes also a dedicated function, which is separated from loan approval and business functions and is responsible for the management of the so-called rating overrides, i.e. any changes to the automatic rating calculated by the model.

Each borrower's credit rating is reviewed at least annually on the basis of new information acquired. Each borrower is also assessed in the context of any economic group with which it is affiliated by, as a general rule, taking into account the theoretical maximum risk for the entire economic group.

Besides the methodologies summarized in the rating systems, the Risk Management function uses portfolio models enabled to measure credit risk on an aggregated portfolio basis and, at the same time, to identify sub-portfolio, or single obligor contributions to the overall risk position.

There are three fundamental portfolio credit risk measures that are calculated and are evaluated on a one year time horizon:
- Expected Loss (EL);
- Credit Value at Risk (Credit VaR);
- Expected Shortfall (ES).

In order to derive the Credit VaR of the portfolio, the portfolio loss distribution is specified; it is represented by the probabilities of getting different values of the portfolio loss on the given time horizon ("discrete loss case"). The loss associated to a specific probability is the product of the percentage of losses given default (LGD) and exposures at default (EAD) considering the correlations among the defaults.

Part E - Information on risks and related risk management policies (CONTINUED)

The Expected Loss (EL) at portfolio level represents the aggregated average loss of the portfolio due to potential defaults of the obligors. The EL of the portfolio is just the sum of the single obligor ones, which can be evaluated as the product of PD x LGD x EAD, and is independent from the default correlations in the portfolio. EL is typically charged as a cost component.

Value at Risk represents the threshold monetary loss overcome only with a given probability level (VaR at 1-α confidence level. UniCredit selected α =0.03% which corresponds to a 99.97% confidence level).
Economic Capital is derived from Value at Risk subtracting the expected loss and it is an input for determining Internal Capital set up to cover potential unexpected losses from all risk factors.

VaR is a widely used measure of portfolio risk but it does not provide information on potential losses in case the VaR limit has been exceeded. Such information is provided by the Expected Shortfall (ES) that represents the expected value of losses that exceed the VaR threshold. Portfolio Credit VaR and ES strongly depend on default correlation and can be reduced by proper portfolio diversification.

The credit portfolio models produce also measures of economic capital reallocated by individual borrowers within each portfolio and are the basis for risk-adjusted performance measures.
The measures of economic capital (Credit VaR based) are also a fundamental input for the design and application of credit strategies, the analysis of credit limits and risk concentration. The economic capital calculation engine is also used for the analysis of stress tests of the credit portfolio, starting from macro-economic variables that affect the various customer segments, by Country, size, etc.

All the above mentioned risk parameters are subject to an initial validation and a regular monitoring process for each rating system in all its components: models, processes, IT systems and data quality.

The aim is to give evidence of the systems compliance, highlighting improvement areas as well as possible misalignments in the methodologies, which could limit the full comparability among the resulting risk measures.
The internal Credit VaR model is also subject to assessment in the context of Basel 2 - Pillar II validation.

2.3.4 Credit Risk Strategies

Group Credit Risk Strategies (GCRS) are one of the advanced instruments for managing credit risk. Consistent both with the budget process and the industry expert views, GCRS provide a set of guidelines and operative targets on the credit portfolio evolution (new business), aiming at improving the overall risk-return profile of the portfolio. The analysis is developed at Country, Divisional and Industry level.

Credit risk strategies aim to obtain a double goal:
- to define the credit portfolio evolution that minimizes the overall credit risk impact given the expected remuneration, in line with the Group's capital allocation and value creation criteria;
- to provide support to the competent Functions and Divisions at Parent Company and Legal Entity level.

Credit risk strategies are defined by synthesizing the top-down risk analysis with the portfolio view of the business functions, through a strict cooperation among the Parent Company and local Risk Management Functions.

Credit risk strategies are implemented by using all available credit risk measures in order to correctly and prudentially manage credit portfolio risk.
In parallel a set of qualitative information, taking into account the specific managerial actions or industry evolution expectation, are incorporated and transformed in input variables for the credit portfolio models.

Portfolio risk management pays special attention to credit risk concentration in light of its importance within total assets.
Such concentration risk, according to the Basel II definition, consists of a single exposure or of a group of correlated exposures with the potential to generate losses of such magnitude as to prejudice the Group's ability to carry on its normal business.

In order to identify, manage, measure and monitor concentration risk, the Parent Company's competent Functions define and monitor credit limits to cover two different types of concentration risk:
- significant amount credit exposures to a single counterparty or to a set of counterparties economically connected ("bulk risk" for Multinationals, Financial Institutions and Banks);
- credit exposures to counterparties belonging to the same economic sector ("sectorial concentration risk").

More generally, as part of credit risk strategy, vulnerability and Capital Adequacy support analysis are performed through the credit risk stress test (Pillar I and Pillar II).

Stress test simulations are a comprehensive part of credit risk strategies definition. With stress test procedure it is possible to re-estimate some risk parameters like PD, Expected Loss, economic capital and RWA under the assumption of "extreme but plausible" macroeconomic and financial stressed scenario. Stressed parameters are used not only for regulatory purposes (Pillar I and Pillar II requirements), but also as managerial indicators about the portfolio vulnerability of single Legal Entities, business lines, industries / regional areas, customer groups and other relevant clusters, conditioned to a downturn of economic cycle.

In compliance with regulatory requirements, stress tests are performed on an on-going basis on updated stressed scenarios and are communicated to the senior management as well as to the Supervisory Authority. In addition to the regular stress test, ad hoc stress test simulations are performed on specific request by the Supervisory Authority.

2.4 Credit Risk Mitigation Techniques

UniCredit Group uses various credit risk mitigation techniques to reduce potential credit losses in case of the obligor default. Consistently with the "International Convergence of Capital Measurement and Capital Standards - A Revised Framework" (Basel 2), the Group is firmly committed to satisfy the requirements for recognition of Credit Risk Mitigation techniques for regulatory capital purposes, according to the different approaches adopted (Standardized, Foundation IRB or Advanced IRB) both for internal use in operations and for the purposes of calculating the credit risk capital requirement.

With specific reference to Credit Risk Mitigation, general guidelines are in force, issued by the Parent Company, to lay down Group-wide rules and principles that should guide, govern and standardise the credit risk mitigation management, in line with Group principles and best practice, as well as in accordance with the relevant regulatory requirements.

Following the General Group Credit Risk Mitigation Guidelines all Legal Entities have adopted internal regulations, specifying processes, strategies and procedures for collateral management. In particular such internal regulations detail collateral eligibility, valuation and monitoring rules and ensure the soundness, legal enforceability and timely liquidation of valuable collateral according to each Country's local legal system.

Collateral management assessments and Credit Risk Mitigation compliance verifications have been performed by the Legal Entities, specifically as part of Internal Rating System applications, in order to assess the presence of adequate documentation and procedure concerning the Credit Risk Mitigation instruments used for supervisory capital.

According to credit policy, collaterals or guarantees can be accepted only to support loans and they cannot serve as a substitute for the borrower's ability to meet obligations. For this reason, in addition to the overall analysis of the credit worthiness and of the repayment capacity of the borrower, they are subject to specific evaluation and analysis of the support role for the repayment of the exposure.

Collaterals accepted in support of credit lines granted by the Group's Legal Entities, primarily include real estate, both residential and commercial, financial collateral (including cash deposits, debt securities, equities, and units of Undertakings for Collective Investment in Transferable Securities (UCITS)). Other types of collateral (pledged goods or pledged loans and life insurance policies) are less common. The Group also makes use of bilateral netting agreements for OTC derivatives (by means of ISDA and CSA agreements), Repos and securities lending.

The management system of credit risk mitigation techniques is embedded in the credit approval process and in the credit risk monitoring process, which widely support the evaluation and data quality checks of collaterals / guarantees and their appropriate linking to the categories defined for LGD estimates purposes. Controls and related responsibilities are duly formalized and documented in internal rules and job descriptions. Furthermore processes are implemented to control that all the relevant information regarding the identification and evaluation of the credit protection are correctly registered in the system.

When accepting a credit risk mitigation technique, UniCredit group emphasizes the importance of processes and controls of the legal certainty requirements of the protection, as well as the assessment of the suitability of the collateral or guarantee. In case of personal guarantees, the protection provider (or the protection seller in case of credit default swap) has to be assessed in order to measure his/her solvency and risk profile.

In case of collaterals, the process of valuation is based on precautionary principles, with reference to the use of "market values" and to the application of adequate haircuts to ensure that, in case of liquidation, there are no unexpected losses.

Monitoring processes of credit risk mitigation techniques ensure that general and specific requirements established by credit policies, internal and regulatory rules are met over the time.

Part E - Information on risks and related risk management policies (CONTINUED)

2.5 Impaired Loans
With reference to the “non-performing” portfolio, the Group’s activities are mainly focused on the following:
- prompt action. With a solid and effective monitoring and reporting process, the early identification of possible credit quality deterioration allows the Group to promptly perform the necessary forbearance practices as well as restrictive management measures aimed at risk reduction in the early phases prior to the potential default; any forbearance measure aims at the timely identification and proper management of exposures with increased risk at a stage where the Bank has not yet initiated foreclosure or similar enforcing proceedings and there is still the client’s capability of repayment;
- proper assessment of the impaired loans, in order to define the strategies/actions to be taken and the applicable default classification;
- initiating recovery procedures on the basis of the type and amount of exposure and the specific borrower involved;
- appropriate provisioning through profit and loss in line with the relevant recovery strategies and plans as well as the type of exposure. Provisioning is carried out in line with the principles of IAS 39 and Basel II rules;
- accurate and regular reporting in order to monitor aggregate portfolio risk over time.

Each Legal Entity’s classification of positions into the various default categories must comply with local legal and regulatory dispositions issued by the respective Supervisory Authority.

Since UniCredit, in its role as Parent Company, is required to comply with instructions issued by the Italian Supervisory Authority, suitable measures are taken vis-à-vis the Group’s foreign Legal Entities to link and align classifications which would otherwise not be consistent with the appropriate default categories.

With specific reference to the forbearance practices the position is classified as “default” if the original contractual conditions are subject to the following modifications and they cause a loss for the Legal Entity:
- when an agreement with the customer leads to a waiver (giving up) of loans or/and accrued past interest rates for the Legal Entity and when the client experiences severe economic difficulties;
- if the Legal Entity reduces the interest rate and/or extends the maturity of a loan for the future and this happens due to risk (the client experiences severe economic difficulties, a loss for the Legal Entity has to be feared), and not due to commercial reasons.

In 2012 in order to increase the effectiveness of high risk exposures management within the UniCredit S.p.A. Italian perimeter and to ensure the prompt and timely implementation of any necessary corrective action in the end to end credit management process of the irregular and impaired loans, some organizational changes within the CRO Italy Function were implemented, providing the Special Credit Italy Department with the following additional responsibilities:
- managing the overall loan portfolio monitoring activity;
- coordinating and providing guidelines to the competent credit underwriting functions with reference to “performing” high risk counterparties and Real Estate customers.

With specific reference to the guidance and coordination role in the management of “performing” high risk customers, the main objective is to improve the quality of risk profile through actions which foster the risk mitigation not only by aiming at the sole exposure reduction.
In general, the main goal of managing the non-performing portfolio is to recover all, or as much exposure as possible, by identifying the best strategy for maximizing the Net Present Value (NPV) of the amounts recovered, or rather minimizing the loss given default.
This activity is managed internally by specially qualified staff or externally through a mandate given to a specialized company - the Group includes the above mentioned UniCredit Credit Management Bank, - or through the sale of non-performing assets to external companies.
The methodology is based on the calculation of the NPV of amounts recovered as a result of alternative recovery strategies, with assumptions made for recoveries, related costs and likelihood of failure for any strategy. These results are compared with the Group Entity's average LGD for positions with the same characteristics. If data series are not available, the comparison is based on estimates.
In order to determine provisions, an exercise that is performed periodically or in any case if an event occurs during the file management, specialized units use an analytical approach to assess the loss projections for loans at default on the basis of the Group’s accounting policies, which are consistent with the rules of IAS 39 and Basel II. If an analytical approach is not possible (e.g., if there are numerous small positions), a Group Legal Entity may make provisions on a lump sum basis by regrouping these positions into aggregates with similar risk and exposure profiles. The percentage used for such provisions is based on historical data series.
With regard to the powers to be granted in the area of classifying files as default positions and calculating loss projections, Group Legal Entities designate several decision-making levels that have been appropriately tailored to the amount of exposure and the provision. In the light of the impact that these decisions have on earnings and tax payments, these decision-making processes involve the GRM function as well as the Group Entity’s Senior Management.

QUANTITATIVE INFORMATION

A. Credit quality

A.1 Impaired and performing loans: amounts, writedowns, changes, distribution by business activity/region

For the purposes of the disclosure of quantitative information about credit quality, the term "credit exposures" does not include equity instruments and units in investment funds except for table A.2.1 - Banking group - Balance Sheet and off-Balance Sheet credit exposure by external rating class, in which units in investment funds are included.

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

(€'000)

	BANKING GROUP					OTHER COMPANIES		
PORTFOLIO/QUALITY	NON-PERFORMING LOANS	DOUBTFUL ASSETS	RESTRUCTURED EXPOSURES	PAST-DUE	OTHER ASSETS	IMPAIRED	OTHER	TOTAL
1. Financial assets held for trading	21,011	197,857	16,123	81,638	101,462,932	-	1,389	101,780,950
2. Available-for-sale financial assets	25,727	25,480	15	-	69,604,482	-	92,892	69,748,596
3. Held-to-maturity financial instruments	72	6,028	-	-	6,201,767	-	-	6,207,867
4. Loans and receivables with banks	128,806	2,166	56	29,661	74,207,726	-	106,560	74,474,975
5. Loans and receivables with customers	19,359,247	15,142,634	5,503,826	4,044,492	501,029,035	7,324	2,057,499	547,144,057
6. Financial assets at fair value through profit or loss	-	-	-	-	24,493,708	-	93	24,493,801
7. Financial instruments classified as held for sale	758,752	267,901	95,405	6,151	2,014,838	-	-	3,143,047
8. Hedging instruments	-	-	-	-	17,691,334	-	-	17,691,334
Total 12.31.2012	**20,293,615**	**15,642,066**	**5,615,425**	**4,161,942**	**796,705,822**	**7,324**	**2,258,433**	**844,684,627**
Total 12.31.2011	**18,624,208**	**13,257,950**	**5,400,884**	**3,747,497**	**807,698,854**	**7,110**	**726,076**	**849,462,579**

The banking group portion does not include intercompany accounts (including those with companies which are not consolidated).

Figures provided in line "5. Loans and receivables with customers" correspond to the table "Loans and receivables with customers - Asset quality" in the Report on Operations.

The amount of item 7 corresponds to total financial assets of the table 15.1 "Non-current assets and disposal groups classified as held for sale" in Part B - Consolidated Balance Sheet - Assets, net of equity instruments amounting to €2,449 thousands.

A.1.2 Breakdown of credit exposures by portfolio and credit quality (gross and net values)

(€'000)

	IMPAIRED ASSETS			PERFORMING			
PORTFOLIO/QUALITY	GROSS EXPOSURE	SPECIFIC WRITEDOWNS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	TOTAL (NET EXPOSURE)
A. Banking group							
1. Financial assets held for trading	409,860	93,231	316,629	X	X	101,462,932	101,779,561
2. Available-for-sale financial assets	107,864	56,642	51,222	69,606,119	1,637	69,604,482	69,655,704
3. Held-to-maturity financial instruments	23,404	17,304	6,100	6,201,792	25	6,201,767	6,207,867
4. Loans and receivable with banks	340,711	180,022	160,689	74,219,646	11,920	74,207,726	74,368,415
5. Loans and receivables with customers	79,750,868	35,700,669	44,050,199	503,863,366	2,834,331	501,029,035	545,079,234
6. Financial assets at fair value through profit or loss	-	-	-	X	X	24,493,708	24,493,708
7. Financial instruments classified as held for sale	2,510,965	1,382,756	1,128,209	2,026,640	11,802	2,014,838	3,143,047
8. Hedging instruments	-	-	-	X	X	17,691,334	17,691,334
Total A	**83,143,672**	**37,430,624**	**45,713,048**	**655,917,563**	**2,859,715**	**796,705,822**	**842,418,870**
B. Other consolidated companies							
1. Financial assets held for trading	-	-	-	X	X	1,389	1,389
2. Available-for-sale financial assets	-	-	-	92,892	-	92,892	92,892
3. Held-to-maturity financial instruments	-	-	-	-	-	-	-
4. Loans and receivable with banks	-	-	-	106,560	-	106,560	106,560
5. Loans and receivables with customers	35,670	28,346	7,324	2,058,094	595	2,057,499	2,064,823
6. Financial assets at fair value through profit or loss	-	-	-	X	X	93	93
7. Financial instruments classified as held for sale	-	-	-	-	-	-	-
8. Hedging instruments	-	-	-	X	X	-	-
Total B	**35,670**	**28,346**	**7,324**	**2,257,546**	**595**	**2,258,433**	**2,265,757**
Total 12.31.2012	**83,179,342**	**37,458,970**	**45,720,372**	**658,175,109**	**2,860,310**	**798,964,255**	**844,684,627**
Total 12.31.2011	**74,132,745**	**33,095,096**	**41,037,649**	**641,780,904**	**2,927,461**	**808,424,930**	**849,462,579**

Data concerning the banking Group are net of infragroup positions, including those with other entities included in the scope of consolidation.

Part E - Information on risks and related risk management policies (Continued)

The table below provides a breakdown of credit exposures being renegotiated, i.e. whose installment payment (both principal and interest) has been temporarily suspended in compliance with the general agreements entered by Banking Associations/Unions or with regulations in force in the countries where the Group operates.
As at December 31, 2012 there are no such positions in the portfolios of financial assets other than loans to customers.

Customer Loans - Exposures renegotiated under collective agreements

(€'000)

PORTFOLIO/QUALITY	PERFORMING									TOTAL (NET EXPOSURE)
	OTHER PERFORMING			PAST-DUE 1/90 DAYS			PAST-DUE 91/180 DAYS			
BANKING GROUP AND OTHER CONSOLIDATED COMPANIES	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	12.31.2012
5. Loans and receivables with customers	**475,048,327**	**2,416,653**	**472,631,674**	**26,120,737**	**307,266**	**25,813,471**	**4,752,395**	**111,006**	**4,641,389**	**503,086,534**
- Exposures renegotiated in application of collective agreements	3,683,856	10,179	3,673,677	197,329	3,369	193,960	192,800	3,215	189,585	4,057,222
- Other exposures	471,364,471	2,406,474	468,957,997	25,923,408	303,897	25,619,511	4,559,595	107,791	4,451,804	499,029,312

A.1.3 Banking group - On- and Off-Balance Sheet credit exposure to banks: gross and net values

(€'000)

EXPOSURE TYPES/AMOUNTS	AMOUNTS AS AT 12.31.2012			
	GROSS EXPOSURE	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
A. Balance Sheet exposure				
a) Non-performing loans	303,968	175,117	X	128,851
b) Doubtful loans	3,929	1,763	X	2,166
c) Restructured exposures	11,621	11,565	X	56
d) Past due	31,199	1,538	X	29,661
e) Other assets	97,948,798	X	13,575	97,935,223
Total A	**98,299,515**	**189,983**	**13,575**	**98,095,957**
B. Off-Balance Sheet exposure				
a) Impaired	19,992	13,266	X	6,726
b) Other	50,771,182	X	10,534	50,760,648
Total B	**50,791,174**	**13,266**	**10,534**	**50,767,374**
Total (A+B)	**149,090,689**	**203,249**	**24,109**	**148,863,331**

This table includes also exposures to banks classified in financial assets portfolios other than Loans and Receivables.

A.1.4 Banking group - On-Balance Sheet credit exposures to banks: gross change in impaired exposures

(€'000)

SOURCE/CATEGORIES	CHANGES IN 2012			
	NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST DUE EXPOSURES
A. Opening balance - gross exposure	**263,475**	**13,200**	**13,597**	**6,699**
- of which: assets sold but not derecognised	-	-	-	-
B. Increases	**142,376**	**3,388**	**-**	**531,187**
B.1 transfers from performing loans	123,080	1,188	-	364,330
B.2 transfer from other impaired exposure categories	3,765	1	-	-
B.3 other increases	15,531	2,199	-	166,857
C. Reductions	**101,883**	**12,659**	**1,976**	**506,687**
C.1 transfers to performing loans	4,448	1,226	-	341,747
C.2 derecognised items	55,765	205	-	-
C.3 recoveries	23,084	3,417	-	-
C.4 sales proceeds	16,189	-	-	-
C.5 transfer from other impaired exposure categories	-	2,474	1,291	1
C.6 other reductions	2,397	5,337	685	164,939
D. Gross exposure closing balance	**303,968**	**3,929**	**11,621**	**31,199**
- of which: assets sold but not derecognised	-	-	-	-

A.1.5 Banking group - On-Balance Sheet credit exposures to banks: change in overall impairments

(€'000)

SOURCE/CATEGORIES	CHANGES IN 2012 NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST DUE EXPOSURES
A. Opening gross writedowns	**210,906**	**6,546**	**13,514**	**3,660**
- of which: assets sold but not derecognised	-	-	-	-
B. Increases	**35,951**	**371**	**81**	**1,481**
B.1 write-downs	17,466	182	81	91
B.1 bis losses on disposal	-	-	-	-
B.2 transfer from other impaired exposure categories	6,500	-	-	-
B.3 other increases	11,985	189	-	1,390
C. Reductions	**71,740**	**5,154**	**2,030**	**3,603**
C.1 write-backs from assessments	15	25	-	1,099
C.2 write-backs from recoveries	9,682	234	-	2,502
C.2 bis gains on disposal	1,008	-	-	-
C.3 write-offs	55,765	205	-	-
C.4 transfer from other impaired exposure categories	-	4,500	2,000	-
C.5 other reductions	5,270	190	30	2
D. Final gross writedowns	**175,117**	**1,763**	**11,565**	**1,538**
- of which: assets sold but not derecognised	-	-	-	-

A.1.6 Banking group - On- and Off-Balance sheet credit exposure to customers: gross and net values

(€'000)

EXPOSURE TYPES/AMOUNTS	AMOUNTS AS AT 12.31.2012 GROSS EXPOSURE	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
A. Balance Sheet exposure				
a) Non-performing loans	46,637,594	26,437,399	-	20,200,195
b) Doubtful loans	22,964,502	7,522,459	-	15,442,043
c) Restructured exposures	8,264,471	2,539,782	-	5,724,689
d) Past due	4,834,070	783,427	-	4,050,643
e) Other assets	610,647,079	-	2,846,140	607,800,939
Total A	**693,347,716**	**37,283,067**	**2,846,140**	**653,218,509**
B. Off-Balance Sheet exposure				
a) Impaired	4,087,135	856,429	-	3,230,706
b) Other	189,356,718	-	1,042,907	188,313,811
Total B	**193,443,853**	**856,429**	**1,042,907**	**191,544,517**
Total (A+B)	**886,791,569**	**38,139,496**	**3,889,047**	**844,763,026**

Data relating to the Banking Group include positions with the other entities included in the scope of consolidation.
This table includes also exposures to customers classified in financial assets portfolios other than Loans and Receivables.

A.1.7 Banking group - On-Balance Sheet credit exposure to customers: change in gross impaired exposures

(€'000)

SOURCE/CATEGORIES	CHANGES IN 2012 NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST DUE EXPOSURES
A. Opening balance - gross exposure	**42,538,780**	**19,472,868**	**7,250,357**	**4,284,398**
- of which: assets sold but not derecognised	*477,121*	*296,948*	*11,804*	*33,332*
B. Increases	**14,183,818**	**17,716,308**	**5,775,986**	**12,895,954**
B.1 transfers from performing loans	3,248,056	8,385,842	1,903,936	10,215,341
B.2 transfer to other impaired exposure	8,356,566	6,941,260	1,754,197	698,782
B.3 other increases	2,579,196	2,389,206	2,117,853	1,981,831
C. Reductions	**10,085,004**	**14,224,674**	**4,761,872**	**12,346,282**
C.1 transfers to performing loans	659,625	1,091,763	322,991	4,346,621
C.2 derecognised items	4,525,393	378,419	598,437	12,386
C.3 recoveries	2,450,744	2,713,573	452,989	123,549
C.4 sales proceeds	259,528	39,057	116,262	22,577
C.5 transfer to other impaired exposure	346,316	9,626,980	1,198,338	6,579,171
C.6 other reductions	1,843,398	374,882	2,072,855	1,261,978
D. Closing balance-gross exposure	**46,637,594**	**22,964,502**	**8,264,471**	**4,834,070**
- of which: assets sold but not derecognised	*528,253*	*335,206*	*16,488*	*36,085*

Sub-items B.3 “other increases”and C.3 “recoveries” include amounts recovered during the year concerning impaired exposures which were derecognized in their entirety.

Part E - Information on risks and related risk management policies (CONTINUED)

A.1.8 Banking group - On-Balance Sheet credit exposures to customers: changes in overall impairment

(€'000)

SOURCE/CATEGORIES	NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST DUE EXPOSURES
	CHANGES IN 2012			
A. Total opening writedowns	**24,314,845**	**6,174,319**	**1,856,824**	**632,573**
- of which: assets sold but not derecognised	*146,229*	*59,870*	*287*	*2,174*
B. Increases	**9,406,013**	**5,623,489**	**1,954,456**	**1,047,196**
B.1 write-downs	6,252,879	4,325,660	1,237,931	612,639
B.1 bis Losses on disposal	28,150	11,527	265	207
B.2 transfer from other impaired exposure	2,373,005	689,922	643,279	104,445
B.3 other increases	751,979	596,380	72,981	329,905
C. Reductions	**7,283,459**	**4,275,349**	**1,271,498**	**896,342**
C.1 write-backs from assessments	1,159,597	357,822	68,451	48,812
C.2 write-backs from recoveries	1,031,179	427,709	239,678	97,550
C.2 bis Gains on disposal	16,314	2,114	1,586	321
C.3 write-offs	4,525,393	378,419	598,437	12,386
C.4 transfer to other impaired exposure	141,607	2,860,548	265,096	543,400
C.5 other reductions	409,369	248,737	98,250	193,873
D. Final gross writedowns	**26,437,399**	**7,522,459**	**2,539,782**	**783,427**
- of which: assets sold but not derecognised	*168,105*	*71,059*	*1,349*	*2,819*

Sub-items B.3 "other increases"and C.2 "write-backs from recoveries" include amounts recovered during the year concerning impaired exposures which were derecognized in their entirety.

A.2 Internal and formerlyternal ratings

A.2.1 Banking group - On-Balance Sheet and Off-Balance Sheet credit exposure by external rating class (book values)

(€'000)

EXPOSURES	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6	NO RATING	TOTAL
	AMOUNTS AS AT 12.31.2012							
	EXTERNAL RATING CLASSES							
A. On-Balance Sheet exposures	**66,458,255**	**64,124,071**	**78,012,213**	**46,124,289**	**28,679,622**	**48,827,035**	**422,595,137**	**754,820,622**
B. Derivative contracts	**12,070,267**	**21,449,552**	**12,175,355**	**4,320,363**	**4,169,137**	**495,326**	**8,227,903**	**62,907,903**
B.1 Financial derivative contracts	11,797,220	20,925,559	11,943,039	4,203,304	4,060,952	491,463	8,165,374	61,586,911
B.2 Credit derivative contracts	273,047	523,993	232,316	117,059	108,185	3,863	62,529	1,320,992
C. Guarantees given	**1,427,074**	**9,114,542**	**8,773,720**	**4,810,606**	**1,020,986**	**1,919,020**	**40,846,895**	**67,912,843**
D. Other commitments to disburse funds	**4,120,554**	**12,400,993**	**8,978,320**	**10,171,870**	**6,156,621**	**1,744,803**	**63,152,628**	**106,725,789**
E. Other	**49,191**	**551,086**	**2,524,890**	**3,214**	**516,870**	**-**	**1,120,105**	**4,765,356**
Total	**84,125,341**	**107,640,244**	**110,464,498**	**65,430,342**	**40,543,236**	**52,986,184**	**535,942,668**	**997,132,513**

Item A. On-Balance Sheet includes €3,506,135 thousands of units in investment funds.

Impaired exposures are included in class "6".

The table details on- and off-balance sheet credits granted to counterparties rated by external rating agencies, which provide brief assessments of the creditworthiness of different classes of borrowers such as Sovereigns, Banks, Public-Sector Entities, Insurance Companies and (usually large) Enterprises.
The table refers to classification of 262/2005 Bank of Italy Circular (first amendment dated November 18, 2009); then it provides, for external ratings, 6 classes of creditworthiness.
Rating Agency utilized for compile the table are: Moody's, S&Ps e Fitch.

Where more than one agency rating is available, the most prudential rating is assigned.
The 65.5% of rated counterparties were investment grade (from Class 1 to Class 3), referring to highly-rated borrowers.

Unrated exposures, i.e. those with no external rating, were 53.7% of the portfolio, due to the fact that a considerable proportion of borrowers were private individuals or SMEs, which are not externally rated.

Details of securitized exposures not derecognized for accounting purposes (but derecognized for prudential purposes) are provided below:

(€ million)

SECURIZATION NAME	ORIGINATOR	ASSET CLASS	AMOUNTS AS AT 12.31.2012
Cordusio RMBS 3 - UB CASA 1	UniCredit S.p.A.	RMBS	1,054
CORDUSIO RMBS	UniCredit S.p.A.	RMBS	664
CORDUSIO RMBS SECURITISATION - SERIE 2006 (ex CORDUSIO RMBS2)	UniCredit S.p.A.	RMBS	884
CORDUSIO RMBS SECURITISATION - SERIE 2007	UniCredit S.p.A.	RMBS	1,889
F-E Mortgages 2003-1	UniCredit S.p.A.	RMBS	230
F-E Mortgages 2005-1	UniCredit S.p.A.	RMBS	353
Heliconus	UniCredit S.p.A.	RMBS	120
CAPITAL MORTGAGE	UniCredit S.p.A.	RMBS	1,288
Locat Securitisation vehicle 2 S.r.l.	UniCredit Leasing S.p.A.	Leasing	275
Locat SV S.r.l. Serie 2005	UniCredit Leasing S.p.A.	Leasing	311
Locat SV S.r.l. Serie 2006	UniCredit Leasing S.p.A.	Leasing	559
F-E Green Srl	Fineco Leasing	Leasing	78
F-E Gold Srl	Fineco Leasing	Leasing	264
Gelidux TS 2010	UniCredit Bank AG	CLO	620
Gelidux TS 2011	UniCredit Bank AG	CLO	437
Gelidux PP 2011	UniCredit Bank AG	CLO	1,158
Total			**1,0184**

A.2.2 Banking Group - On-Balance Sheet and Off-Balance Sheet exposure by internal rating class (book values)

(€'000)

EXPOSURES	AMOUNTS AS AT 12.31.2012											
	INTERNAL RATING CLASSES									IMPAIRED EXPOSURES	NO RATING	TOTAL
	1	2	3	4	5	6	7	8	9			
A. On-Balance Sheet exposures	**39,791,091**	**37,051,023**	**175,378,506**	**153,243,764**	**73,950,616**	**63,742,324**	**46,519,741**	**18,197,450**	**10,557,755**	**45,577,971**	**87,304,246**	**751,314,487**
B. Derivative contracts	**6,129,435**	**6,828,370**	**30,237,811**	**6,911,113**	**2,997,145**	**4,684,146**	**1,052,946**	**762,348**	**204,565**	**315,922**	**2,784,102**	**62,907,903**
B.1 Financial derivative contracts	5,984,634	6,681,639	29,654,206	6,781,936	2,929,373	4,641,948	1,031,091	742,765	201,189	315,922	2,622,208	61,586,911
B.2 Credit derivative contracts	144,801	146,731	583,605	129,177	67,772	42,198	21,855	19,583	3,376	-	161,894	1,320,992
C. Guarantees given	**42,916**	**3,173,227**	**16,503,383**	**17,372,573**	**8,162,720**	**5,020,592**	**2,352,049**	**1,237,793**	**666,822**	**1,460,994**	**11,919,774**	**67,912,843**
D. Other commitments to disburse funds	**3,182,840**	**3,488,474**	**25,326,062**	**18,346,034**	**9,236,850**	**6,962,824**	**8,067,742**	**2,077,999**	**571,212**	**1,460,515**	**28,005,237**	**106,725,789**
E. Other	**-**	**-**	**2,650,608**	**8**	**8**	**500,107**	**230**	**-**	**-**	**-**	**1,614,395**	**4,765,356**
Total	**49,146,282**	**50,541,094**	**250,096,370**	**195,873,492**	**94,347,339**	**80,909,993**	**57,992,708**	**22,275,590**	**12,000,354**	**48,815,402**	**131,627,754**	**993,626,378**

INTERNAL RATING CLASSES	PD RANGE				
1	0.0000%	<=	PD	<=	0.0036%
2	0.0036%	<	PD	<=	0.0208%
3	0.0208%	<	PD	<=	0.1185%
4	0.1185%	<	PD	<=	0.5824%
5	0.5824%	<	PD	<=	1.3693%
6	1.3693%	<	PD	<=	3.2198%
7	3.2198%	<	PD	<=	7.5710%
8	7.5710%	<	PD	<=	17.8023%
9	17.8023%	<	PD		

The table contains on- and off-balance sheet exposures grouped according to the counterparties' internal rating.
Ratings are assigned to individual counterparties using Group banks' internally-developed models included in their credit risk management processes. The internal models validated by the regulators are either 'Group-wide' (e.g. for banks, multinationals and sovereigns) or bank-specific, by segment (e.g. retail or corporate).

The various rating scales of these models are mapped onto a single master-scale of 9 classes based on Probability of Default (PD).
67.1% of internally-rated exposures were investment grade (classes 1 to 4), while exposures towards unrated counterparties were 13.2% of the total. No rating is assigned to these counterparties as either they belong to a segment not yet covered by the models, or the appropriate model is still in the roll-out phase.

Internal Ratings are used for Capital Requirements calculation by the Legal Entities / portfolios that were authorized for the IRB approach from Central bank. Legal Entities currently authorized are: UniCredit S.p.A.,UniCredit Bank AG, UniCredit Bank Austria AG and UniCredit Credit Management Bank S.p.A., UniCredit Bank Ireland p.l.c., UniCredit Bank Luxembourg S.A., UniCredit Banka Slovenija d.d., UniCredit Bulbank AD, UniCredit Bank Czech Republic a.s., UniCredit Bank Hungary, UniCredit Tiriac Bank a.s., UCB SK UniCredit Bank Slovakia a.s..

Part E - Information on risks and related risk management policies (Continued)

A.3 Distribution of secured credit formerlyposures by type of security

A.3.1 Bankig group - Secured credit exposures to banks

(€'000)

	AMOUNTS AS AT 12.31.2012														
		COLLATERALS (1)				GUARANTEES (2)									
						CREDIT DERIVATIVES					SIGNATURE LOANS (LOANS GUARANTIES)				
		PROPERTY					OTHER CREDIT DERVATIVES								
	NET EXPOSURES	MORTGAGES	FINANCE LEASES	SECURITIES	OTHER ASSETS	CREDIT LINK NOTES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	TOTAL (1)+(2)
1. Secured Balance Sheet credit exposures:															
1.1 totally secured	7,556,911	17,394	153	9,341,731	255,013	-	-	-	-	-	436,941	41,141	2,694,780	72,280	12,859,433
- of which impaired	*58,804*	-	-	-	-	-	-	-	-	-	*70,396*	-	-	*13,969*	*84,365*
1.2 partially secured	18,843,153	14,479	-	7,022,663	434,248	-	-	-	-	-	1,341,302	1,003,294	56,716	73,615	9,946,317
- of which impaired	*75,540*	-	-	-	-	-	-	-	-	-	*54,366*	-	*186*	*5,909*	*60,461*
2. Secured off-Balance Sheet credit exposures:															
2.1 totally secured	683,255	-	-	2,672,876	74,404	1,501	-	-	80,000	3,597	1,490	-	432,773	7,346	3,273,987
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 partially secured	489,201	-	-	38,133	33,088	-	-	-	12,000	-	708	624	11,916	5,956	102,425
- of which impaired	*3,263*	-	-	-	-	-	-	-	-	-	*64*	-	-	-	*64*

Classification of exposures as "totally secured" or "partially secured" is made by comparing the gross exposure with the amount of the contractually agreed security.
In accordance with Bank of Italy instructions contained in letter of August 8, 2012, since December 31, 2012 collateral - property has included the component relating to finance leases.

A.3.2 Bankig group - Secured credit exposures to customers

(€'000)

	AMOUNTS AS AT 12.31.2012														
		COLLATERALS (1)				GUARANTEES (2)									
						CREDIT DERIVATIVES					SIGNATURE LOANS (LOANS GUARANTIES)				
		PROPERTY					OTHER CREDIT DERVATIVES								
	NET EXPOSURES	MORTGAGES	FINANCE LEASES	SECURITIES	OTHER ASSETS	CREDIT LINK NOTES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	TOTAL (1)+(2)
1. Secured Balance Sheet credit exposures:															
1.1 totally secured	245,741,804	357,178,925	16,746,968	38,688,217	36,153,621	-	-	-	-	-	2,575,796	931,821	4,806,337	35,632,899	492,714,584
- of which impaired	*25,229,631*	*38,353,748*	*2,688,959*	*205,342*	*5,440,430*	-	-	-	-	-	*20,484*	*9,581*	*243,737*	*6,220,003*	*53,182,284*
1.2 partially secured	115,896,703	39,379,298	-	4,397,972	14,967,730	-	-	-	61,767	-	5,083,618	1,762,913	1,427,597	4,014,226	71,095,121
- of which impaired	*7,960,608*	*3,544,355*	-	*520,508*	*766,008*	-	-	-	-	-	*174,102*	*14,021*	*162,500*	*783,035*	*5,964,529*
2. Secured off- Balance Sheet credit exposures:															
2.1 totally secured	39,043,852	8,514,334	-	732,901	8,247,169	9,051	-	-	-	-	245,764	6,403	3,794,485	27,246,255	48,796,362
- of which impaired	*1,202,543*	*1,774,243*	-	*18,355*	*328,053*	*245*	-	-	-	-	*3,511*	-	*97,844*	*269,568*	*2,491,819*
2.2 partially secured	12,124,505	925,097	-	594,112	952,299	-	-	-	-	-	165,704	5,280	2,100,088	814,377	5,556,957
- of which impaired	*363,950*	*37,483*	-	*3,289*	*26,195*	-	-	-	-	-	*37,921*	*1,582*	*2,325*	*16,637*	*125,432*

Classification of exposures as "totally secured" or "partially secured" is made by comparing the gross exposure with the amount of the contractually agreed security.In accordance with Bank of Italy instructions contained in letter of August 8, 2012, since December 31, 2012 collateral - property has included the component relating to finance leases.

B. Distribution and concentration of credit exposures

B.1 Banking Group - Distribution by segment of On-Balance Sheet and Off-Balance Sheet credit formerlyposure to customers (book value)

(€'000)

COUNTERPARTIES/ EXPOSURES	GOVERNMENTS NET EXPOSURE	GOVERNMENTS SPECIFIC WRITE-DOWNS	GOVERNMENTS PORTFOLIO ADJUSTMENTS	OTHER PUBLIC ENTITIES NET EXPOSURE	OTHER PUBLIC ENTITIES SPECIFIC WRITE-DOWNS	OTHER PUBLIC ENTITIES PORTFOLIO ADJUSTMENTS	FINANCIAL COMPANIES NET EXPOSURE	FINANCIAL COMPANIES SPECIFIC WRITE-DOWNS	FINANCIAL COMPANIES PORTFOLIO ADJUSTMENTS
A. Cash exposure									
A.1 Non-performing loans	4,848	7,266	X	15,157	21,899	X	74,629	519,488	X
A.2 Doubtful loans	739	599	X	228,967	18,573	X	300,954	177,801	X
A.3 Restructured exposures	783	1	X	1,281	3,477	X	74,199	71,638	X
A.4 Past due	215	84	X	39,082	11,933	X	70,325	23,933	X
A.5 Other exposures	72,507,425	X	21,333	38,719,081	X	121,579	72,568,714	X	417,421
Total A	**72,514,010**	**7,950**	**21,333**	**39,003,568**	**55,882**	**121,579**	**73,088,821**	**792,860**	**417,421**
B. Off-Balance Sheet exposures									
B.1 Non-performing loans	-	83	X	2	6	X	114,462	34,278	X
B.2 Doubtful loans	-	-	X	18,665	-	X	91,755	726	X
B.3 Other impaired assets	-	-	X	3,439	1,003	X	12,874	321	X
B.4 Other exposures	5,835,472	X	236	12,343,228	X	2,658	33,972,009	X	891,516
Total B	**5,835,472**	**83**	**236**	**12,365,334**	**1,009**	**2,658**	**34,191,100**	**35,325**	**891,516**
Total (A+B) 12.31.2012	**78,349,482**	**8,033**	**21,569**	**51,368,902**	**56,891**	**124,237**	**107,279,921**	**828,185**	**1,308,937**
Total (A+B) 12.31.2011	**63,323,513**	**401,683**	**28,146**	**63,627,252**	**39,370**	**113,186**	**93,099,498**	**640,461**	**1,042,661**

Continued: B.1 Banking Group - Distribution by segment of On-Balance Sheet and Off-Balance Sheet credit exposure to customers (book value)

(€'000)

COUNTERPARTIES/ EXPOSURES	INSURANCE COMPANIES NET EXPOSURE	INSURANCE COMPANIES SPECIFIC WRITE-DOWNS	INSURANCE COMPANIES PORTFOLIO ADJUSTMENTS	NON-FINANCIAL COMPANIES NET EXPOSURE	NON-FINANCIAL COMPANIES SPECIFIC WRITE-DOWNS	NON-FINANCIAL COMPANIES PORTFOLIO ADJUSTMENTS	OTHER ENTITIES NET EXPOSURE	OTHER ENTITIES SPECIFIC WRITE-DOWNS	OTHER ENTITIES PORTFOLIO ADJUSTMENTS
A. Cash exposure									
A.1 Non-performing loans	15,635	10,423	X	14,244,882	18,248,268	X	5,845,044	7,630,055	X
A.2 Doubtful loans	1,615	283	X	12,201,172	5,722,593	X	2,708,596	1,602,610	X
A.3 Restructured exposures	121,902	7,108	X	5,303,290	2,406,741	X	223,234	50,817	X
A.4 Past due	19	12	X	3,195,184	504,509	X	745,818	242,956	X
A.5 Other exposures	1,245,101	X	3,542	268,788,542	X	1,379,058	153,972,076	X	903,208
Total A	**1,384,272**	**17,826**	**3,542**	**303,733,070**	**26,882,111**	**1,379,058**	**163,494,768**	**9,526,438**	**903,208**
B. Off-Balance Sheet exposures									
B.1 Non-performing loans	5	26	X	631,359	267,097	X	17,442	29,996	X
B.2 Doubtful loans	-	-	X	1,302,802	126,275	X	10,620	48,295	X
B.3 Other impaired assets	11	1	X	1,018,431	337,192	X	8,839	11,130	X
B.4 Other exposures	815,101	X	474	99,032,416	X	136,747	34,894,415	X	11,276
Total B	**815,117**	**27**	**474**	**101,985,008**	**730,564**	**136,747**	**34,931,316**	**89,421**	**11,276**
Total (A+B) 12.31.2012	**2,199,389**	**17,853**	**4,016**	**405,718,078**	**27,612,675**	**1,515,805**	**198,426,084**	**9,615,859**	**914,484**
Total (A+B) 12.31.2011	**4,122,614**	**21,498**	**3,737**	**437,423,447**	**22,810,432**	**1,422,427**	**207,982,634**	**9,558,940**	**1,091,772**

Part E - Information on risks and related risk management policies (CONTINUED)

B.2 Banking group - Distribution of On-Balance Sheet and Off-Balance Sheet formerlyposures to customers by geographic area (book value)

(€'000)

EXPOSURES/ GEOGRAPHIC AREA	AMOUNTS AS AT 12.31.2012									
	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS
A. Cash exposure										
A.1 Non-performing loans	13,369,388	16,926,245	5,525,401	7,691,924	85,490	133,371	888,749	1,344,865	331,167	340,994
A.2 Doubtful loans	11,440,850	5,741,620	3,552,438	1,478,060	103,535	57,160	270,956	139,639	74,264	105,980
A.3 Restructured exposures	3,140,772	708,877	2,334,596	1,626,734	60,615	73,834	150,209	32,062	38,497	98,275
A.4 Impaired past due exposures	3,167,213	541,171	733,526	170,771	987	321	53,337	8,707	95,580	62,457
A.5 Other exposures	275,802,264	1,401,096	299,429,238	1,269,605	7,934,345	28,188	4,871,544	26,520	19,763,548	120,731
Total A	**306,920,487**	**25,319,009**	**311,575,199**	**12,237,094**	**8,184,972**	**292,874**	**6,234,795**	**1,551,793**	**20,303,056**	**728,437**
B. Off-Balance Sheet exposures										
B.1 Non-performing loans	304,701	66,144	428,636	232,215	92	1,579	23,360	6,002	6,477	25,545
B.2 Doubtful loans	873,183	50,175	376,929	90,050	111,730	30,592	60,233	1,723	1,771	2,753
B.3 Other impaired past due exposures	720,643	15,052	245,532	324,908	10	-	14,868	2	62,541	9,689
B.4 Other exposures	59,068,519	991,329	98,599,389	43,082	4,059,951	1,138	1,674,259	687	23,490,523	6,671
Total B	**60,967,046**	**1,122,700**	**99,650,486**	**690,255**	**4,171,783**	**33,309**	**1,772,720**	**8,414**	**23,561,312**	**44,658**
TOTAL (A+B) 12.31.2012	**367,887,533**	**26,441,709**	**411,225,685**	**12,927,349**	**12,356,755**	**326,183**	**8,007,515**	**1,560,207**	**43,864,368**	**773,095**
TOTAL (A+B) 12.31.2011	**353,611,345**	**21,961,939**	**448,143,189**	**12,809,163**	**22,582,051**	**343,508**	**9,869,345**	**1,535,889**	**35,373,028**	**523,814**

B.3 Banking Group - Distribution of On-Balance Sheet and Off-Balance Sheet credit formerlyposures to banks by geographic area (book value)

(€'000)

EXPOSURES/ GEOGRAPHIC AREA	AMOUNTS AS AT 12.31.2012									
	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS
A. Cash exposure										
A.1 Non-performing loans	-	-	6,183	77,128	3,091	35,138	119,576	60,335	1	2,516
A.2 Doubtful exposures	1,689	1,233	477	530	-	-	-	-	-	-
A.3 Restructured exposures	-	-	56	9,944	-	-	-	1,621	-	-
A.4 Impaired past due exposures	-	-	-	-	-	-	29,658	1,538	3	-
A.5 Other exposures	17,708,020	808	71,028,674	10,752	3,892,872	510	1,281,441	1,232	4,024,216	273
Total A	**17,709,709**	**2,041**	**71,035,390**	**98,354**	**3,895,963**	**35,648**	**1,430,675**	**64,726**	**4,024,220**	**2,789**
B. Off-Balance Sheet exposures										
B.1 Non-performing loans	-	-	-	-	3,348	-	3,263	1,348	-	-
B.2 Doubtful loans	115	-	-	-	-	-	-	-	-	-
B.3 Other impaired past due exposures	-	-	-	11,918	-	-	-	-	-	-
B.4 Other exposures	2,151,766	80	40,003,829	10,086	2,247,111	50	1,968,590	294	1,045,166	24
Total B	**2,151,881**	**80**	**40,003,829**	**22,004**	**2,250,459**	**50**	**1,971,853**	**1,642**	**1,045,166**	**24**
TOTAL (A+B) 12.31.2012	**19,861,590**	**2,121**	**111,039,219**	**120,358**	**6,146,422**	**35,698**	**3,402,528**	**66,368**	**5,069,386**	**2,813**
TOTAL (A+B) 12.31.2011	**23,475,961**	**2,459**	**105,012,974**	**125,843**	**9,419,569**	**84,004**	**5,005,252**	**53,828**	**7,474,196**	**12,745**

B.4 Large Formerlyposures (according to supervisory regulations)

	12.31.2012
a) Book Value (€ million)	97,422
a.1) Weighted Value (€ million)	10,890
b) Number	7

Part E - Information on risks and related risk management policies (Continued)

C. Securitization and sale transactions

C.1 Securitization transactions

QUALITATIVE INFORMATION

The Group's main objectives in its securitization transactions (whether traditional or synthetic) are the optimization of the loan portfolio by freeing up regulatory and economic capital and obtaining fresh liquidity together with greater diversification of its sources of funding.
The crisis in the markets experienced since the second half of 2007 made it advisable to use securitization as a means of increasing counterbalancing capacity, i.e. the availability of assets that can readily be used to create liquidity, by retaining the securities issued by the vehicle within the Group.

Analysis and realization of securitization transactions are carried out within the Parent in close cooperation with the Group entities involved and with UniCredit Bank AG as Arranger and Investment Banking. This process requires an economic feasibility study to assess the impact of transactions (according to their nature and aims), on regulatory and economic capital, on risk-adjusted profitability measures and on the level of Group's liquidity.
If this initial phase produces a positive result, a technical and operational feasibility study is carried out to identify the assets to be securitized and design the structure of the transaction. Once technical feasibility has been established, the transaction is realized.

No new securitization transactions were conducted in 2012, while the call options relating to the transactions Cordusio RMBS Securitisation - serie 2008 (Cordusio 5) and Cordusio RMBS UCFin - serie 2009 (Cordusio 6), both self-securitizations, were exercised by UniCredit S.p.A., which acquired the portfolios of the SPEs.
Details of the transactions - traditional and synthetic - carried out in previous financial years are set out in the following tables.

In addition, it should be noted that, following the downgrade of UniCredit S.p.A. by ratings agencies between the end of 2011 and the beginning of 2012, it was necessary to carry out an extraordinary review of all transactions, which involved both the transfer of the Account Bank roles and the payment to eligible counterparties of sums available to guarantee the Account Bank and swap counterparty roles, pursuant to the contractual documentation of each transaction, as well as a revision of some trigger levels of the transactions aimed at bringing them into line with Moody's new criteria relating to the roles played in the securitizations.

It should be noted that "self-securitizations" are not included in the quantitative tables of Part C, as required by regulations.

The Group is also an investor, sponsor and lead manager, mainly through its Markets and Investment Banking Division; when it has the lead-manager role it concentrates on deals where it is bookrunner, since in this case information on the transaction is more complete and accessible.

Starting from H2 2007 mentioned market conditions influenced sponsor and investor transactions, in that stricter monitoring of exposures was required.
In particular, in its role as sponsor the Group purchased Asset-Backed Commercial Paper issued by sponsored conduits. This meant that these vehicles were consolidated as from 2007.

With regard to investment in other parties' securitizations, i.e. structured credit products, these instruments were ring-fenced in a separate portfolio managed with a view to maximizing future cash flow.
Given the asset quality of the underlyings, the best business strategy was considered to be retention in the bank's books.
In this regard, in H2 2008 it is noted that managerial strategy was transposed for accounting purposes by reclassifying structured credit products from Held for trading financial assets to Loans and receivables with customers (see also Part A.3.1 Transfers between portfolios).

In line with the above management principles, risk monitoring and maximizing profit on securitization transactions is achieved by:
- analyzing the monthly or quarterly investor reports produced by the Trustee, paying special attention to the performance of the collateral
- monitoring similar transactions' collateral performance and issues of similar paper
- watching the market fundamentals of the underlying credit and
- staying in constant contact with the investors and, where collateral is managed, with the managers and analysts of the Collateral Manager.

Furthermore each portfolio is assigned a market VaR limit by Risk Management. This is monitored bearing in mind the correlations. The Group has spread curves for each rating and product (asset backed securities, mortgage backed securities, etc.) and uses them to calculate risk, in the same way as other instruments in its portfolio. The method used is in line with other sources of market risk, and enables us to estimate the possible effects of diversification and to aggregate the VaR with other sections of the portfolio.

Further details are given in the following section "Information on structured credit products and trading derivatives with customers".

ORIGINATOR: UniCredit S.p.A.

STRATEGIES, PROCESSES AND GOALS:	The initiatives are a part of the Group's strategies, one of the objectives of which is to finance, at competitive rates (and in large amounts), the development of medium and long-term performing loan portfolios through the structuring of such portfolios and the resulting release of financial resources for new investments. The main advantages of the transactions can be summarized as follows: - improvement in the matching of asset maturities; - diversification of sources of financing; - broadening of investor base and resulting optimization of funding cost.
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	UniCredit S.p.A. acts as "Servicer" for all transactions concerned. As per the agreements entered into with issuing companies (special purpose vehicles - SPV), servicing consists of performing, on behalf of these companies, administrative, collection and securitized loan collection activities as well as the management of any recovery procedures for impaired loans. Thus, as Servicer, UniCredit S.p.A. is charged with continually tracking cash flows from securitized loans and constantly monitoring their collection, with the assistance of third party companies of the Group (especially for the recovery of impaired loans. The company involved is UniCredit Credit Management Bank S.p.A., which operates as an assistant to the Servicer, governed by a special agreement). The Service provides the Special Purpose Vehicle (and other counterparties indicated in the servicing agreements) information on the activity performed by, periodically reports that indicate, among other things, the collection and transfer of the income stream sold, the amount of default positions and recoveries completed, overdue installments, etc., with all information broken down in relation to specific transactions. These reports (which are usually quarterly) are periodically checked (if contractually required) by an auditing firm.
ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	From a strategic point of view, the ABS & Covered Bond Unit established within the Group Finance Department is responsible for central coordination. In this context, ABS & Covered Bond unit also plays the role of proposer and provides support to the Bank's Divisions and to the individual Legal Entities in conducting transactions, cooperating with all the other departments (Planning & Control, Group Credit Treasury, Capital Management, Group Risk Management, etc..) in identifying the characteristics and the distinctive features of "true sale" securitizations of originally performing loans in order to achieve the targets set in the Group's Funding Plan, approved by the Board of Directors. Specific transactions are subject to prior approval by the competent departments of the Bank (during approval, among other things, the structure, costs and impacts in terms of liquidity and/or any capital relief are discussed and analyzed), and to final approval by the Board of Directors. The Bank has established a special coordination unit (Operative Securitization Management) within the Accounting Department. This unit has been tasked with the coordination and operational performance of the servicer-related duties, and to carry out these duties, it works in close cooperation with specific, qualified areas of the Bank (Group Risk Management, Legal & Compliance, etc.) and the Group (UniCredit Business Integrated Solutions S.C.p.A., UniCredit Credit Management Bank S.p.A., etc.). Operative Securitization Management also provides technical and operational support to network units. The information regarding the monitoring of collections and the performance of the securitized portfolio is periodically submitted to the Servicer's Board of Directors.
HEDGING POLICIES:	By agreement, securitized portfolios are protected from interest rate risk by means of the Special Purpose Vehicle entering into Interest Rate Swap (IRS) agreements to hedge a fixed-rate portfolio, and Basis Swaps to hedge an indexed rate portfolio. Both are executed with the Originator, UniCredit S.p.A. In connection with these swaps (with the exclusion of Impresa One and Consumer One transactions), related back-to-back swap contracts are entered into between UniCredit S.p.A. and UniCredit Bank AG - London Branch as the swap counterparty.
OPERATING RESULTS:	At the end of December 2012, the operating results related to existing securitization transactions essentially reflected the performance of underlying portfolios and the resulting cash flows, and obviously are affected by the amount of defaults and prepayments during the period, which, moreover, are in line with the performance seen in other assets of this kind that are not securitized. The exercise of the option to repurchase the underlying securitized portfolios (Optional Redemption) of the transactions "Cordusio RMBS Securitisation - serie 2008" and "Cordusio RMBS UCFin - serie 2009" did not result in further significant impacts on the Income Statement.

Part E - Information on risks and related risk management policies (Continued)

Transactions from previous periods

NAME	CONSUMER ONE		IMPRESA ONE	
Type of securitisation:	Traditional		Traditional	
Originator:	UniCredit S.p.A.		UniCredit S.p.A.	
Issuer:	Consumer ONE S.r.l.		Impresa ONE S.r.l.	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	UniCredit Bank AG, London Branch		UniCredit Bank AG, London Branch	
Target transaction:	Funding / Counterbalancing capacity		Funding / Counterbalancing capacity	
Type of asset:	Consumer Loans		CLO SME	
Quality of asset:	Performing		Performing	
Closing date:	07.29.2011		10.21.2011	
Nominal Value of disposal portfolio:	€4,193,357,976		€9,290,300,919	
Guarantees issued by the Bank:	-		-	
Guarantees issued by Third Parties:	-		-	
Bank Lines of Credit:	-		-	
Third Parties Lines of Credit:	-		-	
Other Credit Enhancements:	UniCredit S.p.A. - London Branch has grandted the SPV two subordinated loans amounting to €420 million (at the end of accounting period the principal amount repaid was 123.53 million) and €5 million (at the end of accounting period the principal amount repaid was €2 million). UniCredit S.p.A. - London Branch, in May 2012, ha granted a new subordinated loan amounting €102.16 million (at the end of accounting period the principal amount repaid was €2 million).		UniCredit S.p.A. - London Branch has granted the SPV, with respect to this transaction, two subordinated loans amounting to €232.3 million and €190 million.	
Other relevant information:	Self-securitisation		Self-securitisation	
Rating Agencies:	Moody's / DBRS		DBRS / Moody's. Standard & Poor's (till 07.24.2012)	
Amount of CDS or other supersenior risk transferred:			-	
Amount and Conditions of tranching:				
- ISIN	IT0004752116	IT0004751902	IT0004774433	IT0004774425
- Type of security	Senior	Junior	Senior	Mezzanine
- Class	A	B	A	B
- Rating	Aa2 / AAA	n.r.	AAA/A2/AA+ (Since 07.24.2012)	A/A2/ --
- Nominal value issued	€2,956,200,000	€1,236,943,620	€5,156,100,000	€1,207,700,000
- Nominal value at the end of accounting period	€2,956,200,000	€1,236,943,620	€5,156,100,000	€1,207,700,000
- ISIN			IT0004774441	IT0004774458
- Type of security			Mezzanine	Junior
- Class			C	D
- Rating			BBB/Baa1/ --	n.r.
- Nominal value issued			€836,100,000	€2,090,400,000
- Nominal value at the end of accounting period			€836,100,000	€2,090,400,000

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

NAME	UNIONFIDI	
Type of securitisation:	Tranche Covered	
Originator:	UniCredit S.p.A.	
Issuer:	UniCredit S.p.A.	
Servicer:	UniCredit S.p.A.	
Arranger:	UniCredit S.p.A.	
Target transaction:	Capital Relief and risk transfer for concentration risks	
Type of asset:	Highly diversified and granular pool of UniCredit's loans to corporates.	
Quality of asset:	Performing	
Closing date:	07.15.2011	
Nominal Value of reference portfolio:	€52,310,504	
Issue guarantees by the Bank:	-	
Issued guarantees bythird parties:	cash collateral Unionfidi	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	-	
Other relevant information:	-	
Rating Agencies:	No rating agency, use of Supervisory Formula Approach (*)	
Amount of CDS or other risk transferred:	-	
Amount and Condition of tranching:		
- ISIN	n.a	n.a
- Type of security	Senior	Junior
- Class	A	B
- Rating	n.r.	n.r.
- Reference Position	€50,730,803	€1,579,688
- Reference Position at the end of accounting period	€26,025,055	€2,300,656

(*) Synthetic securitizations carried out used the Supervisory Formula Approach as required by Italian Regulator (Bank of Italy - Circular 263/2006).
Where there is no eligible external rating, this approach requires the calculation of the regulatory capital requirement for each tranche of a securitization should use the following five elements:
1. The capital requirement on the securitized assets calculated using the IRB approach (kIRB);
2. The level of credit support of the tranche in question;
3. The thickness of the tranche;
4. The number of securitized assets;
5. Average LGD.
Using the Supervisory Formula Approach it is possible to calculate the amount of risk equivalent to the rating of a senior tranche, the remainder being subordinated and classified as junior.

Part E - Information on risks and related risk management policies (Continued)

ORIGINATOR: UniCredit S.p.A. (formerly Capitalia S.p.A., formerly Banca di Roma S.p.A.)

STRATEGIES, PROCESSES AND GOALS:	The goals of the transactions were largely to finance non-performing loan portfolios, diversify sources of funding, improve asset quality and enhance the portfolio with management focused on recovery transactions.
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	The securitization portfolio is monitored on an ongoing basis as a part of servicing activities and is recorded in quarterly reports with a breakdown of loan status and the trend of recoveries.
ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	Reporting related to the monitoring of portfolio collections takes the form of a report to senior management and the board of directors.
HEDGING POLICIES:	Special purpose vehicles enter into IRS and interest rate cap contracts in order to hedge structure-related risk and risk due to the difference between the variable-rate return for the securities issued and the return anticipated from recoveries from the portfolio acquired.
OPERATING RESULTS:	At year-end 2012 profits from existing transactions largely reflected the impact of cash flows from collections for the original defaulting loan portfolio. To be specific, collections for the year totaled €86,35 million (€31.02 million for Trevi Finance, €26.09 million for Trevi 2 and €29.24 million for Trevi 3).

Transactions from previous periods

NAME	TREVI FINANCE		TREVI FINANCE 2	
Type of securitisation:	Traditional		Traditional	
Originator:	Banca di Roma S.p.A		Banca di Roma SpA 89%, Mediocredito di Roma SpA 11%	
Issuer:	Trevi Finance S.p.A.		Trevi Finance N. 2 S.p.A.	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	Finanziaria Internazionale securitization Group S.p.A., PARIBAS		Finanziaria Internazionale securitization Group S.p.A., BNP Paribas Group, Banca di Roma S.p.A.	
Target transaction:	Funding		Funding	
Type of asset:	ordinary loans - mortgage loans		ordinary loans - mortgage loans	
Quality of asset:	non performing	special purpose loan	non performing	special purpose loan
Closing date:	07.21.1999		04.20.2000	
Nominal Value of disposal portfolio:	€2,689,000,000	€94,000,000	€2,425,000,000	€98,000,000
Guarantees issued by the Bank:	Redemption of mezzanine securities C1 and C2 in issue		Redemption of mezzanine securities in issue	
Guarantees issued by Third Parties:	-		-	
Bank Lines of Credit:	-		-	
Third Parties Lines of Credit:	-		-	
Other Credit Enhancements:	-		-	
Other relevant information:	All securities issued outstanding as at 12.31.2011 are retained by UniCredit S.p.A.		All securities issued outstanding as at 12.31.2011 are retained by UniCredit S.p.A.	
Rating Agencies:	Moody's / Duff & Phelps / Fitch			
Amount of CDS or other supersenior risk transferred:	-		-	
Amount and Conditions of tranching:				
- ISIN	XS0099839887	XS0099847633	XS0110624409	XS0110624151
- Type of security	Senior	Mezzanine	Senior	Senior
- Class	A	B	A	B
- Rating	-	Aaa/A-/AAA	-	-
- Nominal value issued	€620,000,000	€155,000,000	€650,000,000	€200,000,000
- Nominal value at the end of accounting period	€0	€0	€0	€0
- ISIN	XS0099850934	XS0099856899	XS0110774808	XS0110770483
- Type of security	Mezzanine	Mezzanine	Mezzanine	Junior
- Class	C1	C2	C	D
- Rating	n.r.	n.r.	n.r.	n.r.
- Nominal value issued	€206,500,000	€210,700,000	€355,000,000	€414,378,178
- Nominal value at the end of accounting period	€0	€447,417,749	€790,377,650	€217,499,112
- ISIN	IT0003364228			
- Type of security	Junior			
- Class	D			
- Rating	n.r.			
- Nominal value issued	€343,200,000			
- Nominal value at the end of accounting period	€173,255,590			

NAME	TREVI FINANCE 3		ENTASI	
Type of securitisation:	Traditional		Traditional	
Originator:	Banca di Roma SpA 92.2%, Mediocredito Centrale SpA 5.2% Leasing Roma SpA 2.6%		Banca di Roma S.p.A	
Issuer:	Trevi Finance N. 3 Srl		Entasi Srl	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	Finanziaria Internazionale securitization Group S.p.A. ABN AMRO, MCC S.p.A.		Capitalia S.p.A.	
Target transaction:	Funding		Funding	
Type of asset:	ordinary loans - mortgage loans		Collateralised bond obligation	
Quality of asset:	non performing	special purpose loan	Trevi Finance 3 classes C1 and C2 securities	
Closing date:	05.25.2001		06.28.2001	
Nominal Value of disposal portfolio:	€2,745,000,000	€102,000,000	€320,000,000	
Guarantees issued by the Bank:	Redemption of mezzanine securities in issue		Commitment of UniCredit S.p.A. (formerly Capitalia S.p.A.) in case of events entitling to early redemption of securities in issue or to the repurchase of Trevi Finance 3 notes at a price sufficient to redeem Entasi securities. The same commitment applies if Trevi Finance 3 exercises the early redemption option of C1 securities.	
Guarantees issued by Third Parties:	-		-	
Bank Lines of Credit:	-		-	
Third Parties Lines of Credit:	-		-	
Other Credit Enhancements:	-		-	
Other relevant information:	The principal amount of the D-class security underwritten by the Bank is guaranteed up to its maturity by zero coupon Italian government bonds. The value of these collateral securities as at 12.31.2012 was €202.609.369,11. The C1 and C2 classes were fully underwritten by the Bank and then restructured for their disposal. These securities were sold (for a nominal amount of €320 milllion) to Entasi Srl, which placed them in the market with institutional investors.		As at 12.31.2012 the portfolio of UniCredit S.p.A. (former Capitalia S.p.A.) includes ENTASI securities with a face value of €110,087,000.	
Rating Agencies:	Moody's / S&P / Fitch		Moody's	
Amount of CDS or other supersenior risk transferred:	-		-	
Amount and Conditions of tranching:			ENTASI Series 2001-1	ENTASI Series 2001-2
- ISIN	XS0130116568	XS0130117020	IT0003142996	IT0003143028
- Type of security	Senior	Mezzanine	Senior	Senior
- Class	A	B	Serie 1	Serie 2
- Rating	Aaa/AAA/AAA	Aa1/AA/AA-	A1	A1
- Nominal value issued	€600,000,000	€150,000,000	€160,000,000	€160,000,000
- Nominal value at the end of accounting period	€0	€0	€160,000,000	€160,000,000
- ISIN	XS0130117459	XS0130117616		
- Type of security	Mezzanine	Mezzanine		
- Class	C1	C2		
- Rating	-	-		
- Nominal value issued	€160,000,000	€160,000,000		
- Nominal value at the end of accounting period	€388,701,161	€381,271,900		
- ISIN	IT0003355911			
- Type of security	Junior			
- Class	D			
- Rating	n.r.			
- Nominal value issued	€448,166,000			
- Nominal value at the end of accounting period	€448,166,000			

Part E - Information on risks and related risk management policies (Continued)

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

NAME	CAESAR FINANCE	
Type of securitisation:	Traditional	
Originator:	Banca di Roma S.p.A.	
Issuer:	Caesar Finance S.A.	
Servicer:	Bank of New York	
Arranger:	Donaldson, Lufkin & Jenrette	
Target transaction:	Funding	
Type of asset:	Collateralised bond obligation	
Quality of asset:	performing	
Closing date:	11.05.1999	
Nominal Value of disposal portfolio:	€360,329,000	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties:	-	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	-	
Other relevant information:	-	
Rating Agencies:	Fitch / Moody's	
Amount of CDS or other supersenior risk transferred:	-	
Amount and Conditions of tranching:		
- ISIN	XS0103928452	XS0103929773
- Type of security	Senior	Junior
- Class	A	B
- Rating	AAA/Aaa	n.r.
- Nominal value issued	€270,000,000	€90,329,000
- Nominal value at the end of accounting period	€0	€65,097,129

ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A.)

Transactions from previous periods

NAME	CORDUSIO RMBS UCFIN - SERIE 2006 (EX CORDUSIO RMBS 3 - UBCASA 1)	
Type of securitisation:	Traditional	
Originator:	UniCredit Banca per la Casa S.p.A.	
Issuer:	Cordusio RMBS UCFin S.r.l. (ex Cordusio RMBS 3 - UBCasa 1 S.r.l.)	
Servicer:	UniCredit S.p.A.	
Arranger:	UniCredit Banca Mobiliare S.p.A.	
Target transaction:	Funding / Counterbalancing capacity	
Type of asset:	Private Mortgage Loans	
Quality of asset:	performing	
Closing date:	11.16.2006	
Nominal Value of disposal portfolio:	€2,495,969,425	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties:	-	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loan of 14.976 million euro, at the end of accounting period that amount is fully reimboursed	
Other relevant information:	Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid €160 million of funds into an eligible entity to maintain its role as an Account Bank and funds which at December 31, 2012 amounted to €78.35 million to maintain its role as a Swap Counterparty.	
Rating Agencies:	Fitch /Moody's / Standard & Poor's	
Amount of CDS or other supersenior risk transferred:	-	
Amount and Conditions of tranching:		
- ISIN	IT0004144884	IT0004144892
- Type of security	Senior	Senior
- Class	A1	A2
- Rating	-	AAA/Aaa/AA+
- Nominal value issued	€600,000,000	€1,735,000,000
- Nominal value at the end of accounting period	€0	€842,409,124
- ISIN	IT0004144900	IT0004144934
- Type of security	Mezzanine	Mezzanine
- Class	B	C
- Rating	AA/Aa1/AA	A+/A1/A+
- Nominal value issued	€75,000,000	€25,000,000
- Nominal value at the end of accounting period	€75,000,000	€25,000,000
- ISIN	IT0004144959	IT0004144967
- Type of security	Mezzanine	Junior
- Class	D	E
- Rating	BBB+/Baa2/BBB+	n.r.
- Nominal value issued	€48,000,000	€12,969,425
- Nominal value at the end of accounting period	€48,000,000	€12,969,425

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

Part E - Information on risks and related risk management policies (CONTINUED)

ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A., formerly UniCredit Banca S.p.A.)

NAME	CORDUSIO RMBS SECURITISATION - SERIE 2007		CORDUSIO RMBS SECURITISATION - SERIE 2006 (EX CORDUSIO RMBS 2)		CORDUSIO RMBS	
Type of securitisation:	Traditional		Traditional		Traditional	
Originator:	UniCredit Banca S.p.A.		UniCredit Banca S.p.A.		Unicredit Banca S.p.A.	
Issuer:	Cordusio RMBS Securitisation S.r.l.		Cordusio RMBS Securitisation S.r.l.(ex Cordusio RMBS 2 S.r.l.)		Cordusio RMBS S.r.l.	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	Bayerische Hypo und Vereinsbank AG, London Branch		UniCredit Banca Mobiliare S.p.A		Euro Capital Structures Ltd	
Target transaction:	Funding / Counterbalancing capacity		Funding / Counterbalancing capacity		Funding / Counterbalancing capacity	
Type of asset:	Private Mortgage Loans		Private Mortgage Loans		Private Mortgage Loans	
Quality of asset:	performing		performing		performing	
Closing date:	05.22.2007		07.06.2006		05.05.2005	
Nominal Value of disposal portfolio:	€3,908,102,838		€2,544,388,351		€2,990,089,151	
Guarantees issued by the Bank:	-		-		-	
Guarantees issued by Third Parties:	-		-		-	
Bank Lines of Credit:	-		-		-	
Third Parties Lines of Credit:	-		-		-	
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loan of 6.253 million euro. At the end of accounting period that amount si fully reimboursed.		UniCredit S.p.A. has granted SPV a subordinated loan of 6.361 million euro. At the end of accounting period that amount is fully reimboursed.		UniCredit S.p.A. has granted SPV a subordinated loan of 6.127 million euro. At the end of accounting period tha amount is fully reimboursed.	
Other relevant information:	Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid €236 million of funds into an eligible entity to maintain its role as an Account Bank and funds which at December 31, 2012 amounted to €135.79 million to maintain its role as a Swap Counterparty.		Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid €170 million of funds into an eligible entity to maintain its role as an Account Bank and funds which at December 31, 2012 amounted to €69.51 million to maintain its role as a Swap Counterparty.		Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid €176 million of funds into an eligible entity to maintain its role as an Account Bank and funds which at December 31, 2012 amounted to €54.45 million to maintain its role as a Swap Counterparty.	
Rating Agencies:	Fitch /Moody's / Standard & Poor's		Fitch /Moody's / Standard & Poor's		Fitch /Moody's /Standard & Poor's	
Amount of CDS or other supersenior risk transferred:	-		-		-	
Amount and Conditions of tranching:						
- ISIN	IT0004231210	IT0004231236	IT0004087158	IT0004087174	IT0003844930	IT0003844948
- Type of security	Senior	Senior	Senior	Senior	Senior	Senior
- Class	A1	A2	A1	A2	A1	A2
- Rating	-	AAA/Aaa/AA+	-	AAA/Aaa/AA+	-	AAA/Aaa/AA+
- Nominal value issued	€703,500,000	€2,227,600,000	€500,000,000	€1,892,000,000	€750,000,000	€2,060,000,000
- Nominal value at the end of accounting period	€0	€845,508,079	€0	€721,706,049	€0	€481,285,216
- ISIN	IT0004231244	IT0004231285	IT0004087182	IT0004087190	IT0003844955	IT0003844963
- Type of security	Senior	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine
- Class	A3	B	B	C	B	C
- Rating	AAA/Aaa/AA+	AA/Aa1/AA	AA/Aa1/AA	BBB+/Baa2/BBB	AA+/Aa1/AAA-	BBB/Baa1/BBB
- Nominal value issued	€738,600,000	€71,100,000	€45,700,000	€96,000,000	€52,000,000	€119,200,000
- Nominal value at the end of accounting period	€738,600,000	€71,100,000	€45,700,000	€96,000,000	€52,000,000	€119,200,000
- ISIN	IT0004231293	IT0004231301	IT0004087216		IT0003844971	
- Type of security	Mezzanine	Mezzanine	Junior		Junior	
- Class	C	D	D		D	
- Rating	A/A1/A	BBB-/Baa2/BBB	n.r.		n.r.	
- Nominal value issued	€43,800,000	€102,000,000	€10,688,351		€8,889,150	
- Nominal value at the end of accounting period	€43,800,000	€102,000,000	€10,688,351		€8,889,150	
- ISIN	IT0004231319	IT0004231327				
- Type of security	Mezzanine	Junior				
- Class	E	F				
- Rating	CCC/Ba2/BB	n.r.				
- Nominal value issued	€19,500,000	€2,002,838				
- Nominal value at the end of accounting period	€19,500,000	€2,002,838				

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A., formerly Bipop-Carire S.p.A.)

NAME	BIPCA CORDUSIO RMBS	
Type of securitisation:	Traditional	
Originator:	Bipop - Carire S.p.A.	
Issuer:	Capital Mortgage Srl	
Servicer:	UniCredit S.p.A.	
Arranger:	Bipop - Carire S.p.A.	
Target transaction:	Funding / Counterbalancing capacity	
Type of asset:	Private Mortgage Loans	
Quality of asset:	performing	
Closing date:	12.17.2007	
Nominal Value of disposal portfolio:	€951,664,009	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties:	-	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loan of 9.514 million euro. As the and of accounting period the refunded amount was €1.5 million.	
Other relevant information:	All securities issued outstanding from December 31, 2010 have been retained by UniCredit S.p.A. Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid €59 million of funds into an eligible entity to maintain its role as an Account Bank and funds which at December 31, 2012 amounted to €82.46 million to maintain its role as a Swap Counterparty.	
Rating Agencies:	S & P / Moody's	
Amount of CDS or other supersenior risk transferred:	-	
Amount and Conditions of tranching:		
- ISIN	IT0004302730	IT0004302748
- Type of security	Senior	Senior
- Class	A1	A 2
- Rating	AA+ /A2	AA+ / A2
- Nominal value issued	€666,300,000	€185,500,000
- Nominal value at the end of accounting period	€334,408,108	€185,500,000
- ISIN	IT0004302755	IT0004302763
- Type of security	Mezzanine	Mezzanine
- Class	B	C
- Rating	AA+/Aa3	A+/A2
- Nominal value issued	€61,800,000	€14,300,000
- Nominal value at the end of accounting period	€61,800,000	€14,300,000
- ISIN	IT0004302797	IT0004302854
- Type of security	Mezzanine	Mezzanine
- Class	D	E
- Rating	BBB/Baa1	BB/Baa2
- Nominal value issued	€18,000,000	€5,500,000
- Nominal value at the end of accounting period	€18,000,000	€5,500,000
- ISIN	IT0004302912	
- Type of security	Junior	
- Class	F	
- Rating	n.r.	
- Nominal value issued	€250,000	
- Nominal value at the end of accounting period	€250,000	

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

Part E - Information on risks and related risk management policies (CONTINUED)

ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A., formerly Banca di Roma S.p.A.)

NAME	CAPITAL MORTGAGE 2007 - 1	
Type of securitisation:	Traditional	
Originator:	Banca di Roma S.p.A.	
Issuer:	Capital Mortgage S.r.l.	
Servicer:	UniCredit S.p.A.	
Arranger:	UniCredit S.p.A.	
Target transaction:	Funding / Counterbalancing capacity	
Type of asset:	Private Mortgage Loans	
Quality of asset:	performing	
Closing date:	05.14.2007	
Nominal Value of disposal portfolio:	€2,183,087,875	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties:	-	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loan of 37.19 million euro (as Equity).	
Other relevant information:	Tranching based on an original assets portfolio €2,479.4 million, reduced to €2,183.1 million due to checks after closing date. Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid funds into an eligible entity amounting to €238.583 million at December 31, 2012 to maintain its role as an Account Bank.	
Rating Agencies:	S & P / Moody's / Fitch	
Amount of CDS or other supersenior risk transferred:	-	
Amount and Conditions of tranching:		
- ISIN	IT0004222532	IT0004222540
- Type of security	Senior	Senior
- Class	A1	A2
- Rating	AA+/ Aa2/AA	AA+/ Aa2/AA
- Nominal value issued	€1,736,000,000	€644,000,000
- Nominal value at the end of accounting period	€449,564,629	€644,000,000
- ISIN	IT0004222557	IT0004222565
- Type of security	Mezzanine	Mezzanine
- Class	B	C
- Rating	AA/A3/BB	CCC/Ca/CCC
- Nominal value issued	€74,000,000	€25,350,000
- Nominal value at the end of accounting period	€74,000,000	€23,350,000

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A., formerly FinecoBank S.p.A.)

NAME	F-E MORTGAGES 2005		F-E MORTGAGES SERIES 1-2003		HELICONUS	
Type of securitisation:	Traditional		Traditional		Traditional	
Originator:	FinecoBank S.p.A.		FinecoBank S.p.A.		FinecoBank S.p.A.	
Issuer:	F-E Mortgages S.r.l.		F-E Mortgages S.r.l.		Heliconus S.r.l	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	Capitalia S.p.A.		Capitalia S.p.A.		Capitalia S.p.A.	
Target transaction:	Funding / Counterbalancing capacity		Funding / Counterbalancing capacity		Funding / Counterbalancing capacity	
Type of asset:	Private Mortgage Loans		Private Mortgage Loans		Private Mortgage Loans	
Quality of asset:	in bonis		in bonis		in bonis	
Closing date:	04.06.2005		11.27.2003		11.08.2002	
Nominal Value of disposal portfolio:	€1,028,683,779		€748,630,649		€408,790,215	
Guarantees issued by the Bank:	-		-		-	
Guarantees issued by Third Parties:	-		-		-	
Bank Lines of Credit:	-		UniCredit S.p.A. for €20 million (jointly with The Royal Bank of Scotland Milan Branch). At the end of accounting period the amopunt of line of credit is totally redeemed.		UniCredit S.p.A. for €10.220 million. At the end of accounting period the amount of line of credit is totally redeemed.	
Third Parties Lines of Credit:	-		-		-	
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loan of 15.431 million euro (as Equity). At the end of accounting period the amount of capital tranche reimboursed is 8.763 million.		-		-	
Other relevant information:	-		Following the downgrade of Royal Bank of Scotland Plc by Moody's, on August 3, 2012 UniCredit S.p.A. made a provision of €20 million for the SPV corresponding to the liquidity line.		Following its downgrade by Moody's, on January 12, 2012 UniCredit S.p.A. made a provision of €10.220 million for the SPV corresponding to the liquidity line.	
Rating Agencies:	S & P / Moody's / Fitch		S & P / Moody's / Fitch		S & P / Moody's / Fitch	
Amount of CDS or other supersenior risk transferred:	-		-		-	
Amount and Conditions of tranching:						
- ISIN	IT0003830418	IT0003830426	IT0003575039	IT0003575070	IT0003383855	IT0003383871
- Type of security	Senior	Mezzanine	Senior	Mezzanine	Senior	Mezzanine
- Class	A	B	A	B	A	B
- Rating	AA+/ A2/AAA	AA+/ A2/A+	AA+/ A2/AAA	AA+/A2/A	AA+/ A2/AAA	-- /A2/A+
- Nominal value issued	€951,600,000	€41,100,000	€682,000,000	€48,000,000	€369,000,000	€30,800,000
- Nominal value at the end of accounting period	€236,894,349	€39,237,640	€133,453,180	€48,000,000	€71,280,132	€30,800,000
- ISIN	IT0003830434		IT0003575088	IT0003575096	IT0003383939	
- Type of security	Mezzanine		Mezzanine	Junior	Junior	
- Class	C		C	D	C	
- Rating	BBB+/Baa2/BBB-		A-/Baa2/BBB-	n.r.	n.r.	
- Nominal value issued	€36,000,000		€11,000,000	€7,630,000	€8,990,200	
- Nominal value at the end of accounting period	€34,368,736		€11,000,000	€7,630,000	€8,990,200	

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

Part E - Information on risks and related risk management policies (CONTINUED)

ORIGINATOR: UniCredit Leasing S.p.A (formerly LOCAT S.p.A.)

STRATEGIES, PROCESSES AND GOALS:	The main reasons for these transactions are: improved asset allocation, diversification of funding sources and improved Regulatory Ratios.
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	Each portfolio is monitored on an ongoing basis and is described in monthly and quarterly reports (required by the agreements) with a break down of loans by status and the trend of repayments.
ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	Coordination Structure was set up in the Accounts Department. The Board of Directors is provided with a report with a break down of repayments and the status of loans.
HEDGING POLICIES:	The Special Purpose Vehicle bought IRSs as fair value hedge and Basis Swaps as Cash flow hedge (and related back to back between Originator and Counterparty).
OPERATING RESULTS:	Repayments are in line with the schedule provided on issue (business plan) such that the equity tranche yield (including extra spread) is in line with expected yield on investments with similar risk level.

Transactions from previous periods

NAME	LOCAT SV - SERIE 2011		LOCAT SV - SERIE 2006	
Type of securitisation:	Traditional		Traditional	
Originator:	UniCredit Leasing S.p.A. (ex Locat S.p.A.)		Locat S.p.A.	
Issuer:	Locat SV S.r.l.		Locat SV S.r.l.	
Servicer:	UniCredit Leasing S.p.A. (ex Locat S.p.A.)		Locat S.p.A.	
Arranger:	UniCredit Bank AG London Branch		UniCredit Banca Mobiliare S.p.A.	
Target transaction:	Funding / Counterbalancing capacity		Capital Relief / Funding	
Type of asset:	Leasing loans bearing car, capital goods and real estate.		Leasing loans bearing car, capital goods and real estate.	
Quality of asset:	in bonis		performing	
Closing date:	02.11.2011		11.14.2006	
Nominal Value of disposal portfolio:	€5,150,822,514		€1,972,909,866	
Guarantees issued by the Bank:	-		-	
Guarantees issued by Third Parties:	-		-	
Bank Lines of Credit:	-		-	
Third Parties Lines of Credit:	-		-	
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loan of 252 million euro.		-	
Other relevant information:	Self-securitization		Revolving	
Rating Agencies:	Standard & Poor's / DBRS		Standard & Poor's / Moody's	
Amount of CDS or other supersenior risk transferred:	-		-	
Amount and Conditions of tranching:				
- ISIN	IT0004690753	IT0004690746	IT0004153661	IT0004153679
- Type of security	Senior	Junior	Senior	Senior
- Class	A	B	A1	A2
- Rating	AA+ / AA (low)		AAA/Aaa	AA+ / Baa3
- Nominal value issued	€3,502,500,000	€1,648,322,514	€400,000,000	€1,348,000,000
- Nominal value at the end of accounting period	€2,979,633,140	€1,648,322,514	€0	€241,266,792
- ISIN			IT0004153687	IT0004153695
- Type of security			Mezzanine	Mezzanine
- Class			B	C
- Rating			A-/Baa3	B+/Caa2
- Nominal value issued			€152,000,000	€64,000,000
- Nominal value at the end of accounting period			€152,000,000	€64,000,000
- ISIN			IT0004153885	
- Type of security			Junior	
- Class			D	
- Rating			n.r.	
- Nominal value issued			€8,909,866	
- Nominal value at the end of accounting period			€8,909,866	

NAME	LOCAT SV - SERIE 2005 (EX LOCAT SECURITISATION VEHICLE 3)		LOCAT SECURITISATION VEHICLE 2 S.R.L.	
Type of securitisation:	Traditional		Traditional	
Originator:	Locat S.p.A.		Locat S.p.A.	
Issuer:	Locat SV S.r.l. (ex Locat Securitisation Vehicle 3 S.r.l.)		Locat Securitisation Vehicle 2 S.r.l.	
Servicer:	Locat S.p.A.		Locat S.p.A.	
Arranger:	UniCredit Banca Mobiliare S.p.A.		UniCredit Banca Mobiliare S.p.A.	
Target transaction:	Capital Relief / Funding		Capital Relief / Funding	
Type of asset:	Leasing loans bearing car, capital goods and real estate.		Leasing loans bearing car, capital goods and real estate.	
Quality of asset:	performing		performing	
Closing date:	10.14.2005		09.29.2004	
Nominal Value of disposal portfolio:	€2,000,000,136		€2,525,254,058	
Guarantees issued by the Bank:	-		-	
Guarantees issued by Third Parties:	-		-	
Bank Lines of Credit:	-		-	
Third Parties Lines of Credit:	-		-	
Other Credit Enhancements:	-		-	
Other relevant information:	Revolving		Revolving	
Rating Agencies:	Standard & Poor's / Moody's		Standard & Poor's / Moody's	
Amount of CDS or other supersenior risk transferred:	-		-	
Amount and Conditions of tranching:				
- ISIN	IT0003951107	IT0003951115	IT0003733083	IT0003733091
- Type of security	Senior	Senior	Senior	Mezzanine
- Class	A1	A2	A	B
- Rating	AAA/Aaa	AA+ / A2	AA+/Aaa	AA/A2
- Nominal value issued	€451,000,000	€1,349,000,000	€2,374,000,000	€126,000,000
- Nominal value at the end of accounting period	€0	€19,521,109	€0	€90,556,301
- ISIN	IT0003951123	IT0003951131	-	
- Type of security	Mezzanine	Mezzanine	D.P.P.	
- Class	B	C	-	
- Rating	A/Baa1	BB+/B2	-	
- Nominal value issued	€160,000,000	€33,000,000	€25,254,058	
- Nominal value at the end of accounting period	€160,000,000	€33,000,000	€26,101,148	
- ISIN	IT0003951149			
- Type of security	Junior			
- Class	D			
- Rating	-			
- Nominal value issued	€7,000,136			
- Nominal value at the end of accounting period	€7,000,136			

Part E - Information on risks and related risk management policies (Continued)

ORIGINATOR: Fineco Leasing S.p.A.

STRATEGIES, PROCESSES AND GOALS:	The main goals of these transactions are: better asset allocation, diversification of funding sources and better Regulatory Ratios.
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	Each portfolio is monitored on an ongoing basis and is described in quarterly reports (required by the agreements) with a breakdown of loans by status and the trend of repayments, as well as an ad hoc analysis of details of significant aspects of the transactions.
ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	The company established an appropriate structure to monitor the transactions (the Treasury and Securitization Area), which prepares periodic (quarterly) reports and provides an accurate, semi-annual update to senior management. The board of directors receives (semi-annual) reports as required by laws on securitization.
HEDGING POLICIES:	The Special Purpose Vehicle bought IRSs as fair value hedge and Basis Swap as cash flow hedge (and related back to back between Originator and counterparty).
OPERATING RESULTS:	At year-end, the profits from existing securitization transactions largely reflect the trends of similar portfolios at the bank in terms of defaults and prepayments.

Transactions from previous periods

NAME	F-E RED		F-E GOLD		F-E GREEN	
Type of securitisation:	Traditional		Traditional		Traditional	
Originator:	Fineco Leasing S.p.A.		Fineco Leasing S.p.A.		Fineco Leasing S.p.A.	
Issuer:	F-E RED S.r.l.		F-E Gold S.r.l.		F-E Green S.r.l.	
Servicer:	Fineco Leasing S.p.A.		Fineco leasing S.p.A.		Fineco Leasing S.p.A.	
Arranger:	Bayerische Hypo und- Vereinsbank, AG London Branch		Capitalia S.p.A.		MCC Capitalia Group; Co-arrangers: ABN Amro e Morgan Stanley	
Target transaction:	Funding		Funding		Funding	
Type of asset:	Leasing loans bearing car, capital goods, real estate and crafts.		Loans relating to leases of property (65.9%), motor vehicles (26.7%) and business assets (7.4%)		Loans relating to leases of property (63.84%), motor vehicles (27.04%) and business assets (9.12%)	
Quality of asset:	performing		performing		performing	
Closing date:	03.06.2009		05.31.2006		06.09.2004	
Nominal Value of disposal portfolio:	€1,705,231,215		€1,019,029,516		€1,450,061,353	
Guarantees issued by the Bank:	-		-		-	
Guarantees issued by Third Parties:	-		-		European Investment Found guarantee on tranche B for €108,5 million	
Bank Lines of Credit:	-		-		-	
Third Parties Lines of Credit:	-		-		-	
Other Credit Enhancements:	At closing date Fineco Leasing SpA granted the SPV a subordinated loan of €161 million euro (as equity). Such subordinated loan has been increased during 2011 and its overall amount at the end of the year is equal to 170.9 million euro.		Fineco Leasing S.p.A. granted the SPV a subordinated loan of €31.6 million (as Equity). At the end of accounting period the amount of capital tranche is equal to 15.3 million euro.		Fineco Leasing S.p.A. granted the SPV a subordinated loan of €45.7 million (as Equity). At the end of accounting period the amount of capital tranche is equal to 10.9 million euro.	
Other relevant information:	Revolving closed in October 2010		Revolving closed in October 2007		Revolving closed in October 2005	
Rating Agencies:	Fitch / Moody's		Moody's /Fitch		Fitch / Moody's / S & P	
Amount of CDS or other supersenior risk transferred:	-		-		-	
Amount and Conditions of tranching:						
- ISIN	IT0004470503	IT0004470511	IT0004068588	IT0004068612	IT0003675763	IT0003675771
- Type of security	Senior	Junior	Senior	Senior	Senior	Senior
- Class	A	B	A1	A2	A	B
- Rating	AAA / A2	n.r.	-	Baa1 / AAA	-	AAA / A2 / AAA
- Nominal value issued	€1,365,000,000	€340,231,215	€203,800,000	€749,000,000	€1,342,000,000	€108,500,000
- Nominal value at the end of accounting period	€599,996,670	€340,231,215	€0	€204,654,363	€0	€64,066,255
- ISIN	IT0004470511		IT0004068620	IT0004068638		
- Type of security	Junior		Mezzanine	mezzanine		
- Class	C		B	C		
- Rating	n.r.		B1 / BBB	Caa2 / BB		
- Nominal value issued	€250,046,741		€56,000,000	€10,200,000		
- Nominal value at the end of accounting period	€250,046,741		€36,969,789	€6,733,783		

ORIGINATOR: UniCredit Bank AG

STRATEGIES, PROCESSES AND GOALS:	The main motivation for the Bank's securitization programs is the the Capital relief and Funding for True Sale Transactions.
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	Each portfolio is monitored by the servicing department on an ongoing basis and it is illustrated in the form of a monthly or quarterly report (investor report), which provides a break down of the status of loans.
ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	The Board and/or any other function, as described in the internal policies, approves each new transactions and any other related decision. The bank's annual/interim report contain information on the bank's own ABS transactions. The Board member are provided with planning forecast figures and annual performance.
HEDGING POLICIES:	For true sale transactions the issuer hedged portfolio's interest rate risks through Interest Rate Swaps.
OPERATING RESULTS:	The results achieved up to the present are broadly in line with expectations; payments reveived from the portfolio ensured punctual and full payment to security holders and other parties to the transaction.

Transactions from previous periods

NAME	GELDILUX-TS-2011		GELDILUX-PP-2011	
Type of securitisation:	Traditional		Traditional	
Originator:	Unicredit Bank AG		Unicredit Bank AG	
Issuer:	Geldilux-TS-2010 S.A. (Luxembourg)		Geldilux-PP-2010 S.A. (Luxembourg)	
Servicer:	Bayerische Hypo-und Vereinsbank AG		Bayerische Hypo-und Vereinsbank AG	
Arranger:	Unicredit Bank AG (Corporate & Investment Banking)		Unicredit Bank AG (Corporate & Investment Banking)	
Target transaction:	Capital Relief / Funding		Funding	
Type of asset:	EURO Loans		EURO Loans	
Quality of asset:	Performing		Performing	
Closing date:	12.20.2011		12.16.2011	
Nominal Value of disposal portfolio:	€425,100,000		€1,136,400,000	
Guarantees issued by the Bank:	-		-	
Guarantees issued by Third Parties:	-		-	
Bank Lines of Credit:	-		-	
Third Parties Lines of Credit:	-		-	
Other Credit Enhancements:	-		-	
Other relevant information:	replenishing		-	
Rating Agencies:	Moody´s		-	
Amount of CDS or other supersenior risk transferred:				
Amount and Conditions of tranching:				
- ISIN	XS0677594607	XS0719525924	private placement	private placement
- Type of security	Senior	Senior	Senior	Senior
- Class	A1	A2	A	Liqudity Note
- Rating	Aaa	Aaa	n.r.	n.r.
- Subordinated level	A1	A2	-	Liqudity Note
- Nominal value issued	€150,000,000	€200,000,000	€1,000,000,000	€12,500,000
- Nominal value at the end of accounting period	€150,000,000	€200,000,000	€1,000,000,000	€12,500,000
- ISIN	XS0677594946	XS0677595166	private placement	
- Type of security	Mezzanine	Mezzanine	Junior	
- Class	B	Liqudity Note	B	
- Rating	Aaa	Aa2	n.r.	
- Subordinated level	B	Liqudity Note	-	
- Nominal value issued	€42,500,000	€6,400,000	€136,400,000	
- Nominal value at the end of accounting period	€42,500,000	€6,400,000	€136,400,000	
- ISIN	XS0677595323	XS0677595596		
- Type of security	Mezzanine	Mezzanine		
- Subordinated level	C	D		
- Nominal value issued	€17,100,000	€3,500,000		
- Nominal value at the end of accounting period	€17,100,000	€3,500,000		
- ISIN	XS0677595752	XS0686164681		
- Type of security	Mezzanine	Junior		
- Class	E	F		
- Rating	Ba3	n.r.		
- Subordinated level	E	F		
- Nominal value issued	€4,300,000	€7,700,000		
- Nominal value at the end of accounting period	€4,300,000	€7,700,000		

Part E - Information on risks and related risk management policies (CONTINUED)

NAME	GELDILUX-TS-2010	
Type of securitisation:	Traditional	
Originator:	Unicredit Bank AG	
Issuer:	Geldilux-TS-2010 S.A. (Luxembourg)	
Servicer:	Bayerische Hypo-und Vereinsbank AG	
Arranger:	Unicredit Bank AG (Corporate & Investment Banking)	
Target transaction:	Capital Relief / Funding	
Type of asset:	EURO Loans	
Quality of asset:	Performing	
Closing date:	09.30.2010	
Nominal Value of disposal portfolio:	€606,900,000	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties:	-	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	-	
Other relevant information:	replenishing	
Rating Agencies:	Moody´s	
Amount of CDS or other supersenior risk transferred:	-	
Amount and Conditions of tranching:		
- ISIN	XS0541574876	XS0541580501
- Type of security	Senior	Senior
- Class	A	B
- Rating	Aaa	Aaa
- Nominal value issued	€500,000,000	€60,700,000
- Nominal value at the end of accounting period	€500,000,000	€60,700,000
- ISIN	XS0541578356	XS0541581731
- Type of security	Mezzanine	Mezzanine
- Class	Liquidity Note	C
- Rating	A1	A1
- Nominal value issued	€6,000,000	€24,300,000
- Nominal value at the end of accounting period	€0	€24,300,000
- ISIN	XS0541583430	XS0541584677
- Type of security	Mezzanine	Mezzanine
- Class	D	E
- Rating	Baa2	Ba2
- Nominal value issued	€4,900,000	€6,100,000
- Nominal value at the end of accounting period	€4,900,000	€6,100,000
- ISIN	XS0541585724	
- Type of security	Junior	
- Class	F	
- Rating	NR	
- Nominal value issued	€10,900,000	
- Nominal value at the end of accounting period	€10,900,000	

NAME	ROSENKAVALIER 2008		BUILDING COMFORT 2008	
Type of securitisation:	Traditional		Synthetic	
Originator:	Bayerische Hypo-und Vereinsbank AG		Bayerische Hypo-und Vereinsbank AG	
Issuer:	Rosenkavalier 2008 GmbH		Bayerische Hypo-und Vereinsbank AG	
Servicer:	Bayerische Hypo-und Vereinsbank AG		Bayerische Hypo-und Vereinsbank AG	
Arranger:	Bayerische Hypo- und Vereinsbank AG (UniCredit Markets & Investment Banking)		Bayerische Hypo- und Vereinsbank AG (UniCredit Markets & Investment Banking)	
Target transaction:	Liquidity		Capital Relief	
Type of asset:	large Corporate and SME corporate loans and mortgage loans		Private Mortgage Loans	
Quality of asset:	Performing		Performing	
Closing date:	12.12.2008		09.30.2008	
Nominal Value of disposal portfolio:	€6,008,959,588 of which already securitised in synthetic transaction: BUILDING COMFORT 2008 €129,843,607.15 EUROCONNECT SME 2007 €111,190,311.74 EUROCONNECT SME 2008 €135,739,214.28		€3,497,962,641	
Guarantees issued by the Bank:	-		-	
Guarantees issued by Third Parties:	-		-	
Bank Lines of Credit:	-		-	
Third Parties Lines of Credit:	-		-	
Other Credit Enhancements:	-		Synthetic Excess Spread	
Other relevant information:	Transaction executed to create ECB collateral		-	
Rating Agencies:	S&P		S & P/ Moody's	
Amount of CDS or other supersenior risk transferred:	-		-	
Amount and Conditions of tranching:				
- ISIN	DE000A0AEDB2	DE000A0AEDC0	DE000HV5ADN1	DE000HV5ADP6
- Type of security	Senior	Junior	Super Senior	Senior
- Class	A	B	A+	B+
- Rating	A	NR	AAA/Aaa	AAA/Aaa
- Nominal value issued	€9,652,700,000	€2,293,750,000	€100,000	€100,000
- Nominal value at the end of accounting period	€4,151,159,782	€1,857,799,806	€0	€0
- Reference position at the end of accounting period			€1,158,818,309	€104,950,000
- ISIN			DE000HV5ADQ4	DE000HV5ADR2
- Type of security			Mezzanine	Mezzanine
- Class			C +	D +
- Rating			AA/Aa2	A/A2
- Nominal value issued			€100,000	€100,000
- Nominal value at the end of accounting period			€0	€0
- Reference position at the end of accounting period			€129,450,000	€40,250,000
- ISIN			DE000HV5ADS0	DE000HV5ADT8
- Type of security			Mezzanine	Mezzanine
- Class			E +	F
- Rating			BBB / Baa2	BB / Ba2
- Nominal value issued			€100,000	€14,750,000
- Nominal value at the end of accounting period			€0	€14,750,000
- Reference position at the end of accounting period			€21,000,000	€21,000,000
- ISIN			DE000HV5ADU6	
- Type of security			Junior	
- Issue date			G	
- Legal maturity			NR	
- Call option			€19,250,000	
- Expected duration			€19,250,000	

Part E - Information on risks and related risk management policies (Continued)

ORIGINATOR: UniCredit Bank AG - UniCredit Bank Austria AG

Transactions from previous periods

NAME	EUROCONNECT SME 2008		EUROCONNECT ISSUER SME 2007	
Type of securitisation:	Synthetic		Synthetic	
Originator:	Bayerische Hypo- und Vereinsbank AG (67.9%), UniCredit Bank Austria AG (32.1%)		Bayerische Hypo- und Vereinsbank AG (66.09%) - Bank Austria Creditanstalt AG (33.91%)	
Issuer:	EuroConnect SME 2008 Limited, Bayerische Hypo- und Vereinsbank AG Bank Austria Creditanstalt AG		EuroConnect Issuer SME 2007 Limited, Bayerische Hypo- und Vereinsbank AG Bank Austria Creditanstalt AG	
Servicer:	Bayerische Hypo-und Vereinsbank AG UniCredit Bank Austria AG		Bayerische Hypo-und Vereinsbank AG UniCredit Bank Austria AG	
Arranger:	Bayerische Hypo- und Vereinsbank AG (UniCredit Markets & Investment Banking)		Bayerische Hypo- und Vereinsbank AG (UniCredit Markets & Investment Banking)	
Target transaction:	Capital Relief / Funding and risk transfer for concentration risks		Capital Relief / Funding and risk transfer for concentration risks	
Type of asset:	Corporate SME Loans		Corporate SME loans	
Quality of asset:	Performing		Performing	
Closing date:	09.30.2008		12.28.2007	
Nominal Value of disposal portfolio:	€2,488,493,144		€3,089,092,361	
Guarantees issued by the Bank:	-		-	
Guarantees issued by Third Parties:	-		-	
Bank Lines of Credit:	-		-	
Third Parties Lines of Credit:	-		-	
Other Credit Enhancements:	Synthetic Excess Spread + Reserve Ledger		Synthetic Excess Spread + Reserve Ledger	
Other relevant information:	Replenishing		replenishing	
Rating Agencies:	S & P		S & P/ Fitch	
Amount of CDS or other supersenior risk transferred:	-		-	
Amount and Conditions of tranching:				
- Issuer	**Bayerische Hypo- und Vereinsbank AG**		**Bayerische Hypo-und Vereinsbank AG**	
- ISIN	n.a.		n.a.	
- Type of security	SuperSenior		SuperSenior	
- Class	A		A	
- Rating	AAA		AAA	
- Reference position at the end of accounting period	€873,293,579		€615,264,272	
- ISIN	XS0388966102	XS0388966441	XS0337935968	XS0337936180
- Type of security	Mezzanine	Mezzanine	Senior	Mezzanine
- Class	A2	B2	A2	B2
- Rating	AA	A	AAA	A
- Nominal value issued	€100,000	€100,000	€100,000	€100,000
- Nominal value at the end of accounting period	€100,000	€100,000	€100,000	€100,000
- Reference position at the end of accounting period	€16,950,000	€45,800,000	€20,450,000	€40,850,000
- Issuer	**UniCredit Bank Austria AG**		**UniCredit Bank Austria AG**	
- ISIN	XS0388966524	XS0388966797	XS0337946221	XS0337946650
- Type of security	Mezzanine	Mezzanine	Senior	Mezzanine
- Class	A2	B2	A2	B2
- Rating	BBB+	BB+	BBB+	BB+
- Nominal value issued	€100,000	€100,000	€100,000	€100,000
- Nominal value at the end of accounting period	€100,000	€100,000	€100,000	€100,000
- Reference position at the end of accounting period	€7,950,000	€7,950,000	€10,500,000	€20,950,000
- Issuer	**EuroConnect SME 2008 Limited**		**EuroConnect Issuer SME 2007 Ltd**	
- ISIN	XS0388589128	XS0388589631	XS0336039325	XS0336040331
- Type of security	Mezzanine	Mezzanine	Mezzanine	Mezzanine
- Class	C	D	A	B2
- Rating	A	BBB/BBB	A	BBB/BB-
- Nominal value issued	€24,900,000	€34,850,000	€35,550,000	€43,250,000
- Nominal value at the end of accounting period	€24,900,000	€34,850,000	€35,550,000	€43,250,000
- ISIN	XS0388589714	XS0388590134	XS0336040505	XS0336041222
- Type of security	Mezzanine	Junior	Mezzanine	Junior
- Class	E	F	C	D
- Rating	BB/BB	n.r. / n.r.	BB/B-	n.r. / n.r.
- Nominal value issued	€24,900,000	€97,100,000	€37,100,000	€100,400,000
- Nominal value at the end of accounting period	€24,900,000	€97,100,000	€37,100,000	€97,690,418

ORIGINATOR: UniCredit Bulbank Ad

Transactions from previous periods

NAME	EIF JEREMIE	
Type of securitisation:	Synthetic - First loss Portfolio Guarantees	
Originator:	UniCredit Bulbank AD	
Issuer:	European Investment Fund (EIF)	
Servicer:	UniCredit Bulbank AD	
Arranger:	UniCredit Bulbank AD	
Target transaction:	Capital Relief and risk transfer	
Type of asset:	Highly diversified and granular pool of UnCredit Bulabank's SME loans.	
Quality of asset:	Performing	
Closing date:	08.15.2011	
Nominal Value of reference portfolio:	€12,112,217	
Issue guarantees by the Bank:	-	
Issued guarantees bythird parties:	cash collateral EIF	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	-	
Other relevant information:	- The portfolio is into the ramp-up period until February 14, 2014. - The agreed portfolio maximum volume is equal to €50,000,000. - The guarantee covers 80% of each outstanding loan up to a total amount equal to 20% of the portfolio volume.	
Rating Agencies:	No rating agency, use of Standardized Approach (*)	
Amount of CDS or other risk transferred:	-	
Amount and Condition of tranching:		
- ISIN	n.a.	n.a.
- Type of security	Senior	Junior
- Class	A	B
- Rating	n.r.	n.r.
- Reference Position	€7,267,330	€2,422,443
- Reference Position at the end of accounting period	€7,267,330	€2,422,443
Distribution of securitised assets by area:		
Italy - Northwest	-	
- Northeast		
- Central		
- South and Islands		
Other European Countries - E.U. countries	€12,112,217	
- not U.E. countries	-	
America	-	
Rest of the World	-	
TOTAL	**€12,112,217**	
Distribution of securitised assets by business sector of the borrower:		
Governments	-	
other governments agencies	-	
Banks	-	
Finance Companies	-	
Insurance Companies	-	
Non-financial companies	€12,112,217	
Other entities	-	
TOTAL	**€12,112,217**	

(*) Synthetic securitization carried out used the Standardized Approach as required under Basel II.
Where there is no eligible external rating , the Bank that holds or guarantees such an exposure may determine the risk weight by applying the "look through" treatment, provided the composition of the underlying pool is known at all times. The unrated most senior position receives the average risk weight of the underlying exposures subject to supervisory review. Where Bank is unable to determine the risk weights assigned to the underlying credit risk exposures, the unrated position must be deducted from regulatory capital.

Part E - Information on risks and related risk management policies (Continued)

QUANTITATIVE INFORMATION

The tables below do not include information on the so-called “self-securitizations”, i.e. securitization transactions in which the Group has acquired all the liabilities issued by the SPVs.

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

	BALANCE-SHEET EXPOSURE					
	SENIOR		MEZZANINE		JUNIOR	
QUALITY OF UNDERLYING ASSETS/EXPOSURES	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE
A. With own underlying assets:	**7,825,486**	**4,489,604**	**3,086,796**	**1,560,540**	**1,368,670**	**1,428,695**
a) Impaired	-	-	2,040,157	484,141	838,920	233,119
b) Other	7,825,486	4,489,604	1,046,639	1,076,399	529,750	1,195,576
B. With third-party underlying assets:	**5,511,038**	**5,328,681**	**1,421,495**	**1,451,162**	**84,328**	**87,066**
a) Impaired	7,820	6,278	-	-	-	-
b) Other	5,503,218	5,322,403	1,421,495	1,451,162	84,328	87,066

In-house securitizations not involving derecognition of the assets are accounted for as retained risk, i.e. the difference between sold assets and the corresponding liabilities recognized under IAS 39.

Continued C.1.1 Banking gruop - Exposure resulting from securitisation transactions broken down by quality of underlying assets

	GUARANTEES GIVEN					
	SENIOR		MEZZANINE		JUNIOR	
QUALITY OF UNDERLYING ASSETS/EXPOSURES	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE
A. With own underlying assets:	**-**	**-**	**890,834**	**-**	**-**	**-**
a) Impaired	-	-	890,834	-	-	-
b) Other	-	-	-	-	-	-
B. With third-party underlying assets:	**-**	**-**	**-**	**-**	**-**	**-**
a) Impaired	-	-	-	-	-	-
b) Other	-	-	-	-	-	-

Continued C.1.1 Banking gruop - Exposure resulting from securitisation transactions broken down by quality of underlying assets

	CREDIT FACILITIES					
	SENIOR		MEZZANINE		JUNIOR	
QUALITY OF UNDERLYING ASSETS/EXPOSURES	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE
A. With own underlying assets:	**-**	**-**	**-**	**-**	**-**	**-**
a) Impaired	-	-	-	-	-	-
b) Other	-	-	-	-	-	-
B. With third-party underlying assets:	**1,429,104**	**1,429,104**	**26,686**	**26,686**	**152**	**152**
a) Impaired	-	-	-	-	-	-
b) Other	1,429,104	1,429,104	26,686	26,686	152	152

C.1.2 Banking Group - Exposure from the main "in-house" securitisation transaction broken down by type of securitised asset and by type of exposure

	AMOUNTS AS AT 12.31.2012					
	BALANCE-SHEET EXPOSURE					
	SENIOR		MEZZANINE		JUNIOR	
TYPE OF SECURITISED ASSETS / EXPOSURE	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS
A. Totally derecognised	**116,873**	**-**	**484,141**	**-91,238**	**285,533**	**-**
A.1 CLO/CBO OTHERS	**116,873**	**-**	**-**	**-**	**52,415**	**-**
A.1 1 Caesar Finance	-	-	-	-	52,415	-
A.1 2 Entasi	116,873	-	-	-	-	-
A.2 OTHERS	**-**	**-**	**484,141**	**-91,238**	**233,118**	**-**
A.2 1 Trevi Finance	-	-	175,004	-31,923	-	-
A.2 2 Trevi Finance 2	-	-	127,199	-2,451	-	-
A.2 3 Trevi Finance 3	-	-	181,938	-56,864	233,118	-
B. Partially derecognised	**-**	**-**	**-**	**-**	**-**	**-**
C. Not-derecognised	**4,372,731**	**-**	**1,076,399**	**-**	**1,143,161**	**-29,013**
C.1 RMBS Prime	**2,413,770**	**-**	**481,861**	**-**	**467,123**	**-22,932**
C.1. 1 Building Comfort 2008	1,158,818	-	301,900	-	-	-
C.1. 2 Capital Mortgage 2007 - 1	165,793	-	-	-	158,069	-7,259
C.1. 3 Cordusio RMBS	139,700	-	31,750	-	13,500	-875
C.1. 4 Cordusio RMBS UCFin - Serie 2006	213,128	-	32,750	-	89,483	-1,544
C.1. 5 Cordusio RMBS Securitisation - Serie 2006	218,953	-	18,650	-	22,276	-4,982
C.1. 6 Cordusio RMBS Securitisation - Serie 2007	436,594	-	59,900	-	70,615	-6,090
C.1. 7 F-E Mortgages 2003	59,723	-	-	-	38,458	-705
C.1. 8 F-E Mortgages 2005	17,195	-	36,911	-	54,044	-1,253
C.1. 9 Heliconus	3,866	-	-	-	20,679	-224
C.2 CLO/SME	**1,729,593**	**-**	**295,700**	**-**	**5,498**	**-**
C.2. 1 EuroConnect SME 2007-1	742,010	-	152,579	-	-	-
C.2. 2 EuroConnect SME 2008	954,335	-	143,121	-	3,197	-
C.2. 3 JEREMIE BulBank	7,223	-	-	-	-	-
C.2. 4 Unionfidi Piemonte	26,025	-	-	-	2,301	-
C.3 CLO/CBO Others	**84,365**	**-**	**127,172**	**-**	**154,020**	**-**
C.3. 1 Geldilux TS 2010	211	-	96,331	-	9,539	-
C.3. 2 Geldilux TS 2011	75,496	-	30,842	-	7,866	-
C.3. 3 Geldilux PP 2011	8,658	-	-	-	136,616	-
C.4 LEASES	**145,003**	**-**	**171,667**	**-**	**516,520**	**-6,081**
C.4. 1 F-E Gold	69,002	-	8,172	-	59,426	-1,888
C.4. 2 F-E Green	-	-	-	-	37,813	-243
C.4. 3 Locat Securitization Vehicle 2	2,228	-	17,152	-	202,702	674
C.4. 4 Locat SV - Serie 2005	8,706	-	55,817	-	102,092	-2,580
C.4. 5 Locat SV - Serie 2006	65,067	-	90,526	-	114,487	-2,043

The carrying value is the net exposures shown in Table C.1.1. Writed-downs and write-backs, including depreciations and revaluations posted on the income statement or to reserves, refer to financial year 2012 only.

Part E - Information on risks and related risk management policies (Continued)

Continued: C.1.2 Banking Group - Exposure from the main “in-house” securitisation transaction broken down by type of securitised asset and by type of exposure

	AMOUNTS AS AT 12.31.2012					
	GUARANTEES GIVEN					
	SENIOR		MEZZANINE		JUNIOR	
TYPE OF SECURITISED ASSETS / EXPOSURE	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS
A. Totally derecognised	**-**	**-**	**-**	**-177.182**	**-**	**-**
A.1 CLO/CBO OTHERS	-	-	-	-	-	-
A.1 1 Caesar Finance	**-**	**-**	**-**	**-**	**-**	**-**
A.1 2 Entasi	-	-	-	-	-	-
A.2 OTHERS	**-**	**-**	**-**	**-177,182**	**-**	**-**
A.2 1 Trevi Finance	-	-	-	-	-	-
A.2 2 Trevi Finance 2	**-**	**-**	**-**	**-**	**-**	**-**
A.2 3 Trevi Finance 3	-	-	-	-177,182	-	-
B. Partially derecognised	**-**	**-**	**-**	**-**	**-**	**-**
C. Not-derecognised	-	-	-	-	-	-
C.1 RMBS Prime	-	-	-	-	-	-
C.1. 1 Building Comfort 2008	-	-	-	-	-	-
C.1. 2 Capital Mortgage 2007 - 1	-	-	-	-	-	-
C.1. 3 Cordusio RMBS	-	-	-	-	-	-
C.1. 4 Cordusio RMBS UCFin - Serie 2006	-	-	-	-	-	-
C.1. 5 Cordusio RMBS Securitisation - Serie 2006	-	-	-	-	-	-
C.1. 6 Cordusio RMBS Securitisation - Serie 2007	-	-	-	-	-	-
C.1. 7 F-E Mortgages 2003	-	-	-	-	-	-
C.1. 8 F-E Mortgages 2005	-	-	-	-	-	-
C.1. 9 Heliconus	**-**	**-**	**-**	**-**	**-**	**-**
C.2 CLO/SME	-	-	-	**-**	-	-
C.2. 1 EuroConnect SME 2007-1	-	**-**	-	**-**	-	**-**
C.2. 2 EuroConnect SME 2008	**-**	**-**	**-**	**-**	**-**	**-**
C.2. 3 JEREMIE BulBank	-	-	-	-	-	
C.2. 4 Unionfidi Piemonte	-	-	-	-	-	-
C.3 CLO/CBO Others	**-**	**-**	**-**	**-**	**-**	**-**
C.3. 1 Geldilux TS 2010	-	-	-	-	-	-
C.3. 2 Geldilux TS 2011	-	-	-	-	-	-
C.3. 3 Geldilux PP 2011	**-**	**-**	**-**	**-**	**-**	**-**
C.4 LEASES	-	-	-	-	-	-
C.4. 1 F-E Gold	-	-	-	-	-	-
C.4. 2 F-E Green	-	-	-	-	-	-
C.4. 3 Locat Securitization Vehicle 2	-	-	-	-	-	-
C.4. 4 Locat SV - Serie 2005	-	-	-	-	-	-
C.4. 5 Locat SV - Serie 2006	-	-	-	-	-	-

Continued: C.1.2 Banking Group - Exposure from the main “in-house” securitisation transaction broken down by type of securitised asset and by type of exposure

	AMOUNTS AS AT 12.31.2012					
	CREDIT FACILITIES					
	SENIOR		MEZZANINE		JUNIOR	
TYPE OF SECURITISED ASSETS / EXPOSURE	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS
A. Totally derecognised	-	-	-	-	-	-
A.1 CLO/CBO OTHERS	-	-	-	-	-	-
A.1 1 Caesar Finance	-	-	-	-	-	-
A.1 2 Entasi	-	-	-	-	-	-
A.2 OTHERS	-	-	-	-	-	-
A.2 1 Trevi Finance	-	-	-	-	-	-
A.2 2 Trevi Finance 2	-	-	-	-	-	-
A.2 3 Trevi Finance 3	-	-	-	-	-	-
B. Partially derecognised	-	-	-	-	-	-
C. Not-derecognised	-	-	-	-	-	-
C.1 RMBS Prime	-	-	-	-	-	-
C.1. 1 Building Comfort 2008	-	-	-	-	-	-
C.1. 2 Capital Mortgage 2007 - 1	-	-	-	-	-	-
C.1. 3 Cordusio RMBS	-	-	-	-	-	-
C.1. 4 Cordusio RMBS UCFin - Serie 2006	-	-	-	-	-	-
C.1. 5 Cordusio RMBS Securitisation - Serie 2006	-	-	-	-	-	-
C.1. 6 Cordusio RMBS Securitisation - Serie 2007	-	-	-	-	-	-
C.1. 7 F-E Mortgages 2003	-	-	-	-	-	-
C.1. 8 F-E Mortgages 2005	-	-	-	-	-	-
C.1. 9 Heliconus	-	-	-	-	-	-
C.2 CLO/SME	-	-	-	-	-	-
C.2. 1 EuroConnect SME 2007-1	-	-	-	-	-	-
C.2. 2 EuroConnect SME 2008	-	-	-	-	-	-
C.2. 3 JEREMIE BulBank	-	-	-	-	-	
C.2. 4 Unionfidi Piemonte	-	-	-	-	-	-
C.3 CLO/CBO Others	-	-	-	-	-	-
C.3. 1 Geldilux TS 2010	-	-	-	-	-	-
C.3. 2 Geldilux TS 2011	-	-	-	-	-	-
C.3. 3 Geldilux PP 2011	-	-	-	-	-	-
C.4 LEASES	-	-	-	-	-	-
C.4. 1 F-E Gold	-	-	-	-	-	-
C.4. 2 F-E Green	-	-	-	-	-	-
C.4. 3 Locat Securitization Vehicle 2	-	-	-	-	-	-
C.4. 4 Locat SV - Serie 2005	-	-	-	-	-	-
C.4. 5 Locat SV - Serie 2006	-	-	-	-	-	-

Part E - Information on risks and related risk management policies (Continued)

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

	AMOUNTS AS AT 12.31.2012					
	BALANCE-SHEET EXPOSURE					
	SENIOR		MEZZANINE		JUNIOR	
TYPE OF SECURITISED ASSETS / EXPOSURE	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS
A.1. RMBS PRIME	**2,208,230**	**-49,172**	**342,153**	**6,736**	**-**	**-**
A.1. 1 GRANITE MASTER ISSUER PLC	48,927	-2,105	51,022	572	-	-
A.1. 2 SAGRES STC SA/DOURO	58,376	-1,092	3,708	45	-	-
A.1. 3 SAECURE 12 B.V.	56,780	-	-	-	-	-
A.1. 4 INTESA SEC 3 SRL	-	-	53,543	-	-	-
A.1. 5 OTHER 149 EXPOSURES	2,044,147	-45,975	233,880	6,119	-	-
A.2. RMBS NONCONFORMING	**191,226**	**-1,232**	**119,264**	**-1,856**	**-**	**-**
A.2. 1 BLUESTONE SECURITIES PLC	23,636	73	77,298	-2,530	-	-
A.2. 2 BRUNEL RESIDENTIAL MORTGAGE SECURITISATION PLC	37,460	753	16,862	681	-	-
A.2. 3 ALTRE 20 ESPOSIZIONI	130,130	-2,058	25,104	-7	-	-
A.3. RMBS US SUBPRIME	**1,833**	**-623**	**468**	**-638**	**-**	**-**
A.3. 1 6 EXPOSURES	1,833	-623	468	-638	-	-
A.4. CMBS	**977,536**	**7,182**	**282,279**	**4,677**	**-**	**-**
A.4. 1 ASAR INTERNATIONAL S.A.	268,192	-	14,132	-	-	-
A.4. 2 GS MORTGAGE SECURITIES CORPORATION II	14,380	314	41,459	-	-	-
A.4. 3 OTHER 68 EXPOSURES	694,964	6,868	226,688	4,677	-	-
A.5. CDO OF ABS/CDO SQUARED	**1,186**	**6**	**19,074**	**-1,393**	**-**	**-3**
A.5. 1 5 EXPOSURES	1,186	6	19,074	-1,393	-	-3
A.6. CDO - BALANCE SHEET	**101,447**	**-33,418**	**-**	**-**	**-**	**-**
A.6. 1 GLENEAGLES FUNDING LTD	101,447	-33,418	-	-	-	-
A.7. CDO - PREFERRED STOCK	**-**	**-**	**41,657**	**-**	**-**	**-**
A.7. 1 5 EXPOSURES	-	-	41,657	-	-	-
A.8. CDO - SYNTHETIC ARBITRAGE	**-**	**-**	**-**	**-**	**1**	**-215**
A.8. 1 1 EXPOSURES	-	-	-	-	1	-215
A.9. CRE CDO	**4,265**	**-**	**20**	**-**	**-**	**-**
A.9. 1 2 EXPOSURES	4,265	-	20	-	-	-
A.10. CDO OTHER	**4,752**	**157**	**16**	**16**	**21**	**-28**
A.10. 1 6 EXPOSURES	4,752	157	16	16	21	-28
A.11. CLO SME	**52,184**	**-4,465**	**29,709**	**-1,664**	**1,373**	**524**
A.11. 1 18 EXPOSURES	52,184	-4,465	29,709	-1,664	1,373	524
A.12. CLO ARBITRAGE/BALANCE SHEET	**223,591**	**-40,647**	**110,173**	**2,208**	**908**	**-**
A.12. 1 36 EXPOSURES	223,591	-40,647	110,173	2,208	908	-
A.13. CLO / CBO OTHER	**324,482**	**1,732**	**342,919**	**20,273**	**17,740**	**10,591**
A.13. 1 JUBILEE CDO BV	81,368	5,225	-	-	-	-
A.13. OTHER 72 EXPOSURES	243,114	-3,493	342,919	20,273	17,740	10,591
A.14. CONSUMER LOANS	**158,006**	**-13,018**	**61,783**	**-3,606**	**-**	**-**
A.14. 1 16 Uno Finance S.r.l.	-	-	60,272	-	-	-
A.14. 2 20 EXPOSURES	158,006	-13,018	1,511	-3,606	-	-
A.15. STUDENT LOANS	**71,811**	**915**	**55,788**	**5,124**	**63,448**	**-**
A.15. 1 Student Loan Asset Funding Inc	-	-	-	-	61,054	-
A.15. 2 OTHER 7 EXPOSURES	71,811	915	55,788	5,124	2,394	-
A.16. LEASES	**50,044**	**-8,201**	**26,710**	**1,040**	**-**	**-**
A.16. 1 13 EXPOSURES	50,044	-8,201	26,710	1,040	-	-
A.17. OTHER	**182,301**	**-41,573**	**19,149**	**-1,249**	**3,499**	**-8,130**
A.17. 1 Opus One Corporation Tokyo Branch	148,416	-	-	-	-	-
A.17. 2 OTHER 14 EXPOSURES	33,885	-41,573	19,149	-1,249	3,499	-8,130
A.18. OTHER SPV CONSOLIDATED	**-**	**-**	**-**	**-**	**76**	**-**
A.18. 1 GRAND CENTRAL FUNDING CORPORATION (§)	-	-	-	-	76	-
A.18. CONDUITS	**775,788**	**-**	**-**	**-**	**-**	**-**
A.18. 1 ARABELLA FINANCE LTD. (§)	775,788	-	-	-	-	-

(*) list of details for exposures over €50 million.

(§) exposure of subsidiaries included in the scope of consolidation, but not belonging to the banking group.

The carrying value is the net exposure shown in Table C.1.1. Write-downs and write-backs, including depreciations and revaluations posted on the income statement or to reserves, refer to financial year 2012 only.

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

TYPE OF SECURITISED ASSETS / EXPOSURE	AMOUNTS AS AT 12.31.2012					
	GUARANTEES GIVEN					
	SENIOR		MEZZANINE		JUNIOR	
	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS
A.1. RMBS PRIME	**-**	**-**	**-**	**-**	**-**	**-**
A.1. 1 GRANITE MASTER ISSUER PLC	-	-	-	-	-	-
A.1. 2 SAGRES STC SA/DOURO	-	-	-	-	-	-
A.1. 3 SAECURE 12 B.V.	-	-	-	-	-	-
A.1. 4 INTESA SEC 3 SRL	-	-	-	-	-	-
A.1. 5 OTHER 149 EXPOSURES	-	-	-	-	-	-
A.2. RMBS NONCONFORMING	**-**	**-**	**-**	**-**	**-**	**-**
A.2. 1 BLUESTONE SECURITIES PLC	-	-	-	-	-	-
A.2. 2 BRUNEL RESIDENTIAL MORTGAGE SECURITISATION PLC	-	-	-	-	-	-
A.2. 3 OTHER 20 EXPOSURES	-	-	-	-	-	-
A.3. RMBS US SUBPRIME	**-**	**-**	**-**	**-**	**-**	**-**
A.3. 1 6 EXPOSURES	-	-	-	-	-	-
A.4. CMBS	**-**	**-**	**-**	**-**	**-**	**-**
A.4. 1 ASAR INTERNATIONAL S.A.	-	-	-	-	-	
A.4. 2 GS MORTGAGE SECURITIES CORPORATION II	-	-	-	-	-	-
A.4. 3 OTHER 68 EXPOSURES	-	-	-	-	-	-
A.5. CDO OF ABS/CDO SQUARED	**-**	**-**	**-**	**-**	**-**	**-**
A.5. 1 5 EXPOSURES	-	-	-	-	-	-
A.6. CDO - BALANCE SHEET	**-**	**-**	**-**	**-**	**-**	**-**
A.6. 1 GLENEAGLES FUNDING LTD	-	-	-	-	-	-
A.7. CDO - PREFERRED STOCK	**-**	**-**	**-**	**-**	**-**	**-**
A.7. 1 5 EXPOSURES	-	-	-	-	-	-
A.8. CDO - SYNTHETIC ARBITRAGE	**-**	**-**	**-**	**-**	**-**	**-**
A.8. 1 1 EXPOSURES	-	-	-	-	-	-
A.9. CRE CDO	**-**	**-**	**-**	**-**	**-**	**-**
A.9. 1 2 EXPOSURES	-	-	-	-	-	-
A.10. CDO OTHER	**-**	**-**	**-**	**-**	**-**	**-**
A.10. 1 6 EXPOSURES	-	-	-	-	-	-
A.11. CLO SME	**-**	**-**	**-**	**-**	**-**	**-**
A.11. 1 18 EXPOSURES	-	-	-	-	-	-
A.12. CLO ARBITRAGE/BALANCE SHEET	**-**	**-**	**-**	**-**	**-**	**-**
A.12. 1 36 EXPOSURES	-	-	-	-	-	-
A.13. CLO / CBO OTHER	**-**	**-**	**-**	**-**	**-**	**-**
A.13. 1 JUBILEE CDO BV	-	-	-	-	-	-
A.13. 2 OTHER 72 EXPOSURES	-	-	-	-	-	-
A.14. CONSUMER LOANS	**-**	**-**	**-**	**-**	**-**	**-**
A.14. 1 16 Uno Finance S.r.l.	-	-	-	-	-	-
A.14. 2 20 EXPOSURES	-	-	-	-	-	-
A.15. STUDENT LOANS	**-**	**-**	**-**	**-**	**-**	**-**
A.15. 1 Student Loan Asset Funding Inc	-	-	-	-	-	-
A.15. 2 OTHER 7 EXPOSURES	-	-	-	-	-	-
A.16. LEASES	**-**	**-**	**-**	**-**	**-**	**-**
A.16. 1 13 EXPOSURES	-	-	-	-	-	-
A.17. OTHER	**-**	**-**	**-**	**-**	**-**	**-**
A.17. 1 Opus One Corporation Tokyo Branch	-	-	-	-	-	-
A.17. 2 OTHER 14 EXPOSURES	-	-	-	-	-	-
A.18. OTHER SPV CONSOLIDATED	**-**	**-**	**-**	**-**	**-**	**-**
A.18. 1 GRAND CENTRAL FUNDING CORPORATION (§)	-	-	-	-	-	-
A.19. CONDUITS	**-**	**-**	**-**	**-**	**-**	**-**
A.18. 1 ARABELLA FINANCE LTD. (§)	-	-	-	-	-	-

Part E - Information on risks and related risk management policies (Continued)

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

	AMOUNTS AS AT 12.31.2012					
	CREDIT FACILITIES					
	SENIOR		MEZZANINE		JUNIOR	
TYPE OF SECURITISED ASSETS / EXPOSURE	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS	CARRYING VALUE	WRITE-DOWNS / WRITE-BACKS
A.1. RMBS PRIME	**-**	**-**	**-**	**-**	**-**	**-**
A.1. 1 GRANITE MASTER ISSUER PLC	-	-	-	-	-	-
A.1. 2 SAGRES STC SA/DOURO	-	-	-	-	-	-
A.1. 3 SAECURE 12 B.V.	-	-	-	-	-	-
A.1. 4 INTESA SEC 3 SRL	-	-	-	-	-	-
A.1. 5 OTHER 149 EXPOSURES	-	-	-	-	-	-
A.2. RMBS NONCONFORMING	**-**	**-**	**-**	**-**	**-**	**-**
A.2. 1 BLUESTONE SECURITIES PLC	-	-	-	-	-	-
A.2. 2 BRUNEL RESIDENTIAL MORTGAGE SECURITISATION PLC	-	-	-	-	-	-
A.2. 3 OTHER 20 EXPOSURES	-	-	-	-	-	-
A.3. RMBS US SUBPRIME	**-**	**-**	**-**	**-**	**-**	**-**
A.3. 1 6 EXPOSURES	-	-	-	-	-	-
A.4. CMBS	**15,317**	**-**	**-**	**-**	**-**	**-**
A.4. 1 ASAR INTERNATIONAL S.A.	15,317	-	-	-	-	-
A.4. 2 GS MORTGAGE SECURITIES CORPORATION II	-	-	-	-	-	-
A.4. 3 OTHER 68 EXPOSURES	-	-	-	-	-	-
A.5. CDO OF ABS/CDO SQUARED	**-**	**-**	**-**	**-**	**-**	**-**
A.5. 1 5 EXPOSURES	-	-	-	-	-	-
A.6. CDO - BALANCE SHEET	**-**	**-**	**-**	**-**	**-**	**-**
A.6. 1 GLENEAGLES FUNDING LTD	-	-	-	-	-	-
A.7. CDO - PREFERRED STOCK	**-**	**-**	**-**	**-**	**-**	**-**
A.7. 1 5 EXPOSURES	-	-	-	-	-	-
A.8. CDO - SYNTHETIC ARBITRAGE	**-**	**-**	**-**	**-**	**-**	**-**
A.8. 1 1 EXPOSURES	-	-	-	-	-	-
A.9. CRE CDO	**-**	**-**	**-**	**-**	**-**	**-**
A.9. 1 2 EXPOSURES	-	-	-	-	-	-
A.10. CDO OTHER	**-**	**-**	**-**	**-**	**-**	**-**
A.10. 1 6 EXPOSURES	-	-	-	-	-	-
A.11. CLO SME	**-**	**-**	**-**	**-**	**-**	**-**
A.11. 1 18 EXPOSURES	-	-	-	-	-	-
A.12. CLO ARBITRAGE/BALANCE SHEET	**-**	**-**	**-**	**-**	**-**	**-**
A.12. 1 36 EXPOSURES	-	-	-	-	-	-
A.13. CLO / CBO OTHER	**-**	**-**	**-**	**-**	**-**	**-**
A.13. 1 JUBILEE CDO BV	-	-	-	-	-	-
A.13. 2 OTHER 72 EXPOSURES	-	-	-	-	-	-
A.14. CONSUMER LOANS	**-**	**-**	**-**	**-**	**-**	**-**
A.14. 1 16 Uno Finance S.r.l.	-	-	-	-	-	-
A.14. 2 20 EXPOSURES	-	-	-	-	-	-
A.15. STUDENT LOANS	**22,120**	**-**	**-**	**-**	**-**	**-**
A.15. 1 Student Loan Asset Funding Inc	22,120	-	-	-	-	-
A.15. 2 OTHER 7 EXPOSURES	-	-	-	-	-	-
A.16. LEASES	**-**	**-**	**-**	**-**	**-**	**-**
A.16. 1 13 EXPOSURES	-	-	-	-	-	-
A.17. OTHER	**-**	**-**	**-**	**-**	**-**	**-**
A.17. 1 Opus One Corporation Tokyo Branch	-	-	-	-	-	-
A.17. 2 OTHER 14 EXPOSURES	-	-	-	-	-	-
A.18. OTHER SPV CONSOLIDATED	**-**	**-**	**11,369**	**-**	**152**	**-**
A.18. 1 GRAND CENTRAL FUNDING CORPORATION (§)	-	-	11,369	-	152	-
A.18. CONDUITS	**1,406,983**	**-**	**-**	**-**	**-**	**-**
A.18. 1 ARABELLA FINANCE LTD. (§)	1,406,983	-	-	-	-	-

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

EXPOSURE / PORTFOLIO	AMOUNTS AS AT 12.31.2012 TRADING	FAIR VALUE THROUGH PROFIT AND LOSS	AVAILABLE FOR SALE	HELD-TO-MATURITY	LOANS	TOTAL	AMOUNTS AS AT 12.31.2011 TOTAL
1. Balance-sheet exposures	**369,179**	**44,876**	**243,003**	**115,976**	**6,980,423**	**7,753,457**	**11,017,314**
- Senior	301,095	27,967	106,202	61,544	4,948,746	5,445,554	5,386,039
- Mezzanine	68,073	16,001	117,688	52,018	1,681,524	1,935,304	5,238,673
- Junior	11	908	19,113	2,414	350,153	372,599	392,602
2. Off-balance-sheet exposures	**-**	**-**	**-**	**-**	**1,455,942**	**1,455,942**	**530,124**
- Senior	-	-	-	-	1,429,104	1,429,104	479,850
- Mezzanine	-	-	-	-	26,686	26,686	50,119
- Junior	-	-	-	-	152	152	155

This table shows the carrying value only of exposures arising from in-house securitization for which the assets sold have been derecognized as well as securitizations carried out by others.

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

ASSET/SECURITIES	AMOUNTS AS AT 12.31.2012 TRADITIONAL	SYNTHETIC
A. Own underlying assets:	**10,892,588**	**1,622**
A.1 Totally derecognised	**756,890**	**X**
1. Non-performing loans	504,194	X
2. Doubtful loans	-	X
3. Restructured exposures	-	X
4. Past-due exposures	-	X
5. Other assets	252,696	X
A.2 Partially derecognised	**-**	**X**
1. Non-performing loans	-	X
2. Doubtful loans	-	X
3. Restructured exposures	-	X
4. Past-due exposures	-	X
5. Other assets	-	X
A.3 Non-derecognised	**10,135,698**	**1,622**
1. Non-performing loans	360,732	-
2. Doubtful loans	264,147	-
3. Restructured exposures	14,552	-
4. Past-due exposures	67,402	-
5. Other assets	9,428,865	1,622
B. Third party underlying assets:	**169,073**	**-**
B.1 Non-performing loans	1,684	-
B.2 Doubtful loans	529	-
B.3 Restructured exposures	-	-
B.4 Past-due exposures	-	-
B.5 Other assets	166,860	-

Part E - Information on risks and related risk management policies (Continued)

C.1.6 Stakes in special purpose vehicles

NAME	HEADQUARTERS	STAKE %
Augusto S.r.l.	Milan - via Pontaccio, 10	5%
Colombo S.r.l.	Milan - via Pontaccio, 10	5%
Diocleziano S.r.l.	Milan - via Pontaccio, 10	5%
Entasi S.r.l.	Rome - via Barberini, 47	100%
Eurofinance 2000 S.r.l.	Rome - via Barberini, 47	100%
Trevi Finance S.p.A.	Conegliano (TV) - via Vittorio Alfieri, 1	60%
Trevi Finance n. 2 S.p.A.	Conegliano (TV) - via Vittorio Alfieri, 1	60%
Trevi Finance n. 3 S.r.l.	Conegliano (TV) - via Vittorio Alfieri, 1	60%

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

		SECURITISED ASSETS (YEAR END FIGURES)		LOANS COLLECTED DURING THE YEAR		PERCENTAGE OF SECURITIES REDEEMED (YEAR END FIGURES)					
						SENIOR		MEZZANINE		JUNIOR	
SERVICER	SPECIAL PURPOSE VEHICLE	IMPAIRED	PERFORMING	IMPAIRED	PERFORMING	IMPAIRED ASSETS	PERFORMING ASSETS	IMPAIRED ASSETS	PERFORMING ASSETS	IMPAIRED ASSETS	PERFORMING ASSETS
Bayeriche Hypo-und Vereinsbank AG/ HVB Banque Luxembourg S.A.	Geldilux-TS 2007 S.A.	-	-	774	2,095,545 (*)	-	100.00%	-	100.00%	-	-
	Geldilux-TS 2010 S.A.	-	605,394	-	5,340,954 (*)	-	-	-	19.80%	-	-
	Geldilux-TS 2011 S.A.	587	424,506	-	3,723,496 (*)	-	-	-	-	-	-
	Geldilux-PP 2011 S.A.	-	1,136,386	-	10,080,620 (*)	-	-	-	-	-	-
Fineco Leasing S.p.A.	F-E Green S.r.L.	24,229	54,195	2,795	51,719	-	95.58%	-	-	-	-
	F-E Gold S.r.L.	45,824	221,328	6,097	80,876	-	78.52%	-	33.98%	-	-
UniCredit Leasing S.p.A.	Locat Securitisation Vehicle 2 S.r.L.	74,463	200,345	9,235	191,314	-	100.00%	-	28.13%	-	-
	Locat SV S.r.L. - SERIE 2005	86,014	224,508	10,629	138,898	-	98.92%	-	-	-	-
	Locat SV S.r.L. - SERIE 2006	115,942	443,218	18,380	174,248	-	86.20%	-	-	-	-
UniCredit S.p.A.	Capital Mortgage S.r.L.	130,535	1,749,533	4,282	174,905	-	51.69%	-	-	-	-
	Cordusio RMBS S.r.L.	17,993	646,123	4,124	184,273	-	82.87%	-	-	-	-
	Cordusio RMBS Securitisation S.r.L.	98,176	2,675,304	7,796	396,544	-	61.96%	-	-	-	-
	Cordusio RMBS UCFin S.r.L.	56,142	997,521	3,734	137,477	-	63.92%	-	-	-	-
	F-E Mortgage S.r.L.	45,860	537,171	5,215	62,554	-	77.33%	-	1.86%	-	3.74%
	Heliconus S.r.L.	6,167	113,659	1,137	14,876	-	80.68%	-	-	-	-
	Trevi Finance S.p.A.	175,052	-	31,027	-	100.00%	-	-	-	-	-
	Trevi Finance n. 2 S.p.A.	121,667	-	26,089	-	100.00%	-	-	-	-	-
	Trevi Finance n. 3 S.p.A.	207,475	214,802	29,238	-	100.00%			68.08%	-	-
	Entasi S.r.L.	-	764,460		6,419	-	-	-	-	-	-
UniCredit Credit Management Bank S.p.A.	Eris Finance S.r.L. (**)	219,989	-	18,103	-	33.13%	-	0%	-	-	-
	Quercia Funding S.r.L.	14,374	-	5,564	-	100.00%	-	100%	-	95%	-

(*) replenishing of short term portfolio (3-6 months).
(**) servicing activity end on August 2012.

C.1.8 Special Purpose Vehicle belonging to the Banking Group

NAME	HEADQUARTERS	
Entasi S.r.L.	Rome - via Barberini, 47	Italy
Eurofinance 2000 S.r.L.	Rome - via Barberini, 47	Italy
Geldilux TS 2007 S.A.	8-10, rue Mathias Hardt, L-1717 Luxembourg	Luxembourg
Geldilux TS 2008 S.A.	8-10, rue Mathias Hardt, L-1717 Luxembourg	Luxembourg
Geldilux TS 2010 S.A.	8-10, rue Mathias Hardt, L-1717 Luxembourg	Luxembourg
Geldilux TS 2011 S.A.	8-10, rue Mathias Hardt, L-1717 Luxembourg	Luxembourg
Geldilux PP 2011 S.A.	8-10, rue Mathias Hardt, L-1717 Luxembourg	Luxembourg
Trevi Finance S.p.A.	Conegliano (TV) - via Vittorio Alfieri, 1	Italy
Trevi Finance n. 2 S.p.A.	Conegliano (TV) - via Vittorio Alfieri, 1	Italy
Trevi Finance n. 3 S.r.L.	Conegliano (TV) - via Vittorio Alfieri, 1	Italy

Attachment to table C.1.8.

STATEMENT SUMMARIZING SECURITISED ASSETS AND BONDS ISSUED

(for single subsidiary Special Purpose Vehicle)

Entasi S.r.l.

	12.31.2012	12.31.2011
A. Securitised Assets	**764,460**	**708,642**
A.1 Securities	320,002	320,002
A.2 Accrued interests on securitised securities	444,458	388,640
B. Use of liquid assets resulting from loan operations	**477**	**784**
B.1 Bank current account	123	1
B.2 Accrued interests receivable on swap	350	779
B.4 Other assets	**4**	**4**
Due from originator	0	0
Other	4	4
TOTAL ASSETS	**764,937**	**709,426**
C. Bonds issued	**320,000**	**320,000**
C.1 Class "Serie 2001-1" Bonds	160,000	160,000
C.2 Class "Serie 2001-2" Bonds	160,000	160,000
D. Loans received	**121**	**0**
E. Other liabilities	**444,964**	**389,509**
Accrued expenses fior fixed payments to swap counterparty	444,458	388,640
Accrued interest expenses on securities	350	779
Other liabilities	156	90
PROFIT (LOSS) BROUGHT FORWARD	**-83**	**-30**
PROFIT (LOSS) FOR THE PERIOD	**-65**	**-53**
BALANCING TOTAL	**764,937**	**709,426**
F. Interest expense on bond issued	**6,419**	**7,480**
F.1 Interest expense on bonds issued	6,419	7,480
G. Commissions and fees related to the transaction	**141**	**135**
G.1 For servicing	1	3
G.2 For other services	140	132
H. Other expenses	**55,819**	**51,606**
Other expenses	55,819	51,606
TOTAL COSTS	**62,380**	**59,221**
I. Interest generated by securitised assets	**55,818**	**51,606**
L. Other income	**6,496**	**7,562**
TOTAL REVENUES	**62,314**	**59,168**
PROFIT (LOSS) FOR THE PERIOD	**-65**	**-53**

Part E - Information on risks and related risk management policies (Continued)

Attachment to table C.1.8 continued.

Eurofinance 2000 S.r.L. - Patrimonio Separato "Gemini 1"

	12.31.2012	12.31.2011
A. Securitised Assets	**-**	**4,248**
A.1 Principal	-	4,248
B. Use of liquid assets resulting from loan operations	**-**	**849**
B.1 Bank current account	-	816
B.2 Other financial investments	-	-
B.4 Other assets	**-**	**33**
Due from originator	-	-
Other	-	33
TOTAL ASSETS	**-**	**5,097**
C. Bonds issued	**-**	**29,162**
C.1 "Class A" Bonds	-	-
C.2 "Class B" Bonds	-	29,060
C.3 "Class C" Bonds	-	102
D. Loans received	**-**	**-**
E. Other liabilities	**-**	**89**
Due to originator	-	57
Accrued interest expenses on securities	-	-
Other liabilities	-	32
PROFIT (LOSS) BROUGHT FORWARD	**-**	**-24,904**
PROFIT (LOSS) FOR THE PERIOD	**-**	**750**
BALANCING TOTAL	**-**	**5,097**
F. Interest expense on bond issued	**-**	**-**
F.1 Interest expense on bond issued	-	-
G. Commissions and fees related to the transaction	**-**	**269**
G.1 For servicing	-	-
G.2 For other services	-	269
H. Other expenses	**-**	**1,127**
Other expenses	-	1,127
TOTAL COSTS	**-**	**1,396**
I. Interest generated by securitised assets	**-**	**288**
L. Other income	**-**	**1,858**
TOTAL REVENUES	**-**	**2,146**
PROFIT (LOSS) FOR THE PERIOD	**-**	**750**

Attachment to table C.1.8 continued.

Geldilux TS 2007 S.A.

	12.31.2012	12.31.2011
A. Securitised Assets	**-**	**2,092,638**
A.1 Principal		2,092,638
B. Use of liquid assets resulting from loan operations	**-**	**23,708**
B.1 Bank current account		16,265
B.2 Other uses	-	-
B.4 Other assets	-	7,443
Due from originator		-
Other		7,443
TOTAL ASSETS	**-**	**2,116,346**
C. Bonds issued	**-**	**2,109,391**
C.1 "Class A" Bonds		2,032,036
C.2 "Class B" Bonds		21,084
C.3 "Class C + D" Bonds		29,562
C.4 "Class E + F" Bonds + Liquidity note		26,709
D. Loans received	**-**	**-**
E. Other liabilities	**-**	**6,955**
Due to originator		6,924
Accrued interest on bonds		-
Accrued interest on liquidity note		-
Other liabilities		31
Own funds		-
TOTAL LIABILITIES	**-**	**2,116,346**
F. Interest expense on bond issued	**-**	**63,779**
Interest on class "A", class "B", class "C" e class "D" bonds		33,478
Interest expense on derivatives		30,301
G. Commissions and fees related to the transaction	**-**	**4,292**
G.1 for servicing		4,253
G.2 for other services		39
H. Other charges	**-**	**19,671**
Other costs		19,671
TOTAL COSTS	**-**	**87,742**
I. Interest generated by securitised assets		**59,232**
L. Interest income on derivatives		**28,460**
L. Other revenues		**50**
TOTAL REVENUES	**-**	**87,742**

Part E - Information on risks and related risk management policies (CONTINUED)

Attachment to table C.1.8 continued.

Geldilux TS 2008 S.A.

	12.31.2012	12.31.2011
A. Securitised Assets	**-**	**-**
A.1 Principal	-	-
B. Use of liquid assets resulting from loan operations	**-**	**413**
B.1 Bank current account	-	-
B.2 Other uses	-	-
B.4 Other assets	-	413
Due from originator	-	-
Other	-	413
TOTAL ASSETS	**-**	**413**
C. Bonds issued	**-**	**-**
C.1 “Class A” Bonds	-	-
C.2 “Class B” Bonds	-	-
C.3 “Class C + D” Bonds	-	-
C.4 “Class E + Liquidity note	-	-
D. Loans received	**-**	**-**
E. Other liabilities	**-**	**413**
Due to originator	-	-
Accrued interest on bonds	-	-
Accrued interest on liquidity note	-	-
Other liabilities	-	413
Own funds	-	-
TOTAL LIABILITIES	**-**	**413**
F. Interest expense on bond issued	**-**	**37,009**
Interest on class “A”, class “B”, class “C” e class “D” bonds	-	24,970
Interest expense on derivatives	-	12,039
G. Commissions and fees related to the transaction	**-**	**1,842**
G.1 for servicing	-	1,842
G.2 for other services	-	-
H. Other charges	**-**	**5,453**
Other costs	-	5,453
TOTAL COSTS	**-**	**44,304**
I. Interest generated by securitised assets	**-**	**22,795**
Interest income on derivatives	**-**	**20,915**
L. Other revenues	**-**	**594**
TOTAL REVENUES	**-**	**44,304**

Attachment to table C.1.8 continued.

Geldilux TS 2010 S.A.

	12.31.2012	12.31.2011
A. Securitised Assets	**603,794**	**606,425**
A.1 Principal	603,794	606,425
B. Use of liquid assets resulting from loan operations	**16,364**	**11,607**
B.1 Bank current account	15,634	9,028
B.2 Other uses	-	-
B.4 Other assets	730	2,579
Due from originator	-	-
Other	730	2,579
TOTAL ASSETS	**620,158**	**618,032**
C. Bonds issued	**605,852**	**613,403**
C.1 "Class A" Bonds	501,372	502,866
C.2 "Class B" Bonds	60,886	61,067
C.3 "Class C + D" Bonds	29,305	29,392
C.4 "Class E, F + Liquidity note	14,289	20,078
D. Loans received	**-**	**-**
E. Other liabilities	**14,306**	**4,629**
Due to originator	14,275	4,598
Accrued interest on bonds	-	-
Accrued interest on liquidity note	-	-
Other liabilities	31	31
Own funds	-	-
TOTAL LIABILITIES	**620,158**	**618,032**
F. Interest expense on bond issued	**17,833**	**23,031**
Interest on class "A", class "B" bonds	11,348	14,912
Interest expense on derivatives	6,485	8,119
G. Commissions and fees related to the transaction	**1,360**	**1,383**
G.1 for servicing	1,334	1,330
G.2 for other services	26	53
H. Other charges	**3,270**	**3,796**
Other costs	3,270	3,796
TOTAL COSTS	**22,463**	**28,210**
I. Interest generated by securitised assets	**15,838**	**17,989**
Interest income on derivatives	**6,577**	**10,132**
L. Other revenues	**48**	**89**
TOTAL REVENUES	**22,463**	**28,210**

Part E - Information on risks and related risk management policies (Continued)

Attachment to table C.1.8 continued.

Geldilux TS 2011 S.A.

	12.31.2012	12.31.2011
A. Securitised Assets	**423,817**	**425,100**
A.1 Principal	423,817	425,100
B. Use of liquid assets resulting from loan operations	**13,502**	**6,960**
B.1 Bank current account	12,782	6,542
B.2 Other uses	-	-
B.4 Other assets	720	418
Due from originator	-	-
Other	720	418
TOTAL ASSETS	**437,319**	**432,060**
C. Bonds issued	**431,201**	**431,862**
C.1 "Class A" Bonds	351,238	350,296
C.2 "Class B" Bonds	42,531	42,521
C.3 "Class C + D" Bonds	20,615	20,610
C.4 "Class E, F + Liquidity note	16,817	18,435
D. Loans received	**-**	**-**
E. Other liabilities	**6,118**	**198**
Due to originator	6,087	167
Accrued interest on bonds	-	-
Accrued interest on liquidity note	-	-
Other liabilities	31	31
Own funds	-	-
TOTAL LIABILITIES	**437,319**	**432,060**
F. Interest expense on bond issued	**13,063**	**416**
Interest on class "A", class "B" bonds	9,106	362
Interest expense on derivatives	3,957	54
G. Commissions and fees related to the transaction	**995**	**64**
G.1 for servicing	966	26
G.2 for other services	29	38
H. Other charges	**1,837**	**54**
Other costs	1,837	54
TOTAL COSTS	**15,895**	**534**
I. Interest generated by securitised assets	**10,121**	**108**
Interest income on derivatives	**5,722**	**255**
L. Other revenues	**52**	**171**
TOTAL REVENUES	**15,895**	**534**

Attachment to table C.1.8 continued.

Geldilux PP 2011 S.A.

	12.31.2012	12.31.2011
A. Securitised Assets	**1,133,581**	**1,136,361**
A.1 Principal	1,133,581	1,136,361
B. Use of liquid assets resulting from loan operations	**24,287**	**13,912**
B.1 Bank current account	23,845	850
B.2 Other uses	-	-
B.4 Other assets	442	13,062
Due from originator	-	-
Other	442	13,062
TOTAL ASSETS	**1,157,868**	**1,150,273**
C. Bonds issued	**1,143,146**	**1,150,081**
C.1 "Class A" Bonds	1,000,677	1,000,948
C.2 "Class B" Bonds	136,616	136,618
C.3 "Class C + D" Bonds	-	-
C.4 Liquidity note	5,853	12,515
D. Loans received	**-**	**-**
E. Other liabilities	**14,722**	**192**
Due to originator	14,691	161
Accrued interest on bonds	-	-
Accrued interest on liquidity note	-	-
Other liabilities	31	31
Own funds	-	-
TOTAL LIABILITIES	**1,157,868**	**1,150,273**
F. Interest expense on bond issued	**30,259**	**1,473**
Interest on class "A", class "B" bonds	19,202	1,181
Interest expense on derivatives	11,057	292
G. Commissions and fees related to the transaction	**2,449**	**108**
G.1 for servicing	2,387	94
G.2 for other services	62	14
H. Other charges	**5,880**	**25**
Other costs	5,880	25
TOTAL COSTS	**38,588**	**1,606**
I. Interest generated by securitised assets	**27,393**	**593**
Interest income on derivatives	**11,143**	**850**
L. Other revenues	**52**	**163**
TOTAL REVENUES	**38,588**	**1,606**

Part E - Information on risks and related risk management policies (CONTINUED)

Attachment to table C.1.8 continued.

Trevi Finance S.p.A.

	12.31.2012	12.31.2011
A. Securitised Assets	**175,052**	**270,234**
A.1 Loans	175,052	270,234
A.2 Bonds	-	-
B. Use of liquid assets resulting from loan operations	**18,280**	**20,710**
B.1 Bank current account	17,981	19,691
B.2 Other financial investments	290	1,011
B.4 Other assets	9	8
Due from originator	-	-
Other	9	8
TOTAL ASSETS	**193,332**	**290,944**
C. Bonds issued	**620,674**	**596,260**
C.1 "Class A" Bonds	-	-
C.2 "Class B" Bonds	-	-
C.3 "Class C" Bonds	447,418	423,004
C.4 "Class D" Bonds	173,256	173,256
D. Loans received	**213,516**	**233,408**
E. Other liabilities	**340,959**	**337,050**
E.1 Due to originator	335,276	330,430
E.2 Accrued interest expenses on securities	1,812	1,814
E.3 Other liabilities	3,871	4,806
PROFIT (LOSS) BROUGHT FORWARD	**-875,774**	**-811,901**
PROFIT (LOSS) FOR THE PERIOD	**-106,043**	**-63,873**
BALANCING TOTAL	**193,332**	**290,944**
F. Interest expense on bond issued	**29,258**	**27,852**
F.1 Interest on "Class C" and "Class D" bonds	29,258	27,852
G. Commissions and fees related to the transaction	**1,683**	**1,876**
G.1 For servicing	1,392	1,591
G.2 For other services	291	285
H. Other expenses	**117,198**	**76,036**
Other expenses	117,198	76,036
TOTAL COSTS	**148,139**	**105,764**
I. Interest generated by securitised assets	**21,648**	**16,377**
L. Other income	**20,448**	**25,514**
TOTAL REVENUES	**42,096**	**41,891**
PROFIT (LOSS) FOR THE PERIOD	**-106,043**	**-63,873**

Attachment to table C.1.8 continued.

Trevi Finance n. 2 S.p.A.

	12.31.2012	12.31.2011
A. Securitised Assets	**121,667**	**175,613**
A.1 Loans	121,667	175,613
A.2 Bonds	-	-
B. Use of liquid assets resulting from loan operations	**18,392**	**22,299**
B.1 Bank current account	18,243	21,650
B.2 Other financial investments	149	354
B.4 Other assets	-	295
Due from originator	-	-
Other	-	295
TOTAL ASSETS	**140,059**	**197,912**
C. Bonds issued	**1,007,877**	**981,407**
C.1 "Class A" Bonds	-	-
C.2 "Class B" Bonds	-	-
C.3 "Class C" Bonds	790,378	763,908
C.4 "Class D" Bonds	217,499	217,499
D. Loans received	**-**	**-**
E. Other liabilities	**147,584**	**141,148**
E.1 Due to originator	142,135	135,501
E.2 Accrued interest expenses on securities	2,484	2,483
E.3 Accrued interest expenses on liquidity note	-	-
E.4 Other liabilities	2,965	3,164
PROFIT (LOSS) BROUGHT FORWARD	**-924,644**	**-853,469**
PROFIT (LOSS) FOR THE PERIOD	**-90,758**	**-71,175**
BALANCING TOTAL	**140,059**	**197,911**
F. Interest expense on bond issued	**58,831**	**56,966**
F.1 Interest on "Class B", "Class C" and "Class D" bonds	58,831	56,966
G. Commissions and fees related to the transaction	**1,560**	**2,011**
G.1 For servicing	1,263	1,721
G.2 For other services	297	290
H. Other expenses	**62,982**	**45,401**
Other expenses	62,982	45,401
TOTAL COSTS	**123,373**	**104,378**
I. Interest generated by securitised assets	**17,446**	**13,771**
L. Other income	**15,169**	**19,432**
TOTAL REVENUES	**32,615**	**33,203**
PROFIT (LOSS) FOR THE PERIOD	**-90,758**	**-71,175**

Part E - Information on risks and related risk management policies (CONTINUED)

Attachment to table C.1.8 continued.

Trevi Finance n. 3 S.r.l.

	12.31.2012	12.31.2011
A. Securitised Assets	**410,084**	**475,508**
A.1 Loans	207,475	284,430
A.2 Bonds	202,609	191,078
B. Use of liquid assets resulting from loan operations	**16,772**	**20,368**
B.1 Bank current account	16,425	20,049
B.2 Other financial investments	347	292
B.4 Other assets	-	27
Due from originator	-	-
Other	-	27
TOTAL ASSETS	**426,856**	**495,876**
C. Bonds issued	**1,218,139**	**1,161,914**
C.1 "Class A" Bonds	-	-
C.2 "Class B" Bonds	-	-
C.3 "Class C" Bonds	769,973	713,748
C.4 "Class D" Bonds	448,166	448,166
D. Loans received	**238,807**	**257,064**
E. Other liabilities	**156,921**	**147,831**
E.1 Due to originator	147,848	135,318
E.2 Accrued interest expenses on securities	4,702	4,703
E.2 Accrued interest expenses on liquidity note	-	-
E.4 Other liabilities	4,371	7,810
PROFIT (LOSS) BROUGHT FORWARD	**-1,070,933**	**-995,341**
PROFIT (LOSS) FOR THE PERIOD	**-116,078**	**-75,592**
BALANCING TOTAL	**426,856**	**495,876**
F. Interest expense on bond issued	**68,755**	**64,477**
F.1 Interest on "Class C" and "Class D" bonds	68,755	64,477
G. Commissions and fees related to the transaction	**1,604**	**1,895**
G.1 For servicing	1,292	1,606
G.2 For other services	312	289
H. Other expenses	**108,294**	**67,295**
Other expenses	108,294	67,295
TOTAL COSTS	**178,653**	**133,667**
I. Interest generated by securitised assets	**27,351**	**20,761**
L. Other income	**35,223**	**37,314**
L.1 Interest income	11,531	10,848
L.2 Other income	23,692	26,466
TOTAL REVENUES	**62,574**	**58,075**
PROFIT (LOSS) FOR THE PERIOD	**-116,078**	**-75,592**

C.2 Sales Transactions

C.2.1 Banking Group - Financial assets sold and not derecognised: book value and gross value

TYPE / PORTFOLIO	AMOUNTS AS AT 12.31.2012								
	FINANCIAL ASSETS HELD FOR TRADING			FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS			AVAILABLE FOR SALE FINANCIAL ASSETS		
	A	B	C	A	B	C	A	B	C
A. Balance-sheet assets	**11,326,042**	**-**	**-**	**366,322**	**-**	**-**	**16,779,827**	**-**	**-**
1. Debt securities	11,321,733	-	-	366,322	-	-	16,779,827	-	-
2. Equity securities	4,309	-	-	-	-	-	-	-	-
3. Ucis	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-
B. Derivatives	**-**	**-**	**-**	**X**	**X**	**X**	**X**	**X**	**X**
Total 12.31.2012	**11,326,042**	**-**	**-**	**366,322**	**-**	**-**	**16,779,827**	**-**	**-**
of which impaired	-	-	-	-	-	-	-	-	-
Total 12.31.2011	**13,035,670**	**-**	**-**	**14,298,263**	**-**	**-**	**17,561,663**	**-**	**-**
of which impaired	-	-	-	-	-	-	-	-	-

Continued C.2.1 Banking Group - Financial assets sold and not derecognised: book value and gross value

TYPE / PORTFOLIO	AMOUNTS AS AT 12.31.2012									TOTAL	
	HELD-TO-MATURITY INVESTMENTS			LOANS AND RECEIVABLES WITH BANKS			LOANS AND RECEIVABLES WITH CUSTOMERS				
	A	B	C	A	B	C	A	B	C	12.31.2012	12.31.2011
A. Balance-sheet assets	**3,373,017**	**-**	**-**	**35,197**	**-**	**-**	**19,721,055**	**-**	**-**	**51,601,460**	**63,038,292**
1. Debt securities	3,373,017	-	-	34,433	-	-	8,993,702	-	-	40,869,034	49,040,482
2. Equity securities	X	X	X	X	X	X	X	X	X	4,309	116,618
3. Investment fund	X	X	X	X	X	X	X	X	X	-	319,234
4. Loans	-	-	-	764	-	-	10,727,353	-	-	10,728,117	13,561,958
B. Derivatives	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	-	**-**
Total 12.31.2012	**3,373,017**	**-**	**-**	**35,197**	**-**	**-**	**19,721,055**	**-**	**-**	**51,601,460**	**X**
of which impaired	-	-	-	-	-	-	*1,287,015*	-	-	*1,287,015*	*X*
Total 12.31.2011	**4,457,859**	**-**	**-**	**123,837**	**-**	**-**	**13,561,000**	**-**	**-**	**X**	**63,038,292**
of which impaired	-	-	-	-	-	-	*610,673*	-	-	*X*	*610,673*

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

Loans (A.4) are assets sold and not derecognized under securitizations (see A.3. Table C.1.5.).
Debt securities (A.1) are underlyings of reverse repos.

Part E - Information on risks and related risk management policies (Continued)

C.2.2 Banking Group - Financial liabilities relating to financial assets sold and not derecognised: book value

	AMOUNTS AS AT 12.31.2012						
LIABILITIES / ASSET PORTFOLIOS	FINANCIAL ASSETS HEDL FOR TRADING	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	AVAILABLE FOR SALE FINANCIAL ASSETS	HELD-TO-MATURITY INVESTMENTS	LOANS AND RECEIVABLES WITH BANKS	LOANS AND RECEIVABLES WITH CUSTOMERS	TOTAL
1. Deposits from customers	**8,898,624**	**5,302**	**7,915,757**	**1,843,018**	**952**	**7,696,827**	**26,360,480**
a) relating to fully recognised assets	8,898,624	5,302	7,915,757	1,843,018	952	7,696,827	26,360,480
b) relating to partially recognised assets	-	-	-	-	-	-	-
2. Deposits from Banks	**2,537,440**	**359,506**	**8,694,269**	**1,524,962**	**33,777**	**142,629**	**13,292,583**
a) relating to fully recognised assets	2,537,440	359,506	8,694,269	1,524,962	33,777	142,629	13,292,583
b) relating to partially recognised assets	-	-	-	-	-	-	-
3. Debt Securities in issue	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) relating to fully recognised assets	-	-	-	-	-	-	-
b) relating to partially recognised assets	-	-	-	-	-	-	-
Total 12.31.2012	**11,436,064**	**364,808**	**16,610,026**	**3,367,980**	**34,729**	**7,839,456**	**39,653,063**
Total 12.31.2011	**13,104,156**	**14,298,264**	**17,537,310**	**4,435,584**	**121,771**	**10,724,079**	**60,221,164**

C.2.3. Banking Group - Sales transactions relating to financial liabilities with repayment exclusively based on assets sold and not derecognized: fair value

TYPE/PORTFOLIOS	AMOUNTS AS AT 12.31.2012 FINANCIAL ASSETS HELD FOR TRADING A	B	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS A	B	AVAILABLE FOR SALE FINANCIAL ASSETS A	B
A. Balance-sheet assets	**11,326,042**	**-**	**366,322**	**-**	**16,670,753**	**-**
1. Debt securities	11,321,733	-	366,322	-	16,670,753	-
2. Equity securities	4,309	-	-	-	-	-
3. UCIS	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
B. Derivatives	**-**	**-**	**X**	**X**	**X**	**X**
Total assets	**11,326,042**	**-**	**366,322**	**-**	**16,670,753**	**-**
C. Associated financial liabilities	**11,436,064**	**-**	**364,808**	**-**	**16,619,470**	**-**
1. Deposits from customers	8,898,624	-	5,302	-	12,700,755	-
2. Deposits from banks	2,537,440	-	359,506	-	3,918,715	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities	**11,436,064**	**-**	**364,808**	**-**	**16,619,470**	**-**
Total 12.31.2012	**(110,022)**	**-**	**1,514**	**-**	**51,283**	**-**
Total 12.31.2011	**(68,486)**	**-**	**(1)**	**-**	**24,354**	**-**

Continued C.2.3. Banking group - Sales transactions relating to financial liabilities with repayment exclusively based on assets sold and not derecognized: fair value

TYPE/PORTFOLIOS	AMOUNTS AS AT 12.31.2012 HELD-TO-MATURITY INVESTMENTS A	B	LOANS AND RECEIVABLES WITH BANKS A	B	LOANS AND RECEIVABLES WITH CUSTOMERS A	B	TOTAL 12.31.2012	TOTAL 12.31.2011
A. Balance-sheet assets	**3,306,591**	**-**	**35,012**	**-**	**11,523,765**	**-**	**43,228,485**	**63,038,292**
1. Debt securities	3,306,591	-	34,433	-	321,383	-	32,021,215	49,040,482
2. Equity securities	X	X	X	X	X	X	4,309	116,618
3. UCIS	X	X	X	X	X	X	-	319,234
4. Loans	-	-	579	-	11,202,382	-	11,202,961	13,561,958
B. Derivatives	**X**	**X**	**X**	**X**	**X**	**X**	**-**	**-**
Total assets	**3,306,591**	**-**	**35,012**	**-**	**11,523,765**	**-**	**43,228,485**	**63,038,292**
C. Associated financial liabilities	**3,388,328**	**-**	**35,101**	**-**	**6,824,929**	**-**	**X**	**X**
1. Deposits from customers	2,587,391	-	13,359	-	6,641,400	-	X	X
2. Deposits from banks	800,937	-	21,742	-	183,529	-	X	X
3. Debt securities in issue	-	-	-	-	-	-	X	X
Total liabilities	**3,388,328**	**-**	**35,101**	**-**	**6,824,929**	**-**	**38,668,700**	**60,221,164**
Total 12.31.2012	**(81,737)**	**-**	**(89)**	**-**	**4,698,836**	**-**	**4,559,785**	**x**
Total 12.31.2011	**22,275**	**-**	**2,066**	**-**	**2,836,921**	**-**	**X**	**2,817,129**

LEGEND:

A = Financial assets sold and fully recognized (carrying value).
B = Financial assets sold and partially recognized (carrying value).
C = Financial assets sold and partially recognized (total value).

Loans (A.4) are assets sold and not derecognized under securitizations (see A.3. Table C.1.5.).
Debt securities (A.1) are underlyings of reverse repos.

Part E - Information on risks and related risk management policies (CONTINUED)

C.3 Covered Bond Transactions

QUALITATIVE INFORMATION

In 2008 the Group initiated a Covered Bond (*OBG* or *Obbligazioni Bancarie Garantite*) Program with residential mortgage loans as the underlying assets, in line with Banca d'Italia instructions dated May 17, 2007 as amended on March 24, 2010, the MEF decree dated December 14, 2006 and 2007 Law 130/99.

Under this program
- UniCredit S.p.A. is issuer and also acts as transferor of suitable assets and servicer,
- UniCredit BpC Mortgage s.r.l. (a special purpose vehicle set up within the banking group as expressly authorized by Banca d'Italia) is guarantor of the OBG holders, within the limits of the cover pool and
- The auditing firm Mazars S.p.A. is Asset Monitor.

The Group's main aims in issuing OBGs are to diversify its funding sources and fund at competitive rates. As with the securitizations, the difficulties in the markets made it advisable to use securitization as a means of increasing the Group's counterbalancing capacity by retaining with the Group part of the securities issued by the vehicle.

An integral feature of OBG Program management is maintaining a balance between the characteristics of the assets sold and the issues. This is necessary to maintain the efficacy of the guarantee given by the SPV to the bondholders.

Given the complexity of the transaction, a system of first- and second-level controls and procedures has been set up, as required by Banca d'Italia instructions, to identify units, functions, duties and responsibilities, and specific policies have been issued to this end. The policies were as approved by the competent committees, the Statutory Auditors and the Board of Directors of UniCredit S.p.A..
Responsibility and controls for monitoring risk connected with the OBG Program have been fixed.

As required by Banca d'Italia instructions on controls:
- UniCredit's Risk Management function is charged with the management of the issuer's risks and checks:
  - the quality, suitability and integrity of the assets sold to guarantee the OBGs;
  - that the maximum ratio of OBGs issued to assets sold to guarantee them is adhered to;
  - that limits on sales and supplementary sales procedures are followed;
  - the effectiveness and adequacy of the hedges provided by any derivatives contracts entered into in relation to the Program and;
  - the trend in the balance between the cash flow arising from the cover pool and that absorbed by the OBGs in issue.
- The Asset Monitor is an outside independent entity charged with checking at least annually the regularity of the transactions and the integrity of the guarantee to the bondholders.
- UniCredit's internal audit department is responsible for a complete audit (to be conducted at least once a year of the adequacy of the controls performed.
- The results of the audits performed by the Asset Monitor and the issuer's internal audit department are submitted to the governing bodies.

Moreover, in order to create counterbalancing capacity, at the end of January 2012 UniCredit S.p.A. initiated a new Covered Bonds (*OBG* or *Obbligazioni Bancarie Garantite*) program ("New OBG Program"), without specific ratings and having residential mortgage loans, commercial mortgage loans and loans to or guaranteed by public administrations as underlyings. The contractual and supervisory structure and the counterparties of this program are modeled on the pre-existing program, with the exception of references to Ratings Agencies and the use of a new Special Purpose Vehicle, UniCredit OBG S.r.l..
Under this new OBG Program, in 2012 residential mortgages were sold to private individuals for about €18,250 million and commercial mortgages were sold to companies for about €3,500 million.

At December 31, 2012 the series of covered bonds issued under the two programs totaled 33 and were worth €28,221 million, of which €17,990 million was retained by the Group.

Finally, it should be noted that, as part of the first OBG program, covered bonds worth €1,000 million were issued and placed on the market in January 2013.

NAME	COVERED BOND (OBBLIGAZIONI BANCARIE GARANTITE)
Originator:	UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A.)
Issuer:	UniCredit S.p.A.
Servicer:	UniCredit S.p.A.
Arranger:	UniCredit Bank AG, London Branch
Target transaction:	Funding
Type of asset:	Private Mortgage loans
Quality of asset:	performing
Book value of the underlying assets at the end of accounting period:	€20,234,313,375.39
Covered Bonds issued at the end of accounting period:	€11,731,000,000
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loans of total €21,184,434,924.18
Rating Agencies:	S & P - Moody's - Fitch
Rating:	AA+ (from 01/31/2012) - A2 (from 7/13/2012) - A (from 12/24/2012)

NAME	COVERED BOND (OBBLIGAZIONI BANCARIE GARANTITE) II PROGRAM
Originator:	UniCredit S.p.A.
Issuer:	UniCredit S.p.A.
Servicer:	UniCredit S.p.A.
Arranger:	UniCredit Bank AG, London Branch
Target transaction:	Funding
Type of asset:	Private Mortgage loans
Quality of asset:	performing
Book value of the underlying assets at the end of accounting period:	€20,585,736,442.38
Covered Bonds issued at the end of accounting period:	€16,490,000,000
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loans of total €21,751,987,335.77

Information on forborn exposures

In accordance with the ESMA document no. 2012/853 of December 20, 2012 on disclosures about forborn exposures[2] to be provided in the IFRS financial statements of financial institutions, it should be noted that with reference to the non-performing portfolio, the Group’s activities are mainly focused on the following:

- prompt action. With a solid and effective monitoring and reporting process, the early identification of possible credit quality deterioration allows the Group to promptly undertake any necessary forbearance practices as well as restrictive management measures aimed at risk reduction in the early phases prior to the potential default; all forbearance measures aim at the timely identification and proper management of exposures with increased risk at a stage where the Bank has not yet initiated expropriation or similar enforcing proceedings and the borrower is still able to service the debt;
- proper assessment of the impaired loans, in order to define the strategies/actions to be taken and the applicable default classification;
- initiating recovery procedures on the basis of the type and amount of the exposure and the specific borrower involved;
- appropriate provisioning through profit and loss in line with the relevant recovery strategies and plans as well as the type of exposure. Provisioning is carried out in line with the principles of IAS 39 and Basel 2 rules;
- accurate and regular reporting in order to monitor aggregate portfolio risk over time.

Each Legal Entity shall classify positions into the various default categories in compliance with legal and regulatory provisions issued by local regulators. As a result, and since UniCredit, in its role as Parent Company, is required to obey the instructions issued by the Italian regulator, suitable measures are taken with respect to the Group’s foreign Legal Entities to homogenize and align classifications which otherwise would not be consistent with the appropriate default categories.

Exposures subject to modifications as a result of forbearance practices are classified as impaired loans when the conditions for their classification into the various impaired loans categories are met.

2. According to the ESMA document, “forbearance measures occur in situations in which the borrower is considered to be unable to meet the terms and conditions of the contract due to financial difficulties. Based on these difficulties, the issuer decides to modify the terms and conditions of the contract to allow the borrower sufficient ability to service the debt or refinance the contract, either totally or partially.”

Part E - Information on risks and related risk management policies (CONTINUED)

With specific reference to forbearance practices, a position is classified as "restructured loan" according to the Bank of Italy's classification when a rescheduling agreement has been entered into including renegotiated pricing at interest rates below market, the conversion of part of a loan into shares and/or reduction of principal. Measurement of restructured loans is on a loan-by-loan basis, including discounted cost due to renegotiation of the interest rate at a lower rate than the original contractual rate.
Restructured exposures may be reclassified to "performing loans" when at least two years have elapsed from the closing of the restructuring agreement and a resolution has been passed by the competent corporate bodies stating that the borrower is again able to service the debt and all outstanding exposures have been paid.

The accounting policies on assessment and credit risk provisioning of loans subject to modifications as a result of forbearance practices conform with the general rule, i.e. whether there is objective evidence that an impairment loss on loans or held-to-maturity investments (measured at amortized cost) has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognized in item 130. of the income statement under "Impairment losses" and the carrying amount of the asset is reduced.

In more detail, if the terms of a loan, receivable or held-to-maturity investment are renegotiated or otherwise modified because of the borrower's financial difficulties, this is considered to be objective evidence of impairment in accordance with IAS 39.

The tables below show respectively:
- **impaired loans to customers classified as "restructured exposures**" according to Bank of Italy rules, broken down by country of residence;
- **loans to customers subject to forbearance measures under collective agreements** entered into by Banking Associations/Federations or in compliance with the rules and regulations of the countries where the Group operates, which provide for the temporary suspension of the payment of installments (for principal and/or interest).

Customer loans - restructured positions

(€'000)

COUNTRY	AMOUNTS AS AT 12.31.2012 NET EXPOSURE	% ON TOTAL
Italy	3,153,996	57.3%
Germany	917,311	16.7%
Austria	381,720	6.9%
Poland	358,683	6.5%
CEE Division	692,116	12.6%
Total	**5,503,826**	**100.0%**
Total write-downs	**2,531,933**	
Coverage ratio	**31.5%**	

Restructured loans are concentrated in Italy and Germany, and account for 74% of the total.
In general, there is rough proportionality between the geographical distribution of restructured customer loans and the volumes of impaired loans.

Customer Loans - Exposures renegotiated under collective agreements

(€'000)

PORTAFOLIO/QUALITY	PERFORMING									
	OTHER PERFORMING			PAST DUE UP TO 90 DAYS			PAST DUE 91 - 180 DAYS			
BANKING GROUP AND OTHER CONSOLIDATED COMPANIES	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	TOTAL (NET EXPOSURE)
Loans and receivables with customers (item 70 BS) - Exposures renegotiated in application of collective agreements	3,683,856	10,179	3,673,677	197,329	3,369	193,960	192,800	3,215	189,585	4,057,222

Customer loans renegotiated under collective agreements are mainly concentrated in Italy.

For more information see also Part E - Information on risks - Section 1 - Credit risk - A. Credit Quality.

Information on Sovereign Exposures

With reference to the Group's sovereign exposures[3], the book value of sovereign debt securities as at December 31, 2012 amounted to €93,766 million, of which over 90% concentrated in eight countries; Italy, with €40,797 million, represents about 44% of the total. For each of the eight countries, the table below shows the nominal value, the book value and the fair value of the exposures broken down by portfolio as at December 31, 2012.

Breakdown of Sovereign Debt Securities by Country and Portfolio

(€'000)

	AMOUNTS AS AT 12.31.2012		
COUNTRY / PORTFOLIO	NOMINAL VALUE	BOOK VALUE	FAIR VALUE
- Italy	**39,259,359**	**40,796,810**	**40,652,901**
financial assets/liabilities held for trading (net exposures*)	3,364,337	3,626,322	3,626,322
financial assets at fair value through profit or loss	21,096	21,041	21,041
available for sale financial assets	32,556,709	33,856,556	33,856,556
loans and receivables	218,434	219,606	198,299
held to maturity investments	3,098,783	3,073,285	2,950,683
- Germany	**19,715,526**	**20,604,175**	**20,612,020**
financial assets/liabilities held for trading (net exposures*)	1,220,397	1,300,572	1,300,572
financial assets at fair value through profit or loss	16,493,519	17,266,025	17,266,025
available for sale financial assets	169,610	170,649	170,649
loans and receivables	1,832,000	1,866,928	1,874,774
held to maturity investments	-	-	-
- Poland	**8,328,807**	**8,667,042**	**8,673,491**
financial assets/liabilities held for trading (net exposures*)	147,675	85,439	85,439
financial assets at fair value through profit or loss	-	-	-
available for sale financial assets	6,579,807	6,967,315	6,967,315
loans and receivables	902,073	912,605	912,605
held to maturity investments	699,252	701,684	708,133
- Austria	**4,635,525**	**5,709,520**	**5,711,255**
financial assets/liabilities held for trading (net exposures*)	-95,271	177,429	177,429
financial assets at fair value through profit or loss	173,797	205,856	205,856
available for sale financial assets	4,414,221	5,182,423	5,182,423
loans and receivables	-	-	-
held to maturity investments	142,777	143,812	145,547
- Turkey (**)	**2,953,835**	**3,504,220**	**3,546,060**
financial assets/liabilities held for trading (net exposures*)	126,607	144,343	144,343
financial assets at fair value through profit or loss	-	-	-
available for sale financial assets	1,966,859	2,367,213	2,367,213
loans and receivables	-	-	-
held to maturity investments	860,369	992,663	1,034,504
- Czech Republic	**2,370,269**	**2,590,624**	**2,590,681**
financial assets/liabilities held for trading (net exposures*)	66,142	110,019	110,019
financial assets at fair value through profit or loss	233,267	234,691	234,691
available for sale financial assets	2,070,451	2,245,493	2,245,493
loans and receivables	-	-	-
held to maturity investments	409	422	478
- Spain	**1,384,253**	**1,416,486**	**1,416,462**
financial assets/liabilities held for trading (net exposures*)	-65,118	-2,177	-2,177
financial assets at fair value through profit or loss	384,117	329,508	329,508
available for sale financial assets	1,057,140	1,081,017	1,081,017
loans and receivables	-	-	-
held to maturity investments	8,114	8,138	8,114
- Hungary	**1,422,465**	**1,397,287**	**1,396,604**
financial assets/liabilities held for trading (net exposures*)	71,613	37,214	37,214
financial assets at fair value through profit or loss	-	-	-
available for sale financial assets	1,303,985	1,311,926	1,311,926
loans and receivables	28,326	28,624	28,624
held to maturity investments	18,541	19,522	18,840
Total on-balance sheet exposures	**80,070,039**	**84,686,163**	**84,599,474**

(*) including exposures in Credit Derivatives.

(**) amounts recognized using proportionate consolidation with reference to the ownership percentage for exposures held by joint ventures.

3. Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies. ABSs are not included.

Part E - Information on risks and related risk management policies (CONTINUED)

The weighted duration of the sovereign bonds shown in the table above, divided by the banking[4] and trading book, is the following:

Weighted duration

(years)

	BANKING BOOK	TRADING BOOK
- Italy	2.95	0.86
- Germany	2.30	4.85
- Poland	3.83	4.32
- Turkey	6.00	4.28
- Austria	6.41	7.00
- Spain	2.80	5.81
- Czech Republic	3.27	3.17
- Hungary	1.44	3.24

The remaining 10% of the total of sovereign debt securities, amounting to €9,080 million with reference to the book values as at December 31, 2012, is divided into 58 countries, among which the US (€372 million), Ireland (€53 million), and Portugal (€29 million). These exposures were not subject to impairment at December 31, 2012.
With reference to the sovereign debt securities towards Greece, it should be noted that on February 21, 2012, the Greek Republic and the public sector (EU Member States and the International Monetary Fund-IMF) reached a mutual agreement conditional on the participation of private investors in the new bailout plan, which besides calling for further financial support from the public sector provided for an offer to swap old Greek bonds with new financial instruments. More specifically, these instruments consist of (i) European Financial Stability Facility (EFSF) notes with a face value of 15% of the exchanged bonds, (ii) new Greek government bonds with maturities between 10 and 30 years and a face value of 31.5% of the exchanged bonds and (iii) GDP-linked securities.
From February 24 to March 8, 2012, the Greek Republic carried out the bond swap and subsequently enforced the Collective Action Clauses (CAC) on all holders of bonds governed by Greek law who had rejected the voluntary deal.

In the fourth quarter the Greek Republic also finalized a takeover bid related to the new financial instruments.

The change in the market prices of the securities initially held, up to the participation in the bond swap offer, and the subsequent change in the new securities up to the date of sale of the whole exposure entailed an overall loss in the consolidated Income Statement as at December 31, 2012 of €10.5 million.

The table below shows the classification of bonds belonging to the banking book and their percentage proportion of the total of the portfolio under which they are classified.

Breakdown of Sovereign Debt Securities by Portfolio

(€'000)

	AMOUNTS AS AT 12.31.2012				
	FINANCIAL ASSTES AT FAIR VALUE	AVAILABLE FOR SALE FINANCIAL ASSTES	LOANS	HELD TO MATURITY INVESTMENTS	TOTAL
Book value	20,430,298	57,606,623	3,673,441	5,121,003	86,831,365
% Portfolio	81.64%	78.28%	0.59%	82.49%	11.95%

In addition to the exposures to sovereign debt securities, loans[5] given to central and local governments and governmental bodies must be taken into account.

4. The banking book includes assets at fair value through profit or loss, available-for-sale assets, held to maturity assets and loans.
5. Tax items are not included.

The table below shows the total amount as at December 31, 2012 of loans given to countries towards which the overall exposure exceeds €150 million, representing more than 97% of the total.

Breakdown of Sovereign Loans by Country

(€'000)

COUNTRY	AMOUNTS AS AT 12.31.2012 BOOK VALUE
- Germany (*)	8,100,816
- Italy	8,041,446
- Austria (**)	6,171,036
- Croatia	2,382,286
- Poland	1,797,179
- Indonesia	526,205
- Slovenia	267,094
- Turkey (***)	246,635
- Hungary	215,699
- Brazil	202,789
- Serbia	187,058
- Bosnia-Herzegovina	175,515
Total on-balance sheet exposures	**28,313,758**

(*) of which 950,227 in financial assets held for trading and those at fair value through profit or loss.
(**) of which 319,071 in financial assets held for trading and those at fair value through profit or loss.
(***) amounts recognized using proportionate consolidation with reference to the ownership percentage for exposures held by joint ventures.

Lastly, it should be noted that derivatives are traded within the ISDA master agreement and accompanied by Credit Support Annexes, which provide for the use of cash collaterals or low-risk eligible securities.

For more details on the sensitivity analysis of credit spreads and on the results of stress tests see the Greece Exit, the Widespread Contagion, the Sovereign Debt Tension and the Emerging Markets Slowdown scenarios in chapters 2.7 and 2.8. of the Section 2 - Market risk below, and for liquidity management policies see Section 3 - Liquidity risk below.

Other transactions

In accordance with the Bank of Italy/Consob/IVASS document no. 6 of March 8, 2013 - Booking of "long-term structured repos", the available-for-sale financial assets portfolio includes investments in Italian and Spanish government bonds held by the Irish subsidiary UniCredit Bank Ireland Plc and financed with repos with the same maturity (so-called term structured repos) amounting to €5,826 million (nominal value of €5,673 million).

The accounting treatment of these transactions, with respect to their individual contractual components (an investment in securities shown under item "Available-for-sale financial assets" of assets, a series of repos classified under item "Deposits from banks" of liabilities and derivative contracts shown under “Hedging derivatives”), is in line with the economic purpose, represented by the will to:
- assume a sovereign risk exposure;
- optimize the absorption of liquidity through maturity matching;
- create a positive carry for the duration of the transaction as difference between bond yield and repo funding cost, maximizing the return on net interest margin;
- maintain the right to change the funding structure of the position on sovereign risk according to any changes in market conditions or in the bank’s liquidity position.

With respect to this type of transactions, please note that in 2012:
- transactions were terminated before expiry (only with reference to the repo component of liabilities) amounting to nominal €1,5 billion (on different dates); the investment was not eliminated from assets and was then refinanced with other forms of funding (including new ordinary repos);
- new transactions worth €1 billion were completed;
- transactions of the same kind with a nominal value of €0.5 billion matured.

The aggregate market value of the transactions described above, if considered collectively as a synthetic derivative, would have been positive for approximately €46 million (before tax) at December 31, 2012. The cumulated valuation reserve (before tax) for the above mentioned investments totalled about €84 million negative at December 31, 2012.

The changes in market values are not representative of the economic result that would be generated if all the individual contracts were analyzed in terms of synthetic derivative, also in line with the business model that, providing for the dynamic and separate management of the individual components (as shown by the volumes of early termination of repos not accompanied by the derecognition of the investment from assets), does not consider trading choices based on these variables.

Part E - Information on risks and related risk management policies (Continued)

In addition, with reference to an investment of UniCredit S.p.A. in a debt security issued by the Italian Republic maturing on August 30, 2019 (ITALY 19EUR FRN), subscribed for during placement for a nominal amount of €750 million and with a book value of €726 million including accrued interest at December 31, 2012 (classified in the held-to-maturity portfolio in accordance with the economic purpose), a term repo (conducted in two stages) for a total nominal amount of €750 million, with a book value of liabilities of €761 million at December 31, 2012, was completed during the financial year.
At the same time, a 4.25% BTP maturing in September 2019 was purchased in a term reverse repo (conducted in 2 stages) for a total nominal value of €750 million and a book value of €761 million at December 31, 2012, with the economic purpose of obtaining the availability of more liquid securities (compared with the security ITALY 19EUR FRN) - with the same maturity and similar underlying risks - that can be therefore used more easily for refinancing operations.

The term repo and the term reverse repo are subject to netting (whose value is collateralized by cash) in the event of the default of one of the two counterparties or of the Italian Republic. This clause is accounted for as a financial guarantee issued, in accordance with the nature of the commitments of the parties. The fair value at trade date - €22 million - was initially recorded in other liabilities and is amortized on a pro-rata basis according to the current accounting rules.

Information on Structured Credit Products and Trading Derivatives with customers

The deterioration of US subprime loans was one of the main causes of the financial markets crisis, which started in the second half of 2007.
This deterioration caused a general widening of credit spreads and a gradual transformation of the securitized credits market into an illiquid market characterized by forced sales.
Given this situation, the market's need for information on the exposures held by banks increased with structured credit products being traded directly or through SPVs.
This need was also advocated by several international and Italian organizations and regulators (the Financial Stability Board, the EBA - formerly CEBS -, the Bank of Italy and CONSOB) which asked banks to increase their disclosure based on a proposal deriving from the analysis of the best practices on disclosure and reporting.
Starting from the 2008 Consolidated First Half Financial Report, the Group provides the following disclosure on consolidated SPEs (Special Purpose Entities), structured credit products, trading derivatives with customers and fair value measurement policies, whereas information on liquidity risk, sensitivity analysis and stress testing of the trading book, is given in Sections 2 and 3 below.
A glossary of terms and acronyms is included in the annexes hereto.

1. Structured Credit Products

A detailed description of the Group's business in structured credit products is provided below. We firstly analyze the Group's activity as "originator" (through SPVs) of the assets underlying securitization transactions and then the activity of other consolidated and non-consolidated SPVs, which have different underlying financial assets.
Information on the exposures to monoline insurers and leveraged finance, as well as details on the methods to calculate the fair value of structured credit products are also given below.

1.1 The Group as Originator

The Group's origination consists in the sale of on-balance sheet receivables portfolios to vehicles set up as securitization companies under Law 130/99 or similar non-Italian legislation.
The buyer finances the purchase of the receivables portfolios by issuing bonds of varying seniority and transfers its issue proceeds to the Group.
The yield and maturity of the bonds issued by the buyer therefore mainly depend on the cash flow expected from the assets being sold.
As a further form of security to bondholders, these transactions may include special types of credit enhancement, e.g., subordinated loans, financial guarantees, standby letters of credit or over-collateralization.
The Group's objectives when carrying out these transactions are usually the following:

- to originate securities that can be used to secure repos with the Bank of Italy and the ECB (i.e. counterbalancing capacity);
- to reduce funding costs given the opportunity to issue higher-rated bonds with lower interest rates than ordinary senior bonds; and
- to free up economic and regulatory capital by carrying out transactions that reduce capital requirements under current rules by reducing credit risk.

The Group carries out both traditional securitizations whereby the receivables portfolio is sold to the SPV and synthetic securitizations which use credit default swaps to purchase protection over all or part of the underlying risk of the portfolio.

6. We refer to loans sold, also synthetically, but not derecognized from balance sheet.

The Group makes limited use of this type of transactions. The amount of securitized loans[6], net of the transactions in which the Group has acquired all the liabilities issued by the SPVs (the so-called self-securitizations), accounts for 2.22% of the Group's credit portfolio. Self-securitizations in turn account for 3.64% of the loan portfolio.

A Covered Bond (OBG - Obbligazioni Bancarie Garantite) Program was launched in 2008 under the provisions of Italian Law 130/99. The underlying residential mortgage loans were transferred to an SPE set up for this purpose and included in the Banking Group. Seventeen tranches of OBG totaling €11,731 million were issued, of which 1,500 million retained in the Group.

Moreover, in order to create counterbalancing capacity, in 2012 UniCredit S.p.A. initiated a new Covered Bonds *(OBG or Obbligazioni Bancarie Garantite)* program ("New OBG Program"), without specific ratings and having residential mortgage loans, commercial mortgage loans and loans to or guaranteed by public administrations as underlyings. The contractual and supervisory structure and the counterparties of this program are modeled on the pre-existing program, with the exception of references to Ratings Agencies and the use of a new Special Purpose Vehicle, UniCredit OBG S.r.l.
Under this new OBG Program, in 2012 sales of residential mortgages to private individuals and sixteen related issue of covered bonds for a total of €16,490 million took place, totally retained in the Group.

As at December 31, 2012 similar covered bonds under German law (Pfandbriefe) amounted to €35,096,189 thousand, of which €21,564,427 thousand were backed by mortgage loans and €13,531,762 thousand by loans to the public sector.

Under traditional securitizations the Group retains the first loss in the form of junior bonds or similar exposure and in some cases provides further credit enhancement as described above. This enables the Group to benefit from the portion of the sold receivables' yield in excess of the yield due to the senior and mezzanine tranches.

Retention by the Group of the first loss risk and the corresponding yield means that most of the risk and return on the portfolio is retained. Consequently these transactions are recognized in the accounts as loans and no profits arising out of the transfer of the assets are recognized and the sold receivables are not derecognized.

Synthetic securitizations also entail retention of the receivables subject to credit default protection on the balance sheet. The swap is recognized in the accounts, as well as any other retained interest.

The following table shows the Group's retained **gross and net cash exposure** under securitizations in which it was the originator, subdivided according to whether or not the receivables were derecognized in the accounts.

The amounts given are mainly interests retained by the originator, net of self-securitizations. ABSs arising out of securitizations and held in the Corporate & Investment Banking Division's and UniCredit Bank Ireland's portfolio are also shown.

Exposures deriving from the securitization of own assets

(€'000)

	BALANCE SHEET EXPOSURE AS AT		
	12.31.2012		12.31.2011
	GROSS EXPOSURE (*)	NET EXPOSURE (**)	NET EXPOSURE (**)
- Assets sold totally derecognized	3,087,044	886,547	1,031,777
- Assets sold but not derecognized	4,636,238	3,100,783	3,221,648
- Synthetic transactions	4,557,670	3,491,509	4,770,284
Total	**12,280,952**	**7,478,839**	**9,023,709**

(*) The gross exposure correspond to "risk retained", which is measured as the difference betwwen the assets sold and the corresponding liabilities as at the sale date.
(**) The net exposure includes the sold loans' amount of yield due but not received in excess of amounts paid on securities places at third counterparties.

Part E - Information on risks and related risk management policies (Continued)

Retained tranches break down according to **the level of subordination** as follows:

Exposures deriving from the securitization of own assets broken down by subordination degree

(€'000)

	AMOUNTS AS AT				
	12.31.2012				12.31.2011
	SENIOR	MEZZANINE	JUNIOR	TOTAL	TOTAL
Balance sheet exposure	**4,489,604**	**1,560,540**	**1,428,695**	**7,478,839**	**9,023,709**
- Assets sold totally derecognized	116,873	484,141	285,533	886,547	1,031,777
- Assets sold but not derecognized	1,484,320	478,799	1,137,664	3,100,783	3,221,648
- Synthetic transactions	2,888,411	597,600	5,498	3,491,509	4,770,284
Guarantees given	**-**	**-**	**-**	**-**	**-**
- Assets sold totally derecognized	-	-	-	-	-
- Assets sold but not derecognized	-	-	-	-	-
- Synthetic transactions	-	-	-	-	-
Credit facilities	**-**	**-**	**-**	**-**	**30,220**
- Assets sold totally derecognized	-	-	-	-	-
- Assets sold but not derecognized	-	-	-	-	30,220
- Synthetic transactions	-	-	-	-	-

The transactions included under "Assets sold and derecognized" are those in which the Group, while retaining most of the risk and return of the underlying receivables, nevertheless derecognized them because the transaction was prior to January 1, 2002. On first adoption of IFRS the option permitted by IFRS 1 that allows assets sold before January 1, 2004 not to be re-recognized, regardless of the amount of risk and return retained, was taken.

It should be noted that the decrease in balance-sheet exposures relating to transactions not derecognized to €3,101 million as at December 2012 from €3,222 million as at December 2011 was due to: an increase in the retained risk, also as a consequence of the transfer of the Account Bank role to external counterparties following the downgrade of the Group, the completion of the Geldilux-TS-2007 transaction and the changes in portfolio holdings.

Moreover, the decrease in cash exposures concerning synthetic transactions from €4,770 million in December 2011 to €3,492 million in December 2012 was due to the development of the transactions.

Beside the exposures indicated in the table above, the Group has also carried out traditional transactions concerning performing loans by purchasing the liabilities issued by the SPVs (so-called self-securitizations) for a total amount of €22,652,571 thousand.

However, assessment and monitoring of risk underlying securitizations are performed with regard not to exposure to the SPV but rather to the sold receivables, which are monitored continuously by means of Interim reports showing status of the receivables and repayment performance.

The following tables give a breakdown of the Group's retained (i.e., non-derecognized) receivables by **region** and **asset quality**, and by **traditional** (excluding self-securitizations), and **synthetic** securitizations.

Securitized assets broken down by geographical area

(€'000)

	AMOUNTS AS AT 12.31.2012								
	ITALY	GERMANY	AUSTRIA	OTHER EU COUNTRIES	OTHERS EUROPEAN COUNTRIES (NON EU)	AMERICA	ASIA	REST OF THE WORLD	TOTAL
Assets sold but not derecognized									
- Residential mortgage loans	6,481,765	-	-	-	-	-	-	-	**6,481,765**
- Leasing	1,487,061	-	-	-	-	-	-	-	**1,487,061**
- SME loans	-	-	-	-	-	-	-	-	**-**
- Corporate loans	-	2,166,872	-	-	-	-	-	-	**2,166,872**
- Others	-	-	-	-	-	-	-	-	**-**
Total	**7,968,826**	**2,166,872**	**-**	**-**	**-**	**-**	**-**	**-**	**10,135,698**

Securitized assets broken down by geographical area

(€'000)

	AMOUNTS AS AT 12.31.2012								
	ITALY	GERMANY	AUSTRIA	OTHER EU COUNTRIES	OTHERS EUROPEAN COUNTRIES (NON EU)	AMERICA	ASIA	REST OF THE WORLD	TOTAL
Synthetic transactions									
- Residential mortgage loans	-	1,494,718	-	-	-	-	-	-	**1,494,718**
- Commercial mortgage loans	-	479,380	147	-	-	-	-	-	**479,527**
- SME loans	32,448	1,051,837	594,829	71	-	-	-	-	**1,679,185**
- Corporate loans	-	10,174	860	-	-	-	-	-	**11,034**
- Others	-	-	-	-	-	-	-	-	**-**
Total	**32,448**	**3,036,109**	**595,836**	**71**	**-**	**-**	**-**	**-**	**3,664,464**

Securitized assets broken down by asset quality

(€'000)

	AMOUNTS AS AT 12.31.2012		
	OTHER ASSETS (PERFORMING)	IMPAIRED ASSETS	TOTAL
Assets sold but not derecognized			
- Residential mortgage loans	6,154,797	326,968	**6,481,765**
- Leasing	1,141,918	345,143	**1,487,061**
- SME loans	-	-	**-**
- Corporate loans	2,132,151	34,721	**2,166,872**
- Others	-	-	**-**
Total	**9,428,865**	**706,832**	**10,135,698**

Securitized assets broken down by asset quality

(€'000)

	AMOUNTS AS AT 12.31.2012		
	OTHER ASSETS (PERFORMING)	IMPAIRED ASSETS	TOTAL
Synthetic transactions			
- Residential mortgage loans	1,486,002	8,716	**1,494,718**
- Commercial mortgage loans	469,131	10,396	**479,527**
- SME loans	1,627,514	51,671	**1,679,185**
- Corporate loans	11,034	-	**11,034**
- Others	-	-	**-**
Total	**3,593,681**	**70,783**	**3,664,464**

Funded securitization structures originated by the Group have residential mortgages originated in Italy, corporate loans originated in Germany and leasing granted to Italian counterparties as underlyings.

Synthetic securitization structures have mainly residential mortgages granted to German counterparties, loans to Small Medium Enterprises originated in Germany and Austria and commercial mortgage loans originated in Germany as underlyings.

Performing assets account for 93% of the traditional securitizations portfolio and 98% of the synthetic transactions portfolio.

The Group is not an originator of securitizations having US residential mortgages, either prime or subprime or Alt-A, as underlyings.
The fair value of assets sold and not derecognized exceeds the carrying amount by €740 million.

Part E - Information on risks and related risk management policies (Continued)

1.2 Other Consolidated SPVs

SPVs that do not perform securitization transactions of Group assets, but whose risks are mainly borne by the Group, which also receives their returns, are consolidated as well, even if they do not belong to the Banking Group.

Consolidation of these vehicles is required by IAS 27, and by the related interpretation SIC 12.
Starting from 2007, where the conditions apply, the consolidation perimeter includes vehicle companies Arabella Finance Ltd., Black Forest Funding Corp. and Salome Funding Ltd., sponsored by the Group and issuing commercial papers (so-called Asset Backed Commercial Paper Conduits) and set up as multi-seller customer conduits to give customers access to the securitization market.

It should be noted that in 2012 UniCredit Bank AG bought Salome Funding Ltd's portfolio holdings and the vehicle company is therefore in the process of being closed down. Consequently, the structured credit products acquired by UniCredit Bank AG from Salome Funding Ltd. are now included in the investments indicated in the following section 1.3 Other non-consolidated SPVs.

Additionally, also the following vehicles are now included in consolidation, as they now meet the requirements provided for by the above mentioned SIC 12 and the consolidation requirements under IFRS (see Part A - Accounting Policies, Section 3 - Consolidation Procedures and Scope): Altus Alpha Plc, Grand Central Funding Corp., Redstone Mortgages Plc, The Trans Value Trust Company Ltd and Chiyoda Fudosan GK.

It should be noted that in 2012:
- the vehicle company Chiyoda Fudosan GK was consolidated;
- the vehicle company SKB VTMK International Issuer Ltd was deconsolidated, as the Group does not bear the majority of the risks and rewards anymore.

Customer conduits require the formation and management of a bankruptcy-remote company (i.e., one that would be immune from any financial difficulties of the originator) which directly or indirectly buys receivables created by companies outside the Group.
The receivables underlying these transactions are not bought directly by the conduit set up by the Group, but by a purchase company which in turn is wholly funded by the conduit by means of commercial paper or medium term notes.
In some circumstances purchase companies fund further SPVs which buy loan portfolio.

The main purpose of these transactions is to give corporate customers access to the securitization market and thus to lower funding costs than would be borne with direct funding.
The conduits' purchase of assets is financed by short-term commercial paper and medium-term note issues.

Payment of interest and redemption of the securities issued by the conduit therefore depends on cash flow from the receivables purchased (credit risk) and the ability of the conduit to roll over or replace its market funding on maturity (liquidity risk).

To guarantee prompt redemption of the securities issued by the conduit, these transactions are guaranteed by a standby letter of credit covering the risk of default both of specific assets and of the whole program.
The underwriters of issued securities also benefit from security provided by specific liquidity lines which the conduit may use if it unable to place new commercial paper to repay maturing paper, e.g. during market turmoil.

These liquidity lines may not however be used to guarantee redemption of securities issued by the conduit in the event of default by the underlying assets.

In its role as sponsor, the Group selects the asset portfolios purchased by conduits or purchase companies, provides administration of the assets and both standby letters of credit and liquidity lines.

For these services the Group receives fees and also benefits from the spread between the return on the assets purchased by the SPV and the securities issued.

Starting from the second half of 2007 the securities issued by these conduits experienced a significant contraction in investor demand. The Group has consequently purchased directly all their outstanding commercial paper.

This trend, which reached its peak in December 2008, is shown in the table below which discloses the exposures to conduits sponsored by the Group.

Exposures sponsored by the Group

(€'000)

	AMOUNTS AS AT	
	12.31.2012	12.31.2011
Balance sheet exposures	**775,788**	**3,136,484**
- Arabella Finance Ltd (*)	775,788	2,395,322
- Salome Funding Ltd	-	741,162
Credit facilities	**1,406,983**	**501,056**
- Arabella Finance Ltd (*)	1,406,983	459,748
- Salome Funding Ltd	-	41,308

(*) including positions towards Black Forest Funding Corp.

The lines of credit shown are the difference between total credit lines granted and the amount of commercial paper underwritten by the Group. This figure is the additional risk exposure incurred by the Group and arising from commercial paper purchased by third parties and commitments to purchase further assets under the program.
Cash exposures are commercial paper purchased by the Group. These exposures are fully consolidated and therefore not visible in the consolidated accounts, since they were offset.

The assets of the above-mentioned SPVs are as follows: investment fund units for Altus Alpha Plc, intercompany repurchase agreements for Grand Central Funding Corp., warehousing portfolio of UK mortgage loans for Redstone Mortgages Plc, Japanese mortgage loans for Chiyoda Fudosan GK, which acquired the portfolio previously managed by The Trans Value Trust Company Ltd., closed down at December 31, 2012.

Due to its activity of loan and credit lines underwriting and the subscription of liabilities issued by these vehicles, also in these cases the Group bears most of the risk and receives most of the returns on this business.

The following table shows the amount of exposures towards other consolidated SPVs.

Exposures toward other consolidated SPV

(€'000)

	AMOUNTS AS AT	
	12.31.2012	12.31.2011
Balance sheet exposures	**1,757,673**	**2,193,442**
- Altus Alpha Plc	233,298	398,108
- Chiyoda Fudosan GK	141,694	-
- Grand Central Funding Corp	76	77
- Redstone Mortgages Plc	1,382,605	1,481,606
- The Trans Value Trust Company Ltd	-	266,613
- SKB VTMK International Issuer Ltd.	-	47,038
Credit facilities	**11,520**	**11,825**
- Altus Alpha Plc	-	-
- Chiyoda Fudosan GK	-	-
- Grand Central Funding Corp	11,520	11,825
- Redstone Mortgages Plc	-	-
- The Trans Value Trust Company Ltd	-	-
- SKB VTMK International Issuer Ltd.	-	-

According to the line-by-line consolidation method, the following items should be recognized in Consolidated Accounts:
- assets held by consolidated vehicles in place of the loans provided to them or the liabilities subscribed by Group companies, now eliminated on consolidation;
- loans to purchase companies for non-consolidated subordinated vehicles.

With respect to non-consolidated purchase companies, the Consolidated Accounts, while not including the assets recorded in their account books, show the maximum amount of the risk borne by the Group, which, in the case of purchase companies entirely financed by consolidated conduits, corresponds to the amount of the assets of these purchase companies.

Part E - Information on risks and related risk management policies (Continued)

The following table gives the amount of the consolidated SPVs' **assets** by **region**.

Consolidated SPVs' assets broken down by geographical area

(€'000)

	AMOUNTS AS AT 12.31.2012								
	CONSOLIDATED SPVS								
	ITALY	GERMANY	AUSTRIA	OTHER UE COUNTRIES	OTHER EUROPEAN COUNTRIES (NON UE)	AMERICA	ASIA	REST OF THE WORLD	TOTAL
- Residential mortgage loans	-	-	-	1,321,651	-	-	135,577	-	1,457,228
- Commercial mortgage loans	-	-	-	-	-	-	-	-	-
- Leasing	-	938,982	-	-	-	-	-	-	938,982
- Credit cards	-	-	-	-	-	-	-	-	-
- Consumer loans	159,825	-	-	39,251	-	-	-	-	199,076
- SME loans	-	-	-	-	-	-	-	-	-
- State related entities	-	-	-	-	-	-	-	-	-
- Others	100,090	281,415	-	346,252	-	93,625	30,838	-	852,220
- RMBS	-	-	-	-	-	-	-	-	-
- CMBS	-	-	-	-	-	-	-	-	-
- CDO	-	-	-	-	-	-	-	-	-
- CLO / CBO	-	-	-	-	-	-	-	-	-
- Corporate and bank bonds	-	-	-	-	-	-	-	-	-
- Municipal and local Government bonds	-	-	-	-	-	-	-	-	-
- Investement funds	306	-	-	58,284	-	-	-	151,675	210,265
Total	**260,221**	**1,220,397**	**-**	**1,765,438**	**-**	**93,625**	**166,415**	**151,675**	**3,657,771**

The item "Others" comprises corporate loans and short-term commercial loans.

The quality of assets held by consolidated vehicles, which are mainly mortgage loans, corporate and commercial loans, is carried out by specific units using a look-through approach with the aim of analyzing the performance of the underlying receivables portfolios. As at December 31, 2012 impaired loans were €319,872 thousand, attributable to Redstone Mortgage Plc and Chiyoda Fudosan GK.

The **residual life of consolidated vehicles' underlyings** is given in the following table. Average residual life is in most cases under one year or over five years.

Consolidated SPVs' assets broken down by residual life

(€'000)

	AMOUNTS AS AT 12.31.2012			
REMAINING AVERAGE LIFE	LESS THAN 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	TOTAL
- Residential mortgage loans	319,782	-	1,137,446	1,457,228
- Commercial mortgage loans	-	-	-	-
- Leasing	938,982	-	-	938,982
- Credit cards	-	-	-	-
- Consumer loans	199,076	-	-	199,076
- SME loans	-	-	-	-
- State related entities	-	-	-	-
- Others	849,711	2,509	-	852,220
- RMBS	-	-	-	-
- CMBS	-	-	-	-
- CDO	-	-	-	-
- CLO / CBO	-	-	-	-
- Corporate and bank bonds	-	-	-	-
- Municipal and local Government bonds	-	-	-	-
- Investement funds	210,265	-	-	210,265
Total	**2,517,816**	**2,509**	**1,137,446**	**3,657,771**

Assets recognized in financial statements, due to consolidation of vehicles, are a marginal portion of the Group's assets.

The following table shows these **assets by balance sheet classification** and **as a percentage of total assets** in the same class.

Consolidated SPVs broken down by type of financial assets portfolio

(€'000)

	AMOUNTS AS AT 12.31.2012					
	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL ASSETS MEASURED AT FAIR VALUE	LOANS AND RECEIVABLES	FINANCIAL ASSETS HELD TO MATURITY	FINANCIAL ASSETS AVAILABLE FOR SALE	TOTAL
Balance sheet amount	210,265	-	3,447,506	-	-	3,657,771
% IAS portfolio	0.20%	0.00%	0.55%	0.00%	0.00%	0.44%

1.3 Other non-consolidated SPVs

The Group is also an investor in structured credit instruments issued by vehicles which are not consolidated, as these instruments do not bear most of the risk and do not receive most of the rewards on the operations carried out by SPVs.
These exposures are mainly held on the books of the Corporate and Investment Banking Division (CIB) and Unicredit Bank Ireland.

This business was particularly affected by the difficult situation on the financial markets, which began in 2007 and resulted in a transformation of the structured credit product market into an illiquid market.
Against this background, these securities were reclassified from trading to banking portfolio.

This strategy has been reflected in the accounts through the reclassification of most of these positions in the item "loans and receivables to customers" occurred for the most part in the second half of 2008 and, for the remaining, in the first half 2009. See Section 1.4 for information about the effects of this reclassification.

Since then, this type of asset portfolio has been managed with a view to gradually reduce its amount (i.e. de-risking/de-leveraging strategy) in order to lower the associated capital requirement, while seeking to ensure the contribution to net interest income over time (especially in a market environment characterized by low interest rates) in a context of overall sustainability of the associated risk profile. Since early 2012, based on the expertise gained in the management of this portfolio, it was decided to keep the amount stable in notional terms, while replacing, as far as possible given volatile markets, the positions reaching maturity with new ones of adequate quality and profitability. These positions are subject to continuous monitoring by Risk Management which, on the one hand, constantly monitors their evolution and composition while on the other, for the purposes of internal monitoring and overall disclosure, it regularly evaluates their market value.

This portfolio has the following characteristics:
- high seniority with an insignificant percentage of junior positions;
- predominance of residential mortgage-backed securities and commercial mortgage-backed securities;
- an insignificant portion of products has US Subprime or Alt-A mortgages as underlyings;
- high rating (over 84% of the positions is classified as "investment grade");
- mainly concentrated in EU Countries.

Main features of structured credit portfolio

(€'000)

	12.31.2012				12.31.2011			
Measurement	FV/P&L	FV/EQUITY	AMORTISED COST		FV/P&L	FV/EQUITY	AMORTISED COST	
Net exposure	414,054	242,803	5,438,352		524,195	154,955	5,903,191	
Seniority	SENIOR	MEZZANINE	JUNIOR		SENIOR	MEZZANINE	JUNIOR	
Net exposure	4,552,894	1,451,164	91,151	Total 6,095,209	4,952,338	1,513,351	116,652	Total 6,582,341
Asset class	RMBS/CMBS	CDO/CLO	OTHER ABS AND LOANS		RMBS/CMBS	CDO/CLO	OTHER ABS AND LOANS	
Net exposure	4,122,988	1,275,517	696,704		4,173,299	1,702,793	706,249	
Underlying	US SUBPRIME	US ALT-A	OTHER		US SUBPRIME	US ALT-A	OTHER	
Net exposure	3,488	4,856	6,086,865		5,415	6,157	6,570,769	

Rating %	AAA	OTHER INVESTMENT GRADE	NON INVESTMENT GRADE		AAA	OTHER INVESTMENT GRADE	NON INVESTMENT GRADE	
% on net exposure	29.58%	55.06%	15.36%	100%	28.85%	61.82%	9.33%	100%
Country %	US	EUROPEAN	OTHER		US	EUROPEAN	OTHER	
% on net exposure	12.75%	82.58%	4.66%		14.95%	79.69%	5.36%	

Part E - Information on risks and related risk management policies (Continued)

The following table shows the Group's **exposure** to these instruments, which is in any case limited, at 0.73% of **total financial instruments**.

Structured credit product exposures broken down by type of financial assets portfolio

(€'000)

	BALANCE SHEET EXPOSURE AS AT						
	12.31.2012						
	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL ASSETS MEASURED AT FAIR VALUE	LOANS AND RECEIVABLES	FINANCIAL ASSETS HELD TO MATURITY	FINANCIAL ASSETS AVAILABLE FOR SALE	TOTAL	12.31.2011 TOTAL
Balance sheet amount	369,181	44,873	5,322,376	115,976	242,803	**6,095,209**	**6,582,341**
% IAS portfolio	0.34%	0.18%	0.86%	1.87%	0.33%	**0.73%**	**0.78%**

The table below shows the Group's **gross and net exposure** to these instruments.

Structured credit product exposures

(€'000)

	AMOUNTS AS AT 12.31.2012	
EXPOSURE TYPE	GROSS EXPOSURE (NOMINAL AMOUNT)	NET EXPOSURE (CARRYING AMOUNT)
RMBS	2,941,353	2,863,174
CMBS	1,305,456	1,259,814
CDO	317,242	172,439
CLO/CBO	1,236,219	1,103,078
ABS others	599,570	457,198
Loans	239,506	239,506
Total	**6,639,346**	**6,095,209**

Cash exposure, as mentioned, consists almost entirely of asset backed securities amounting to €5,855,703 thousand mainly held in the Global ABS portfolio in the books of the CIB and UniCredit Bank Ireland.

Following tables reports, respectively for ABS, loans and guarantees, the exposure amount together with their seniority.

The tables do not show the ABSs originated by UniCredit securitizations, whether synthetic or traditional. These are shown in the table given in the 'Group as Originator' section above.

Structured credit product exposures broken down by subordination degree

(€'000)

	AMOUNTS AS AT 12.31.2012			
EXPOSURE TYPE	SENIOR	MEZZANINE	JUNIOR	TOTAL
- RMBS	2,401,292	461,882	-	2,863,174
- Prime	*2,208,232*	*342,151*	-	*2,550,383*
- Subprime	*1,834*	*468*	-	*2,302*
- Nonconforming	*191,226*	*119,263*	-	*310,489*
- CMBS	977,533	282,281	-	1,259,814
- CDO	111,650	60,767	22	172,439
- CDO of ABS / CDO of CDO	*1,186*	*19,074*	-	*20,260*
- CDO Balance Sheet	*101,447*	-	-	*101,447*
- CDO Market Value	-	-	-	-
- CDO Preferred Stock	-	*41,656*	-	*41,656*
- CDO Synthetic Arbitrage	-	-	*1*	*1*
- CRE CDO	*4,265*	*20*	-	*4,285*
- CDO others	*4,752*	*17*	*21*	*4,790*
- CLO/CBO	600,255	482,803	20,020	1,103,078
- CLO SME	*52,183*	*29,710*	*1,373*	*83,266*
- CLO arbitrage/balance sheet	*223,590*	*110,174*	*908*	*334,672*
- CLO / CBO other	*324,482*	*342,919*	*17,739*	*685,140*
- Consumer loans	158,008	61,784	-	219,792
- Credit cards	-	-	-	-
- Student loans	71,812	55,789	2,394	129,995
- Leasing	50,043	26,709	-	76,752
- Others	8,985	19,149	2,525	30,659
Total balance sheet exposures	**4,379,578**	**1,451,164**	**24,961**	**5,855,703**

Loans and guarantees

(€'000)

	AMOUNTS AS AT 12.31.2012							
	ON BALANCE SHEET EXPOSURES				OFF BALANCE SHEET EXPOSURES			
EXPOSURE TYPE	SENIOR	MEZZANINE	JUNIOR	TOTAL	SENIOR	MEZZANINE	JUNIOR	TOTAL
Loans	**173,316**	**-**	**66,190**	**239,506**	**-**	**-**	**-**	**-**
- Residential mortgages	165,631	-	-	165,631	-	-	-	-
- Commercial mortgages	-	-	-	-	-	-	-	-
- CDO	-	-	-	-	-	-	-	-
- CLO	-	-	-	-	-	-	-	-
- Credit Cards	-	-	-	-	-	-	-	-
- Consumer loans	-	-	-	-	-	-	-	-
- Student loans	-	-	61,054	61,054	-	-	-	-
- Others	7,685	-	5,136	12,821	-	-	-	-
Guarantees given	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Credit facilities	**-**	**-**	**-**	**-**	**22,120**	**15,317**	**-**	**37,437**

The above table presents the Group's exposure to SPEs, including guarantees given and lines of credit.

This support is generally given when structuring securitizations for third parties as manager or arranger of the transactions.

At December 31, 2012 the Group's exposure in structured credit products was €6,095,209 thousand, a reduction of over 7% from December 31, 2011 when the figure was €6,582,341 thousand.

The exposure in ABSs fell from €6,307,678 thousand at December 31, 2011 to €5,855,703 thousand.

Exposure in the form of loans to vehicles was €239,506 thousand at December 31, 2012. The unutilized portion of credit lines and guarantees given amounted to €37,437 thousand.

In addition to reported exposures, the Group is exposed to Credit Default Swaps with structured credit products as underlyings. These instruments had a fair value of €21,369 thousand and a notional amount of €61,989 thousand.

Part E - Information on risks and related risk management policies (CONTINUED)

The good credit quality of this portfolio is borne out by the fact that over 67% of these instruments are rated A or better and over 29% of the portfolio is triple-A rated.

At December 31, 2011 over 79% of these exposures were rated A and 28% of the portfolio was rated triple-A.

Over 82% of the exposure was toward countries belonging to European Union.
Exposure to Greece, Ireland, Portugal and Spain accounted for 19.63%, most of which concerns exposures to Spanish underlying assets (11.77%).

The following tables give a breakdown of the **net exposure** at December 31 2012, **by instrument, rating and region**.

Structured credit product exposures broken down by rating class

EXPOSURE TYPE	AAA	AA	A	BBB	BB	B	CCC	CC	C	NR
RMBS	26.10%	9.33%	22.72%	20.28%	14.23%	6.25%	1.09%	0.00%	0.00%	0.00%
CMBS	31.38%	11.74%	30.87%	18.40%	6.06%	1.55%	0.00%	0.00%	0.00%	0.00%
CDO	0.00%	0.00%	58.83%	13.54%	24.16%	0.00%	2.76%	0.01%	0.70%	0.00%
CLO/CBO	46.07%	27.49%	16.34%	6.39%	1.79%	0.10%	0.00%	0.00%	0.00%	1.82%
Other ABS	17.74%	14.55%	23.68%	22.70%	5.62%	6.76%	3.01%	3.95%	0.00%	1.99%
Total	**29.58%**	**13.40%**	**24.41%**	**17.25%**	**9.75%**	**3.94%**	**0.85%**	**0.31%**	**0.02%**	**0.49%**

Structured credit product exposures broken down by geographical area

EXPOSURE TYPE	ITALY	OTHER UE COUNTRIES	OTHER EUROPEAN COUNTRIES (NON UE)	ASIA	USA	REST OF THE WORLD
RMBS	9.42%	83.23%	0.00%	0.63%	0.26%	6.46%
CMBS	4.03%	84.03%	0.00%	0.08%	11.86%	0.00%
CDO	0.00%	13.83%	0.00%	0.00%	86.16%	0.01%
CLO/CBO	0.01%	62.97%	0.00%	0.00%	30.72%	6.30%
Other ABS	40.93%	36.66%	0.00%	0.00%	22.41%	0.00%
Total	**8.67%**	**73.91%**	**0.00%**	**0.32%**	**12.75%**	**4.34%**

The Group's portfolio includes the following:

RMBSs: Residential mortgage backed securities are notes issued by SPVs whose redemption depends on the performance of residential mortgages securitized by a non-Group originator.
An insignificant portion of these instruments has US Subprime or Alt-A mortgages as underlyings.
The following table shows the main characteristics of these instruments as at December 31, 2012 and December 31, 2011.

RMBS

	12.31.2012	12.31.2011
Gross Exposure	2,941,353	3,105,508
Net Exposure	2,863,174	2,998,072
% AAA	26.10%	25.69%
% Investment grade	52.33%	63.27%
% Sub Investment grade	21.57%	11.04%
% USA	0.26%	0.35%
% Europe	92.65%	90.98%
% Rest of the world	7.09%	8.67%
There of US Subprime	2,302	3,905
There of US Alt-A	4,856	6,157

CMBSs: Commercial mortgage backed securities are notes issued by SPVs whose redemption depends on the performance of commercial mortgages securitized by a non-Group originator.
The following table shows the main characteristics of these instruments as at December 31, 2012 and December 31, 2011.

CMBS

	12.31.2012	12.31.2011
Gross Exposure	1,305,456	1,248,811
Net Exposure	1,259,814	1,175,227
% AAA	31.38%	15.55%
% Investment grade	61.01%	79.78%
% Sub Investment grade	7.61%	4.67%
% USA	11.86%	14.15%
% Europe	88.06%	85.61%
% Rest of the world	0.08%	0.24%
There of US Subprime	-	-
There of US Alt-A	-	-

CDOs: Collateralized debt obligations are notes with varying seniority issued by SPVs in respect of debt instruments, including structured credit instruments (CDOs of ABS).
As with all asset-backed securities, redemption of these notes depends on the performance of the underlying assets and any additional security.
The purpose of these instruments is to benefit from the spread between the notes' yield and that of the assets.
An insignificant portion of these instruments has US Subprime or Alt-A mortgages as underlyings.
The following table shows the main characteristics of these instruments as at December 31, 2012 and December 31, 2011.

CDO

	12.31.2012	12.31.2011
Gross Exposure	317,242	411,731
Net Exposure	172,439	263,705
% AAA	0.00%	2.99%
% Investment grade	72.37%	65.64%
% Sub Investment grade	27.63%	31.37%
% USA	86.16%	83.82%
% Europe	13.83%	15.45%
% Rest of the world	0.01%	0.73%
There of US Subprime	1,186	1,510
There of US Alt-A	-	-

Part E - Information on risks and related risk management policies (CONTINUED)

CLO/CBO: these instruments are notes issued by SPVs in respect of loans (Collateralized Loan Obligations - CLOs) and corporate bonds (Collateralized Bond Obligations - CBO).
The following table shows the main characteristics of these instruments as at December 31, 2012 and December 31, 2011.

CLO/CBO

	12.31.2012	12.31.2011
Gross Exposure	1,236,219	1,686,526
Net Exposure	1,103,078	1,439,088
% AAA	46.07%	56.31%
% Investment grade	50.22%	40.34%
% Sub Investment grade	3.71%	3.35%
% USA	30.72%	28.48%
% Europe	62.98%	66.46%
% Rest of the world	6.30%	5.06%
There of US Subprime	-	-
There of US Alt-A	-	-

Other ABS: These instruments are structured credit products issued by SPVs in respect of consumer loans, student loans, leasing loans and other loans.
The following table shows the main characteristics of these instruments as at December 31, 2012 and December 31, 2011.

Other ABS

	12.31.2012	12.31.2011
Gross Exposure	599,570	567,500
Net Exposure	457,198	431,586
% AAA	17.74%	11.24%
% Investment grade	60.93%	72.17%
% Sub Investment grade	21.33%	16.59%
% USA	22.41%	31.37%
% Europe	77.59%	68.63%
% Rest of the world	0.00%	0.00%
There of US Subprime	-	-
There of US Alt-A	-	-

Exposure to US Subprime and Alt-A Mortgages

The Group's exposure to US Subprime and Alt-A mortgages was restricted to the above RMBSs and CDOs with these underlyings.
The Group has no mortgages classified as sub-prime in its loan book nor guarantees of such exposure.
The following table summarizes exposure to US Subprime and Alt-A mortgages, which was €8,344 thousand at December 31, 2012, i.e. a reduction from both December 31, 2011 when this figure was €11,572 thousand.

US Subprime and Alt-A exposures

(€'000)

	AMOUNTS AS AT 12.31.2012		
UNDERLYING / EXPOSURE TYPE	CDO OF ABS	RMBS	TOTAL
US Alt-A	-	4,856	4,856
US Subprime	1,186	2,302	3,488
Total	**1,186**	**7,158**	**8,344**

Instruments with US subprime underlyings have a coverage ratio of 88.1%. Instruments with Alt-A mortgages underlyings have a coverage ratio of 9.5%.

Percentage **composition of the vintage** of **US Subprime and Alt-A** exposures is reported in the following tables.

US Subprime and Alt-A percentage of exposures broken down by vintage

UNDERLYING / VINTAGE	BEFORE 2005	2005	2006
US Alt-A	10.56%	89.44%	0.00%
US Subprime	74.80%	11.78%	13.42%
Total	**37.42%**	**56.98%**	**5.60%**

1.4 Reclassification of Structured Credit Products

In 2008 and in the first half of 2009 most structured credit products were reclassified from financial assets held for trading or available for sale to "loans and receivables with customers", pursuant to the amendments to IAS 39 endorsed by Regulation EC 1004/2008 (see Part A - 3.1. Transfers between portfolios).

The following table shows the amounts of these instruments that were subject to reclassification, the amounts that would have been recognized in the year if they had not been reclassified, as well as the amounts actually recognized in the year

ACCOUNTING PORTFOLIO BEFORE RECLASSIFICATION	ACCOUNTING PORTFOLIO AFTER RECLASSIFICATION	CARRYING AMOUNT AS AT	FAIR VALUE AS AT	INCOME/EXPENSES ABSENT RECLASSIFICATION (BEFORE TAXES)		INCOME/EXPENSE RECOGNIZED DURING THE PERIOD (BEFORE TAXES)	
		12.31.2012	12.31.2012	FROM MEASUREMENT	OTHER	FROM MEASUREMENT	OTHER
Held for trading	Loans to customers	3,571,126	3,148,421	276,825	183,959	-24,010	99,147
Available for sale	Loans to customers	109,186	82,164	16,700	2,175	0	2,374
Total		**3,680,312**	**3,230,585**	**293,525**	**186,134**	**-24,010**	**101,521**

These data include a non-significant amount of asset backed securities from own synthetic securitizations or in respect of which the underlying assets were derecognized from the balance sheet.

1.5 The Fair Value of Structured Credit Products

Structured credit products classified as financial assets held for trading, designated at fair value and available for sale are valued at their market value, in line with the general rules described in Part A - A.3 Information on Fair Value.
The deterioration of market conditions from the second half of 2007 made it particularly complex to value these products due to the gradual disappearance of a liquid secondary market characterized by executable prices that could be used for valuation purposes.

As described in Part A - A.3, in order to react to this new market environment, the Group has resorted to *Indipendent Price Verification and Fair Value Adjustment* processes.

In respect of structured credit products, this process requires that the prices for trading positions be verified monthly by Risk Management units that are independent from the units that assume the risk exposure, and that the fair value be adjusted in order to consider the subjectivity resulting from the use of illiquid parameters.

As a result of the valuation process described above, structured credit products are valued by using as a reference the prices of the main price providers (MarkIt). However, these valuations should be considered as "second-level" as they are not necessarily executable (for further information on fair value levels see Part A - A.3.2. Fair Value Hierarchy).

Absent this type of prices for the instrument being valued, its fair value is determined by using cash-flow discounting models.

These models discount the instrument's estimated cash flows at a rate that considers an adequate risk spread, whose determination is therefore fundamental for the valuation process. In particular, the spread used is the average spread applied to instruments which are similar to that being valued in terms of asset class, rating, underlying geography.

Where it is impossible to identify similar instruments, the spread is anyway determined by considering instruments which are similar to that being valued, adjusted (through interpolation and extrapolation processes) to take into account the differences noted.
The value resulting from the described valuation models is based on inputs and prices which are not necessarily executable on the market.
The value is therefore subject to further fair value adjustments to consider the risks associated to the use of non-executable inputs and prices.
This adjustment, which is proportionate to the observability of prices/inputs used in the valuation, is determined according to the economic effects of a one notch downgrade of the instrument being valued, i.e. the use of a spread which is appropriate to a level of rating immediately lower than that used.

Part E - Information on risks and related risk management policies (CONTINUED)

The fair value determined by using these valuation techniques is classified as level-2 or level-3 according to the degree of similarity between the spread and the instrument being valued, and the consequent significance of the calculated value adjustments.

78.77% of the portfolio is priced using level 2 methods and the remaining 21.23% according to level 3 methods.

Structured credit product exposures: fair value hierarchy

EXPOSURE TYPE	LEVEL 2	LEVEL 3
RMBS	99.42%	0.58%
CMBS	97.32%	2.68%
CDO	0.00%	100.00%
CLO	85.26%	14.74%
Other ABS	65.40%	34.60%
Total	**78.77%**	**21.23%**

1.6 Group Exposure to Monoline Insurers

The Group has marginal exposure to monoline insurers.
It is not the usual practice of the Group to manage credit risk arising from ABS exposures through credit derivatives, or other guarantees with monoliners.
The Group has direct exposure to certain baskets of names which include monoliners.

The following table gives the amount of these **exposures** by **monoliner**.

Exposures to monoliners

(€ million)

	AMOUNTS AS AT	
COUNTERPARTY	12.31.2012	12.31.2011
Assured Guaranty Corporation	-	9
MBIA Insurance Corporation	-	94,938
Radian Group Inc.	-	53,469
The PMI Group Inc.	340	1,306
Total	**340**	**149,722**

The Group's portfolio includes asset-backed securities amounting to €376,956 thousand, which are also guaranteed by monoline insurers.

1.7 Group Exposure to Leveraged Finance

As part of its lending business, the Group grants loans or credit lines that may be classified as leveraged finance, in that they finance the acquisition of significant stakes in target companies, which are usually subsequently absorbed by the borrower.

Repayment and debt service depend largely on the cash flow generated by the new company post-absorption.

These transactions bear good yields in terms of both interest and fees. However, the risk is higher given the borrower's greater leverage.

The Group is generally involved in leveraged finance through participation in syndicated loans made by a banking syndicate.

As at December 2012, the net book value of these transactions, mainly carried out by Corporate and Investment Banking (CIB), amounted to €5,581 million.

2. OTC Trading Derivatives with Customers

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

The Group's operational model provides for customer trading derivatives business to be carried on, as part of each subsidiary's operational independence:
- by the commercial banks and divisions (F&SME Networks and Factories, Private Banking, Asset Management) that close transaction in OTC derivatives in order to provide non-institutional customers with products to manage currency, interest-rate and price risk. Through these transactions, the commercial banks/divisions transfer their market risks to the CIB Division by means of equal and opposite contracts, retaining only the relevant counterparty risk. The commercial banks also place or collect orders on behalf of others for investment products with embedded derivatives (e.g., structured bonds);
- by the CIB Division operating with large corporate and financial institutions, in respect of which it assumes and manages both market and counterparty risk;
- by CEE Banks, which transact business directly with their customers.

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

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

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

This business with non-institutional customers does not involve the use of margin calls, whereas with institutional counterparties (dealt with by the CIB Division) credit risk mitigation techniques may be employed, for example "netting" and/or collateral agreements (either bilateral or multilateral).

Write-downs and write-backs of derivatives to take account of counterparty risk are determined in line with the procedure used to assess other credit exposure, specifically:
- performing exposure to non-institutional customers of the Italian commercial banks is valued in terms of PD (Probability of Default) and LGD (Loss Given Default), in order to obtain a value in terms of 'expected loss' to be used for items designated and measured at fair value;
- non-performing positions are valued in terms of estimated expected future cash flow according to specific indications of impairment (which are the basis for the calculation of the amount and timing of the cash flow).

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

To make the distinction between customers and banking counterparties, the definition contained in the Bank of Italy Circular 262 as firstly updated on November 18, 2009 (which was used for the preparation of the accounts) was used as a reference.

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

Fair values of OTC derivatives managed through Central Clearing counterparts are reported on a net basis. The related reduction of balances as at December 31, 2012 is €16,364 million, in comparison with the gross-presentation model.

The balance of item 20 "Financial assets held for trading" of the consolidated accounts with regard to derivative contracts totaled €81,814 million (with a notional value of €1,747,844 million) including €27,662 million with customers. The notional value of derivatives with customers amounted to €789,967 million including €779,215 million in plain vanilla (with a fair value of €27,021 million) and €10,752 million in structured derivatives (with a fair value of €641 million). The notional value of derivatives with banking counterparties totaled €957,877 million (fair value of €54,152 million) including €115,765 million related to structured derivatives (fair value of €2,094 million).

Customers entered into a total of 1,966 structured derivative contracts with the Group that are reported in balance-sheet asset item 20 "Financial assets held for trading". Of these, the largest 20 customers in terms of exposure cover 6.7% of overall exposure (generating exposure of €43 million for the Group).

The balance of item 40 "Financial liabilities held for trading" of the consolidated accounts with regard to derivative contracts totaled €83,017 million (with a notional value of €1,497,895 million) including €23,231 million with customers. The notional value of derivatives with customers amounted to €628,322 million including €609,799 million in plain vanilla (with a fair value of €22,981 million) and €18,523 million in structured derivatives (with a fair value €250 million). The notional value of derivatives with banking counterparties totaled €869,573 million (fair value of €59,786 million) including €98,782 million related to structured derivatives (fair value of €1,559 million).

Part E - Information on risks and related risk management policies (Continued)

Section 2 - Market Risk

Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Group's portfolio, including the assets held both in the trading book, as well as those posted in the banking book, both on the operations characteristically involved in commercial banking and in the choice of strategic investments. Market risk management within the UniCredit group accordingly includes all activities related to cash transactions and capital structure management, both for the Parent company, as well as for the individual companies making up the group.

The current organizational model guarantees the ability to steer, to coordinate and to control the activities of some aggregated risks (so-called Portfolio Risks), through dedicated responsibility centers (Portfolio Risk Managers), completely focused and specialized on such risks, under a Group and interdivisional perspective.

According to this organization, the structures at first level of reporting to "Group Risk Management", dedicated to market risk governance, are:
- "Group Trading Risks", regarding market risk related to trading book positions;
- "Group Balance Sheet & Liquidity Risk", regarding market risk related to banking book positions.

Risk Management Strategies and Processes

The Holding Company's Board of Directors lays down strategic guidelines for taking on market risks by calculating capital allocation for the Parent company and its subsidiaries, depending on risk appetite and value creation objectives in proportion to risks assumed.
The Group Risk Committee meets with consulting and suggestion functions for the definition of the CEO's proposal for the Board of Directors, mainly for the following topics:
- Group risk appetite, including capitalization objectives, capital allocation criteria, risk-taking capacity, cost of equity and dividends policy, as well as internal capital limits;
- general strategies for the optimization of risks, general guidelines and general policies for Group risk management;
- fundamental modifications of risk control and measurement systems (for credit, market, operational and other risks) including possible action plans, processes, IT and data quality requirements;
- structure of limits by type of risk;
- strategic policies and funding plans;
- overall Loan Loss Provisions estimates;
- definition and periodic review of the "ICAAP General Framework", relevant perimeter of application, as well as yearly Regulatory Report.

Furthermore, it decides on the following topics:
- the definition of guidelines relative to Group financial policies (asset and liability management strategies, including the duration profile at Group level);
- the risk allocation across Business Units and Legal Entities, specific risk guidelines and strategies and consequent limit setting for achieving the targets in terms of risk appetite and limits by type of risk;
- methodologies for the measurement and control of Internal Capital;
- guidelines, policies and strategies for real estate risk, financial investment risk and business risk;
- approval of action plans in case of critical level findings on the risk control and measurement systems derived from internal initial and ongoing validation reports;
- approval of business actions/initiatives also having strategic nature in order to safeguard the Group in the "alarm phase" of a liquidity crisis.

The Group Risk Committee also receives on regular basis information from the competent Committees/functions on the following topics:
- reorganization projects affecting risk processes and/or organization structures involved in risk management and control activities;
- periodic risk reports (portfolio, large exposures, loan loss provisions, etc.), including those intended for the Regulators (before they have been disseminated);
- reports on breaches of limits;
- corrective action to balance Group risk positions;
- regular reports on loan loss provisions development;
- status update of relevant Basel Accords project activities and processes.

In addition to GRC, with reference to management of Market Risks, the responsible Committees are:
- Group Market Risk Committee;
- Group Assets & Liabilities Committee.

The "Group Market Risk Committee" is responsible for monitoring Market Risks at Group level, for evaluating the impact of transactions - approved by the competent bodies - significantly affecting the overall Market Risk portfolio profile, for submitting to the "Group Risk Committee" - for approval or information - market risk strategies, policies, methodologies and limits as well as regular reporting on market risk portfolio.

The Committee is also responsible for ensuring consistency in Market Risk policies, methodologies and practices across Divisions, Business Units and Legal Entities. It controls and monitors the Group Market Risk Portfolio.

The "Group Assets and Liabilities Committee" is responsible for monitoring liquidity risk, Banking Book interest rate and FX risks, submitting to the "Group Risk Committee", for either approval or information, the strategies for assets and liabilities management - including duration profile at Group level - the overall overview of the Group ALM positioning, as well as strategies, policies, methodologies and limits for liquidity, banking book interest rate and FX risks.
The Committee is responsible for ensuring consistency in liquidity, banking book interest rate and FX risk policies, methodologies and practices across Regional Liquidity Centers, Divisions, Business Units and Legal Entities, with the objective to optimize the utilization of financial resources such as liquidity and capital and to reconcile the demand for them with business strategies across the Group. Moreover, it monitors the evolution of assets and liabilities of the whole Group and the execution of the funding plan. It analyses the impact of interest rate movements, liquidity constraints and foreign exchange exposures.

Trading Book
The Trading Book includes the positions in financial instruments and commodities held either with trading intent or in order to hedge other elements of the trading book itself. To be eligible for trading book capital treatment, financial instruments must either be free of any restrictive covenants on their tradability or able to be hedged completely. In addition, positions should be frequently and accurately valued, and the portfolio should be actively managed.

The risk that the value of a financial instrument (an asset or a liability, cash or derivative) changes over time is determined by the following five standard market risk factors:
- Credit risk: the risk that the value of the instrument decreases due to credit spreads changes;
- Equity risk: the risk that the value of the instrument decreases due to stock or index prices changes;
- Interest rate risk: the risk that the value of the instrument decreases due to interest rates changes;
- Currency risk: the risk that the value of the instrument decreases due to foreign exchange rates changes;
- Commodity risk: the risk that the value of the instrument decreases due to commodity prices (e.g. gold, crude oil) changes.

UniCredit group manages and monitors market risk through two sets of measures:
- Global Market Risk measures:
  - Value at Risk (VaR), which represents the potential loss in value of a portfolio over a defined period for a given confidence interval;
  - Stressed VaR (SVaR), which represents the potential VaR of a portfolio subject to a continuous 12-month period of significant financial stress;
  - Incremental Risk Charge (IRC), which represents the amount of regulatory capital aimed at addressing the credit shortcomings (rating migration and default risks) that can affect a portfolio in a defined time period for a given confidence interval;
  - Comprehensive Risk Measure (CRM), which represents the amount of regulatory capital aimed at addressing the credit shortcoming effects not included within the IRC measure (such as stochastic recovery and correlation effects for structured financial instruments) that can affect a portfolio in a defined time period for a given confidence interval;
  - Loss Warning Level (LWL), which is defined as the 60 days rolling period accumulated economic P&L of a risk taker;
  - Combined Stress Test Warning Level (STWL), which represents the potential loss in value of a portfolio calculated on the basis of a distressed scenario.
- Granular Market Risk measures:
  - Sensitivities, which represent the change in the market value of a financial instrument due to moves of the relevant market risk factors.

On the basis of these measures, two sets of limits are defined:
- Global Market Risk limits (Loss Warning Levels, Combined Stress Test Warning Level, VaR, SVaR, IRC, CRM): which are meant to establish a boundary to the economic capital absorption and to the economic loss accepted for activities under trading activities regime; these limits have to be consistent with the assigned budget of revenues and the defined risk taking capacity;
- Granular Market Risk limits (Sensitivity limits, Stress scenario limits, Nominal limits): which exist independently of, but act in concert with Global Market Risk limits and operate in a consolidated fashion across the Legal Entities (if applicable); in order to control more effectively and more specifically different risk types, desks and products, these limits are generally granular sensitivity or stress-related limits. The levels set for Granular Market Risk measures aim at limiting the concentration in individual risk factors and the excessive exposure in risk factors which are not sufficiently covered under VaR.

Banking Book
The main components of market risk in the banking book are Credit Spread risk, pure interest rate risk and fx risk. Credit spread risk originates mainly from government bond portfolios held liquidity purposes. The market risk of the bond portfolio is restricted based on notional, sensitivity measures and Value at Risk. The main credit spread exposure is related to Italian sovereign risk in the Italian perimeter.

Part E - Information on risks and related risk management policies (Continued)

The second risk type is interest rate risk is managed with the objective to stabilize net interest Income. The exposure is measured in term of economic value sensitivity and the net interest income sensitivity. On a daily basis the Treasury manages the interest rate risk from commercial transactions within operational limits set by the relevant risk committees. The exposure is measured and monitored on a daily basis by the risk management function.
The Asset & Liability Committee is responsible for the interest rate strategy for the strategic position. This includes the decision investing the net position of non interest earning assets and non-interest bearing liabilities. A strategy is applied to minimize the risk on the net interest income for the bank. This implies that investments are made following a replicating profile for free equity, where the choice for the exact maturity profile is decided by the Asset and Liability committees. Also for the investments of sight items the strategy is to stabilize net interest income by investing a longer maturities. This holds for all regions. The Asset and Liability management committees decide on the maturity profile that is deemed most appropriate to protect the bank's net interest income. As the strategy takes into account local specificities the maturity profile for sight items varies per region.
The interest rate management strategy takes into account the main impact from prepayments. This aspects is mainly relevant for the Italian and German mortgage portfolio. Based on historical prepayment data as well as trend analysis the prepayment behavior is estimated. The estimated impact is hedged. For the Italian mortgages the expected prepayment pattern forms the basis for hedging the prepayment impact. The convexity risk due to the uncertainty in the prepayments is evaluated through scenario analysis. The prepayment risk in the German mortgage portfolio is smaller due to the fees in case of early prepayment. The estimated prepayment exposure is fully hedged by swaptions. The prepayment risk in the Austrian and Polish loan portfolio is deemed residual, e.g. no prepayment hedging strategy is applied. The overall exposure is monitored by Group Risk Management and periodically reported to Group ALCO. The committee's involvement in interest rate risk management includes:
- limit setting and monitoring;
- hedge strategies;
- guidelines and policies;
- setting and monitoring on the funds transfer pricing decisions;
- definition of risk methodologies and measurement.

It should be noted that Group ALCO sets the guidelines and Risk Framework for the Regional Centres. Their ALCOs fill in the process for their perimeter, while Group ALCO monitors the overall position. Risk Management proposes the limits that require approval from the Group Risk Committee.

A third risk type is FX risk. The sources of this exposure refer mainly to capital investment in foreign currency. The current strategy is not to hedge the capital. The general policy is to hedge this foreign currency exposure related to dividends and P&L taking into account hedging cost and market circumstances. The exposure is most relevant for Pekao and the CEE subsidiaries. The FX exposure is hedged using forwards and options that are classified as trading book. This general rule is valid for the Holding and Sub-holdings. The hedge strategy is reviewed by the relevant risk committees on a periodic basis.

Structure and Organization

Trading Book

With reference to trading book risks governance, that is market risk originated by Group functions authorized to manage trading positions, the "Group Trading Risks" department has been created, as responsible for the governance and control of these type of risks at Group level, through the definition of the strategies and the limits, the drafting process of the related Group Regulations and the monitoring for their implementation at Group's Legal Entities level, the development of the methodologies for measuring the risks, the execution of the stress-test activities and the portfolio analysis.
The aforementioned department is also responsible for a managerial coordination, within its area of competence, of the corresponding functions at Group's Legal Entities level, according to Internal Regulations ("GMGR[7]" and "GMGR Evolution") and to address the choice of the correct pricing methodologies/models for financial instruments by coordinating activities for the development of "pricing libraries" and their integration in the front-office systems.

This control is ensured through an organizational structure that consists, in particular, in the following units:
- "Market Risk Management" department responsible for the governance and control of the Group's market risks through:
  - the definition of strategies and risk limits, the execution of stress-test activities and portfolio analysis;
  - market risk control for UniCredit S.p.A and at consolidated level.

  The department breaks down as follows:
  - "Group Market Risk Management" unit responsible for:
    - coordinating (in cooperation with the Legal Entities' Market Risk functions) the iterative process for the setting of global and granular limits to be submitted for approval to the Committees and competent deliberative bodies, both at local and at Parent Company level;
    - day-by-day supervision and second level of control - at Group level - of the monitoring activity on global and granular limits of the Group Trading Book performed by the market risk control functions of each "Regional Center" (e.g. UniCredit Bank AG, UniCredit S.p.A, Unicredit Bank Austria SA), activating the escalation process in the event of limits being reached or overtaken, determining also the right countermeasures/mitigation actions to be taken, if necessary;

7. "Group Managerial Golden Rules".

- analyzing day-by-day P&L on the basis of the reports provided by Group Entities;
- supporting the “Products and Portfolio Market Risk Management, Special Projects & Support” team in the definition of the Independent Price Verification (IPV) and Fair Value Adjustments (FVA) methodologies at Group level for not listed or illiquid products and design the market conformity checks for illiquid products;
- assessing market risks pertaining to new products and formulating non-binding opinions on the issuance of such products;
- contributing to the management of the activities connected to the Independent Price Verification (IPV) for non-listed or non-liquid securities;
- providing “Group Risk Management Operating Office” department with the adequate information about market risks for the drawing up of the ERM report;
- providing the "Risk Integration & Capital Adequacy" unit with the data necessary for monitoring and planning for the risk appetite and the EVA.

- “Products Evaluation, Special Projects & Support” unit responsible for:
  - adequately supporting the Bank in the activities related to MiFID application, which require the use of the methodologies developed within Risk Management;
  - defining the stress test program through: the definition of new scenarios, the aggregation of the stress tests results supplied by the Group Legal Entities, the analysis the results of the stress tests and the identification of suitable corrective actions (such as risk mitigation activities, generation of new scenarios);
  - monitoring and managing market risk pertaining to non-core portfolios de-leveraging / de-risking;
  - leading special market risk initiatives;
  - reporting on market risk, in cooperation with the competent functions of the “Group Risks Operating Office” department, providing an updated view, at Group level, of the risks both in normal and stress scenarios;
  - defining the Global Rules for the valuation of financial instrument at Group level monitoring their consistent adoption in the Legal Entities;
  - analyzing, for each asset class (e.g. Equities and Commodities, Rates and FX, Credit and Bonds), the congruity of the valuation criteria of the financial instruments;
  - defining and monitoring risk limits on portfolio models and building blocks;
  - controlling performance data on portfolio models and building blocks calculated by “PB Global Investment Strategy (GIS)” department;
  - approving the classifications and/or change or integration requests proposed by “PB Global Investment Strategy (GIS)” department related to financial instruments.

- Market Risk Policies, Methodologies & Architecture” unit responsible for:
  - developing methodologies for market risks management (e.g. VaR, Stressed VaR, Incremental Risk Charge, Comprehensive Risk Measure, Credit Counterparty Risk, Expected Positive Exposure, etc.), making sure the models used within the Group are mutually consistent and calculating the metrics in collaboration with the related structures of the Legal Entities;
  - drawing up Group Rules concerning trading risks;
  - verifying that operating policies on market risks issued by the Legal Entities are coherent and compliant with the strategies and the Group Rules defined by “Group Trading Risks” department;
  - monitoring, in coordination with “Group Risk Policies” according to the current Group Internal Regulation in place, the approval and implementation, within the Group Legal Entities, of the Group Rules on market risk;
  - monitoring the results of the back testing carried out by the Legal Entities and of the back testing done at a consolidated level;
  - developing prototypes for new technologies in order to manage market risks;
  - setting up and updating, in collaboration with the relevant structures of the Legal Entities, the infrastructure for the management of market data and documenting and monitoring the relative processes (data collection, management and storage);
  - coordinating communications with the Regulator, external auditors and rating agencies as regards the Group's market risks models;
  - supplying the unit “Risk Integration & Capital Adequacy” with the necessary data for monitoring and planning the risk appetite.

Banking Book

The control of market risks in the banking book is under responsibility of the “Balance Sheet Risks Control” unit in Group Risk Management. Responsibilities include:

- drawing up Group Rules on balance sheet risk related to the banking book;
- verifying that operational policies on balance sheet risks related to the banking book, issued by the Legal Entities, are coherent and compliant with the strategies and the Group Rules;
- proposing to the competent bodies the limits for managing the balance sheet risks related to the banking book, taking care of the related sub allocation of limits, in order to maintain the Group risk profile within the risk appetite framework approved by the Board of Directors and other competent bodies;
- monitoring the respect of balance sheet risk limits related to the banking book and medium-long term liquidity limits set by the competent bodies at Group and regional center level, proposing corrective actions in order to maintain the Group risk profile within the risk appetite framework approved by the Board of Directors;
- ensuring the substantial Groupwide harmonization of the analysis and measurement frameworks used for interest rate risk management and behavioral models;
- monitoring the right application of fund transfer prices among the units and the regional centres of the Group.

Risk measurement and reporting systems

Trading Book

During 2012, UniCredit group continued to improve and consolidate market risk models in order to properly measure, represent and control the Group risk profile. In the last three years, in compliance with Basel Committee regulations and guidelines, state-of-the-art models for market risk measurement, such as Stressed VaR, Incremental Risk Charge and Comprehensive Risk Measure, have been developed for both capital charge calculation and managerial purposes.

The monitoring of the risk profiles was made even more efficient and rapid with the introduction of individual risk limits, in addition to VaR limits, in relation to primary investment banking operations.

Within the organizational context described above, the policy implemented by the UniCredit group within the scope of market risk management is aimed at the gradual adoption and use of common principles, rules and processes in terms of appetite for risk, ceiling calculations, model development, pricing and risk model scrutiny.

Market Risk Management department is specifically required to ensure that principles, rules and processes are in line with industry best practice and consistent with standards and uses in the various countries in which they are applied.
The main tool used by the UniCredit group to measure market risk on trading positions is Value at Risk (VaR), calculated using the historical simulation method.

Market risk reporting standards are set by the Group Risk Committee under the proposal of the Market Risk function. Market Risk Management defines market risk reporting standards, both in terms of contents and recurrence, and provides timely information to senior management and regulators regarding the market risk profile on a consolidated level.

In addition to VaR and Basel 2 risk measures, stress tests represent an important risk management tool that provides UniCredit with an indication of how much capital might be needed to absorb losses in case of large financial shocks. Stress testing forms an integral part of the internal capital adequacy assessment process (ICAAP), which requires UniCredit to undertake rigorous, forward-looking stress testing that identifies possible events or changes in market conditions that could adversely impact the bank.

Banking Book
The primary responsibility of the monitoring and control of the risk management for market risk in the banking book lies in the Bank's competent Bodies. For instance, the Parent Company is in charge of monitoring market risks for the banking book at the consolidated level. As such, defines structure, data and frequency of the necessary Group reporting.
The banking book interest rate risk measures cover both the value and net interest income risk aspects.
More precisely, the different, and complementary, perspectives involve:
- *Economic value perspective*: variation in interest rates can affect the economic value of assets and liabilities. The economic value of the bank can be viewed as the present value of the bank's expected net cash flows, defined as the expected cash flows on assets minus the expected cash flows on liabilities; A relevant risk measure from this perspective is the economic value sensitivity per time bucket for a 1bp rate shock. This measure is reported to the relevant committees to assess the economic value impact of various changes in the yield curve. In addition the economic value sensitivity for a 200bps parallel shock is included. A monitoring variable from this perspective is the value at risk resulting from interest rate risk exposure.
- *Income perspective*: the focus of the analysis is the impact of changes of interest rates on accrual or reported Net Interest Income that is the difference between revenues generated by interest sensitive assets and the cost related to interest sensitive liabilities. An example of a measure of risks used are Net Interest Income sensitivity for a 100bps parallel shock in rates. It provides an indication of the impact on the net interest income over the next 12 months if such should occur. For these rate scenarios the 0% floor is taken into account for the downward shock in the current low rate environment. Additional scenarios that are evaluated include steepening and flattening scenarios.

Net to the set of limits and warning levels for interest rate risk, restrictions and exposure measures are in place for other market risk types such foreign exchange risk, equity risk, value risk due to credit spread fluctuations. Besides through economic value sensitivity measures and other granular indicators, these risk types are captured in a value at risk measure that includes all market risk factors. These value at risk measures are based on a historical simulation.

Hedging policies and risk mitigation

Trading Book
On a monthly basis a set of risk indicators is provided to the Group Risk Committee through the Enterprise Risk Management Report; these include VaR, Stressed-VaR, IRC and CRM usages, sensitivities and stress Test results.

At the same time limit breaches are reported both to the Group Market Risk Committee and to the Group Risk Committee, the escalation process being ruled by the Global Policy "Market Risk Limits" which defines the nature of the various thresholds/limits applied as well as the relevant bodies to involve to establish the most appropriate course of action to restore exposure within the approved limits.

If required, focus is provided from time to time on the activity of a specific business line/desk in order to ensure the highest level of comprehension and discussion of the risks in certain areas which are deemed to deserve particular attention.

Banking Book
ALCO evaluates the main market risk drivers on a monthly basis. This committee decides on the strategy which aims to stabalise the net interest income. Group Risk Management reports to the committee on the banking book risk measures both from a value and income perspective. It proposes and monitors limits and warning levels that have been approved by the relevant competent bodies Breaches of limits and warning levels are reported, upon occurrence, to the relevant bodies. Consequently the escalation process is activated in line with the procedures set in the Policy, to establish the most appropriate course of action to restore exposure within the approved limits.
Execution of structural hedges to mitigate the interest rate risk exposure on client business are executed by the Treasury. Strategic transactions in the banking book can be executed by the Asset and Liability Management department.

Internal Model for Price, Interest Rate and Exchange Rate Risk of the Regulatory Trading Book

The policy implemented by the UniCredit group within the scope of market risk management is aimed at the gradual adoption and use of common principles, rules and processes in terms of appetite for risk, ceiling calculations, model development, pricing and risk model scrutiny.

Group Trading Risks is required to ensure that principles, rules and processes are in line with industry best practice and consistent with standards and uses in the various countries in which they are applied.

The Directive 2010/76/EU (CRD III) introduced several improvements to the capital regime for trading book positions fully receiving the proposal from the Basel Committee. CRD III enhances the current value-at-risk (VaR) based framework with other risk measures: an incremental risk capital charge (IRC), a comprehensive risk measure (CRM) specific to the correlation trading portfolio (CTP), a stressed value-at-risk (sVaR).

Incremental risk capital charge captures default risk as well as migration risk for unsecuritised credit products, while comprehensive risk measure covers credit risk (i.e. default, migration and credit spread) for trading positions in the correlation trading portfolio. Additional capital charge for securitizations and credit products not covered by either IRC or CRM is evaluated through the standardized approach. The additional stressed VaR requirement is expected to help reduce the pro-cyclicality of the minimum capital requirements for market risk.

UniCredit group calculates both VaR and sVaR for market risk on trading positions using the historical simulation method.

The historical simulation method provides for the daily revaluation of positions on the basis of trends in market prices over an appropriate observation period. The empirical distribution of profits/losses deriving therefrom is analyzed to determine the effect of extreme market movements on the portfolios. For a given portfolio, probability and time horizon, VaR is defined as a threshold value such that the probability that the mark-to-market loss on the portfolio over the given time horizon not exceeding this value (assuming normal markets and no trading in the portfolio) has the given confidence level. The parameters used to calculate the VaR are as follows: 99% confidence level; 1 day time horizon; daily update of time series; observation period of 500 days. Use of a 1-day time-horizon makes it possible to make an immediate comparison with profits/losses realized. Analogously stressed VaR is calculated with 99% confidence level and 1 day time horizon on a weekly basis, but over a stressed observation period of 250 days. The chosen historical period identifies the 1-year observation period which produces the highest resulting measure for the current portfolio. Over the whole 2012 the so-called “Lehman crisis” period (from April 15, 2008 to March 30, 2009) has been the stressed observation period for UC BA. This same period has been used by UCB AG for the first quarter while the period from January 17, 2011 to December 31, 2011 (sovereign debt crisis) has been used for the rest of the year. On the other hand UCI S.p.A used the sovereign debt crisis for the first quarter and the “Lehman crisis” period for the remaining quarters.

For regulatory capital calculation the 1-day VaR and sVaR are properly scaled to a 10-days’ time horizon while the 1-day measures are actively used for market risk management.

UniCredit group calculates IRC over a one-year capital horizon at 99.9% confidence level using a multivariate version of a Merton-type model (e.g. Moody's KMV) in which both migration and default events are accounted for. Default is indeed seen as a particular migration to an absorbing state. Migration events are simulated on the capital horizon, taking into account the liquidity horizon of individual positions. Also for 2012 a conservative liquidity horizon of one year has been applied to all positions.

Since the CRM measure should cover all price risk on the CTP perimeter, UniCredit group implemented a two components measure in order to catch all the required risk facets. Therefore CRM is obtained as the sum of two partially overlapping components. In more detail:
- CRM.IRC: The IRC component simulates migrations and defaults, extending the IRC framework to account for stochastic recovery rates and the effect of multiple defaults. This part of the measure embeds a credit spread dynamics that has a jump component to it; it indeed simulates changes in spread levels as a result of rating migrations occurring in a through-the-cycle real-world probabilistic set up.
- CRM.VaR: The VaR component of the measure accounts for the credit spread risk and for the implied correlation one. Spread dynamics is specified both at individual issuer level and at index level. Credit spreads are evolved by means of a diffusive mean-reverting stochastic process calibrated to CDS spread series and is hence closer to a risk neutral perspective. Base correlations are simulated by means of a mean reverting diffusive multivariate process evolving the standard capital structure of two major indices. Implied correlation basis between standard tranches and bespoke ones is not explicitly simulated. Base correlation for standard tranches is calibrated from available market quotes and used to generate scenarios for both standard and bespoke CDOs.

Part E - Information on risks and related risk management policies (CONTINUED)

The confidence level at which the CRM charge is calculated is 99.9% over the Capital Horizon of one year. Liquidity Horizon is set equal to the Capital Horizon for both the IRC-like and the VaR-like components. This basically embraces the constant position assumption suggested in the IRC guidelines.

Both of the measure's components include a spread-risk element.

IRC needs to meet soundness standard comparable to IRB. The charge was indeed compared to the IRB requirement for a subset of the top 50 issuers resulting into a 20% higher number (i.e. IRC=1.2IRB). As for the CRM, no real benchmark is specified. Robustness was assessed - among others - via a stress scenario that showed that level of capitalization implied by the model would account for the simultaneous sudden default of the top 50 names in the portfolio.

Group Internal Validation performed its analyses in order to evaluate the conceptual soundness of the IRC and CRM models, to supplement the available analyses on that topic and to ensure the compliance of the resulting risk management environment against all the relevant regulatory requirements and internal standards.
As already remarked by the regulation, traditional back testing procedures, regarding the 99.9% one-year soundness standard for IRC, are simply not applicable. Consequently, while validation of the IRC and CRM model relied heavily on indirect methods (including stress tests, sensitivity analysis and scenario analysis) in order to assess the qualitative and quantitative reasonableness of the model, special focus has indeed been given to the specific situation of the UniCredit portfolios.
Group Internal Validation kept the scope of their analysis as wide as possible in order to comprise the many diverse issues that are acting concurrently in such a model (general model design, regulatory compliance, numerical implementation, outcomes explanation).
In particular, among the topics Group Internal Validation addressed, we should mention model parameterization (such as credit migration matrices and their regularization to liquidity horizon shorter than one year, dependence structure, sensitivities analysis with regard to the most relevant model parameters, stability analysis with regard to potentially hard-to-estimate model inputs), model design, model replication, portfolio structure, processes and model outputs.

During 2011 the college of supervisors authorized UniCredit group to the use of internal models for the calculation of capital requirements for market risk. In details both UCB AG and BA AG are then allowed to calculate their regulatory capital by means of internal models for VaR, stressed VaR and IRC; the additional CRM capital charge is relevant for UCB AG only. As of the end of 2012 UCI, UCI Ireland and Bank Pekao are still using the standardized approach for calculating capital requirements related to trading positions. As part of the progressive extension of the internal models approach to all Group companies, however, the VaR is already used for the management of market risk in these latter companies.

The standardized measurement method is also applied to the calculation of capital covering the risk of holding banking book exposure in foreign currencies for the subsidiaries that do not perform trading activities.

In order to validate the coherence of VaR internal models, used in calculating capital requirements on market risks, backtesting is performed on a daily basis by applying an approach based on the framework suggested by the regulators, which is also the most straightforward procedure for comparing risk measures with the trading outcomes, i.e. calculating the number of times that the trading outcomes are not covered by the risk measures ("exceptions") over the most recent twelve months of data (250 daily observations). This test consists of comparing the estimated VaR with hypothetical P&L data, i.e. simulated changes in portfolio value that would occur were end-of-day positions to remain unchanged. Whenever the number of exceptions exceeds over the last year what forecasted by the confidence level assumed, a careful revision of model parameters and assumptions is initiated.

Trading portfolios are subject to stress tests according to a wide range of scenarios for managerial reporting, which are described in dedicated paragraph below. According to national regulations, some relevant scenarios are also a matter of regulatory reporting on a quarterly basis. Moreover, substitute risk measures, i.e. sensitivities, defined stress scenarios or the indication of nominal amounts, are considered and included in the regulatory reporting for the estimation of risks that are not covered by the VaR simulation of UCB AG internal model.

As for internal scenario analysis policies and procedures (i.e. "stress testing"), these procedures have been entrusted to the individual legal entities. Overall, however, a set of scenarios common to the Group as a whole, is applied to all positions in order to check on a monthly basis the potential impact that their occurrence could have on the global trading portfolio. A Global Policy "Market Risk Stress Test" has been approved by GMRC in April 2012.

Procedures and methodologies for Valuation of Trading Book positions

UniCredit ensures that the value applied to each trading book position appropriately reflects the current fair (market) value, i.e. the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of each financial instrument is based on, or derived from, observable market prices or inputs. The availability of observable prices or inputs differs by product and market, and might change over time.

In case observable prices or parameters are readily and regularly available (i.e. satisfying adequate liquidity requirements), they are directly employed in the determination of fair value (mark-to-market) without any subjective component (e.g. liquid securities or equities, exchange traded derivatives).
This includes instruments whose fair value is derived from valuation models which represent industry standard and whose inputs are directly observable (e.g. plain vanilla swap and a number of option contracts).

In non-active markets or for certain instruments, for which observable prices or inputs are not available, fair value is calculated leveraging on valuation techniques appropriate for the specific instrument (mark-to-model). This approach involves estimation and expert judgment and, therefore, might require valuation adjustments which take into account bid-ask spreads, liquidity and counterparty risk, besides the employed pricing model. In addition, each pricing model used for fair value calculation need to be validated by a dedicated function independent from business units.

According to Group Market Risk Governance Guidelines, in order to ensure the adequate separation between functions in charge of development activities and functions in charge of validation, all pricing models developed by Legal Entities front - office functions are centrally and independently tested and validated by the Holding Company Market Risk functions. Model validation is also carried out centrally for any novel system or analysis framework whose utilization has a potential impact on the bank's economic results.

In addition to daily marking to market or marking to model, Independent Price Verification (IPV) shall be performed. This is the process by which market prices or model inputs are regularly verified for accuracy and independence. While daily marking to market may be performed by dealers, verification of market prices and model inputs has to be performed by a function independent of the trading floor, at least monthly (or more frequently, depending on the nature of the market/trading activity). Where independent pricing sources are not available or pricing sources are too subjective, appropriate prudent measures such as fair valuation adjustments are set (FVA).

Information on pricing models used for fair value calculation

The following paragraph details the methodologies used for fair value calculation, focusing on those instruments whose prices are not immediately observable or regularly available.

Fixed Income Securities

Fixed Income Securities are priced in a two tier process depending on the liquidity in the respective market. Liquid instruments in active markets are marked to market and consequently positions in these instruments are disclosed in reference to Fair Value Hierarchy under Level 1. Instruments not traded in active markets are marked to model based on implied credit spread curves derived from the former Level 1 instruments. The model maximizes the use of observable input and minimizes the use of unobservable inputs. With this respect, depending on the proximity of the credit spread curve applied, the bonds are disclosed as Level 2 or Level 3 respectively; Level 3 is applied in case a significant unobservable credit spread is used. Under fair value accounting, fair value adjustments for liquidity and model deficiencies compensate for the lack of market observables for the Level 2 and Level 3 positions.
In the global bond IPV process market prices of Level 1 bonds and pricing models for illiquid bonds are regularly verified for accuracy.

OTC derivatives

Market value of OTC derivatives is calculated through pricing models, whose input parameters need to be regularly assessed through the monitoring process described above.
Pricing models used for OTC derivatives marking-to-market include Black and Scholes (european Options, commodity vanilla products), Stochastic Volatility and Stochastic Volatility with embedded local volatility (path dependent single asset products), Stochastic Volatility incorporating jumps and large downward jumps (path dependent single-asset products with dependency to forward skew), Stochastic Volatility incorporating asset-asset correlations (Path dependent multi-asset products), two-factor Stochastic-EQ/Stochastic-IR model (Convertible Bonds), Equity/IR hybrid model (CPPI).
In order to determine the fair value, mark-to-market need to be adjusted by Credit Value Adjustment (CVA) in order to take into account the probability of the counterparty to default.

Structured Credit Products

Back in 2009, UniCredit approved the "Structured Credit Bonds Valuation Group Policy" centred on two pillars:
- extension and implementation across all the Group's Legal Entities of the new independent price verification (IPV) process suited to the changed market conditions for Structured Credit Bonds;
- integration of current Fair Value Adjustments Policy.

The core assumption of the IPV process is that the quality of a price is assessed by the availability of several quotes of independent market players for identical assets. For this reason, the process relies in the first instance on MarkIt as the most reliable collector and distributor of market quotes.
As a second step "fallback" prices are assessed by matrix pricing, i.e. by benchmarking each security to a pool of similar securities with available market quotes.
An alternative approach relies on getting to the evaluation by means of a mathematical pricing model, applicable whenever the information about market participants assumptions concerning the model inputs are reasonably available without undue cost and effort.

Part E - Information on risks and related risk management policies (CONTINUED)

The IPV represents the theoretical foundation of the FVA approach: FVA is regarded as a reserve against Model Risk and is calculated assuming that one-notch price downgrade might be taken as a measure of uncertainty.

CDO

CDO are currently priced with a stochastic recovery Gaussian copula model. The recovery rate is determined as a function of the common systemic factor that drives all underlying names. Pricing of tranches is semi-analytic and uses some approximations to speed up quadratures.

Fair Value Adjustment

The Fair Value Adjustment is defined as the amount that should be added to the mid price observed on the market or to the value produced by a model in order to obtain the position's Fair Value. The FVA accounts for the uncertainty in the evaluation of a given asset aiming to: reduce the risk of misstatement and bias in P&L; ensure that the fair value reflects the transaction's value that can actually be realized; incorporate the expected future costs et al.

Amongst all possible adjustments, the following types have been identified as being necessary:
- close-out costs;
- model risk;
- less liquid positions.

Close-out costs

Account for the cost of closing a trading position. It could be closed by selling the long position (or by purchasing the short position), or even by entering a new transaction (or several transactions) that offsets (hedges) the open position. Close-out costs are typically derived from the bid/ask spreads observed on the market as a position valued at mid can only be closed at bid or ask.

Model risk

Every time a financial model is used to determine the value of an asset instead of direct and reliable market observations, a model linked adjustment is necessary in order to account for the risk that the actual fair value of the instrument can differ from the value produced by the model.

Less liquid positions

Less liquid position adjustments have to be considered whenever the market references used for the valuation are not reliable or available (i.e. low trading frequency, low number of dealers). Such adjustment might also be considered in case of a position that cannot be liquidated within a reasonable time frame at the prevailing market prices due to either its size or the typical daily trading volumes ("concentration risk").

Risk measures

VaR data

Shown below are the VaR data on the overall market risk for the trading book. VaR, being a single metric, thus quantifies overall market risk, which means that breaking it down into interest rate risk, price risk and exchange rate risk components is unnecessary.

In aggregating the various risk profiles of the different risk taking units of the Group, the diversification arising from positions taken by different group companies has conservatively been disregarded when calculating the overall risk.

Risk on trading book - December 31, 2012
Daily VaR on Trading Book

(€ million)

		2012			2011
	12.31.2012	AVERAGE	MAX	MIN	AVERAGE
UniCredit S.p.A.*	3.5	4.3	11.9	1.8	2.3
UCI - Irlanda*	0.2	0.2	0.2	0.2	0.2
Fineco Bank*	0.0	0.1	0.3	0.0	0.2
Bank Pekao SA*	0.3	0.3	1.2	0.2	0.5
UCBA AG	2.3	3.6	6.5	1.3	8.8
UCB AG	17.1	20.3	36.5	11.5	27.8
UniCredit Group Total[1]	**23.4**	**28.8**	**45.0**	**18.3**	**39.8**

1. Total Var is computed as simply the sum of the different components, without taking into account differentiation effect among the various Entitles.
* For managerial purpose only.

SVaR data
Shown below are the SVaR data on the overall market risk for the trading book within the Internal Model perimeter.

In aggregating the various risk profiles of the different risk taking units of the Group, the diversification arising from positions taken by different group companies has conservatively been disregarded when calculating the overall risk.

Risk on trading book - December 27, 2012
SVaR on Trading Book

(€ million)

		2012			2011
	12.27.2012	AVERAGE	MAX	MIN	AVERAGE
UCBA AG	11.0	16.2	29.2	6.1	21.9
UCB AG	22.2	24.7	39.6	15.9	56.1
UniCredit Group Total[1]	**33.2**	**40.9**	**60.4**	**23.8**	**78.1**

1. Total SVaR is computed as simply the sum of the different components, without taking into account differentiation effect among the various Entities.

IRC data
Shown below are the IRC data on the overall market risk for the trading book within the Internal Model perimeter.

In aggregating the various risk profiles of the different risk taking units of the Group, the diversification arising from positions taken by different group companies has conservatively been disregarded when calculating the overall risk.

Risk on trading book - December 27, 2012
IRC on Trading Book

(€ million)

		2012			2011
	12.27.2012	AVERAGE	MAX	MIN	AVERAGE
UCBA AG	53.3	53.4	124.2	29.3	134.6
UCB AG	200.6	502.0	614.4	200.6	484.6
UniCredit Group Total[1]	**253.9**	**555.4**	**679.7**	**253.9**	**619.2**

1. Total IRCis computed as simply the sum of the different components, without taking into account differentiation effect among the various Entities.

UCB AG IRC figure drastically decreased in 2012 due to several CDO, CDS and Credit Index positions expired in December 2012.

CRM data
Shown below are the CRM data on the CTP perimeter.

Risk on trading book - December 27, 2012
CRM on Correlation Trading Portfolio

(€ million)

		2012			2011
	12.27.2012	AVERAGE	MAX	MIN	AVERAGE
UCB AG	0.0	89.2	343.8	0.0	390.5

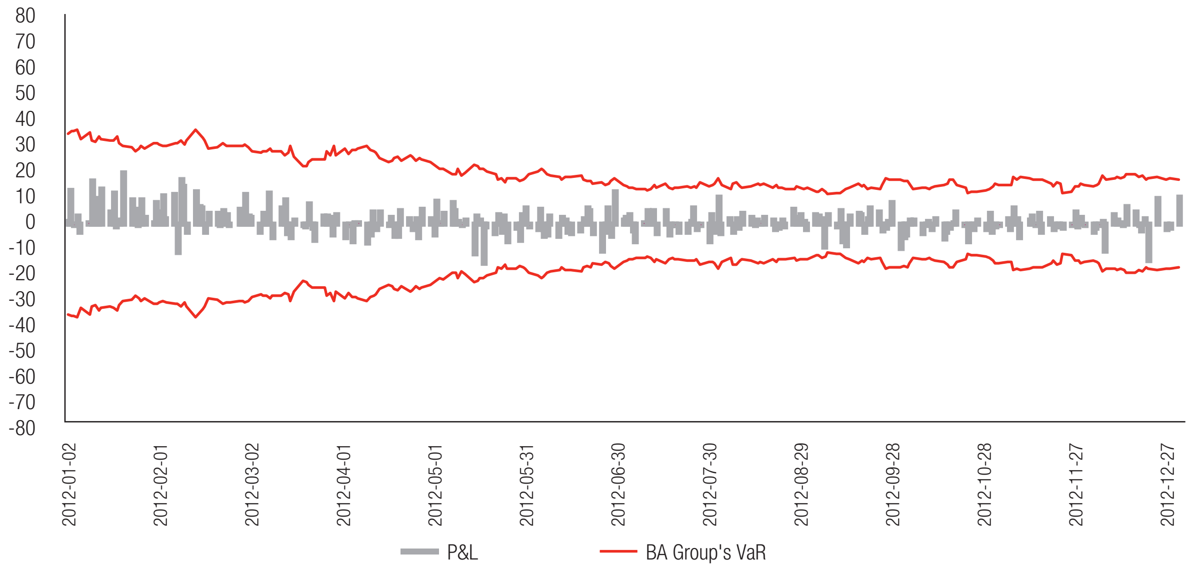
In the last months of 2012 the CTP has been gradually unwound driving the CRM to a negligible amount.

VaR backtesting
During 2012, UniCredit Group's market risk has progressively decreased thanks to the general context of renewed trust in financial markets coupled to the decrease of volatility. In addition, the strategy of gradual reduction of exposure to non-core businesses has proceeded in line with set targets.

Part E - Information on risks and related risk management policies (Continued)

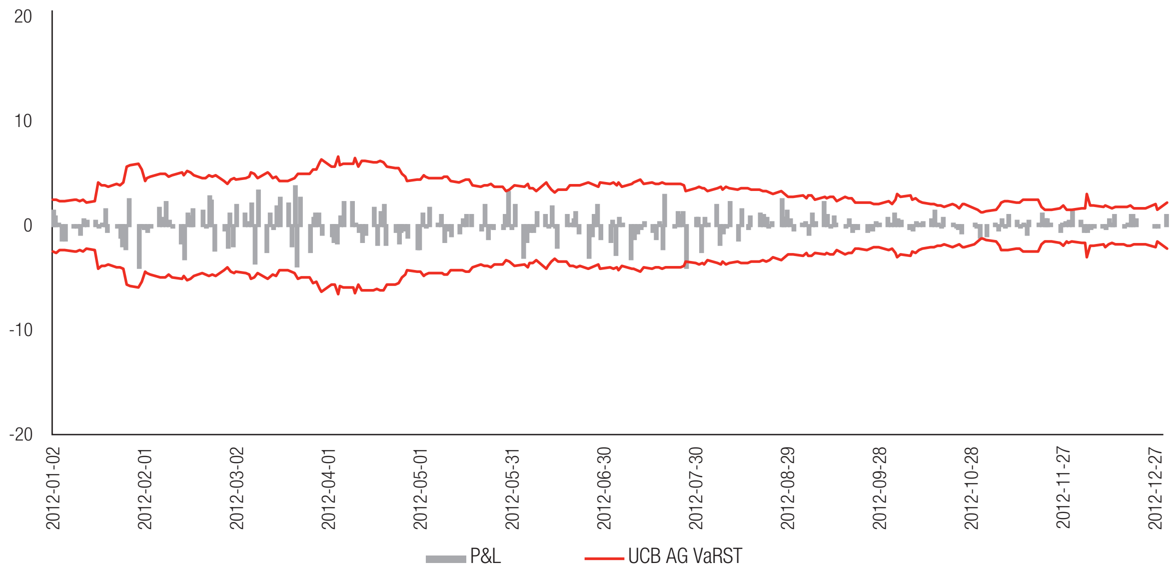
The following graphs analyze the back-testing results referred to the market risk on the trading book, in which VaR results for the last twelve months are compared to the theoretical profit and loss results for each main risk taker unit:

BA Group



In UCB AG no negative overdrafts were recorded in 2012.

UCB AG



In UCBA AG one negative overdraft has been recorded in 2012. A hypothetical loss of 3.6M€ was reported on July 27 in FX hedges books in ALM portfolio, due to the TRY appreciation against the EUR.

2.1 Interest Rate Risk - Regulatory trading book

QUALITATIVE INFORMATION

A. General information

Interest rate risk arises from financial positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion. Apart from use of internal models in calculating capital requirements on market risks, risk positions in the Group are monitored and subject to limits assigned to the portfolios on the base of managerial responsibilities and not purely on regulatory criteria.

B. Risk Management Processes and Measurement Methods

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer also to introduction on internal models.
The Group conducts sensitivity analysis weekly to determine the effect on the income statement of changes in the value of individual risk factors or several risk factors of the same type. The analysis covers the CIB division's entire portfolio (both trading and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time. Results are reported to top management on a weekly basis.
In addition to the sensitivity of financial instruments to changes in the underlying risk factor, the Group also calculates sensitivity to the volatility of interest rates assuming a positive of 50% or negative change of 30% in volatility curves or matrixes.

QUANTITATIVE INFORMATION

Sensitivity to changes in interest rates is determined using both parallel shifts of interest-rate curves, and changes in the curve itself. The curves are analyzed using parallel shifts of +1 basis point, ±10bps and ±100bps.
For each 1bp shift, sensitivity is calculated for a series of time-buckets.
Sensitivity for changes in the steepness of the rate curve is analyzed by clockwise turning (Turn CW), i.e. an increase in short-term rates and a simultaneous fall in long-term rates, and by counter-clockwise turning (Turn CCW), whereby short-term rates fall and long-term rates rise.
Currently, clockwise and counter-clockwise turning use the following increases/decreases:
• +50bps/-50bps for the one-day bucket;
• 0 bps for the one-year bucket;
• -50bps/+50bps for the 30-year plus bucket;
for each of the above buckets, the change to be set is found by linear interpolation.
As of end of 2012, EUR remains the main risk factor, but the sensitivity to parallel shifts of EUR rates decreased with respect to end of 2011, particularly for negative shift scenarios. In addition, sensitivity to curve steepening/flattening shrank.

(€ million)

INTEREST RATES	+1BP LESS THAN 3 MONTHS	+1BP 3 MONTHS TO 1 YEAR	+1BP 1 YEAR TO 2 YEARS	+1BP 2 YEARS TO 5 YEARS	+1BP 5 YEARS TO 10 YEARS	+1BP OVER 10 YEARS	+1 BP TOTAL	-100 BPS	-10 BPS	+10 BPS	+100 BPS	CW	CCW
Total	**0.0**	**-0.2**	**0.4**	**-0.1**	**-0.1**	**0.4**	**0.4**	**20.7**	**2.5**	**3.4**	**31.4**	**-6.7**	**-5.7**
of which: EUR	0.1	0.0	0.2	-0.0	-0.1	0.3	0.6	-0.7	-0.1	5.4	52.2	-0.5	-12.5
USD	-0.1	-0.1	-0.0	-0.1	-0.0	0.0	-0.2	13.0	2.6	-2.6	-24.9	-7.0	8.0
GBP	0.1	-0.3	0.2	0.0	0.0	-0.0	-0.0	-0.3	0.2	-0.3	-2.1	2.2	-2.2
CHF	-0.0	0.1	-0.0	0.0	0.0	0.0	0.1	3.1	-0.7	0.9	9.0	-1.3	0.2
JPY	0.0	0.0	0.0	-0.0	0.0	-0.0	0.0	-1.2	-0.5	0.4	4.3	0.2	-0.0

Sensitivity to the volatility of interest rates significantly decreased with respect to end of 2011.

(€ million)

	-30%	+50%
Interest Rates	**2.9**	**3.6**
of which: EUR	2.5	4.3
USD	0.3	-0.2
GBP	0.0	-0.0
CHF	0.1	-0.4
JPY	0.0	-0.1

Part E - Information on risks and related risk management policies (Continued)

2.2 Interest Rate Risk - Banking Book

QUALITATIVE INFORMATION

A. General aspects, operational processes and methods for measuring interest rate risk

Interest rate risk consists of changes in interest rates that are reflected in:
- interest income sources, and thus, the bank's earnings (cash flow risk);
- the net present value of assets and liabilities, due to their impact on the present value of future cash flows (fair value risk).

The Group measures and monitors this risk within the framework of a banking book interest rate risk policy that establishes consistent methodologies and models and limits or thresholds to focus on, with regard to the sensitivity of net interest income and the Group's economic value.
Interest rate risk has an impact on all owned positions resulting from business operations and strategic investment decisions (banking book).

At December 31, 2012, the sensitivity of interest income to an immediate and parallel shift of +100bps was +€335 million (-€339 million for a shift of -100bps).
The sensitivity of the economic value of shareholders' equity to an immediate and parallel change in interest rates ("parallel shift") of +200bps was -€1,033 million at December 31, 2012[8].

The main sources of interest rate risk can be classified as follows:
- repricing risk - the risk resulting from timing mismatches in maturities and the repricing of the bank's assets and liabilities;
  - yield curve risk - risk resulting from exposure of the bank's positions to changes in the slope and shape of the yield curve;
  - basis risk - risk resulting from the imperfect correlation in lending and borrowing interest rate changes for different instruments that may also show similar repricing characteristics;
- optionality risk - risk resulting from implicit or explicit options in the Group's banking book positions.

Some limits have been set out, in the above described organization, to reflect a risk propensity consistent with strategic guidelines issued by the Board of Directors. These limits are defined in terms of VaR (calculated using the methodology described above in relation to the trading portfolio), Sensitivity or Gap Repricing for each Group bank or company, depending on the level of sophistication of its operations. Each of the Group's banks or companies assumes responsibility for managing exposure to interest rate risk within its specified limits. Both micro- and macro-hedging transactions are carried out for this purpose.

At the consolidated level, Group HQ's Asset Liability Management Unit takes the following measures:
- it performs operating sensitivity analysis in order to measure any changes in the value of shareholders' equity based on parallel shocks to rate levels for all time buckets along the curve;
- using static gap analysis (i.e., assuming that positions remain constant during the period), it performs an impact simulation on interest income for the current period by taking into account different elasticity assumptions for demand items;
- it analyses interest income using dynamic simulation of shocks to market interest rates;
- it develops methods and models for better reporting of the interest rate risk of items with no contractual maturity date (i.e., demand items).

Group Risk Management performs second-level controls on the above mentioned analyses.
The Market and Balance Sheet Risks Portfolio Management Area sets interest rate risk limits using VaR methodologies and verifies compliance with these limits on a daily basis.

B. Fair value hedging operations

Hedging strategies aimed at complying with interest rate risk limits for the banking portfolio are carried out with listed or unlisted derivative contracts, and the latter, which are commonly interest rate swaps, are the type of contracts used the most.
Macro-hedging is generally used, meaning hedges related to the amounts of cash contained in asset or liability portfolios. Under certain circumstances, the impact of micro-hedges related to securities issued or individual financial assets are recognized (especially when they are classified in the available-for-sale portfolio).

C. Cash flow hedging operations

In certain instances, cash flow hedging strategies are also used as an alternative to fair value hedging strategies in order to stabilize income statement profits in the current and future years. Macro-hedging strategies are mainly used and they may also refer to the interest rate risk of the core portion of financial assets "on demand."

8. Excluding minor Legal Entities. The figures include modeled sensitivity estimates for assets and liabilities with not well-defined maturities, such as sight and savings deposits. UC Leasing holding (Italian perimeter), UC Factoring and UCCMB are included.

QUANTITATIVE INFORMATION

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

(€'000)

TYPE / RESIDUAL MATURITY	AMOUNTS AS AT 12.31.2012							
	ON DEMAND	UP TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	5 TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED MATURITY
1. Balance-sheet assets	**215,650,876**	**236,108,367**	**63,779,985**	**33,326,844**	**119,166,609**	**39,132,717**	**20,970,939**	**5,251,238**
1.1 Debt securities	5,923,764	23,835,067	10,972,121	9,887,880	56,043,502	11,748,550	5,507,302	165,203
- With prepayment option	2,000	717,461	215,605	22,268	260,453	62,168	-	-
- Other	5,921,764	23,117,606	10,756,516	9,865,612	55,783,049	11,686,382	5,507,302	165,203
1.2 Loans to banks	25,491,186	41,004,020	639,865	1,845,413	1,036,799	619,472	307,406	15,303
1.3 Loans to customers	184,235,926	171,269,280	52,167,999	21,593,551	62,086,308	26,764,695	15,156,231	5,070,732
- Current accounts	50,312,515	1,908,093	723,385	806,805	3,574,684	1,525,423	92,945	488,732
- Other loans	133,923,411	169,361,187	51,444,614	20,786,746	58,511,624	25,239,272	15,063,286	4,582,000
- With prepayment option	38,206,688	42,381,943	11,884,823	3,398,383	11,588,399	5,871,388	7,610,406	822
- Other	95,716,723	126,979,244	39,559,791	17,388,363	46,923,225	19,367,884	7,452,880	4,581,178
2. Balance-sheet liabilities	**316,862,484**	**182,392,899**	**31,003,656**	**30,614,683**	**101,205,760**	**31,675,068**	**9,540,436**	**350,096**
2.1 Deposits from customers	276,717,472	74,898,277	15,600,832	12,957,190	28,714,786	2,728,965	2,205,483	247,570
- Current accounts	248,873,700	9,605,034	2,092,202	1,493,273	352,426	811	908	16,133
- Other loans	27,843,772	65,293,243	13,508,630	11,463,917	28,362,360	2,728,154	2,204,575	231,437
- With prepayment option	16,713	471,342	134,601	122,745	259,476	11,207	33	-
- Other	27,827,059	64,821,901	13,374,029	11,341,172	28,102,884	2,716,947	2,204,542	231,437
2.2 Deposits from banks	39,462,389	42,939,648	4,822,452	5,386,067	21,556,265	5,467,421	892,293	102,526
- Current accounts	19,145,057	674,385	76,652	155,332	17,306	-	1	-
- Other loans	20,317,332	42,265,263	4,745,800	5,230,735	21,538,959	5,467,421	892,292	102,526
2.3 Debt securities in issue	658,695	64,554,974	10,580,372	12,271,426	50,934,709	23,478,682	6,442,660	-
- With prepayment option	179,006	783,610	48,040	595,300	3,063,958	1,991,725	784,228	-
- Other	479,689	63,771,364	10,532,332	11,676,126	47,870,751	21,486,957	5,658,432	-
2.4 Other liabilities	23,928	-	-	-	-	-	-	-
- With prepayment option	-	-	-	-	-	-	-	-
- Other	23,928	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 Physically settled financial derivatives								
- Option								
+ Long positions	-	-	200	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	295,029	5,496,158	432,376	826,767	628,140	-	-	-
+ Short positions	267,985	2,603,466	580,414	1,111,202	2,955,508	209,769	-	-
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	689,810	48,386	35,525	6,260,797	98,882	1,058,643	59,489
+ Short positions	36,340	789,164	66,561	112,988	6,209,714	134,910	1,243,303	27,427
- Other derivatives								
+ Long positions	8,050,000	130,491,483	19,136,993	19,092,231	73,933,299	20,885,466	6,776,083	81,564
+ Short positions	3,500,000	111,576,110	21,097,573	12,643,528	63,918,654	15,477,067	5,953,419	236,571
4. Other off-balance sheet transactions								
+ Long positions	19,456,778	6,936,779	2,552,261	9,956,686	6,549,627	653,391	440,436	6,000,639
+ Short positions	20,169,125	10,743,453	2,006,154	9,788,320	2,850,075	627,489	361,193	6,000,789

This distribution is made on the basis of the period between the balance sheet date and the first following yield review date. For fixed-rate transactions the residual life is the period from the balance sheet date to final maturity. On balance sheet items are disclosed at their carrying value. Derivatives are shown, under the double entry method, at settlement value for those with underlying securities and at the notional value for those without underlying securities; options are shown at their delta equivalent value.

Part E - Information on risks and related risk management policies (Continued)

1.1 Banking portfolio: distribution by maturity (repricing date) of financial assets and liabilities - Currency: Euro (€'000)

	AMOUNTS AS AT 12.31.2012							
TYPE / RESIDUAL MATURITY	ON DEMAND	UP TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	5 TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED MATURITY
1. Balance-sheet assets	**190,294,784**	**178,893,833**	**42,020,958**	**24,556,651**	**103,879,142**	**35,391,856**	**17,766,004**	**4,970,882**
1.1 Debt securities	4,115,485	17,197,252	7,182,633	7,047,665	49,147,608	10,478,982	4,705,723	165,193
- With prepayment option	2,000	561,708	129,563	22,268	6,977	4,488	-	-
- Other	4,113,485	16,635,544	7,053,070	7,025,397	49,140,631	10,474,494	4,705,723	165,193
1.2 Loans to banks	22,503,117	31,554,483	431,003	1,330,820	556,499	323,513	307,406	1,248
1.3 Loans to customers	163,676,182	130,142,098	34,407,322	16,178,166	54,175,035	24,589,361	12,752,875	4,804,441
- Current accounts	46,197,974	537,432	684,161	717,649	3,560,366	1,523,500	92,945	464,571
- Other loans	117,478,208	129,604,666	33,723,161	15,460,517	50,614,669	23,065,861	12,659,930	4,339,870
- With prepayment option	37,464,082	41,924,477	11,650,187	2,941,580	10,747,447	5,602,281	7,525,535	822
- Other	80,014,126	87,680,189	22,072,974	12,518,937	39,867,222	17,463,580	5,134,395	4,339,048
2. Balance-sheet liabilities	**275,245,983**	**145,296,229**	**23,679,096**	**25,146,184**	**94,285,552**	**30,560,082**	**8,992,392**	**318,267**
2.1 Deposits from customers	238,894,870	52,144,742	11,134,473	9,632,651	25,518,471	2,640,763	2,061,522	216,725
- Current accounts	212,872,186	1,076,268	185,238	161,177	52,219	61	551	576
- Other loans	26,022,684	51,068,474	10,949,235	9,471,474	25,466,252	2,640,702	2,060,971	216,149
- With prepayment option	4,688	21,020	11,477	12,178	26,601	73	14	-
- Other	26,017,996	51,047,454	10,937,758	9,459,296	25,439,651	2,640,629	2,060,957	216,149
2.2 Deposits from banks	35,689,312	30,708,379	3,510,845	4,907,660	20,608,819	5,219,427	892,290	101,542
- Current accounts	16,428,917	56,352	-	-	-	-	-	-
- Other loans	19,260,395	30,652,027	3,510,845	4,907,660	20,608,819	5,219,427	892,290	101,542
2.3 Debt securities in issue	637,873	62,443,108	9,033,778	10,605,873	48,158,262	22,699,892	6,038,580	-
- With prepayment option	179,006	542,049	48,040	595,300	3,039,286	1,991,725	784,228	-
- Other	458,867	61,901,059	8,985,738	10,010,573	45,118,976	20,708,167	5,254,352	-
2.4 Other liabilities	23,928	-	-	-	-	-	-	-
- With prepayment option	-	-	-	-	-	-	-	-
- Other	23,928	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 Physically settled financial derivatives								
- Option								
+ Long positions	-	-	200	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	205,715	103,422	539,165	221,256	-	-	-
+ Short positions	125,016	956,173	260,710	375,348	249,009	-	-	-
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	689,364	45,665	25,577	6,246,064	98,882	1,058,643	36,384
+ Short positions	36,340	789,164	64,165	106,032	6,195,941	134,910	1,243,303	44
- Other derivatives								
+ Long positions	8,050,000	124,212,448	15,803,221	17,049,718	70,229,471	20,034,934	6,406,744	9,996
+ Short positions	3,500,000	106,432,096	17,323,314	10,520,590	60,282,841	15,135,980	5,810,514	-
4. Other off-balance sheet transactions								
+ Long positions	18,238,864	6,187,515	1,592,769	2,547,736	4,210,964	439,877	149,371	999,403
+ Short positions	17,151,992	9,995,428	1,691,505	2,554,822	1,545,825	312,676	114,847	999,403

1.2 Banking portfolio: distribution by maturity (repricing date) of financial assets and liabilities - Currency: Dollars (€'000)

	AMOUNTS AS AT 12.31.2012							
TYPE / RESIDUAL MATURITY	ON DEMAND	UP TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	5 TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED MATURITY
1. Balance-sheet assets	**5,835,876**	**10,814,390**	**3,826,372**	**2,121,844**	**4,488,671**	**1,046,578**	**1,464,896**	**25,274**
1.1 Debt securities	799,798	203,977	1,163,055	547,881	3,039,873	143,408	648,091	9
- With prepayment option	-	10,649	83,438	-	72,795	-	-	-
- Other	799,798	193,328	1,079,617	547,881	2,967,078	143,408	648,091	9
1.2 Loans to banks	1,511,166	1,607,198	165,304	436,436	167,873	264,532	-	1,791
1.3 Loans to customers	3,524,912	9,003,215	2,498,013	1,137,527	1,280,925	638,638	816,805	23,474
- Current accounts	914,550	33,890	3,017	3,114	2,701	1,920	-	20,202
- Other loans	2,610,362	8,969,325	2,494,996	1,134,413	1,278,224	636,718	816,805	3,272
- With prepayment option	536,108	223,209	24,875	178,083	390,197	100,948	14,736	-
- Other	2,074,254	8,746,116	2,470,121	956,330	888,027	535,770	802,069	3,272
2. Balance-sheet liabilities	**8,482,103**	**12,223,990**	**2,907,860**	**1,107,552**	**3,464,184**	**697,307**	**256,849**	**3,109**
2.1 Deposits from customers	6,098,565	4,476,137	1,709,520	891,362	1,748,406	41,987	94,071	2,846
- Current accounts	5,843,081	656,430	161,829	143,245	23,330	-	46	841
- Other loans	255,484	3,819,707	1,547,691	748,117	1,725,076	41,987	94,025	2,005
- With prepayment option	6,250	113,411	67,569	67,572	200,004	9,309	15	-
- Other	249,234	3,706,296	1,480,122	680,545	1,525,072	32,678	94,010	2,005
2.2 Deposits from banks	2,383,538	6,856,486	908,973	212,001	387,326	201,699	-	263
- Current accounts	1,759,737	64,968	3	-	-	-	-	-
- Other loans	623,801	6,791,518	908,970	212,001	387,326	201,699	-	263
2.3 Debt securities in issue	-	891,367	289,367	4,189	1,328,452	453,621	162,778	-
- With prepayment option	-	26,612	-	-	-	-	-	-
- Other	-	864,755	289,367	4,189	1,328,452	453,621	162,778	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- With prepayment option	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 Physically settled financial derivatives								
- Option								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	190,866	2,420,707	-	230,035	-	-	-	-
+ Short positions	53,694	801,125	57,063	598,638	1,699,145	20,987	-	-
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	-	325	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	325
- Other derivatives								
+ Long positions	-	2,730,678	2,572,975	1,617,190	1,992,573	-	332,760	-
+ Short positions	-	1,720,622	2,484,230	1,601,501	2,272,740	11,403	134,953	-
4. Other off-balance sheet transactions								
+ Long positions	393,822	173,267	98,152	224,390	353,725	46,801	44,719	147,813
+ Short positions	833,941	156,581	21,721	66,493	106,450	149,689	-	147,813

Part E - Information on risks and related risk management policies (Continued)

1.3 Banking portfolio: distribution by maturity (repricing date) of financial assets and liabilities - Currency: Other currencies (€'000)

	AMOUNTS AS AT 12.31.2012							
TYPE / RESIDUAL MATURITY	ON DEMAND	UP TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	5 TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED MATURITY
1. Balance-sheet assets	**19,520,216**	**46,400,144**	**17,932,655**	**6,648,349**	**10,798,796**	**2,694,283**	**1,740,039**	**255,082**
1.1 Debt securities	1,008,481	6,433,838	2,626,433	2,292,334	3,856,021	1,126,160	153,488	1
- With prepayment option	-	145,104	2,604	-	180,681	57,680	-	-
- Other	1,008,481	6,288,734	2,623,829	2,292,334	3,675,340	1,068,480	153,488	1
1.2 Loans to banks	1,476,903	7,842,339	43,558	78,157	312,427	31,427	-	12,264
1.3 Loans to customers	17,034,832	32,123,967	15,262,664	4,277,858	6,630,348	1,536,696	1,586,551	242,817
- Current accounts	3,199,991	1,336,771	36,207	86,042	11,617	3	-	3,959
- Other loans	13,834,841	30,787,196	15,226,457	4,191,816	6,618,731	1,536,693	1,586,551	238,858
- With prepayment option	206,498	234,257	209,761	278,720	450,755	168,159	70,135	-
- Other	13,628,343	30,552,939	15,016,696	3,913,096	6,167,976	1,368,534	1,516,416	238,858
2. Balance-sheet liabilities	**33,134,398**	**24,872,680**	**4,416,700**	**4,360,947**	**3,456,024**	**417,679**	**291,195**	**28,720**
2.1 Deposits from customers	31,724,037	18,277,398	2,756,839	2,433,177	1,447,909	46,215	49,890	27,999
- Current accounts	30,158,433	7,872,336	1,745,135	1,188,851	276,877	750	311	14,716
- Other loans	1,565,604	10,405,062	1,011,704	1,244,326	1,171,032	45,465	49,579	13,283
- With prepayment option	5,775	336,911	55,555	42,995	32,871	1,825	4	-
- Other	1,559,829	10,068,151	956,149	1,201,331	1,138,161	43,640	49,575	13,283
2.2 Deposits from banks	1,389,539	5,374,783	402,634	266,406	560,120	46,295	3	721
- Current accounts	956,403	553,065	76,649	155,332	17,306	-	1	-
- Other loans	433,136	4,821,718	325,985	111,074	542,814	46,295	2	721
2.3 Debt securities in issue	20,822	1,220,499	1,257,227	1,661,364	1,447,995	325,169	241,302	-
- With prepayment option	-	214,949	-	-	24,672	-	-	-
- Other	20,822	1,005,550	1,257,227	1,661,364	1,423,323	325,169	241,302	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- With prepayment option	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 Physically settled financial derivatives								
- Option								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	104,163	2,869,736	328,954	57,567	406,884	-	-	-
+ Short positions	89,275	846,168	262,641	137,216	1,007,354	188,782	-	-
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	446	2,396	9,948	14,733	-	-	23,105
+ Short positions	-	-	2,396	6,956	13,773	-	-	27,058
- Other derivatives								
+ Long positions	-	3,548,357	760,797	425,323	1,711,255	850,532	36,579	71,568
+ Short positions	-	3,423,392	1,290,029	521,437	1,363,073	329,684	7,952	236,571
4. Other off-balance sheet transactions								
+ Long positions	824,092	575,997	861,340	7,184,560	1,984,938	166,713	246,346	4,853,423
+ Short positions	2,183,192	591,444	292,928	7,167,005	1,197,800	165,124	246,346	4,853,573

2. Bank portfolio: internal models and other sensitivity analysis methodologies

Please refer to paragraph "2.1 Interest Rate Risk - Regulatory trading book" - Quantitative information" for the aggregate sensitivity analysis model, used to measure the different risks.

2.3 Price Risk - Regulatory trading book

QUALITATIVE INFORMATION

A. General Information

As described above, price risk relating to equities, commodities, investment funds and related derivative products included in the trading book, originates from positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion.
Price risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTCs and recourse to security lending. Volatility trading strategies are implemented using options and complex derivatives.

B. Risk Management Processes and Measurement Methods

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer to introduction on internal models. The sensitivity analysis covers the CIB division's entire portfolio (both trading and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time.

QUANTITATIVE INFORMATION

Share-price sensitivity is expressed in two ways:
- as a "Delta cash-equivalent", i.e. the euro equivalent of the quantity of the underlying that would expose the bank to the same risk arising from its actual portfolio;
- as the economic result of a rise or fall in spot prices of 1%, 5%, 10% and 20%.

The Delta cash-equivalent and the Delta 1% (i.e. the economic impact of a 1% rise in spot prices) are calculated both for each geographical region (assuming that all stock markets in the region are perfectly correlated) and on the total (assuming therefore that all stock markets are perfectly correlated). The sensitivity arising from changes of 5%, 10% and 20% is calculated solely on the total.
In addition, sensitivity to commodity price changes is calculated according to the above criteria. Given its secondary importance as compared to other risk exposures, this is calculated as a single class.
Sensitivity to equity increased in 2012, with largest exposures towards European and US markets. On the other hand, exposure to commodities decreased to 6.5M€ delta from 23.6M€ as of end 2011.

(€ million)

	DELTA CASH EQUIVALENT	-20%	-10%	-5%	-1%	+1%	+5%	+10%	+20%
Equities									
All markets	**-68.1**	**-14.3**	**-3.5**	**0.4**	**0.4**	**-0.7**	**-5.0**	**-16.1**	**-57.6**
Europe	-35.6					-0.4			
US	-17.4					-0.2			
Japan	10.4					0.1			
United Kingdom	1.8					0.0			
Switzerland	2.9					0.0			
CEE	3.4					0.0			
Others	6.3					0.1			
Commodities									
All markets	**6.5**	**-1.3**	**-0.6**	**-0.3**	**-0.1**	**0.1**	**0.3**	**0.6**	**1.3**

Sensitivity to equities' volatility inverted with respect to end of 2011. As of December 2012, a 30% decrease in equity volatility would produce a 7.3M€ profit instead of a 35.6M€ loss as of December 2011.

(€ million)

	-30%	+30%
Equities	**7.3**	**-1.3**

Part E - Information on risks and related risk management policies (Continued)

2.4 Price Risk - Banking Book

QUALITATIVE INFORMATION

A. General Aspects, Price Risk Management Processes and Measurement Methods
Banking book price risk primarily originates in equity interests held by the Parent Company and its subsidiaries as a stable investment, as well as units in mutual investment funds not included in the trading book in so far as they are also held as a stable investment.

As far as these last instruments are concerned, internal price risk management and measurement processes are in line with what has already been represented for the regulatory trading book.

2.5 Exchange Rate Risk - Regulatory trading book

QUALITATIVE INFORMATION

A. General Information, Risk Management Processes and Measurement Methods
As described above, risk relating to exchange rates and related derivative products included in the trading book, originates from positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion.
Risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTC. Volatility trading strategies are implemented using options.

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer to introduction on internal models. The sensitivity analysis covers the CIB division's entire portfolio (both trading and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time.

QUANTITATIVE INFORMATION

Exchange-Rate Sensitivity assesses the economic impact of the appreciation or depreciation by 1%, 5% and 10% of each currency against all the others. Exposure to the various currencies is indicated as the "Delta cash equivalent" in euros: this is the euro equivalent of the currency amount which would expose the bank to the same exchange-rate risk arising in its actual portfolio.

(€ million)

EXCHANGE RATES	DELTA CASH-EQUIVALENT	-10%	-5%	-1%	+1%	+5%	+10%
EUR		1.6	2.7	0.1	-0.3	-5.9	-23.0
USD	111.9	-17.7	-6.6	-1.1	1.1	4.7	4.1
GBP	-128.8	7.2	4.6	1.1	-1.3	-6.9	-17.0
CHF	-12.5	-6.7	-3.5	-0.4	-0.1	0.8	3.6
JPY	9.8	-2.2	-1.0	-0.2	0.1	1.4	2.9

With respect to end of 2011, exposure to USD and GBP decreased, while exposure to CHF remained basically unchanged. As for the sensitivity to the volatility of exchange rates, JPY_USD is the main risk factor at the end of 2012.

(€ million)

	-30%	+50%
Exchange Rates	**6.0**	**-7.0**
of which: JPY_USD	1.4	-2.8
EUR_JPY	0.9	-1.2
CHF_EUR	-0.1	-0.7
GBP_USD	-0.2	0.4
EUR_SEK	0.1	-0.4
EUR_ZAR	0.1	-0.4
PLN_USD	0.3	-0.2
EUR_PLN	-0.2	0.3

2.6 Exchange Rate Risk - Banking book

QUALITATIVE INFORMATION

A. General Aspects, Exchange Rate Risk Management Processes and Measurement Methods

As it has already been said in the introduction, exchange rate risk also originates from positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion.

Exchange risk originates from currency trading activities performed through the negotiation of the various market instruments, and is constantly monitored and measured by using internal models developed by group companies. These models are, in addition, used to calculate capital requirements on market risks corresponding to this type of risk.

B. Hedging Exchange Rate Risk

The Parent company implements a policy of hedging profits created by the Group's Polish subsidiaries (which constitute the main subsidiaries not belonging to the euro zone), as well as dividends relating to the previous year.

This hedging policy is implemented using foreign exchange derivative products aimed at protecting against fluctuations in the Euro/Zloty exchange rate.

QUANTITATIVE INFORMATION

(Regulatory trading book and banking book)

1. Distribution by currency of assets and liabilities and derivatives

(€'000)

	AMOUNTS AS AT 12.31.2012					
	CURRENCIES					
ITEMS	US DOLLAR	ZLOTY	YEN	TURKISH LIRA	SWISS FRANC	OTHER CURRENCY
A. Financial assets	**57,640,587**	**29,303,627**	**3,777,794**	**12,719,885**	**18,520,816**	**57,365,034**
A.1 Debt securities	8,816,815	8,270,863	140,360	2,107,291	335,472	9,399,673
A.2 Equity securities	338,585	23,824	1,731,964	5,970	101,892	388,938
A.3 Loans to banks	16,289,360	2,617,090	97,865	907,657	1,703,725	9,524,939
A.4 Loans to customers	32,155,674	18,391,709	1,807,554	9,489,284	16,373,146	36,954,807
A.5 Other financial assets	40,153	141	51	209,683	6,581	1,096,677
B. Other assets	**623,536**	**43,506**	**1,314**	**200,425**	**9,288**	**1,295,624**
C. Financial liabilities	**53,879,959**	**26,062,059**	**1,119,989**	**8,459,439**	**3,337,433**	**42,902,792**
C.1 Deposits from banks	29,609,506	1,579,135	322,669	964,691	1,983,671	10,612,894
C.2 Deposits from customers	19,688,398	23,227,612	208,274	7,220,137	747,404	27,794,851
C.3 Debt securities in issue	4,200,601	1,194,767	589,046	274,605	602,676	4,299,267
C.4 Other financial liabilities	381,454	60,545	-	6	3,682	195,780
D. Other liabilities	**565,468**	**153,151**	**1,144**	**1,195,966**	**4,026**	**2,947,082**
E. Financial derivatives						
- Options						
- Long positions	*58,650,941*	*1,580,956*	*9,219,301*	*-*	*10,353,483*	*25,532,297*
- Short positions	*58,333,477*	*1,580,510*	*9,224,613*	*-*	*10,355,269*	*25,707,980*
- Other						
- Long positions	*164,588,391*	*8,681,116*	*18,178,691*	*93,298*	*31,959,893*	*67,943,941*
- Short positions	*174,287,940*	*7,029,210*	*20,783,414*	*377,428*	*49,352,524*	*69,486,229*
Total assets	**281,503,455**	**39,609,205**	**31,177,100**	**13,013,608**	**60,843,480**	**152,136,896**
Total liabilities	**287,066,844**	**34,824,930**	**31,129,160**	**10,032,833**	**63,049,252**	**141,044,083**
Difference (+/-)	**(5,563,389)**	**4,784,275**	**47,940**	**2,980,775**	**(2,205,772)**	**11,092,813**

Part E - Information on risks and related risk management policies (CONTINUED)

2.7 Credit Spread Risk - Regulatory trading book

QUALITATIVE INFORMATION

A. General Information

As described above, risk relating to credit spreads and related credit derivative products included in both trading book and banking book, originates from positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion.
Risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTC.

B. Risk Management Processes and Measurement Methods

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer to introduction on internal models. The sensitivity analysis covers the CIB division's entire portfolio (both trading and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time.

QUANTITATIVE INFORMATION

Credit spread sensitivity is calculated by assuming a worsening of creditworthiness seen in a parallel shift of +1bp/+10bps/+100bps in the credit spread curves. These sensitivities are calculated both inclusively, assuming a parallel shift of all the credit spread curves, and in respect of specific rating classes and economic sectors. In addition to the foregoing, the sensitivity resulting from a deterioration of creditworthiness (i.e. a change of relative +50%) or an improvement (i.e. a change of relative -50%) is calculated; in this case the shape of the credit spread curves is also changed, since the change in bps of higher spreads will be greater than that of lower spreads.
Exposure to credit spreads has been significantly reduced with respect to end of 2011, in particular in ABS and financial service sectors. In particular, a 50% relative increase of credit spread would produce a 588.6M€ loss as opposed to a 936.1M€ in December 2011.

(€ million)

	+1BP LESS THAN 6 MONTHS	+1BP 6 MONTHS TO 2 YEARS	+1BP 2 YEARS TO 7 YEARS	+1BP OVER 7 YEARS	+1 BP TOTAL	+10BPS	+100BPS	-50%	+50%
Total	**-0.0**	**-0.7**	**-3.0**	**-1.5**	**-5.3**	**-53.7**	**-522.9**	**709.9**	**-588.6**
Rating									
AAA	-0.0	-0.4	-1.9	-0.8	-2.7	-27.1	-264.1	278.9	-237.9
AA	0.0	-0.1	-0.4	-0.1	-0.6	-5.7	-55.8	39.7	-33.0
A	0.0	-0.1	-0.8	-0.5	-1.4	-14.5	-140.0	280.7	-223.0
BBB	-0.0	-0.1	-0.3	-0.1	-0.5	-5.4	-51.9	72.2	-65.6
BB	-0.0	-0.0	-0.1	-0.0	-0.1	-1.0	-9.2	38.2	-27.3
B	0.0	0.0	0.0	-0.0	0.0	0.2	2.2	3.0	-1.3
CCC and NR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sector									
Non Dev. Sovereigns & Related	-0.0	-0.2	-0.9	-0.1	-0.6			9.4	-8.2
ABS and MBS	-0.0	-0.1	-0.7	-0.6	-1.5			345.9	-277.3
Jumbo and Pfandbriefe	-0.0	-0.2	-0.7	-0.5	-1.4			132.2	-110.8
Financial Services	-0.0	-0.4	-1.1	-0.3	-1.8			205.9	-176.3
All Corporates	0.1	0.1	-0.1	-0.0	0.0			19.3	-16.2
- Automotive	*0.0*	*0.0*	*-0.0*	*-0.0*	*-0.0*			*3.7*	*-3.5*
- Consumer Goods	*0.0*	*0.0*	*-0.0*	*-0.0*	*0.0*			*1.1*	*-0.9*
- Pharmaceutical	*0.0*	*-0.0*	*0.0*	*-0.0*	*0.0*			*0.1*	*-0.2*
- Industries	*0.0*	*0.0*	*-0.0*	*-0.0*	*0.0*			*3.6*	*-3.2*
- Telecommunications	*0.0*	*0.0*	*0.0*	*-0.0*	*0.0*			*0.6*	*-0.4*
- Utilities and Energy Sources	*0.0*	*0.0*	*-0.1*	*-0.0*	*-0.0*			*7.2*	*-5.8*
- All other Corporates	*0.0*	*0.0*	*-0.0*	*-0.0*	*0.0*			*2.9*	*-2.2*
Total Developed Sovereigns					**-8.1**	**-80.7**			

2.8 Stress test

Stress tests complement the sensitivity analysis and VaR results in order to assess the potential risks in a different way. A stress test performs the evaluation of a portfolio under both simple scenarios (assuming change to single risk factors) and complex scenarios (assuming simultaneous changes in a number of risk factors).

What follows contains the description of complex scenarios, which combine changes in interest rate, price, exchange-rate and credit spread risk factors. For the description of simple scenarios, please refer to the previous paragraphs. As far as complex scenarios are concerned, different scenarios have been applied to the whole Group Trading Book on a monthly basis and reported to top management.

Greece Exit

This scenario, introduced in June 2012 and updated in December 2012, assumes that Greece would exit from the EMU without however bringing the Eurozone to a collapse. The exit of Greece from the EMU would negatively affect GDP growth in the Eurozone through several channels, mainly related to financial markets. Rising volatility and the generalized increase in risk premia would make it harder for businesses to plan investment decisions. Credit for the real economy would be more expensive as a consequence of the severe intensification of funding difficulties in the banking system (including via renewed deposit outflows and tensions in the inter-bank market):

- on the fixed income side, a flight-to-quality demand would be observed, with the focus on German and US bonds whose swap spreads would be close to an all-time record;
- as for peripheral countries, spreads would come under pressure. The Italian swap spread would widen 400bp, reaching the 650bp area, while Spain would widen 300bp;
- equity markets would plunge and, at the same time, a steep increase in volatility is expected;
- with respect to FX rates, EUR is expected to sharply depreciate across the board as a Greek exit would clearly undermine confidence in the common currency. The most serious losses are expected to be against the USD (with an approximate 30% depreciation), as the USD will likely continue to be perceived as the reference safe-haven currency in the case of escalating turmoil in the eurozone. However, EUR would also probably lose ground to a significant extent vs. JPY and CHF. On the other hand, EUR fall against sterling should be less significant (-20%), since the UK economy would also be heavily affected by developments in the EMU.

Widespread Contagion

In this risk scenario, updated in December 2012, we assume that debt crisis escalates, with high pressures hitting Spain and Italy. The recent step-up in government commitment towards building a credible firewall against contagion and the ECB's introduction of the OMT (Outright Monetary Transactions) should provide some cushion against spread widening. However, market volatility and the ensuing financial market disruption would still lead to a severe tightening in financial conditions euro-wide. Due to the important trade links between eurozone countries, the financial shock would be amplified and cause a deeper recession. Such an escalation in tensions would lead Spain to tap EFSF/ESM. Tensions in Italy would call for a more radical and systemic response from European authorities. This should avert a sovereign default or an EMU break-up in the following two years. The shock originated in financial markets would have a severe impact on GDP growth in EU periphery:

- US and German bonds would enjoy strong demand due to risk aversion and their safe-haven status; all other government bonds would come under pressure due to credit risk repricing, even at the top-rated level. Spread widening is expected also for corporate bonds; the shift in credit risk preference would lead to strong pressure on high-yield bonds;
- given the low level of German and US yields at the short end, the strong demand for safe-haven assets would flatten the curves, with the extra-long end outperforming the shorter maturities. Japan would not be affected by the crisis;
- equity markets would experience a moderate downturn, coupled with an increase in volatility;
- EUR-USD would be hit hard by the loss of confidence in the EMU and the CHF would gain vs. most currencies as, in times of risk aversion, the Swiss currency is always a popular asset. JPY would similarly appreciate given the repricing in risk preferences. In CEE the contagion would lead to significantly weakening of currencies as capital flows would turn around (leaving the countries).

Part E - Information on risks and related risk management policies (Continued)

Sovereign Debt Tension Scenario

In this scenario, introduced in June 2010 and updated in December 2011, we envisage the occurrence of an escalation of the sovereign debt crisis, with no systemic contagion. This is motivated by the fact that, while the setup of the European Financial Stability Facility and the liquidity injection by the ECB seem to have ruled out the possibility of an outright default, market tensions still persist. Such tensions may create a challenging environment at a time in which many European countries are consolidating their public finances. In such a scenario, the EMU sovereign debt crisis would have spillover effects on the US economy as well and the flight-to-quality would lead to a further bond rally on both sides of the Atlantic. In terms of financial market variables, this scenario assumes:

- credit spreads: higher risk aversion would imply a tightening of core issuers versus swap. Periphery would be under pressure: Italy spreads would widen further while Spanish bonds would be less under pressure; all credit spreads, in the corporate bond universe, would come under pressure;
- world stock markets to plunge (fall); this would combine with an increase in equity volatilities;
- USD and EUR interest rate curve are expected to flatten. In this scenario, an increase in interest rate volatilities is also assumed;
- USD is expected to appreciate, mostly against EUR; depreciation of CEE currencies against EUR.

Emerging Markets Slowdown

This scenario, introduced in June 2011, covers the period 2011, 2012 and 2013. It assumes a shock coming from the real economy, namely a severe emerging economies slowdown in the growth rate starting in 2011 and intensifying during 2012. This negatively affects EMU GDP growth and, to a lesser extent, the US, where the weight of the manufacturing sector and trade openness is lower. As a result of weaker economic activity and lower oil prices, inflation would slow down. The combination of weaker GDP growth and lower inflation would lead to a considerable slowdown in the normalization of monetary policy rates.

In terms of macro-economic variables, this scenario assumes:

- credit spreads: as for European sovereign spreads the deteriorated is not severe compared to the Sovereign Tensions scenario because the shock should affect credit-risk premium only indirectly. The shock would reflect more on oil companies and on companies which are not included in the "iTraxx main". The widening of the iTraxx Financial Senior and Sub are also important;
- the shock has no impact on the Japanese yield curve. The impact on the US, EU and UK curves is that of a fall in yields which will bull flatten as the time bucket increases. This reflects the worsening growth outlook and the resulting more benign inflation outlook. The Euribor curve is the most reactive of the three as the risk aversion gives further support to Bunds;
- the performance of stock markets will lower and equity volatilities will increase;
- the EUR is expected to depreciate against the Us dollar, Japanese yen and Swiss frank (because of the demand for safe-havens) and to appreciate versus the others European currencies and Turkish lira.

Stress Test on trading book - December 31, 2012

Scenario

(€ million)

	2012			
	SOVEREIGN TENSIONS	EMERGING MARKET SLOWDOWN	GREXIT	WIDESPREAD CONTAGION
UniCredit S.p.A.	-3	-1	-10	-6
UCI - Ireland	-	-	-	-
Fineco Bank	-	-	-	-
Pekao	-8	-17	-2	-3
UCBA AG	-43	-35	46	20
UCB AG	-284	-389	80	-239
UniCredit Group Total	**-339**	**-443**	**113**	**-228**

Theoretical profit in Stress Test Results for the Trading Book in the Grexit Scenario is driven by the Macro Strategic Hedge portfolio which generates a profit under hypothesis of EURUSD depreciation.

2.9 Derivative instruments

A. Financial Derivatives

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

(€'000)

DERIVATIVE INSTRUMENT TYPES/UNDERLYINGS	AMOUNTS AS AT 12.31.2012		AMOUNTS AS AT 12.31.2011	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
1. Debt securities and interest rate indexes	**2,594,144,641**	**100,927,844**	**2,788,920,415**	**129,818,988**
a) Options	391,571,706	50,428,000	485,235,976	59,935,000
b) Swaps	1,970,577,338	4,628	2,130,239,046	162,034
c) Forwards	81,218,484	19	76,225,278	-
d) Futures	32,600	50,495,197	34,393	69,721,954
e) Others	150,744,513	-	97,185,722	-
2. Equity instruments and stock indexes	**78,920,994**	**29,011,119**	**77,502,727**	**37,880,312**
a) Options	66,634,555	25,960,609	64,749,878	32,188,310
b) Swaps	11,368,000	314,000	11,931,000	-
c) Forwards	109,056	-	8,292	-
d) Futures	25,122	2,736,505	54,095	5,691,854
e) Others	784,261	5	759,462	148
3. Gold and currencies	**538,670,735**	**88,358**	**583,716,358**	**102,702**
a) Options	48,432,594	-	105,846,192	-
b) Swaps	226,560,201	-	222,136,546	-
c) Forwards	263,677,940	-	255,733,620	-
d) Futures	-	88,358	-	102,702
e) Others	-	-	-	-
4. Commodities	**2,732,518**	**1,719,000**	**3,697,013**	**1,147,178**
5. Other underlyings	**940,535**	**-**	**2,524,207**	**-**
Total	**3,215,409,423**	**131,746,321**	**3,456,360,720**	**168,949,180**
Avarage amounts	**3,335,885,072**	**150,347,750**	**3,482,095,360**	**174,484,954**

This table refers to the notional values of financial derivatives according to classification within regulatory trading book applied by any separate Legal Entity belonging to Banking Group only. Derivatives belonging to this portfolio may not be the same as derivatives classified in the held for trading portfolio for accounting purposes (see Table A.2.2).

A.2 Banking portfolio: end of period notional amounts

A.2.1 Banking portfolio: end of period notional amounts - Hedging derivatives

(€'000)

DERIVATIVE INSTRUMENT TYPES/UNDERLYINGS	AMOUNTS AS AT 12.31.2012		AMOUNTS AS AT 12.31.2011	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
1. Debt securities and interest rate indexes	**33,444,536**	**6,675,000**	**38,562,372**	**3,178,000**
a) Options	1,024,500	-	1,371,500	-
b) Swaps	32,208,719	-	37,015,036	-
c) Forwards	51,317	-	175,836	-
d) Futures	-	6,675,000	-	3,178,000
e) Others	160,000	-	-	-
2. Equity instruments and stock indexes	**2,513,248**	**-**	**1,928,000**	**-**
a) Options	3,248	-	3,000	-
b) Swaps	-	-	123,000	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Others	2,510,000	-	1,802,000	-
3. Gold and currency	**5,819,176**	**-**	**6,839,125**	**-**
a) Options	46,000	-	213,000	-
b) Swaps	2,966,403	-	3,388,577	-
c) Forwards	2,806,773	-	3,237,548	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlyings	**-**	**-**	**-**	**-**
Total	**41,776,960**	**6,675,000**	**47,329,497**	**3,178,000**
Avarage amounts	**44,553,228**	**4,926,500**	**46,787,208**	**4,306,000**

This table refers the notional value of hedging financial derivatives belonging to regulatory banking book in accordance with classification applied by any separate Legal Entity belonging to the Banking Group only.

Part E - Information on risks and related risk management policies (Continued)

A.2.2 Banking book: end of period notional amounts - Other derivatives

(€'000)

DERIVATIVE INSTRUMENT TYPES/UNDERLYINGS	AMOUNTS AS AT 12.31.2012		AMOUNTS AS AT 12.31.2011	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
1. Debt securities and interest rate indexes	**29,127,868**	**-**	**21,228,795**	**-**
a) Options	6,087,382	-	191,799	-
b) Swaps	23,014,470	-	21,036,996	-
c) Forwards	26,016	-	-	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
2. Equity instruments and stock indexes	**3,460,752**	**-**	**8,979,383**	**-**
a) Options	3,460,752	-	8,979,383	-
b) Swaps	-	-	-	-
c) Forwards	-	-	-	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
3. Gold and currency	**2,232,583**	**-**	**6,245,029**	**-**
a) Options	143,940	-	72,863	-
b) Swaps	595,659	-	586,734	-
c) Forwards	1,492,984	-	5,585,336	-
d) Futures	-	-	-	-
e) Others	-	-	96	-
4. Commodities	**83,183**	**-**	**-**	**-**
5. Other underlyings	**-**	**-**	**-**	**-**
Total	**34,904,386**	**-**	**36,453,207**	**-**
Avarage amounts	**35,678,796**	**-**	**36,607,930**	**-**

This table refers to the Banking Group only and gives the notional value of the contracts being presented within Held for Trading portfolio and belonging to regulatory banking book (in particular Held for Trading contracts connected with Asset/Liabilities carried at Fair value through PnL and embedded derivative contracts bifurcated from banking book cash instruments presented within Section B Table 2.1 and 4.1 in lines.

A.3 Financial derivatives: gross positive fair value - breakdown by product

(€'000)

TRANSACTION TYPES/UNDERLYINGS	POSITIVE FAIR VALUE			
	AMOUNTS AS AT 12.31.2012		AMOUNTS AS AT 12.31.2011	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
A. Regulatory trading portfolio	**114,748,069**	**1,496,932**	**114,040,377**	**2,196,581**
a) Options	7,937,111	1,461,816	14,632,791	2,148,689
b) Interest rate swaps	98,288,587	34,245	87,204,973	47,545
c) Cross currency swaps	4,549,150	-	5,622,256	-
d) Equity swaps	186,000	-	191,000	-
e) Forwards	3,628,205	-	5,221,299	-
f) Futures	33,454	870	47,395	346
g) Others	125,562	1	1,120,663	1
B. Banking portfolio - Hedging derivatives	**1,068,762**	**-**	**742,611**	**-**
a) Options	10,000	-	23,000	-
b) Interest rate swaps	560,407	-	463,615	-
c) Cross currency swaps	97,215	-	87,247	-
d) Equity swaps	-	-	6,000	-
e) Forwards	270,140	-	42,749	-
f) Futures	-	-	-	-
g) Others	131,000	-	120,000	-
C. Banking portfolio - other derivatives	**1,165,186**	**428**	**192,739**	**51**
a) Options	38,840	-	1,712	-
b) Interest rate swaps	1,119,920	-	89,689	-
c) Cross currency swaps	102	-	-	-
d) Equity swaps	-	-	-	-
e) Forwards	6,324	-	101,336	-
f) Futures	-	-	-	-
g) Others	-	428	2	51
Total	**116,982,017**	**1,497,360**	**114,975,727**	**2,196,632**

This table presents distribution by product of the positive financial derivatives' fair values in accordance with regulatory classification applied by any separate Legal Entity belonging to the Banking Group only.

A.4 Financial derivatives: gross negative fair value - breakdown by product

(€'000)

PORTFOLIOS/DERIVATIVE INSTRUMENT TYPES	NEGATIVE FAIR VALUE			
	AMOUNTS AS AT 12.31.2012		AMOUNTS AS AT 12.31.2011	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
A. Regulatory trading portfolio	**110,532,419**	**1,511,463**	**110,744,518**	**3,044,488**
a) Options	9,202,414	1,511,407	13,653,592	3,043,367
b) Interest rate swaps	92,548,779	56	83,456,185	1,116
c) Cross currency swaps	5,114,140	-	6,392,730	-
d) Equity swaps	256,000	-	240,000	-
e) Forwards	3,313,521	-	5,752,376	-
f) Futures	33,849	-	45,376	2
g) Others	63,716	-	1,204,259	3
B. Banking portfolio - Hedging derivatives	**2,127,139**	**-**	**1,957,592**	**1,355**
a) Options	40,000	-	66,000	-
b) Interest rate swaps	1,855,612	-	1,561,704	655
c) Cross currency swaps	154,457	-	235,686	-
d) Equity swaps	-	-	-	700
e) Forwards	77,070	-	94,202	-
f) Futures	-	-	-	-
g) Others	-	-	-	-
C. Banking portfolio - Other derivatives	**1,432,811**	**8**	**440,136**	**-**
a) Options	116,181	-	196,571	-
b) Interest rate swaps	1,289,498	-	89,840	-
c) Cross currency swaps	14,229	-	11,827	-
d) Equity swaps	-	-	-	-
e) Forwards	12,903	-	141,898	-
f) Futures	-	-	-	-
g) Others	-	8	-	-
Total	**114,092,369**	**1,511,471**	**113,142,246**	**3,045,843**

This table presents distribution by product of the negative financial derivatives' fair values in accordance with regulatory classification applied by any separate Legal Entity belonging to the Banking Group only.

A.5 OTC Financial derivatives: regulatory trading portfolio - notional amounts, positive and negative gross fair value by counterparty - contracts not included in netting agreement

(€'000)

CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	AMOUNTS AS AT 12.31.2012						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1) Debt securities and interest rate indexes	**31,568**	**51,731,479**	**71,005,727**	**373,935,435**	**22,466,245**	**60,122,130**	**956,068**
- notional amount	30,334	46,551,617	67,024,664	354,455,485	22,294,684	56,003,610	912,166
- positive fair value	542	2,960,136	1,452,532	8,256,977	98,628	3,383,760	30,899
- negative fair value	-	1,848,001	1,782,606	8,987,405	67,117	260,312	12,961
- future exposure	692	371,725	745,925	2,235,568	5,816	474,448	42
2) Equity instruments and stock indexes	**24,091**	**380,000**	**37,081,147**	**317,216**	**340,000**	**195,129**	**510,311**
- notional amount	23,917	334,000	34,619,392	287,558	313,000	146,707	457,544
- positive fair value	32	8,000	97,832	3,021	1,000	26,315	10,596
- negative fair value	142	14,000	28,921	9,974	3,000	21,701	12,834
- future exposure	-	24,000	2,335,002	16,663	23,000	406	29,337
3) Gold and currencies	**2,535,869**	**4,026,873**	**95,581,947**	**6,528,441**	**218,346**	**18,424,733**	**854,479**
- notional amount	2,434,018	3,626,100	91,938,732	5,865,683	211,870	17,411,938	822,837
- positive fair value	33,052	23,352	1,286,412	117,844	146	394,024	13,882
- negative fair value	47,799	227,230	1,191,587	415,362	4,245	243,433	17,124
- future exposure	21,000	150,191	1,165,216	129,552	2,085	375,338	636
4) Other instruments	**-**	**34,000**	**724,953**	**340,760**	**6,000**	**834,978**	**15,574**
- notional amount	-	30,000	644,959	297,205	5,000	637,540	15,535
- positive fair value	-	-	3,972	-	-	78,782	-
- negative fair value	-	1,000	18,022	15,555	-	55,729	39
- future exposure	-	3,000	58,000	28,000	1,000	62,927	-

Tables A.5, A.6, A.7 e A.8 refer to OTC derivatives' contracts belonging to Banking Group Legal Entities (excluded those contracts negotiated within listed markets and supported by margining process thus overriding counterparty risks exposure).

Part E - Information on risks and related risk management policies (Continued)

A.6 OTC Financial Derivatives: Regualatory trading portfolio - notional amounts, positive and negative gross fair value by counterparty - contracts included in netting agreement

(€'000)

CONTRACTS INCLUDED IN NETTING AGREEMENT	AMOUNTS AS AT 12.31.2012						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1) Debt securities and interest rate indexes	**323,932**	**470,558**	**1,520,269,810**	**658,274,733**	**3,745,709**	**38,019,151**	**418,000**
- notional amount	297,160	387,492	1,393,133,452	613,412,219	3,364,306	35,898,453	379,000
- positive fair value	14,772	79,117	63,493,823	22,728,802	57,198	1,705,084	38,000
- negative fair value	12,000	3,949	63,642,535	22,133,712	324,205	415,614	1,000
2) Equity instruments and stock indexes	**-**	**-**	**34,305,074**	**11,269,000**	**395,013**	**90,000**	**-**
- notional amount	-	-	31,574,000	10,699,000	376,876	89,000	-
- positive fair value	-	-	1,243,074	240,000	1,000	-	-
- negative fair value	-	-	1,488,000	330,000	17,137	1,000	-
3) Gold and currencies	**38,295**	**-**	**362,523,677**	**28,301,650**	**207,000**	**38,575,174**	**195,000**
- notional amount	30,791	-	351,492,648	27,369,759	203,000	37,105,359	158,000
- positive fair value	7,483	-	5,280,607	591,195	-	834,667	35,000
- negative fair value	21	-	5,750,422	340,696	4,000	635,148	2,000
4) Other instruments	**-**	**-**	**631,000**	**137,000**	**-**	**1,536,204**	**-**
- notional amount	-	-	572,000	125,000	-	1,345,812	-
- positive fair value	-	-	12,000	10,000	-	94,511	-
- negative fair value	-	-	47,000	2,000	-	95,881	-

A.7 OTC Financial derivatives: banking portfolio - notional amounts, positive s and negative gross fair value by counterparty - contracts not included in netting agreement

(€'000)

CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	AMOUNTS AS AT 12.31.2012						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1) Debt securities and interest rate indexes	**4,021,127**	**85,000**	**20,053,338**	**14,350,342**	**112,000**	**101,959**	**951,233**
- notional amount	3,000,000	77,000	18,044,535	13,856,571	56,000	97,261	895,104
- positive fair value	991,127	6,000	252,098	215,856	56,000	1,000	2,753
- negative fair value	-	1,000	1,678,231	197,626	-	15	49,583
- future exposure	30,000	1,000	78,474	80,289	-	3,683	3,793
2) Equity instruments and stock indexes	**-**	**-**	**3,060,760**	**55,039**	**50,836**	**91**	**3,402,769**
- notional amount	-	-	2,731,348	50,960	50,836	83	3,137,773
- positive fair value	-	-	131,631	-	-	-	-
- negative fair value	-	-	7,705	-	-	-	67,394
- future exposure	-	-	190,076	4,079	-	8	197,602
3) Gold and currencies	**-**	**-**	**6,921,004**	**12,591**	**-**	**439,466**	**76,630**
- notional amount	-	-	6,412,446	10,359	-	322,646	72,529
- positive fair value	-	-	161,349	986	-	44,193	-
- negative fair value	-	-	171,709	13	-	16,837	4,090
- future exposure	-	-	175,500	1,233	-	55,790	11
4) Other instruments	**-**	**-**	**37,654**	**2,799**	**-**	**-**	**44,685**
- notional amount	-	-	36,330	2,792	-	-	44,061
- positive fair value	-	-	506	2	-	-	-
- negative fair value	-	-	1	-	-	-	624
- future exposure	-	-	817	5	-	-	-

A.8 OTC Financial derivatives: banking portfolio - notional amounts, positive and negative gross fair value by counterparty - contracts included in netting agreements

(€ '000)

CONTRACTS INCLUDED IN NETTING AGREEMENT	AMOUNTS AS AT 12.31.2012						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1) Debt securities and interest rate indexes	**-**	**-**	**24,644,944**	**3,016,269**	**102,000**	**478,341**	**-**
- notional amount	-	-	23,325,313	2,787,859	100,000	332,760	-
- positive fair value	-	-	297,870	50,164	2,000	7,413	-
- negative fair value	-	-	1,021,761	178,246	-	138,168	-
2) Equity instruments and stock indexes	**-**	**-**	**-**	**-**	**-**	**5,000**	**-**
- notional amount	-	-	-	-	-	3,000	-
- positive fair value	-	-	-	-	-	2,000	-
- negative fair value	-	-	-	-	-	-	-
3) Gold and currencies	**-**	**-**	**1,144,688**	**80,000**	**-**	**48,000**	**-**
- notional amount	-	-	1,108,781	79,000	-	46,000	-
- positive fair value	-	-	10,000	-	-	1,000	-
- negative fair value	-	-	25,907	1,000	-	1,000	-
4) Other instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-

A.9 OTC financial derivatives - residual life: notional amounts

(€'000)

UNDERLYING/RESIDUAL MATURITY	UP TO 1 YEAR	OVER 1 YEAR UP TO 5 YEAR	OVER 5 YEARS	TOTAL
A. Regulatory trading portfolio	**1,219,863,094**	**1,138,900,627**	**856,645,697**	**3,215,409,418**
A.1 Financial derivative contracts on debt securities and interest rates	854,808,460	956,819,720	782,516,457	2,594,144,637
A.2 Financial derivative contracts on equity securities and stock indexes	44,105,192	27,905,740	6,910,062	78,920,994
A.3 Financial derivative contracts on exchange rates and gold	318,991,161	152,609,396	67,070,178	538,670,735
A.4 Financial derivative contracts on other values	1,958,281	1,565,771	149,000	3,673,052
B. Banking portfolio	**31,286,221**	**32,122,040**	**13,273,082**	**76,681,343**
B.1 Financial derivative contracts on debt securities and interest rates	22,205,836	28,073,618	12,292,948	62,572,402
B.2 Financial derivative contracts on equity securities and stock indexes	3,837,961	2,006,377	129,660	5,973,998
B.3 Financial derivative contracts on exchange rates and gold	5,206,141	1,995,145	850,474	8,051,760
B.4 Financial derivative contracts on other values	36,283	46,900	-	83,183
Total 12.31.2012	**1,251,149,315**	**1,171,022,667**	**869,918,779**	**3,292,090,761**
Total 12.31.2011	**1,140,565,022**	**1,458,463,484**	**941,114,922**	**3,540,143,428**

This table refers to OTC derivatives' contracts belonging to Banking Group Legal Entities (excluded those contracts negotiated within listed markets and supported by margining process overriding counterparty risks exposure).

Part E - Information on risks and related risk management policies (CONTINUED)

B. Credit Derivatives

B.1 Credit derivatives: end of period notional amounts

(€'000)

TRANSACTION CATEGORIES	REGULATORY TRADING PORTFOLIO		BANKING PORTFOLIO	
	WITH A SINGLE COUNTERPARTY	WITH MORE THAN ONE COUNTERPARTY (BASKET)	WITH A SINGLE COUNTERPARTY	WITH MORE THAN ONE COUNTERPARTY (BASKET)
1. Protection buyer's contracts				
a) Credit default products	50,146,000	20,081,400	316,000	-
b) Credit spread products	-	-	-	-
c) Total rate of return swap	136,000	-	-	-
d) Others	2,435,000	351,000	5,000	-
Amounts as at 12.31.2012	**52,717,000**	**20,432,400**	**321,000**	**-**
Avarage amounts	**63,587,000**	**25,876,700**	**386,000**	**-**
Amounts as at 12.31.2011	**74,457,000**	**31,321,000**	**451,000**	**-**
2. Protection seller's contracts				
a) Credit default products	49,072,293	20,717,000	125,000	-
b) Credit spread products	31,692	-	-	-
c) Total rate of return swap	-	-	-	-
d) Others	325,000	94,000	-	-
Amounts as at 12.31.2012	**49,428,985**	**20,811,000**	**125,000**	**-**
Avarage amounts	**61,830,558**	**30,849,000**	**275,500**	**-**
Amounts as at 12.31.2011	**74,232,131**	**40,887,000**	**426,000**	**-**

This table refers to the notional values of credit derivatives according to classification within regulatory trading or banking book applied by any separate Legal Entity belonging to Banking Group only.

B.2 Credit derivatives: gross positive fair value - breakdown by product

(€'000)

PORTFOLIOS/DERIVATIVE INSTRUMENT TYPES	POSITIVE FAIR VALUE	
	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
A. Regulatory trading portfolio	**1,523,339**	**5,095,539**
a) Credit default products	1,370,742	4,934,254
b) Credit spread products	3,597	1,285
c) Total rate of return swap	70,000	-
d) Others	79,000	160,000
B. Banking portfolio	**7,000**	**73,000**
a) Credit default products	7,000	73,000
b) Credit spread products	-	-
c) Total rate of return swap	-	-
d) Others	-	-
Total	**1,530,339**	**5,168,539**

This table presents distribution by product of the positive financial derivatives' fair values in accordance with regulatory classification applied by any separate Legal Entity belonging to the Banking Group only.

B.3 Credit derivatives: gross negative fair value - breakdown by product

(€'000)

PORTFOLIOS/DERIVATIVE INSTRUMENT TYPES	NEGATIVE FAIR VALUE	
	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011
A. Regulatory trading portfolio	**1,476,222**	**5,370,012**
a) Credit default products	1,429,502	5,290,295
b) Credit spread products	1,720	4,717
c) Total rate of return swap	-	2,000
d) Others	45,000	73,000
B. Banking portfolio	**10,107**	**68,293**
a) Credit default products	10,000	68,000
b) Credit spread products	-	-
c) Total rate of return swap	-	-
d) Others	107	293
Total	**1,486,329**	**5,438,305**

This table presents distribution by product of the negative financial derivatives' fair values in accordance with regulatory classification applied by any separate Legal Entity belonging to the Banking Group only.

B.4 OTC Credit derivatives: gross FV (positive and negative) by counterpart - contracts not in netting agreement

(€'000)

CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	AMOUNTS AS AT 12.31.2012						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
Regulatory trading portfolio							
1) Protection purchase	**-**	**23,000**	**3,374,501**	**5,013,000**	**-**	**7,125**	**-**
- notional amount	-	19,000	3,090,000	4,549,000	-	5,400	-
- positive fair value	-	2,000	74,000	5,000	-	1,698	-
- negative fair value	-	-	27,501	50,000	-	-	-
- future exposure	-	2,000	183,000	409,000	-	27	-
2) Protection sale	**-**	**2,000**	**507,382**	**5,107,921**	**-**	**-**	**-**
- notional amount	-	2,000	450,692	4,641,293	-	-	-
- positive fair value	-	-	9,171	40,426	-	-	-
- negative fair value	-	-	20,519	21,202	-	-	-
- future exposure	-	-	27,000	405,000	-	-	-
Banking portfolio							
1) Protection purchase	**-**	**-**	**-**	**-**	**-**	**-**	**5,107**
- notional amount	-	-	-	-	-	-	5,000
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	107
2) Protection sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-

Tables B.4 and B.5 refer to to OTC derivatives' contracts belonging to Banking Group Legal Entities (excluded those contracts negotiated within listed markets and supported by margining process thus overriding counterparty risks exposure).

B.5 OTC Credit derivatives: gross FV (positive and negative) by counterpart - contracts in netting agreement

(€'000)

CONTRACTS INCLUDED IN NETTING AGREEMENT	AMOUNTS AS AT 12.31.2012						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
Regulatory trading portfolio							
1) Protection purchase	**-**	**-**	**45,612,044**	**21,290,000**	**-**	**-**	**-**
- notional amount	-	-	44,582,000	20,904,000	-	-	-
- positive fair value	-	-	646,044	200,000	-	-	-
- negative fair value	-	-	384,000	186,000	-	-	-
2) Protection sale	**-**	**-**	**45,204,000**	**21,274,000**	**-**	**-**	**-**
- notional amount	-	-	44,303,000	20,843,000	-	-	-
- positive fair value	-	-	339,000	206,000	-	-	-
- negative fair value	-	-	562,000	225,000	-	-	-
Banking portfolio							
1) Protection purchase	**-**	**-**	**306,000**	**21,000**	**-**	**-**	**-**
- notional amount	-	-	296,000	20,000	-	-	-
- positive fair value	-	-	7,000	-	-	-	-
- negative fair value	-	-	3,000	1,000	-	-	-
2) Protection sale	**-**	**-**	**104,000**	**27,000**	**-**	**-**	**-**
- notional amount	-	-	100,000	25,000	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	4,000	2,000	-	-	-

Part E - Information on risks and related risk management policies (Continued)

B.6 Credit derivatives residual life: notional amount

(€'000)

	UP TO 1 YEAR	OVER 1 YEAR UP TO 5 YEARS	OVER 5 YEARS	TOTAL
A. Regulatory trading portfolio	**51,933,967**	**85,750,418**	**5,705,000**	**143,389,385**
A.1 Credit derivatives with "qualified reference obligation"	31,125,967	38,362,018	3,776,000	73,263,985
A.2 Credit derivatives with "not qualified reference obligation"	20,808,000	47,388,400	1,929,000	70,125,400
B. Banking portfolio	**74,000**	**372,000**	**-**	**446,000**
B.1 Credit derivatives with "qualified reference obligation"	49,000	337,000		386,000
B.2 Credit derivatives with "not qualified reference obligation"	25,000	35,000		60,000
Total 12.31.2012	**52,007,967**	**86,122,418**	**5,705,000**	**143,835,385**
Total 12.31.2011	**69,732,807**	**133,562,324**	**18,479,000**	**221,774,131**

This table refers to OTC derivatives' contracts belonging to Banking Group Legal Entities (excluded those contracts negotiated within listed markets and supported by margining process overriding counterparty risks exposure).

C. Credit and Financial Derivatives

C.1 OTC Financial and credit derivatives: net fair value and future exposure by counterparty

(€'000)

	AMOUNTS AS AT 12.31.2012						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1) Netting agreements related to Financial Derivatives	**47,746**	**157,170**	**18,733,951**	**2,198,686**	**40,344**	**1,897,948**	**-**
- positive fair value	22,233	75,167	3,294,532	259,156	17,138	709,289	-
- negative fair value	-	-	3,553,540	868,549	2,282	198,426	-
- future exposure	1,640	3,418	4,328,461	420,544	1,893	140,472	-
- net counterparty risk	23,873	78,585	7,557,418	650,437	19,031	849,761	-
2) Netting agreements related to Credit Derivatives	**-**	**-**	**433**	**-**	**-**	**-**	**-**
- positive fair value	-	-	44	-	-	-	-
- negative fair value	-	-	345	-	-	-	-
- future exposure	-	-	-	-	-	-	-
- net counterparty risk	-	-	44	-	-	-	-
3) Cross Product netting agreements	**12,838**	**196**	**51,387,588**	**13,784,602**	**468,524**	**5,128,607**	**155,862**
- positive fair value	-	86	9,877,500	2,494,504	50,119	1,613,717	70,965
- negative fair value	11,838	-	12,409,267	2,338,066	382,461	638,826	857
- future exposure	500	12	12,707,400	4,258,187	13,887	644,285	7,467
- net counterparty risk	500	98	16,393,421	4,693,845	22,057	2,231,779	76,573

Section 3 - Liquidity Risk

QUALITATIVE INFORMATION

1. General aspects, operational processes and methods for measuring liquidity risk

Liquidity risk is defined as the risk that the Group may find itself unable to fulfil its expected or unexpected payment obligations (by cash or delivery) current and future without jeopardizing its day-to day operations or its financial condition.

The key principles

The Liquidity Centres

The Group aims to maintain liquidity at the level enabling to conduct safe operations, to fund its operations at the best rate conditions under normal operating circumstances, and to remain always in a position to meet payment obligations.
To this end, the Group complies accurately with the legal and regulatory provisions imposed by the national Central Banks and by the national authorities of each country where it operates.

In addition to local legal and regulatory requirements the Group, through the Parent Company and under the responsibility of its Group Risk Management, defines policies and metrics to be applied at the Group-wide level, to ensure that liquidity position of any Entity meets the requirements of the Group.

For these reasons, the Group is organized on a managerial perspective, according to the concept of the Liquidity Centres.
The Liquidity Centres are Legal Entities that act in their responsibility as liquidity hub. They are in charge:

- of the liquidity management and concentration process of liquidity flows of the Legal Entities falling within their perimeter of responsibility;
- of the funding optimization carried out on the relevant local markets and are responsible to coordinate the access to short term and medium long term markets of the legal entities belonging to their perimeter;
- finally, of the implementation of the Group's liquidity rules at local level in line with Group's Governance Guideline and Policy and with local regulations.

A particularly important role is played by the Parent Company, as a "supervisory and overarching liquidity centre" with its role of steering, coordinating, and controlling all the aspects regarding liquidity for the whole Group. The Parent Company, moreover, acts as the Liquidity Centre Italy.

The principle of "self-sufficiency"

This kind of organization allows self-sufficiency of the Group by accessing the local and global
markets for liquidity in a controlled and coordinated way. According to Group policies, structural liquidity excesses generated in a Regional Liquidity Centre should be upstreamed to the Holding Company unless legal requirements prevent it.

The so called "Large Exposure Regime", applied throughout Europe, along with specific national laws like the "German Stock Corporation Act", are examples of legal constraints to the free circulation of funds within a cross-border banking Group[9].

As a general rule, the Large Exposure Regime, which came into force on 31 December 2010, limits interbank exposures to a maximum of 25% of own funds: this rule is also applicable to intra-group exposures.
However, there are significant differences in the way in which this EU regulation has been implemented in the various countries. In many CEE countries the limit of 25% of free funds is valid, with some countries showing even stricter rules (e.g. Serbia); in Austria, according to the National law, the "25% of own funds limit" is not applied to exposures towards the parent company, if located in the European Economic Area; finally, in Germany the national Regulator has set up a process to apply for a waiver, exempting intra-group exposures from the large exposure limitation.

In the absence of official limits valid at National level, Austrian and German Regulators reserve the right to judge the exposure level on a case-by-case basis. In the current economic environment, in many of the territories in which the Group operates, Banking Regulatory Authorities are adopting measures aimed at reducing the exposure of their National banking system towards foreign jurisdictions with potential negative impacts on the ability of the Group to finance its activities.

For these reasons, the Group Liquidity Policy provides for a further principle in order to enhance a sound liquidity risk management; that is, each Legal Entity (in particular those located in a country different from the one of its Liquidity Centre of reference), has to increase its liquidity self-sufficiency in an on-going basis and under stressed conditions, fostering each Legal Entity to exploit its strengths, in order to optimize the cost of funds of the Group.
This type of organization allows the Group that the Legal Entities are self-sufficient by accessing the local and global markets for liquidity in a controlled and coordinated way, whilst optimizing: i) the liquidity surpluses and deficits within the Group's legal entities ii) the overall costs of funding across the Group.

9. Also the Bank of Italy Rules, Circolare 263, foresees that the liquidity reserves are placed in each Legal Entity in order to minimize the transfers of cash reserves (Titolo V, capitolo 2, Sezione III. 7 before last paragraph).

Part E - Information on risks and related risk management policies (Continued)

Roles and responsibilities

At Group level, three main functions are identified in the management of the liquidity: the Group Risk Management competence line, the "Finance" function (within Planning, Finance & Administration competence line), and the "Treasury" function (within the "Markets" Business Unit), each with different roles and responsibilities. In particular, the operational responsibilities reside in the Finance and the Treasury functions, while the Risk Management function has responsibilities of independent controls and independent reporting compared to the operational functions (in line with the requirements of Bank of Italy 263 Circular).

More specifically, Group Treasury acts as main coordinator in the management of infra-group flows, stemming from liquidity deficits or surplus of the various Group's Legal Entities, and applies the appropriate transfer prices to such funds movements. By doing so, Group Treasury ensures a disciplined and efficient access to the markets.

Optimisation of liquidity risks is pursued through the setting of specific limits on the standard banking activity of transforming short, medium and long-term maturities. This is implemented in accordance with legal and regulatory framework in each country and internal rules and policies of the Group companies through management models in place within the individual Liquidity Centres.

Such models are subject to analyses carried out by the local Risk Management or equivalent structure with the same responsibilities in coordination with the Group's Risk Management to ensure that they comply with the metrics and the objectives of the Group's Liquidity Framework.
Moreover, the regional rules must conform to national law and regulatory requirements.

Risk measurement and reporting systems

Techniques for risk measurement

Liquidity risk, for its particular nature, is addressed by means of gap analyses, liquidity stress testing, and complementary measures (mainly through a set of ratios: e.g. loan to deposit, leverage). In particular, gap analyses are performed within two distinct time horizons:
- liquidity imbalance mismatch approach on a daily basis, which controls for the short term liquidity risk arising from the overnight up to a 3 months maturity;
- gap ratios on a monthly basis, which control the medium to long term risk (structural liquidity) from the 1Y maturity onwards.

The liquidity metrics

The Group's Liquidity Framework is based upon the Liquidity Risk Mismatch Model which is characterized by the following fundamental principles:
- Short-term liquidity risk management (operational liquidity), which considers the events that will impact upon the Group's liquidity position from 1 day up to one year. The primary objective is to maintain the Group's capacity to fulfill its ordinary and extraordinary payment obligations while minimizing the relevant costs.
- Structural liquidity risk management (structural risk), which considers the events that will impact upon the Group's liquidity position over one year. The primary objective is to maintain an adequate ratio between medium/long term liabilities and medium to long-term assets, with a view to avoiding pressures on short-term funding sources (both current and future), while in the meantime optimizing the cost of funding.
- Stress tests: Liquidity risk is a low probability, high impact event. Therefore stress testing is an excellent tool to reveal potential vulnerabilities in the Balance Sheet. The Bank uses several scenarios ranging from general market crisis to idiosyncratic crisis, and combinations hereof.

In this context, the Parent Company takes into account all of the assets, liabilities, off-balance sheet positions and present and future events which generate certain or potential cash flows for the Group, thereby protecting the Group Banks/Companies from risks related to the transformation of maturity.

Short term liquidity management

Consolidated short-term liquidity management aims at ensuring that the Group remains in a position to fulfill its cash payment obligations, whether expected or unexpected, focused on the exposure for the first 12 months.

The standard measures taken for such purposes are the following:
- management of the access to payment systems (operational liquidity management);
- management of cash payments to be made and monitoring of the level of liquidity reserves and the extent of their utilization (analysis and active management of the maturity ladder).

These principles are applicable at Group level and have to be used across the Liquidity Centres.

The Group adopts also the indicator "Cash Horizon" as a synthetic indicator of the short term liquidity risk levels; this indicator is monitored through the Operative Maturity Ladder, which measures the cash-in and outflows affecting the monetary base. The Cash Horizon identifies the number of days after which the relevant Entity is no longer able to meet its liquidity obligations as expressed in the operative Maturity Ladder, after having exhausted the available Counterbalancing Capacity. The objective of the Group during the reporting period has been to guarantee a cash horizon of at least 3 months. The Cash Horizon is one of the liquidity metrics included in the Group's Risk Appetite Framework. At the same time, different sensitivity analysis are performed, for example to verify the impact of 1 and 2 bln Euro inflows or outflows on the Cash Horizon or to estimate the additional liquidity needed in the event of downgrades by rating agencies.

Structural liquidity management
The Group's structural liquidity management aims to limit refinancing exposures with respect to maturities exceeding one year and thus reducing refinancing needs in the shorter term. The structural Liquidity Ratio over 1 year is one of the liquidity metrics included in the Group's Risk Appetite Framework. The maintenance of an adequate ratio between medium to long-term liabilities and assets aims to avoid pressures on short-term sources, whether present or future.

The standard measures taken for such purposes are the following:
- the spreading of the maturity of funding operations in order to reduce the usage of less stable funding sources, while in the meantime optimizing the cost of funding (integrated management of strategic liquidity and tactical liquidity);
- the financing of growth through strategic funding activities, setting the most appropriate maturities (Yearly Funding Plan);
- the balancing of medium- to long-term wholesale funding requirements with the need to minimize costs, by diversifying sources, national markets, currencies of issuance and instruments used (realization of the Yearly Funding Plan).

Liquidity Stress Test
Stress testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/or movement in a set of financial variables. As a forward looking tool, liquidity stress testing diagnostics the institution's liquidity risk. In particular the results of the Stress tests are used to:
- assess the adequacy of liquidity limits both in quantitative and qualitative terms;
- plan and carry out alternative sourcing transactions for purposes of off-setting liquidity outflows;
- structure/modify the liquidity profile of the Group's assets;
- provide support to the development of the liquidity contingency plan.

In order to execute Stress tests that are consistent across the Liquidity Centres, the Group has a centralised approach to stress testing, requiring each local Liquidity Centre to run the same scenario set under the coordination of the Group Risk Management. At the Liquidity Centre level the use of statistical/quantitative behavioural models are accepted, provided they are validated by the local Risk Management or equivalent structure with same responsibilities. The Group runs liquidity scenarios and sensitivity analyses on a regular basis, the latter by assessing the impact on an institution's financial condition of a move in one particular risk factor, the source of the shock not being identified, whereas scenario tests tend to consider the impact of simultaneous moves in a number of risk factors, based on a hypothetical, well defined and consistent stress scenario.

Liquidity scenarios
At macro level the Group identifies three basic different classes of potential liquidity crisis:
- market (systemic, global o sector) related crisis: Market Downturn Scenario. This scenario consists of a sudden turmoil in a monetary and capital market, which may be caused by closure (or limited access) to market/settlement system, critical political events, country crisis, credit crunch, etc.;
- specific to the Group, or part of it: name crisis, and downgrade scenarios; the assumption could be operational risk, event related to the worsen perception of the Group reputation risk and a downgrade in UniCredit S.p.A. rating;
- a combination of market and specific crisis: combined scenario. The survival period of the combined liquidity stress test scenario is one of the liquidity metrics included in the Group's Risk Appetite Framework.

The results of the stress test may highlight the needs of setting up specific limits concerning, for instance, unsecured funding, the ratio between cash-in/cash-out flows and counterbalancing capacity, the ratio between eligible and non-eligible securities, among others.

Behavioral modeling of Asset and Liabilities
UniCredit Group developed specific behavioral models to estimate the maturity profile of those assets and liability which do not have a defined contractual due date. Indeed, what is perceived to be sight maturing in reality shows some stickiness.
Asset and liability modeling aims to build a replicating profile that best reflects the behavioral features. Examples include loans with embedded option and sight items. For loans with embedded options like mortgages the amortisation profile takes into account projected prepayments. For sight items the maturity projections reflects the perceived stickiness. This estimate taken into account factors as historical volume stability

Monitoring and reporting
The short term liquidity limits and the Cash Horizon are monitored and reported on a daily basis. The structural liquidity ratios and its exposure against limits are monitored and reported on a monthly basis. The survival period and the result of the liquidity Stress test are reported and monitored on a weekly basis.

Risk mitigation

Mitigation factors
It is generally accepted that liquidity risk cannot be mitigated by capital. As such liquidity risk does not add to the economic capital usage, nevertheless it is considered as an important risk category also for the risk appetite determination of the Group.

Part E - Information on risks and related risk management policies (Continued)

The main liquidity mitigation factors for UniCredit group are:
- an accurate short term and medium to long term liquidity planning monitored monthly;
- an effective Contingency Liquidity Policy (CLP) with feasible and up-to-date Contingency Action Plan (CAP) to be executed in case of market crisis;
- a liquidity buffer to face unexpected outflows;
- robust and regular up to date stress testing performed on a high frequency.

Funding Plan

The Funding Plan plays a fundamental role in the overall liquidity management influencing both the short term and the structural position. The Funding Plan, defined at each level (i.e. Group, Liquidity Center and Legal Entity level), is developed consistently with a sustainable uses and sources analysis both on short term and structural position. One of the objectives of accessing the medium and long term channels is to avoid also the pressure on the short term liquidity position. The Funding Plan is updated at least on a yearly basis and is approved by the Board of Directors. Moreover, it is aligned with the Budgeting process and the Risk Appetite framework.
The Parent Company is the responsible for accessing the market for Group Bank Capital Instruments.
The Parent Company, through the Planning Finance and Administration (PFA) function, coordinates the market access of the Liquidity Centres and Legal Entities, while the Liquidity Centres coordinate the access of the Legal Entities falling within their perimeter.
Each Legal Entity or Liquidity Centre, under the responsibility of PFA, can access the markets for medium and long term funding, in order to increase its self-sufficiency, exploit market opportunities and functional specialization, safeguarding the optimization of cost of funds of the Group.
PFA is responsible for the elaboration of the Funding Plan. Risk Management is responsible for providing an independent assessment of the Funding Plan.
Although Basel 3 regulatory ratios such as Liquidity Coverage Ratio (LCR) are not yet defined, UniCredit Group is already considering these ratios as integral part of the overall liquidity management process. The necessity to meet Basel 3 ratios is effectively managed within the Group Funding Plan as well as within the Group Risk Appetite Framework by the means of a dedicated metric: The Core Banking Book Funding Gap[10].

Group Contingency Liquidity Policy

A liquidity crisis is a high impact, low probability event. Therefore, a crisis-mode governance model that can be activated effectively in case of crisis according to an approved procedure has to be defined. In order to be able to proceed timely, a set of mitigating actions have to be pre-defined. Depending on the situation some of these actions can then be approved for execution.
The ability to act in time is essential to minimize the potentially disruptive consequences of a liquidity crisis. The analytics of the Stress tests will form a valuable tool to identify the expected consequences and to define up front the most suitable actions in a certain crisis scenario. In combination with Early Warning Indicators (EWI) the organization may even be able to reduce the liquidity effects in the initial stages of a crisis.

Liquidity crises usually develop quickly and the relevant signals may be either difficult to interpret or may even be lacking; it is, therefore, important to identify clearly players, powers, responsibilities, communication and reporting criteria, in order to increase significantly the probability of overcoming the state of emergency successfully. A liquidity crisis could be classified as systemic (e.g. overall capital and money market disruption) or specific (e.g. specific within the sphere of the bank), or a combination of both.

The Group Contingency Liquidity Policy (CLP) has the objective of ensuring effective interventions starting from the very outset (initial hours) of the liquidity crisis, through the clear identification of individuals, powers, responsibilities, communication, and reporting criteria, with a view of increasing significantly the probability of successfully overcoming the state of emergency. This is achieved through:
- activation of extraordinary liquidity governance and operating model;
- consistent internal and external communication;
- a set of available standby mitigating liquidity actions;
- a set of early warning indicators that may point towards a developing crisis.

A fundamental part of the Contingency Liquidity Policy is the Contingency Funding Plan. Such a plan consists of a set of potential but concrete management actions. Such actions should be described in terms of a menu of actions together with sizes, instruments, and timing of execution aimed at improving the bank's liquidity position mainly during times of crisis. The Contingency Funding Plan has to be developed on the basis of the annual Funding Plan. Group Risk Committee (GRC) gives the final approval and decides whether the Board of Directors has to be informed.

Early Warning Indicators

A system of Liquidity Early Warning Indicators is necessary in order to continuously monitor situations of stress, which may, among others, be originated by market, sector or name specific events. That is, they could be based either on macroeconomic or microeconomic variables, internal or external, depending on the prevailing macroeconomic context, and by taking into account the monetary policy of the Central Banks. The system of Liquidity Early Warning Indicators should support the management decisions in case of deteriorating of Liquidity position or stressed situations.
The associated reports should communicate in an efficient manner the main results of the indicators.

10. Defined as Customer loans and customer deposits net of (reverse-) repos but including Network Bonds net issues and other Commercial Securities (eg. CDs).

QUANTITATIVE INFORMATION

1.Time breakdown by contractual residual maturity of financial assets and liabilities

(€ '000)

	AMOUNTS AS AT 12.31.2012									
ITEMS/MATURITIES	ON DEMAND	1 TO 7 DAYS	7 TO 15 DAYS	15 DAYS TO 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
Balance sheet assets	**99,350,409**	**31,160,284**	**12,692,935**	**32,522,064**	**45,222,495**	**39,596,779**	**54,920,919**	**217,669,694**	**211,923,896**	**28,951,135**
A.1 Government securities	85,495	9,733	479,231	632,082	3,469,812	5,581,621	7,031,142	33,912,732	13,657,483	1,058
A.2 Other debt securities	66,622	3,307,197	684,130	770,624	3,267,645	2,643,444	2,895,432	36,546,171	27,777,235	1,064,597
A.3 Units in investment funds	994,660	52	-	-	14,056	-	-	-	-	2,496,466
A.4 Loans	98,203,632	27,843,302	11,529,574	31,119,358	38,470,982	31,371,714	44,994,345	147,210,791	170,489,178	25,389,014
- Banks	27,560,935	4,869,925	3,677,159	5,812,510	6,442,471	1,753,410	2,082,446	1,237,047	1,264,522	18,456,086
- Customers	70,642,697	22,973,377	7,852,415	25,306,848	32,028,511	29,618,304	42,911,899	145,973,744	169,224,656	6,932,928
Balance sheet liabilities	**259,192,981**	**35,386,154**	**23,169,068**	**27,023,583**	**76,146,949**	**30,649,748**	**41,828,698**	**164,319,117**	**56,495,226**	**10,078,768**
B.1 Deposits and current accounts	254,529,040	13,716,300	13,662,467	10,281,501	42,503,847	15,064,365	15,949,251	19,852,349	1,552,571	34,061
- Banks	19,097,973	3,458,301	1,884,547	2,040,524	4,051,725	983,467	956,527	4,157,977	351,522	2,127
- Customers	235,431,067	10,257,999	11,777,920	8,240,977	38,452,122	14,080,898	14,992,724	15,694,372	1,201,049	31,934
B.2 Debt securities	180,308	777,038	2,704,109	2,672,803	14,189,176	8,639,587	14,305,722	98,108,478	37,958,967	1,839,023
B.3 Other liabilities	4,483,633	20,892,816	6,802,492	14,069,279	19,453,926	6,945,796	11,573,725	46,358,290	16,983,688	8,205,684
Off-balance sheet "transactions"										
C.1 Physically settled financial derivatives										
- Long positions	2,832	14,283,627	10,891,439	12,206,240	21,336,612	36,896,795	17,260,091	18,706,071	9,521,521	17,375
- Short positions	2,934	14,771,214	10,897,213	12,159,527	20,871,916	30,034,993	17,415,443	17,954,415	9,642,608	16,335
C.2 Cash settled financial derivatives										
- Long positions	53,703,452	2,299,501	1,113,841	1,622,680	7,622,209	4,655,312	6,661,543	17,054,410	7,702,297	468,205
- Short positions	51,039,525	2,304,583	1,113,830	1,622,333	7,621,716	4,656,560	6,648,965	17,066,380	7,701,503	468,205
C.3 Deposit to be received										
- Long positions	89,792	2,373,032	21,708	-	504,944	195,080	205,000	-	-	-
- Short positions	-	2,025,289	90,913	-	30,317	635,861	412,096	195,080	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	29,839,437	10,199,707	32,849	1,551,460	1,746,199	2,940,546	14,946,690	20,457,485	3,443,563	2,960,229
- Short positions	50,318,436	10,497,737	19,298	470,183	718,799	873,661	10,800,016	10,535,599	933,356	2,951,078
C.5 Written guarantees	1,700,631	10,706	4,449	58,502	315,786	119,673	258,003	770,337	734,448	-
C.6 Financial guarantees received	8,916,694	9,251	4,125	185,858	1,880,504	1,086,774	3,605,207	107,481,383	26,856,409	-
C.7 Physically settled credit derivatives										
- Long positions	-	-	-	213,000	5,666,000	9,779,000	10,954,692	41,049,400	2,538,000	-
- Short positions	-	-	-	739,000	5,981,000	7,326,000	10,145,692	42,108,400	2,953,000	-
C.8 Cash settled credit derivatives										
- Long positions	-	-	-	110,000	230,000	1	393,294	2,305,000	201,000	-
- Short positions	-	-	-	25,000	10,000	243,014	172,307	725,000	13,000	-

Part E - Information on risks and related risk management policies (Continued)

1.1 Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: euro (€ '000)

	AMOUNTS AS AT 12.31.2012									
ITEMS/MATURITIES	ON DEMAND	1 TO 7 DAYS	7 TO 15 DAYS	15 DAYS TO 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
Balance sheet assets	**88,163,673**	**22,853,751**	**9,734,160**	**26,968,027**	**32,732,398**	**30,146,200**	**43,340,002**	**179,134,585**	**176,058,762**	**27,144,000**
A.1 Government securities	23,664	7,715	401,066	180,010	2,377,692	3,700,318	5,506,900	26,504,305	11,937,436	1,049
A.2 Other debt securities	59,745	532,589	458,712	515,818	2,932,728	2,505,918	2,708,474	33,710,421	23,777,331	1,063,705
A.3 Units in investment funds	822,871	-	-	-	-	-	-	-	-	2,279,832
A.4 Loans	87,257,393	22,313,447	8,874,382	26,272,199	27,421,978	23,939,964	35,124,628	118,919,859	140,343,995	23,799,414
- Banks	22,715,589	3,140,310	2,062,549	4,445,919	4,230,358	898,053	1,668,412	747,711	952,672	18,405,280
- Customers	64,541,804	19,173,137	6,811,833	21,826,280	23,191,620	23,041,911	33,456,216	118,172,148	139,391,323	5,394,134
Balance sheet liabilities	**231,852,393**	**25,236,247**	**13,038,605**	**19,651,927**	**58,195,066**	**24,288,423**	**35,746,808**	**152,935,188**	**53,489,684**	**8,572,466**
B.1 Deposits and current accounts	228,249,305	6,122,071	4,571,544	5,036,752	27,171,159	10,459,988	12,660,374	16,941,641	1,208,814	8,715
- Banks	16,880,566	2,334,725	854,593	712,939	2,900,983	721,925	814,284	3,561,032	254,763	1,072
- Customers	211,368,739	3,787,346	3,716,951	4,323,813	24,270,176	9,738,063	11,846,090	13,380,609	954,051	7,643
B.2 Debt securities	180,308	590,785	2,681,298	2,554,526	13,733,834	8,241,187	12,525,646	93,363,358	36,041,289	1,818,201
B.3 Other liabilities	3,422,780	18,523,391	5,785,763	12,060,649	17,290,073	5,587,248	10,560,788	42,630,189	16,239,581	6,745,550
Off-balance sheet "transactions"										
C.1 Physically settled financial derivatives										
- Long positions	2,802	4,498,114	5,182,457	5,187,997	7,956,685	12,537,806	3,080,904	9,123,240	7,797,760	11,030
- Short positions	225	4,154,885	1,943,742	4,832,091	6,490,009	7,941,488	6,141,135	11,946,118	7,649,029	5,644
C.2 Cash settled financial derivatives										
- Long positions	52,656,670	1,166,399	680,363	635,782	6,436,269	834,807	1,625,085	7,796,230	3,109,559	468,205
- Short positions	50,189,015	1,071,236	621,636	723,398	6,472,957	933,998	1,736,666	8,011,022	3,112,035	468,205
C.3 Deposit to be received										
- Long positions	14,000	2,336,386	21,708	-	504,944	195,080	205,000	-	-	-
- Short positions	-	2,019,081	15,000	-	-	635,861	412,096	195,080	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	24,966,202	10,072,290	18,167	1,156,254	1,228,345	1,695,156	6,996,494	16,721,046	2,851,873	2,794,745
- Short positions	42,966,300	10,364,618	6,339	369,089	252,782	384,484	3,177,964	7,784,574	399,677	2,794,745
C.5 Written guarantees	1,646,819	9,291	3,419	22,208	183,186	78,062	167,577	543,262	376,519	-
C.6 Financial guarantees received	8,680,509	7,450	2,961	141,137	1,305,273	1,010,981	2,704,571	16,966,852	22,496,713	-
C.7 Physically settled credit derivatives										
- Long positions	-	-	-	213,000	5,666,000	9,779,000	10,923,000	41,049,400	2,538,000	-
- Short positions	-	-	-	739,000	5,981,000	7,326,000	10,114,000	42,108,400	2,953,000	-
C.8 Cash settled credit derivatives										
- Long positions	-	-	-	110,000	230,000	1	393,294	2,305,000	201,000	-
- Short positions	-	-	-	25,000	10,000	243,014	172,307	725,000	13,000	-

1.2 Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: dollars

(€ '000)

	AMOUNTS AS AT 12.31.2012									
ITEMS/MATURITIES	ON DEMAND	1 TO 7 DAYS	7 TO 15 DAYS	15 DAYS TO 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
Balance sheet assets	**2,983,589**	**1,432,131**	**197,503**	**963,664**	**3,336,593**	**2,708,865**	**2,713,368**	**10,646,480**	**4,773,276**	**421,489**
A.1 Government securities	-	-	799	2,412	235,226	1,082,282	547,698	2,647,440	235,062	9
A.2 Other debt securities	6,877	12,368	405	119	118,204	2,610	4,608	507,631	1,396,887	1
A.3 Units in investment funds	84,314	-	-	-	125	-	-	-	-	146,847
A.4 Loans	2,892,398	1,419,763	196,299	961,133	2,983,038	1,623,973	2,161,062	7,491,409	3,141,327	274,632
- Banks	1,421,731	286,899	79,112	174,341	1,077,163	167,835	394,940	170,708	264,528	1,796
- Customers	1,470,667	1,132,864	117,187	786,792	1,905,875	1,456,138	1,766,122	7,320,701	2,876,799	272,836
Balance sheet liabilities	**5,718,963**	**1,166,720**	**1,434,422**	**3,282,868**	**4,581,796**	**2,751,880**	**2,453,758**	**5,771,557**	**836,039**	**3,185**
B.1 Deposits and current accounts	5,332,043	794,599	1,392,536	1,637,100	4,255,174	1,560,994	919,820	1,678,151	263,171	3,033
- Banks	1,422,351	433,862	208,836	1,188,287	584,109	167,842	115,691	458,278	87,654	251
- Customers	3,909,692	360,737	1,183,700	448,813	3,671,065	1,393,152	804,129	1,219,873	175,517	2,782
B.2 Debt securities	-	186,253	22,811	69,655	80,622	74,132	817,309	1,517,302	314,378	
B.3 Other liabilities	386,920	185,868	19,075	1,576,113	246,000	1,116,754	716,629	2,576,104	258,490	152
Off-balance sheet "transactions"										
C.1 Physically settled financial derivatives										
- Long positions	28	4,759,513	2,906,429	4,555,262	5,357,664	10,774,670	6,593,053	4,823,534	288,738	3,662
- Short positions	2,709	5,202,912	5,762,513	5,841,092	4,562,375	12,280,829	3,230,280	3,171,404	1,006,698	10,691
C.2 Cash settled financial derivatives										
- Long positions	657,264	162,902	135,261	360,576	166,903	2,233,441	1,149,097	4,138,310	4,642	-
- Short positions	469,651	250,947	116,090	270,362	247,980	2,236,045	1,187,359	4,161,563	4,642	-
C.3 Deposit to be received										
- Long positions	75,792	30,338	-	-	-	-	-	-	-	-
- Short positions	-	-	75,813	-	30,317	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	85,448	86,375	241	112,005	116,879	179,085	326,307	948,028	95,190	22,292
- Short positions	996,670	101,827	149	11,918	12,159	13,136	80,766	703,460	38,768	12,996
C.5 Written guarantees	12,447	23	905	33,958	74,392	10,554	23,934	26,101	342,257	
C.6 Financial guarantees received	122,204	23	7	44,691	539,052	63,676	408,017	3,399,340	1,141,853	-
C.7 Physically settled credit derivatives										
- Long positions	-	-	-	-	-	-	31,692	-	-	-
- Short positions	-	-	-	-	-	-	31,692	-	-	-
C.8 Cash settled credit derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

Part E - Information on risks and related risk management policies (Continued)

1.3 Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: other currency

(€ '000)

ITEMS/MATURITIES	AMOUNTS AS AT 12.31.2012 ON DEMAND	1 TO 7 DAYS	7 TO 15 DAYS	15 DAYS TO 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
Balance sheet assets	**8,203,147**	**6,874,402**	**2,761,272**	**4,590,373**	**9,153,504**	**6,741,714**	**8,867,549**	**27,888,629**	**31,091,858**	**1,385,646**
A.1 Government securities	61,831	2,018	77,366	449,660	856,894	799,021	976,544	4,760,987	1,484,985	-
A.2 Other debt securities	-	2,762,240	225,013	254,687	216,713	134,916	182,350	2,328,119	2,603,017	891
A.3 Units in investment funds	87,475	52	-	-	13,931	-	-	-	-	69,787
A.4 Loans	8,053,841	4,110,092	2,458,893	3,886,026	8,065,966	5,807,777	7,708,655	20,799,523	27,003,856	1,314,968
- Banks	3,423,615	1,442,716	1,535,498	1,192,250	1,134,950	687,522	19,094	318,628	47,322	49,010
- Customers	4,630,226	2,667,376	923,395	2,693,776	6,931,016	5,120,255	7,689,561	20,480,895	26,956,534	1,265,958
Balance sheet liabilities	**21,621,625**	**8,983,187**	**8,696,041**	**4,088,788**	**13,370,087**	**3,609,445**	**3,628,132**	**5,612,372**	**2,169,503**	**1,503,117**
B.1 Deposits and current accounts	20,947,692	6,799,630	7,698,387	3,607,649	11,077,514	3,043,383	2,369,057	1,232,557	80,586	22,313
- Banks	795,056	689,714	821,118	139,298	566,633	93,700	26,552	138,667	9,105	804
- Customers	20,152,636	6,109,916	6,877,269	3,468,351	10,510,881	2,949,683	2,342,505	1,093,890	71,481	21,509
B.2 Debt securities	-	-	-	48,622	374,720	324,268	962,767	3,227,818	1,603,300	20,822
B.3 Other liabilities	673,933	2,183,557	997,654	432,517	1,917,853	241,794	296,308	1,151,997	485,617	1,459,982
Off-balance sheet "transactions"										
C.1 Physically settled financial derivatives										
- Long positions	2	5,026,000	2,802,553	2,462,981	8,022,263	13,584,319	7,586,134	4,759,297	1,435,023	2,683
- Short positions	-	5,413,417	3,190,958	1,486,344	9,819,532	9,812,676	8,044,028	2,836,893	986,881	-
C.2 Cash settled financial derivatives										
- Long positions	389,518	970,200	298,217	626,322	1,019,037	1,587,064	3,887,361	5,119,870	4,588,096	-
- Short positions	380,859	982,400	376,104	628,573	900,779	1,486,517	3,724,940	4,893,795	4,584,826	-
C.3 Deposit to be received										
- Long positions	-	6,308	-	-	-	-	-	-	-	-
- Short positions	-	6,208	100	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	4,787,787	41,042	14,441	283,201	400,975	1,066,305	7,623,889	2,788,411	496,500	143,192
- Short positions	6,355,466	31,292	12,810	89,176	453,858	476,041	7,541,286	2,047,565	494,911	143,337
C.5 Written guarantees	41,365	1,392	125	2,336	58,208	31,057	66,492	200,974	15,672	-
C.6 Financial guarantees received	113,981	1,778	1,157	30	36,179	12,117	492,619	87,115,191	3,217,843	-
C.7 Physically settled credit derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Cash settled credit derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

Section 4 - Operational Risk

QUALITATIVE INFORMATION

A. General aspects, operational processes and methods for measuring operational risk

Operational risk

Operational risk is the risk of loss due to errors, infringements, interruptions, damages caused by internal processes or personnel or systems or caused by external events. This definition includes legal and compliance risks, but excludes strategic and reputational risk.

For example, losses arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, client claims, products distribution, fines and penalties due to regulation breaches, damage to the company's physical assets, business disruption and system failures, process management.

Group operational risk framework

UniCredit group sets the operational risk management framework as a combination of policies and procedures for controlling, measuring and mitigating the operational risk of the Group and controlled entities.
The operational risk policies, applying to all Group entities, are common principles defining the roles of the company bodies, the operational risk management function as well as the relationship with other functions involved in operational risk monitoring and management.

The Parent company coordinates the Group entities according to the internal regulation and the Group operational risk control rulebook. Specific risk committees (Group Risk Committee, Group ALCO, Group Operational and Reputational Risk Committee) are set up to monitor risk exposure, mitigating actions and measurement and control methods.

The methodology for data classification and completeness verification, scenario analysis, risk indicators, reporting and capital at risk measurement is set by the Parent company Group Operational & Reputational Risks department and applies to all Group entities. A pivot element of the risk control framework is the operational risk management application, allowing the collection of the data required for operational risk control and capital measurement.

The compliance of the Group Operational risk control and measurement system with external regulations and Group standards is assessed through an internal validation process under the responsibility of the Group Internal Validation department of the Holding company and independent from the Group Operational & Reputational Risks department.

In March 2008, UniCredit group received authorization to use the AMA model (Advanced Measurement Approach) for calculating operational risk capital. The use of this method will in time be rolled out to the main entities of the Group.

Organizational structure

Senior Management is responsible for approving all aspects relating to the Group operational risk framework and verifying the adequacy of the measurement and control system and is regularly updated on changes to the risk profile and operational risk exposure, with support from the appropriate risk committees if required.

The Group Operational & Reputational Risk Committee, chaired by the Parent company's head of Group Operational & Reputational Risks department is made up of permanent and guest members. The list of participants of the Committee has been updated in 2012, also in the light of the changes in the organizational structure of the Group.

The Group Operational & Reputational Risks Committee meets with consulting and suggestion functions for submission to the Group Risk Committee for the following topics:

- Group risk appetite including capitalization targets and capital allocation criteria for Group operational risks;
- structure and definition of limits for Group operational risk for achieving risk allocation targets across Business Functions, Legal Entities and portfolios;
- initial approval and fundamental modifications of risk control and measurement systems for operational risk, including possible action plans, processes, IT and data quality requirements, supported by the related internal validations;
- overall strategies for operational risk optimization, "Governance Guidelines" and general "Policies" for the management of Group operational risk;
- action plans to address possible critical findings related to risk control and measurement systems resulting from Group Internal Validation and Internal Audit activities, with regard to the internal control system and risk measurement;
- status update of relevant Basel II project activities and processes on operational risk topics;
- ICAAP topics on operational risks;
- yearly Regulatory Internal Validation Report on operational risk.

Part E - Information on risks and related risk management policies (Continued)

and for the following topics with reference to reputational risk:
- support, for specific reputational risk events, the crisis management capabilities and stakeholder communication, coherently with the Reputational Risk Management framework;
- advice on matter of reputational risk, including clarification in matter of reputational risk special policies implementation (policies grey area), upon request of the Holding Company function/Bodies, Divisions and Legal Entities.

The Group Operational & Reputational Risks Committee meets with approval function for the following topics:
- special operational and reputational risk policies;
- corrective actions for balancing Group operational risk positions, including mitigation actions;
- Group insurance strategies, including renewals, limits and franchises;
- methodologies for the measurement and control of operational risk;
- single transactions evaluated, when - on an exceptional basis, i.e. in case of reputational risk policies' grey areas - submitted by the relevant competent Committee.

The Group Operational & Reputational Risks Committee will provide the Group Risk Committee with the following information:
- regular risk reports on operational losses, insurance recoveries, risk indicators trend, as well as, on back - testing and stress testing results of scenario analyses;
- results of the critical risk indicators analyses;
- relevant internal and external operational events occurred, significantly affecting the Group's portfolio;
- special operational and reputational risk policies;
- corrective actions for balancing Group operational risk positions, including mitigation actions;
- Group insurance strategies, including renewals, limits and franchises;
- methodologies for the measurement and control of operational risk;
- regular reports on reputational risks;
- single transactions evaluated, when - on an exceptional basis, i.e. in case of reputational risk policies' grey areas - submitted by the relevant competent Committee.

The Group Operational & Reputational Risks Committee will receive from the relevant competent Committees
- regular report on all transactions for which transaction inherent reputational risks, based on current reputational risk "Governance Guidelines" and "Policies" have been evaluated.

Following the adoption of the new organizational structure of the Group (January 2013), in the Parent company, the Group Operational & Reputational Risks department reports to Group Risk Management department and supervises and manages the overall profile of the operational and reputational risks in the Group by defining the strategies, methodologies and limits.

The department has three organizational units.
The Operational and Reputational Risk Oversight unit is responsible for defining the principles and rules for identification, assessment and control of operational risk and reputational risk (including operational risks bordering on credit risk and market risk), and monitoring their correct application by the Legal Entities.
The Operational and Reputational Risk Strategies unit is responsible for defining operational risk strategies, defining and controlling limits, as well as proposing mitigation actions and monitoring their effectiveness.
The Operational and Reputational Risk Analytics unit is responsible for defining risk capital measurement approaches, calculating operational risk capital and the corresponding economic capital, as well as conducting quantitative analysis of the Group's exposure to operational risk and reputational risk, and providing suitable reporting to the functions concerned.

The Operational Risk Management functions of the controlled entities provide specific operational risk training to staff, also with the use of intranet training programs, and are responsible for the correct implementation of the Group framework elements.

Internal validation process
In compliance with external regulations, the Unicredit Group operational risk control, management and measurement system is subject to the internal validation process in order to verify its compliance with minimum requirements and Group standards. This process owned by the Pillar II Risks and Operational Risk Validation unit, inside the Group Internal Validation department, includes the centralized validation of the Group methodologies and IT system for measuring and allocating the capital at risk as well as of the operational risk management and control standards. The validation of the implementation of the operational risk control and management system within the authorized Legal Entities is instead carried out by each local Operational Risk Management functions through a self-assessment process ruled by specific instructions and guidelines issued by the Group Internal Validation (GIV). The results of such self-assessment are subject to review by GIV which expresses a Non-Binding Opinion for each Legal Entity with regard to the adequacy and compliance of local systems with the regulatory minimum requirements and Group standards, also on the basis of independent controls of data and documentation. The self-assessments results, the NBO and internal audit outcomes are then submitted to the Board of Directors of relevant Legal Entities to resolve on the local system compliance with minimum regulatory requirements.

Results of the validation activity on the Group methodology for capital at risk measurement and on the control and management systems of each Legal Entity are annually consolidated in a document, that along with the annual Internal Audit report, is submitted to the UniCredit Board of Directors. Eventually, the Board of Directors resolves on the Group system compliance with minimum regulatory requirements, also taking into consideration the related decisions taken by individual Governing Bodies of the controlled Legal Entities.

Reporting

A reporting system has been developed to inform senior management and relevant control bodies on the Group operational risk exposure and the risk mitigation actions.
In particular, quarterly updates are provided on operational losses, capital-at-risk estimates, the main initiatives undertaken to mitigate operational risk in the various business areas, operational losses suffered in the credit linked processes ("cross-credit" losses). A summary of the trend of the most important risk indicators is distributed each month.
The results of the main scenario analyses carried out at Group level and the relevant mitigation actions, as well as the validation results, are submitted to the attention of the Group Operational & Reputational Risk Committee.

Operational risk management

Operational risk management exploits process reengineering to reduce the risk exposure and insurance policies management, defining proper deductibles and policies limits. Regularly tested business continuity plans assure sound operational risk management in case of interruption of main business services.

In the Legal entities, the Risk Committee (or other bodies in accordance to local regulations) reviews risks tracked by the Operational Risk functions with the support of functions involved in daily operational risk control, and monitors the risk mitigation initiatives.

Risk capital measurement and allocation mechanism

UniCredit developed an internal model for measuring the capital requirements. The system for measuring operational risk is based on internal loss data, external loss data (consortium and public data) scenario loss data and risk indicators.

Capital at risk is calculated per event type class. For each risk class, severity and frequency of loss data are separately estimated to obtain the annual loss distribution through simulation, considering also insurance coverage. The severity distribution is estimated on internal, external and scenario loss data, while the frequency distribution is determined using only the internal data. An adjustment for key operational risk indicators is applied to each risk class. Annual loss distributions of each risk class are aggregated through a copula functions based method. Capital at risk is calculated at a confidence level of 99,9% on the overall loss distribution for regulatory purposes and at a confidence level of 99,97% for economic capital purposes.

Through an allocation mechanism, the individual legal entities' capital requirements are identified, reflecting the entities' risk exposure.

B. Legal Risks

UniCredit S.p.A. and other UniCredit group companies are involved in legal proceedings. From time to time, past and present directors, officers and employees may be involved in civil or criminal proceedings the details of which the UniCredit group may not lawfully know about or communicate.
The Group is also required to deal appropriately with various legal and regulatory requirements in relation to issues such as conflicts of interest, ethical issues, anti-money laundering laws, US and international sanctions, privacy and information security rules and others. Failure to do so may lead to additional litigation and investigations and subject the Group to damages claims, regulatory fines, other penalties or reputational damage. In addition, one or more Group companies is subject to investigations by the relevant supervisory authority in a number of countries in which it operates. These include investigations relating to aspects of systems and controls and instances of actual and potential regulatory infringement by the relevant Group companies or its clients.
In many cases, there is substantial uncertainty regarding the outcome of the proceedings and the amount of any possible losses. These cases include criminal proceedings, administrative proceedings brought by the relevant supervisory authority and claims in which the petitioner has not specifically quantified the penalties requested (for example, in putative class action in the United States). In such cases, given the infeasibility of predicting possible outcomes and estimating losses (if any) in a reliable manner, no provisions have been made. However, where it is possible to reliably estimate the amount of possible losses and the loss is considered likely, provisions have been made in the financial statements based on the circumstances and consistent with international accounting standards IAS.
To protect against possible liabilities that may result from pending lawsuits (excluding labour law, tax cases or credit recovery actions), the UniCredit Group has set aside a provision for risks and charges of €1,324 million as at December 31, 2012. The estimate for reasonably possible liabilities and this provision are based upon currently available information but, given the numerous uncertainties inherent in litigation, involve significant elements of judgment. In some cases it is not possible to form a reliable estimate, for example where proceedings have not yet been initiated or where there are sufficient legal and factual uncertainties to make any estimate purely speculative. Therefore, it is possible that this provision may not be sufficient to entirely meet the legal costs and the fines and penalties that may result from pending legal actions, and the actual costs of resolving pending lawsuits may prove to be substantially higher.

Part E - Information on risks and related risk management policies (Continued)

Consequently it cannot be excluded that an unfavourable outcome of such legal proceedings or such investigations may have a negative impact on the results of the UniCredit group and/or its financial situation.
Set out below is a summary of information relating to matters involving the UniCredit group which are not considered groundless or in the ordinary course. Please note that labour law, tax and credit recovery actions are excluded from this section.

Madoff

Background

In March 2009 Bernard L. Madoff ("**Madoff**"), former chairman of the NASDAQ Exchange and owner of Bernard L. Madoff Investment Securities LLC ("**BMIS**"), a broker-dealer registered with the Securities Exchange Commission (the "**SEC**") and the Financial Industry Regulatory Authority ("**FINRA**"), pled guilty to crimes, for which he was sentenced to 150 years in prison, that included securities fraud, investment adviser fraud, and providing false information to the SEC in connection with his operation of what has been described as a Ponzi scheme. In December of 2008, shortly after Madoff's arrest, a bankruptcy administrator (the "**SIPA Trustee**") for the liquidation of BMIS was appointed in accordance with the U.S. Securities Investor Protection Act of 1970.
Following Madoff's arrest, several criminal and civil suits were filed in various countries against financial institutions and investment advisers by, or on behalf of, investors, intermediaries acting as brokers for investors and public entities in relation to losses incurred.
As at the date of Bernard L. Madoff's arrest, and since mid-2007, the Alternative Investments division of Pioneer ("**PAI**"), an indirect subsidiary of UniCredit S.p.A. acted as investment manager and/or investment adviser for the Primeo funds (including the Primeo Fund Ltd (now in Official Liquidation),"**Primeo**") and various funds-of-funds ("**FoFs**"), which were non-U.S. funds that had invested in other non-U.S funds with accounts at BMIS. Pioneer also owned the founder shares of Primeo since 2007. Previously, the investment advisory functions had been performed by BA Worldwide Fund Management Ltd ("**BAWFM**"), an indirect subsidiary of UniCredit Bank Austria AG ("**BA**"). For a period of time, BAWFM had previously performed investment advisory functions for Thema International Fund plc, a non-U.S. fund that had an account at BMIS.
UniCredit Bank AG (then HypoVereinsbank) issued tranches of debt securities whose potential yield was calculated based on the yield of a hypothetical structured investment (synthetic investment) in the Primeo funds. Some BA customers purchased shares in Primeo funds that were held in their accounts at BA. BA owned a 25 percent.stake in Bank Medici AG (**Bank Medici**), a defendant in certain proceedings described below. Bank Medici is alleged to be connected, inter alia, to the Herald Fund SPC, a non-U.S. fund that had an account at BMIS.

Proceedings in the United States

Purported Class Actions

UniCredit S.p.A., BA, PAI and Pioneer Global Asset Management S.p.A. ("**PGAM**"), a UniCredit S.p.A. subsidiary were named among some 70 defendants in three putative class action lawsuits filed in the United States District Court for the Southern District of New York (the "**Southern District"**) between January and March 2009, purporting to represent investors in three investment fund groups (the "**Herald**" funds, "**Primeo**" and the "**Thema**" funds) which were invested, either directly or indirectly, in BMIS.
The three cases were later consolidated for pre-trial purposes and in February of 2010 amended complaints were filed in each case. In April of 2011, permission was sought from the Court further to amend each of the three complaints, principally to withdraw certain claims under the United States federal securities laws, and, in one case, to add a claim under the United States Racketeer Influenced and Corrupt Organizations Act ("**RICO**"), as further described below.
The amended "Herald" complaint claimed on behalf of investors in Herald Fund SPC-Herald USA Segregated Portfolio One and/or Herald (Lux) on December 10, 2008, or who invested in those funds from January 12, 2004 to December 10, 2008. It was principally alleged that defendants, including UniCredit S.p.A., BA and Bank Medici breached common law duties by failing to safeguard the claimants' investment in the face of "red flags" that, it is claimed, should have alerted them to Madoff's fraud. The plaintiffs also requested the Court's permission to add claims that defendants, including UniCredit S.p.A., violated RICO by allegedly participating in a plan to enrich themselves by feeding investors' money into Madoff's Ponzi scheme. The plaintiffs alleged that the proposed class lost approximately $2.0 billion in the Madoff Ponzi scheme, which they sought to recover trebled under RICO.
The amended "Primeo" complaint claimed on behalf of investors in Primeo Select Fund and/or Primeo Executive Fund on December 10, 2008, or who invested in those funds from January 12, 2004 to December 12, 2008. It was principally alleged that the defendants, including UniCredit S.p.A., BA, Bank Medici, BAWFM, PAI and PGAM breached common law duties misrepresenting the monitoring that would be done of Madoff and claimants' investments and disregarding "red flags" of Madoff's fraud.
The amended "Thema" complaint claimed on behalf of investors in Thema International Fund plc and/or Thema Fund on December 10, 2008, or who invested in those funds from January 12, 2004 to December 14, 2008. It was principally alleged that defendants including UniCredit S.p.A., BAWFM and Bank Medici committed common law torts by, inter alia, recklessly or knowingly making or failing to prevent untrue statements of material fact and/or failing to exercise due care in connection with the claimants' investments in the Thema fund.

In the Herald, Primeo and Thema cases, the plaintiffs sought damages in unspecified amounts (other than under RICO in the case of the Herald complaint, as noted above), interest or lost profits punitive damages, costs and attorneys' fees, as well as an injunction preventing defendants from using fund assets to defend the action or otherwise seeking indemnification from the funds.
On November 29, 2011, the Southern District dismissed at the request of UniCredit S.p.A., PGAM, PAI, BA and other defendants all three purported class action complaints on grounds, with respect to UniCredit S.p.A., PGAM, PAI and BA, that the United States is not the most convenient forum for resolution of plaintiffs' claims.
On or about January 11, 2012, all three groups of plaintiffs appealed the judgment of the Southern District to the United States Court of Appeals for the Second Circuit (the "**Second Circuit**"), which appeals are now in progress.

Claims by the SIPA Trustee

In December of 2010, the SIPA Trustee filed two cases (the "**HSBC**" and the "**Kohn**" case, respectively) in the United States Bankruptcy Court in the Southern District of New York against several dozen defendants. Both cases were later removed to the non-bankruptcy federal trial court in the Southern District at the request of UniCredit S.p.A., PAI and certain other defendants.
In the HSBC case, the SIPA Trustee sought to recover from some 60 defendants, including UniCredit S.p.A., BA, BAWFM, PAI, and Bank Medici seeking amounts to be determined at trial, allegedly representing so-called avoidable transfers to initial transferees of funds from BMIS, subsequent transfers of funds originating from BMIS (in the form of alleged management, performance, advisory, administrative and marketing fees, among other such payments, said to exceed $400 million in aggregate for all defendants), and compensatory and punitive damages against certain defendants on a joint and several basis, including the five abovementioned, alleged to be in excess of $2 billion. In addition to avoidable transfers, the SIPA Trustee sought to recover in the HSBC action unspecified amounts (said to exceed several billion dollars) for common law claims of unjust enrichment, aiding and abetting BMIS's breach of fiduciary duty and BMIS's fraud and contribution. However, on July 28, 2011, the Southern District Court dismissed, at the request of UniCredit S.p.A., PAI, BA and certain other defendants the common law claims for aiding and abetting Madoff's fraud and breach of fiduciary duty, for unjust enrichment and for contribution. The SIPA Trustee has appealed the Southern District's order finalizing the dismissal of those claims to the Second Circuit. Certain claims brought by the SIPA Trustee which were not addressed in the motion to dismiss remain pending in the bankruptcy court.
On March 22, 2012 UniCredit S.p.A., BA and PAI requested that the District Court withdraw the reference from the Bankruptcy Court in respect of the claims that the District Court had returned to the Bankruptcy Court following the decision by the District Court on July 28, 2011 to dismiss the common law claims.
In the Kohn case, the SIPA Trustee seeks to recover from more than 70 defendants, including UniCredit S.p.A., BA, PGAM, BAWFM, Bank Medici, Bank Austria Cayman Islands, and several persons affiliated with UniCredit S.p.A. and BA, unspecified avoidable transfers from BA as an initial transferee from BMIS and as from UniCredit S.p.A, BA and other UniCredit S.p.A. affiliated defendants as subsequent transferees of funds likewise originating from BMIS. The complaint further asserts common law claims, including unjust enrichment and conversion, as well as violations of the RICO statute as the alleged result of the defendants' directing investors' money into Madoff's Ponzi scheme. The SIPA Trustee seeks treble damages under RICO (three times the reported net $19.6 billion losses allegedly suffered by all BMIS investors), alleged retrocession fees, management fees, custodial fees, compensatory, exemplary and punitive damages, and costs of suit as against the defendants on a joint and several basis.
UniCredit S.p.A., BA, PGAM and Alessandro Profumo (former CEO of UniCredit S.p.A.) moved to dismiss the common law and RICO claims on July 25, 2011. On February 21, 2012, the District Court dismissed the RICO and common law claims asserted in the Kohn action, and returned to the Bankruptcy Court the remaining avoidance claims. On March 21, 2012, the SIPA Trustee filed a notice of appeal to the Second Circuit of the decision. He procedurally withdrew that appeal on April 10, 2012, subject to potential reinstatement at any party's request within one year.
On March 22, 2012 UniCredit S.p.A., BA and PGAM requested that the District Court withdraw the reference from the Bankruptcy Court in respect of the claims that the District Court had returned to the Bankruptcy Court following the decision by the District Court to dismiss the RICO and common law claims, as noted above. UniCredit S.p.A. and its affiliated defendants intend to continue defending these proceedings vigorously.

Proceedings Outside the United States

On July 22 2011, the Joint Official Liquidators of Primeo (the "**Primeo Liquidators**") issued a writ of summons against PAI in the Grand Court of the Cayman Islands, Financial Services Division. In that claim the Primeo Liquidators allege that PAI is liable under the terms of an investment advisory agreement between Primeo and PAI as a result of alleged breaches of duties by PAI and also as a result of alleged acts and omissions by BMIS for which PAI is alleged to be vicariously liable. The Primeo Liquidators also allege that fees paid to PAI were paid under a mistake of fact and claim restitution from PAI of those fees. In aggregate, the Primeo Liquidators claim approximately $262 million plus additional unquantified damages, as well as interest and costs.
Numerous civil proceedings (with a claimed amount totalling about Euro 135 million) have been initiated in Austria by numerous investors related to Madoff's fraud in which BA, among others, was named as defendant. The plaintiffs invested in funds that, in turn, invested directly or indirectly with BMIS. Several judgments have been issued in favor of BA in various instances, some are already legally binding. Other judgments have been handed down against BA, but none of them is final so far as appeals are pending. With respect to those cases currently on appeal no estimate can be made as to their potential outcomes nor the effects, if any, which the appeal decisions may have on other cases pending against BA.
In respect of the Austrian civil proceedings pending as against BA, which relates to Madoff's fraud, BA has made provisions for an amount considered appropriate to the current risk.

Part E - Information on risks and related risk management policies (CONTINUED)

Bank Austria has been named as a defendant in criminal proceedings in Austria which concern the Madoff case. These proceedings were initiated by a complaint filed by the FMA (the Austrian Financial Market Authority) to the Austrian prosecutor. Subsequently complaints were filed by purported investors in funds which were invested, either directly or indirectly, in BMIS and Bernard L. Madoff Securities LLC. These complaints allege, amongst other things, that BA breached provisions of the Austrian Investment Fund Act as prospectus controller of the Primeo Fund. These criminal proceedings are still at the pre-trial stage. In addition the fee structure has been examined by an expert appointed by the prosecution. The second part of the expert opinion covering the examination of the prospectuses themselves is not yet available.
Legal proceedings were brought in Germany against UniCredit Bank AG regarding synthetic debt securities issued by UniCredit Bank AG and connected to Primeo. One of these lawsuits has since been abandoned by the plaintiff, the one remaining lawsuit was rejected in its entirety by the Munich Regional Court. The plaintiff's appeal was also rejected by the Higher Regional Court of Munich, and the Higher Regional Court also denied the plaintiff a right of appeal to the Federal Court of Justice. The plaintiff made a special motion to the Federal Court of Justice so as to be granted a right of appeal; that motion is currently pending. Prior to the appellate decision being handed down a new lawsuit was commenced against UniCredit Bank AG. This lawsuit also relates to the synthetic debt securities issued by UniCredit Bank AG that are connected to Primeo.
A Chilean investor in synthetic debt securities connected to Primeo has filed a complaint with the Chilean prosecutor. There was an investigative phase onlywhere testimony had been taken from employees or former employees of UniCredit S.p.A. or its affiliates. The investigation was then closed. An application has since been made to dismiss the complaint with prejudice. This application was granted by the court on June 25, 2012 and the case has been closed.

Subpoenas and Investigations

UniCredit S.p.A. and several of its subsidiaries have received subpoenas orders and requests to produce information and documents from the SEC, the U.S. Department of Justice and the SIPA Trustee in the United States, the Austrian Financial Market Authority, the Irish Supervisory Authority for financial markets and BaFin in Germany related to their respective investigations into Madoff's fraud. Similar such subpoenas, orders and requests may be received in the future by UniCredit S.p.A. its affiliates, and some of their employees or former employees, in the foregoing markets or in places where proceedings related to Madoff investments are pending.

Certain Potential Consequences

In addition to the foregoing proceedings stemming from the Madoff case against UniCredit S.p.A., its subsidiaries and some of their respective employees and former employees, additional Madoff-related actions have been threatened and are in the process of being and may be filed in the future in said countries or in other countries by private investors or local authorities. The pending or future actions may have negative consequences for the UniCredit group.
UniCredit S.p.A. and its subsidiaries intend to defend themselves vigorously against the Madoff-related claims and charges.
Save as described above, for the time being it is not possible to estimate reliably the timing and results of the various actions, nor determine the level of responsibility, if any responsibility exists. Presently, and save as described above, in compliance with international accounting standards, no provisions have been made for specific risks associated with Madoff disputes.

Cirio

In April 2004, the extraordinary administration of Cirio Finanziaria S.p.A. (formerly Cirio S.p.A.) ("**Cirio**") served notice on Sergio Cragnotti and various banks, including Capitalia S.p.A. (absorbed by UniCredit S.p.A.) and Banca di Roma S.p.A. (now UniCredit S.p.A.), of a petition to declare invalid an allegedly illegal agreement with Cirio S.p.A. regarding the sale of the dairy company Eurolat to Dalmata S.r.l. ("**Parmalat**"). The extraordinary administration subsequently requested that Capitalia S.p.A. and Banca di Roma S.p.A. jointly refund €168 million and that all defendants jointly pay damages of €474 million. In the alternative, it sought the revocation of the settlement made by Cirio S.p.A. and/or repayment by the banks of the amount paid for the agreement in question, on the grounds of "undue profiteering".
Despite no preliminary investigation being conducted, in February 2008, the Court ordered Capitalia S.p.A. and Sergio Cragnotti to pay €223.3 million plus currency appreciation and interest from 1999. UniCredit S.p.A. appealed the decision. It also requested a stay of execution of the lower court's judgment which was successfully obtained in January 2009. The next hearing is scheduled on November 11, 2014.
Provisions have been made for an amount considered appropriate to the current risk of the proceedings.

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

- the damages incurred by the petitioners due to a worsening of their financial condition were calculated within a range of €421.6 million to €2.082 billion (depending upon the criteria applied);

- the damages incurred because of the fees paid to the lead managers for bond placements were calculated at a total of €9.8 million;
- the damages, to be determined during the proceedings, incurred by Cirio Finanziaria S.p.A. (formerly Cirio S.p.A.), for losses related to the infeasibility of recovering, through post-bankruptcy clawback, at least the amount used between 1999 and 2000 to cover the debt exposure of some of the Cirio group companies;

plus interest and currency revaluation from the date owed to the date of payment.
In the ruling of November 3, 2009, the judge denied the claimants' claim that the companies of the Cirio group in extraordinary administration be held jointly liable for reimbursement of legal expenses, in favour of the defendant banks. The extraordinary administration has appealed against the ruling and the hearing for the conclusions is set for January 27, 2016.
UniCredit S.p.A. believes the action to be groundless. Accordingly, no provisions have been made.

Merckle
In February 2012 two customers belonging to the same group of companies have filed claims against UCB AG with a total amount in dispute of € 491.4 million (plus interest). The dispute results from the termination of their repo-transactions with UCB AG. The claimants assert that the compensation paid by UCB AG to the clients following the clients' default was insufficient. UCB AG is defending itself against said claims.

New Mexico CDO-Related Litigations
In August 2006, the New Mexico Educational Retirement Board (ERB) and the New Mexico State Investment Council (SIC), both state funds, invested $90 million in Vanderbilt Financial, LLC (VF), a vehicle sponsored by Vanderbilt Capital Advisors, LLC (VCA. The purpose of VF was to invest in the equity tranche of various collateralized debt obligations (CDOs) managed primarily by VCA. The equity investments in VF, including those by the ERB and SIC, became worthless. VF was later liquidated.
Several lawsuits were filed or threatened relating to the losses suffered by the ERB and SIC on their VF investments and additional losses suffered by SIC on its earlier investments in other VCA-managed CTOs. As described below, VCA has now reached an agreement in principle with the ERB, SIC and State of New Mexico to settle all claims brought or threatened by or on behalf of the state or any of its agencies or funds.

Foy Litigation
In January 2009, a lawsuit entitled *Frank Foy v. Vanderbilt Capital Advisors, LLC, et al.*, was filed in New Mexico state court. Foy is a former employee of the ERB, and brings his suit under the New Mexico Fraud Against Taxpayers Act (FATA), a statute that allows private citizens to sue in a representative capacity on behalf of the state, and to collect a share of any recovery. The statute also provides for treble damages, penalties and other remedies.
Foy asserts that the ERB and SIC investments were procured by fraud in that false or misleading statements about the nature and risk of the VF investment were allegedly made to induce the state funds to invest in VF. Foy also alleges that the investment was induced by political favoritism, and that political contributions to the then Governor of New Mexico, Bill Richardson, and/or other payments made by or on behalf of Vanderbilt inappropriately influenced the boards of the ERB and SIC to authorize the investment in VF.
The *Foy* lawsuit seeks in excess of $ 365 million, comprising the lost investment of USD 90 million and claimed lost profits of $30 million, which when trebled comes to USD 360 million, plus attorneys fees, interest and other costs and penalties.
The complaint names as defendants VCA; its parent company, Pioneer Investment Management USA Inc. (PIM US), PIM US's parent company, Pioneer Global Asset Management S.p.A. ("PGAM") UniCredit S.p.A; various officers and directors of VCA, VF and/or PIM US; law firms, external auditors, investment banks and State of New Mexico officials.
The defendants filed motions to dismiss the lawsuit on various substantive and procedural grounds, including their contention that FATA may not be applied retroactively to conduct that had already occurred before the statute was enacted, as the challenged investments here had occurred before FATA became effective. In a parallel action brought by Foy against other defendants, the New Mexico Court of Appeals ruled in December 2012 that that statute may not be applied retroactively. Foy is seeking to appeal that ruling to the New Mexico Supreme Court.
The court has ruled that Foy may proceed with the lawsuit to the extent that it challenges conduct occurring after FATA's effective date, and that the complaint adequately alleges conduct after that date.
Foy sought to amend his complaint to add over 50 additional legal theories of wrongdoing and to put in issue other VCA-managed CDO transactions in which the SIC had previously invested, and thereby to increase the claimed damages (after trebling) to $864 million. He has thus far been unsuccessful in expanding the case.
In January 2012, the defendants' other motions to dismiss were denied or deferred by the court to a later stage of the case, and as a result, the parties have begun discussions aimed at clarifying the scope and timing of permitted discovery. The defendants have filed an answer denying the material allegations of the complaint.

Class and Derivative Actions
In January and February 2010, two purported class or derivative actions entitled *Donna J. Hill v. Vanderbilt Capital Advisors, LLC, et al.*, and Michael J. Hammes v. Vanderbilt Capital Advisors, LLC, et al, were filed in New Mexico state court, in which the plaintiffs seek to recover, on behalf of ERB or its retirement plan participants, the $ 40 million that ERB lost on its investment in VF. The *Hill* and *Hammes* cases make factual allegations similar to those in *Foy*, but they bring their claims under different legal theories, primarily involving common law claims of fraud, breach of fiduciary duty (against the ERB board members), aiding and abetting breaches of duty by the ERB board members, and violations of the securities laws.

Part E - Information on risks and related risk management policies (CONTINUED)

As amended, the *Hill* and *Hammes* cases name as defendants VCA, a former officer of VCA, and several current or former ERB board members. In February 2010, the *Hill* case was removed to the United States District Court for the District of New Mexico. The defendants moved to dismiss the *Hill* complaint, and in September 2011, the federal court ruled that it lacked subject matter jurisdiction and remanded the case to state court. In December 2012, the United States Court of Appeals for the Tenth Circuit Determined that it lacks jurisdiction to review that ruling.
Deadlines in the *Hammes* case have been extended several times. The defendants are not yet due to answer or move against the *Hammes* complaint.

SIC Claim Letter

In July 2012, VCA received a letter from the SIC's attorneys asserting that the SIC is prepared to file its own lawsuit against VCA concerning both the $ 50 million investment it lost in VF and concerning earlier investments it made in other VCA-managed CDOs. The letter claims that the SIC's aggregate damages are in excess of $ 100 million, and requests a meeting to discuss the threatened claims before a lawsuit is filed. Because no complaint has been filed, the precise nature of the claims the SIC may assert, and what defenses may be available to VCA, are not yet known.

Settlement

In December 2012, VCA reached an agreement in principle with the SIC, ERB and State of New Mexico to settle all claims brought or threatened by or on behalf of the state or any of its agencies or funds relating to any investments made in VF or other VCA-managed CDO products. The settlement is subject to court approval in the Foy case but, if approved and implemented in accordance with its terms, will result in the dismissal of the Foy, Hill and Hammes cases, and will also resolve the SIC's additional threatened claim. Releases will be issued in favor of VCA, PIM US, PGAM, UniCredit and all of their affiliated personnel who were named as defendants in any of the cases.

Malott Litigation

In November 2011, Bruce Malott, the former chairman of the ERB, brought suit in New Mexico state court against a number of persons and entities allegedly involved with improper "pay to play" or kickback practices at the ERB. Among the defendants are VCA, VF, PIM US and two former officers of VCA. The factual allegations against VCA are similar to those asserted in *Foy*, *Hill*, and *Hammes* except that Malott seeks to recover for alleged damages that he claims to have suffered personally when the challenged transactions and practices were publicly reported in the New Mexico press, leading Malott to resign from the ERB and allegedly to lose his investment in his accounting firm.
The complaint alleges that the defendants' actions violated the New Mexico Racketeering Act and the New Mexico Unfair Practices Act and constitute fraud, breach of fiduciary duty, negligent misrepresentation, and other torts. No damages amount is specified, but the plaintiff seeks treble damages and punitive damages (as applicable) on top of whatever actual damages he can prove.
The defendants moved to dismiss the complaint in March 2012. The Court's ruling is awaited.

Divania S.r.l.

In 2007, Divania S.r.l. (now in bankruptcy) ("**Divania**") filed a suit in the Court of Bari Italy against UniCredit Banca d'Impresa S.p.A. (then UniCredit Corporate Banking S.p.A. and now UniCredit S.p.A.) alleging violations of law and regulation in relation to certain rate and currency derivative transactions created between January 2000 and May 2005 first by Credito Italiano S.p.A. and subsequently by UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.).
The petition requests that the contracts be declared non existent, or failing that, null and void or to be cancelled or terminated and that UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.) pay the claimant a total of €276.6 million as well as legal fees and interest. It also seeks the nullification of a settlement the parties reached in 2005 under which Divania S.r.l had agreed to waive any claims in respect of the transactions.
UniCredit S.p.A. rejects Divania S.r.l.'s demands. Without prejudice to its rejection of liability, it maintains that the amount claimed has been calculated by aggregating all the debits made (for an amount much larger than the actual amount), without taking into account the credits received that significantly reduce the claimant's demands.
In 2010 the report of the Court named expert witness submitted a report which broadly confirms UniCredit's position stating that there was a loss on derivatives amounting to about €6,400,000 (which would increase to about €10,884,000 should the out-of-court settlement, challenged by the claimant, be judged unlawful and thus null and void). The expert opinion states that interest should be added in an amount between €4,137,000 (contractual rate) and €868,000 (legal rate). A hearing was held on December 10, 2012, the decision of the Court is expected.
Another two lawsuits have also been filed by Divania, one for €68.9 million (which was subsequently increased up to Euro 80,5 million ex art. 183 c.p.c.) and the second for €1.6 million; the first one was adjourned and in the second one the preliminary motions have to be decided.
Negotiations with the receivership aimed at settling the whole matter are ongoing.
UniCredit S.p.A. has made a provision for an amount consistent with the lawsuit risk.

Acquisition of Cerruti Holding Company S.p.A. by Fin.Part S.p.A.

At the beginning of August 2008, the Trustee in Bankruptcy of Fin.Part S.p.A. ("**Fin.Part**") brought a civil action against UniCredit S.p.A., UniCredit Banca S.p.A. (now UniCredit S.p.A.), UniCredit Corporate Banking S.p.A. (now UniCredit S.p.A.) and one other bank not belonging to the UniCredit group for contractual and tortious liability. Fin.Part's claim against each of the defendant banks, jointly and severally or alternatively, each to the extent applicable, is for damage allegedly suffered by Fin.Part and its creditors as a result of the acquisition of Cerruti Holding Company S.p.A. (Cerruti) by Fin Part.
The claimant alleges that the financial obligations arising out of the Cerruti acquisition financing brought about Fin Part's bankruptcy and that the banks therefore acted unlawfully.
The claim is for €211 million plus all fees, commissions and interest earned in connection with the allegedly unlawful activities.

On December 23, 2008 the Trustee in Bankruptcy of C Finance S.A. ("**C Finance**") intervened in the case. It maintains that C Finance S.A. was insolvent at the time of its establishment because of the transfer of bond loan income to Fin.part obtaining in exchange valueless assets and that it was the banks and their executives, in devising and executing the transaction, who contributed in causing C Finance S.A. to become insolvent. Accordingly, it seeks damages as follows: a) the total bankruptcy liabilities (€308.1 million); or, alternatively, b) the amounts disbursed by C Finance S.A. to Fin.Part and Fin. Part International (€193 million); or, alternatively, c) the amount collected by UniCredit S.p.A. (€123.4 million).
The banks are also requested to pay damages for the amounts collected (equivalent to €123.4 million, plus €1.1 million in fees and commissions) for the alleged invalidity and illegality of the transaction in question and the payment of Fin.Part's debts to UniCredit S.p.A. using the proceeds from the C Finance S.A. bond issue. In addition, the claimant alleges that the transaction was a means for evading Italian law regarding limits and procedures for bond issues.
In January 2009, the judge rejected a writ of attachment against the defendant not belonging to UniCredit group.
In addition, on October 2, 2009, the receivership of Fin.Part subpoenaed in the Court of Milan UniCredit Corporate Banking S.p.A. (now UniCredit S.p.A.), in order that (i) the invalidity of the "payment" of €46 million made in September 2001 by Fin.Part to the former Credito Italiano be recognised and consequently, (ii) the defendant be sentenced to return such amount in that it relates to an exposure granted by the bank as part of the complex financial transaction under dispute in the prior proceedings.
At the hearing held on February 21, 2012 the two lawsuits were joined, the Court named an expert witness and the hearing for the conclusions has been postponed for January 22, 2013.
UniCredit S.p.A, on the basis, inter alia, of the information supplied by their legal counsel, believes the risk of the lawsuit is very low compared to the amount claimed. Negotiations with the receivership aimed at settling the matter are ongoing. On that basis provisions have been made for an amount considered adequate.

Valauret S.A.

In 2001, Valauret S.A. and Hughes de Lasteyrie du Saillant, bought shares in the French company Rhodia S.A. They filed a civil claim in 2004 for losses resulting from the drop in the Rhodia S.A. share price between 2002 and 2003, allegedly caused by earlier fraudulent actions by members of the company's board of directors and others.
BA (as successor to Creditanstalt) was joined as the fourteenth defendant in 2007 on the basis that Creditanstalt was banker to one of the defendants. Valauret S.A. is seeking damages of €129.8 million in addition to legal costs and Hughes de Lasteyrie du Saillant damages of €4.39 million.
In 2006, before the action was extended to BA, the civil proceedings were stayed following the opening of criminal proceedings by the French State that are on going. In December 2008, the civil proceedings were also stayed against BA.
In BA's opinion, the claim is groundless and no provisions have been made.

Treuhandanstalt

BA has joined in litigation in Switzerland in support of the defendant AKB Privatbank Zürich AG (formerly known as BA (Schweiz) AG and then a subsidiary of BA) in a suit brought by Bundesanstalt für vereinigungsbedingte Sonderaufgaben ("**BvS**"). BvS is one of the successors of the former Treuhandanstalt a German public body responsible for managing the assets of the former East Germany.
BvS claims that BA's former subsidiary is liable for the unauthorised transfer of funds from the accounts of two former East German companies by their former CEO in the early 1990s. BvS claims damages of approximately €128 million, plus interest dating back to 1992, plus costs.
On June 25, 2008, the Zurich District Court in large part rejected BvS's claim Both parties appealed the judgment. On March 25, 2010, the Court of Appeal of Zurich (Obergericht) granted BvS's appeal and ordered BA and its former subsidiary to pay approximately €255 million (calculated as of December 31, 2012).
BA and its former subsidiary filed an appeal before the Court of Cassation of the Zurich Canton and also requested, inter alia, a stay of execution.
The stay was granted on 14 may 2010. On November 30, 2011, the Court of Cassation granting the appeal of BA, quashed the decision of the Court of Appeal of Zurich (Obergericht) of 25 March 2010 and remitted the matter back to the Court of Appeal of Zurich (Obergericht) for a new decision.
On March 20, 2012 (decision served on March 23, 2012) the Court of Appeal again granted the appeal of BvS and ordered BA's former subsidiary - which Bank Austria is obliged to indemnify - to pay approx. EUR 247 million (including accrued interest and costs calculated as at March 23, 2012). BA is appealing against this judgment before the Swiss Federal Court.
BA's former subsidiary is also taking steps in respect of the disputed matters against BvS in Germany. This includes filing claims against BvS in the German Courts.
A provision has been made for an amount consistent with the currently estimated risk of the lawsuit.

Association of Small Shareholders of NAMA d.d. in bankruptcy; Slobodni sindiKat.

Zagrebačka is being sued before the Zagreb Municipal Court by two parties: (i) the association of small shareholders of NAMA d.d. in bankruptcy; and (ii) Slobodni SindiKat.
It is said that Zagrebačka violated the rights of NAMA d.d., as minority shareholder of Zagrebačka until 1994 by, inter alia, not distributing to NAMA d.d. profits in the form of Zagrebačka shares. The claimants seek shares in compensation or alternatively damages of approximately €124 million.
Zagrebačka maintains that the claimants do not have legal standing in that they have never been Zagrebačka shareholders, nor the holders of the rights allegedly violated.

Part E - Information on risks and related risk management policies (Continued)

On November 16, 2009, the judge rejected the claimants' claim, without dealing with the merits, on the basis that the claimants did not have standing.
The decision has been appealed.
No provisions have been made.

GBS S.p.A.

At the beginning of February 2008, General Broker Service S.p.A. ("**GBS S.p.A**.") initiated arbitration proceedings against UniCredit S.p.A. for the alleged unlawful behaviour of the Bank with regards to the insurance brokerage relationship allegedly deriving from the exclusive agreement signed in 1991.
In a decision issued on 18 November 2009, UniCredit S.p.A. was ordered to pay GBS S.p.A. €144 million, as well as legal costs and the costs of an expert's report. UniCredit S.p.A. determined that the decision ordered by the arbitrator was unsound and groundless, and has lodged an appeal together with a request for a stay of execution.
On 8 July 2010, the Court granted a stay of execution in respect of amounts exceeding €10 million. UniCredit S.p.A. paid such amount in favour of GBS S.p.A., pending the outcome of the appeal. The next hearing is scheduled for 5 November 2013.
A provision has been made for an amount consistent with what currently appears to be the risk resulting from the award issued.

ADDITIONAL RELEVANT INFORMATION

The following section sets out further pending proceedings against UniCredit S.p.A. and other companies of the UniCredit group that UniCredit considers relevant and which, at present, are not characterised by known economic demand or for which the economic request cannot be quantified.

Proceedings arising out of the purchase of HVB by UniCredit SpA and the group reorganization

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

Numerous minority shareholders of HVB have filed petitions challenging the resolutions adopted by HVB's Extraordinary Shareholders' Meeting of October 25, 2006 approving various Sale and Purchase Agreements (**SPA**) transferring the shares held by HVB in BA and in HVB Bank Ukraine to UniCredit S.p.A. and the shares held by HVB in International Moscow Bank and AS UniCredit Bank Riga to BA and the transfer of the Vilnius and Tallin branches to AS UniCredit Bank Riga, asking the Court to declare these resolutions null and void. The actions are based on purported defects in the formalities relating to the calling for and conduct of the Extraordinary Shareholders' Meeting held on October 25, 2006, and on the allegation that the sale price for the shares was too low. In the course of this proceeding, certain shareholders asked the Regional Court of Munich to state that the **BCA**, entered into between HVB and UniCredit S.p.A., should be regarded as a de facto domination agreement.
In the judgment of January 31, 2008, the Court declared the resolutions passed at the Extraordinary Shareholders' Meeting of 25 October 2006 to be null and void for formal reasons. The Court did not express an opinion on the issue of the alleged inadequacy of the purchase price but expressed the opinion that the BCA entered into between UniCredit S.p.A. and HVB in June 2005 should have been submitted to HVB's Shareholders' Meeting as it represented a "concealed" domination agreement.
HVB filed an appeal against this judgment since it is believed that the provisions of the BCA would not actually be material with respect to the purchase and sale agreements submitted to the Extraordinary Shareholders' Meeting of October 25, 2006, and that the matter concerning valuation parameters would not have affected the purchase and sales agreements submitted for the approval of the shareholders' meeting. HVB also believes that the BCA is not a "concealed" domination agreement, due in part to the fact that it specifically prevents entering into a domination agreement for five years following the purchase offer.
The HVB shareholder resolution could only become null and void when the Court's decision becomes final.
Moreover, it should be noted that, in using a legal tool recognised under German law, and pending the aforementioned proceedings, HVB asked the Shareholders' Meeting held on July 29 and 30, 2008 to reconfirm the resolutions that were passed by the Extraordinary Shareholders' Meeting of October 25, 2006 and which were contested (so-called Confirmatory Resolutions). If these Confirmatory Resolutions became final and binding, they would make the alleged improprieties in the initial resolutions irrelevant.
The Shareholders' Meeting approved these Confirmatory Resolutions, which, however, were in turn challenged by several shareholders in August 2008.
In February 2009, an additional resolution was adopted that confirmed the adopted resolutions.
In the judgment of December 10, 2009, the Court rejected the voidance action against the first Confirmatory Resolutions adopted on July 29 and 30, 2008. Appeals filed by several former shareholders against this judgment were rejected by Higher Regional Court (Oberlandesgericht) of Munich on December 22, 2010. In a decision taken on June 26, 2012 the German Federal Supreme Court (Bundesgerichtshof) repealed the judgment of the Higher Regional Court and referred the case back to the Higher Regional Court for reassessment. A judgment by the Higher Regional Court has not yet been issued.
In light of the above events, the appeal proceedings initiated by HVB against the judgment of January 31, 2008 were suspended until a final judgment is issued in relation to the Confirmatory Resolutions adopted by HVB's Shareholders' Meeting of July 29 and 30, 2008.

Squeeze-out of HVB minority shareholders (Appraisal Proceedings)

Approximately 300 former minority shareholders of HVB filed a request to have a review of the price obtained in the squeeze-out (Appraisal Proceedings). The dispute mainly concerns the valuation of HVB.
The first hearing took place on April 15, 2010. The proceedings are still pending and are expected to last for a number of years.

Squeeze-out of Bank Austria's minority shareholders

After a settlement was reached on all legal challenges to the squeeze-out in Austria, the resolution passed by the BA shareholders' meeting approving the squeeze-out of the ordinary shares held by minority shareholders (with the exception of the so-called "golden shareholders" holding the registered shares in BA) was recorded in the Vienna Commercial Register on 21 May 2008 and UniCredit S.p.A. became the owner of 99.995% of BA's share capital.

The minority shareholders received the squeeze-out payment of approximately €1,045 million including the related interest.

Several shareholders then initiated proceedings before the Commercial Court of Vienna claiming that the squeeze-out price was inadequate, and asking the Court to review the adequacy of the amount paid (appraisal proceedings).

At present the proceedings are pending before the Commercial Court of Vienna which appointed a panel, the so called "**Gremium**", to investigate the facts of the case in order to review the adequacy of the cash compensation. The expert appointed by the Gremium, employing six different methods, determined that the adequate compensation would have been in a range from an amount lower than that actually paid by UniCredit S.p.A. and an amount that is € 10 per share higher than that amount. UniCredit, considering the nature of the valuation methods employed, still believes that the amount paid to the minority shareholders was adequate. Nevertheless, it is not possible to predict how the Gremium will decide upon concluding its investigation.

Should the parties fail to reach an agreement, the Commercial Court will issue a decision (which is appealable), which could result in UniCredit S.p.A. having to pay a greater cash compensation.

Cirio and Parmalat criminal proceedings

Between the end of 2003 and the beginning of 2004, criminal investigations of some former Capitalia group (now UniCredit group) officers and managers were conducted in relation to the insolvency of the Cirio group. This resulted in certain executives and officers of the former Capitalia S.p.A. (now UniCredit S.p.A.) being committed to trial.

Cirio S.p.A.'s extraordinary administration and several bondholders/shareholders joined the criminal proceedings as civil complainants without quantifying the damages claimed. UniCredit S.p.A., also as the universal successor of UniCredit Banca di Roma S.p.A., was cited as "legally liable".

On December 23, 2010, UniCredit S.p.A.- without any admission of responsibility - proposed a settlement to approximately 2,000 bondholders.

In March 2011, Cirio S.p.A.'s extraordinary administration filed its conclusions against all defendants and against UniCredit S.p.A. as "legally liable"- all the defendants jointly and severally - requesting damages in an amount of €1.9 billion. UniCredit S.p.A. believes the request is groundless both in fact and law and the officers involved in the proceedings in question maintain that they performed their duties in a legal and proper manner.

On July 4, 2011 the Court of Rome ordered UniCredit, together with the individuals involved, to pay CIRIO S.p,A.'s extraordinary administration €200 million as provisional payment and to pay the bondholders and the shareholders - civil complainants in the criminal proceedings - an amount equal to 5% of the nominal value of the securities owned.

Taking into account the transaction with bondholders occurred in 2010, this decision applies only to a limited number of investors.

UniCredit, as "legally liable", and the other defendants appealed the decision and requested a stay of execution.

Negotiations with Cirio S.p.A.'s extraordinary administration aimed at settling the whole Cirio matter are ongoing.

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

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

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

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

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

On June 11, 2010, UniCredit S.p.A. reached an agreement with the Association of Parmalat Bondholders of the Sanpaolo IMI group (the "**Association**") aimed at settling, without any admission of responsibility, the civil claims brought against certain banks of the UniCredit group by the approximately 32,000 Parmalat bondholders who are members of the Association. In October 2010, that agreement has been extended to the other bondholders who had joined the criminal proceedings as civil complainants (approximately 5,000).

On October 4, 2011 UniCredit S.p.A.reached a settlement agreement with the trustee of Cosal S.r.l.

On November 29, 2011 (Parmalat) and on December 20, 2011 (Parmatour) the Court of Parma issued a judgment ordering UniCredit, severally with other involved parties, a provisional payment, in favor of the bondholders and shareholders of Parmalat and Parmatour - civil complainants in the criminal proceedings - in an amount equal to 4% of the nominal value of the securities owned.

Both UniCredit and the individuals involved appealed the decisions.

Taking into account the above mentioned transactions with bondholders in 2010, these decisions apply only to a limited number of investors.

The "Eurolat" proceeding is in the trial phase.

For the Parmalat and Cirio cases provisions have been made for an amount consistent with what currently appears to be the potential risk of liability for UniCredit S.p.A. as legally liable.

Part E - Information on risks and related risk management policies (Continued)

Medienfonds
Various customers bought shares in VIP Medienfonds 4 Gmbh & Co. KG ("**Medienfonds**").
HVB did not sell shares in the fund, but granted loans to all private investors for a part of the amount invested in the fund; moreover, to collateralize the fund, HVB assumed specific payment obligations of certain film distributors with respect to the fund.
When certain expected tax benefits associated with this type of investment were revoked, many investors brought various kinds of legal proceedings against HVB and others. The investors argue that HVB did not disclose to them the risks of the tax treatment being revoked and assert HVB, together with other parties, including the promoter of the fund, is responsible for the alleged errors in the prospectus used to market the fund. Additionally some plaintiffs invoke also rights under German consumer protection laws.
The courts of first and second instance have passed various sentences, of which several were unfavourable for HVB.
On December 30, 2011 The District Higher Court of Munich decided the issue relating to prospectus liability through a specific procedure pursuant to the Capital Markets Test Case Act (Kapitalanleger-Musterverfahrensgesetz). The Court stated that the prospectus was incorrect concerning the description of tax risks, loss risk and the fund´s forecast; the Court further holds HVB liable along with the promoter of Medienfons for such errors. HVB filed an appeal to the Federal Court. Any final decision in this proceeding will affect only few pending cases since with the vast majority of the investors a general settlement has already been closed.
Aside from the civil proceedings, the fiscal courts have not yet issued a final decision as to whether the tax benefits were rightfully revoked in the first place.
HVB has made provisions which are, at present, deemed appropriate.

Derivatives
In Germany and Italy, there is a tendency for derivative contracts to be challenged most notably by non-institutional investors where those contracts are out of the money. This is affecting the financial sector generally and is not specific to UniCredit and its group companies. Due to the current uncertainty, it is impossible to assess the full impact of such challenges on the Group.

Other Significant events
There has been increasing scrutiny of the financial institutions sector, especially by US authorities, with respect to combating money laundering and terrorist financing and enforcing compliance with economic sanctions. In March 2011, UCB AG received a subpoena from the New York District Attorney's Office ("NYDA") relating to historic transactions involving certain Iranian entities. UCB AG has provided data in response to NYDA and the US Treasury Department Office of Foreign Assets Control ("OFAC") and continues to cooperate with those authorities, inter alia, by conducting an ongoing review of accounts and transactions subject to the investigation. In June 2012, the US Department of Justice ("DOJ") opened an investigation of OFAC compliance by UCB AG generally, with which UCB AG is also cooperating. Although we cannot at this time determine the form, extent or the timing of any resolution with the US authorities, the investigation costs, remediation required and/or payment or other legal liability incurred could have a material adverse effect on the net assets, operating results and/or cash flows of UCB AG and/or UCI in any particular period. In recent years, alleged violations of US sanctions have resulted in financial institutions paying substantial fines, penalties or settlements to the US authorities, depending on the individual circumstances of each case.

Proceedings related to German Tax Credits
During the years 2006 to 2008, a client of UCB AG entered into various transactions based on the expectation of receiving withholding tax credits on dividends from German equities which were traded around dividend dates. UCB AG issued tax certificates in respect of the withholding tax.
In the context of a tax audit of the client, the German tax authorities demanded payment from the client of withholding tax credits that were previously granted. The demand, together with interest, amounted to circa € 124 million. The client and its tax advisor are challenging the tax authorities' position. The client has also made a claim against UCB AG and has claimed a full indemnity from UCB AG.
While the client has the primary liability to pay, the tax authorities also served upon UCB AG a secondary liability notice demanding payment of the circa €124 million sum on the basis of alleged issuer liability for tax certificates. UCB AG has challenged the notice. UCB AG has also claimed a full indemnification from the client.
In order to avoid accruing further potential interest and / or potential late payment penalties UCB AG and the client made preliminary payments to the competent tax authorities on a without prejudice basis. Up to now, an amount of around € 120 million has been paid with respect to the liability notice. The dispute remains pending.
In November 2012 the General Public Prosecutor (Generalstaatsanwaltschaft) Frankfurt am Main searched the Munich premises of UCB AG and its IT-provider, among other locations, in a Preliminary Investigation (Ermittlungsverfahren) against the client and others (including former and current employees of UCB AG). UCB AG is fully cooperating with the prosecutor and the tax-police (Steuerfahndung). There is a risk that UCB AG could be held liable for damages to the client in the civil proceeding or for payments to the tax authorities with respect to the outstanding claims of the tax authorities (especially on the basis of the liability notice and further interest and / late payment penalties). In addition, UCB AG could be subject to other penalties, fines and profit claw backs, and/or criminal exposure.
In addition, UCB AG has notified the competent tax authorities and the public prosecutor of the possibility of certain proprietary trading of UCB AG undertaken close to dividend dates and related withholding tax credits claimed by UCB AG. In this context, and in parallel, the Supervisory Board of UCB AG has commissioned external advisors to conduct an audit of such matters which is fully supported by UniCredit. An interim report by the external advisors carrying out the audit has concluded that there is evidence of trading patterns in the proprietary trading of UCB AG that are similar to the client case described above. The audit by the external advisors is ongoing and their final report is expected to be issued later this year.

In the context of ongoing tax audits of UCB AG, the German Central Federal Tax Authority (Bundeszentralamt für Steuern) and the Munich tax authorities are currently especially examining such transactions close to dividend dates and related to withholding tax credits. UCB AG has an ongoing dialogue and exchange of information with the relevant authorities.
Although German tax authorities have recently denied withholding tax credits in certain types of trades undertaken near dividend dates, there is no clear guidance from the highest German tax court on the tax treatment of such transactions. At this time, the impact of any review by the competent tax authorities is unknown. In relation to the above-described securities transactions, UCB AG could be subject to substantial tax and interest claims in relation to these matters, as well as penalties, fines and profit claw backs, and/or criminal exposure.
UCB AG is in communication with its relevant regulators regarding this matter.

RELEVANT EVENTS OCCURRED AFTER DECEMBER 31, 2012

Treuhandanstalt

On 8 April 2013, the Swiss Federal Supreme Court rejected the appeal of the AKB and Bank Austria and found in favour of BVS. There is no further appeal from this decision.

C. Risks arising from employment law cases

The Group is involved in employment law disputes. In general, for all employment law disputes provisions have been made in order to meet any disbursements incurred and in any case the Group does not believe that any liabilities related to the outcome of the pending proceedings could have a significant impact on its economic and/or financial standing.

Lawsuit filed against UniCredit S.p.A. by about fifty members of the former Cassa di Risparmio di Roma Fund

The plaintiffs' main purpose in bringing the action - notified on November 27, 2012 - is to request that the funding level of the former Cassa di Risparmio di Roma Fund be restored, and that the individual social security accounts of each member be assessed and quantified. With reference to the main claim, the relief sought is estimated at €384 million. No provisions have been made as the action is considered to be unfounded.

D. Tax disputes

The Consolidated Reports and Accounts of the previous years contain disclosures about various notices of assessment served for IRES (Corporate Income Tax) and IRAP (Regional Tax on Productive Activities) purposes on UniCredit S.p.A. - both on its own behalf and in its capacity as the holding company of Capitalia S.p.A., UniCredit Banca S.p.A., UniCredit Banca di Roma S.p.A. and Banco di Sicilia S.p.A. - by the Italian Revenue Agency (Regional Directorates of Liguria, Emilia Romagna, Lazio and Sicily) in respect of structured finance transactions entered into by some companies of the UniCredit group in fiscal year 2005.
With regard to UniCredit Banca, at the end of 2010 the Regional Directorates of Emilia Romagna and Liguria served some notices of assessment for IRES and IRAP purposes relating to the tax year 2004 for a total of €136.3 million largely attributable to DB Vantage transactions.
In relation to those assessments - immediately challenged and the related proceedings nowadays pending before the competent Provincial Tax Commission - a total of 17.3 million was paid in February 2012 as tax arrears collected in installments pending a ruling.
The notices were promptly challenged and the related proceedings are pending before the competent Province Tax Commission.
The objections are based on the concept of "abuse of rights" for the purpose of requalifying, for tax purposes only, these transactions.
All tax liabilities relating to 2005 were settled for less than the full amount in May 2011, as reported in the Notes to the 2011 Consolidated Accounts.
Disclosures were also provided about a tax audit performed by the Italian Tax Police (Guardia di Finanza) relating to structured finance transactions conducted by some companies of the UniCredit group (UniCredit S.p.A., UniCredit Banca S.p.A., UniCredit Banca di Roma S.p.A., Banco di Sicilia S.p.A. and UniCredit Corporate Banking S.p.A.) in the years 2006 to 2009 inclusive, which ended on June 21, 2011 with the notification of several tax audit reports (processi verbali di constatazione or "**PVC**") relating to the so-called "Brontos" transactions and other structured finance transactions.
The PVC showed an overall tax liability of €444.6 million, of which €269 million relating to the so-called "Brontos" transactions and €175.6 million relating to other structured finance transactions other than "Brontos" conducted from 2006 to 2008, plus penalties and interest arising under the terms of the law.
On December 6, 2011, the Italian Revenue Agency (Regional Directorates of Liguria and Lazio) served two remodulated "inviti al contraddittorio" on UniCredit (also in its capacity as the holding company of Capitalia) relating to the findings, for IRES purposes, for 2006, of the PVC. UniCredit agreed to these settlement proposals pursuant to art. 5, paragraph 1 bis, Legislative Decree 218 of June 19, 1997. The tax liability settled amounted to €85.5 million - of which €67.3 million were taxes and €18.2 million were penalties and interest - and was paid on December 7, 2011. The amount was entirely covered by a specific provision in the financial statements.
On August 2, 2012, the Italian Revenue Agency served UniCredit (also in its capacity as the holding company of Capitalia) with further "inviti al contraddittorio", based on the PVC, in which the findings in the aforementioned PVC for the years 2007, 2008 and 2009 were "remodulated", both with respect to the so-called "Brontos" transactions and the other structured finance transactions. UniCredit also accepted these tax settlement proposals. The tax liability settled amounted to €266.6 million - of which €229.2 million were taxes and €37.4 million were penalties and interest - and was paid on August 3, 2012. This amount is entirely covered by a specific provision made in 2011.

"Barclays Brontos" transactions and other structured finance transactions: other aspects

With respect to the transactions in question, it should be noted that with decree of January 12, 2012 the Judge for Preliminary Investigations dismissed the case relating to the other structured finance transactions for 2004 and 2005, pending before the Court of Bologna while, with respect to the

Part E - Information on risks and related risk management policies (CONTINUED)

so-called "Brontos" transactions, with decree of June 5, 2012, the Judge for Preliminary Investigations in Milan committed all defendants for trial, the first hearing before the Second Criminal Division of the Court of Milan scheduled for October 1, 2012.
On October 1, 2012 the trial before the Court of Milan started and the defenses challenged the territorial jurisdiction of the Court. The judge - with judgment of November 23, 2012 - stated the lack of jurisdiction of the Court of Milan and ordered the transfer of the case to the Public Prosecutor at the Court of Bologna.
It should also be noted that, with respect to the interim freezing order served on UniCredit S.p.A. pursuant to art. 321, second paragraph of the Code of Criminal Procedure for a total of €245.9 million, in the hearing of September 19, 2012 the Court of Cassation rejected the appeal of the Public Prosecutor of Milan against the judgment of the Court of Review of Milan, which had revoked the interim freezing order executed on October 18, 2011. The freezing order is therefore finally revoked.

Other pending tax cases

During the financial year UniCredit S.p.A., on its own behalf and in its capacity as the holding company of various entities, was served with some notices of assessment related to alleged tax liabilities and related penalties totaling €50 million.
Part of this tax debt (totaling €2.3 million), which was covered by pre-existing provisions, was settled; the remaining part was challenged or is being challenged before the competent Province Tax Commissions.
The Company considers that the above-mentioned potential liabilities represent a remote risk and therefore decided not to make any provisions for them.
With respect to the notices of particular importance, it should be noted that at the end of 2012 a notice of assessment was served on UniCredit S.p.A. as the consolidating entity of Pioneer Investment Management SGR, for approximately €30.5 million for IRES purposes relating to the tax period 2007, based essentially on issues related to the transfer pricing. The most appropriate actions to take are being examined.
In the Consolidated Reports and Accounts of the previous year information was given regarding a similar notice of assessment of €33 million for IRES purposes relating to tax year 2006, promptly challenged. The appeal is still pending before the competent Province Tax Commission.
Finally, on December 28, 2012 a tax audit performed by the tax authorities of Genoa involving former UniCredit Real Estate (URE) for the financial year 2009 was completed with the notification of the tax audit report.
Following the audit, of a general nature but with main focus on the assessment of real estate contributions to real estate funds, which took place precisely in 2009, (substitute) tax estimated at €2.5 million (plus penalties) is now to be paid on an alleged amount of €12.8 million.
Pending subsequent formal acts that might be undertaken by the tax authorities, UniCredit S.p.A. made a provision of €5.1 million, in view of a settlement concession.

In addition previously made provisions of 9.9 million, relating to pending tax disputes and operational tax risks, were booked.

Tax Proceedings in Germany

See paragraph "Legal Risks".

E. Extrajudicial procedures

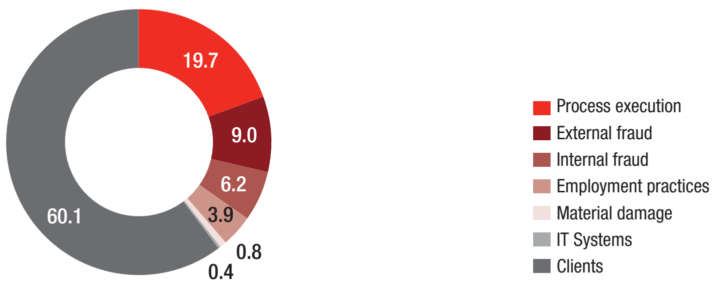
The Istituto per il Credito Sportivo (ICS) was admitted to the extraordinary administration procedure on December 28, 2011. The special commissioners decided to reopen the case concerning the legal nature of funds received by the Government and requested that the distribution of profits to the participants and the regulations of 2005 governing the matter be reviewed. At their request, with notice received on November 14, 2012, the Prime Minister's Office instituted proceedings for the annulment of the ICS Statute of 2005; the proceedings have been stayed pending an opinion from the Avvocatura dello Stato (Attorney General's Office). In this regard the Bank, assisted by a qualified external expert, considers the risks to which it is exposed to be remote.

QUANTITATIVE INFORMATION

Detailed below is the percentage composition, by type of event, of operational risk sources as defined by the New Basel Capital Accord and acknowledged by the New Regulations for the Prudential Supervision of Banks issued by the Bank of Italy in December 2006 (Circular No. 263) and in successive updates.

The major categories are as follows:
- internal fraud: losses owing to unauthorized activity, fraud, embezzlement or violation of laws, regulations or business directives that involve at least one internal member of the bank;
- external fraud: losses owing to fraud, embezzlement or violation of laws by subjects external to the bank;
- employment practices and workplace safety: losses arising from actions in breach of employment, health and workplace safety laws or agreements, from personal injury compensation payments or from cases of discrimination or failure to apply equal treatment;
- clients, products and professional practices: losses arising from non-fulfillment of professional obligations towards clients or from the nature or characteristics of the products or services provided;
- damage from external events: losses arising from external events, including natural disasters, acts of terrorism and vandalism;
- business disruption and system failures: losses owing to business disruption and system failures or interruptions;
- process management, execution and delivery: losses owing to operational or process management shortfalls, as well as losses arising from transactions with commercial counterparties, sellers and suppliers.

Operational losses 2012 divided by risk category (%)



In 2012, the main source of operational risk was "Clients, products and professional practices", a category which includes losses arising from the non-fulfillment of professional obligations towards clients or from the nature or characteristics of the products or services provided, as well as any sanctions for violating tax regulations. The second largest contribution to losses came from errors in process management, execution and delivery due to operational or process management shortfalls. There were also, in decreasing order, losses stemming from external fraud, internal fraud and employment practices. The residual risk categories were damage to physical assets from external events and IT systems related problems.

Part E - Information on risks and related risk management policies (Continued)

Section 5 - Other Risks

The types of risk described above are the primary risks, but there are others the Group considers to be significant:
• business risk;
• real-estate risk;
• financial investment risk;
• strategic risk;
• reputational risk.

These risks are defined as follows:
• **Business risk** is defined as adverse, unexpected changes in business volume and/or margins that are not due to credit, market and operational risks. Business risk can result, above all, from a serious deterioration in the market environment, changes in the competitive situation or customer behavior, but may also result from changes in the legal framework;
• **Real estate risk** is defined as the potential losses resulting from market value fluctuations of the Group's real estate porfolios, including real estate special purpose vehicles. It does not take into consideration properties held as collateral;
• **Financial investment risk** originates in equity held in companies not included in the Group or held in the trading book**;**
• **Strategic risk** is the risk of suffering potential losses due to decisions or radical changes in the business environment, improper implementation of decisions, lack of responsiveness to changes in the business environment, whit negative impacts on the risk profile and consequently on capital, earnings as well as the overall direction and scope of a bank on the long run;
• **Reputational risk** is the current or future risk of a decline in profits as a result of a negative perception of the Bank's image by customers, counterparties, bank shareholders, investors or the regulator.

Within the Internal Capital Adequacy Assessment Process (ICAAP), in line with the proportionality principle defined in Pillar II of Basel II, the risk profile of the Group and of main Legal Entities is calculated analytically, while for small ones is used a synthetic approach (top down approach).

Credit, market, operational, business, real estate and financial investment risks are measured quantitatively, by:
• economic capital and aggregation as an input for internal capital and
• stress tests.

Internal Capital is the capital needed to face the potential losses inherent in the Group's business activities and it takes into consideration all risk types identified by the Group as quantifiable in terms of Economic Capital in line with Pillar II requirements (credit, market, operational, business, financial investment and real estate risks including the effects of diversification between risk types ('interdiversification') and within each portfolio type ('intradiversification') and a prudential cushion for the model risk and the variability of the economic cycle).

Internal Capital is calculated using the Bayesian Copula approach for aggregation with a one-year time horizon and a confidence level in line with the Group rating target. The distribution of correlation matrixes that represents the dependence structure between risks is achieved combining expert opinions with empirical correlation coefficient calculated relying on the time series of specific risk factors.
For control purposes, Internal Capital is calculated quarterly or ad hoc if needed; it is also projected for budgeting purposes.

The multi-dimensional nature of risk makes it necessary to supplement the measurement of economic capital with stress testing, not only in order to estimate losses in certain scenarios, but also to ascertain the impact of their determinants.

Stress testing is a key risk management tool for the management of the relevant risks in order to assess the bank's vulnerability with respect to exceptional but plausible events, providing additional information to the monitoring activities.
Stress testing activities, consistently with regulatory requirements, are performed on the basis of a set of internally defined stress scenarios, including the main regions where the Group is present, and are carried out at least twice a year.
As part of the risk measurement activities performed for Pillar 2 purposes, firm-wide stress test considers the various impacts of a given macro-economic scenario on all relevant risks, in order to deliver a complete and holistic picture of the institution's reaction to stressed conditions.
The firm-wide stress scenario is drawn analysing both significant market events happened in the past and plausible worst-case events not yet occurred.
Stress testing is carried out on both individual risk types and their aggregation, providing as output conditional losses and stressed economic capital.
The combined stress test calculation covers the changes on the amount of the individual risk types and of the diversification benefit in crisis conditions.

The Group top management is involved in the ex-ante as well as the ex-post stress analysis in the following way:
• before the exercise is finalized, with a presentation regarding the selected scenarios and the underlying assumptions;
• after the exercise is finalised, with the disclosure of the results and a potential discussion of a contingency plan, if needed.

The adequacy of the risk measurement methodologies supporting the ICAAP, including stress testing and risk aggregation, is checked by internal validation.

Under the corporate governance system, the Parent Group Risk Management is responsible for the Group Economic and Internal Capital methodology development and their measurement, moreover the Parent is responsible to set and implement the Group related processes.
The "Group Rules", after the approval, are sent to relevant LEs for approval and implementation.

Internal Capital Adequacy Assessment Process (ICAAP)
Measuring the risk profile is a fundamental element of the Internal Capital Adequacy Assessment Process under Basel II Pillar II.

The Group's approach to ICAAP relies on the definition of the "Risk Governance", as a preliminary requirement, while the process consists of following phases:
• perimeter definition and risk identification;
• risk profile measurement;
• risk appetitesetting and capital allocation; and
• monitoring and reporting

Capital adequacy is assessed considering the balance between the assumed risk, both Pillar I and Pillar II, and the available capital.
With respect to Pillar II, the relevant metric is the Risk Taking Capacity, which is the ratio between available capital (Available Financial Resources, AFR) and Internal Capital.

The internal economic capital measurements and the resulting Risk Taking Capacity show an adequate capitalization at Group level.

As a milestone of ICAAP, the Group defines the risk appetite[11] as the variability in terms of results, both short and long term, that Senior Management is willing to accept to support a defined strategy.

The risk appetite framework is based on three dimensions:
• Capital adequacy;
• Profitability and risks; and
• Liquidity and funding;
it is approved by Board of Directors and is regularly monitored and reported, at least quarterly, to the relevant Committees.

In addition, a yearly consolidated report on capital adequacy in accordance with Banca d'Italia guidelines and including an overview of the main Group companies is prepared and sent to Regulator.

Reputational Risk
UniCredit group has identified reputational risk as the current or future risk of a decline in profits as a result of a negative perception of the Bank's image by customers, counterparties, bank shareholders, investors or the regulator.

In August 2010 the UniCredit S.p.A. Board of Directors approved the Group Reputational Risk Governance Guidelines, which aim at defining a general set of principles and rules for measuring and controlling reputational risk.
The Governance Guidelines were distributed to the UniCredit Group Legal Entities for implementation, through a letter signed by the CEO and the Head of Group Risk Management.

The role of Group Operational and Reputational Risks department is:
• developing methodologies for the measurement and control of reputational risk (RRM), and facilitating the task of identifying, valuing and measuring such risk;
• monitoring the implementation - in the Legal Entities - of methodologies of reputational risk (general guidelines for the management and control of reputational risk), defining the tasks to be carried out on a regular basis;
• proposing mitigation actions to the competent functions and bodies;
• defining the methodology for evaluating the reputational risk of products.

Moreover, the set up of the Group Operational and Reputational Risk Committee ensures consistency in reputational risk policies, methodologies and practices across Divisions, Business Units and Legal Entities, controlling and monitoring the Group Reputational Risk portfolio. Furthermore the Transactional Credit Committees are in charge of evaluating possible reputational risks inherent transactions, on the basis of the current reputational risk guidelines and policies.

The current policies mitigating specific Reputational risk topics regard "Defense/Weapons Industry", "Nuclear Energy", "Mining", "Water Infrastructure (dam)" and "Non Co-operative Jurisdictions".

Eventually the Human Rights Commitment aims to identify and manage human rights risks and reduce potential human rights violations.

11. The main purpose is to ensure that the business develops within the risk tolerance set by the BoD in respect of national and international regulations. The aim is not to prevent risk taking, but to pursue the execution of UCG's strategy consistently with the risk tolerance set by the BoD.

Part F - Consolidated Shareholders' Equity

Part F - Consolidated Shareholders' Equity

Section 1 - Consolidated Shareholders' Equity

A. QUALITATIVE INFORMATION

The UniCredit group has made a priority of capital management and allocation on the basis of the risk assumed in order to expand the Group's operations and create value. These activities are part of the Group planning and monitoring process and comprise:
- planning and budgeting processes:
  - proposals as to risk propensity and capitalization objectives;
  - analysis of risk associated with value drivers and allocation of capital to business areas and units;
  - assignment of risk-adjusted performance objectives;
  - analysis of the impact on the Group's value and the creation of value for shareholders;
  - preparation and proposal of the financial plan and dividend policy;
- monitoring processes:
  - analysis of performance achieved at Group and business unit level and preparation of management reports for internal and external use;
  - analysis and monitoring of limits;
  - analysis and performance monitoring of the capital ratios of the Group and individual companies.

The Group has set itself the goal of generating income in excess of that necessary to remunerate risk (cost of equity), and thus of creating value for its shareholders by allocating capital to the various business areas and business units on the basis of specific risk profiles. In support of planning and monitoring processes, the Group has adopted a methodology based on risk-adjusted performance measurement (Rapm) which provides a number of indicators that combine and summarize the operating, financial and risk variables to be considered.

Capital and its allocation are therefore extremely important in defining strategies, since on the one hand it represents the shareholders' investment in the Group which must be adequately remunerated, on the other hand it is a scarce resource on which there are external limitations imposed by regulatory provisions.

The definitions of capital used in the allocation process are as follows:
- Risk or employed capital: this is the equity component provided by shareholders (employed capital) for which a return that is greater than or equal to expectations (cost of equity) must be provided;
- Capital at risk: this is the portion of capital and reserves that is used (the budgeted amount or allocated capital) or was used to cover (at period-end - absorbed capital) risks assumed to pursue the objective of creating value.

If capital at risk is measured using risk management methods, it is defined as economic capital, if it is measured using regulatory provisions, it is defined as regulatory capital.

Economic capital and regulatory capital differ in terms of their definition and the categories of risk covered. The former is based on the actual measurement of exposure assumed, while the latter is based on schedules specified in regulatory provisions.

Economic capital is set at a level that will cover adverse events with a probability of 99.97% (confidence interval), while regulatory capital is quantified on the basis of a Core Tier 1 target ratio in line with that of major international banking groups and taking into account the impacts of the supervisory regulations which will be adopted (Basel 3, Global Systemically Important Financial Institutions: G-SIFIs, etc.).

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

The purpose of the capital management function performed by the Capital Management unit of Planning, Strategy and Capital Management is to define the target level of capitalization for the Group and its companies in line with regulatory restrictions and the propensity for risk.

Capital is managed dynamically: the Capital Management unit prepares the financial plan, monitors capital ratios for regulatory purposes and anticipates the appropriate steps required to achieve its goals.

On the one hand, monitoring is carried out in relation to both shareholders' equity and the composition of capital for regulatory purposes (Core Tier 1, Tier 1, Lower and Upper Tier 2 and Tier 3 Capital), and on the other hand, in relation to the planning and performance of risk-weighted assets (RWA).

The dynamic management approach aims to identify the investment and capital-raising instruments and hybrid capital instruments that are most suitable for achieving the Group's goals. If there is a capital shortfall, the gaps to be filled and capital generation measures are indicated, and their cost and efficiency are measured using RAPM. In this context, value analysis is enhanced by the joint role played by the Capital Management unit in the areas of regulatory, accounting, financial, tax-related, risk management and other aspects and the changing regulations[1] affecting these aspects so that an assessment and all necessary instructions can be given to other Group HQ areas or the companies asked to perform these tasks.

1. E.g. Basel II/III, IAS/IFRS etc..

B. QUANTITATIVE INFORMATION

B.1 Consolidated Shareholders' Equity: breakdown by type of company

(€ '000)

	AMOUNTS AS AT 12.31.2012				
NET EQUITY ITEMS	BANKING GROUP	INSURANCE COMPANIES	OTHER COMPANIES	CONSOLIDATION ADJUSTMENTS AND ELIMINATIONS	TOTAL
Share Capital	20,022,146	71	44,584	(5,598)	20,061,203
Share premium reserve	34,642,629	1,412	5,433	26	34,649,500
Reserves	10,860,704	17,576	(949,006)	1,157,666	11,086,940
Equity instruments (Treasury shares)	(5,255)	-	-	-	(5,255)
Revaluation reserves	(441,465)	1,030	(15,264)	(106,141)	(561,840)
- Available for sale financial assets	*144,893*	*1,030*	*(15,264)*	*533*	*131,192*
- Property, plant and equipment					
- Intangible assets					
- Hedges of foreing investments					
- Cash-flow hedge	*748,558*				*748,558*
- Exchange difference	*(1,622,050)*			*(121,900)*	*(1,743,950)*
- Non current assets classified held for sale	*(95)*				*(95)*
- Actuarial gains (losses) on defined benefits plans					
- Valuation reserves from investments accounted for using the equity method	*9,366*			*15,226*	*24,592*
- Special revaluation laws	*277,863*				*277,863*
Profit (loss) of the year - Minority interests	1,221,652	15,546	10,008	(24,674)	1,222,532
Shareholders' Equity	**66,300,411**	**35,635**	**(904,245)**	**1,021,279**	**66,453,080**

B.2 Revaluation reserves for available-for-sale assets: breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2012									
	BANKING GROUP		INSURANCE COMPANIES		OTHER COMPANIES		CONSOLIDATION ADJUSTMENTS AND ELIMINATIONS		TOTAL	
ASSETS/VALUES	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE
1. Debt securities	1,395,535	(1,539,440)	1,034	(4)	-	-	-	533	1,396,569	(1,538,911)
2. Equity securities	448,225	(137,034)	-	-	14,161	(29,425)	6	1	462,392	(166,458)
3. Units in investment fund	33,808	(56,201)	-	-	-	-	(6)	(1)	33,802	(56,202)
4. Loans	-	-	-	-	-	-	-	-	-	-
Total 12.31.2012	**1,877,568**	**(1,732,675)**	**1,034**	**(4)**	**14,161**	**(29,425)**	**-**	**533**	**1,892,763**	**(1,761,571)**
Total 12.31.2011	**1,021,273**	**(3,489,175)**	**238**	**(791)**	**809**	**(21,555)**	**(326)**	**1,545**	**1,021,994**	**(3,509,976)**

B.3 Revaluation reserves for available-for-sale assets: annual changes

(€ '000)

	CHANGES IN 2012			
	DEBT SECURITIES	EQUITY SECURITIES	UNITS IN INVESTMENTS FUNDS	LOANS
1. Opening balance	**(2,825,297)**	**355,678**	**(17,150)**	**(1,213)**
2. Positive changes	**3,729,061**	**126,949**	**12,872**	**5,463**
2.1 Fair value increases	3,626,400	99,381	12,345	114
2.2 Reclassification through profit or loss of negative reserves	99,878	19,133	203	5,349
- due to impairment	*7,809*	*19,133*	-	-
- following disposal	*92,069*	-	*203*	*5,349*
2.3 Other changes	2,783	8,435	324	-
3. Negative changes	**(1,046,106)**	**(186,693)**	**(18,122)**	**(4,250)**
3.1 Fair value reductions	(972,628)	(51,209)	(8,938)	(4,174)
3.2 Impairment losses	-	(860)	(2,841)	-
3.3 Reclassification throught profit or loss of positive reserves: following disposal	(58,696)	(133,469)	(2,902)	(77)
3.4 Other changes	(14,782)	(1,155)	(3,441)	1
4. Closing balance	**(142,342)**	**295,934**	**(22,400)**	**-**

Part F - Consolidated Shareholders' Equity (Continued)

Section 2 - Shareholders' Equity and banking regulatory ratios

2.1 Regulatory framework

The prudential scope of consolidation, defined by regulatory rules (Bank of Italy regulations n. 263 - December 27, 2006 and n. 155 - December 18, 1991, and subsequent updates), includes subsidiaries with the following characteristics:

- Banks, financial companies and ancillary banking services companies directly or indirectly controlled to which the line-by-line consolidation method is applied;
- Banks, financial companies and ancillary banking services companies directly or indirectly participated for a share equal or more than the 20% when they are jointly controlled with other entities, to these subsidiaries has to be applied the proportional consolidation method
- The following entities are consolidated with equity method:
  - banks or financial companies directly or indirectly participated for a share equal or more than the 20% or anyway subjected to significant influence;
  - to companies, different from banks, financial companies and ancillary banking services companies directly or indirectly controlled exclusively or jointly or subjected to significant influence.

Further prudential treatments provided by the regulation are: the deduction of the value of the subsidiary from the capital and the sum of the subsidiary value to the Risk Weighted Assets.
The prudential scope of consolidation is different from the scope of the Financial Statement, defined by IAS/IFRS rules.

2.2 Capital for regulatory purposes

A. QUALITATIVE INFORMATION

1. Tier 1

The following instruments are included in tier 1:

INTEREST RATE	MATURITY	STARTING DATE OF PREPAYMENT OPTION	AMOUNT IN ORIGINAL CURRENCY (MLN)		AMOUNT INCLUDED IN REGULATORY EQUITY (EURO '000)	STEP-UP	OPTION TO SUSPEND INTEREST PAYMENT	ISSUED THROUGH A SPV SUBSIDIARY
9.3750%	31-Dec-50	Jul-20	EUR	500	331,540	yes	yes	no
4.0280%	perpetual	Oct-15	EUR	750	258,813	yes	yes	yes
5.3960%	perpetual	Oct-15	GBP	300	24,362	yes	yes	yes
8.5925%	31-Dec-50	Jun-18	GBP	350	199,393	yes	yes	no
8.1250%	31-Dec-50	Dec-19	EUR	750	580,831	yes	yes	no
8.7410%	30-Jun-31	Jun-29	USD	300	80,153	no	yes	yes
7.7600%	13-Oct-36	Oct-34	GBP	100	20,876	no	yes	yes
9.0000%	22-Oct-31	Oct-29	USD	200	36,607	no	yes	yes
3.5000%	13-Dec-31	Dec-29	JPY	25,000	220,053	no	yes	yes
10y CMS (°) +0.10%, cap 8.00 %	perpetual	Oct-11	EUR	250	93,634	no	yes	no
10y CMS (°) +0.15%, cap 8.00 %	perpetual	Mar-12	EUR	150	50,148	no	yes	no
TOTAL					**1,896,410**			

(°) Constant Maturity Swap.

2. Tier 2

The following table shows upper tier 2 instruments, which account for more than 10% of the total issued amount:

INTEREST RATE	MATURITY	STARTING DATE OF PREPAYMENT OPTION	AMOUNT IN ORIGINAL CURRENCY (MLN)		AMOUNT INCLUDED IN REGULATORY EQUITY (EURO '000)	STEP-UP	OPTION TO SUSPEND INTEREST PAYMENT
3.9500%	1-Feb-16	not applicable	EUR	900	794,560	not applicable	yes (°)
5.0000%	1-Feb-16	not applicable	GBP	450	354,824	not applicable	yes (°)
6.7000%	5-Jun-18	not applicable	EUR	1,000	722,857	not applicable	yes (°)

(°) - if dividend is not paid, payment of intertest is suspended (deferral of interest);
- if losses take share capital and reserves under the threshold set by Banca d'Italia to authorize banking business, face value abd interestsare proportionally reduced.

3. Tier 3

There are no values to be disclosed.

B. QUANTITATIVE INFORMATION

Regulatory Capital breakdown

(€ '000)

REGULATORY CAPITAL	12.31.2012	12.31.2011
A. Tier 1 before prudential filters	**51,988,215**	**46,354,217**
A.1 Tier 1 positive items:	67,844,797	71,381,206
A.1.1 - Capital (°) (°°) (°°°)	19,381,894	11,927,702
A.1.2 - Share premium account (°°°°)	34,625,414	38,562,472
A.1.3 - Reserves	10,860,704	16,346,472
A.1.4 - Innovative capital instruments and non-innovative capital instruments with maturity date	331,540	495,584
A.1.5 - Non-innovative capital instruments computable up to the limit of 50% (°°)	609,085	609,085
A.1.6 - Instruments subject to transitional provisions (grandfathering) (°°°) (°°°°)	1,613,252	3,439,891
A.1.7 - Net income of the year/Interim profit	422,908	-
A.2 Tier 1 negative items:	(15,856,582)	(25,026,989)
A.2.1 - Treasury stocks	(5,255)	(7,960)
A.2.2 - Goodwill	(12,599,831)	(12,676,344)
A.2.3 - Other intangible assets	(3,251,496)	(3,304,950)
A.2.4 - Loss of the year/Interim loss	-	(9,037,735)
A.2.5 - Other negative items:	-	-
* Value adjustments calculated on the supervisory trading book	-	-
* Others	-	-
B. Tier 1 prudential filters	**(141,218)**	**(682,629)**
B.1 Positive IAS/IFRS prudential filters (+)	19,973	66,197
B.2 Negative IAS/IFRS prudential filters (-) (°°°°°)	(161,190)	(748,826)
C. Tier 1 capital gross of items to be deducted (A+B)	**51,846,997**	**45,671,588**
D. Items to be deducted	**2,978,723**	**2,754,567**
E. Total TIER 1 (C-D)	**48,868,274**	**42,917,021**
F. Tier 2 before prudential filters	**17,432,518**	**17,952,485**
F.1 Tier 2 positive items:	18,350,866	19,505,609
F.1.1 - Valuation reserves of tangible assets	-	-
F.1.2 - Valuation reserves of available-for-sale securities	222,383	294,807
F.1.3 - Non-innovative capital instruments not eligible for inclusion in Tier 1 capital	-	-
F.1.4 - Innovative capital instruments not eligible for inclusion in Tier 1 capital	-	-
F.1.5 - Hybrid capital instruments	2,031,977	3,163,769
F.1.6 - Tier 2 subordinated liabilities	14,573,454	14,824,299
F.1.7 - Surplus of the overall value adjustments compared to the expected losses	1,245,189	944,871
F.1.8 - Net gains on participating interests	-	-
F.1.9 - Other positive items	277,863	277,863
F.2 Tier 2 negative items:	(918,348)	(1,553,124)
F.2.1 - Net capital losses on participating interests	(43,751)	(57,085)
F.2.2 - Loans	-	-
F.2.3 - Other negative items	(874,597)	(1,496,039)
G. Tier 2 prudential filters:	**(111,192)**	**(147,404)**
G.1 Positive IAS/IFRS prudential filters (+)	-	-
G.2 Negative IAS/IFRS prudential filters (-)	(111,192)	(147,404)
H. Tier 2 capital gross of items to be deducted (F+G)	**17,321,326**	**17,805,081**
I. Items to be deducted	**2,978,723**	**2,754,567**
L. Total TIER 2 (H-I)	**14,342,603**	**15,050,514**
M. Deductions from Tier 1 and Tier 2	**1,192,483**	**994,305**
N. Capital for regulatory purposes (E+L-M)	**62,018,395**	**56,973,230**
O. Tier 3 Capital	**-**	**-**
P. Capital for regulatory purposes included Tier 3 (N+O)	**62,018,395**	**56,973,230**

Notes to previous page table:

(°) Includes the effects of the share capital increase for cash by way of a rights issue for the amount of 7.5 billion through the issuance of new ordinary shares with regular beneficial ownership rights, approved by UniCredit S.p.A.'s Extraordinary Shareholders' Meeting held on December 15, 2011, and carried out in the first quarter of 2012.

(°°) The ordinary shares underlying to the "CASHES" transaction are accounted under "Share capital" for a total amount of €2,373,915 thousands, and under "Non-innovative capital instruments computable up to the limit of 50%" for a total amount of €609,085 thousands, after the capital increase for no consideration for a nominal amount of €2.499.217,96 thousands approved by the EGM on December 15, 2011. The CASHES are equity-linked instruments, issued for a counter value of €2,983,000 thousand in February 2009 by The Bank of New York (Luxembourg) SA, with a maturity on December 15, 2050 and convertible, under certain conditions, into n° 96,756,406 ordinary shares of UniCredit S.p.A. (reduced from n° 967,564,061 after the reverse split occurred on December 23, 2011) underwritten by Mediobanca in the context of the capital increase approved by the UniCredit Extraordinary Shareholders' Meeting on November 14, 2008. Therefore, since such shares are already issued, they are fully loss absorbing as any other ordinary share.

(°°°) Besides the amount related to Cashes above mentioned (°°) included in the item A.1.5, €31,167 thousands related to saving shares have been reclassified (in the item A.1.6), of which €22,941 thousands related to minorities.

(°°°°) €17,215 thousands have been reclassified in the item A.1.6 because referred to "Share premium account" related to saving shares.

(°°°°°) With reference to revaluation reserves arising from holdings of debt instruments issued by governments of EU member countries, on May 18, 2010 Banca d'Italia recognized, for the purposes of the calculation of regulatory capital (prudential filters), the possibility of completely neutralizing capital gains and losses arising in the revaluation reserves after December 31, 2009 ("symmetric" approach). The Group adopted this method starting from the regulatory capital calculation made in June 2010, and thereby replaced the "asymmetric" approach previously in use.

As of December 31, 2012, the net minus amount neutralized is equal to €77 million.

Part F - Consolidated Shareholders' Equity (Continued)

2.3 Capital adequacy

A. QUALITATIVE INFORMATION

See the above "Section 1 - Consolidated Shareholders' Equity" for qualitative information on the procedures adopted by the Banking Group to assess the adequacy of regulatory capital supporting current and future activities.

B. QUANTITATIVE INFORMATION

Capital Adequacy

(€ '000)

ITEMS/VALUES	NON WEIGHTED ASSETS		WEIGHTED ASSETS	
	12.31.2012	12.31.2011	12.31.2012	12.31.2011
A. RISK ASSETS				
A.1 Credit and counterparty risk	**890,761,953**	**890,776,785**	**358,553,195**	**376,783,794**
1. Standardized approach	402,533,037	384,468,813	185,005,929	189,327,110
2. IRB approaches	477,607,179	491,935,921	168,518,056	183,182,476
2.1 Foundation	*32,063,028*	*25,024,203*	*15,046,328*	11,546,461
2.2 Advanced	*445,544,151*	*466,911,718*	*153,471,728*	171,636,015
3. Securitizations	10,621,737	14,372,051	5,029,210	4,274,208
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			**28,684,256**	**30,142,704**
B.2 Market Risk			**1,390,947**	**2,518,627**
1. Standardized approach			270,864	396,134
2. Internal models			1,120,083	2,122,493
3. Concentration risk			-	-
B.3 Operational risk			**4,094,938**	**4,116,396**
1. Basic indicator approach (BIA)			290,034	304,605
2. Traditional standardized approach (TSA)			306,497	286,670
3. Advanced measurement approach (AMA)			3,498,407	3,525,121
B.4 Other capital requirements			**-**	-
B.5 Other calculation elements			**-**	53,861
B.6 Total capital requirements			**34,170,141**	**36,831,588**
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Weighted risk assets			**427,126,757**	**460,394,842**
C.2 TIER 1 capital/Weighted risk assets (TIER 1 capital ratio)			**11.44%**	**9.32%**
C.3 Capital for regulatory purposes (included TIER 3)/Weighted risk assets (Total capital ratio)			**14.52%**	**12.37%**

Part G - Business Combinations

Part G - Business Combinations

Section 1 - Business combinations completed in the period

In 2012 the Group did not carry out any business combinations outside the Group.

Under its reorganization program the Group carried out business combinations involving companies or businesses already controlled directly or indirectly by UniCredit S.p.A. (Business Combination Under Common Control).

These transactions had no economic substance and were accounted for in the acquirer's and acquired entity's accounts in accordance with the continuity principle.

Under this principle the acquirer recognizes the net assets acquired at their carrying value in the acquired entity's accounts.
These transactions have no effect on consolidated profit.

The main transactions of this kind carried out in 2012 were:
- Absorption of UniCredit Real Estate ScpA into UniCredit S.p.A.;
- Absorption of UniCredit Business Partner ScpA into UniCredit Business Integrated Solution ScpA;
- Transfer by UniCredit S.p.A. to UniCredit Business Integrated Solution ScpA of the "General Real Estate Services" and "Information, Communication Technology, Security (ICT), Global Sourcing e Operations" business units;
- Absorption of UniCredit Business Partner GmbH into UniCredit Business Integrated Solutions Austria Gmbh;
- Partial spin off in favor of UniCredit S.p.A. of the going concern related to the segregate accounts for private banking clients of PIM;
- Sale by UniCredit Bank Austria AG to UniCredit Business Integrated Solutions Austria Gmbh of the company Domus Facility Management GmbH;
- Absorption into UniCredit Global Business Service GmbH of the middle/back office, procurement, facility management operations, as well as some operating activities falling within the real estate facility management;
- Merger of Pioneer Alternative Investment Management SGRpa into Pioneer Investment Management SGRpa;
- Merger of Family Credit Network S.p.A. into UniCredit S.p.A.;
- Establishment of Europeye S.r.l..

Section 2 - Business combinations completed after December 31, 2012

After December 31, 2012, the following companies, whose deed of merger is effective as of March 1, 2013, were absorbed into UniCredit S.p.A.:
- UniCredit Audit SCpA;
- UniManagement SCrl;
- UniCredit Merchant S.p.A.;
- UniCredit Logistics Srl.

Part H - Related-Party Transactions

Part H - Related-Party Transactions

1. Details of Top Managers' Compensation

Details of key management personnel's remuneration are given below. Key management personnel are persons having authority and responsibility for planning, directing, and controlling UniCredit's activities, directly or indirectly. Key management personnel include the Chief Executive Officer and the other members of the Board of Directors, the Standing Auditors, the General Manager and the other members of UniCredit's Executive Management Committee, as well as the Head of Internal Audit in office in 2012.

Compensation paid to key management personnel

(€ '000)

	YEAR 2012	YEAR 2011
a) short term benefits	19,103	22,248
b) post retirement benefits	1,738	1,896
of which under defined benefit plans	-	-
of which under defined contribution plans	*1,738*	*1,896*
c) other long term benefits	50	33
d) termination benefits	2,515	-
e) share-based payment	3,486	5,760
Total	**26,892**	**29,937**

Compensation paid to Directors (€7,038), Statutory Auditors (€689), General Manager (€1,770) and other Managers with strategic responsibility (€8,736), as shown in the Annual compensation report enclosed in the 2013 Group Compensation Policy, and €8,659 relating to other costs of the period (the company share of social security contributions, allocations to severance pay funds and share-based payments using UniCredit and its subsidiaries' equity instruments).

The year on year reduction of the compensation is linked mainly to the decrease of the costs of the Board of Directors (in connection to the reduction of both the number of Board Members and of the compensation foreseen for Board Committees activities) and to the limitation of the value of share-based payments made to the Chief Executive Officer, General Manager and other Key Management Personnel. Furthermore, as already happened for 2011, no incentives have been paid to the above mentioned managers under the 2012 Group Incentive System. All the above allows to more than compensate the increase, having an extraordinary nature, of the compensation paid in connection with employment terminations.

2. Related-Party Transactions

In order to ensure full compliance with legislative and regulatory provisions currently in effect as regards disclosure of transactions with related parties, UniCredit adopted some procedures for identifying related-party transactions designed to ensure appropriate information is provided to enable compliance with the obligations of the Directors of UniCredit, as a listed company and the Parent Company of the Group.

In November 2010 UniCredit's Board of Directors approved new regulations concerning related-party transactions (the "Related-party transactions procedures"), in compliance with the CONSOB Regulation approved by Resolution No. 17221 of March 12, 2010, as subsequently updated, which sets out the principles to be complied by Italian companies whose shares are listed on regulated Italian or other EU countries and with shares widely distributed among the public, in order to ensure transparency and substantial and procedural fairness of related party transactions. Specific guidelines have been distributed to the company's functions and Group Entities in order to systematically abide to the above-mentioned reporting requirements starting from January 1, 2011.
It must be pointed out that during the period under consideration no related-party transactions that would qualify as major according to the "Related-party transactions procedures" referred to earlier were carried out.

In 2012, transactions carried out within the Group and/or generally with Italian and foreign related parties were executed, as a rule, on the same terms and conditions as those applied to transactions entered into with independent third parties. Intra-group transactions were carried out based on assessments of a mutual economic advantage, and the determination of applicable terms and conditions took place in compliance with substantial correctness, keeping in mind the common goal of creating value for the entire Group. The same principle was also applied to the provision of services, combined with the principle of charging for such services at minimal rate solely to recover related production costs.

As required by the Commission Regulation (EU) No. 632/2010 of July 19, 2010, the revised IAS 24 - which simplifies and clarifies the definition of related party and the criteria aimed at identifying correctly the nature of the relationship with the reporting entity - is applied to financial reporting for annual periods beginning on or after January 1, 2011. Pursuant to IAS 24, UniCredit S.p.A.'s related parties include:
- companies belonging to the UniCredit group and companies controlled by UniCredit but not consolidated;
- associates and joint ventures;
- UniCredit's "key management personnel";
- close family members of key management personnel and companies controlled (or jointly controlled) by key management personnel or their close family members;
- Group employee post-employment benefit plans.

Moreover, as approved by the Board of Directors with effect from March 1, 2012, for the purposes of the disclosure of information pursuant to IAS 24 and to CONSOB regulations but included in the process of self-regulation, Unicredito S.p.A. has expanded the scope of related parties including individuals who:

- directly or indirectly, also through controlled entities, trustees or nominees, hold a stake in UniCredit exceeding 2% of the share capital represented by shares with voting right, as well as all entities directly or indirectly controlled by them;
- have (among them) signed an agreement, in whatever form and made public by law, for the joint exercise of the voting right at UniCredit Shareholders' Meeting exceeding 2% of the share capital, as well as the entities that directly or indirectly control them and all those that are directly or indirectly controlled by them.

Not all related-parties falling into the definition provided by IAS 24 are subject to disclosure requirements pursuant to Consob "Regulations containing provisions relating to transactions with related parties" (adopted with Resolution No. 17221, later amended by Resolution no. 17389 of 2010, which are based on the definition of related party contained in the old IAS 24, in force when the Consob Regulation became effective).

Further information on related party transactions, and in particular on procedures implemented by the Group, is provided in the Report on operations, chapter "Corporate Governance".

The following table sets out the assets, liabilities, guarantees and commitments as at December 31, 2012, for each group of related parties, pursuant to IAS 24.

Related-Party transactions

(€ '000)

	AMOUNTS AS AT 12.31.2012								
	NON-CONSOLIDATED SUBSIDIARIES	NON-CONSOLIDATED JOINT VENTURES	ASSOCIATES	KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES	TOTAL	% ON CONSOLIDATED	SHAREHOLDERS (*)	% ON CONSOLIDATED
Financial asset held for trading	-	-	205,330	-	50,187	255,517	0.24%	5,524	0.01%
Financial asset designated at fair value	-	-	42,664	-	-	42,664	0.17%	-	0.00%
Available for sale financial asset	71	-	23,377	-	-	23,448	0.03%	3,760	0.01%
Held to maturity investments	-	-	-	-	-	-	0.00%	-	0.00%
Loans and receivables with banks	-	35	1,435,189	-	41	1,435,265	1.93%	40,688	0.05%
Loans and receivables with customers	14,110	5,745	1,281,979	1,782	297,502	1,601,118	0.29%	1,385,594	0.25%
Other assets	1,894	-	6,395	1	1,012	9,302	0.08%	51,201	0.43%
Total Assets	**16,075**	**5,780**	**2,994,934**	**1,783**	**348,742**	**3,367,314**	**0.40%**	**1,486,767**	**0.18%**
Deposits from banks	17	4,658	10,311,618	-	1,237	10,317,530	8.78%	451,161	0.38%
Deposits from customers	115,891	10,358	522,028	6,194	542,586	1,197,057	0.29%	496,716	0.12%
Debt securities in issue	-	-	251,896	20	22,107	274,023	0.10%	94,277	0.03%
Other liabilities	123	42	9,704	5	20,669	30,543	0.15%	24,527	0.12%
Total Liabilities	**116,031**	**15,058**	**11,095,246**	**6,219**	**586,599**	**11,819,153**	**1.44%**	**1,066,681**	**0.13%**
Guarantees given and commitments	1,415	600	131,393	-	263,997	397,405	0.23%	598,549	0.34%

(*) Shareholders and related companies holding more than 2% of voting shares in UniCredit.

Part H - Related-Party Transactions (Continued)

The following table sets out the impact of transactions with related parties on the main Income Statement items, for each group of related parties.

Related-Party transactions: profit and loss items

(€ '000)

	YEAR 2012								
	NON-CONSOLIDATED SUBSIDIARIES	NON-CONSOLIDATED JOINT VENTURES	ASSOCIATES	KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES	TOTAL	% ON CONSOLIDATED	SHAREHOLDERS (*)	% ON CONSOLIDATED
Interest income and similar revenues	333	310	48,160	52	9,725	58,580	0.21%	40,152	0.14%
Interest expense and similar charges	(43)	(114)	(194,455)	(139)	(6,744)	(201,495)	1.40%	(17,156)	0.12%
Fee and commission income	153	7	421,540	16	3,394	425,110	4.51%	8,957	0.10%
Fee and commission expense	(228)	(495)	(51,492)	-	(3,364)	(55,579)	3.32%	(206)	0.01%
Impairment losses on:	(94)	-	(3,293)	1	(5,199)	(8,585)	0.09%	(2,436)	0.02%
a) loans	*(63)*	-	*(3,281)*	*1*	*(1,395)*	*(4,738)*	*0.05%*	*(2,431)*	*0.03%*
b) available-for-sale financial assets	*(31)*	-	-	-	*(3,791)*	*(3,822)*	*2.42%*	-	*0.00%*
d) other financial assets	-	-	*(12)*	-	*(13)*	*(25)*	*0.00%*	*(5)*	*0.00%*
Operating costs	1,079	(1,215)	(24,604)	(11)	(10,640)	(35,391)	0.23%	(6,298)	0.04%

(*) Shareholders and related companies holding more than 2% of voting shares in UniCredit.

Note that the "key management personnel" are persons having authority and responsibility for planning, directing, and controlling UniCredit's activities, directly or indirectly (i.e. members of the Board of Directors, including the Chief Executive Officer, the Standing Auditors, members of the Executive Management Committee and the Head of Internal Audit in office during the period under consideration).

The "other related parties" category includes:
- close family members of key management personnel (i.e. those family members who, as is expected, may influence - or be influenced by - the person in question);
- companies controlled (or jointly controlled) by key management personnel or their close family members;
- Group employee post-employment benefit plans.

Specifically, below are some observations on major related-party transactions:

In 2012, the subsidiary UniCredit Business Integrated Solutions SCpA entered into a partnership with HP Enterprise Services Italia with the aim of improving operational processes, achieving economies of scale and reducing costs related to personnel management of the UniCredit group through the enhancement of technical skills already present within the Group. Upon finalization of the partnership agreement, a business unit providing the services in question was transferred from UniCredit Integrated Business Solutions SCpA and an associate interest in the transferee company ES Shared Service Center S.p.A. was concomitantly acquired. Since May 1, 2012 this company has provided - in an exclusive way, at least for the time being - administrative services related to the staff of the companies of the UniCredit group, under a 15-year supply contract.

In 2012, the agreement related to the shares representing equity investments in foreign subsidiaries belonging to the banking group, which were given by UniCredit S.p.A. to UniCredit Bank AG as collateral against financial exposures for a total value of €7.05 billion, expired.

In the first months of 2012, collateral arrangements (Credit Support Annexes) were entered into in respect of the derivative transactions between UniCredit S.p.A. and its German subsidiary UniCredit Bank AG and those between the two subsidiaries UniCredit Bank Ireland PLC and UniCredit Bank AG. The terms and conditions of these arrangements are based on market conditions, without payment of fees and with exchange of collateral.

In order to ensure compliance with the commitments undertaken by UniCredit S.p.A. during the "squeeze-out" process, under the "ReboRa Agreement", in 2010, following the sale of UniCredit CAIB AG by Bank Austria to UniCredit Bank AG, UniCredit S.p.A. and Bank Austria entered into a "Compensation Agreement", a derivative contract valid 1/1/2010 - 1/1/2015 which includes a commitment by UniCredit S.p.A. to pay 14.5% of Profit Before Tax of the CIB Division - Markets Segment (excluding Poland) of Bank Austria in return for the commitment by the latter to pay 12 month Euribor + 200bps recorded annually on a notional value of €1.28 billion. Upon expiry of the agreement, UniCredit S.p.A. has made a commitment to pay any increase attributable to the 14.5% of the CIB Markets perimeter with respect to the value established at the time of sale, up to a maximum of €384 million. This agreement has been recognized in the balance sheet under trading derivatives and valued using a valuation model which takes account of all the flows described.

Mediobanca S.p.A. ("Mediobanca") - The relationships with Mediobanca include transactions falling within the ordinary course of business and financial activity. Moreover, UniCredit S.p.A. has entered into a thirty-year usufruct agreement on UniCredit shares with Mediobanca, under which Mediobanca gives back to UniCredit, in return for a consideration (recorded as a reduction in Shareholders' Equity), the right to vote and receive dividends on the UniCredit shares subscribed for by Mediobanca in January 2009, as part of the capital increase approved by UniCredit in November 2008. These shares were concomitantly used in support of the issuance of convertible securities denominated "CASHES".
Following the resolutions of UniCredit S.p.A.'s Extraordinary Meeting of December 2011, the number of shares underlying the usufruct agreement and the formula for calculating the remuneration fees in favor of Mediobanca have been adjusted to reflect (i) the reverse split of UniCredit shares and (ii) the free capital increase of December 2011 carried out through the allocation to capital of an equivalent amount transferred from the issue-premium reserve recorded in January 2009.

As part of the "CASHES" transaction Mediobanca also acts as a custodian of the shares issued by UniCredit.
At December 31, 2012, since the conditions for an impairment test were met, the value in use of the equity investment in Mediobanca was determined, according to the methods described in Part A of the Notes to the Consolidated Accounts.
The impairment test confirmed the carrying value of the equity investment.
It should also be noted that Mediobanca took part in the underwriting syndicate as a "joint global coordinator" as part of the capital increase completed by UniCredit S.p.A. in January 2012 and supported the placement of the new shares.

Compagnia Italpetroli S.p.A. ("Italpetroli Group") has been fully consolidated since August 2011.
At December 31, 2012 the Group's exposure to Italpetroli Group, considered part of the intragroup transactions, consisted mainly of the credit exposure.
In this regard it should be noted that in 2012 UniCredit, in order to allow the company to meet the minimum capital requirements provided for by the Civil Code, conducted a transaction consisting in the waiver of certain loans in favor of Italpetroli S.p.A. - subject to the taking over by the latter of debts towards UniCredit of some of its subsidiaries - for a total of approximately €67 million, completely covered by write-downs on loans to Compagnia Italpetroli S.p.A. and on the additional loans taken over by the company.

NEEP ROMA HOLDING S.p.A. ("NEEP") - NEEP, in which UniCredit holds a 40% stake, acquired control of the companies already belonging to the division "Media" of Italpetroli Group (A.S. Roma S.p.A., ASR Real Estate S.r.l. and Brand Management S.r.l.).
It should be noted that NEEP and some of its subsidiaries were granted credit lines and loans. Specifically, the loans granted to NEEP (€51 million) were classified as "loans with Shareholders" and can be converted by NEEP into equity instruments. The return on these loans is linked to the company's profitability. In addition, commitments to granting further "loans with Shareholders" worth €12 million were made.

During the first half of 2012, since the conditions for an impairment test were met, the value in use of the equity investment in Fonsai was determined, according to the methods described in Part A of the Notes to the Consolidated Accounts.
The value in use so determined was lower than the carrying value of the investment and resulted in a negative impact on the Consolidated First Half Financial Report as at June 30, 2012 totaling €44.5 million.
Subsequently, on July 9, 2012 UniCredit S.p.A. and Premafin Finanziaria S.p.A. announced that they had concluded a deal in which the Parties agreed as follows:

- to terminate, by mutual agreement, the shareholders' agreement entered into on July 8, 2011, consequently releasing both parties from all of their respective obligations under the Shareholders' Agreement, without the need to perform any other formalities or make further announcements and with each of the parties waiving any claim, action, or request related or connected to the Shareholders' Agreement against the other. By terminating the Shareholders' Agreement, the Bank also undertook the obligation to procure that the members Board of Directors of Fondiaria-SAI S.p.A. designated by the Bank in accordance with the Shareholders' Agreement and currently in office resign on the date the Premafin Capital Increase is subscribed for, effective on the date of resignation;
- to terminate, by mutual agreement, the investment agreement executed, and announced to the market, on March 22, 2011 by UniCredit and Premafin, consequently releasing both parties from all of their respective outstanding obligations under the UniCredit Agreement, without the need to perform any other formalities or make further announcements and with each of the parties waiving any claim, action, or request related or connected with the UniCredit Agreement against the other. The effectiveness of the termination of the agreement is subject to the non-occurrence of the condition subsequent that UGF fail to subscribe for the Premafin share capital on or before the effective date.

As part of the capital increase of Fondiaria SAI S.p.A. as approved by the Extraordinary Shareholders' Meeting held on March 19, 2012 and subsequently confirmed by the Extraordinary Shareholders' Meeting held on June 27, 2012, UniCredit S.p.A., currently holding a 6.6% stake in Fondiaria's share capital (represented by ordinary shares) exercised 242,251 option rights in order to subscribe for 61,047,252 Fondiaria SAI ordinary shares for a total amount of €61,047,252.

As a result, UniCredit S.p.A. has no more significant influence on Fondiaria SAI S.p.A. and the investment was measured using a mark to market accounting method and reclassified to the Available for Sale (AFS) portfolio.

It should be noted that distribution agreements concerning insurance products were signed with the following associates:

- Aviva S.p.A.;
- CNP UniCredit Vita S.p.A.;
- Creditras Assicurazioni S.p.A.;
- Creditras Vita S.p.A.

The amounts related to fees and commissions received from the aforementioned associates under the above-mentioned agreements were classified on a consolidated basis as intra-group transactions with companies consolidated using the equity method.

The relationships with other related parties include the relationships with UniCredit employee pension funds, external since they have separate legal personality. These transactions were conducted on the same terms and conditions as those applied to transactions with independent third parties and are almost entirely represented by the relationships included in Deposits from customers and reported in the tables concerning the Related-party Transactions.

It should be noted that on February 19, 2013 UniCredit S.p.A.'s Board of Directors

- approved the acquisition by UniCredit of 100% of the shares held by Bank Pekao in UniCredit Bank Ukraine, and
- gave its assent to the subsequent absorption of UniCredit Bank Ukraine into Ukrsotsbank, a 98.31%-owned subsidiary of Bank Austria.

Part I - Share-Based Payments

Part I - Share-Based Payments

A. QUALITATIVE INFORMATION

1. Description of payment agreements based on own equity instruments

1.1 Outstanding instruments

Group Medium & Long Term Incentive Plans for selected employees include the following categories:
- **Equity-Settled Share Based Payments**;
- **Cash Settled Share Based Payments**[1].

The first category includes the following:
- **Stock Options** allocated to selected Top & Senior Managers and Key Talents of the Group;
- **Performance Stock Options & Performance Shares** allocated to selected Top & Senior Managers and Key Talents of the Group and represented respectively by Options and free UniCredit ordinary shares that the Parent Company undertakes to grant, conditional upon achieving performance targets approved by the Parent Company's Board;
- **Employee Share Ownership Plan (ESOP)** that offers to eligible Group employees the possibility to buy UniCredit ordinary shares with the following advantages: granting of free ordinary shares or, for the second category, rights to receive them measured on the basis of the shares purchased by each Participant ("Investment Shares") during the "Enrolment Period" . The granting of free ordinary shares is subordinated to vesting conditions (other than market conditions) stated in the Plan Rules.
- **Group Executive Incentive System** that offer to eligible Group Executive a variable remuneration for which payment will be made in four years. For the first two years the beneficiary will receive the payment by cash and for the second two years they will receive the payment by Unicredit shares; the payment are related to the achievement of performance condition (other than marked conditions) stated in the Plan Rules.
- **Share for Talent** that offer free UniCredit ordinary shares that the Parent Company undertakes to grant, conditional upon achieving performance targets approved by the Parent Company's Board

The second category includes synthetic "Share Appreciation Rights" linked to the share-value and performance results of some Group-Companies[2].

1.2 Measurement model

1.2.1 Stock Options and Performance Stock Options

The Hull and White Evaluation Model has been adopted to measure the economic value of Stock Options.
This model is based on a trinomial tree price distribution using the Boyle's algorithm and estimates the early exercise probability on the basis of a deterministic model connected to:
- reaching a Market Share Value equals to an exercise price- multiple (M);
- probability of beneficiaries' early exit (E) after the end of the Vesting Period.

The following table shows the measurements and parameters used in relation to the *Performance Stock Options* granted in 2012 according Group Executive Inventive System 2011.

Measurement of Performance Stock Options 2012

	PERFORMANCE STOCK OPTIONS 2012
Exercise Price [€]	4.01
UniCredit Share Market Price [€]	4.01
Date of granting Board resolution *(Grant Date)*	27-Mar-2012
Vesting Period Start-Date	1-Jan-2012
Vesting Period End-Date	31-Dec-2015
Expiry Date	31-Dec-2022
Exercise price - Multiple (**M**)	1.5
Post Vesting Exit-Rate (**E**)	3.73%
Dividend Yield	2%
Volatility	56.5%
Risk Free Rate	2.5%
Performance Stock Options' Fair Value per unit @ Grant Date [€]	**1.867**

1. Linked to the economic value of instruments representing a subsidiary's Shareholders' Equity.
2. Pioneer Global Asset Management at the end of 2012.

Parameters are calculated as follows:
- **Exit Rate:** annual percentage of Stock Options forfeited due to termination;
- **Dividend Yield:** next four years average dividend-yield;
- **Volatility:** historical daily average volatility for a period equals to four years;
- **Exercise Price:** arithmetic mean of the official market price of UniCredit shares during the month preceding the granting Board resolution;
- **UniCredit Share Market Price:** set equals to the Exercise Price, in consideration of the "at-the-money" allocation of Stock Options at the date of the grant.

1.2.2 Other equity instruments (Performance Shares) - Share for Talent
Share for Talent plan offers three "Free Unicredit Shares" installments, having subsequent annual vesting, to selected beneficiaries.

The economic value of Performance Shares is measured considering the share market price at the grant date less the present value of the future dividends during the performance period. Parameters are estimated by applying the same model used for Stock Options measurement.

The following table shows the measurements and parameters used in relation to the Performance Shares granted in 2012.

Measurement of Share For Talent 2012

	SHARE FOR TALENT		
	1ST INSTALLMENT (2012)	2ND INSTALLMENT (2013)	3RD INSTALLMENT (2014)
Date of granting Board resolution *(Grant Date)*	27-Mar-2012	27-Mar-2012	27-Mar-2012
Vesting Period Start-Date	1-Jan-2012	1-Jan-2012	1-Jan-2012
Vesting Period End-Date	31-Dec-2012	31-Dec-2013	31-Dec-2014
UniCredit Share Market Price [€]	4.01	4.01	4.01
Economic Value of Vesting conditions [€]	-	-0.08	-0.15
Performance Shares' Fair Value per unit @ Grant Date [€]	**4.01**	**3.93**	**3.86**

1.2.3 Group Executive Incentive System
The amount of the incentive will be determined on a basis of the achievement of quantitative and qualitative goals stated by the plan. In particular, the overall evaluation of the Employee's relevant Manager shall be expressed as a percentage, from a minimum of 0% to a maximum of 150% (non market vesting conditions).
This percentage, adjusted by the application of a risk/opportunity factor - Group Gate - at first payment, multiplied by the Bonus Opportunity will determine the effective amount that will be paid to the beneficiary.

Group Executive Incentive System 2011 - Shares
The economic value of Shares granted is measured considering the share market price at the grant date less the present value of the future dividends during the performance period. Parameters are estimated by applying the same model used for Stock Options measurement.

	SHARES RELATED TO GROUP EXECUTIVE INCENTIVE SYSTEM 2011	
	1ST INSTALLMENT (2014)	2ND INSTALLMENT (2015)
Bonus Opportunity Economic Value - (Grant Date)	22-Mar-2011	22-Mar-2011
Number of Shares - Date of Board resolution	27-Mar-2012	27-Mar-2012
Vesting Period Start-Date	1-Jan-2011	1-Jan-2011
Vesting Period End-Date	31-Dec-2013	31-Dec-2014
UniCredit Share Market Price [€]	4.01	4.01
Average Economic Value of Vesting conditions [€]	-0.06	-0.21
Average Performance Shares' Fair Value per unit @ Grant Date [€]	**3.95**	**3.80**

The Economic and Equity effects will be receipt on a basis of instruments' vesting period.

Group Executive Incentive System 2012
Variable incentive related to 2012 defined on the basis of:
- individual performance, as well as results at business level and, as relevant, at country and/or Group level;
- definition of a balanced structure of upfront (following the moment of performance evaluation) and deferred payments, in cash and in shares;
- distributions of share payments which take into account the applicable regulatory requirements regarding the application of share retention periods. In particular, the payment structure has been defined in line with Bank of Italy provisions requiring a share retention period of 2 years for upfront shares and of 1 year for deferred shares;
- application of an overall risk/sustainability factor, related to annual Group profitability, solidity and liquidity results ("Group Gate") as well as a Zero Factor related to future Group profitability, solidity and liquidity results.

All Profit and Loss and Net Equity effects related to the plan will be booked during the vesting period.

Part I - Share-Based Payments (Continued)

1.2.4 Employee Share Ownership Plan (Let's Share 2011)

For Free Shares (or rights to receive them) the fair value is measured at the end of the Enrolment Period according to the weighted average price paid by Participants to buy the Investment Shares on the market.
The following tables show the measurements and parameters used in relation to Discount Shares and Matching Shares (or rights to receive them) connected to the "Employee Share Ownership Plan" approved in 2011.

Measurement of Free Shares ESOP 2011

	FREE SHARE
Date of Free Shares delivery to Group employees	15-Jan-2013
Vesting Period Start-Date	1-Jan-2012
Vesting Period End-Date	31-Dec-2015
Discount Shares' Fair Value per unit [€]	**3.364**

Within the limits of the "Employee Share Ownership Plan" approved in 2011, all Profit and Loss and Net Equity effects related to free shares had been booked during 2012-2015 (except adjustments, according to Plan Rules, that will be booked during 2016).

B. QUANTITATIVE INFORMATION

1. Annual Changes

UniCredit Stock Options and Performance Stock Options:

ITEMS/NUMBER OF OPTIONS AND EXERCISE PRICE	BANKING GROUP YEAR 2012[1] NUMBER OF OPTIONS	BANKING GROUP YEAR 2012[1] AVERAGE EXERCISE PRICE [€]	BANKING GROUP YEAR 2012[1] AVERAGE MATURITY	BANKING GROUP YEAR 2011[1] NUMBER OF OPTIONS	BANKING GROUP YEAR 2011[1] AVERAGE EXERCISE PRICE [€]	BANKING GROUP YEAR 2011[1] AVERAGE MATURITY
A. Outstanding at beginning of period	**37,492.303**	**26.222**	**Jan-2019**	**31,461,056**	**40.540**	**Jul-2016**
B. Increases	**9,222,891**			**12,788,561**		
B.1 New issues	9,222,891	4.0100		12,788,561		
B.2 Other						
C. Decreases	**1,170,536**			**6,757,314**		
C.1 Forfeited	1,170,536	23.049		1,041,522	31.082	
C.2 Exercised						
C.3 Expired				5,715,792	32.390	
C.4 Other						
D. Outstanding at end of period	**45,544,658**	**23,049**	**Jun-2019**	**37,492,303**	**34.380**	**Jan-2019**
E. Vested Options at end of period	**24,635,563**	**29,087**	**Aug-2018**	**14,383,584**	**47.469**	**Sep-2018**

1. The information related to Number of options and Average exercise price had been modified for:
- as the free capital increase resolved by the UniCredit Annual General Meeting on April 29, 2009 ("scrip dividend"), implied the recommendation by AIAF (Associazione Italiana Analisti Finanziari) to apply an "adjustment factor" equal to 0.88730816;
- as the capital increase resolved by the UniCredit Extraordinary Shareholder Meeting on November 16, 2009 and finalized on February 24, 2010, implied the recommendation by AIAF (Associazione Italiana Analisti Finanziari) to apply an "adjustment factor" equal to 0.95476659;
- as the capital increase resolved by the UniCredit Extraordinary Shareholder Meeting on December 15, 2011 and finalized in 2012 implied the recommendation by AIAF (Associazione Italiana Analisti Finanziari) to apply an "adjustment factor" equal to 0.6586305.

Other UniCredit equity instruments: Performance Shares

ITEMS/NUMBER OF OTHER EQUITY INSTRUMENTS AND EXERCISE PRICE	BANKING GROUP YEAR 2012[1] NUMBER OF OPTIONS	BANKING GROUP YEAR 2012[1] AVERAGE EXERCISE PRICE [€]	BANKING GROUP YEAR 2012[1] AVERAGE MATURITY	BANKING GROUP YEAR 2011[1] NUMBER OF OPTIONS	BANKING GROUP YEAR 2011[1] AVERAGE EXERCISE PRICE [€]	BANKING GROUP YEAR 2011[1] AVERAGE MATURITY
A. Outstanding at beginning of period	**5,540,207**		**May-2013**	**2,321,157**		**Sep-2011**
B. Increases	**22,888,744**			**4,066,803**		
B.1 New issues	22,888,744			4,066,803		
B.2 Other						
C. Decreases	**3,289,084**			**847,753**		
C.1 Forfeited	747,417			755,891		
C.2 Exercised[1]	84,023			90,877		
C.3 Expired	2,457,644					
C.4 Other[2]				985		
D. Outstanding at end of period[3]	**25,139,867**		**Nov-2013**	**5,540,207**		**May-2013**
E. Vested instruments at end of period	**8,186,150**			**162,538**		

1. As far as concern 2012 movement, the average market price at the exercise date is equal to €4.02;
2. This movement represent the adjustment due to the reverse share split operation executed at December 27, 2011.
3. UniCredit undertakes to grant, conditional upon achieving performance targets set in the Strategic Plan, 25,139,867 ordinary shares at the end of 2012 (5,540,207 ordinary shares at the end of 2011).

According to Let's Share (ESOP) 2011 Plan Rules, in January 2013 had been delivered to Group Participants 531,150 Free Shares related to services rendered during the period 2012-2015;

The said above UniCredit free ordinary shares had been acquired on the market.

2. Other information

Employee Share Ownership Plan 2012 (Let's Share 2012)

In May 2012 the Ordinary Shareholders' Meeting approved the "UniCredit Group Employee Share Ownership Plan 2012" ("Let's Share 2012") that offers to eligible Group employees the opportunity to purchase UniCredit ordinary shares at favourable conditions, starting from January 2013, in order to reinforce employees' sense of belonging and commitment to achieve the corporate goals.

Let's Share 2012 was launched on November 27, 2012 in 13 countries across the Group (Austria, Bulgaria, Czech Republic, Germany, Hungary, Italy, Poland, Romania, Serbia, UK, Slovakia, Luxemburg and Hong Kong) with a participation rate of about 3.2% of the eligible employees.

Let's Share 2012 is a broad based share plan under which:

- during the "Enrolment Periods" (from January 2013 to December 2013) the Participants can buy UniCredit ordinary shares ("Investment Shares") by means of monthly or one-off contributions (via one installment in January 2013 and or/July 2013) taken from their Current Account. In case, during this Enrolment Period, a Participant leaves the Plan, he/she will lose the right to receive any free ordinary shares at the end of the Enrolment Period;
- at the first month of the Enrolment Period (January 2012), each Participant will receive a discount of 25% on overall amount of shares purchased; the Free Shares will be locked up for one year. The Participant will lose the entitlement to the Free Share if, during the holding period, he/she will no longer be an employee of a UniCredit Group Company unless the employment has been terminated for one of the specific reasons stated in the Rules of the Plan. In some countries, for fiscal reasons, it will not be possible to grant the Free Shares at the beginning of the Enrolment Period: in that case an alternative structure is offered that provides to the Participants of those countries the right to receive the Free Shares at the end of the Holding Period ("Alternative Structure");
- during the "Holding Period" (from January 2013 to January 2014 or from July 2013 to July 2014), the Participants can sell the Investment Shares purchased at any moment, but they will lose the corresponding Free Shares (or right to receive them).

The Free Shares are qualified as "Equity Settled Share-based Payments" as Participants, according to Plan's Rules, will receive UniCredit Equity Instruments as consideration for the services rendered to the legal entity where they are employed. The fair value will be measured at the beginning of Enrolment Period according to the price paid by Participants to acquire the first installment of the Investment Shares on the market.
All Profit and Loss and Net Equity effects related to Let's Share 2012 will be booked during the period 2012-2015.

Let's Share 2012 has not been produced any effect on 2012 Consolidated Financial Statement.

Effects on Profit and Loss

All Share-Based Payment granted after November 7, 2002 which vesting period ends after January 1, 2005 are included within the scope of the IFRS2.

Financial statement presentation related to share based payments

(€ '000)

	2012		2011	
	TOTAL	VESTED PLANS[1]	TOTAL	VESTED PLANS[1]
Costs	**75,384**		**56,717**	
- connected to Equity Settled Plans[2]	*67,518*		*57,265*	
- connected to Cash Settled Plans[3]	*7,866*		*(548)*	
Debts for Cash Settled Plans	**5,557**	**-**	**276**	**-**
- of which Intrinsic Value		-		-

1. All vested plans were expired at December 31, 2012.
2. The increase is principally due to new plans' granted during 2012.
3. Partly included in "payroll - other staff" in keeping with the recognition of other monetary charges connected to the remuneration of services provided by beneficiaries. The increase in 2012 is principally due to new plans' granted during 2012 by some Group-Companies.

Part L - Segment Reporting

Part L - Segment Reporting

Organizational Structure

The format for segment information reflects the organizational structure used up to 12.31.2012 in management reporting for monitoring the Group's results, which is broken down into the following business segments:
F&SME Network Italy, F&SME Network Germany, F&SME Network Austria e F&SME Network Poland, F&SME Factories, Corporate & Investment Banking (CIB), Private Banking, Asset Management, CEE and Group Corporate Center (including Global Banking Services, Corporate Centre, and consolidation adjustments not assigned to the single business segments).

Family & Small Medium Enterprise (F&SME)

The F&SME Division is composed of several core functions with different roles.
The objective of the Business lines *F&SME Network* in *Italy*, *Germany*, *Austria and Poland* is to be the preferred banking partner for customers in the mass market, affluent, small and medium enterprises segments, to contribute to sustainable growth in market share and returns as a result of high levels of customer satisfaction.
The Product Line *Consumer Finance* directly supervises the reference business in Italy and coordinates the divisional structures of the foreign branches specialised in consumer credit and revolving cards.
The Product Line *Leasing* is responsible for coordination of leasing activities within the Group.
The Product Line *Factoring* is responsible for coordination of factoring activities within the Group and directly supervises the reference business in Italy. The business of Factoring consists in the extending credit against commercial invoices assigned by customers. Through factoring, companies may obtain access to credit by assigning their invoices and benefitting from a series of additional services (management, collection, credit insurance).
The *Asset Gathering* includes the specialized banks (FinecoBank in Italy, DAB Bank in Germany and DAT Bank in Austria) that offer the banking and investment services of traditional banks, differentiating themselves for the specialization in the online trading business and a pronounced vocation towards technological innovation. Moreover *Asset Gathering* uses its network of independent financial advisors to provide innovative and qualified financial services, thanks to a range of multibrand products characterised by efficiency and specialization.

Corporate & Investment Banking (CIB)

The Corporate & Investment Banking (CIB) Division is dedicated to corporate customers with sales of over €50 million and UniCredit group's institutional customers, by offering services in the 22 countries where the Group operates. The business model adopted is based on a matrix structure that calls for a clear separation of coverage and distribution areas (networks) from product lines that centralize the know-how on the entire range of products and services offered, i.e. Financing & Advisory (F&A), Markets and Global Transaction Banking (GTB).
Through direct management of dedicated distribution networks (CIB Networks), foreign branches and bank branch offices in the major financial centres, and structures dedicated to trans-border business development, CIB is able to provide its customers with access to UniCredit group's main markets, differentiating its offer in accordance with the various customer segments it serves.
At the Group level, the competence centres dedicated to product development (Product Lines) allow the CIB to follow its customers through various stages of their business life, providing support for regular business activities, growth and international expansion projects, and restructuring phases where necessary, thanks to a wide range of dedicated financial products and services - from traditional lending and servicing operations that are typical of commercial banking to more complex and high value-added services.

The CIB's Product Lines are:
- **Financing & Advisory (F&A):** this Product Line is responsible for activities related to lending and advisory services for companies and institutional customers. Products range from plain vanilla to the more sophisticated, such as Corporate Finance & Advisory, Syndications, Leveraged Buy-Out Finance, Project & Commodity Finance, Real Estate Finance, Shipping Finance and Principal Investments. In order to make maximum use of the platform common to debt products and capital management solutions, F&A also gives UniCredit group direct access to the capital market (Equity and Debt Capital Markets).
- **Markets:** competence centre for products and activities related to Rates, FX, and Credit markets, both on the primary and secondary market.
- **Global Transaction Banking (GTB):** this Product Line relates to Cash Management, Trade Finance, Structured Trade and Export Finance, and Global Securities Services products.

Private Banking

The Private Banking Division provides wealth management solutions and services for medium-to-high net worth private customers to meet the needs of some of the Group's key customers, such as entrepreneurs, top managers and other opinion leaders. Its strengths are the provision of advanced solutions through independent advice, the absolute focus on creating value for customers and the constant ambition to achieve excellence.
The Division has built trusted relationships with more than 200,000 customers in Italy, Germany, Austria, Luxembourg and Poland, managed by over 1,200 private bankers working in about 250 branch offices.

Asset Management

Asset Management is known for its Pioneer Investments brand, the asset management company within 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 financial solutions including mutual funds, assets under administration, and portfolios for institutional investors.

Pioneer Investments launched an organic growth plan designed to further improve the quality of the product range and to maintain the excellent level of customer service.
The key initiatives of the strategic plan include: the establishment of the business in geographic areas that offer particular business development opportunities (Korea, Taiwan, Mexico); the reorganization of the investment centers and the creation of a new hub in London specializing in Emerging Markets; the enhancement of the range of U.S. mutual funds; an increase in non-captive business through the growth of the Third Parties and Institutional channels; optimization of the Operations unit and of the information systems.
In addition, the relationship with the Parent Company UniCredit was redefined through a distribution agreement that provides for specific requirements in terms of performance and quality of the service offered by Pioneer.

Central Eastern Europe (CEE)

The CEE area comprises the businesses of the Group in the following 18 countries: Azerbaijan, Bosnia & Herzegovina, Bulgaria, Czech Republic, Croatia, Estonia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine. Being a Top-5-bank in many of these countries, UniCredit group is among the leaders in the region, offering a full range of products and services to retail and corporate customers.

Results by business segment are reported using the format of a condensed income statement, in accordance with the Interim Report on Operations. The income statement by business segments was compiled by combining the income statements of the companies, or - where a company operates in more than one business - of the businesses forming a part of individual business areas or lines, after applying their respective write-downs and adjustments for intra-group transactions.

The following rules were applied to determine the individual business segment results for subsidiaries with businesses in more than one segment (UniCredit S.p.A., UniCredit Bank Austria AG, UniCredit Bank AG, UniCredit Luxembourg SA, HVB Immobilien AG, HVB Global Asset Company LP, Geldilux SA) making it possible to integrate directly attributable income and expense:
- the refinancing cost of loans and revenue from use of funds gathered by business units were determined on the basis of the internal transfer rates defined by the relevant Group's policies;
- capital was allocated to individual business units in proportion to risk-weighted assets and remunerated at 10.93% after tax;
- the costs incurred centrally on behalf of business units were allocated on the basis of actual consumption, while overhead costs were allocated in proportion based on the direct and indirect costs of individual business units, their revenues and FTEs.

Comparative figures have been restated to take into account the following changes in business segments perimeters as well as the new method of disclosure of data on Poland: in particular, the transfer of Asset Gathering from Private Banking to Retail, and the absorption of the former Corporate Banking and Markets & Investment Banking divisions into CIB.
See the Report on Operations for comments on operations and results by business segment.

Part L - Segment Reporting (Continued)

A - Primary Segment

Segment Reporting by Business Segment - year 2012

A.1 - Breakdown by business segment: income statement

(€ '000)

	F&SME NETWORK ITALY	F&SME NETWORK GERMANY	F&SME NETWORK AUSTRIA	F&SME NETWORK POLAND	F&SME FACTORIES	CORPORATE & INVESTMENT BANKING	PRIVATE BANKING	ASSET MANAGEMENT	CENTRAL EASTERN EUROPE	GROUP CORPORATE CENTER	CONSOLIDATED GROUP TOTAL 12.31.2012
Net interest	3,828,136	963,885	686,429	650,568	1,482,557	4,747,747	320,076	8,040	3,194,287	(1,597,043)	14,284,682
Dividends and other income from equity investments	-	3,484	2,479	2	62,154	179,377	13,923	3,437	19,637	112,210	396,703
Net fees and commissions	2,509,041	482,706	375,288	400,184	375,612	1,483,555	583,510	684,076	1,007,645	(108,421)	7,793,196
Net trading, hedging and fair value income	9,726	4,939	12,025	44,568	31,972	683,842	3,576	3,377	416,263	1,103,553	2,313,841
Net other expenses/income	(12,741)	4,019	15,030	16,942	40,997	(27,405)	(1,697)	3,398	89,056	133,410	261,009
OPERATING INCOME	**6,334,162**	**1,459,033**	**1,091,251**	**1,112,264**	**1,993,292**	**7,067,116**	**919,388**	**702,328**	**4,726,888**	**(356,291)**	**25,049,431**
Payroll costs	(2,019,849)	(569,037)	(367,367)	(266,461)	(375,398)	(1,030,493)	(295,032)	(293,357)	(1,025,491)	(2,673,478)	(8,915,963)
Other administrative expenses	(2,337,159)	(888,301)	(548,851)	(361,352)	(454,348)	(1,592,003)	(298,364)	(169,401)	(971,525)	2,079,846	(5,541,458)
Recovery of expenses	329,370	5,066	-	885	35,210	14,795	43,276	8,993	535	93,933	532,063
Amortisation, depreciation and impairment losses on tangible and intangible assets	(81,905)	(5,707)	(9,521)	(40,391)	(37,463)	(23,234)	(6,243)	(26,087)	(196,280)	(627,228)	(1,054,059)
Operating expenses	**(4,109,543)**	**(1,457,979)**	**(925,739)**	**(667,319)**	**(831,999)**	**(2,630,935)**	**(556,363)**	**(479,852)**	**(2,192,761)**	**(1,126,927)**	**(14,979,417)**
OPERATING PROFIT	**2,224,619**	**1,054**	**165,512**	**444,945**	**1,161,293**	**4,436,181**	**363,025**	**222,476**	**2,534,127**	**(1,483,218)**	**10,070,014**
Net writedowns of loans and provisions for guarantees and commitments	(3,103,882)	8,744	(84,803)	(26,830)	(737,918)	(4,634,979)	(25,301)	-	(894,524)	(113,354)	(9,612,847)
OPERATING NET PROFIT	**(879,263)**	**9,798**	**80,709**	**418,115**	**423,375**	**(198,798)**	**337,724**	**222,476**	**1,639,603**	**(1,596,572)**	**457,167**
Provision for risks and charges	(65,947)	18,825	(3,204)	126	(22,341)	312,856	(15,242)	(18,539)	(61,884)	(311,002)	(166,352)
Integration costs	(64,024)	(78,059)	(27,000)	-	(12,465)	(20,795)	(11,695)	(12,394)	(1,253)	(49,228)	(276,913)
Net income from investments	(4,234)	(118)	(18,025)	(79)	14,478	99,869	(3,765)	4,133	118,629	91,789	302,677
PROFIT BEFORE TAX	**(1,013,468)**	**(49,554)**	**32,480**	**418,162**	**403,047**	**193,132**	**307,022**	**195,676**	**1,695,095**	**(1,865,013)**	**316,579**

A.2 - Breakdown by business segment: balance sheet amounts and RWA

(€ '000)

BALANCE SHEET AMOUNTS	F&SME NETWORK ITALY	F&SME NETWORK GERMANY	F&SME NETWORK AUSTRIA	F&SME NETWORK POLAND	F&SME FACTORIES	CORPORATE & INVESTMENT BANKING	PRIVATE BANKING	ASSET MANAGEMENT	CENTRAL EASTERN EUROPE	GROUP CORPORATE CENTER	CONSOLIDATED GROUP TOTAL 12.31.2012
LOANS AND RECEIVABLES WITH CUSTOMERS	117,387,991	40,804,018	20,133,500	11,021,440	55,055,783	213,116,355	8,797,518	42	70,184,698	10,642,712	**547,144,057**
DEPOSITS FROM CUSTOMERS	87,522,858	42,179,246	24,773,873	13,117,989	17,782,798	121,769,960	28,351,840	-	60,095,098	13,920,011	**409,513,673**
DEBT CERTIFICATES	48,881,307	3,930,340	3,874,342	369,361	640,651	11,036,227	11,473,240	-	3,978,822	86,266,905	**170,451,195**
TOTAL RISK WEIGHTED ASSETS (BASEL 2)	48,619,483	14,868,805	12,193,195	9,592,679	49,024,855	162,615,660	5,179,718	1,985,822	83,183,322	39,863,221	**427,126,757**

A.3 - Staff

	F&SME NETWORK ITALY	F&SME NETWORK GERMANY	F&SME NETWORK AUSTRIA	F&SME NETWORK POLAND	F&SME FACTORIES	CORPORATE & INVESTMENT BANKING	PRIVATE BANKING	ASSET MANAGEMENT	CENTRAL EASTERN EUROPE	GROUP CORPORATE CENTER	CONSOLIDATED GROUP TOTAL 12.31.2012
STAFF (KFS group on a proportional basis)											
Employees (FTE)	29,381	7,622	3,900	13,527	6,185	8,634	2,978	1,968	36,604	35,312	**146,110**
STAFF (KFS group fully considered)											
Employees (FTE)	29,381	7,622	3,900	13,527	6,185	8,635	2,978	1,968	46,847	35,312	**156,354**

Segment Reporting by Business Segment - year 2011

A.1 - Breakdown by business segment: income statement

(€ '000)

	F&SME NETWORK ITALY	F&SME NETWORK GERMANY	F&SME NETWORK AUSTRIA	F&SME NETWORK POLAND	F&SME FACTORIES	CORPORATE & INVESTMENT BANKING	PRIVATE BANKING	ASSET MANAGEMENT	CENTRAL EASTERN EUROPE	GROUP CORPORATE CENTER	CONSOLIDATED GROUP TOTAL 12.31.2011
Net interest	3,728,476	1,101,263	693,711	652,918	1,412,292	4,789,623	320,957	11,184	3,058,407	(516,665)	15,252,166
Dividends and other income from equity investments	-	3,520	7,475	5	52,060	132,449	4,390	4,682	32,744	142,655	379,980
Net fees and commissions	2,561,524	469,220	394,890	447,629	391,284	1,662,708	568,362	724,819	992,196	(164,887)	8,047,745
Net trading, hedging and fair value income	18,255	(4,501)	10,691	43,275	19,210	715,984	5,676	(973)	347,150	(55,358)	1,099,409
Net other expenses/income	(2,031)	23,240	13,464	5,016	119,477	(80,142)	2,867	11,470	62,570	77,574	233,505
OPERATING INCOME	**6,306,224**	**1,592,742**	**1,120,231**	**1,148,843**	**1,994,323**	**7,220,622**	**902,252**	**751,182**	**4,493,067**	**(516,681)**	**25,012,805**
Payroll costs	(2,163,783)	(554,174)	(350,986)	(275,754)	(381,732)	(1,097,960)	(303,036)	(273,608)	(985,255)	(2,783,126)	(9,169,414)
Other administrative expenses	(2,507,853)	(913,153)	(538,976)	(371,850)	(472,582)	(1,652,366)	(284,595)	(174,207)	(941,096)	2,195,969	(5,660,709)
Recovery of expenses	339,494	5,543	-	1,241	34,573	13,101	19,300	11,465	415	99,901	525,033
Amortisation, depreciation and impairment losses on tangible and intangible assets	(85,419)	(5,938)	(11,144)	(38,281)	(36,677)	(27,507)	(5,609)	(28,194)	(191,134)	(696,292)	(1,126,195)
Operating expenses	**(4,417,561)**	**(1,467,722)**	**(901,106)**	**(684,644)**	**(856,418)**	**(2,764,732)**	**(573,940)**	**(464,544)**	**(2,117,070)**	**(1,183,548)**	**(15,431,285)**
OPERATING PROFIT	**1,888,663**	**125,020**	**219,125**	**464,199**	**1,137,905**	**4,455,890**	**328,312**	**286,638**	**2,375,997**	**(1,700,229)**	**9,581,520**
Net writedowns of loans and provisions for guarantees and commitments	(2,018,732)	(16,983)	(157,550)	(86,565)	(646,678)	(1,944,231)	(5,560)	-	(768,277)	(88,829)	(5,733,405)
OPERATING NET PROFIT	**(130,069)**	**108,037**	**61,575**	**377,634**	**491,227**	**2,511,659**	**322,752**	**286,638**	**1,607,720**	**(1,789,058)**	**3,848,115**
Provision for risks and charges	(63,075)	(34,810)	3,601	(9)	(28,923)	(242,892)	(37,214)	(3,544)	(14,014)	(297,525)	(718,405)
Integration costs	(54,443)	(14,711)	-	-	(6,713)	(88,337)	(9,155)	(14,091)	(2,377)	(80,630)	(270,457)
Net income from investments	-	(435)	2,701	(118)	(9,077)	(102,382)	(1,401)	(6,659)	7,616	(554,861)	(664,616)
PROFIT BEFORE TAX	**(247,587)**	**58,081**	**67,877**	**377,507**	**446,514**	**2,078,048**	**274,982**	**262,344**	**1,598,945**	**(2,722,074)**	**2,194,637**

A.2 - Breakdown by business segment: balance sheet amounts and RWA

(€ '000)

BALANCE SHEET AMOUNTS	F&SME NETWORK ITALY	F&SME NETWORK GERMANY	F&SME NETWORK AUSTRIA	F&SME NETWORK POLAND	F&SME FACTORIES	CORPORATE & INVESTMENT BANKING	PRIVATE BANKING	ASSET MANAGEMENT	CENTRAL EASTERN EUROPE	GROUP CORPORATE CENTER	CONSOLIDATED GROUP TOTAL 12.31.2011
LOANS AND RECEIVABLES WITH CUSTOMERS	125,260,015	43,039,652	21,129,535	9,149,227	56,397,617	220,676,768	8,077,650	42	66,745,225	5,470,066	**555,945,797**
DEPOSITS FROM CUSTOMERS	91,973,926	43,562,469	23,605,683	11,869,506	15,077,254	116,728,126	23,455,802	-	54,049,015	14,966,488	**395,288,269**
DEBT CERTIFICATES	36,493,339	5,774,664	3,812,290	390,252	689,566	10,054,513	12,017,273	-	2,859,751	90,068,070	**162,159,718**
TOTAL RISK WEIGHTED ASSETS (BASEL 2)	57,031,125	14,698,567	10,913,287	8,184,145	48,107,819	194,996,734	4,902,035	1,795,028	79,792,627	39,973,478	**460,394,843**

A.3 - Staff

	F&SME NETWORK ITALY	F&SME NETWORK GERMANY	F&SME NETWORK AUSTRIA	F&SME NETWORK POLAND	F&SME FACTORIES	CORPORATE & INVESTMENT BANKING	PRIVATE BANKING	ASSET MANAGEMENT	CENTRAL EASTERN EUROPE	GROUP CORPORATE CENTER	CONSOLIDATED GROUP TOTAL 12.31.2011
STAFF (KFS group on a proportional basis)											
Employees (FTE)	30,300	7,521	3,913	13,988	6,181	9,369	3,027	1,949	37,919	36,073	**150,240**
STAFF (KFS group fully considered)											
Employees (FTE)	30,300	7,521	3,913	13,988	6,181	9,390	3,027	1,949	48,018	36,073	**160,360**

Part L - Segment Reporting (Continued)

B - Secondary Segment

(€ '000)

AMOUNT AS AT 12.31.2012	TOTAL ASSETS	OPERATING INCOME (*)	COST OF INVESTMENT
Italy	429,450,433	10,553,946	100,304
Germany	239,479,166	3,646,191	315,416
Austria	90,534,382	2,207,559	185,936
Total other European countries	154,823,559	7,941,243	530,996
of which: Western Europe	*33,839,278*	*1,538,463*	*12,981*
of which: Eastern Europe	*120,984,281*	*6,402,780*	*518,015*
America	6,079,524	258,999	1,773
Asia	6,458,633	57,816	4,704
Rest of the world	1,776	52	-
Total	**926,827,473**	**24,665,806**	**1,139,129**

(*) Item 120 in income statement

(€ '000)

AMOUNT AS AT 12.31.2011	TOTAL ASSETS	OPERATING INCOME (*)	COST OF INVESTMENT
Italy	386,383,803	9,550,281	276,595
Germany	238,004,164	4,403,484	203,073
Austria	92,463,512	2,210,683	420,573
Total other European countries	180,859,245	8,505,645	468,021
of which: Western Europe	*57,873,950*	*1,829,490*	*12,681*
of which: Eastern Europe	*122,985,295*	*6,676,155*	*455,340*
America	7,281,551	218,494	2,810
Asia	8,552,217	70,810	865
Rest of the world	22,588	69	-
Total	**913,567,080**	**24,959,466**	**1,371,937**

(*) Item 120 in income statement

With reference to the whole Part L, it should be noted that the figures relating to December 31, 2011 were restated for each table to take account of:
- the reclassification, carried out by three subsidiaries of the Group in the first half of 2012, of the reversals connected with the passing of time from "Net interest" to "Net write-downs on loans and provisions for guarantees and commitments" with impact on the Operating profit;
- the reclassification of markups incorporated in the sale price of some trading products, traded by some Group entities, which are recognized under "Net trading, hedging and fair value income" with impact on the Operating profit, previously recorded under "Net fees and commissions";
- the reclassification of leasehold improvements from "Net other expenses/income" to "Other administrative expenses";
- the classification at December 31, 2012, in accordance with IFRS5, of the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC, ATF INKASSATSIYA LTD as "discontinued operations";
- the restatement of some items of assets and liabilities aimed at reflecting the net presentation of certain derivative contracts with Central Counterparties (CCP).

Annexes

Annexes

Reconciliation of Condensed Accounts to Mandatory Reporting Schedule

Consolidated Balance Sheet

(€ million)

ASSETS	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011	SEE THE NOTES PART B - ASSETS
Cash and cash balances = *item 10*	7,570	9,547	Section 1
Financial assets held for trading = *item 20*	107,119	120,374	Section 2
Loans and receivables with banks = *item 60*	74,475	56,162	Section 6
Loans and receivables with customers = *item 70*	547,144	555,946	Section 7
Financial investments	108,686	99,211	
Item 30. Financial assets at fair value through profit or loss	*25,025*	*28,623*	*Section 3*
Item 40. Available-for-sale financial assets	*73,595*	*57,767*	*Section 4*
Item 50. Held-to-maturity investments	*6,208*	*9.265*	*Section 5*
Item 100. Investments in associates and joint ventures	*3,858*	*3.555*	*Section 10*
Hedging instruments	20,847	15,479	
Item 80. Hedging derivatives	*17,691*	*13,651*	*Section 8*
Item 90. Changes in fair value of portfolio hedged items	*3,156*	*1.828*	*Section 9*
Property, plant and equipment = *item 120*	11,833	12,093	Section 12
Goodwill = *item 130 - Intangible assets of which: goodwill*	11,678	11.567	Section 13
Other intangible assets = *item 130 - Intangible assets net of goodwill*	3,980	3,986	Section 13
Tax assets = *item 140*	17,609	14,299	Section 14
Non-current assets and disposal groups classified as held for sale = *item 150*	3,968	4,811	Section 15
Other assets	11,919	10,094	
Item 110. Insurance reserves attributable to reinsurers	*1*	*1*	*Section 11*
Item 160. Other assets	*11,918*	*10,093*	*Section 16*
Total assets	**926,827**	**913,567**	

Continued: Consolidated Balance Sheet (€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 12.31.2012	AMOUNTS AS AT 12.31.2011	SEE THE NOTES PART B - LIABILITIES
Deposits from banks = *item 10*	117,445	131,583	Section 1
Deposits from customers = *item 20*	409,514	395,288	Section 2
Debt securities in issue = *item 30*	170,451	162,160	Section 3
Financial liabilities held for trading = *item 40*	99,123	111,386	Section 4
Financial liabilities at fair value through profit or loss = *item 50*	852	786	Section 5
Hedging instruments	21,309	16,748	
Item 60. Hedging derivatives	*14,540*	*11,907*	*Section 6*
Item 70. Changes in fair value of portfolio hedged items	*6,769*	*4,841*	*Section 7*
Provisions for risks and charges = *item 120*	8,014	8,496	Section 12
Tax liabilities = *item 80*	7,886	6,184	Section 8
Liabilities included in disposal groups classified as held for sale = *item 90*	3,560	4,450	Section 9
Other liabilities	22,220	21,688	
Item 100. Other liabilities	*20,952*	*20,389*	*Section 10*
Item 110. Provision for employee severance pay	*1,041*	*1,089*	*Section 11*
Item 130. Insurance reserves	*228*	*210*	*Section 13*
Minorities = *item 210*	3,669	3,318	Section 16
Shareholders' Equity, of which:	62,784	51,479	
- Capital and reserves	61,100	62,417	
Item 140. Revaluation reserves, of which: Special revaluation laws	*277*	*277*	*Section 15*
Item 140. Revaluation reserves, of which: Exchange differences	*(1,725)*	*(2,222)*	*Section 15*
Item 140. Revaluation reserves, of which: equity investments valued at equity method	*25*	*(166)*	*Section 15*
Item 140. Revaluation reserves, of which: non current assets classified held for sale	-	*(1)*	*Section 15*
Item 170. Reserves	*10,002*	*15,565*	*Section 15*
Item 180. Share premium	*32,878*	*36,823*	*Section 15*
Item 190. Issued capital	*19,648*	*12,148*	*Section 15*
Item 200. Treasury shares	*(5)*	*(7)*	*Section 15*
- Available-for-sale assets fair value reserve and cash-flow hedging reserve	820	(1,731)	
Item 140. Revaluation reserves, of which: Available-for-sale financial assets	*65*	*(2,477)*	*Section 15*
Item 140. Revaluation reserves, of which: Cash-flow hedges	*755*	*747*	*Section 15*
- Net profit (loss) = *item 220*	865	(9,206)	Section 15
Total liabilities and Shareholders' Equity	**926,827**	**913,567**	

Note:

A explanation of restatements of the comparative period, see the previous sections.

Reconciliation of Condensed Accounts to Mandatory Reporting Schedule (Continued)

Consolidated Income Statement

(€ million)

	YEAR 2012	YEAR 2011	SEE THE NOTES PART C
Net interest	**14,285**	**15,252**	**Section 1**
Item 30. Net interest margin	*13,877*	*15,307*	
less: Purchase Price Allocation effect	*408*	*(54)*	
Dividends and other income from equity investments	**397**	**380**	
Item 70. Dividend income and similar revenue	*226*	*741*	*Section 3*
less: dividends from held for trading equity instruments included in item 70	*(24)*	*(514)*	
Item 240. Profit (loss) of associates - of which: Profit (loss) of associates valued at equity	*206*	*153*	*Section 16*
less: Profit (loss) of associates - of which: Profit (loss) of associates valued at equity as a contra item to write-downs	*(12)*	*-*	
Net fees and commissions	**7,793**	**8,048**	**Section 2**
Item 60. Net fees and commissions	7,744	8,048	Section 2
+ Other operating income - of which: recovery of costs - commissioni istruttoria veloce (CIV)	*49*	*-*	
Net trading, hedging and fair value income	**2,314**	**1,099**	
Item 80. Gains (losses) on financial assets and liabilities held for trading	*1,328*	*419*	*Section 4*
+ Dividends from held for trading equity instruments (from item 70)	*24*	*514*	
Item 90. Fair value adjustments in hedge accounting	*(134)*	*106*	*Section 5*
Item 100. Gains (losses) on disposal or repurchase of : d) financial liabilities	*1,063*	*36*	*Section 6*
Item 110. Gains (losses) on financial assets and liabilities designated at fair value through profit and loss	*33*	*24*	*Section 7*
Net other expenses/income	**261**	**234**	
Gains (losses) on disposals / repurchases on loans and receivables - not impaired position (from item 100 a)	*53*	*(16)*	
Item 150. Premiums earned (net)	*161*	*126*	*Section 9*
Item 160. Other income (net) from insurance activities	*(126)*	*(99)*	*Section 10*
Item 220. Other net operating income	*806*	*794*	*Section 15*
less: Other operating income - of which: recovery of costs	*(532)*	*(525)*	
less: Other operating income - of which: recovery of costs - commissioni istruttoria veloce (CIV)	*(49)*	*-*	
Net write-downs/-backs of tangible operating lease assets (from item 200)	*(119)*	*(114)*	
less: Write-downs on leasehold improvements (on non-separable assets) - No Group	*64*	*62*	
Gains (losses) on disposals of investments - assets leasing operation (from item 270)	*3*	*4*	
OPERATING INCOME	**25,049**	**25,013**	
Payroll costs	**(8,916)**	**(9,169)**	
Item 180. Administrative costs - a) staff expenses	*(9,138)*	*(9,402)*	*Section 11*
less: integration costs	*222*	*232*	
Other administrative expenses	**(5,541)**	**(5,661)**	
Item 180. Administrative costs - b) other administrative expenses	*(5,494)*	*(5,613)*	*Section 11*
Write-downs on leasehold improvements (on non-separable assets) - No Group	*(64)*	*(62)*	
less: integration costs	*16*	*14*	
Recovery of expenses = item 220. Other net operating income - of which: Operating income - recovery of costs	**532**	**525**	**Section 15**
Amortization, depreciation and impairment losses on intangible and tangible assets	**(1,054)**	**(1,126)**	
Item 200. Impairment/Write-backs on property, plant and equipment	*(791)*	*(833)*	*Section 13*
less: Impairment losses/write backs on property owned for investment	*29*	*39*	
less: Net write-downs/-backs of tangible operating lease assets (from item 200)	*119*	*114*	
less: integration costs	*1*	*-*	
Item 210. Impairment/Write-backs on intangible assets	*(619)*	*(1,600)*	*Section 14*
less: integration costs	*1*	*2*	
less: Purchase Price Allocation effect	*206*	*1,151*	
Operating costs	**(14,979)**	**(15,431)**	
OPERATING PROFIT (LOSS)	**10,070**	**9,582**	

Continued: Consolidated Income Statement (€ million)

	YEAR 2012	YEAR 2011	SEE THE NOTES PART C
OPERATING PROFIT (LOSS)	**10,070**	**9,582**	
Net impairment losses on loans and provisions for guarantees and commitments	**(9,613)**	**(5,733)**	
Item 100. Gains (losses) on disposal and repurchase of a) loans	*34*	*(22)*	*Section 6*
less: Gains (losses) on disposals / repurchases on loans and receivables - not impaired position (from item 100 a)	*(53)*	*16*	
Item 130. Impairment losses on a) loans	*(8,996)*	*(5,574)*	*Section 8*
Item 130. Impairment losses on d) other financial assets	*(597)*	*(153)*	*Section 8*
NET OPERATING PROFIT (LOSS)	**457**	**3,848**	
Provisions for risks and charges	**(166)**	**(718)**	
Item 190. Provisions for risks and charges	*(203)*	*(740)*	*Section 12*
Surplus on release of integration provision	*37*	*22*	
Integration costs	**(277)**	**(270)**	
Net income from investments	**303**	**(665)**	
Item 100. Gains (losses) on disposal and repurchase of b) available-for-sale financial assets	*464*	*304*	*Section 6*
Item 100. Gains (losses) on disposal and repurchase of c) held-to-maturity investments	*30*	*(3)*	*Section 6*
Item 130. Impairment losses on: b) available-for-sale financial assets	*(158)*	*(472)*	*Section 8*
Item 130. Impairment losses on: c) held-to-maturity investments	*(16)*	*(152)*	*Section 8*
Impairment losses/write backs on property owned for investment (from item 200)	*(29)*	*(39)*	
Item 240. Profit (loss) of associates -of which: write-backs/impairment losses and gains/losses on disposal of associates valued at equity	*(105)*	*(477)*	*Section 16*
+ Profit (loss) of associates - of which: Profit (loss) of associates valued at equity as a contra item to write-downs	*12*	*-*	
Item 250. Net valuation at fair value of tangible and intangible assets	*0*	*(7)*	*Section 17*
Item 270. Gains (losses) on disposal of investments	*106*	*180*	*Section 19*
less: Gains (losses) on disposals of investments - assets leasing operation (from item 270)	*(3)*	*(4)*	
less: Purchase Price Allocation effect	*-*	*5*	
PROFIT (LOSS) BEFORE TAX	**317**	**2,195**	
Income tax for the period	**1,539**	**(1,414)**	
Item 290. Tax expense related to profit from continuing operations	*1,724*	*(1,115)*	*Section 20*
less: Purchase Price Allocation effect	*(185)*	*(299)*	
NET PROFIT (LOSS)	**1,856**	**780**	
Profit (loss) after tax from discontinued operations = item 310	**(168)**	**(610)**	
Item 310. Profit (loss) after tax from discontinued operations	*(175)*	*(616)*	*Section 21*
less: Purchase Price Allocation effect	*6*	*6*	
PROFIT (LOSS) FOR THE PERIOD	**1,687**	**170**	
Minorities	**(358)**	**(365)**	
Item 330. Minorities	*(358)*	*(365)*	*Section 22*
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**1,330**	**(194)**	
Purchase Price Allocation effect	**(435)**	**(808)**	
Impairment of goodwill	**(30)**	**(8,203)**	
Item 260. Impairment of goodwill	*(30)*	*(8,203)*	*Section 18*
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**865**	**(9,206)**	

Note:
A explanation of restatements of the comparative period, see the previous sections.

Fees for annual audits and related services

UniCredit group 2012 - KPMG network

As prescribed by art. 149-doudecies of the Consob Issuers Regulation, the following table gives fees paid in 2012 for audit services rendered by KPMG S.p.A. and firms in its network.

(€ '000)

SERVICE TYPE	SERVICE PROVIDER	USER	FEES[1]
Audit[2]	KPMG S.p.A.	Parent company - UniCredit S.p.A.	3,689
	KPMG S.p.A.	Subsidiaries	2,235
	KPMG network	Subsidiaries	19,475
Certification, letters of comfort, etc.	KPMG S.p.A.	Parent company - UniCredit S.p.A.[3]	1,049
	KPMG S.p.A.	Subsidiaries	273
	KPMG network	Parent company - UniCredit S.p.A.	0
	KPMG network	Subsidiaries[4]	2,267
Other services	KPMG S.p.A.	Parent company - UniCredit S.p.A.	256
	KPMG S.p.A.	Subsidiaries	76
	KPMG network	Parent company - UniCredit S.p.A.[5]	2,060
	KPMG network	Subsidiaries[6]	18,470
Total			**49,850**

1. Excluding VAT and expenses.
2. Excluding fees for audits of investment funds.
3. Issuing comfort letters concerning bond issues, limited accounting audit of the sustainability report, signing the Italian tax declaration forms (Modello Unico, Modello 770 S/O and Modello Consolidato Nazionale), as well as of the lending transactions report, report on the value of Fondo Capital Italia S.A. and Fondo Pioneer CIM shares, monitoring over the servicing report of the securitization transactions, and audit procedures on transferred credits.
4. Mainly other checks provided to the subsidiary UniCredit Bank AG as to €1,596 thousand and to some of its German subsidiaries as to €220 thousand and checks required by local regulations/Regulators (€265 thousand - CEE countries).
5. Methodological, technical and professional contribution to the check of the "Sustainability process and knowledge center di UniCredit", advice and assistance for "IFRS Conversion Services", and support to the activities of the PMO for the extension of the CCR project.
6. Mainly assistance provided to the subsidiary UniCredit Bank AG for implementation of the procedures and/or processes for ICAAP, Impairment, CCR – Counterparty Credit Risk, Liquidity Management, Multy-Currency Accounting and other activities: €15,913 thousand, as well as technical and IT services provided to the subsidiary UniCredit Business Integrated Solutions SCpA: €2,217 thousand and tax services provided to subsidiaries: €184 thousand.

Definition of Terms and Acronyms

ABCP Conduits - Asset Backed Commercial Paper Conduits
Asset Backed Commercial Paper Conduits are a type of "SPV - Special Purpose Vehicle" (q.v.) set up to securitize various types of assets and financed by Commercial Paper (q.v.).
Commercial Paper generally matures in 270 days, with payment of principal and interest depending on the cash flow generated by the underlying assets.
ABCP Conduits may be single-sellers or multi-sellers according to the number of issues they make. Conduits generally require several SPVs. The first-level vehicles issue the Commercial Paper and finance one or more second-level vehicles or Purchase Companies (q.v.) which purchase the assets to be securitized.
An ABCP Conduit will have the following:
- issues of short-term paper creating a maturity mismatch between the assets held and the paper issued;
- liquidity lines covering the maturity mismatch; and
- security covering default risk in respect of both specific assets and the entire program.

ABS - Asset Backed Securities
Debt securities, generally issued by an "SPV - Special Purpose Vehicle" (q.v.) guaranteed by assets of various types such as mortgage loans, consumer credits, credit card receivables, etc. Principal and interest payments are subject to the performance of the securitized assets and the existence of any further security guaranteeing the bond. ABSs are divided into tranches (senior, mezzanine and junior) according to the priority with which principal and interest will be paid.

Absorbed capital
Absorbed capital is the capital required to cover business risks. It is the higher between the regulatory capital (which is obtained by multiplying risk-weighted assets by the target core tier 1 ratio) and the internal capital, which represents the total amount of capital the entire Group sets aside as a buffer against potential losses and needs to support its business activities and all positions held. Internal capital is the sum of the aggregated economic capital and a cushion that considers the effects of the cycle and model risk.

Acquisition Finance
Finance for business acquisition operations. The most common form of Acquisition Finance is the leveraged buy-out (see Leveraged Finance).

Affluent
Banking customer segment whose available assets for investment are regarded as moderate to high.

ALM - Asset & Liability Management
Integrated management of assets and liabilities, designed to allocate resources in such a manner as to optimize the risk/return ratio.

ALT-A (residential mortgages)
Mortgages whose borrowers, while not subject to the significant repayment problems of those described as Subprime (q.v.), have a risk profile with high loan-to-value and installment-to-income ratios or incomplete documentation of the debtor's income.

Alternative investment
Alternative investments cover a wide range of forms of investment, including investments in Private Equity (q.v.) and Hedge Funds (q.v.).

Asset allocation
Decisions to invest in markets, geographical areas, sectors or products.

Asset management
Activities of management of the financial investments of third parties.

ATM - Automated Teller Machine
Automated machine that allows customers to carry out operations such as withdrawing cash, paying in cash or checks, requesting account information, paying utility bills, topping up mobile phone credits, etc.
The customer activates the terminal by inserting a smart card and entering his/her Personal Identification Number.

Audit
Process of controlling a company's activities and accounting, carried out either by an internal body (internal audit) or by an external firm of auditors (external audit).

Banking book
Used in relation to financial instruments, particularly securities, this term identifies the portion of such portfolios intended for "proprietary" activities.

Definition of Terms and Acronyms (Continued)

Basel 2
New international capital agreement redefining the guidelines for determining the minimum capital requirements for banks.
The new prudential regulations, which came into force in Italy in 2008, are based on three pillars.
- **Pillar 1:** while the objective of a level of capitalization equivalent to 8% of the risk-weighted exposures remains unchanged, a new set of rules has been defined for measuring the typical risks associated with banking and financial activities (credit risk, counterparty risk, market risk and operating risk) which provides for alternative calculation methods characterized by different levels of complexity, with the ability to use internally developed models subject to prior authorization by the Regulatory Authority;
- **Pillar 2:** this requires the banks to have processes and tools for determining the adequate level of total internal capital (Internal Capital Adequacy Assessment Process - ICAAP) for covering all types of risk, including risks other than those covered by the overall capital requirement (Pillar 1), within the framework of an evaluation of current and future exposure that takes account of strategies and of changes in the reference context. It is the Regulatory Authority's task to examine the ICAAP process, formulate an overall judgment and, where necessary, apply the appropriate corrective measures;
- **Pillar 3:** this introduces obligations to publish information concerning capital adequacy, exposure to risks, and the general characteristics of the systems used for identifying, measuring and managing those risks.

Best practice
Behavior commensurate with the most significant experience and/or the best level of knowledge achieved in relation to a given technical or professional field.

Budget
Statement forecasting the future costs and revenues of a business.

CBO - Collateralized Bond Obligations
CDO - Collateralized Debt Obligations (q.v.) with bonds as underlyings.

CCF - Credit Conversion Factor
Ratio between (a) the unused portion of the line of credit that it is estimated may be used in the event of default and (b) the portion currently unused.

CDO - Collateralized Debt Obligations
Bonds issued by a vehicle with loans, bonds, ABS - Asset Backed Securities (q.v.) or other CDOs as underlyings. CDOs make it possible to derecognize assets in the bank's balance sheet and also to arbitrage the differences in yield between the securitized assets and the bonds issued by the vehicle. CDOs may be funded if the vehicle legally acquires title to the assets or unfunded if the vehicle acquires the underlying risk by means of a CDS - Credit Default Swap (q.v.) or similar security.
These bonds may be further subdivided as follows:
- **CDOs of ABSs**, which in turn have tranches of ABSs as underlyings;
- **Commercial Real Estate CDOs (CRE CDOs)**, with commercial property loans as underlyings;
- **Balance Sheet CDOs** which enable the Originator (q.v.), usually a bank, to transfer its credit risk to outside investors, and, where possible under local law and supervisory regulations, to derecognize the assets from its balance sheet;
- **Market Value CDOs** whereby payments of interest and principal are made not only out of cash flow from the underlying assets, but also by trading the instruments. The performance of the notes issued by the vehicle thus depends not only on the credit risk, but also on the market value of the underlyings;
- **Preferred Stock CDOs** with hybrid debt/equity instruments or Preference shares (q.v.) issued by financial institutions;
- **Synthetic Arbitrage CDOs** which arbitrage the differences in yield between the securitized assets acquired synthetically by means of derivatives and the bonds issued by the vehicle.

CDS - Credit Default Swap
A derivative in which a seller of protection engages, for a fee, to pay the buyer of protection a fixed amount should a certain event indicating a deterioration of the creditworthiness of a reference entity occur.

CGU - Cash Generating Unit
A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

CLO - Collateralized Loan Obligations
CDO - Collateralized Debt Obligations (q.v.) with loans made by authorized lenders such as commercial banks as underlyings.

CMBS - Commercial Mortgage Backed Securities
ABS - Asset Backed Securities (q.v.) with commercial mortgages as underlyings.

Commercial Paper
Short-term securities issued to raise funds from third-party subscribers as an alternative to other forms of debt.

Consumer ABS
ABS (q.v.) in which the collateral consists of consumer credits.

Core Tier 1 Capital
Tier 1 Capital (q.v.), net of hybrid instruments. It is the bank's tangible capital.

Core Tier 1 Capital Ratio
Indicates ratio between the bank's Core Tier 1 Capital and its risk-weighted assets (see the Glossary entry "RWA").

Corporate
Customer segment consisting of medium to large businesses.

Cost/Income Ratio
The ratio between operating expenses and operating income. It is one of the main key performance indicators of the bank's efficiency: the lower the ratio, the more efficient the bank.

Cost of risk
The ratio between loan loss provisions and loans and receivables with customers. It is one of the indicators of the bank assets' level of risk: the lower the ratio, the less risky the bank assets.

Covenant
A loan agreement clause whereby the lender is entitled to restructure or call in the loan on occurrence of the events specified in the clause, which ties changes in the borrower's profits and financial situation to events of default or restructuring (modifying e.g. the repayment schedule or the interest rate charged).

Covered bond
A bond which, as well as being guaranteed by the issuing bank, may also be covered by a portfolio of mortgages or other high-quality loans transferred, to this end, to a suitable SPV - Special Purpose Vehicle (q.v.).

Credit risk
The risk that an unexpected change in the creditworthiness of a counterparty, the value of the guarantees provided by it or the margins used by it in the event of insolvency might produce an unexpected change in the value of the bank's credit position.

Default
A party's declared inability to honor its debts and/or the payment of the associated interest.

Deteriorated credits
Credits are subjected to periodic examination in order to identify those which, following events occurring after their entry in the accounts (at the market value, normally equal to the disbursed amount including the transaction costs and revenues directly attributable to the provision of the credit), show objective signs of a possible loss of value. This category includes credits that have been classed as bad, doubtful, restructured or overdue, in accordance with the Banca d'Italia rules consistent with IAS/IFRS (q.v.).

Duration
This is generally calculated as the weighted average of the maturities for payment of the interest and capital associated with a bond, and represents an indicator of the interest rate risk to which a security or a bond portfolio is subject.

Definition of Terms and Acronyms (Continued)

EAD - Exposure at Default
Relating to the on-balance and off-balance sheet positions, EAD is defined as the estimation of the future value of an exposure at the time of the debtor's default. Only banks that meet the requirements for adopting the IRB - Internal Rating Based (q.v.) advanced approach are allowed to estimate EAD (q.v.). Other banks are required to refer to regulatory estimations.

Economic capital
Capital level that is required to cover the bank's losses that may occur with at a time horizon of one year and a certain probability or confidence level. Economic Capital is a measure of the variability of the Expected Loss of the portfolio and depends on the degree of diversification of the portfolio itself.

EPS - Earnings Per Share
An indicator of a company's profitability calculated as: Net Profit divided by Average total outstanding shares (excluding treasury shares)

EVA - Economic Value Added
Expresses the ability to create value in monetary terms. EVA is equal to the difference between the Net Operating Profit After Tax NOPAT - Net Operating Profit After Tax (q.v.) and the cost of the invested capital.

Factoring
Contract for the sale without recourse (with credit risk borne by the buyer) or with recourse (with credit risk borne by the seller) of commercial credits to banks or specialist companies, for the purposes of management and collection. May be associated with financing in favor of the seller.

Fair value
The sum for which, in a freely competitive market, an item can be exchanged or a liability extinguished between aware and independent parties.

FINREP
Document issued by the Committee of European Banking Supervisors (CEBS). The Committee gives advice to the European Commission on policy and regulatory issues related to banking supervision; it also promotes cooperation and convergence of supervisory practice across the European Union. The objective of FINREP is to provide guidelines for implementation of the consolidated Financial Reporting framework for supervisory purposes; it is based on International Financial Reporting Standards (IFRSs).

Forwards
Forward contracts on interest rates, exchange rates or share indices, generally traded on "OTC - Over-the-Counter" (q.v.) markets, in which the conditions are fixed when the contract is agreed but execution will take place at a predetermined future date, by means of the collection or payment of differentials calculated with reference to various parameters according to the subject of the contract.

FRA - Forward Rate Agreement
Contract whereby the parties agree to receive (pay) at maturity the difference between the value calculated by applying a predetermined interest rate to the transaction amount and the value obtained on the basis of the level reached by a reference rate preselected by the parties.

FTE - Full Time Equivalent
The number of a company's full-time employees. Part-time employees are considered on a pro-rata temporis basis.

Funding
Provision, in various forms, of the funds necessary to finance business activities or particular financial transactions.

Futures
Standardized contracts whereby the parties undertake to exchange money, transferable securities or goods at a preset price at a future date. These contracts are traded on regulated markets, where their execution is guaranteed.

Goodwill
The additional sum paid for the acquisition of an equity interest, equal to the difference between the cost and the corresponding share of net assets, for the portion not attributable to the identifiable assets of the acquired company.

Hedge Fund
Speculative mutual investment fund adopting hedging techniques which generally are not used by ordinary mutual funds, in order to deliver a constant performance, which is only hardly linked to reference markets. Hedge Funds are distinguished by a limited number of partners and require a high minimum level of investment.

IAS/IFRS
International accounting standards issued by the International Accounting Standard Board (IASB), a private international body established in April 2001, involving representatives of the accounting professions of the principal countries and, as observers, the European Union, IOSCO (International Organization of Securities Commissions) and the Basel Committee. This body is the successor of the International Accounting Standards Committee (IASC), set up in 1973 to promote harmonization of the rules for the preparation of company accounts. When the IASC became the IASB, it was decided, among other things, to name the new accounting principles "International Financial Reporting Standards" (IFRS).
At international level, work is currently underway to harmonize the IAS/IFRS with the US GAAP - United States Generally Accepted Accounting Principles (q.v.).

ICAAP - Internal Capital Adequacy Assessment Process
See "Basel 2 - Pillar 2".

Impairment
Within the framework of the IAS/IFRS (q.v.), this refers to the loss of value of a balance sheet asset, recorded when the balance sheet value is greater than the recoverable value, i.e. the sum that can be obtained by selling or using the asset.

Index linked
Policies whose performance at maturity depends on a benchmark parameter that may be a share index, a basket of securities or another indicator.

Investment banking
Banking segment devoted to the subscription and placement of newly issued securities, as well as the trading of financial instruments.

Investor
Any entity other than the Sponsor (q.v.) or Originator (q.v.) with exposure to a securitization.

IRB - Internal Rating Based
Method for determining the capital needed to cover credit risk within the framework of Pillar 1 of Basel 2 (q.v.). The rules are applied to the exposures of the banking portfolio. Furthermore, in the IRB methods the risk weightings of the assets are determined on the basis of the bank's own internal evaluations of the debtors (or, in some cases, of the transactions). Using systems based on internal ratings, the banks determine the weighted risk exposure. The IRB methods consist of a basic method and an advanced method, which differ in terms of the risk parameters that the bank must estimate: in the basic method, the banks use their own estimates for "PD - Probability of Default" and the regulatory values for the other risk parameters; in the advanced method, the banks use their own estimates for " PD - Probability of Default ", "LGD - Loss Given Default", "CCF - Credit Conversion Factors" and, where provided for, "M - Maturity" (q.v.). The use of IRB methods for the calculation of capital requirements is subject to authorization from Banca d'Italia.

IRS - Interest Rate Swap
See "Swap".

Joint venture
Agreement between two or more companies for the conduct of a given economic activity, usually through the constitution of a joint stock company.

Junior, Mezzanine and Senior exposures
In a securitization transaction, the exposures may be classified as follows:
- **junior** exposures are the last to be repaid, and consequently absorb the first loss produced by the securitization transaction;
- **mezzanine** exposures are those with medium repayment priority, between senior and junior;
- **senior** exposures are the first to be repaid.

Definition of Terms and Acronyms (Continued)

Ke
The cost of equity is the minimum return on investment required by the shareholder. It is the sum of a risk-free rate and an additional spread remunerating the shareholder for the credit risk and the volatility of the share price. The cost of capital is based on medium-long term averages of market parameters.

Lead Arranger
The bank responsible for arranging a securitization. The arranger's duties include checking the quality and quantity of the assets to be securitized, conducting relations with rating agencies, drawing up the prospectus and dealing with accounting and legal problems.

Leasing
Contract whereby one party (the lessor) grants to another party (the lessee) for a given period of time the enjoyment of an asset purchased or built by the lessor at the choice and on the instructions of the lessee, with the latter having the option of acquiring ownership of the asset under predetermined conditions at the end of the leasing contract.

Leveraged Finance
Loans provided mainly to Private Equity funds in order to finance the acquisition of a company through a financial transaction based on the cash flow generation capacity of such target company. This can result in a higher level of debt and therefore a higher level of risk. Leveraged finance may be syndicated.

LGD - Loss Given Default
Expected value (which may be conditional upon adverse scenarios) of the ratio, expressed as a percentage, between the loss giving rise to the default and the amount of exposure at the time of the default ("EAD - Exposure At Default", q.v.).

Liquidity risk
The risk of the company being unable to meet its payment commitments due to the inability to mobilize assets or obtain adequate funding from the market (funding liquidity risk) or due to the difficulty/impossibility of easily liquidating positions in financial assets without significantly and unfavorably affecting the price because of insufficient depth or temporary malfunction of the financial market (market liquidity risk).

M - Maturity
The average, for a given exposure, of the residual contractual maturities, each weighted for the relevant amount.

Mark-up
Positive differential with respect to a benchmark index, generally an interbank rate, applied to the lending rate offered to customers.

Market risk
The effect that changes in market variables might have on the economic value of the Group's portfolio, where this includes both the assets held in the trading book and those entered in the banking book, or the operations connected with the characteristic management of the commercial bank and its strategic investment choices.

Medium Term Note
Bond with a maturity of between 5 and 10 years.

Merchant banking
This term covers activities such as the subscription of securities - shares or debt instruments - by corporate customers for subsequent placement on the market, the taking of more permanent equity interests but always with a view to subsequent disposal, and the conduct of business consultancy activities for the purposes of mergers and acquisitions or restructurings.

Monoline Insurers
Insurance companies that insure only one kind of risk. Against payment of premium they guarantee the repayment of principal and interest of bonds - usually "ABS - Asset Backed Securities" (q.v.) or US municipal bonds - on default by the issuer, which enables the guaranteed bond to obtain a better rating than similar unguaranteed issues.

NOPAT - Net Operating Profit After Tax
Net operating profit remaining after the deduction of taxes.

Operating risk
The risk of losses due to errors, violations, interruptions, damages caused by internal processes, personnel or systems, or by external events. This definition includes legal and compliance risk, but excludes strategic and reputational risk.
For example, operating risks include losses deriving from internal or external fraud, employment contracts and employment protection regulations, customer claims, distribution of products, fines and other sanctions arising from breaches of regulations, damages to the company's assets, interruption of operations, malfunction of systems and the management of processes.

Option
The right, but not the commitment, acquired by the payment of a premium, to buy (call option) or sell (put option) a financial instrument at a given price (strike price) by or at a determined future date (American option / European option).

Originator
The entity that originated the assets to be securitized or acquired them from others.

OTC - Over the counter
Over-the-counter (OTC) trading consists of the exchange of financial instruments such as shares, bonds, derivatives or goods directly between two counterparties. The OTC markets do not have standardized contracts or buying/selling procedures and are not associated with a set of rules (admissions, controls, obligations of information, etc.) like those that govern the official markets.

Overcollateralization
The value of the assets underlying the bonds issued is higher than the amount of the bonds.

Payout ratio
It indicates the percentage of net income that is distributed to shareholders. The percentage distributed is determined mainly on the basis of the company's self-financing needs and the return expected by shareholders.

PD - Probability of Default
Probability of a counterparty entering into a situation of "default" (q.v.) within a time horizon of one year.

Preference shares
Capital instruments that associate forms of remuneration tied to market rates with particularly pronounced subordination conditions, such as non-recovery in subsequent years of the interest not paid by the bank and bearing a share of its losses in the event that these produce a significant reduction in the capital requirements. The regulatory authorities set the conditions under which preference shares may be counted among the core capital of banks and banking groups.

Private banking
Financial services aimed at so-called "high-end" private customers for the global management of financial needs.

Private equity
Investments in the risk capital of companies, generally unlisted but with high growth potential and the ability to generate constant cash flows. Investments in private equity include a wide range of operations that vary according to both the development phase of the company concerned and the investment techniques used. These techniques include closed-end private equity funds.

Purchase Companies
Vehicle used by "ABCP Conduits - Asset Backed Commercial Paper Conduits" (q.v.) to purchase the assets to be securitized and subsequently financed by the Conduit vehicle by means of commercial paper.

RARORAC - Risk Adjusted Return On Risk Adjusted Capital
This is the ratio between EVA - Economic Value Added" (q.v.) and allocated/absorbed capital and represents the value created per each unit of risk taken.

Rating
Evaluation of the quality of a company or its issues of debt securities on the basis of the company's financial soundness and prospects. This evaluation is made either by specialist agencies or by the bank on the basis of internal models.

Definition of Terms and Acronyms (Continued)

Retail
Customer segment consisting principally of private individuals, self-employed professionals, traders and artisans.

RMBS - Residential Mortgage Backed Securities
Asset Backed Securities (q.v.) with residential mortgages as underlyings.

RWA - Risk Weighted Assets
On-balance sheet assets and off-balance sheet assets (derivatives and guarantees) classified and weighted by different coefficients referring to risks, following banking rules issued by local Supervisors (i.e. Banca d'Italia, Bafin, etc.), to calculate solvency ratios.

Securitization
Transfer of a portfolio of assets to an "SPV - Special Purpose Vehicle" (q.v.) and the issue of securities with various levels of seniority to meet any default by the underlying assets.
Securitizations can be:
- **traditional:** method of securitization whereby transfer of the assets is by means of sale of the portfolio to the "SPV - Special Purpose Vehicle" (q.v.).
- **synthetic:** method of securitization whereby the transfer of assets is by means of credit derivatives or similar security enabling the risk of the portfolio to be transferred.

Sensitivity
The greater or lesser degree of sensitivity with which certain assets or liabilities react to changes in rates or other reference parameters.

Sponsor
An entity other than the Originator (q.v.) which sets up and manages an ABCP conduit or other securitization scheme where assets are acquired from a third entity for securitization.

SPV - Special Purpose Vehicles
An entity - partnership, limited company or trust - set up to carry out a set object, such as isolating financial risk or obtaining special regulatory or tax treatment for specific portfolios of financial assets.
SPV's operations are accordingly limited by a set of rules designed for this purpose.
In general SPVs' sponsors (q.v.) do not hold equity in them. The equity is held by other entities in order to ensure that there is no shareholder relationship with the Sponsor (q.v.). SPVs are usually bankruptcy-remote, in that their assets cannot be claimed by the creditors of the sponsor, even if the latter becomes insolvent.

Subprime (Residential Mortgages)
Although Subprime has no univocal definition, this category includes mortgages granted to borrowers who have had repayment difficulties in the past, e.g. delayed installments, insolvency or bankruptcy, or who are more likely to default than the average due to high loan-to-value and installment-to-income ratios.

Swap
A transaction that generally consists of the exchange of financial streams between operators according to different contractual arrangements.
In the case of an interest rate swap (IRS), the counterparties exchange payment streams that may or may not be linked to interest rates, calculated on a notional principal amount (for example, one counterparty pays a stream on the basis of a fixed rate, while the other does so on the basis of a variable rate).
In the case of a currency swap, the counterparties exchange specific amounts in two different currencies, with these amounts being exchanged back in due course according to predefined arrangements that may concern both the capital (notional) and the streams of interest payments.

Tier 1 Capital
The most reliable and liquid part of a bank's capital, as defined by regulatory rules.

Tier 1 Capital Ratio
The percentage of a bank's Tier 1 Capital to its risk weighted assets "RWA - Risk Weighted Assets" (q.v.).

TSR - Total Shareholder Return
It is the full reward, in terms of capital gain and dividends, that a shareholder gets from holding one share.

UCI - Undertakings for Collective Investment
This term includes "UCITS" (q.v.) and other collective investment Funds (real estate collective investment funds, closed-end investment funds).

UCITS - Undertakings for Collective Investment in Transferable Securities
This term covers open-end real estate investment funds, both Italian and foreign, and investment companies with variable capital. The latter are joint stock companies that have the sole purpose of collective investment of the assets gathered through a public offer of their own shares.

US GAAP - United States Generally Accepted Accounting Principles
Accounting principles issued by the FASB (Financial Accounting Statement Board), generally accepted in the USA.

VaR - Value at Risk
A method used for quantifying risk. It measures potential future losses which will not be exceeded within a specified period and with a specified probability.

Vintage
The year of issue of the collateral underlying bonds created by securitization. In the case of subprime mortgages this information is an indicator of the riskiness of the bond, since the practice of granting mortgages to subprime borrowers became significant in the US starting in 2005.

Warehousing
A stage in the preparation of a securitization transaction whereby an "SPV - Special Purpose Vehicle" (q.v.) acquires assets for a certain period of time until it reaches a sufficient quantity to be able to issue an ABS.

LISTENING

Making a difference from anywhere, even in a taxi

*"One day while driving my taxi, I struck up conversation with my passengers and found out they worked at UniCredit.
I told them that I was one of their customers and that I owned a fleet of taxis.
I also explained that I was trying to expand my business and had asked for a loan, but had yet to learn if my request was successful.
The next day one of them called me to follow up with the information I needed. She cared about helping me solve my problem, and I could not have been more satisfied with her support.
I thanked her and said that if she ever needed a taxi in Vienna - even to Milan - I would be there for her, as she was for me."*

Taxi driver, customer of UniCredit Bank in Vienna

Certification

Consolidated Financial Statements Certification pursuant to art. 81-ter of Consob Regulation no. 11971 of May 14, 1999, as amended

1. The undersigned Federico Ghizzoni (as Chief Executive Officer) and Marina Natale (as the Manager charged with preparing the financial reports) of UniCredit S.p.A., also in compliance with art. 154-bis (paragraphs 3 and 4) of Italian Legislative Decree no. 58 of February 24, 1998, do hereby **certify**:
   - the adequacy in relation to the Legal Entity's features, and
   - the actual application

   of the administrative and accounting procedures employed to draw up the 2012 Consolidated Financial Statements.

2. The adequacy of the administrative and accounting procedures employed to draw up the 2012 Consolidated Financial Statements has been evaluated by applying a model developed by UniCredit S.p.A. in accordance with the *"Internal Controls - Integrated Framework (CoSO)"* and the *"Control Objective for IT and Related Technologies (Cobit)"*, which represent generally accepted international standards for internal control system and for financial reporting in particular.

3. The undersigned also **certify** that:

   3.1 the 2012 Consolidated Financial Statements:

   a) were prepared in compliance with applicable international accounting standards recognized by the European Community pursuant to European Parliament and Council Regulation no.1606/2002 of July 19, 2002;

   b) correspond to the results of the accounting books and records;

   c) are suitable to provide a fair and correct representation of the economic and financial situation of the issuer and of the group of companies included in the scope of consolidation;

   3.2 the Report on Operations includes a reliable analysis of the operating trend and results, as well as of the situation of the issuer and of the Legal Entities included in the scope of consolidation, together with a description of the main risks and uncertainties they are exposed to.

Milan - March 15, 2013

Federico Ghizzoni

Marina Natale

PROTECTION

Supporting communities in critical times

“After one of our town’s largest employers closed its doors, our local communities went through a very tough time. UniCredit worked closely with government officials on an innovative initiative that helped those who had lost their jobs, like me, gain prompt access to unemployment benefits. The bank quickly facilitated funding for entitlements, protecting families from collapse.”

Franco F., customer of UniCredit in Italy

Report of External Auditors

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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
UniCredit S.p.A.

1 We have audited the consolidated financial statements of the UniCredit Group as at and for the year ended 31 December 2012, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The parent company's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

The consolidated financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the notes, the company's directors restated some of the corresponding figures included in the prior year consolidated financial statements. We audited such financial statements and issued our report thereon on 18 April 2012. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of expressing an opinion on the consolidated financial statements at 31 December 2012.

3 In our opinion, the consolidated financial statements of the UniCredit Group as at and for the year ended 31 December 2012 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of the UniCredit Group as at 31 December 2012, the results of its operations and its cash flows for the year then ended.

4 The directors of UniCredit S.p.A. are responsible for the preparation of a report on operations and a report on the corporate governance and shareholding structure, published in the "Governance" section of UniCredit S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the report on operations and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure are consistent with the consolidated financial statements of the UniCredit Group as at and for the year ended 31 December 2012.

Milan, 11 April 2013

KPMG S.p.A.

(signed on the original)

Roberto Fabbri
Director of Audit

Sorter pages: UniCredit
Creative concept: Orange 021

Graphic development and Composition:
MERCURIO GP - Milan

Printed: CPZ S.p.A. (Bergamo)
June 2013

The emissions related to the printing and distribution of the 2012 UniCredit S.p.A. Report and Accounts, 2012 Consolidated Report and Accounts, and 2012 Sustainability Report, have been compensated with the support of Officinae Verdi, which uses Gold Standard credits gained through the development of a landfill gas capture project in China.
The Gold Standard is supported by WWF as it is the most rigorous global certification standard for carbon offset projects.

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Green Energy | Efficiency | Financial Assessment

UniCredit WWF

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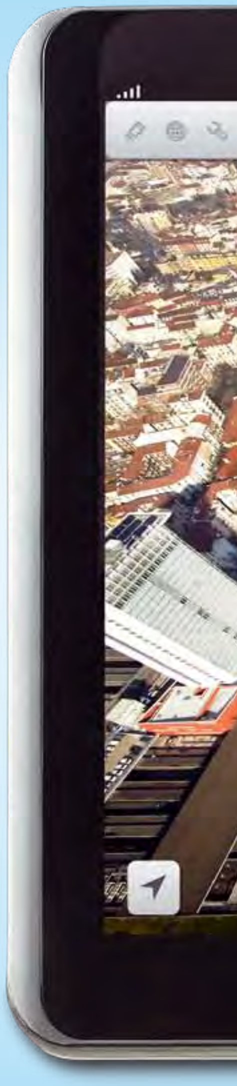

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