UniCredit

Listen,
understand,
respond.

2013 Consolidated Reports and Accounts

15 years
UniCredit

This report expresses UniCredit's approach to banking by telling everyday stories about our interactions with Customers, innovations in products and adaptability in services.

These brief but meaningful stories come directly from our colleagues. They are examples of the tangible benefits and concrete solutions offered by UniCredit, demonstrating how we make a difference in people's lives.

Our clear goal to improve everyday circumstances is rooted in our complete commitment to outcomes that ensure Customer satisfaction.

At UniCredit, listening to our Clients and engaging with them to offer simple, direct results lies at the heart of our commercial banking operations. It is part of our determined effort to contribute to the economic and social well-being of our Customers as well as the communities where we work.

We will continue with this commitment to all of you, every day.

2013 Consolidated Reports and Accounts

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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.

UniCredit S.p.A.
A joint stock company
Registered Office in Rome: Via Alessandro Specchi, 16
Head Office in Milan: Piazza Gae Aulenti, 3 – Tower A – 20154 Milan
Share capital €19,682,999,698.27 fully paid in
Registered in the Register of Banking Groups and Parent Company of the Unicredit Banking Group, with cod. 02008.1
Cod. ABI 02008.1
Fiscal Code, VAT number and Registration number with the Company Register of Rome: 00348170101
Member of the National Interbank Deposit Guarantee Fund and of the National Compensation Fund

Introduction

Board of Directors, Board of Statutory Auditors and External Auditors as at December 31, 2013

Board of Directors

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 Marianna Li Calzi Luigi Maramotti Giovanni Quaglia Lucrezia Reichlin Lorenzo Sassoli de Bianchi Alexander Wolfgring Anthony Wyand	Directors
Gianpaolo Alessandro	Company Secretary

Board of Statutory Auditors

Maurizio Lauri	Chairman
Giovanni Battista Alberti Cesare Bisoni Enrico Laghi Maria Enrica Spinardi	Standing Auditors
Federica Bonato Paolo Domenico Sfameni Beatrice Lombardini	Alternate Auditors

General Manager

Roberto Nicastro

Manager charged with preparing the financial reports

Marina Natale

External Auditors

Deloitte & Touche S.p.A.

Chairman's message to the Shareholders

GIUSEPPE VITA
Chairman

> "Our objective is to drive the economy and unlock Europe's full growth potential."

Dear Shareholders,

in 2013, my first full year as UniCredit's chairman, I have been deeply impressed by the solid position we have achieved, which enables us to make some important decisions for our organization. This position was made possible by the work of our highly motivated people and our outstanding operations across Europe. Excellent work was accomplished by our staff in the face of a troubled macroeconomic scenario. We are now seeing early signs of a recovery, which will provide further support for our efforts to be Europe's premier commercial bank.

Our promising future is embodied in our new headquarters, the UniCredit Tower in Milan. The decision to lease Italy's tallest building was not made for glamour or prestige, but for practical reasons. We have reaped enormous cost, efficiency and environmental benefits by concentrating our team in these new facilities.

At our tower's official opening on February 11, 2014, we recognized the 15th anniversary of the formation of our Group. It is worth reflecting on how we have evolved in those years from a typical Italian bank into a unique European institution. Along the way, we have treated European integration as an opportunity and have made sound choices that enabled us to compete in the ever-changing financial sector.

Over the course of 2013, from our smallest branch to the top of the organization, we have been assimilating new technologies and adopting new ways to communicate with customers. These developments are a natural feature of our Group's evolution – an evolution that has also had some influence on certain aspects of our governance.

During the first full year of activity for our current Board of Directors, we continued to fine-tune our governance with the object of increasing the board's overall effectiveness and efficiency. By leveraging the support of its committees and bolstering its system of delegation, we have sharpened the board's focus on strategic analysis and key business decisions. These improvements have strengthened its planning and control functions. They have also enhanced our Group's ability to respond to changing regulatory requirements and the recommendations of supervisory authorities at the national and European levels.

Yet our focus has extended beyond regulatory changes in the financial sector. As a leading European bank conducting business in Europe's major markets, we take a strong interest in the future of the European Union. I fear that without a clear objective and a compelling message capable of inspiring closer political integration, the EU's future will be hindered by significant obstacles. The European election this May could see an influx to Brussels of new representatives who are against the union and the euro. Many voters now perceive the EU as a burden rather than a benefit. For this perception to change, the EU must advance objectives that meet the needs of its citizens, and particularly of the younger generation.

It is not our duty at UniCredit to engage in politics. We are, however, obligated to support the growth of the European economy through our commitment to our customers. We are superbly suited to empowering local small and medium-sized enterprises to access markets across the continent. We implement our proven business solutions and knowledge across our territories, delivering best practices throughout Europe. And we remain one of the only European banks that can play a central role in drawing the EU closer together, both financially and industrially.

As Europeans, we must believe in our collective potential and our shared future. We must articulate that belief clearly and with conviction. For if we do not, anti-European sentiment may well prevail in the years to come. It is our hope that Europeans will identify the vital goals that can draw them together, and then work with determination to achieve them.

At UniCredit, our objective is clear: to be a rock-solid commercial bank that drives the economy and unlocks Europe's full growth potential. This role demands continued investment of resources and energy in our constant improvement, thus ensuring our success in an evolving financial landscape.

Sincerely,

Giuseppe Vita
Chairman

CEO's Letter to the Shareholders

FEDERICO GHIZZONI
Chief Executive Officer

> "Given UniCredit's solid position, we are well-equipped to confront future challenges."

Dear Shareholders,

in 2013, as a result of a number of judicious choices, we continued to build UniCredit into one of the most solid banks in Europe. We have secured our capital position and adopted new measures to improve our operational efficiency. In recent years, we have significantly raised our core Tier 1 ratio, reduced our operating costs and trimmed our risk-weighted assets.

As planned, today we are a rock-solid commercial bank, able to lend our full support to the economy. Despite a challenging macroeconomic environment, our Group has evolved into an innovative and efficient bank that engages effectively with its customers.

Three years ago, we shifted our focus to our core business, anticipating a trend that has been gradually spreading across our industry. Wherever I travel throughout Europe, I hear our competitors saying that they must become more efficient and strengthen their efforts in traditional commercial banking. We have already done this. We have simplified our organization and processes and are providing our customers with better services. We have eliminated roughly 30 percent of our layers of bureaucracy to become a leaner bank that makes faster decisions. Our front-line bankers now have greater authority to complete transactions quickly.

At the same time, we are developing a fully integrated service model that enables our customers to access banking services through a wide range of channels. Driven by a clear understanding of customer preferences, our substantial investments in new technologies make it possible to communicate with clients in new ways.

We remain focused on strengthening relationships with our family and business customers.

To that end, we have devoted greater resources to advisory tools and services. For example, we developed the *Bilancio Familiare* spending analysis dashboard to help families make better choices. For businesses, we are making it easier to do business abroad and directly access capital markets.

Core to our strategy is to make more credit available to both families and enterprises, in line with the improving macroeconomic environment all of us expect for 2014. It may not yet be possible to expand our lending to pre-crisis levels, but we are doing everything possible to help our customers tap into a wide variety of funding sources.

We are now starting to realize the benefits of our work over the past three years. Notably, our customer satisfaction indexes are starting to rise again, climbing to levels not seen since before the crisis – even in countries including Italy where considerable difficulties have had to be addressed. These results justify our commitment and our investments, and we will continue to pursue the course we have taken.

Internally, we have been working to foster a culture that drives sound behavior, particularly through stronger risk management. We have reinforced cooperation between our risk personnel and our business staff to develop solutions that are fully consistent with the goals and needs of both our Group and our customers.

In 2013, through decisive action, UniCredit left a number of negative legacies behind. We can now fully focus on increasing our business and profitability. We are doing what needs to be done to orient ourselves more consistently toward retail and corporate customers in our core markets and to strengthen our traditional roots in commercial banking.

We are presently setting ambitious goals for the future. Among them, we are seeking to become the top-rated bank in Europe for quality of service. We intend to lead our industry in multichannel offerings – particularly in digital banking. To achieve this, we will invest robustly in IT over the next three years to further develop our innovative digital platform. We are also working to serve our corporate customers more effectively and to improve our standing as one of the primary corporate banks on the continent.

These advances are being executed against a backdrop of broader changes at the European level. Last year saw Europe make progress towards the formation of a genuine banking union. When this important work is complete, we will have successfully leveled the playing field. The union will enable the European banking sector to thrive once again, bringing substantial benefits to the European economy. With this in mind, I view the upcoming asset quality review as an important opportunity to increase transparency, which will help Europe's banks to reestablish their reputations and look to the future with confidence.

Given UniCredit's solid position, we are particularly well-equipped to confront future challenges. We are looking forward to reaping the benefits of what we have accomplished to date and to generating still greater positive momentum in 2014.

Sincerely,

Federico Ghizzoni
Chief Executive Officer
UniCredit SpA

Highlights

UniCredit operates in 17 Countries with more than 147,000 employees and over 8,900 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	23,973
OPERATING PROFIT (LOSS)	9,172
NET PROFIT (LOSS)	(13,965)

SHAREHOLDERS' EQUITY	46,841
CORE TIER 1 RATIO**	10.57%
TIER 1 RATIO**	11.11%
TOTAL ASSETS	845,838

1. Data as at December 31, 2013. 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, 2013. Figures include all branches of subsidiaries consolidated proportionately, such as Koç Financial Services Group branches.

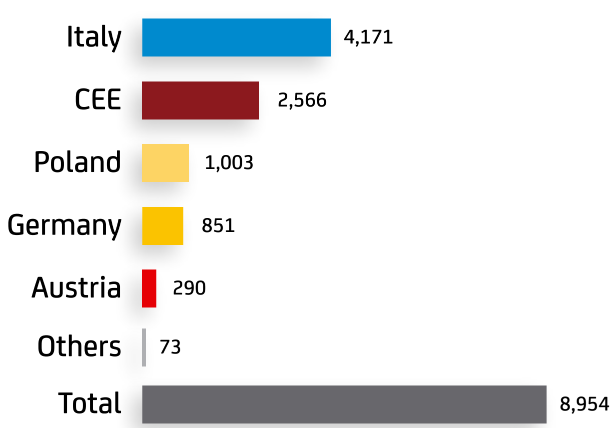
* Data as at December 31, 2013.

** Excluding the impact of Basel 1 floor.

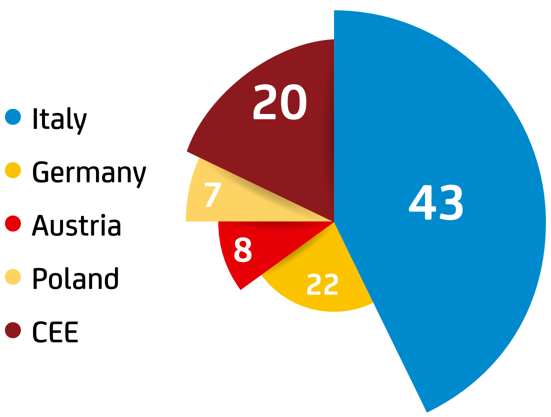
EMPLOYEES[1]
over 147,000

BRANCHES[2]
over 8,900

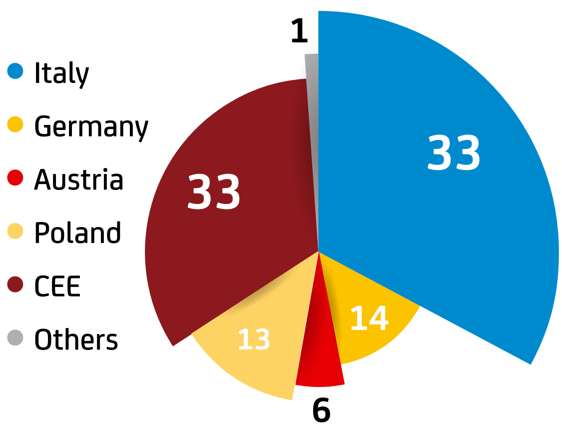
Branches by Country[2]



Revenues by Region* (%)



Employees by Country[1] (%)



Focus

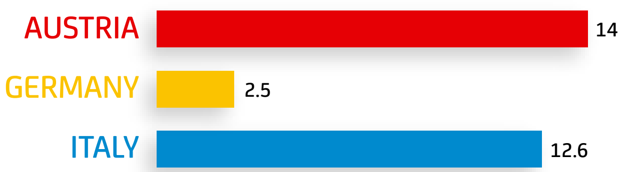
AUSTRIA, ITALY AND GERMANY

UniCredit occupies a strategic position in Italy, Germany and Austria. With about 4,171 branches in Italy, 851 in Germany and 290 in Austria, 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.

Following the introduction of the ECB's Outright Monetary Transactions (OMT) program in the summer of 2012, markets' normalization process is enduring, with a gradual restoration of investors' risk appetite. At the beginning of 2014, the growth recovery across the OECD area is gaining good momentum, while global trade is picking up quite nicely. We expect eurozone growth accelerate to an annual average of about 1.5% in 2014, from -0.4% in 2013. Germany is projected to be the engine of growth in 2014, on the wake of brighter export prospects, the unloading of pent-up demand in investment in machinery and equipment, and some strengthening of private consumption; the tight intra-European trade links will secure that the positive effect will be felt in the eurozone periphery as well as Central Eastern Europe. In Italy, the recovery is underway, although the pace of GDP growth is likely to remain subdued at 0.7% in 2014. The main growth drivers will be a steady recovery in exports and a moderate pick-up in capital expenditures, amid still tight credit conditions, while private consumption is likely to be the weak spot. Finally, while the recovery of export markets is kick-starting the domestic economy, domestic demand, mainly investment, will ultimately constitute the main pillar of economic growth in Austria in 2014.

In the medium-to-longer term, the OMT has helped to create a more favorable environment for politicians to implement structural reforms, while repairing the transmission mechanism of monetary policy remains the ECB's most daunting challenge. Pushing ahead with the structural reforms remains 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 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%-1.9% in Austria and Germany from 2015 to 2018.

Market share[1] (%)



1. Market share in terms of total Customer Loans as at December 31, 2013.
Source: UniCredit, National Central Banks.

CENTRAL AND EASTERN EUROPE

UniCredit is a market leader in Central and Eastern Europe, it has a broad network of roughly 3,600 branches.*

Its regional footprint is diverse, and include a direct presence in 14 countries. It is ranked in the top five in 10 of these counties*. In fact the CEE now accounts for 28 percent of the Group ‘s revenues.**
Across the newer EU states, economic performance is expected to continue improve. A recovery was already visible over much of 2013. In part this improvement captures a stronger external environment, supporting industry and exports as EMU continues to use much of the region as a competitive production base.
Over 2014 this recovery should extend more visibly into domestic demand. Following a multi year period of fiscal consolidation, the drag to growth on this front should be much more muted going forward while some countries will enjoy a positive impulse. Public debt ratios remain considerably below the average for advanced economies. In many cases labour markets have stabilized.

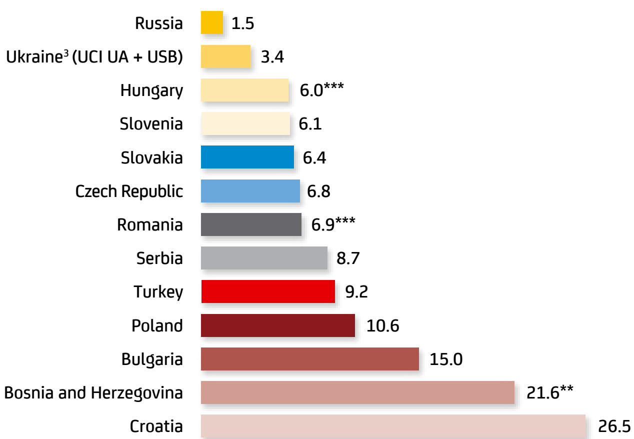
Monetary policy is also exceptionally accommodative across the region while rate hikes are likely to materialize only gradually. Progress on banking union should also bring positive spillovers to the newer EU states while in many countries we see credit proving more supportive of domestic demand. In many of the newer EU states we expect GDP growth of above 2% this year.

Within Turkey and Russia the near term challenges are greater. Following a multi year period of strong growth, momentum will slow this year in Turkey. Political uncertainty plays a role. A slowdown in foreign capital inflows, prompted in part by Fed tapering, is also having an impact. In contrast, stronger industry and export performance brings benefits, as is the case in the newer EU states.

Russia continues to adjust to stable rather than consistently increasing energy prices. This adjustment is aided by increased currency flexibility, a large stock of foreign reserves and improvements in the inflation-targeting regime. Within this environment, real GDP growth over the coming 1-2 years will be more muted than in the past but remain positive.

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.

Market share[2] (%)



* as at 30 September, 2013.
** as at 30 June, 2013.
*** as at 31st December 2012.
2. Market Share in terms of Total Assets as 30 September 2013.
Market share in Azerbaijan not available.
3. Pro-forma (Ukrsotsbank + UniCredit Bank Ukraine).
Source: UniCredit Research, UniCredit CEE Strategic Analysis.

Our Approach

The current economic situation poses a new challenge for the banking sector. It must remake itself into a driver of the real economy - and must be able to meet the needs of society, maintaining sustainable operations.

How are we tackling this challenge at UniCredit? By applying a long-term, multi-stakeholder approach to every area of our activity:

- commercial banking - by improving our business model and competencies in order to work more closely with customers and meet their needs more effectively;
- corporate citizenship - by using our expertise to nurture the economic participation of all people and conserve natural resources;
- philanthropic initiatives - by supporting programs that go beyond a bank's traditional scope and respond to basic social needs, especially in times of crisis.

Indeed, to succeed in the current climate, a bank must address economic, social and environmental issues both in its strategic outlook and in its day-to-day work.

Such an approach depends on a cultural shift - one that is now the basis for our service model - and it also relies on proper risk management. With this in mind, we are improving cooperation between our business units and the departments in charge of risk management. This enables us to develop solutions that are in line with the objectives and needs of our Group and our customers.

The management of risk is the cornerstone of our business, and a deep knowledge of our customers is essential if we are to understand and control risk as effectively as possible.

In order to build even closer relationships with our customers and respond more quickly to their needs, we have simplified many procedures and delegated more decision-making powers to our national operations.

At the same time, we continue to increase efficiency in our operations. Throughout our Group we are adopting technological innovations that are opening up new ways to interact with customers. We are determined to leverage the opportunities presented by multi-channel communications to form stronger and more productive relationships with our clients.

Embracing innovation is one of UniCredit's key objectives. It is why we seek to develop a fully integrated multi-channel banking system that combines traditional and digital communications. The physical branch remains at the heart of this model, particularly in times that call for personal relationships and direct interaction. However, the branch banking experience will be increasingly complemented by the new channels in which we are investing.

It is an approach that stems from paying close attention to our stakeholders' genuine expectations. After all, dialogue with them is our guiding principle for generating lasting value and for successfully supporting the development of the countries in which we operate.

Our extensive physical presence and strong local representation formed the fundamental character of UniCredit. Fifteen years ago, we laid the groundwork for our geographic expansion and operational diversification. It was a sound decision – and it has made our Group a leading financial institution, respected throughout Europe.

15 years of UniCredit

15 years

UniCredit

1999

Group UniCredito Italiano establishment
Merger of Credito Italiano, Rolo Banca 1473, Cariverona, Cassa di Risparmio di Torino, Cassamarca, Cassa di Risparmio di Trento e Rovereto, Cassa di Risparmio di Trieste.

Beginning of international growth.
The expansion process in Central and Eastern Europe starts with the acquisition of the Polish Bank Pekao.

2000

Geographical growth and diversification
Development in emerging markets. Acquisition of Bulbank (Bulgaria) and Pol'nobanca - then Unibanka - (Slovakia).

Acquisition of the US fund manager Pioneer Investment of Boston and establishment of Pioneeer Global Asset Management.

2005

Merger with the German HVB Group and establishment of a single large European bank
UniCredit merged with the German HVB Group, which was created in 1998 from two Bavarian banks (Bayerische Vereinsbank and Bayerische Hypotheken-und Wechsel-Bank), so establishing a single, large European bank.

Acquisition of Yapi Kredi by Koç (Turkey).

2007

Merger with Capitalia. Strengthening the presence of the Group in Italy and abroad
UniCredit strengthen its position in the Italian market thanks to the integration with the Capitalia group – established in 2002 from the merger of Banca di Roma Group, the Bibop-Carire Group, Banco di Sicilia, MCC and Fineco.

The Group also strengthen its presence in CEE with the acquisition of Ukrsotsbank in Ukraine.

2010

A new service model: "Together for our customers"
Together with customer is the organic business evolution program designed to better focus on customers' needs and enhance proximity to territories through a set of interventional measures to combine the specialization of our businesses with the simplification of the Group structure.

2012

The new UniCredit
A rock solid commercial bank leader in Europe which combines operational efficiency and customer satisfaction by investing both in the traditional and digital communication.

2014

UniCredit Tower, the new Headquarter
UniCredit Tower represents a model of:
- sustainability, with more than a 40% reduction in CO_2 emissions;
- modernity, as it's ranked among the world's 10 most beautiful skyscrapers (source: Emporis Building Data Company);
- efficiency, resulted in a reduction in occupied office space, saving almost 25 million euros annually, with better efficiency.

Strategy and Results

2013 Highlights

YEAR 2013:

Group Net Result: -€14.0 billion(*)
Revenues: €24.0 billion (-4.1% Y/Y)
Operating Costs: €14.8 billion (-0.1% Y/Y)
Cost/Income ratio: 61.7% (+2.5 p.p. Y/Y)
Gross Operating Profit: €9.2 billion (-9.9% Y/Y)
Loan Loss Provisions: €13.7 billion (+46.8% Y/Y)
Regulatory capital: CET1 ratio Basel 3 fully loaded at 9.4%, estimated pro-forma on the basis of actual data and current understanding of new regulatory framework

Q4 2013:

Group Net Result: -€15.0 billion
Revenues: €6.0 billion (+5.2% Y/Y, +5.8% Q/Q)
Operating Costs: €3.9 billion (-1.7 Y/Y, +1.9% Q/Q, both net of €241 million of impairments on Customer Relationships and write offs in Depreciation and Amortization)
Cost/Income ratio: 64.9% (+0.9 p.p. Y/Y, +1.7 p.p. Q/Q)
Gross Operating Profit: €2.1 billion (+2.7% Y/Y, +1.1% Q/Q)
Loan Loss Provisions: €9.3 billion
Leverage ratio (**): 18.8x (+0.4x Y/Y, +1.4x Q/Q) due to 4Q13 loss, still lower than the average of European peers

(*) Accounting figures for 4Q13 include the following post tax non-recurring items (amounts gross of tax in brackets): goodwill impairment of -€8.0 billion(-€8.0 billion gross); Impairment of PPA for -€1.3 billion (-€1.9 billion gross); assets held for sale related to Ukrotsbank of -€0.6 billion (-€0.6 billion gross); loan loss provisions to increase cash coverage ratio of -€4.8 billion (-€7.2 billion gross), additional to the baseline of €6.5 billion for 2013; gain form valuation of *Banca d'Italia* stake of +€1.2 billion (+€1.4 billion gross); integration costs of -€0.5 billion (-€0.7 billion gross); few large Risks & Charges of -€0.2 billion (-€0.3 billion gross); capital gain from the sale of MOEX and FonSAI of +€0.2 billion (+€0.2 billion gross); write-downs of customer relationship and other write offs in Depreciation and Amortization of -€0.2 billion (-€0.2 billion gross).

(**) Calculated as the ratio of Total Assets net of Goodwill and Other Intangible Assets (numerator) and Equity (including Minorities) net of Goodwill and Other Intangible Assets (denominator).

Note to the Report on Operations and the Consolidated Accounts

General Aspects

The **UniCredit group's Consolidated Reports and Accounts** as at December 31, 2013 have been compiled under IFRS as required by Bank of Italy Circular 262 of December 22, 2005 (second amendment dated January 21, 2014). These instructions lay down the Accounts tables and compilation methods, as well as the Notes to the Accounts.

The **Consolidated Reports 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 no. 11971 of 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 accounts 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 disclosure of accounting records is clear, true and fair, the **Report on operations** includes information provided in accordance with the principles applied when preparing prior-period quarterly reports, including condensed balance sheet and income statement – as required by Consob Notice 6064293 of July 28, 2006, their line-by-line reconciliation 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, a Comparison of Q4 2013 with Q4 2012, 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 Condensed Balance Sheet and Income Statement have led to the restatement – as shown in the reconciliation tables annexed to this volume – of the accounting entries as follows:

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

- the inclusion in "dividends and other income from equity investments" of gains (losses) on equity investments valued at net equity and the exclusion of dividends on held-for-trading shares, which are included in trading, hedging and fair value income;
- the inclusion in the balance of other income/expense of the insurance business result and other operating expense/income, excluding recovery of expenses which is classified under its own item;
- presentation of payroll costs, other administrative expenses, write-downs of tangible and intangible assets and provisions for risks and charges net of integration costs related to the reorganization program, which are shown in their own items;
- the exclusion from write-downs of tangible assets of impairment losses and write-backs on investment property, which are recognized in net income from investments;
- the inclusion in net income from investments of write-downs and write-backs on available-for-sale financial assets and held-to-maturity investments, gains (losses) on disposal of investments, as well as gains (losses) on equity investments and on disposals of investments.

Changes Made to Increase Comparability

As at December 31, 2013, 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":

- PUBLIC JOINT STOCK COMPANY UNICREDIT BANK;
- BDK CONSULTING;
- PUBLIC JOINT STOCK COMPANY UKRSOTSBANK;
- PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL;
- LLC UKROTSBUD;
- LTD SI&C AMC UKRSOTS REAL ESTATE;
- SVIF UKRSOTSBUD.

The previous periods were restated accordingly to increase comparability, pursuant to the regulations in force; while the opening balances of the tables showing the annual changes were unchanged.
In addition, comparative figures as at December 31, 2012 were restated following the introduction of the revised IAS 19 ("IAS 19R"). The information regarding the retrospective application of IAS 19R with reference to the effects as at January 1, 2012 was not disclosed in the Consolidated Accounts because not important compared with the amounts shown.
With reference to P&L figures, please note that comparative periods were restated, not only as a result of the classification of the above-mentioned companies as "discontinued operations", but also following the reclassification of:

- interest income from impaired assets whose book value was written down and reversals connected with the passing of time (from "Interest income and similar revenues" to "Net losses/recoveries on impairment: a) loans");
- some P&L items relating to the operations of one Group company to better reflect their economic nature (from "Fee and commission income" to "Interest income and similar revenues").

Consolidation Area

In the year 2013 the consolidation area changed as follows:

- fully consolidated subsidiaries decreased from 737 at the end of 2012 to 732 at the end of 2013;
- proportionally consolidated entities decreased from 30 at the end of 2012 to 26 at the end of 2013.

For further details see Part A - Accounting Policies; A.1 General, 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, 2013, 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:
  - Mezzanine Finanzierungs AG;
  - SIA S.p.A.;
  - Business Oil of Italpetroli group;
  - properties owned by Group's entities;
- with respect to discontinued operations:
  - PUBLIC JOINT STOCK COMPANY UNICREDIT BANK;
  - BDK CONSULTING;
  - PUBLIC JOINT STOCK COMPANY UKRSOTSBANK;
  - PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL;
  - LLC UKROTSBUD;
  - LTD SI&C AMC UKRSOTS REAL ESTATE;
  - SVIF UKRSOTSBUD.

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 (as at December 31, 2013) in management reporting of Group results, which consists of the following business segments:

- Commercial Banking Italy;
- Commercial Banking Germany;
- Commercial Banking Austria;
- Poland;
- CEE Division;
- CIB;
- Asset Management;
- Asset Gathering;
- Governance/Group Corporate Centre (including Global Banking Services, Corporate Centre Global Function, inter-segment adjustments and consolidation adjustments not attributable to individual segments).

Report on Operations

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

Highlights

Income Statement

(€ million)

	YEAR		
	2013	2012	CHANGE
Operating income	23,973	24,997	- 4.1%
of which: - net interest	*12,990*	*13,877*	*- 6.4%*
- dividends and other income from equity investments	*324*	*397*	*- 18.3%*
- net fees and commissions	*7,728*	*7,673*	*+ 0.7%*
Operating costs	(14,801)	(14,816)	- 0.1%
Operating profit	9,172	10,181	- 9.9%
Profit (loss) before tax	(4,888)	243	n.s.
Net profit (loss) attributable to the Group	**(13,965)**	**865**	**n.s.**

The figures in this table refer to reclassified income statement.

Balance Sheet

(€ million)

	AMOUNTS AS AT		
	12.31.2013	12.31.2012	CHANGE
Total assets	845,838	926,838	- 8.7%
Financial assets held for trading	80,910	107,046	- 24.4%
Loans and receivables with customers	503,142	544,443	- 7.6%
of which: - impaired loans	*39,815*	*42,929*	*- 7.3%*
Financial liabilities held for trading	63,169	99,123	- 36.3%
Deposits from customers and debt securities in issue	571,024	578,066	- 1.2%
of which: - deposits from customers	*410,930*	*407,615*	*+ 0.8%*
- securities in issue	*160,094*	*170,451*	*- 6.1%*
Shareholders' Equity	**46,841**	**61,579**	**- 23.9%**

The figures in this table refer to reclassified balance sheet.

See § "Net Impairment Losses on Loans and Provision for Guarantees and Commitments" in this Report on Operations for more details.

Please note that on January 1, 2013 the amendments to IAS 19 ("IAS 19R") came into force, as described in paragraph "Preparation criteria" (see it for more details).
The first-time application of the accounting standard required the restatement of previous periods beginning on or after January 1, 2012.

Staff and Branches

	AS AT		
	12.31.2013	12.31.2012	CHANGE
Employees[1]	147,864	156,354	-8,490
Employees (subsidiaries are consolidated proportionately)	138,159	146,110	-7,951
Branches[2]	8,954	9,322	-368
of which: - Italy	*4,171*	*4,298*	*-127*
- Other countries	*4,783*	*5,024*	*-241*

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		
	2013	2012	CHANGE
EPS[1] (€)	-2.47	0.15	-2.62
Cost/income ratio	61.7%	59.3%	247bp
EVA[2] (€ million)	(11,303)	(4,057)	- 7,246

1. Annualized figure. €105,197 thousand was added to 2013 net loss of -€13.964.832 thousand due to disbursements charged to equity made in connection with the contract of usufruct on treasury shares agreed under the 'cashes' transaction (€45,795 thousands was deducted from 2012 net profits).

2. Economic Value Added, equal to the difference between NOPAT (net operating profit after tax) and the cost of capital.

Risk Ratios

	AS AT	
	12.31.2013	12.31.2012
Net non-performing loans to customers/Loans to customers	3.59%	3.42%
Net impaired loans to customers/Loans to customers	7.91%	7.88%

Capital Ratios

	AS AT	
	12.31.2013	12.31.2012
Capital for regulatory purposes (€ million)	57,651	62,018
Total risk-weighted assets (€ million)	423,739	427,127
Core Tier 1 Ratio[1]	**9.60%**	**10.84%**
Total regulatory capital/Total risk-weighted assets	**13.61%**	**14.52%**

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

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

Ratings

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

Data as at January 29, 2013.

Condensed Accounts

Consolidated Balance Sheet

(€ million)

	AMOUNTS AS AT		CHANGE	
ASSETS	12.31.2013	12.31.2012	AMOUNT	PERCENT
Cash and cash balances	10,808	7,370	+ 3,438	+ 46.7%
Financial assets held for trading	80,910	107,046	- 26,136	- 24.4%
Loans and receivables with banks	61,119	73,995	- 12,876	- 17.4%
Loans and receivables with customers	503,142	544,443	- 41,300	- 7.6%
Financial investments	125,722	108,494	+ 17,228	+ 15.9%
Hedging instruments	12,464	20.847	- 8,383	- 40.2%
Property, plant and equipment	10,950	11,586	- 636	- 5.5%
Goodwill	3,533	11,678	- 8,145	- 69.7%
Other intangible assets	1,851	3,928	- 2,077	- 52.9%
Tax assets	19,951	18,063	+ 1,888	+ 10.5%
Non-current assets and disposal groups classified as held for sale	3,929	8,117	- 4,188	- 51.6%
Other assets	11,461	11,273	+ 188	+ 1.7%
Total assets	**845,838**	**926.838**	**- 80,999**	**- 8.7%**

(€ million)

	AMOUNTS AS AT		CHANGE	
LIABILITIES AND SHAREHOLDERS' EQUITY	12.31.2013	12.31.2012	AMOUNT	PERCENT
Deposits from banks	110,222	117,320	- 7,098	- 6.1%
Deposits from customers	410,930	407,615	+ 3,315	+ 0.8%
Debt securities in issue	160,094	170,451	- 10,357	- 6.1%
Financial liabilities held for trading	63,169	99.123	- 35,955	- 36.3%
Financial liabilities designated at fair value	702	852	- 150	- 17.6%
Hedging instruments	12,799	21.309	- 8,510	- 39.9%
Provisions for risks and charges	9,629	9,091	+ 538	+ 5.9%
Tax liabilities	3,972	7,874	- 3,903	- 49.6%
Liabilities included in disposal groups classified as held for sale	2,129	5,628	- 3,499	- 62.2%
Other liabilities	22,019	22,328	- 308	- 1.4%
Minorities	3,334	3,669	- 335	- 9.1%
Group Shareholders' Equity:	46,841	61,579	- 14,738	- 23.9%
- Capital and reserves	*61,168*	*61.100*	*+ 69*	*+ 0.1%*
- AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve	*(362)*	*(386)*	*+ 23*	*- 6.1%*
- Net profit (loss)	*(13,965)*	*865*	*- 14,830*	n.s.
Total liabilities and Shareholders' Equity	**845,838**	**926.838**	**- 80,999**	**- 8.7%**

Notes:
Comparative figures as at December 31, 2012 were restated following the introduction of the revised IAS 19 ("IAS 19R").
As at December 31, 2013, 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": PUBLIC JOINT STOCK COMPANY UNICREDIT BANK; BDK CONSULTING; PUBLIC JOINT STOCK COMPANY UKRSOTSBANK; PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL; LLC UKROTSBUD; LTD SI&C AMC UKRSOTS REAL ESTATE; SVIF UKRSOTSBUD. The previous periods were restated accordingly to increase comparability, pursuant to the regulations in force.

Consolidated Income Statement

(€ million)

	YEAR		CHANGE		
	2013	2012	€m	PERCENT	ADJUSTED[1]
Net interest	12.990	13.877	- 887	- 6,4%	- 5,7%
Dividends and other income from equity investments	324	397	- 73	- 18,3%	- 14,0%
Net fees and commissions	7.728	7.673	+ 56	+ 0,7%	+ 1,4%
Net trading income	2.657	2.794	- 137	- 4,9%	- 3,6%
Net other expenses/income	273	256	+ 17	+ 6,5%	+ 12,7%
OPERATING INCOME	**23.973**	**24.997**	**- 1.024**	**- 4,1%**	**- 3,2%**
Payroll costs	(8.649)	(8.850)	+ 201	- 2,3%	- 1,6%
Other administrative expenses	(5.559)	(5.472)	- 88	+ 1,6%	+ 2,3%
Recovery of expenses	715	539	+ 176	+ 32,6%	+ 33,1%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(1.307)	(1.034)	- 274	+ 26,5%	+ 28,3%
Operating costs	**(14.801)**	**(14.816)**	**+ 15**	**- 0,1%**	**+ 0,6%**
OPERATING PROFIT (LOSS)	**9.172**	**10.181**	**- 1.009**	**- 9,9%**	**- 8,9%**
Net write-downs on loans and provisions for guarantees and commitments	(13.658)	(9.303)	- 4.355	+ 46,8%	+ 47,2%
NET OPERATING PROFIT (LOSS)	**(4.486)**	**877**	**- 5.364**	**n.s.**	**n.s.**
Provisions for risks and charges	(996)	(166)	- 830	n.s.	n.s.
Integration costs	(727)	(277)	- 450	+ 162,5%	+ 166,4%
Net income from investments	1.322	(192)	+ 1.513	n.s.	n.s.
PROFIT (LOSS) BEFORE TAX	**(4.888)**	**243**	**- 5.131**	**n.s.**	**n.s.**
Income tax for the period	1.607	1.566	+ 41	+ 2,6%	+ 1,2%
NET PROFIT (LOSS)	**(3.281)**	**1.808**	**- 5.090**	**n.s.**	**n.s.**
Profit (Loss) from non-current assets held for sale, after tax	(639)	(121)	- 518	n.s.	n.s.
PROFIT (LOSS) FOR THE PERIOD	**(3.920)**	**1.687**	**- 5.607**	**n.s.**	**n.s.**
Minorities	(382)	(358)	- 24	+ 6,7%	+ 8,0%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**(4.302)**	**1.330**	**- 5.631**	**n.s.**	**n.s.**
Purchase Price Allocation effect	(1.673)	(435)	- 1.239	n.s.	n.s.
Goodwill impairment	(7.990)	(30)	- 7.960	n.s.	n.s.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**(13.965)**	**865**	**- 14.830**	**n.s.**	**n.s.**

Notes:
1. Changes at constant foreign exchange rates and perimeter.

'Comparative figures as at December 31, 2012 are different from those disclosed in the 2012 Consolidated Reports and Accounts as a result of the restatement, for comparative purposes, of interest income from impaired assets whose book value was written down and reversals connected with the passing of time from item "Net interest" to item "Net write-downs on loans and provisions for guarantees and commitments", as a result of the reclassification carried out by three Group companies in the first nine months of 2013.

Since 2013 gains on disposal or repurchase of available-for-sale financial assets and gains on disposal or repurchase of held-to-maturity investments have been reclassified to “Net trading income” in order to align their presentation in the condensed consolidated Income Statement with the standards of the major Italian and European banks. Such gains were previously included in “Net income from investments”.
With reference to the Condensed Income Statement, since the third quarter of2013:
• the positive P&L items relating to the rationalization of the support companies of the Group’s Global Banking Services have been recorded in “Recovery of expenses” instead of “Net other expenses/income” in accordance with the economic substance of the transaction;
• some P&L items relating to the operations of one Group company have been reclassified (from “Net fees and commissions” to “Net interest”) to better reflect their economic nature.
The comparative period was restated accordingly.

It should be noted that the 2012 figures differ from those disclosed in the “2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item “310. Profit (loss) after tax from discontinued operations”.

Quarterly Figures

Consolidated Balance Sheet

(€ million)

ASSETS	AMOUNTS AS AT 12.31.2013	09.30.2013	06.30.2013	03.31.2013	AMOUNTS AS AT 12.31.2012	09.30.2012	06.30.2012	03.31.2012
Cash and cash balances	10,808	7,003	7,002	7,033	7,370	5,780	31,137	19,186
Financial assets held for trading	80,910	87,974	93,722	98,535	107,046	112,826	112,637	108,201
Loans and receivables with banks	61,119	71,836	66,610	78,596	73,995	90,793	64,935	64,530
Loans and receivables with customers	503,142	524,132	530,139	534,685	544,443	555,666	550,255	547,250
Financial investments	125,722	118,073	117,218	111,623	108,494	102,010	99,329	103,184
Hedging instruments	12,464	15,244	16,014	17,988	20,847	21,076	19,044	17,029
Property, plant and equipment	10,950	11,150	11,388	11,471	11,586	11,516	11,610	11,891
Goodwill	3,533	11,544	11,567	11,678	11,678	11,691	11,665	11,664
Other intangible assets	1,851	3,772	3,821	3,875	3,928	3,882	3,902	3,885
Tax assets	19,951	17,488	17,471	17,837	18,063	13,302	13,618	13,641
Non-current assets and disposal groups classified as held for sale	3,929	3,902	4,450	8,232	8,117	8,620	8,764	8,645
Other assets	11,461	11,685	10,230	11,367	11,273	12,608	11,684	10,636
Total assets	**845,838**	**883,802**	**889,632**	**912,921**	**926,838**	**949,769**	**938,581**	**919,743**

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 12.31.2013	09.30.2013	06.30.2013	03.31.2013	AMOUNTS AS AT 12.31.2012	09.30.2012	06.30.2012	03.31.2012
Deposits from banks	110,222	127,413	129,075	120,709	117,320	131,509	126,775	124,537
Deposits from customers	410,930	399,792	403,261	405,806	407,615	415,209	412,570	401,317
Debt securities in issue	160,094	158,487	159,528	161,728	170,451	164,693	162,173	163,429
Financial liabilities held for trading	63,169	76,927	77,216	92,361	99,123	107,807	107,913	105,000
Financial liabilities designated at fair value	702	691	675	749	852	842	787	857
Hedging instruments	12,799	15,106	16,218	20,187	21,309	20,912	19,119	17,029
Provisions for risks and charges	9,629	8,977	8,912	9,010	9,091	8,284	8,344	8,474
Tax liabilities	3,972	5,004	5,012	7,662	7,874	6,208	6,200	6,449
Liabilities included in disposal groups classified as held for sale	2,129	2,102	2,468	6,228	5,628	6,253	6,207	6,246
Other liabilities	22,019	24,038	22,114	21,911	22,328	21,987	24,119	21,100
Minorities	3,334	3,963	3,831	4,186	3,669	3,608	3,445	3,542
Group Shareholders' Equity:	46,841	61,303	61,322	62,382	61,579	62,456	60,930	61,764
- Capital and reserves	*61,168*	*61,007*	*61,365*	*62,402*	*61,100*	*61,178*	*60,982*	*61,115*
- AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve	*(362)*	*(717)*	*(853)*	*(468)*	*(386)*	*(140)*	*(1,135)*	*(265)*
- Net profit (loss)	*(13,965)*	*1,014*	*810*	*449*	*865*	*1,418*	*1,083*	*914*
Total liabilities and Shareholders' Equity	**845,838**	**883,802**	**889,632**	**912,921**	**926,838**	**949,769**	**938,581**	**919,743**

Notes:

Comparative figures were restated following the introduction of the revised IAS 19 (“IAS 19R”).

Moreover as at December 31, 2013, 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": PUBLIC JOINT STOCK COMPANY UNICREDIT BANK; BDK CONSULTING; PUBLIC JOINT STOCK COMPANY UKRSOTSBANK; PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL; LLC UKROTSBUD; LTD SI&C AMC UKRSOTS REAL ESTATE; SVIF UKRSOTSBUD.The previous periods were restated accordingly to increase comparability, pursuant to the regulations in force.

Consolidated Income Statement

(€ million)

	2013				2012			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net interest	3,260	3,196	3,260	3,275	3,247	3,458	3,538	3,633
Dividends and other income from equity investments	88	67	124	46	106	68	169	54
Net fees and commissions	1,959	1,864	1,935	1,970	1,927	1,882	1,905	1,959
Net trading income	643	406	957	651	328	656	530	1,280
Net other expenses/income	25	112	67	69	70	93	52	41
OPERATING INCOME	**5,975**	**5,645**	**6,343**	**6,010**	**5,678**	**6,158**	**6,193**	**6,968**
Payroll costs	(2,109)	(2,142)	(2,183)	(2,215)	(2,097)	(2,226)	(2,244)	(2,283)
Other administrative expenses	(1,479)	(1,329)	(1,370)	(1,382)	(1,454)	(1,310)	(1,341)	(1,366)
Recovery of expenses	222	162	188	143	181	111	138	109
Amortisation, depreciation and impairment losses on intangible and tangible assets	(512)	(261)	(267)	(266)	(267)	(259)	(253)	(255)
Operating costs	**(3,878)**	**(3,571)**	**(3,632)**	**(3,720)**	**(3,637)**	**(3,684)**	**(3,700)**	**(3,796)**
OPERATING PROFIT (LOSS)	**2,096**	**2,075**	**2,711**	**2,290**	**2,041**	**2,474**	**2,493**	**3,172**
Net write-downs on loans and provisions for guarantees and commitments	(9,337)	(1,526)	(1,577)	(1,219)	(4,516)	(1,706)	(1,797)	(1,285)
NET OPERATING PROFIT (LOSS)	**(7,240)**	**548**	**1,134**	**1,071**	**(2,475)**	**768**	**697**	**1,888**
Provisions for risks and charges	(522)	(174)	(191)	(110)	(44)	(46)	(61)	(16)
Integration costs	(699)	(16)	(9)	(3)	(253)	(4)	(15)	(5)
Net income from investments	1,117	204	(20)	21	(129)	13	(50)	(25)
PROFIT (LOSS) BEFORE TAX	**(7,344)**	**562**	**915**	**979**	**(2,901)**	**730**	**571**	**1,842**
Income tax for the period	2,456	(164)	(313)	(373)	2,737	(186)	(246)	(740)
NET PROFIT (LOSS)	**(4,889)**	**398**	**602**	**607**	**(164)**	**545**	**325**	**1,102**
Profit (Loss) from non-current assets held for sale, after tax	(632)	9	(40)	24	(191)	22	21	27
PROFIT (LOSS) FOR THE PERIOD	**(5,520)**	**407**	**563**	**631**	**(354)**	**567**	**346**	**1,129**
Minorities	(90)	(105)	(102)	(84)	(72)	(119)	(68)	(98)
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**(5,611)**	**302**	**461**	**547**	**(426)**	**447**	**278**	**1,031**
Purchase Price Allocation effect	(1,378)	(98)	(99)	(98)	(105)	(107)	(106)	(117)
Goodwill impairment	(7,990)	-	-	-	(22)	(6)	(2)	-
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**(14,979)**	**204**	**361**	**449**	**(553)**	**335**	**169**	**914**

Notes:

Comparative quarterly figures for 2012 are different from those disclosed as a result of the restatement, for comparative purposes, of interest income from impaired assets whose book value was written down and reversals connected with the passing of time from item "Net interest" to item "Net write-downs on loans and provisions for guarantees and commitments", as a result of the reclassification carried out by three Group companies in the first nine months of 2013.

Since 2013 gains on disposal or repurchase of available-for-sale financial assets and gains on disposal or repurchase of held-to-maturity investments have been reclassified to “Net trading income” in order to align their presentation in the condensed consolidated Income Statement with the standards of the major Italian and European banks. Such gains were previously included in “Net income from investments”.

With reference to the Condensed Income Statement, since the third quarter of 2013:
• the positive P&L items relating to the rationalization of the support companies of the Group’s Global Banking Services have been recorded in “Recovery of expenses” instead of “Net other expenses/income” in accordance with the economic substance of the transaction;
• some P&L items relating to the operations of one Group company have been reclassified (from “Net fees and commissions” to “Net interest”) to better reflect their economic nature.
The comparative periods were restated accordingly.
It should be noted that previous quarters figures differ from those disclosed in the past as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item “310. Profit (loss) after tax from discontinued operations”.

Comparison of Q4 2013/Q4 2012

Condensed Income Statement

(€ million)

	Q4		CHANGE		
	2013	2012	€m	PERCENT	ADJUSTED[1]
Net interest	3,260	3,247	+ 12	+ 0.4%	- 1.4%
Dividends and other income from equity investments	88	106	- 18	- 17.4%	- 13.0%
Net fees and commissions	1,959	1,927	+ 32	+ 1.7%	+ 0.8%
Net trading income	643	328	+ 315	+ 96.2%	+ 100.3%
Net other expenses/income	25	70	- 45	- 64.0%	- 60.1%
OPERATING INCOME	**5,975**	**5,678**	**+ 297**	**+ 5.2%**	**+ 4.2%**
Payroll costs	(2,109)	(2,097)	- 12	+ 0.6%	+ 0.4%
Other administrative expenses	(1,479)	(1,454)	- 25	+ 1.7%	+ 0.4%
Recovery of expenses	222	181	+ 41	+ 22.6%	+ 24.3%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(512)	(267)	- 245	+ 91.8%	+ 93.4%
Operating costs	**(3,878)**	**(3,637)**	**- 242**	**+ 6.6%**	**+ 6.0%**
OPERATING PROFIT (LOSS)	**2,096**	**2,041**	**+ 55**	**+ 2.7%**	**+ 1.1%**
Net write-downs on loans and provisions for guarantees and commitments	(9,337)	(4,516)	- 4,821	+ 106.8%	+ 102.1%
NET OPERATING PROFIT (LOSS)	**(7,240)**	**(2,475)**	**- 4,766**	**+ 192.6%**	**+ 185.3%**
Provisions for risks and charges	(522)	(44)	- 478	n.s.	n.s.
Integration costs	(699)	(253)	- 447	+ 176.6%	+ 176.5%
Net income from investments	1,117	(129)	+ 1,247	n.s.	n.s.
PROFIT (LOSS) BEFORE TAX	**(7,344)**	**(2,901)**	**- 4,444**	**+ 153.2%**	**+ 147.7%**
Income tax for the period	2,456	2,737	- 281	- 10.3%	- 10.4%
NET PROFIT (LOSS)	**(4,889)**	**(164)**	**- 4,725**	**n.s.**	**n.s.**
Profit (Loss) from non-current assets held for sale, after tax	(632)	(191)	- 441	n.s.	n.s.
PROFIT (LOSS) FOR THE PERIOD	**(5,520)**	**(354)**	**- 5,166**	**n.s.**	**n.s.**
Minorities	(90)	(72)	- 18	+ 25.5%	+ 38.8%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**(5,611)**	**(426)**	**- 5,184**	**n.s.**	**n.s.**
Purchase Price Allocation effect	(1,378)	(105)	- 1,274	n.s.	n.s.
Goodwill impairment	(7,990)	(22)	- 7,968	n.s.	n.s.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**(14,979)**	**(553)**	**- 14,426**	**n.s.**	**n.s.**

Notes:

1. Changes at constant exchange rates and perimeter.

Comparative figures of Q4 2013 are different from those disclosed in the 2012 Consolidated Reports and Accounts as a result of the restatement, for comparative purposes, of interest income from impaired assets whose book value was written down and reversals connected with the passing of time from item "Net interest" to item "Net write-downs on loans and provisions for guarantees and commitments", as a result of the reclassification carried out by three Group companies in the first nine months of 2013.

Since 2013 gains on disposal or repurchase of available-for-sale financial assets and gains on disposal or repurchase of held-to-maturity investments have been reclassified to “Net trading income” in order to align their presentation in the condensed consolidated Income Statement with the standards of the major Italian and European banks. Such gains were previously included in “Net income from investments”.
With reference to the Condensed Income Statement, since the third quarter of 2013:
• the positive P&L items relating to the rationalization of the support companies of the Group’s Global Banking Services have been recorded in “Recovery of expenses” instead of “Net other expenses/income” in accordance with the economic substance of the transaction;
• some P&L items relating to the operations of one Group company have been reclassified (from “Net fees and commissions” to “Net interest”) to better reflect their economic nature.
The comparative period was restated accordingly.

Segment Reporting (Summary)

KEY FIGURES by BUSINESS SEGMENT										(€ million)
	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER[1]	CONSOLIDATED GROUP TOTAL
Income Statement										
OPERATING INCOME										
2013	8,687	2,876	1,609	1,793	5,069	4,327	732	503	(1,623)	**23,973**
2012	*8,658*	*2,857*	*1,725*	*1,867*	*4,798*	*4,355*	*704*	*551*	*(518)*	***24,997***
OPERATING COSTS										
2013	(4,773)	(2,137)	(1,461)	(825)	(2,223)	(1,729)	(528)	(301)	(825)	**(14,801)**
2012	*(5,042)*	*(2,185)*	*(1,464)*	*(851)*	*(2,146)*	*(1,700)*	*(477)*	*(300)*	*(651)*	***(14,816)***
OPERATING PROFIT										
2013	3,915	739	149	968	2,846	2,597	204	203	(2,448)	**9,172**
2012	*3,616*	*672*	*261*	*1,016*	*2,653*	*2,655*	*228*	*251*	*(1,169)*	***10,181***
PROFIT BEFORE TAX										
2013	(6,329)	412	(362)	817	1,663	1,469	193	181	(2,932)	**(4,888)**
2012	*(3,152)*	*953*	*(277)*	*866*	*1,777*	*1,257*	*199*	*230*	*(1,611)*	***243***
Balance Sheet										
LOANS TO CUSTOMERS										
as at December 31, 2013	182,448	79,333	48,139	25,033	71,858	94,428	0	920	983	**503,142**
as at December 31, 2012	*202,918*	*84,163*	*49,922*	*23,999*	*71,463*	*108,866*	*0*	*845*	*2,268*	***544,443***
DEPOSITS FROM CUSTOMERS AND DEBT SECURITIES IN ISSUE										
as at December 31, 2013	152,393	108,099	59,156	29,538	63,183	77,263	-	18,226	63,166	**571,024**
as at December 31, 2012	*159,281*	*112,692*	*60,672*	*27,641*	*62,051*	*83,656*	*-*	*16,883*	*55,189*	***578,066***
TOTAL RISK WEIGHTED ASSETS [3]										
as at December 31, 2013	108,404	33,823	25,467	25,089	81,705	74,460	2,046	2,913	69,831	**423,739**
as at December 31, 2012	*117,765*	*38,021*	*25,728*	*24,622*	*87,691*	*92,736*	*1,986*	*3,009*	*35,570*	***427,127***
EVA										
2013	(5,378)	95	(457)	197	18	76	124	71	(6,049)	**(11,303)**
2012	*(3,892)*	*380*	*(322)*	*257*	*339*	*(516)*	*90*	*116*	*(508)*	***(4,057)***
Cost/income ratio										
2013	54.9%	74.3%	90.8%	46.0%	43.9%	40.0%	72.2%	59.7%	n.s.	**61.7%**
2012	*58.2%*	*76.5%*	*84.9%*	*45.6%*	*44.7%*	*39.0%*	*67.7%*	*54.5%*	*n.s.*	***59.3%***
Employees [2]										
as at December 31, 2013	38,753	13,902	6,936	18,152	47,271	3,466	1,995	1,486	15,904	**147,864**
as at December 31, 2012	*39,713*	*14,669*	*7,072*	*18,623*	*49,099*	*3,586*	*1,968*	*1,464*	*20,159*	***156,354***

Notes:

Figures were recasted, where necessary, on a like-to-like basis to consider changes in scope of business segment and methodological rules.

1. Global Banking Services, Corporate Center Global Functions, inter-segment adjustments and consolidation adjustments not attributable to individual segments;
2. "Full time equivalent". Employees of subsidiaries consolidated proportionately, such as Koç Financial Services, are fully included in FTE numbers;
3. ''Group Corporate Center" includes the impact of the Floor. With a view to avoiding a too substantial and too rapid reduction in risk-weighted assets, the Basel Committee defines the floor as a lower limit for risk-weighted assets. Under the current floor limit, the floor is binding on a bank if its own risk-weighted assets are lower than 85 percent of risk-weighted assets measured in accordance with Basel I."

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:

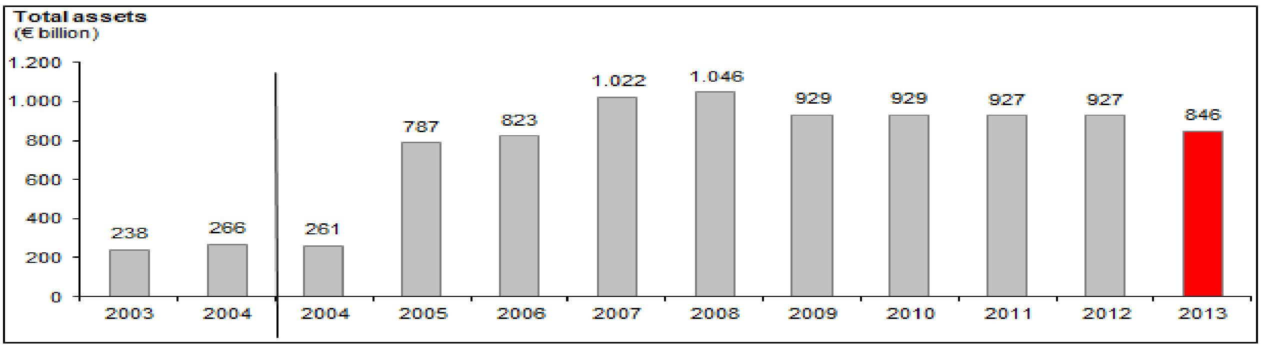
- by the merger with the HVB Group, achieved by means of a public exchange offer furthered by UniCredit on August 26, 2005 so as to take over control of HVB and the companies it headed up. Following this offer, finalized during 2005, UniCredit in fact acquired a holding of 93.93% in HVB's share capital (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 2003 - 2013

	IAS/IFRS										ITALIAN GAAP	
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2004	2003
Income Statement (€ million)												
Operating income	23,973	25,049	25,200	26,347	27,572	26,866	25,893	23,464	11,024	10,203	10,375	10,465
Operating costs	(14,801)	(14,979)	(15,460)	(15,483)	(15,324)	(16,692)	(14,081)	(13,258)	(6,045)	(5,701)	(5,941)	(5,703)
Operating profit (loss)	9,172	10,070	9,740	10,864	12,248	10,174	11,812	10,206	4,979	4,502	4,434	4,762
Profit (loss) before income tax	(4,888)	317	2,060	2,517	3,300	5,458	9,355	8,210	4,068	3,238	2,988	3,257
Net profit (loss) for the period	(3,920)	1,687	644	1,876	2,291	4,831	6,678	6,128	2,731	2,239	2,300	2,090
Net profit (loss) attributable to the Group	(13,965)	865	(9,206)	1,323	1,702	4,012	5,961	5,448	2,470	2,069	2,131	1,961
Balance Sheet (€ million)												
Total assets	845,838	926,827	926,769	929,488	928,760	1,045,612	1,021,758	823,284	787,284	260,909	265,855	238,256
Loans and receivables with customers	503,142	547,144	559,553	555,653	564,986	612,480	574,206	441,320	425,277	139,723	144,438	126,709
of which: non-performing loans	*18,058*	*19,360*	*18,118*	*16,344*	*12,692*	*10,464*	*9,932*	*6,812*	*6,861*	*2,621*	*2,621*	*2,373*
Deposits from customers and debt securities in issue	571,024	579,965	561,370	583,239	596,396	591,290	630,533	495,255	462,226	155,079	156,923	135,274
Shareholders' Equity	46,841	62,784	51,479	64,224	59,689	54,999	57,724	38,468	35,199	14,373	14,036	13,013
Profitability ratios (%)												
Operating profit (loss)/Total assets[1]	1.08	1.09	1.05	1.17	1.32	0.97	1.16	1.24	0.63	1.73	1.67	2.00
Cost/income ratio	61.7	59.8	61.4	58.8	55.6	62.1	54.4	56.5	54.8	55.9	57.3	54.5

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

1. Annualized figures.



ITALIAN GAAP IAS/IFRS

Share Information

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Share price (€) (*)											
- maximum	5.630	4.478	13.153	15.314	17.403	31.810	42.841	37.540	32.770	24.629	24.607
- minimum	3.238	2.286	4.222	9.820	4.037	8.403	28.484	30.968	22.592	21.303	17.386
- average	4.399	3.292	8.549	12.701	11.946	21.009	36.489	34.397	25.649	22.779	22.085
- end of period	5.380	3.706	4.228	10.196	14.730	9.737	31.687	37.049	32.457	23.602	23.881
Number of outstanding shares (million)											
- at period end[1]	5,792	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
- shares cum dividend	5.695	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
of which: savings shares	*2.42*	*2.42*	*2.42*	*24.2*	*24.2*	*21.7*	*21.7*	*21.7*	*21.7*	*21.7*	*21.7*
- average[1]	5,791	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)	570	512	(***)	550	550	(**)	3,431	2,486	2,276	1,282	1,080
- dividend per ordinary share	0.100	0.090	(***)	0.030	0.030	(**)	0.260	0.240	0.220	0.205	0.171
- dividend per savings share	0.100	0.090	(***)	0.045	0.045	(**)	0.275	0.255	0.235	0.220	0.186

1. The number of shares is net of Treasury shares and included 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 the capital increase of €7.5 billion equal to a number of shares issued of 3,859.602.938 was fully subscribed for.
Figures relating to the 2013 dividend are shown according to the specific Board of Directors' reports on the distribution to Shareholders.

Earnings Ratios

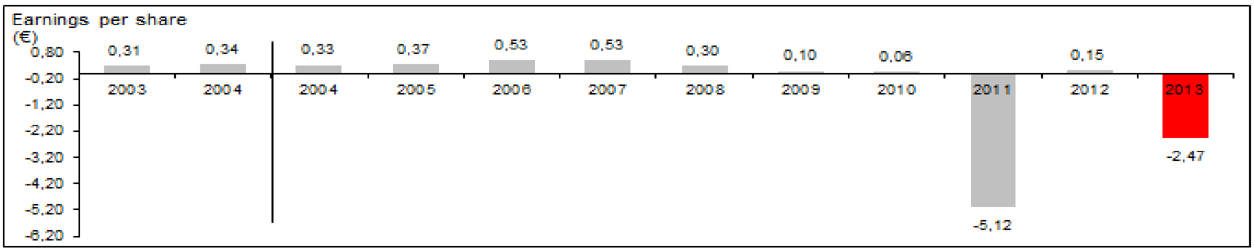
	IAS/IFRS										ITALIAN GAAP	
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2004	2003
Shareholders' Equity (€ million)	46,841	62.784	51.479	64.224	59.689	54.999	57.690	38.468	35.199	14.373	14.036	13.013
Group portion of net profit (loss) (€ million)	(13,965)	865	(9.206)	1.323	1.702	4.012	5.901	5.448	2.470	2.069	2.131	1.961
Net worth per share (€)	8.09	10,85	26,67	3,33	3,56	4,11	4,35	3,72	3,42	2,30	2,25	2,06
Price/Book value	0.67	0,34	0,16	3,06	4,14	2,37	7,28	9,97	9,50	10,26	10,51	11,59
Earnings per share[1] (€)	-2.47	0,15	-5,12	0,06	0,10	0,30	0,53	0,53	0,37	0,33	0,34	0,31
Payout ratio (%)		59,2		41,6	32,3	(*)	58,1	45,6	92,1		60,2	55,1
Dividend yield on average price per ordinary share (%)		2,73		1,55	1,58	(*)	3,98	3,90	4,79		5,02	4,32

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

1. Annualized figures.

(*) 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 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. The €13,965 million loss for 2013 increased by €105 million.



ITALIAN GAAP IAS/IFRS

Macroeconomic situation, banking and financial markets

International situation

USA/Eurozone

The global economy continued to recover at a gradual pace during 2013, reflecting divergent trends at regional level. Specifically, the progressive acceleration in the growth rate in advanced economies was offset by a slight slowdown in growth in emerging economies, especially those most vulnerable to the variations in capital inflows.
With regard to financial markets, improved growth prospects and an accommodative monetary policy encouraged the progressive "normalization" of market conditions, accompanied by a (gradual) return of investors' risk appetite. In the euro area, the latter contributed to a significant drop in premiums on sovereign credit default swaps and yield spreads over German bonds, especially in the peripheral countries most directly exposed to the tensions tied to the sovereign debt. Share prices rose in all the major advanced countries.
The accommodative stance of monetary policy in Europe and the United States contributed greatly to this normalization process. In Europe, after a first intervention in May, the Central Bank cut the interest rate on the main refinancing operations and the interest rate on the marginal lending facility by a further 25 basis points in November (to 0.25 and 0.75 per cent, respectively). It also reaffirmed its intention to keep rates on hold at or below the current level for an extended period of time, declaring itself ready, if need be, to use all the necessary instruments, including special measures, to counteract an unwanted tightening of market conditions. Fears about the latter were mainly associated with the Fed's decision to reduce the pace of purchases of mortgage-backed securities and long-term Treasury bonds – this reduction, initially announced in early summer, was only approved during the FOMC meeting of December, in the light of a more positive outlook for the U.S. economy and diminished uncertainty about fiscal policy. It consists of a total of $10 billion a month and should be completed by the third quarter of 2014.
In the euro area, GDP shrank by 0.4% in 2013, at a slightly slower rate than that recorded in 2012 (-0.6%). In terms of quarterly growth, economic activity recovered from recession in the second quarter of the year recording modest growth rates in subsequent quarters. The recovery was gradual and initially driven by the foreign channel, but later increasing domestic demand, especially for investment in machinery, also became a contributor to it. The growth in consumer spending, by contrast, remained rather slow, reflecting the weakness of the disposable income of households against a backdrop of continued fragility of the labor market. On the price front, inflation was in a downtrend, decelerating from 2.0% in January to 0.8% in December. The average inflation rate was up 1.4% in 2013 against 2.5% in 2012.
In the United States, the economy grew by 1.7% as against 2.8% in 2012. This slowdown was mainly due to the negative impact of fiscal consolidation and household deleveraging on the recovery of domestic demand, whose growth continued to surprise (slightly) to the downside in the fourth quarter. On the price front, the average inflation rate was up 1.5% against 2.1% in 2012.

Banking and financial markets

In 2013, the euro area saw further deceleration in bank lending to the private sector, which in December 2013 shrank by 2.3% on a year-over-year basis, compared to -0.6% in December 2012. The rate of contraction in loans to businesses only eased in the last months of the year, while loans to households did not show signs of recovery, remaining stable.
Lending activity continued to be affected by persistent weakness in demand for loans and still high levels of risk aversion among banks in a difficult macroeconomic environment, although first signs of improvement were seen in the last two quarters of 2013. Lending to the private sector (households and businesses) was weak in all the Group's three key countries.
The deceleration in bank lending continued at a fast pace in Italy, where loans to businesses contracted sharply (-6.0% y/y in December 2013 against -3.2% in December 2012), while loans to households continued to shrink by 1.0%. Indeed, the gradual improvement in consumer credit was offset by a slowdown in lending.
In Germany, loans to the private sector (according to the ECB's monthly statistics) decreased during the year, against a backdrop of modest contraction in loans to businesses, while the expansion of loans to households eased to +1.0% on a year-over-year basis at the end of 2013. In Austria, loans to businesses showed modest growth, while loans to households shrank during 2013.
As for the banking sector's deposit base in the Group's three key countries, towards the end of the year bank deposits in Germany declined further, while they were on a steady upward trend in Austria – a 2.2% increase in November, from a relative minimum of 0.0% in June 2013 – and continued to expand in Italy. Bank interest rates decreased slightly in all the Group's three key countries during the year.
The decrease in interest rates on deposits was in line with (in Germany) or slightly more marked (in Italy and Austria) than the decrease in interest rates on loans, showing stabilization/a slight increase in the bank spread (the difference between the average interest rate on loans and the average interest rate on deposits). During the year, against a backdrop of improved growth prospects and accommodative monetary policy, there was gradual

normalization of market conditions, with a return of risk appetite among investors that benefited stock prices. The performance of stock markets improved significantly both in Germany and in Italy during the year, with the German stock market ending the year with an expansion of 26% in cumulative terms and the Italian stock market reporting growth of 17% compared to December 2012. The improvement in the performance of stock markets came to a halt in Austria in the second half of the year, with the Austrian stock market up 6.1% at year end compared to December 2012.

CEE Countries

2013 generated significant differentiation across CEE. Recovery took hold in the newer EU states but growth challenges elsewhere turned more pronounced. Within the newer EU states, the combination of the positive impact of a European recovery and significant reform efforts over recent years more than outweighed the negative impulse from the Fed's tapering and a withdrawal of short term foreign capital from emerging markets. The recovery in external demand was central to the consistent improvement in industry performance last year as Central Europe benefitted once again from its role as a competitive manufacturing location for developed Europe, in particular Germany. Having pushed through a series of difficult fiscal consolidation measures since 2009, some countries also benefitted from less restrictive fiscal policy. Central banks continued to ease monetary policy, reducing private sector borrowing costs while private credit growth turned more supportive of domestic demand. By year-end all of the above was combined with evidence of a stabilization in labor market performance. Some countries also showed a further improvement in their current account positions. As a result, by the fourth quarter, most economies saw real GDP growth surprise to the upside, generating positive carryover into 2014. Meanwhile European enlargement continued as Latvia entered EMU, Croatia entered the EU and Serbia neared the beginning of EU accession talks. Elsewhere in the region growth faced greater downside challenges. In Turkey a booming start to the year turned to consolidation over the second half of 2013 as Fed tapering prompted a halt to foreign portfolio flows, pushing the central bank to intervene in foreign exchange markets and tighten monetary policy. A necessary adjustment in domestic demand took hold, albeit cushioned by supportive fiscal policy, which should ultimately return the economy to a more sustainable growth path. As is the case with other commodity exporters, Russia was forced to revise downwards its growth forecasts to capture stable rather than rising oil prices. But this was accompanied by a series of important reform efforts, in particular in terms of inflation targeting and the continued introduction of currency flexibility, all of which are designed to protect the economy from a sharper move in commodity prices.

Main results and performance for the period

Introduction

In 2013 the Group posted a €13,965 million **net loss**, mainly attributable to goodwill impairments and write-downs of loans that impacted on third quarter results.

The main negative items booked in the fourth quarter were the following:

-€7,990 million related to Goodwill impairment, whose residual amount is mainly coming from Commercial Banking Poland, CIB, Asset Management and Asset Gathering, which show a level of Return on Allocated Capital (ROAC) above the cost of capital over the Strategic Plan horizon;

-€1,311 million due to the complete impairment of customer relationship;

-€7,151 million of additional loan loss provisions, of which €317 million on CEE perimeter, €5,755 million related to changes of the recovery estimates of the Italian perimeter loans (for details please refer to section E of the Notes to the Consolidated Accounts) and the remaining €1,079 million related to a thorough review of loans, in particular impaired loans, conducted by UniCredit S.p.A., combined with more effective valuation methods also as a result of a series of external factors that appeared during the last quarter of the year. These amounts were also included in the total amount of -€13,658 million of accruals accounted in 2013. The additional provisioning was executed in order to reflect in the balance sheet loans value the prevailing conditions of the macroeconomic and regulatory framework, as well as the updating of parameters and evaluation methodologies, as better shown in the section E of the Notes to the Consolidated Accounts. The additional provision led to a coverage ratio in Italy and CEE, in line with the pre-crisis levels and aligned to the main European peers;

-€699 million for restructuring costs, related to the achievement of the commercial network restructuring project among the Commercial Banking Italy, Germany and Austria;

-€632 million related to the subsidiary Ukrsotsbank. The amount mainly included the impairment of the balance sheet and the reclassification to the Profit & Loss of lower values related to the reserve on exchange fluctuation, previously recorded in the shareholder's equity.

Operating income

In 2013 the **operating income** amounted to €23,973 million, decreasing by 4.1% compared to 2012 (down by 3.2% at constant exchange rates and perimeters).
The drop compared to the previous year was mainly driven by net interest reduction, primarily as a consequence of the contraction of customer loans' volumes, and due to trading profit, which in 2012 benefited, in a larger amount from profits deriving from the repurchase public offers of bonds issued by the Group. On the other hand, inverting the trend as registered in the last years, commissions recorded a slight growth.

In such framework of decreasing operating income it is worth to highlight the growth in Central-East Europe markets. Revenues deriving from CEE Region (which includes Central-East European and Polish banks) were growing by 2.9% year on year (up by 6.1% at constant exchange rates and perimeters) mostly thanks to Russia, Hungary and Romania.

Analyzing more in detail each Operating income item, in 2013 **net interest** totaled €12,990 million, decreasing by 6.4% versus the previous year (down by 5.7% at constant exchange rates and perimeters) mainly due to weak credit demand in Western Europe Countries as well as further decrease of interest rates (average 3m Euribor equal to 0.22%, 35 basis points lower than 2012). Again, it is worth to mention CEE Region trend, growing by 2.2% at constant exchange rates and perimeter.

As already mentioned, net interest reduction was negatively affected by customer loans' volumes dynamics (equal to €503.1 billion as at December 31, 2013) decreasing by 7.6% versus the previous year (down by 6.4% at constant exchange rates and perimeters). Both commercial loans (down by 7.5% versus 2012) and the more volatile institutional clients' exposure (decreasing by 6.7% compared with the previous year) showed a reduction.
Such trend was uneven among the geographies: Countries with a marked decrease, in particular Italy (down by 12.1%, mainly due to weak credit demand in addition to the stock depreciation caused by higher write-downs) and Germany (down by 8.4%, mostly on Corporate & Investment Banking), were opposed to CEE Region Countries (up by 8.6% at constant exchange rates) where, apart from a few exceptions, there was a well distributed growth, driven by Turkey (up by 26.6% at constant exchange rates), Czech Republic (up by 11.5% at constant exchange rates), Russia (up by 8.7% at constant exchange rates) and Poland (up by 6.4% at constant exchange rates).
Moreover, interest rates' reduction had a negative impact on P&L dynamics, implying average lending rates decreasing by 27 basis points.

Direct funding from customers (deposits and securities), totaled €571.0 billion, increasing by 2.3% versus the previous quarter and lower by 1.2% over the previous year. The yearly reduction was mainly related to securities, also as an effect of the repurchase public offers of bonds issued by the Group, whilst deposits were growing by 0.8%. Overall the average cost of funding was decreasing versus the previous year, mainly due to market rates and a strict pricing policy.

Both loans and funding pace allowed a significant reduction of the commercial funding gap (excluding the institutional part) by €28.5 billion (down by 41.7%) versus 2012.

Dividends were €324 million, decreasing by €73 million over 2012, as a consequence of the lower investments portfolio coupon flow, lower profits from the insurance joint ventures and the negative Mediobanca result.

Net fees and commissions in 2013 were €7,728 million, growing by 0.7% versus 2012 (up by 1.4% at constant exchange rates and perimeters) thanks to investment services fees (up by 11.7% versus 2012). Such growth was mainly driven by management fees, thanks both to the asset under management volumes' growth and to a more profitable portfolio mix. On the other hand, financing services fees were decreasing (down by 9.0% over 2012), mainly in Italy. Transactional banking fees were also weak (down by 2.4% versus 2012).
All Business Divisions with positive yearly trend, but Commercial Banking Germany, decreasing by 5% mainly on Investment Services fees.

Net trading, hedging and fair value income in 2013 was €2,657 million, decreasing by 4.9% versus 2012 (down by 3.6% at constant exchange rates and perimeters).
This dynamic was affected by profits coming from repurchase public offers of bonds issued by the Group, lower by €541 million versus 2012.
Net of the latter, this P&L item would have grown by 20.2%, thanks to Markets' good performance and to the contribution of the proprietary securities portfolio. In 2013 Moscow Exchange shares, Fondiaria-SAI and part of the Private Equity portfolio were dismissed.

Finally, **net other expenses/income** amounted to €273 million, up by €17 million versus 2012.

Operating income

(€ million)

	Year		% CHANGE	2013 Q4	% CHANGE ON Q4 2012	% CHANGE ON Q3 2013
	2012	2013				
Net interest	13,877	12,990	- 6.4%	3,260	+ 0.4%	+ 2.0%
Dividends and other income from equity investments	397	324	- 18.3%	88	- 17.4%	+ 31.6%
Net fees and commissions	7,673	7,728	+ 0.7%	1,959	+ 1.7%	+ 5.1%
Net trading, hedging and fair value income	2,794	2,657	- 4.9%	643	+ 96.2%	+ 58.4%
Net other expenses/income	256	273	+ 6.5%	25	- 64.0%	- 77.6%
Operating income	**24,997**	**23,973**	**- 4.1%**	**5,975**	**+ 5.2%**	**+ 5.8%**

Operating costs

Operating costs in 2013 were €14,801 million, decreasing by 0.1% versus 2012 (up by 0.6% at constant exchange rates and perimeters) thanks to staff expenses, down by 2.3% versus 2012 (down by 1.6% at constant exchange rates and perimeters) whilst the other expenses (which include administrative expenses, write-downs of tangible and intangible assets and recovery expenses) grew by 3.1% (up by 2.1% at constant exchange rates and perimeters).
Moreover, in 2013, two outsourcing initiatives related to Invoice management services and technological infrastructure management took place, which overall led to the transfer of 790 units to the brand new companies formed with the respective industrial partners.

Analyzing more in detail **staff expenses**, they were €8,649 million, as already pointed out, down by 2.3% over 2012. Such positive trend was mainly driven by the personnel reduction, measured in terms of Full Time Equivalent, of 8,490 units (of which 5,106 related to ATF and Yapi Sigorta disposals, in addition to already mentioned outsourcing initiatives' effects) and the variable payments reduction, reflecting the economic result of the year.

While CEE Region reduced staff expenses by 0.5% (up by 2.4% at constant exchange rates and perimeters), the rest of the Group significantly decreased (down by 2.6%). At Divisional level, main savings were recorded in Italy, Germany and Austria Commercial Networks.

Other administrative expenses in 2013 were €4,844 million (net of expenses recovery), down by 1.8% versus the previous year (down by 1.1% at constant exchange rates and perimeters), despite of the additional taxes on the banking sector implemented in Hungary in 2013. All expenses items contributed to this positive trend.

Finally, **write-downs on tangible and intangible assets** were €1,307 million in 2013, increasing by 26.5% over 2012 (up by 28.3% at constant exchange rates and perimeters). Customer relationship write-off – which was posted to this P&L item for €76 million, being the remaining amount reclassified at the purchase price adjustment item – together with some intangible assets impairment influenced this dynamic, net of which, the growth would have been equal to 5.4% as a consequence of additional write downs on IT investments.

Operating costs (€ million)

	Year		% CHANGE	2013 Q4	% CHANGE ON Q4 2012	% CHANGE ON Q3 2013
	2012	2013				
Payroll costs	(8,850)	(8,649)	- 2.3%	(2,109)	+ 0.6%	- 1.6%
Other administrative expenses	(5,472)	(5,559)	+ 1.6%	(1,479)	+ 1.7%	+ 11.3%
Recovery of expenses	539	715	+ 32.6%	222	+ 22.6%	+ 37.1%
Write dow ns of tangible and intangible assets	(1,034)	(1,307)	+ 26.5%	(512)	+ 91.8%	+ 96.0%
Operating costs	**(14,816)**	**(14,801)**	**- 0.1%**	**(3,878)**	**+ 6.6%**	**+ 8.6%**

Revenues drop, just partly offset by costs containment, determined a **gross operating profit** of €9,172 million, decreasing by 9.9% versus 2012. Consequently, cost income ratio worsened by 2.5 percentage points, growing from 59.3% in 2012 to 61.7% in 2013.

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

Net write downs on loans an provisions for guarantees and commitments in 2013 were €13,658 million, significantly increasing compared to 2012 (€9,303 million). This is explained by €9,337 million net write-downs booked in fourth quarter, of which €7,151 million related to additional provisions that led to an improvement in the coverage ratio.
The additional provisioning was executed in order to reflect in the balance sheet loans value the prevailing conditions of the macroeconomic and regulatory framework, as well as the updating of parameters and evaluation methodologies, as better shown in the section E of the Notes to the Consolidated Accounts. The additional provision led to a coverage ratio in Italy and CEE, in line with the pre-crisis levels and aligned to the main European peers.

As a consequence of these additional write-offs, the cost of risk in 2013 was 2.59%, increasing by 90 basis points over 2012. Such increase was mainly driven by Italy, where the cost of risk was up 183 basis points (reaching 4.56%) and CEE, where it grew 60 basis points reaching 1.74%. Germany, Austria and Poland, on the other hand, confirm excellent lending activity with a limited risk.

Credit portfolio worsening is also reflected on gross impaired loans, growing by €4,274 million (up by 5.5%) over 2012 restated. As a consequence of the total loans reduction, impaired loans weight on total loans increased from 13.41% in December 2012 restated, to 14.99% end of 2013. Due to the write offs in the fourth quarter, the coverage ratio was equal to 51.7%, growing by 7 percentage points compared to 45.0% in December 2012 restated.

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 12.31.2013							
Face value	47,592	25,051	6,153	3,564	**82,360**	466,927	**549,287**
as a percentage of total loans	*8.66%*	*4.56%*	*1.12%*	*0.65%*	***14.99%***	*85.01%*	
Writedowns	29,534	9,982	2,217	812	**42,545**	3,600	**46,145**
as a percentage of face value	*62.1%*	*39.8%*	*36.0%*	*22.8%*	***51.7%***	*0.8%*	
Carrying value	18,058	15,069	3,936	2,752	**39,815**	463,327	**503,142**
as a percentage of total loans	*3.59%*	*2,99%*	*0.78%*	*0.55%*	***7.91%***	*92.09%*	
As at 12.31.2012 restated [(1)]							
Face value	43,174	22,368	7,799	4,745	**78,086**	504,334	**582,420**
as a percentage of total loans	*7.41%*	*3.84%*	*1.34%*	*0,81%*	***13.41%***	*86.59%*	
Writedowns	24,548	7,302	2,514	793	**35,157**	2,820	**37,977**
as a percentage of face value	*56.9%*	*32.6%*	*32.2%*	*16.7%*	***45.0%***	*0.6%*	
Carrying value	18,626	15,066	5,285	3,952	**42,929**	501,514	**544,443**
as a percentage of total loans	*3.42%*	*2.77%*	*0.97%*	*0.73%*	***7,88%***	*92.12%*	
As at 12.31.2012 historical							
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%*	

(1) At December 31, 2013, in accordance with the accounting standard IFRS5, all assets of the companies: PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD;
were recognized under item "Non-current assets and disposal groups classified as held for sale".
The previous period was restated accordingly to increase comparability.

Group Results

Profit (loss) before tax

Considering gross operating profit was down by €1,009 million and net write-downs on loans and provisions for guarantees and commitments were -€13,658 million, increasing by -€4,355 million versus 2012, **net operating profit** was -€4,486 million in 2013, down by €5,364 million compared to 2012.

Provisions for risks and charges were -€996 million, mainly due to legal cases and other contingent liabilities.

Integration costs at -€727 million, mainly related to commercial network restructuring project in Commercial Banking Italy, Germany and Austria Divisions.

Finally, **net income from investments** at €1,322 million – compared to -€192 million accounted in 2012 – of which €1,374 million related to the revaluation of Bank of Italy shareholding.

As a consequence of the above impacts, **profit (loss) before tax** in 2013 was -€4,888 million, versus €243 million in 2012.

Profit before tax by business segment (€ million)

	OPERATING INCOME	OPERATING COSTS	PROFIT (LOSS) AND NET WRITE DOWNS ON LOANS	NET OPERATING PROFIT	PROFIT BEFORE TAX	
					2012	2013
Commercial Banking Italy	8,687	(4,773)	(9,919)	(6,004)	(3,152)	(6,329)
Commercial Banking Germany	2,876	(2,137)	49	788	953	412
Commercial Banking Austria	1,609	(1,461)	(207)	(59)	(277)	(362)
Poland	1,793	(825)	(159)	809	866	817
Central Eastern Europe	5,069	(2,223)	(1,280)	1,566	1,777	1,663
Corporate & Investment Banking	4,327	(1,729)	(942)	1,655	1,257	1,469
Asset Management	732	(528)	-	204	199	193
Asset Gathering	503	(301)	(4)	199	230	181
Group Corporate Center	(1,623)	(825)	(1,196)	(3,644)	(1,611)	(2,932)
Group Total	**23,973**	**(14,801)**	**(13,658)**	**(4,486)**	**243**	**(4,888)**

Profit (loss) attributable to the Group

Income tax for the period was positive in 2013 by €1,607 million versus €1,566 million in 2012, as a consequence of the loss recorded in the period. In 2012 the Group benefited from the exercise of the option for the substitutive tax system of goodwill, brands and intangible activities referred to majority stakes.

Loss from discontinued operations net of taxes amounted to -€639 million and was related to the Ukrainian subsidiary Ukrsotsbank, reclassified under the accounting rule IFRS5.

Profit (loss) for the period in 2013 was -€3,920 million.

Minorities at -€382 million, up by 6.7% over 2012.

Purchase Price Allocation totaled -€1,673 million, of which -€1,258 million accounted in the fourth quarter as a consequence of the complete impairment of the Customer relationship.

Goodwill impairment in 2013 was -€7,990 million. Such write-off was entirely recorded in the fourth quarter considering the deterioration of macroeconomic scenario forecast and the more strict regulatory framework, included in the Strategic Plan 2013-2018, in terms of capital requirements.
The impairment caused the complete Goodwill cancellation in Commercial Banking Italy, Austria and CEE.
Goodwill residual value, amounting to €3.5 billion, is now around 2004 level and is mainly concentrated in Poland, CIB, Asset Gathering and Asset Management, which show Return on Allocated Capital (ROAC) higher than the cost of capital over the Strategic Plan horizon.

The impact of all these elements resulted in a **net loss attributable to the Group** of -€13,965 million, compared to 2012 result at €865 million.
The yearly loss would have been higher by €1.2 billion if, basing on a different interpretation than the adopted accounting approach, the benefit related to the revaluation of Bank of Italy shareholding was recognized in equity.

Profit (loss) attributable to the Group (€ million)

	Year		% CHANGE	2013 Q4	% CHANGE ON Q4 2012	% CHANGE ON Q3 2013
	2012	2013				
Operating income	24,997	23,973	- 4.1%	5,975	+ 5.2%	+ 5.8%
Operating costs	(14,816)	(14,801)	- 0.1%	(3,878)	6.6%	8.6%
Operating profit (loss)	**10,181**	**9,172**	**- 9.9%**	**2,096**	**2.7%**	**1.1%**
Net write-downs on loans and provisions for guarantees and commitments	(9,303)	(13,658)	+ 46.8%	(9,337)	106.8%	n.s.
Net operating profit (loss)	**877**	**(4,486)**	**n.s.**	**(7,240)**	**192.6%**	**n.s.**
Provisions for risks and charges	(166)	(996)	n.s.	(522)	n.s.	199.3%
Integration costs	(277)	(727)	+ 162.5%	(699)	176.6%	n.s.
Net income from investment	(192)	1,322	n.s.	1,117	n.s.	n.s.
Profit (loss) before tax	**243**	**(4,888)**	**n.s.**	**(7,344)**	**153.2%**	**n.s.**
Income tax for the period	1,566	1,607	+ 2.6%	2,456	-10.3%	n.s.
Net profit (loss) of discontinued operations	(121)	(639)	n.s.	(632)	n.s.	n.s.
Profit (loss) for the period	**1,687**	**(3,920)**	**n.s.**	**(5,520)**	**n.s.**	**n.s.**
Minorities	(358)	(382)	+ 6.7%	(90)	25.5%	-14.2%
Net profit (loss) attributable to the Group before PPA	**1,330**	**(4,302)**	**n.s.**	**(5,611)**	**n.s.**	**n.s.**
Purchase Price Allocation effects	(435)	(1,673)	n.s.	(1,378)	n.s.	n.s.
Goodwill impairment	(30)	(7,990)	n.s.	(7,990)	n.s.	n.s.
Net profit (loss) attributable to the Group	**865**	**(13,965)**	**n.s.**	**(14,979)**	**n.s.**	**n.s.**

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[1]

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 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). As at December 2013, Core Tier 1[2] ratio was equal to 9.60% (10.57% excluding the impact of Basel 1 floor). Tier 1 Ratio and Total Capital Ratio were 10.09% and 13.61% respectively (11.11% and 14.98% excluding the impact of floor).

Capital Ratios (€ million)

	AS AT	
	12.31.2013	**12.31.2012**
Total Capital	57,651	62,018
Tier 1 Capital	42,737	48,868
Core Tier 1 Capital	40,683	46,314
Total RWA	423,739	427,127
Total Capital Ratio	**13.61%**	**14.52%**
Tier 1 Ratio	**10.09%**	**11.44%**
Core Tier 1 Ratio	**9.60%**	**10.84%**

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 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 has been translated into law by means of two separate legislative instruments: a Directive (CRD 4) and a Regulation (CRR), which 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 was published by the European Commission in July 2011. Following EU Parliament approval, the CRD 4 package (i.e. Directive and Regulation) was formally published in the Official Journal of the EU on 27 June 2013 and will apply from 1 January 2014.

In December 2013 the Bank of Italy published ("Circolare 285") new supervisory regulations on banks implementing CRD 4, CRR and setting out additional local prudential rules concerning matters not harmonized at EU level. As of January 1, 2014, Italian banks are required to comply with a minimum CET1 Capital ratio of 4.5%, Tier I Capital ratio of 6% and Total Capital Ratio of 8%. These minimum ratios are complemented on the following capital buffers to be meet with CET1 Capital: Capital Conservation set at 2.5.% from January 1, 2014 and, from 2016, Counter-Cyclical in the periods of excessive credit growth and for Systemically Important Banks at global or domestic level (G-SII, O-SII). Failure to comply with such combined buffer requirements triggers restrictions on distributions and the need to adopt a capital conservation plan. As part of the transition arrangements, regulatory capital recognition of outstanding non-CET1 capital instruments that no longer meet the minimum criteria will be gradually phased out. Their recognition is capped at 80% in 2014 of nominal outstanding as at January 1, 2013, with this cap decreasing by 10% in each subsequent year.

[1] The higher value of the shares in the Bank of Italy recognized in the Income Statement (€1.2 billion after tax) did not have positive effects on capital ratios in accordance with the regulations in force as at December 31, 2013.

[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 loss **of the period**, amounted to €46,841 million at December 31, 2013, compared to €61,579 million at December 31, 2012.

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

The following table shows the main changes that occurred in 2013.

Shareholders' Equity attributable to the Group (€ million)

Shareholders' Equity as at December 31, 2012 (*)	**61,579**
Capital increase (net of capitalized costs)	-
Disbursements related to Cashes transaction ("canoni di usufrutto") (**)	(105)
Dividend payment	(513)
Forex translation reserve	(761)
Change in afs / cash-flow hedge reserve	230
Others (***)	376
Net profit (loss) for the period	(13,965)
Shareholders' Equity as at December 31, 2013	**46,841**

(*) Please note that on January 1, 2013 the amendments to IAS 19 (“IAS 19R”) that, in particular, eliminate the “corridor” method – with subsequent need to recognize the commitment in accordance with the present value of defined benefit obligations, net of the fair value of plan assets – came into force.
The adoption of the new accounting standard resulted in a negative impact on the Group’s net equity of €1,205 million as at December 31, 2012 (restated) following the recognition in the revaluation reserves of actuarial net losses (net of deferred taxes connected with them).

(**) Additional disbursements (€35 million) related to Cashes (transaction ("canoni di usufrutto") have been paid at contractual maturities (February 25, 2014).

(***) The other changes refer mainly to the positive effects of the sale of 9.1% of Pekao S.A. – in which UniCredit still has a controlling shareholding – and of the investments valued at Net Equity, partially offset by a change in the liabilities relating to defined-benefit plans.

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

The following table reconciles the Parent Company’s Shareholders’ 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, 2013 as per UniCredit S.p.A. Accounts	**46,078**	***(11,601)***
Surplus over carrying values:	1,321	*919*
- subsidiaries (consolidated)	*961*	*713*
- associates accounted for at net equity	*360*	*206*
Dividends received in the period by the Holding Company	-	*(3,139)*
Other reclassification on consolidation	(558)	*(144)*
Balance as at December 31, 2013 attributable to the Group	**46,841**	***(13,965)***
Minorities	3,334	*382*
Balance as at December 31, 2013 (minorities included)	**50,175**	***(13,583)***

Commercial Banking Italy

Commercial Banking Italy is composed by UniCredit S.p.A. commercial network (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking division) and the Leasing and Factoring product factories. In relation to individual clients (Households and clients of specialized network Private Banking), Commercial Banking's goal is to offer a full range of investments and credit needs, relying on almost 4,000 branches and multichannel services provided by new technologies. In relation to corporate customers, Commercial Banking, with about 1.100 Managers divided in 196 Corporate branches, operates trying to guarantee both the support to the economic and entrepreneurial system and the profitability and quality of its portfolio.

Income Statement, Key Ratios and Indicators (€million)

Commercial Banking Italy	Year 2012	Year 2013	% CHANGE	2013 Q4	%CHANGE ON Q4 2012	%CHANGE ON Q3 2013
Operating income	8,658	8,687	+0.3%	2,102	+0.3%	-0.2%
Operating costs	(5,042)	(4,773)	-5.3%	(1,204)	+1.5%	+3.8%
Net write-downs on loans	(6,559)	(9,919)	+51.2%	(6,950)	+110.4%	n.s.
Net operating profit	(2,944)	(6,004)	+104.0%	(6,052)	+152.8%	n.s.
Profit before tax	(3,152)	(6,329)	+100.8%	(6,293)	+150.5%	n.s.
Loans to customers (eop)	202,918	182,448	-10.1%	182,448	-10.1%	-5.0%
Customer deposits (incl. Securities in issue - eop)	159,281	152,393	-4.3%	152,393	-4.3%	+0.9%
Total RWA Eop	117,765	108,404	-7.9%	108,404	-7.9%	-4.0%
EVA (€ million)	(3,892)	(5,378)	+38.2%	(4,046)	+90.9%	n.s.
Absorbed Capital (€ million)	12,810	10,286	-19.7%	4,606	-54.8%	-62.2%
RARORAC	-30.39%	-52.28%	n.s.	-351.33%	n.s.	n.s.
Cost/Income	+58.2%	+54.9%	-330bp	+57.3%	67bp	218bp
Cost of Risk	3.12%	5.10%	198bp	14.85%	n.s.	n.s.
Full Time Equivalent (eop)	39,713	38,753	-2.4%	38,753	-2.4%	+0.0%

Commercial Banking Germany

Commercial Banking Germany provides all German customers – except CIB clients – with a complete range of banking products and services. With its strong funding base it is an important liquidity provider.
Commercial Banking Germany holds large market shares and a strategic market position in retail banking, in Private Banking and especially in business with local corporate customers (including factoring and leasing). The Division also includes the local Corporate Center, which performs tasks as sub-holding towards other Subgroup legal entities.

Income Statement, Key Ratios and Indicators (€million)

Commercial Banking Germany	Year 2012	Year 2013	% CHANGE	2013 Q4	%CHANGE ON Q4 2012	%CHANGE ON Q3 2013
Operating income	2,857	2,876	+0.7%	680	+10.7%	+4.0%
Operating costs	(2,185)	(2,137)	-2.2%	(530)	-5.6%	-2.5%
Net write-downs on loans	348	49	-85.9%	(23)	-110.7%	-10.1%
Net operating profit	1,020	788	-22.7%	128	-52.7%	+49.8%
Profit before tax	953	412	-56.7%	(251)	-267.6%	n.s.
Loans to customers (eop)	84,163	79,333	-5.7%	79,333	-5.7%	-2.2%
Customer deposits (incl. Securities in issue - eop)	112,692	108,099	-4.1%	108,099	-4.1%	+2.1%
Total RWA Eop	38,021	33,823	-11.0%	33,823	-11.0%	-2.9%
EVA (€ million)	380	95	-74.9%	(91)	-158.0%	+95.4%
Absorbed Capital (€ million)	3,183	3,099	-2.6%	2,963	+7.3%	-9.6%
RARORAC	+11.94%	+3.07%	n.s.	-12.29%	n.s.	n.s.
Cost/Income	+76.5%	+74.3%	-218bp	+77.8%	n.s.	-519bp
Cost of Risk	0.41%	0.06%	35bp	0.12%	114bp	-1bp
Full Time Equivalent (eop)	14,669	13,902	-5.2%	13,902	-5.2%	-2.2%

Commercial Banking Austria

Commercial Banking Austria provides all Austrian customers – except CIB clients – with a complete range of banking products and services. With its strong funding base it is an important liquidity provider.
Commercial Banking Austria holds large market shares and a strategic market position in retail banking, in Private Banking and especially in business with local corporate customers (including factoring and leasing). The Division also includes the local Corporate Center, which performs tasks in connection with Bank Austria's sub-holding company function.

Income Statement, Key Ratios and Indicators (€million)

Commercial Banking Austria	Year 2012	Year 2013	% CHANGE	2013 Q4	%CHANGE ON Q4 2012	%CHANGE ON Q3 2013
Operating income	1,725	1,609	-6.7%	423	+14.4%	+1.4%
Operating costs	(1,464)	(1,461)	-0.3%	(381)	-5.0%	+9.3%
Net write-downs on loans	(209)	(207)	-0.7%	(62)	+239.2%	+28.7%
Net operating profit	52	(59)	-213.3%	(20)	-59.9%	-195.2%
Profit before tax	(277)	(362)	+30.6%	(224)	-21.3%	n.s.
Loans to customers (eop)	49,922	48,139	-3.6%	48,139	-3.6%	-0.7%
Customer deposits (incl. Securities in issue - eop)	60,672	59,156	-2.5%	59,156	-2.5%	+2.9%
Total RWA Eop	25,728	25,467	-1.0%	25,467	-1.0%	-1.4%
EVA (€ million)	(322)	(457)	+41.7%	(105)	-39.6%	+68.3%
Absorbed Capital (€ million)	2,377	2,251	-5.3%	2,074	-14.4%	-10.4%
RARORAC	-13.56%	-20.31%	n.s.	-20.27%	n.s.	n.s.
Cost/Income	+84.9%	+90.8%	587bp	+90.1%	n.s.	n.s.
Cost of Risk	0.42%	0.42%	1bp	0.51%	37bp	12bp
Full Time Equivalent (eop)	7,072	6,936	-1.9%	6,936	-1.9%	-1.0%

Poland

Bank Pekao S.A. is one of the biggest banks in Poland providing a full range of banking services to individual and institutional clients. Bank Pekao has a nationwide network of 1,001 branches, a strong presence in all the major cities and Poland's biggest ATM network (together with Euronet) consisting of almost 6,100 ATM's (of which 1,847 ATMs owned by the Bank), enabling the Bank's customers to have fully flexible and easy access to banking services all over the country.

Income Statement, Key Ratios and Indicators (€million)

POLAND	Year 2012	Year 2013	% CHANGE	2013 Q4	%CHANGE ON Q4 2012	%CHANGE ON Q3 2013
Operating income	1,867	1,793	-4.0%	455	-4.4%	+5.1%
Operating costs	(851)	(825)	-3.1%	(202)	-2.3%	-0.8%
Net write-downs on loans	(152)	(159)	+4.5%	(42)	-2.7%	+5.8%
Net operating profit	864	809	-6.4%	211	-6.7%	+11.3%
Profit before tax	866	817	-5.6%	215	-3.5%	+13.8%
Loans to customers (eop)	23,999	25,033	+4.3%	25,033	+4.3%	+4.5%
Customer deposits (incl. Securities in issue - eop)	27,641	29,538	+6.9%	29,538	+6.9%	+10.6%
Total RWA Eop	24,622	25,089	+1.9%	25,089	+1.9%	+3.8%
EVA (€ million)	257	197	-23.3%	53	-18.6%	+20.5%
Absorbed Capital (€ million)	1,275	1,090	-14.5%	1,115	-14.7%	+3.4%
RARORAC	+20.12%	+18.05%	-207bp	+19.02%	-90bp	271bp
Cost/Income	+45.6%	+46.0%	43bp	+44.4%	98bp	-266bp
Cost of Risk	0.66%	0.67%	1bp	0.69%	-4bp	1bp
Full Time Equivalent (eop)	18,623	18,152	-2.5%	18,152	-2.5%	-0.2%

Results by Business Segment

CEE Division

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 16 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)

CEE Division	Year 2012	Year 2013	% CHANGE	2013 Q4	%CHANGE ON Q4 2012	%CHANGE ON Q3 2013
Operating income	4,798	5,069	+5.6%	1,349	+3.2%	+12.5%
Operating costs	(2,146)	(2,223)	+3.6%	(575)	+4.6%	+8.8%
Net write-downs on loans	(800)	(1,280)	+60.0%	(542)	+125.1%	+124.3%
Net operating profit	1,852	1,566	-15.5%	231	-55.1%	-46.0%
Profit before tax	1,777	1,663	-6.4%	196	-57.7%	-67.0%
Loans to customers (eop)	71,463	71,858	+0.6%	71,858	+0.6%	-2.6%
Customer deposits (incl. Securities in issue - eop)	62,051	63,183	+1.8%	63,183	+1.8%	+5.8%
Total RWA Eop	87,691	81,705	-6.8%	81,705	-6.8%	-2.1%
EVA (€ million)	339	18	-94.7%	(197)	n.s.	n.s.
Absorbed Capital (€ million)	7,726	7,639	-1.1%	6,998	-9.4%	-9.6%
RARORAC	+4.38%	+0.23%	-415bp	-11.26%	n.s.	n.s.
Cost/Income	+44.7%	+43.9%	-86bp	+42.6%	55bp	-143bp
Cost of Risk	1.14%	1.74%	60bp	2.98%	163bp	167bp
Full Time Equivalent (eop)	49,099	47,271	-3.7%	47,271	-3.7%	-0.6%

CIB

Corporate & Investment Banking (CIB) is dedicated to multinational and large corporate clients with highly sophisticated financial profile and needs for investment banking services, as well as institutional clients 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.

Income Statement, Key Ratios and Indicators (€million)

CORPORATE & INVESTMENT BANKING	Year 2012	Year 2013	% CHANGE	2013 Q4	%CHANGE ON Q4 2012	%CHANGE ON Q3 2013
Operating income	4,355	4,327	-0.6%	1,086	+20.1%	+7.1%
Operating costs	(1,700)	(1,729)	+1.8%	(455)	+21.2%	+6.6%
Net write-downs on loans	(1,573)	(942)	-40.1%	(608)	-33.9%	n.s.
Net operating profit	1,082	1,655	+53.0%	23	-105.9%	-95.5%
Profit before tax	1,257	1,469	+16.8%	(114)	-44.8%	-122.1%
Loans to customers (eop)	108,866	94,428	-13.3%	94,428	-13.3%	-8.5%
Customer deposits (incl. Securities in issue - eop)	83,656	77,263	-7.6%	77,263	-7.6%	-2.0%
Total RWA Eop	92,736	74,460	-19.7%	74,460	-19.7%	-8.4%
EVA (€ million)	(516)	76	-114.7%	(220)	-51.2%	-286.0%
ROAC	6.9%	+14.2%	n.s.	-1.0%	n.s.	n.s.
(Rev-LLP)/RWA	+2.74%	+3.99%	125bp	+2.46%	252bp	-210bp
Cost/Income	+39.0%	+40.0%	94bp	+41.9%	36bp	-19bp
Cost of Risk	1.44%	0.92%	-53bp	2.46%	-79bp	218bp
Full Time Equivalent (eop)	3,586	3,466	-3.4%	3,466	-3.4%	+0.4%

Asset Management

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 2012	Year 2013	% CHANGE	2013 Q4	%CHANGE ON Q4 2012	%CHANGE ON Q3 2013
Operating income	704	732	+3.9%	200	+3.2%	+11.8%
Operating costs	(477)	(528)	+10.7%	(168)	+28.9%	+39.5%
Net write-downs on loans	-	-	n.s.	-	n.s.	n.s.
Net operating profit	228	204	-10.5%	32	-49.9%	-45.7%
Profit before tax	199	193	-3.0%	27	-38.0%	-52.0%
TFAs (eop)	165,771	181,700	+9.6%	181,700	+10.2%	+2.9%
RoA (Operating Income/ avg TFAs)	+0.43%	+0.42%	-1.37bp	+0.45%	-1.81bp	4.34bp
EVA (€ million)	90	124	+36.7%	26	n.s.	-17.3%
Absorbed Capital (€ million)	294	261	-11.3%	266	-2.7%	-0.0%
RARORAC	+30.8%	+47.5%	n.s.	+39.4%	n.s.	n.s.
Cost/Income	+67.7%	+72.2%	447bp	+84.2%	n.s.	n.s.
Full Time Equivalent (eop)	1,968	1,995	+1.4%	1,995	+1.4%	-0.1%

Asset Gathering

Asset gathering is a division specialized in wealth management through the direct channel and the financial advisors network, mainly focused on the retail customer segment.
It operates in Italy through Fineco Bank, which, with its direct channel and a network of more than 2,400 financial advisors, offers all the banking and the investment services of traditional banks, with a specific focus on innovation, that emerges mainly from the development of the online trading, with respect to which FinecoBank is leader at a national and European level.
Asset Gathering division operates also in Germany through Dab Bank, Germany's direct-bank specialist for investment-related services. As the first online broker in the German market, it's oriented both to individual investors (B2C) and financial intermediaries (B2B).
Asset Gathering has also a presence in Austria through direktanlage.at, Austrian's online brokerage leader; it was acquired by DAB Bank in 2002.

Income Statement, Key Ratios and Indicators						(€million)
ASSET GATHERING	Year 2012	Year 2013	% CHANGE	2013 Q4	%CHANGE ON Q4 2012	%CHANGE ON Q3 2013
Operating income	551	503	-8.7%	126	-3.6%	+5.8%
Operating costs	(300)	(301)	+0.1%	(76)	-1.8%	+7.9%
Net write-downs on loans	(3)	(4)	+28.1%	(2)	+121.0%	+270.1%
Net operating profit	248	199	-19.7%	48	-8.1%	+0.3%
Profit before tax	230	181	-21.3%	36	-22.9%	-17.2%
Loans to customers Eop	845	920	+8.9%	920	+8.9%	+7.2%
Customer deposits (incl. Securities in issue) Eop	16,883	18,226	+8.0%	18,226	+8.0%	+0.3%
Total RWA Eop	3,009	2,913	-3.2%	2,913	-3.2%	+9.5%
TFAs Outstading Stock (eop)	68,196	76,094	+11.6%	76,094	+11.6%	+3.9%
TFAs Net Sales	5,295	5,708	+7.8%	1,234	-16.5%	+20.0%
EVA (€ million)	116	71	-38.7%	2	-90.2%	-88.1%
Absorbed Capital (€ million)	211	240	+13.6%	234	-4.9%	+2.4%
RARORAC	55.2%	29.8%	n.s.	+4.0%	n.s.	n.s.
Cost/Income	+54.5%	+59.7%	524bp	+60.2%	112bp	115bp
Full Time Equivalent (eop)	1,464	1,486	+1.5%	1,486	+1.5%	+1.2%

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)**.

Research and development projects

In 2013 the Group's research and development projects were mainly aimed at:

- developing solutions designed to leverage the data managed by the Group to enable a better understanding of the various local economic conditions. These solutions represent a breakthrough in the Bank's innovation efforts as they enable a better understanding of customers and therefore give the Group a new competitive edge, improve the customer service and increase proximity to the territory;
- developing innovative payment systems based on the biometric recognition of customers in order to improve the "customer experience" and the level of security of transactions;
- prototyping solutions designed to make the physical network of branches more flexible in terms of both costs and localization;
- building academic and industrial partnerships to establish a strong working relationship enabling the development of long-term solutions.

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 the operations of some of its subsidiaries, also with the aim of achieving greater synergies and cost reductions; in addition, some corporate transactions previously entered into as part of the reorganization of the Group's perimeter were completed.
In addition, some shareholdings considered no longer strategic were divested.

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

As part of the rationalization of the support units and companies of the Global Banking Services, the subsidiary UniCredit Business Integrated Solutions S.C.p.A. (UBIS) has become the company that provides support services and maintains a strategic focus on extra captive market segments in various ways, namely: through the establishment of specific subsidiaries or associates if oriented towards special markets, co-branding actions, partnerships or joint ventures to grow such markets.
Against this backdrop, after entering, in May 2012, into a corporate partnership with its strategic partner Hewlett Packard (HP) to carry out activities related to the management of administrative support services for the Human Resources processes ("HR administrative services"), a new corporate partnership was also developed with Accenture Insurance Services S.p.A. (Accenture), another strategic partner, with the aim of rationalizing the services for the management of the "active and passive cycle" (issuance, receipt, verification, recording and payment of invoices). In relation to this, UBIS transferred – with effect from April 1, 2013 – its "active and passive cycle" business unit to the company formed by Accenture and called "Accenture Back Office and Administration Services S.p.A." and sold to Accenture some of the shares resulting from the transfer. Following the transaction, UBIS holds 49% of Accenture Back Office and Administration Services S.p.A.'s share capital; the remaining 51% is held by Accenture (which is therefore the controlling shareholder).
In addition, a new partnership was developed between UBIS and another major player in the industry, IBM Italia S.p.A. (IBM), to provide the former with services relating to the management and maintenance of the technological infrastructure (hardware, data center, etc.), previously provided internally by UBIS. In relation to this, UBIS transferred – with effect from September 1, 2013 – its "information technology" business unit to the company formed by IBM and called "Value Transformation Services S.p.A." (VTS) and sold to IBM some of the shares resulting from the transfer. Following the transaction, UBIS holds 49% of VTS's share capital (thus having significant influence); the remaining 51% is held by IBM (which is therefore the controlling shareholder).

Reorganization of the Group – Italian businesses

Please note that as part of the reorganization of the Group's Italian businesses, aimed at streamlining its structure, in July 2012 UniCredit S.p.A. started a project for the rationalization of certain activities carried out by some Italian subsidiaries through direct merger into the Parent company.
The project was implemented on March 1, 2013, when four wholly-owned subsidiaries (UniCredit Audit S.C.p.A., UniManagement S.C.r.l., UniCredit Merchant S.p.A., and UniCredit Logistics S.r.l.) were absorbed into UniCredit S.p.A.

Also as part of the reorganization of the Italian businesses, in April 2013 the subsidiary Localmind S.p.A. was put into voluntary liquidation, on July 1, 2013 Joinet S.r.l. (an e-commerce service company) was absorbed into I-Faber and Esperti in Mediazione S.r.l. was absorbed into UniCredit Credit Management Bank S.p.A., while the absorption of Fineco Leasing S.p.A. (specializing in real estate leasing) into UniCredit Leasing S.p.A will be effective from April 1, 2014.

Rationalization of the Group businesses in the CEE region

As part of the planned rationalization of the Group businesses in the CEE region, UniCredit decided to merge its subsidiaries in the Czech Republic/Slovakia and in Ukraine.

More specifically, with respect to the Czech Republic and Slovakia, the project envisaged the absorption of the subsidiary UniCredit Bank Slovakia a.s. (Slovak Republic) into the Czech Republic's subsidiary (UniCredit Bank Czech Republic a.s.). After being approved by the local authorities, the merger became effective on December 1, 2013. It is expected to create synergies in terms of efficiency, capital structure and liquidity management.

In Ukraine, the project envisaged the rationalization of the activities of the two banks that operate in the same market through the absorption of PJSC UniCredit Bank (UniCredit finalized its acquisition from Bank Pekao on July 16, 2013) into PJSC Ukrsotsbank (subsidiary of UniCredit Bank Austria AG).
After being approved by the corporate bodies of the two companies on August 5, 2013 and by the competent authorities, the project, which will enable the Group to benefit from the synergies that the merger is expected to create, was completed on December 2, 2013.

In Q4 2013, the Group started concrete negotiations with a potential buyer of Ukrsotsbank. Accordingly, Ukrsotsbank is classified, based on IFRS5, as a disposal group held for sale as of 31 December 2013 and determined an overall negative impact through Profit & Loss of € 580 million .

Other information

Reorganization of the international leasing activities in the CEE region and in Austria

In order to redefine the business model, bringing it closer to the customers' needs, speed up the decision-making process at local level, reduce complexity and increase efficiency, UniCredit approved the project for the reorganization of the leasing activities in the CEE countries and in Austria.
The above-mentioned activities are currently managed by UniCredit Leasing S.p.A. (UniCredit Leasing), sub-holding company of UniCredit for the leasing sector.
The project involves the sale of the leasing companies operating in the CEE region and of their activities from UniCredit Leasing to the local banks of each CEE country. At the operational level the project was completed in Bulgaria in December 2013, after all leasing activities were transferred to UniCredit Bulbank.
There are partial exceptions to the transfer of all companies and their leasing activities to their respective local banks: indeed, it is expected that UniCredit Leasing Hungary and Ukraine, together with the Austrian leasing activities, will be sold to UniCredit Bank Austria AG. In addition, UniCredit Leasing Latvia was transferred to the latter in May.

The project is subject to the positive outcome of certain checks and the satisfaction of certain conditions at local level.

Once the project will be completed, UniCredit Leasing will cease being a sub-holding company, and after the incorporation of Fineco Leasing S.p.A. it will act as the Italian leasing company of the Group. In addition, the reorganization project currently envisions the transfer to UniCredit of the 31% minority stake held by UniCredit Bank Austria in UniCredit Leasing, after which UniCredit will acquire full control of the Italian leasing company.

Other transactions involving shareholdings

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 (the absorption will be effective from April 1, 2014).

Capital contributions to subsidiaries active in the leasing market in Germany

In December 2013 UniCredit Bank AG made a €290 million capital contribution to its subsidiary active in the leasing market (UniCredit Leasing GmbH) in order to allow it and its subsidiaries to comply with German regulatory requirements.

Acquisition of a shareholding in Lauro Sessantuno S.p.A.

In June 2013 UniCredit, together with Intesa Sanpaolo, became involved as a financial partner in the establishment of Lauro Sessantuno S.p.A., an SPV (also owned by Nuove Partecipazioni – a company linked to Marco Tronchetti Provera – and by Clessidra SGR) that, after a series of corporate transactions, acquired a shareholding of 60.99% in Camfin (a listed company owning 26.19% of Pirelli).
Following the aforesaid acquisition, Lauro Sessantuno was obliged to launch a full takeover bid for the remaining Camfin shares aimed at delisting Camfin shares and, if possible, shortening the corporate chain by merging Lauro Sessantuno and Camfin.
On September 25, 2013, Consob resolved to raise the price of the offered shares from €0.80 to €0.83 each, resulting in additional costs to Lauro Sessantuno of around €8.6 million. The company appealed the decision to the TAR (Regional Administrative Court) and obtained an order suspending Consob's resolution. The judgment from the TAR is expected soon.
In the first half of October, 2013, after the end of the takeover bid, Lauro Sessantuno acquired a further stake of 32.48% in Camfin and, after the squeezing out of the remaining shareholders, a further stake of 4.05%. On December 29, 2013, according to the original arrangements, Nuove Partecipazioni transferred to Lauro Sessantuno the remaining 2.49% of Camfin shares (bought by Mr. Marco Moratti). As a result of this transaction, Lauro Sessantuno now owns 100% of the capital of Camfin and in January 2014, the two companies decided to proceed with the merger.
UniCredit holds (as at December 31, 2013) a 18.85% stake in Lauro Sessantuno worth €115 million, and through this shareholding it will benefit from any increases in the value of the Pirelli Group, an example of manufacturing excellence in Italy and in the world.

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. The joint venture was set up in July 2013, when Zao UniCredit Bank Russia sold Bank Sibir to the Dutch company BARN BV, in which Renault-Nissan holds a 60% stake and UniCredit 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. It is expected to become operational in November 2014.

Sale of 9.1% of the shareholding 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 €156 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.

Acquisition of a shareholding in Alitalia S.p.A.

As part of the development plan of Alitalia and the related recapitalization (approved on October 15, 2013 by the meeting of the national airline company) UniCredit subscribed for a portion of the capital increase not underwritten with a charge of €50 million, and now owns a 12.99% stake (classified among financial assets available for sale).

Acquisition of a shareholding in ERG Renew S.p.A.

In December 2013, UniCredit concluded a deal to subscribe for a capital increase of ERG Renew, with an investment of €50 million, corresponding to 7.14% of the company's share capital. The transaction was completed in January 2014.
UniCredit's investment is aimed at supporting ERG Renew's plans to expand into the renewable energy business in Italy and abroad and will enable the Group to benefit from any increases in the value of the investment, also in view of a future possible listing.

Sale of non-strategic shareholdings

Disposal of Kazakhstan operations

On May 2, 2013, Bank Austria AG completed the disposal of 99.75% held in Kazakh JSC ATFBank to KazNitrogenGaz LLP, fully owned by Mr Galimzhan Yessenov.
The National Bank of Kazakhstan had approved the transaction on March 29, 2013.

Sale of the insurance business in Turkey and development of a strategic partnership with Allianz

On July 12, 2013, the Yapi Kredi Bank Group sold its entire stake – around 94% – in the insurance company Yapi Kredi Sigorta (active in the non-life business and in turn the parent company of Yapi Kredi Emeklilik, active in the life and pensions business) to Allianz, resulting in a capital gain of €181 million before tax at Group level.
Under the transaction, the Yapi Kredi Bank Group retained a stake of around 20% in Yapi Kredi Emeklilik in order to benefit from the expected growth in the life and pensions business in Turkey.
Under the transaction, Yapi Kredi concluded a 15-year strategic deal with Allianz for the exclusive distribution of insurance and pension products to the bank's customers in Turkey.

Sale of a stake in EuroTLX SIM S.p.A.

On September 24, 2013 UniCredit and Banca IMI S.p.A. each sold Borsa Italiana S.p.A. a 35% stake in EuroTLX SIM S.p.A., a company managing the regulated secondary market of the same name where retail banks can trade financial instruments, mainly bonds.
Following the transaction, UniCredit and Banca IMI S.p.A. each retained a 15% stake in the company, while Borsa Italiana acquired 70% of the share capital.

Sale of the shareholding in Fondiaria-Sai S.p.A.

In October 2013, UniCredit successfully completed the sale of its entire stake (6.7% ordinary shares) in Fondiaria-Sai S.p.A. with an accelerated bookbuilding process to Italian and international institutional investors. UniCredit group (CIB Division) acted as the sole bookrunner in the transaction.

Sale of 20.1% of Sia S.p.A.

In December 2013 UniCredit, Intesa Sanpaolo, Banca Monte dei Paschi di Siena and BNL signed with Fondo Strategico Italiano, F2i SGR and Orizzonte SGR the agreements for the sale of 59.3% of Sia's share capital, of which 28.9% held by Intesa Sanpaolo Group, 20.1% by UniCredit, 5.8% by Banca Monte dei Paschi di Siena and 4.5% by BNL.
As a result of the transaction, UniCredit (and Intesa Sanpaolo) will retain a 4% stake in Sia, while the other existing shareholders will retain the remaining 32.7% of Sia's share capital.
Following the sale of 20.1% of Sia, expected by the first half of 2014.Closing of the transaction is subject to approval of the competent authorities.

Other information

Sale of Zao UniCredit Bank's shareholding in the Moscow Stock Exchange

In November 2013, UniCredit's Russian subsidiary, Zao UniCredit Bank, announced the sale of its entire shareholding (5.711%) in the Moscow Stock Exchange.

Sale of a portion of UniCredit Bank AG's Principal Investments portfolio

In December 2013, UniCredit Bank AG and its subsidiary HVB Capital Partners sold part of their principal investments portfolio (private equity funds and direct investments) to the newly established SwanCap Opportunities Fund, whose units have been placed with major international investors.
The fund is managed by SwanCap Investment Management, a newly founded investment company advised by the newly founded consulting firm SwanCap Partners[3]. UniCredit Bank AG and SwanCap Partners cooperated closely with the team of AlpInvest Partners B.V., a wholly owned subsidiary of The Carlyle group, in structuring the transaction.
UniCredit Bank AG's former employees will continue to work for the newly founded companies and the private equity investments that remain with UniCredit Bank AG will also be managed by the new structure.
UniCredit Bank AG continues to hold a minority stake in the consulting firm based in Germany.

Further information on shareholdings

Mediobanca S.p.A. shareholders' agreement

Given the strategic importance of the shareholding in Mediobanca (8.66%), UniCredit renewed the shareholders' agreement in respect of the investee. In the light of a similar tendency among other shareholders, the agreement was therefore renewed for a further two years as of January 1, 2014 (until December 31, 2015), with a reduction in the aggregate percentage syndicated to the agreement (from 38.19% to 30.05% of the company's share capital) after some parties gave notice of their withdrawal by September 30, 2013.

[3] SwanCap Investment Management and SwanCap Partners are associate investments according to IFRS

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 "Combined Global Policy for the management of transactions with persons in conflict of interest" adopted by UniCredit S.p.A.'s Board of Directors on September 24, 2013 and published on the website **www.unicreditgroup.eu**, in 2013 the Bank's *Presidio Unico* received no reports of transactions of greater relevance;

b) in 2013 some 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; however, they did not affect the Group's financial and economic situation. More specifically, these transactions consisted in two mortgage loans for the purchase of a principal residence for employees, who were granted – as provided for, in particular cases, by a special internal circular – a lifting of the limits normally required by Company Policies;

c) in 2013, 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.

Capital Strengthening

No capital strengthening measures were adopted during the 2013.

It should be noted that on March 15, 2013, the Board of Directors implemented the "Group Key Resources Plan" and the "2011 Group Executive Incentive System" approved by the Shareholders' Meeting in 2011 by resolving to issue UniCredit ordinary shares, following the achievement of the performance targets set in the Plans. With this end in view, the Board of Directors approved a €6,907,674.33 capital increase corresponding to 2,097,587 ordinary shares.

Subsequent Events and outlook

Subsequent Events (*)

On March 11, 2014 UniCredit S.p.A.'s Board of Directors approved the 2013-2018 Strategic Plan and the 2013 Group results.

During the same meeting it was also announced that, as part of the active management of the equity investments portfolio, UniCredit S.p.A. will list its subsidiary Fineco Bank S.p.A. on the stock exchange to further accelerate its growth and enhance its market visibility while optimizing the allocation of capital within the UniCredit group.

On February 18, 2014 the rating agency Moody's confirmed UniCredit S.p.A.'s Baa2 long-term debt and deposit ratings and changed the outlook from negative to stable. This decision reflects the February 14 change in outlook to stable on Italy's Baa2 government bond rating. At the same time, UniCredit Leasing S.p.A.'s outlook on its Baa3 long-term issuer rating was revised to stable.

For further information see the press releases published on the Group's website (www.unicreditgroup.eu).

(*) Up to the date of approval by the Board of Directors' Meeting of March 11, 2014.

Outlook

The global economy continued to recover at a gradual pace during 2013, reflecting divergent trends at the regional level. Specifically, the progressive acceleration in the growth rate in advanced economies was offset by a slight slowdown in growth in emerging economies, especially those most vulnerable to the changes in capital inflows.

In the euro area, GDP shrank by 0.4% in 2013, a slightly slower rate than that recorded in 2012 (down by 0.6%). In terms of the quarterly growth path, economic activity exited from recession in the second quarter of the year, recording modest growth rates in subsequent quarters. The recovery was gradual and initially driven by the foreign channel, but later increasing domestic demand, especially for investment in machinery, also became a contributor to it. We think that this improvement will continue in the course of 2014, when the eurozone will finally shift gear and enter a sustainable recovery phase (up by 1.5% in 2014). Italy moved out of its long and deep recession in 3Q13 and a marginal recovery in economic activity materialized in the last quarter of the year, in the wake of an easing in the pace of recession of domestic demand and a positive contribution from net exports. For 2013 as a whole, GDP contracted by 1.9%, after a 2.4% drop in 2012. The pace of GDP growth in 2014 is likely to remain subdued at 0.7%.

The accommodative monetary policy stance in Europe and the United States contributed greatly to this normalization process. In Eurozone, after an initial intervention in May, the Central Bank cut the interest rate on both the main refinancing operations and the marginal lending facility by a further 25 basis points in November (to 0.25% and 0.75%, respectively). It also reaffirmed its intention to keep rates on hold at or below the current level for an extended period of time.

Fears about the latter were mainly associated with the Fed's decision to reduce the pace of purchases of mortgage-backed securities and long-term Treasury bonds (the so-called "tapering").

Notwithstanding the fact that risks of an exacerbation of financial market tensions still prevail, the continued support of the ECB, together with the actions taken by European banks to strengthen their capital positions, should support a process of ongoing normalization in banking activity.

The events on the Crimean peninsula added a lot of volatility to financial markets. Russia is expected to handle its control over Crimea carefully and refrain from venturing into other parts of Ukraine, but in economic terms it will harm the Ukrainian economy, including via higher energy prices. Russia will find itself somewhat isolated politically and the Russian economy will slow to near zero growth in 2014 (vs. +2.0% previously penciled in). Even with IMF and EU support, the Ukrainian economy will suffer a serious setback in 2014, and the risk of debt restructuring is still not fully priced in.

In this environment, characterized by an uneven economic recovery in the Country where the Group works and by interest rates still at minimum level, the sectorial and geographical diversification advantage will continue to be a relevant distinctive factor.

Thanks to a solid capital base, the Group adopted effective actions to strengthen its balance sheet, that led to the relevant write-downs and impairments accounted in fourth quarter, keeping its capital ratios well above the Basel 3 requirements.

In 2014, applying the guidelines of the new Strategic Plan, the Group is expected to come back to profit, maintaining a constant focus on the capital and liquidity positioning.

Milan – March 11, 2014

THE BOARD OF DIRECTORS

Chairman
GIUSEPPE VITA

CEO
FEDERICO GHIZZONI

Corporate Governance

Governance organizational structure

Introduction

UniCredit's overall corporate governance framework, i.e. the system of rules and procedures that its corporate bodies refer to to steer the principles of their behaviour and fulfil their various responsibilities towards the group's stakeholders, has been defined in the light of current provisions and of 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, UniCredit is subject to the provisions contained in the Supervisory Regulations issued by Banca d'Italia and, in detail, with regards to the corporate governance issues, to the "Supervisory Regulations on banks' organization and corporate governance" issued in 2008 and by the further application criteria of the Supervisory Regulations on banks' organization and corporate governance issued in January 2012.

UniCredit has adopted the Code since 2001; on December 16, 2011 the Board of Directors of the Company resolved to adopt the new version of the Code published in December 2011.

UniCredit yearly draws up a corporate governance report meant for its shareholders, institutional and non-institutional investors and Borsa Italiana. The report supplies suitable information on UniCredit's own Corporate Governance system.

Consistently with the relevant legal and regulatory obligations, as well as in line with the provisions of the Code, the Report on corporate governance and ownership structures has been drafted in accordance with Section 123/bis of the 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 11, 2014) is published at the same time as the Report on Operations on the Issuer's website (http://www.unicreditgroup.eu/en/governance/system-policies/corporate-governance-report.html).

UniCredit, as issuer of shares also listed on the Frankfurt and Warsaw regulated markets, also fulfils the legal and regulatory obligations related to listings on said markets as well as the provisions on corporate governance contained in the Polish Corporate Governance Code issued by the Warsaw Stock Exchange.

The information provided, unless otherwise specified, refers to the financial year January 1/ December 31, 2013.

Since its establishment, UniCredit has adopted the so-called 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 concern, while the Board of Statutory Auditors is entrusted with supervising its management. 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, such as the UniCredit Group.

Moreover, the traditional management ascribes certain aspects to the sole responsibility of the Shareholders' Meeting, creating this way an opportunity for dialogue and debate between management and shareholders about fundamental 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 the management.

Shareholders' Meeting

The Ordinary Shareholders' Meeting of UniCredit 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 current laws and the Articles of Association make it responsible for. An Extraordinary Shareholders' Meeting is convened, instead, whenever it is necessary to resolve upon any of the matters that are exclusively attributed to it by current laws.

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

The Ordinary Shareholders' Meeting has adopted Regulations governing Ordinary and Extraordinary Meetings in a functional and regular way. The Regulations are available on the Governance/Shareholders Meeting section of the 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 11, 2014, UniCredit has 19 Directors.

Their term in office is 3 financial years, unless a shorter term is established at the time they are appointed, and ends on the date of the Shareholders' Meeting called upon to approve the financial statements relating to the latest 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 upon to approve the 2014 financial statements.

Directors shall be appointed on the basis of a proportional representation mechanism (*voto di lista*) abiding by the membership criteria concerning minority and independent Directors, apart from abiding by the rules on the balance between genders envisaged by Law no. 120/2011, pursuant to the procedures specified in Clause 20 of UniCredit's Articles of Association.

The Board of Directors has adopted its own Regulations governing its powers, working and jurisdiction. Such Regulations include, inter alia, the decisions taken 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 the UniCredit Group as well as the process to be followed whenever the threshold is exceeded. On March 20, 2012 the Board also established its qualitative and quantitative composition deemed most suitable for achieving the correct performance of the functions assigned to the Board of Directors, in abidance by the current provisions of laws and regulations.

Moreover, Directors must take into account 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 groups of companies.

Independence of Directors

According to the Enforcement Criteria envisaged by the Code and pursuant to Section 148 of the 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 director him/herself or, however, available to the Issuer. The outcome 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 11, 2014, carried out the assessment of the Directors' independence requirements based on the statements made by those concerned. The professional, commercial and financial relationships entertained by them (the credit relationships included too) were taken into account. Such relationships have been examined taking also into account the following criteria: 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 independent Directors according to the provisions of the Code is equal to 12, and the relevant outcome disclosed 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, Ms. Li Calzi, Mr. Maramotti, Mr. Quaglia, Ms. Reichlin, Mr. Sassoli de Bianchi, Mr. Wolfgring 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, Ms. Li Calzi, Mr. Maramotti, Mr. Quaglia, Ms. Reichlin, Mr. Sassoli de Bianchi, Mr. Wolfgring and Mr. Wyand;
- Non-independent directors pursuant to Section 148 of the TUF: Mr. Ghizzoni and Ms. Jung.

On April 8, 2014 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.

Governance organizational structure

Status and activities of the Directors

Position	Members	In office		Slate (M/m) *	Executive	Non-executive	Independent as per Code	Independent as per TUF	Board meetings attendance % **	Number of other positions ***
		since	until							
Chairman	Vita Giuseppe	11-05-2012	Approval of 2014 financial statements	M		X		X	100	2
Senior Vice Chairman	Fois Candido	11-05-2012	Approval of 2014 financial statements	M		X		X	100	3
Vice Chairman	Calandra Buonaura Vincenzo	11-05-2012	Approval of 2014 financial statements	M		X		X	84.62	
Vice Chairman	Cordero di Montezemolo Luca	11-05-2012 (1)	Approval of 2014 financial statements	M		X	X	X	84.62	9
Vice Chairman	Palenzona Fabrizio	11-05-2012	Approval of 2014 financial statements	M		X		X	100	4
CEO	Ghizzoni Federico	11-05-2012	Approval of 2014 financial statements	M	X				100	1
Director	Al Fahim Mohamed Ali	18-10-2012 (2)	Approval of 2014 financial statements	--		X	X	X	92.31	6
Director	Bischoff Manfred	11-05-2012	Approval of 2014 financial statements	M		X	X	X	76.92	3
Director	Bochniarz Henryka	11-05-2012	Approval of 2014 financial statements	M		X	X	X	84.62	2
Director	Caltagirone Alessandro	11-05-2012	Approval of 2014 financial statements	M		X	X	X	84.62	6
Director	Giacomin Francesco	11-05-2012	Approval of 2014 financial statements	M		X		X	100	1
Director	Jung Helga	11-05-2012	Approval of 2014 financial statements	M		X			84.62	4
Director	Li Calzi Marianna	11-05-2012	Approval of 2014 financial statements	M		X	X	X	100	1
Director	Maramotti Luigi	11-05-2012	Approval of 2014 financial statements	M		X	X	X	92.31	6
Director	Quaglia Giovanni	18-12-2012 (3)	Approval of 2014 financial statements	--		X	X	X	100	6
Director	Reichlin Lucrezia	11-05-2012	Approval of 2014 financial statements	m		X	X	X	84.62	3
Director	Sassoli de Bianchi Lorenzo	11-05-2012	Approval of 2014 financial statements	M		X	X	X	92.31	1
Director	Wolfgring Alexander	11-05-2013 (4)	Approval of 2014 financial statements	--		X	X	X	100	3
Director	Wyand Anthony	11-05-2012	Approval of 2014 financial statements	M		X	X	X	100	3

----- Directors that left off during the Period ----										
Director	Kadrnoska Friedrich	11-05-2012	11-05-2013 [(5)]	M		X	X	X	33.33	5
Quorum **required for the submission of the slates on the latest appointment: 0,5%**										
Number of meetings held during the Period: 13										

NOTE

* **M =** Member elected from the slate that obtained the relative majority of the Shareholders' votes

m = Member elected from the slate voted by the minority

** Number of attendances / number of meetings held during the concerned party's term of office with regard to the Period

*** Number of positions as Director or Auditor held 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

(1) Appointed as Vice Chairman on October 18, 2012
(2) Co-opted on October 18, 2012 and confirmed by the Shareholders' Meeting on May 11, 2013
(3) Co-opted on December 18, 2012 and confirmed by the Shareholders' Meeting on May 11, 2013
(4) Appointed by the Shareholders' Meeting on May 11, 2013 in place of the Director Mr. Friedrich Kadrnoska, who resigned effective as from the end of the same Shareholders' Meeting
(5) Resigned effective as from the end of the Shareholders' Meeting of May 11, 2013

Committees of 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, the following five committees have been created with the power to provide advice and make proposals; the committees 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. The Committees may operate according to procedures considered appropriate and may inter alia split into Sub-Committees. In detail, the Internal Controls & Risks Committee, the Corporate Governance, HR and Nomination Committee and the Remuneration Committee have been created in accordance with the provisions of the Corporate Governance Code.

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 falls 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 2013, the Permanent Strategic Committee held no. 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) the Group yearly budget;

c) the Group yearly capital allocation;

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

e) the 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 independent pursuant to Section 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 of the Committee is independent pursuant to Section 148, paragraph 3, of the TUF and according to 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 the 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 in a plenary session or with 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. Wyand (Chairman), Mr. Fois, Mr. Giacomin, Ms. Li Calzi, Mr. Sassoli de Bianchi and Mr. Vita;
- Risks Sub-Committee: Mr Wyand (Chairman), Mr. Fois, Mr. Maramotti, Ms. Reichlin, Mr. Wolfgring and Mr. 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 Risks 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 Head of Compliance, the Chief Risk Officer and the Chief Financial Officer, as standing invitees.

In 2013, the Internal Controls & Risks Committee held no. 5 plenary sessions, 4 meetings of its Internal Controls Sub-Committee and 5 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);

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) analyzing 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 19 February 2013 the Board of Directors abolished the Related Parties and Equity Investments Sub-Committee and on the same date approved the establishment of the Related Parties and Equity Investments Committee, giving it the same duties and responsibilities previously assigned to the above Sub-Committee, as well as confirming its quantitative and qualitative composition..

Therefore, 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.

Since February 19, 2013, the membership of the Committee is the following: Ms.Marianna Li Calzi (Chairman), Mr. Giovanni Quaglia and Mr. Lorenzo Sassoli de Bianchi.

In 2013 the Related-Parties and Equity Investments Sub-Committee held no. 2 meetings and, since February 19, 2013, no. 10 meetings of the Related-Parties and Equity Investments Committee have been held.

Duties

The Committee's role is to provide advice and make proposals. This Committee shall cover all related parties transaction matters according to CONSOB Regulation 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 of 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.

- - -

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 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 2013, the Corporate Governance, HR and Nomination Committee held no.11 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 undertake at least once a year on the size, composition and working 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 the appointment of a Director of UniCredit as director, manager or member of controlling bodies in a banking, insurance or financial company (outside the UniCredit Group) with his/her office held in UniCredit, also when the fixed threshold to the maximum number of offices 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 2013, the Remuneration Committee held no. 7 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.

Board Committees

				IC&RC ◊ (attendance in plenary session) (°)		Remuneration Committee		CGHR&N Committee		Related-Parties and Equity Investments Committee (•)		Permanent Strategic Committee	
Members	**Exec.**	**Non exec.**	**Indep. as per Code**	*	**	*	**	*	**	*	**	*	**
Vita Giuseppe		X		M	100%	**C**	100%	C	100%			C	100%
Fois Candido		X		M	100%	M	85.71%					M	77.78%
Calandra Buonaura Vincenzo		X						M	90.91%			M	88.89%
Cordero di Montezemolo Luca		X	X					M	54.55%			M	77.78%
Palenzona Fabrizio		X						M	90.91%			M	88.89%
Ghizzoni Federico	X							M	100%			M	100%
Al Fahim Mohamed Ali		X	X										
Bischoff Manfred		X	X									M	55.56%
Bochniarz Henryka		X	X			M	85.71%						
Caltagirone Alessandro		X	X			M	71.43%	M	90.91%				
Giacomin Francesco		X		M	100%								
Jung Helga		X											
Li Calzi Marianna		X	X	M	100%					C	100%		
Maramotti Luigi		X	X	M	100%			M	100%			M	100%
Quaglia Giovanni		X	X					M	100%	M	100%		
Reichlin Lucrezia		X	X	M	100%							M	77.78%

Sassoli de Bianchi Lorenzo		X	X	M	80%					M	100%		
Wolfgring Alexander (1)		X	X	M(2)	100%	M(2)	100%						
Wyand Anthony		X	X	C	100%			M	72.73%				
----- Members that left off during the Period -----													
Kadrnoska Friedrich (3)		X	X	M(4)	0%	M(4)	50%						
No. of meetings held during the Period				***IC&RC: 5◊ (see for details the "NOTE")***		***RC: 7***		***CGHR&NC: 11***		***RP&EIC:10 (see for details the "NOTE")***		***PSC: 9***	

NOTE

◊ The Internal Controls & Risks Committee carries out its duties either in plenary session or through (i) the Internal Controls Sub-Committee, (ii) the Risks Sub-Committee. The Committee held no. 5 plenary sessions, 4 meetings of its Internal Controls Sub-Committee and 5 meetings of its Risks Sub-Committee.

(°) The percentage of the Directors' attendance of the meetings of the Internal Controls and Risks Sub-Committees during 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%;
- Risks Sub-Committee: Mr. Wyand (C) 100%; Mr. Vita 100%; Mr. Fois 80%; Mr. Maramotti 100%; Ms. Reichlin 100%; Mr. Wolfgring (100%) (the attendance percentage of Mr. Kadrnoska, member no more in office after the Shareholders' Meeting of May 11, 2013 was 0%).

(●) The Board of Directors on February 19, 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. The Related-Parties and Equity Investments Sub-Committee, comprised of Ms. Li Calzi (C), Mr. Reichlin and Mr. Sassoli de Bianchi held no. 2 meetings up to February 19, 2013. The percentage of the members' attendance to said Sub-Committee respectively was: Ms. Li Calzi (100%); Ms. Reichlin (0%); Mr. Sassoli de Bianchi (100%).

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

** Percentage of the Director's participation in the meetings of the Board of Directors (number of attendances / number of meetings during the concerned party's term of office with regard to the Period)

(1) Appointed by the Shareholders' Meeting on May 11, 2013 in place of the Director Mr. Friedrich Kadrnoska, who resigned effective as from the end of the same Shareholders' Meeting

(2) Position held since May 11, 2013

(3) Resigned effective as from the end of the Shareholders' Meeting of May 11, 2013

(4) Position held until May 11, 2013

Board of Statutory Auditors

Pursuant to the UniCredit Articles of Association the Ordinary Shareholders' Meeting appoints 5 Statutory Auditors, among whom the Chairman, 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 a proportional representation mechanism (*voto di lista*) in abidance by the composition criteria regarding the appointment of the Chairman of the Board by the minority shareholders and according to the rules on the balance of genders envisaged by Law no. 120/2011, as established by the UniCredit Articles of Association, and in compliance with current legal provisions. In detail, 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 upon 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 hold 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 May 11, 2013, for the financial years 2013 - 2015, and in office until the date of the Shareholders' Meeting called upon to approve the 2015 financial statements, consists of Mr. Maurizio Lauri (Chairman), Mr. Giovanni Battista Alberti, Mr. Cesare Bisoni, Mr. Enrico Laghi and Ms. Maria Enrica Spinardi (Statutory Auditors). Therefore, the Ordinary Shareholders' Meeting of May 11, 2013 has appointed Ms. Federica Bonato, Mr. Paolo Domenico Sfameni, Mr. Marco Lacchini and Ms. Beatrice Lombardini stand-in Statutory Auditors. Mr. Marco Lacchini resigned from his office as stand-in Statutory Auditors as of June 7, 2013 and his replacement will take place at the next Ordinary Shareholders' Meeting called to approve the 2013 financial statements, to be held on May 13, 2014 in single call.

Board of Statutory Auditors

POSITION	MEMBERS	IN OFFICE		SLATE (M/M) *	INDEPENDENT AS PER CODE	% **	NUMBER OF OTHER POSITIONS ***
		SINCE	UNTIL				
Chairman	Lauri Maurizio	11-5-2013	Approval of 2015 financial statements	m	X	100%	
Statutory Auditor	Alberti Giovanni Battista	11-5-2013	Approval of 2015 financial statements	M	X	100%	
Statutory Auditor	Bisoni Cesare	11-5-2013	Approval of 2015 financial statements	M	X	100%	
Statutory Auditor	Laghi Enrico	11-5-2013	Approval of 2015 financial statements	M	X	97.92%	4
Statutory Auditor	Spinardi Maria Enrica	11-5-2013	Approval of 2015 financial statements	m	X	100%	
Stand-in Statutory Auditor	Bonato Federica	11-5-2013	Approval of 2015 financial statements	M	--		
Stand-in Statutory Auditor	Sfameni Paolo Domenico	11-5-2013	Approval of 2015 financial statements	M	--		1
Stand-in Statutory Auditor	Lombardini Beatrice	11-5-2013	Approval of 2015 financial statements	m	--		
--------------Auditors that left off during the Period -------------							
Statutory Auditor	Nicastro Vincenzo	22-4-2010	11-5-2013	M	X	100%	

Executive Management Committee

Statutory Auditor	Rutigliano Michele	22-4-2010	11-5-2013	M	X	94,74%	1
Statutory Auditor	Ventoruzzo Marco	22-4-2010	11-5-2013	m	X	100%	
Stand-in Statutory Auditor	Livatino Massimo	22-4-2010	11-5-2013	m	--		
Stand-in Statutory Auditor	Lacchini Marco	11-5-2013	7-6-2013 (1)	m	--		
***Quorum* required for the presentation of the slates on the latest appointment: 0.5%**							
Number of meetings held during the Period: 48							

NOTE

* **M =** Member elected from the slate obtaining the relative majority of the Shareholders' votes
m = Member elected from the slate voted by a minority

** Meetings' attendance percentage (number of attendances / number of meetings during the concerned party's term of office with regard to the Period).

*** Number of positions as Director or Auditor held by the interested party pursuant to Section 148/*bis* of the TUF. A complete list of such positions is published by CONSOB on its website pursuant to Section 144/*quinquiesdecies* of the CONSOB Issuers Rules.

(1) Resigning as from June 7, 2013

Major Shareholders

On the basis of the results from the Shareholders Register, completed with the communications received according to Section 120 of the TUF and other information known to the Company, updated to December 31, 2013, the UniCredit 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.**	**5.089%**	**5.089%**
Pamplona Capital Management LLP	**PGFF Luxembourg S.a.r.l.**	**5.009%**	**5.009%**
Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona	**Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona**	**3.533%**	**3.533%**
Del Vecchio Leonardo	**Delfin S.a.r.l.**	**3.000%**	**3.000%**
Central Bank of Libya		**2.911%**	**2.911%**
	Central Bank of Libya	*2.630%*	*2.630%*
	Libyan Foreign Bank	*0.281%*	*0.281%*
Capital Research and Management Company *Right of vote for discretional asset management*	**Capital Research and Management Company**	**2.731%**	**2.731%**
Fondazione Cassa di Risparmio di Torino	**Fondazione Cassa di Risparmio di Torino**	**2.506%**	**2.506%**
- which is lender for:		*0.365%*	*0.365%*
Carimonte Holding S.p.A.	**Carimonte Holding S.p.A.**	**2.267%**	**2.267%**
Allianz SE (*)		**2.185%**	**2.185%**

(*) The datum refers to a series of companies ascribable to the Allianz Group.

The schedule does not show the parties exempted from the obligation to provide the communications envisaged by Section 119/bis of the CONSOB Issuers Rules.

SHARE CAPITAL (AS AT DECEMBER 31, 2013)	**SHARES**	**EURO**
Total shares	5,791,633,617	19,654,856,199,43
Ordinary shares	5,789,209,719	19,646,630,305,01
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 (record date, i.e. seven market trading days before the Shareholders' Meeting date).

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

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

Executive Management Committee

Federico Ghizzoni

Chief Executive Officer

Roberto Nicastro

General Manager

Paolo Fiorentino

Deputy General Manager
Chief Operating Officer

Jean-Pierre Mustier

Deputy General Manager
Head of CIB Division

Willibald Cernko

Country Chairman Austria

Paolo Cornetta

Group Head of Human Resources

Alessandro Maria Decio

Group Chief Risk Officer

Nadine Faruque

General Counsel & Group Compliance Officer

Alessandro Foti

Head of Asset Gathering

Luigi Lovaglio

Country Chairman Poland

Marina Natale

Chief Financial Officer

Gianni Franco Papa

Head of Central and Eastern Europe Division

Gabriele Piccini

Country Chairman Italy

Sandro Pierri

Head of Asset Management

Theodor Weimer

Country Chairman Germany

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

Ranieri de Marchis
Head of Internal Audit

EXECUTIVE VICE PRESIDENT

GENERAL MANAGER AREA
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

Ferdinando Brandi
Head of Special Network Italy

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 and Head of Global Multichannel & Business Innovation

Giovanni Forestiero
Regional Manager Nord Ovest

Frederik Geertman
Regional Manager Centro

Lucio Izzi
Regional Manager Nord Est

Rodolfo Ortolani
Head of Business Support and Value Optimization

Corrado Piazzalunga
Chief Executive Officer - UniCredit Leasing

Dario Prunotto
Head of Private Banking Italy Network

Remo Taricani
Head of Individuals & Smalll Business Sales & Marketing

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

COUNTRY GERMANY
Bernhard Brinker
Head of Private Banking - UniCredit Bank AG

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

Richard Burton
co-Head Global Financing & Advisory (F&A)

Claudio Camozzo
co-Head Global Transaction Banking (GTB)

Simone Mario Concetti
Senior Banker

Dieter Hengl
Head of CIB Austria

Olivier Khayat
Deputy Head of CIB Division

Thiam J Lim
Head of Markets

Mayer Andreas
co-Head Global Financing & Advisory (F&A) and Head of F&A Germany

Vittorio Ogliengo
Head of CIB Italy

Ohmayer Ernst
co-Head Global Transaction Banking (GTB)

Soulard Patrick
Country Head France

ASSET MANAGEMENT
Jon Bailie
Head of Western Europe and International Distribution

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
Chief Executive Officer - Ukraine

Andrea Casini
Chief Operating Officer - Bulgaria

Claudio Cesario
Chief Executive Officer - Serbia

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

Mauro Maschio
Head of CEE Retail

Mihaly Patai
Chief Executive Officer - Hungary

Klaus Priverschek
General Manager - Russia

Rasvan Radu
Chief Executive Officer - Romania

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 Group 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 - Turkey

Andrea Francesco Maffezzoni
Head of Planning,
Strategy and Capital Management
and Head of Group Investor Relations

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

Arcangelo M. Vassallo
Head of Accounting

RISK MANAGEMENT
Giovanni Albanese
Head of Group Credit Rules, Standards & Reporting

Diego Biondo
Chief Risk Officer - Bank Pekao

Romeo Collina
Head of Special Credit Italy

Juergen Kullnigg
Chief Risk Officer - UniCredit Bank Austria

Maurizio Maria Francescatti
Group Financial Risk

Massimiliano Fossati
CRO Italy

Andrea Varese
Chief Risk Officer - UniCredit Bank AG

Guglielmo Zadra
Head of Credit & Integrated Risks

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

Silvio Santini
Head of Group Brand Management

HUMAN RESOURCES
Angelo Carletta
Head of HR Services and
Head of Labour Policies & Industrial Relations

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

Luigi Luciani
Head of HR Italy

Ivan Tardivo
Head of Executive Development & Compensation

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

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

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

Omar Collavizza
Head of Executive Management Committee Staff

Giuseppe Scognamiglio
Head of Public Affairs

COO AREA
Danilo Augugliaro
Banking Service Lines Management -
UniCredit Business Integrated Solutions (UBIS)

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

Paolo Chiaverini
Head of Business Line Commercial Banking MM - UniCredit Business Integrated Solutions (UBIS)

Diego Donisi
Group CIO

Paolo Gencarelli
Head of Group Real Estate and Procurement and Head of Infrastructural Service Lines Management - 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
Risk and Compliance Organization & Processes

Massimo Milanta
Head of Group Chief Information Office (CIO)

Massimiliano Moi
Head of Business Line Commercial Banking CEE

Pierangelo Mortara
Head of Business Line Management -
UniCredit Business Integrated Solutions (UBIS)

Laura Stefania Penna
Head of Management Consultancy

Paolo Tripodi
Head of Group Organization and Logistics

Roberto Vergnano
Head of GBS - Bank Pekao

Marian Wazynski
Head of Logistics & Procurement - Bank Pekao

* Data as at March 11, 2014

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 12.31.2013	AMOUNTS AS AT 12.31.2012
10. Cash and cash balances	10,807,902	7,369,751
20. Financial assets held for trading	80,909,856	107,045,786
30. Financial assets at fair value through profit or loss	30,492,558	25.025.015
40. Available-for-sale financial assets	85,874,071	73,402,894
50. Held-to-maturity investments	5.305.424	6.207.867
60. Loans and receivables with banks	61,118,875	73,995,214
70. Loans and receivables with customers	503,142,266	544,442,535
80. Hedging derivatives	9.648.577	17.691.334
90. Changes in fair value of portfolio hedged items (+/-)	2.815.054	3.155.541
100. Investments in associates and joint ventures	4,050,089	3,858,428
110. Insurance reserves attributable to reinsures	-	792
120. Property, plant and equipment	10,950,133	11,585,902
130. Intangible assets	5,383,782	15,605,143
of which: - goodwill	*3,533,100*	*11,677,608*
140. Tax assets	19,950,592	18,062,668
a) current tax assets	*1,329,721*	*1,062,981*
b) deferred tax assets	*18,620,871*	*16.999.687*
out of which for purposes of L. 214/2011	*13,145,129*	*9.444.621*
150. Non-current assets and disposal groups classified as held for sale	3,928,502	8,116,680
160. Other assets	11,460,763	11,272,177
Total assets	**845,838,444**	**926.837.727**

Continued: Consolidated Balance Sheet

(€ '000)

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT	
	12.31.2013	**12.31.2012**
10. Deposits from banks	110,222,387	117,320,062
20. Deposits from customers	410,929,970	407,614,884
30. Debt securities in issue	160,093,779	170,450,629
40. Financial liabilities held for trading	63,168,605	99,123,193
50. Financial liabilities at fair value through profit or loss	701,723	851,754
60. Hedging derivatives	8,682,387	14,539,525
70. Changes in fair value of portfolio hedged items (+/-)	4,116,322	6,769,264
80. Tax liabilities	3,971,739	7,874,412
a) current tax liabilities	*1,257,191*	*3,258,286*
b) deferred tax liabilities	*2,714,548*	*4,616,126*
90. Liabilities included in disposal groups classified as held for sale	2,128,617	5,627,578
100.Other liabilities	20,938,492	20,923,174
110. Provision for employee severance pay	1,080,778	1,176,896
120. Provisions for risks and charges	9,628,878	9,090,968
a) post retirement benefit obligations	*5,728,312*	*5,577,630*
b) other reserves	*3,900,566*	*3,513,338*
130. Insurance reserves	-	227,737
140. Revaluation reserves	(2,474,772)	(1,808,870)
170. Reserves	19,750,176	10,001,793
180. Share premium	23,879,202	32,877,938
190. Issued capital	19,654,856	19,647,949
200. Treasury shares (-)	(3,755)	(5,049)
210. Minorities (+/-)	3,333,892	3,668,999
220. Net profit (loss) for the year (+/-)	(13,964,832)	864,891
Total liabilities and Shareholders' Equity	**845,838,444**	**926,837,727**

As at December 31, 2013, in accordance with IFRS5, the assets and liabilities of the following companies were recognized under items “Non-current assets and disposal groups classified as held for sale” and "Liabilities included in disposal groups classified as held for sale" as a result of their classification as "discontinued operations":

- PUBLIC JOINT STOCK COMPANY UNICREDIT BANK;
- BDK CONSULTING;
- PUBLIC JOINT STOCK COMPANY UKRSOTSBANK;
- PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL;
- LLC UKROTSBUD;
- LTD SI&C AMC UKRSOTS REAL ESTATE;
- SVIF UKRSOTSBUD.

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

Comparative figures as at December 31, 2012 were restated following the introduction of the revised IAS19 as described in Part A – Accounting Policies – A.2 – The Main Items of the Accounts.
More specifically:

- with respect to assets: Item 160 – Other assets (which includes the net difference relating to the surplus of “plan assets” over “Present value of defined-benefit obligations”) decreased by €450,517 and Item 140 – Deferred tax assets increased by €460,771;
- with respect to liabilities: Item 110 – Provision for employee severance pay increased by 135,944, Item 120 – Provisions for risks and charges: a) post-retirement benefit obligations increased by €1,082,408 and Item 80 – Deferred tax liabilities increased by €2,741; Item 120 – Provisions for risks and charges: b) other reserves decreased by €5,410;
- the balance of Item 140 – Revaluation reserves changed from -€603,441 to -€1,808,870 following the recognition of a negative net difference of €1,205,429 relating to the Revaluation reserves for actuarial gains (losses) on defined-benefit plans.

Consolidated Income Statement

Consolidated Income Statement

(€ '000)

ITEM	YEAR 2013	YEAR 2012
10. Interest income and similar revenues	24,210,043	27,665,403
20. Interest expenses and similar charges	(11,604,699)	(14,196,452)
30. Net interest margin	**12,605,344**	**13,468,951**
40. Fee and commission income	9,261,626	9,280,405
50. Fee and commission expense	(1,668,014)	(1,657,049)
60. Net fees and commissions	**7,593,612**	**7,623,356**
70. Dividend income and similar revenue	262,059	226,317
80. Gains and losses on financial assets and liabilities held for trading	1,305,016	1,313,378
90. Fair value adjustments in hedge accounting	(15,099)	(133,700)
100. Gains and losses on disposal of:	**2,439,964**	**1,591,348**
a) loans	*(5,735)*	*33,405*
b) available-for-sale financial assets	*1,999,929*	*464,211*
c) held-to-maturity investments	*3,618*	*30,467*
d) financial liabilities	*442,152*	*1,063,265*
110. Gains and losses on financial assets/liabilities at fair value through profit or loss	211,273	32,896
120. Operating income	**24,402,169**	**24,122,546**
130. Net losses/recoveries on impairment:	(13,758,324)	(9,457,268)
a) loans	*(13,795,152)*	*(8,686,206)*
b) available-for-sale financial assets	*(146,600)*	*(158,111)*
c) held-to-maturity investments	*(466)*	*(15,830)*
d) other financial assets	*183,894*	*(597,121)*
140. Net profit from financial activities	**10,643,845**	**14,665,278**
150. Premiums earned (net)	83,251	161,315
160. Other income (net) from insurance activities	(67,669)	(125,739)
170. Net profit from financial and insurance activities	**10,659,427**	**14,700,854**
180. Administrative costs:	(14,845,228)	(14,496,122)
a) staff expense	*(9,272,544)*	*(9,071,720)*
b) other administrative expense	*(5,572,684)*	*(5,424,402)*
190. Net provisions for risks and charges	(879,343)	(203,540)
200. Impairment/write-backs on property, plant and equipment	(870,297)	(777,680)
210. Impairment/write-backs on intangible assets	(2,707,211)	(611,417)
220. Other net operating income	1,111,541	808,714
230. Operating costs	**(18,190,538)**	**(15,280,045)**
240. Profit (loss) of associates	103,499	101,430
250. Gains and losses on tangible and intangible assets measured at fair value	(726)	1
260. Impairment of goodwill	(7,989,792)	(30,006)
270. Gains and losses on disposal of investments	217,919	106,676
280. Total profit or loss before tax from continuing operations	**(15,200,211)**	**(401,090)**
290. Tax expense (income) related to profit or loss from continuing operations	2,377,512	1,750,877
300. Total profit or loss after tax from continuing operations	**(12,822,699)**	**1,349,787**
310. Profit (Loss) after tax from discontinued operations	(760,471)	(127,255)
320. Net profit or loss for the year	**(13,583,170)**	**1,222,532**
330. Minorities	(381,662)	(357,641)
340. Profit (Loss) for the year attributable to the Parent Company	**(13,964,832)**	**864,891**

Earnings per share (€)	(2.47)	0.15
Diluted earnings per share (€)	(2.46)	0.15

Notes to the consolidated Income Statement:
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, 2013, 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”:

- PUBLIC JOINT STOCK COMPANY UNICREDIT BANK;
- BDK CONSULTING;
- PUBLIC JOINT STOCK COMPANY UKRSOTSBANK;
- PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL;
- LLC UKROTSBUD;
- LTD SI&C AMC UKRSOTS REAL ESTATE;
- SVIF UKRSOTSBUD.

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

It should also be noted that comparative figures as at December 31, 2012 differ from those disclosed in the “2012 Consolidated Reports and Accounts” as a result of the restatement, for comparative purposes, of:

- interest income from impaired assets whose book value was written down and reversals connected with the passing of time, carried out by three Group companies (from “Interest income and similar revenues” to “Net losses/recoveries on impairment: a) loans”);
- some P&L items relating to the operations of one Group company to better reflect their economic nature (from “Fee and commission income” to “Interest income and similar revenues”).

Consolidated Statement of Comprehensive Income

(€ '000)

	YEAR	
ITEMS	**2013**	**2012**
10. Net profit (loss) for the year	**(13,583,170)**	**1.222.532**
Other comprehensive income not reclassified to profit or loss:		
20. Property, plant and equipment	-	-
30. Intangible assets	-	-
40. Defined benefit plans	(209,592)	(1,104,581)
50. Non-current assets classified as held for sale	-	-
60. Portion of revaluation reserves from investments valued at equity	-	-
Other comprehensive income after tax that may be reclassified to profit or loss:		
70. Hedges of foreign investments	-	-
80. Exchange differences	(731,662)	666,356
90. Cash flow hedges	(231,710)	4,194
100. Available-for-sale financial assets	420,791	2,629,992
110. Non-current assets classified as held for sale	(4,877)	(11,211)
120. Valuation reserves from investments accounted for using the equity method	76,774	170,721
130. Total of other comprehensive income	**(680,276)**	**2,355,471**
140. Comprehensive income (Item 10+130)	**(14,263,446)**	**3,578,003**
150. Consolidated comprehensive income attributable to minorities	(355,339)	(599,211)
160. Consolidated comprehensive income attributable to the Parent Company	**(14,618,785)**	**2,978,792**

Figures as at December 31, 2012 were restated following the classification – carried out in 2012 – of the following companies as discontinued operations:

- PUBLIC JOINT STOCK COMPANY UNICREDIT BANK;
- BDK CONSULTING;
- PUBLIC JOINT STOCK COMPANY UKRSOTSBANK;
- PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL;
- LLC UKROTSBUD;
- LTD SI&C AMC UKRSOTS REAL ESTATE;
- SVIF UKRSOTSBUD.

Comprehensive income for 2012 differs (-€1,105 million) from the figure disclosed in 2012 as a result of the change during the period in the revaluation reserve following the introduction of the new IAS19R as described in Part A – Accounting Policies, Section 2 – Preparation Criteria.

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

Statement of changes in Shareholders' Equity as at December 31, 2013

(€ '000)

				ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES DURING THE YEAR												
							SHAREHOLDERS' EQUITY TRANSACTIONS											
	BALANCE AS AT 12.31.2012	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2013	RESERVES	DIVIDENDS	CHANGES IN RESERVES	ISSUE OF NEW SHARES	ACQUISITION OF TREASURY SHARES	ADVANCED DIVIDENDS	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES	STOCK OPTIONS	CHANGES IN SHAREHOLDINGS	COMPREHENSIVE INCOME 2013	TOTAL SHAREHOLDERS' EQUITY AS AT 12.31.2013	SHAREHOLDERS' EQUITY GROUP AS AT 12.31.2013	SHAREHOLDERS' EQUITY MINORITIES AS AT 12.31.2013
Issued capital: a) ordinary shares	20,052,977		20,052,977			(15,011)	6,907							5,497		20,050,370	19,646,630	403,740
b) othe shares	8,226		8,226													8,226	8,226	-
Share premiums	34,649,500		34,649,500	(219,783)		(9,486,404)								209,854		25,153,167	23,879,202	1,273,964
Reserves: a) from profits	11,002,058		11,002,058	1,131,106		2,323,468	(6,907)			(512,535)				677,649		14,614,839	13,483,308	1,131,531
b) other	84,882		84,882			6,277,694							23,032			6,385,608	6,266,868	118,741
Revaluation reserves	(1,767,269)		(1,767,269)			(2,769)									(680,276)	(2,450,314)	(2,474,772)	24,458
Advanced dividends			-													-	-	-
Treasury shares	(5,255)		(5,255)			1,296										(3,959)	(3,755)	(204)
Net profit or Loss for the period	1,222,532		1,222,532	(911,323)	(311,209)										(13,583,170)	(13,583,170)	(13,964,832)	381,662
Total Shareholders' Equity	**65,247,651**	**-**	**65,247,651**	**-**	**(311,209)**	**(901,726)**	**-**	**-**	**-**	**(512,535)**	**-**	**-**	**23,032**	**893,000**	**(14,263,446)**	**50,174,767**	**46,840,875**	**3,333,892**
Shareholders' Equity Group	61,578,652	-	61,578,652	-	(3,213)	(13,626)	-	-	-	(512,535)	-	-	23,032	387,350	(14,618,785)	46,840,875		
Shareholders' Equity minorities	3,668,999		3,668,999		(307,996)	(888,100)								505,650	355,339	3,333,892		

Balances as at December 31, 2012 differ from the amounts disclosed at that date as a result of the coming into force of the amendments to IAS19R, which had a negative impact on the Shareholders' Equity as at December 31, 2012 (restated) of €1,205 million following the classification of net actuarial losses (net of deferred tax items connected with them) in the revaluation reserves, as described in Part A – Accounting Policies – Section 2 – Preparation Criteria.

The amounts disclosed in the "Stock options" column represent the effects of 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 in shareholdings relate to the effects of the sale of 9.1% of Pekao S.A., in which UniCredit still has a controlling interest.

The dividend distributed to shareholders in 2013 amounted to €512.5 million, corresponding to €0.09 per share (both ordinary and savings shares).

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	DIVIDENDS	CHANGES IN RESERVES	ISSUE OF NEW SHARES	ADVANCED DIVIDENDS	ACQUISITION OF TREASURY SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES	STOCK OPTIONS	CHANGES IN SHAREHOLDINGS	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) othe 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)	(100,847)	(4,144,182)			21,443									2,355,471	(1,767,268)	(1,808,870)	41,601
Advanced dividends			-													-	-	-
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**	**(100,847)**	**54,696,731**	**-**	**(207,308)**	**(246,747)**	**7,359,579**	**-**	**-**	**-**	**-**	**-**	**67,394**	**-**	**3,578,003**	**65,247,652**	**61,578,652**	**3,668,999**
Shareholders' Equity Group	51,479,333	(100,847)	51,378,486	-	(2,100)	(203,498)	7,359,579	-	-	-	-	-	67,394	-	2,978,792	61,578,653		-
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 amounts 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 amount of -€101 million disclosed in the "Change in opening balance" column refers to the change in revaluation reserves following the introduction of the new IAS19R as described in Part A - Accounting Policies - Section 2 - Preparation Criteria.

Comprehensive income for 2012 differs (-€1,105 million) from the figure disclosed in 2012 as a result of the change during the period in the revaluation reserve following the introduction of the new IAS19R as described in Part A – Accounting Policies – Section 2 – Preparation Criteria.

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

"Reserves from profits - Changes in reserves" includes -€182 million relating to the effects arising from the changes in accounting policies followed by the Group to account for the fair value adjustments of the Ex Capitalia Loans recognized as part of the business combination.

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement (indirect method)

(€ '000)

	YEAR	
	2013	2012
A. OPERATING ACTIVITIES		
1. Operations	**11,836,206**	**14,232,922**
- profit and loss of the period (+/-)	(13,964,832)	864,891
- capital gains/losses on financial assets/liabilities held for trading and on assets/liabilities designated at fair value through profit and loss (+/-)	(826,318)	1,301,963
- capital gains/losses on hedging operations (+/-)	15,099	133,700
- net losses/recoveries on impairment (+/-)	23,878,046	11,251,469
- net write-offs/write-backs on tangible and intangible assets (+/-)	3,578,234	1,389,096
- provisions and other incomes/expenses (+/-)	823,430	584,687
- not cashed net premiums (-)	-	15,542
- other not collected incomes and expenses from insurance activities	2,430	7,440
- unpaid taxes and tax credits (+/-)	(3,072,400)	(2,370,020)
- Impairment/write-backs on discontinued operations	940,246	602,939
- other adjustments (+)	462,271	451,215
2. Liquidity generated/absorbed by financial assets	**36,529,074**	**(19,463,068)**
- financial assets held for trading	26,661,676	12,147,861
- financial assets at fair value	(5,349,631)	3,448,386
- available-for-sale financial assets	(13,396,755)	(12,578,924)
- loans and receivables with banks	12,312,498	(17,558,011)
- loans and receivables with customers	18,671,615	1,215,434
- other assets	(2,370,329)	(6,137,814)
3. Liquidity generated/absorbed by financial liabilities	**(44,270,104)**	**(5,217,349)**
- deposits from banks	(7,199,636)	(14,425,958)
- deposits from customers	8,384,100	10,900,136
- debt certificates including bonds	(10,327,548)	8,712,602
- financial liabilities held for trading	(35,887,772)	(12,326,649)
- financial liabilities designated at fair value	(150,031)	65,788
- other liabilities	910,783	1,856,732
Net liquidity generated/absorbed by operating activities	**4,095,176**	**(10,447,495)**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by:	**13,408,399**	**10,979,537**
- sales of equity investments	167,044	51,568
- collected dividends on equity investments	189,460	70,692
- sales of financial assets held to maturity	11,933,508	10,559,943
- sales of tangible assets	254,582	265,841
- sales of intangible assets	4,747	3,686
- sales of subsidiaries and divisions	859,058	27,807
2. Liquidity absorbed by:	**(13,162,235)**	**(10,063,957)**
- purchases of equity investments	(416,361)	(129,553)
- purchases of financial assets held to maturity	(11,126,672)	(8,448,014)
- purchases of tangible assets	(957,302)	(886,483)
- purchases of intangible assets	(661,900)	(597,988)
- purchases of sales/purchases of subsidiaries and divisions	-	(1,919)
Net liquidity generated/absorbed by investment activities	**246,164**	**915,580**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares	-	7,359,579
- issue/purchase of equity instruments	-	-
- distribution of dividends and other scopes	(934,010)	(253,839)
Net liquidity generated/absorbed by funding activities	**(934,010)**	**7,105,740**
NET LIQUIDITY GENERATED / ABSORBED DURING THE PERIOD	**3,407,330**	**(2,426,175)**

Continued: Consolidated Cash Flow Statement (indirect method)

Reconciliation

(€ '000)

	YEAR	
	2013	2012
Cash and cash equivalents at the beginning of the period	**7,569,998**	**9,728,137**
Net liquidity generated/absorbed during the period	3,407,330	(2,426,175)
Cash and cash equivalents: effect of exchange rate variations	(169,426)	67,789
Cash and cash equivalents at the end of the period	**10,807,902**	**7,369,751**

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

Figures as at December 31, 2012 were restated following the classification – carried out in 2012 in accordance with IFRS5 – of the following Ukrainian companies as discontinued operations:

- PUBLIC JOINT STOCK COMPANY UNICREDIT BANK;
- BDK CONSULTING;
- PUBLIC JOINT STOCK COMPANY UKRSOTSBANK;
- PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL;
- LLC UKROTSBUD;
- LTD SI&C AMC UKRSOTS REAL ESTATE;
- SVIF UKRSOTSBUD.

For this reason, the 2013 balance of item “Cash and cash equivalents at the beginning of the period” also differs from the 2012 balance of item “Cash and cash equivalents at the end of the period”.
Accordingly, Net liquidity absorbed as at December 31, 2012 does not include the portion relating to the group of Ukrainian companies amounting to -€200,247 thousand.

Notes to the Consolidated Accounts

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, 2013, 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 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.

In addition, on January 21, 2014 the Bank of Italy issued a second revision to this circular incorporating the amendments to IAS/IFRS, as endorsed by the European Commission, effective for reporting periods beginning on or after December 31, 2013. For further information see Section 2 – Preparation Criteria and Part A2 concerning the main items in the 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 not all of them have 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);
- Documents published by ESMA (European Securities and Markets Authority) and by Consob 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.

Pursuant to Art. 123-bis par. 3 of TUF, 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 (https://www.unicreditgroup.eu/it/governance/system-policies/corporate-governance-report.html - Italian version and https://www.unicreditgroup.eu/en/governance/system-policies/corporate-governance-report.html - English version).

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

In their joint Document no. 4 of March 3, 2010, the Bank of Italy, Consob and Isvap made a few observations on the current situation of the markets and businesses and requested that information essential for a better understanding of business trends and outlook be disclosed in financial reports.
In this regard, the Directors identified no symptoms in the capital and financial structure and in the economic performance that could indicate uncertainty about the entity's ability to continue as a going concern and therefore believe with reasonable certainty that the Group will continue to operate profitably in the foreseeable future; as a result, in accordance with the provisions of IAS 1, the consolidated accounts as at December 31, 2013 were prepared on a going concern basis.
Indeed, the Directors took account of the fact that the large-value losses recognized during the period resulted from both the change in the estimates of the value of loans to customers, which became necessary in order to reflect the prevailing conditions at the balance sheet date, and the write-downs of intangible assets (including goodwill) following the approval of the new Strategic Plan.
The measurement criteria adopted are therefore consistent with the assumption that the business is a going concern 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, except for the modifications described in section A.2 "The Main Items of the Accounts" relating to the introduction of new standards and interpretations.

Second revision of January 21, 2014 to Bank of Italy circular 262/2005

In accordance with the above-mentioned second revision to Bank of Italy circular 262/2005, the following main changes were made to the Financial Statements and the tables included in the Notes to the accounts:

a. the division of the items included in the Statement of Comprehensive Income into two categories, which reflect the possibility of reclassifying or not reclassifying them to the Income Statement in a subsequent financial year;
b. qualitative and quantitative information on financial assets and liabilities (such as, for example, derivatives and repos) included in master netting agreements or similar agreements;
c. new information on defined benefit plans;
d. further qualitative and quantitative information on fair value and its hierarchical levels;
e. further information in Part E on impaired financial assets as well as quantitative data on own assets, recognized or not recognized in the financial statements, divided into encumbered and unencumbered assets.

Please note that in preparing the 2013 accounts the option provided by the Bank of Italy not to disclose comparative information relating to the previous financial year (2012) was exercised with regard to the above items:

- c. in accordance with the provisions of IAS 19 paragraph 173 letter b) (see Part B and Part C of the Notes to the Accounts)

and

- d. (see IFRS 13, paragraph C3), with the exception of the information already included in Circular 262 – 1st revision (see Part A and Part B of the Notes to the Accounts).

Information about the retrospective application of IAS 19R with reference to the effects as at January 1, 2012 has been provided under the Consolidated Balance Sheet and the Consolidated Income Statement when significant in proportion to the amounts disclosed.

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, 2013, 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, 2013. 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 (see “Parte E – Information on risks and related risk management policies” for information regarding the revaluation of the shareholding in the Bank of Italy);
- 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 (for more information on legal risks see part E – Section 4) ;
- goodwill and other intangible assets;
- assets and liabilities related to insurance contracts;
- deferred tax assets;
- property held for investment;

whose assessment may significanltly change over time according to the trend in: domestic and international socio-economic conditions and subsequent impact on the Bank’s profitability and customers’ creditworthiness; financial markets which affect changes in interest rates, prices and actuarial assumptions; real estate market affecting the value of property owned by the Bank or received as collateral.

Please note that the economic and political uncertainty and the tensions surrounding the exchange rate in Ukraine were taken into account during the assessment of the net assets owned by the Group in this country.

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.

With specific reference to valuation techniques, unobservable inputs used in the fair value measurement and sensitivities to changes in those inputs, please refer to section A.4. Information on fair value.

In October 2013 the ECB and National Competent Authorities responsible for conducting banking supervision announced a Comprehensive assessment of Significant Banks, in line with the provisions of the Regulation on the Single Supervisory Mechanism (SSM Regulation). Accordingly, UniCredit Group will be subject to this Comprehensive Assessment, whose first phase in 2014 will be an Asset Quality Review.

Section 3 – Consolidation Procedures and Scope

The consolidation criteria and principles used to prepare the consolidated accounts at December 31, 2013 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, 2013;
- the accounts as at December 31, 2013, approved by the competent bodies and functions, of the other fully consolidated subsidiaries, duly reclassified and adjusted to take account of consolidation needs and, where necessary, to align them to the Group accounting principles;
- the sub-consolidated Accounts of Compagnia Italpetroli Group including Compagnia Italpetroli S.p.A. and its direct and indirect subsidiaries, at December 31, 2013.

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.
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.

Part A – Accounting Policies

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.

It should be noted that, as explained in Part B – Section 10, the following are not subject to consolidation:

- a series of minor subsidiaries;
- investment funds in their seed/warehousing stage whose units are only held for the period of time necessary for the investment of the pooled money in assets and the subsequent placement on the market of these units.

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)	HELD BY	HOLDING %	VOTING RIGHTS (2)
				OWNERSHIP RELATIONSHIP		
	A.COMPANY					
	A.1 LINE BY LINE METHOD					
1	**UNICREDIT SPA** Issued Capital EURO 19,654,856,199.43	**ROME**		**HOLDING**		
2	A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG Issued Capital EURO 613,550	MUNICH	1	GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND)	100.00	
3	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. OBERBAUM CITY KG Issued Capital EURO 26,000	GRUNWALD	1	SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	100.00	98.11
				ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	1.89
4	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. PARKKOLONNADEN KG Issued Capital EURO 26,000	GRUNWALD	1	A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG	100.00	98.11
				ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	1.89
5	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. STUTTGART KRONPRINZSTRASSE KG Issued Capital EURO 26,000	GRUNWALD	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	98.11
				ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	1.89
6	ACTIVE ASSET MANAGEMENT GMBH Issued Capital EURO 50,000	GRUNWALD	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
7	AGROB IMMOBILIEN AG Issued Capital EURO 10,000,000	ISMANING	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	52.72	75.02
8	AI BETEILIGUNGS GMBH Issued Capital EURO 35,000	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
9	ALEXANDA GV GMBH & Co. VERMIETUNGS KG Issued Capital EURO 5,000	WIESBADEN	4	BARD ENGINEERING GMBH	..	(3)
10	ALINT 458 GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. Issued Capital EURO 25,564	BAD HOMBURG	1	UNICREDIT LEASING S.P.A.	100.00	
11	ALLEGRO LEASING GESELLSCHAFT M.B.H. Issued Capital EURO 3,576,202	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
12	ALLIB LEASING S.R.O. Issued Capital CZK 100,000	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
13	ALLIB NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA Issued Capital HRK 20,000	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
14	ALLIB ROM S.R.L. Issued Capital RON 680,000	BUCHAREST	1	UNICREDIT LEASING S.P.A.	100.00	
15	ALMS LEASING GMBH. Issued Capital EURO 36,337	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
16	ALPINE CAYMAN ISLANDS LTD. Issued Capital USD 335,000,000	GEORGE TOWN	1	UNICREDIT BANK AUSTRIA AG	100.00	

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
17	ALTUS ALPHA PLC	DUBLIN	4	UNICREDIT BANK AG	..	(3)
18	ALV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
19	AMBASSADOR PARC DEDINJE D.O.O. BEOGRAD Issued Capital RSD 2,715,063	BELGRADE	1	UCTAM D.O.O. BEOGRAD	100.00	
20	ANTARES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
21	ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH Issued Capital EURO 26,000	MUNICH	1	HVB PROJEKT GMBH	90.00	
22	ARABELLA FINANCE LTD.	DUBLIN	4	UNICREDIT BANK AG	..	(3)
23	ARANY PENZUEGYI LIZING ZRT. Issued Capital HUF 60,000,000	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
24	ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH Issued Capital EURO 511,300	MUNICH	1	HVB PROJEKT GMBH	100.00	
25	ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued Capital EURO 36,337			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
26	ARRONDA IMMOBILIENVERWALTUNGS GMBH Issued Capital EURO 511,500	MUNICH	1	HVB PROJEKT GMBH	100.00	
27	ARTIST MARKETING ENTERTAINMENT GMBH Issued Capital EURO 50,000	VIENNA	1	MY BETEILIGUNGS GMBH	100.00	
28	AS UNICREDIT BANK, LATVIA Issued Capital LVL 86,100,170	RIGA	1	UNICREDIT BANK AUSTRIA AG	100.00	
29	ATLANTERRA IMMOBILIENVERWALTUNGS GMBH Issued Capital EURO 1,023,000	MUNICH	1	HVB PROJEKT GMBH	90.00	
30	AUFBAU DRESDEN GMBH Issued Capital EURO 260,000	MUNICH	1	HVB PROJEKT GMBH	100.00	
31	AUSTRIA LEASING GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	0.40	
	Issued Capital EURO 36,336			GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.40	99.60
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
32	AWT HANDELS GESELLSCHAFT M.B.H. Issued Capital EURO 2,906,913	VIENNA	1	AWT INTERNATIONAL TRADE GMBH	100.00	
33	AWT INTERNATIONAL TRADE GMBH Issued Capital EURO 100,000	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
34	B.I. INTERNATIONAL LIMITED Issued Capital EURO 791	GEORGE TOWN	1	TRINITRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG	100.00	
35	BA ALPINE HOLDINGS, INC. Issued Capital USD 74,435,918	WILMINGTON	1	UNICREDIT BANK AUSTRIA AG	100.00	

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
36	BA BETRIEBSOBJEKTE GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital EURO 5,630,000					
37	BA BETRIEBSOBJEKTE GMBH & CO BETA VERMIETUNGS OG	VIENNA	1	BA BETRIEBSOBJEKTE GMBH	99.90	
	Issued Capital EURO 1,000			MY DREI HANDELS GMBH	0.10	
38	BA BETRIEBSOBJEKTE PRAHA, SPOL.S.R.O. Issued Capital CZK 100,000	PRAGUE	1	BA BETRIEBSOBJEKTE GMBH	100.00	
39	BA CA LEASING (DEUTSCHLAND) GMBH	BAD HOMBURG	1	UNICREDIT LEASING S.P.A.	94.90	100.00
	Issued Capital EURO 153,387			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
40	BA CA SECUND LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
41	BA CREDITANSTALT BULUS EOOD	SOFIA	1	HVB LEASING EOOD	100.00	
	Issued Capital BGN 250,000					
42	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
	Issued Capital EURO 363,364					
43	BA GEBAEUDEVERMIETUNGSGMBH	VIENNA	1	BA GVG-HOLDING GMBH	70.00	
	Issued Capital EURO 36,336					
44	BA GVG-HOLDING GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital EURO 18,168					
45	BA IMMO GEWINNSCHEIN FONDS1	VIENNA	4	UNICREDIT BANK AUSTRIA AG	..	(3)
46	BA PRIVATE EQUITY GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital EURO 1,200,000					
47	BA-CA ANDANTE LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
	Issued Capital EURO 36,500					
48	BA-CA FINANCE (CAYMAN) II LIMITED	GEORGE TOWN	1	ALPINE CAYMAN ISLANDS LTD.	100.00	
	Issued Capital EURO 15,000					
49	BA-CA FINANCE (CAYMAN) LIMITED	GEORGE TOWN	1	ALPINE CAYMAN ISLANDS LTD.	100.00	
	Issued Capital EURO 15,000					
50	BA-CA INFRASTRUCTURE FINANCE ADVISORY GMBH	VIENNA	1	ZETA FUENF HANDELS GMBH	100.00	
	Issued Capital EURO 36,336					
51	BA-CA LEASING DREI GARAGEN GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
	Issued Capital EURO 35,000			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
52	BA-CA LEASING MAR IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
53	BA-CA LEASING MODERATO D.O.O.	LJUBLJANA	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital EURO 8,763					
54	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital EURO 127,177					
55	BA-CA PRESTO LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS (2)
56	BA-CA WIEN MITTE HOLDING GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital EURO 35,000					
57	BA/CA-LEASING BETEILIGUNGEN GMBH	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
	Issued Capital EURO 454,000			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
58	BACA CENA IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
59	BACA CHEOPS LEASING GMBH	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
60	BACA HYDRA LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
61	BACA KOMMUNALLEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
	Issued Capital EURO 36,500					
62	BACA LEASING ALFA S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital CZK 110,000					
63	BACA LEASING CARMEN GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
64	BACA LEASING GAMA S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital CZK 110,000					
65	BACA LEASING UND BETEILGUNGSMANAGEMENT GMBH	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	98.80	99.00
	Issued Capital EURO 21,936,492			UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
66	BACA NEKRETNINE DOO	SARAJEVO	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital BAM 31,263					
67	BACA-LEASING AQUILA INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital HUF 3,000,000					
68	BACA-LEASING GEMINI INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital HUF 3,000,000					
69	BACA-LEASING OMIKRON INGATLANHASZNOSTO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital HUF 3,000,000					
70	BACAL ALPHA DOO ZA POSLOVANJE NEKRETNINAMA	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital HRK 20,000					
71	BACAL BETA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital HRK 100,000					
72	BAL CARINA IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
73	BAL DEMETER IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
74	BAL HESTIA IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
75	BAL HORUS IMMOBILIEN LEASING GMBH	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
76	BAL HYPNOS IMMOBILIEN LEASING GMBH	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
77	BAL LETO IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
78	BAL OSIRIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
79	BAL PAN IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
80	BAL SOBEK IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
81	BALEA SOFT GMBH & CO. KG Issued Capital EURO 500,000	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
82	BALEA SOFT VERWALTUNGSGESELLSCHAFT MBH Issued Capital EURO 50,000	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
83	BANDON LEASING LTD.	DUBLIN	4	UNICREDIT BANK AG	..	(3)
84	BANK AUSTRIA CREDITANSTALT LEASING IMMOBILIENANLAGEN GMBH	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
85	BANK AUSTRIA FINANZSERVICE GMBH Issued Capital EURO 490,542	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
86	BANK AUSTRIA HUNGARIA BETA LEASING KORLATOLT FELELOSSEGU TSRSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
87	BANK AUSTRIA IMMOBILIENSERVICE GMBH Issued Capital EURO 70,000	VIENNA	1	PLANETHOME AG	100.00	
88	BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH	VIENNA	1	RONDO LEASING GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
89	BANK AUSTRIA LEASING HERA IMMOBILIEN LEASING GMBH	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,337			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
90	BANK AUSTRIA LEASING IKARUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS (2)
91	BANK AUSTRIA LEASING MEDEA IMMOBILIEN LEASING GMBH Issued Capital EURO 36,500	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
92	BANK AUSTRIA REAL INVEST CLIENT INVESTMENT GMBH Issued Capital EURO 145,500	VIENNA	1	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	100.00	
93	BANK AUSTRIA REAL INVEST IMMOBILIEN-KAPITALANLAGE GMBH Issued Capital EURO 5,000,000	VIENNA	1	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	100.00	
94	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH Issued Capital EURO 10,900,500	VIENNA	1	UNICREDIT BANK AUSTRIA AG	94.95	
95	BANK AUSTRIA WOHNBAUBANK AG Issued Capital EURO 18,765,944	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
96	BANK PEKAO SA Issued Capital PLN 262,470,034	WARSAW	1	UNICREDIT SPA	50.10	
97	BANKHAUS NEELMEYER AG Issued Capital EURO 12,800,000	BREMEN	1	UNICREDIT BANK AG	100.00	
98	BARD BUILDING GMBH & Co. KG Issued Capital EURO 1,000	EMDEN	4	BARD ENGINEERING GMBH	..	(3)
99	BARD EMDEN ENERGY GMBH & Co. KG Issued Capital EURO 90,000	EMDEN	4	BARD ENGINEERING GMBH	..	(3)
100	BARD ENGINEERING GMBH Issued Capital EURO 100,098	EMDEN	4	BARD HOLDING GMBH	..	(3)
101	BARD HOLDING GMBH Issued Capital EURO 25,000	EMDEN	4	UNICREDIT BANK AG	..	(3)
102	BARD LOGISTIK GMBH Issued Capital EURO 25,000	EMDEN	4	BARD ENGINEERING GMBH	..	(3)
103	BARD NEARSHORE HOOKSIEL GMBH Issued Capital EURO 25,600	EMDEN	4	BARD ENGINEERING GMBH	..	(3)
104	BARD PHONIX VERWALTUNGS GMBH Issued Capital EURO 25,100	EMDEN	4	BARD ENGINEERING GMBH	..	(3)
105	BARD SCHIFFSBETRIEBSGESELLSCHAT MBH & Co. NATALIE KG Issued Capital EURO 5,000	EMDEN	4	BARD LOGISTIK GMBH	..	(3)
106	BARD SERVICE GMBH Issued Capital EURO 25,000	EMDEN	4	BARD ENGINEERING GMBH	..	(3)
107	BARODA PIONEER ASSET MANAGEMENT COMPANY LTD Issued Capital INR 880,440,640	MUMBAI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
108	BARODA PIONEER TRUSTEEE COMPANY PVT LTD Issued Capital INR 500,000	MUMBAI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
109	BAULANDENTWICKLUNG GDST 1682/8 GMBH & CO OEG	VIENNA	1	CALG ANLAGEN LEASING GMBH	1.00	
				CALG IMMOBILIEN LEASING GMBH	99.00	

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
110	BAVARIA SERVICOS DE REPRESENTACAO COMERCIAL LTDA.	SAO PAULO	1	UNICREDIT BANK AG	0.47	
	Issued Capital BRL 351,531			UNICREDIT SPA	99.53	
111	BDK CONSULTING	LUCK	1	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	100.00	
	Issued Capital UAH 2,757,494					
112	BETEILIGUNGSVERWALTUNGSGESELL SCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
	Issued Capital EURO 36,500					
113	BF NINE HOLDING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	0.00	100.00
	Issued Capital EURO 35,000					
114	BIL IMMOBILIEN FONDS GMBH & CO OBJEKT PERLACH KG	MUNICH	1	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	94.78	93.87
	Issued Capital EURO 5,125,701			WEALTHCAP LEASING GMBH	5.22	5.14
115	BIL LEASING-FONDS GMBH & CO VELUM KG	MUNICH	1	BIL LEASING-FONDS VERWALTUNGS-GMBH	..	33.33
	Issued Capital EURO 2,556			UNICREDIT BANK AG	100.00	33.33
116	BIL LEASING-FONDS VERWALTUNGS-GMBH Issued Capital EURO 26,000	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
117	BLUE CAPITAL EUROPA IMMOBILIEN GMBH & CO. ACHTE OBJEKTE GROSSBRITANNIEN KG	HAMBURG	1	WEALTHCAP FONDS GMBH	90.91	
	Issued Capital EURO 5,500			WEALTHCAP INVESTORENBETREUUNG GMBH	9.09	
118	BORGO DI PEROLLA SRL	MASSA MARITTIMA	1	FONDIARIA LASA SPA	100.00	
	Issued Capital EURO 2,043,952					
119	BREWO GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued Capital EURO 36,337	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
120	BUCHSTEIN IMMOBILIENVERWALTUNG GMBH UND CO OG	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital EURO 18,168					
121	BUITENGAATS HOLDING B.V.	EEMSHAVEN	4	BARD ENGINEERING GMBH	..	(3)
	Issued Capital EURO 18,000					
122	BULBANK LEASING EAD	SOFIA	1	UNICREDIT LEASING EAD	100.00	
	Issued Capital BGN 1,050,000					
123	BV GRUNDSTUCKSENTWICKLUNGS-GMBH Issued Capital EURO 511,300	MUNICH	1	HVB IMMOBILIEN AG	100.00	
124	BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG	MUNICH	1	UNICREDIT BANK AG	100.00	
	Issued Capital EURO 511,291					
125	CA-LEASING ALPHA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
126	CA-LEASING DELTA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
127	CA-LEASING EPSILON INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital HUF 3,000,000					

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	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
128	CA-LEASING EURO, S.R.O. Issued Capital CZK 100,000	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
129	CA-LEASING KAPPA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
130	CA-LEASING OMEGA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
131	CA-LEASING OVUS S.R.O. Issued Capital CZK 100,000	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
132	CA-LEASING PRAHA S.R.O. Issued Capital CZK 100,000	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
133	CA-LEASING SENIOREN PARK GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
134	CA-LEASING TERRA POSLOVANJE Z NEPREMICNINAMI D.O.O. Issued Capital EURO 1,596,926	LJUBLJANA	1	UNICREDIT LEASING S.P.A.	100.00	
135	CA-LEASING ZETA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
136	CABET-HOLDING GMBH Issued Capital EURO 290,909	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
137	CABO BETEILIGUNGSGESELLSCHAFT M.B.H. Issued Capital EURO 35,000	VIENNA	1	CABET-HOLDING GMBH	100.00	
138	CAC REAL ESTATE, S.R.O. Issued Capital CZK 110,000	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
139	CAC-IMMO SRO Issued Capital CZK 200,000	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
140	CAFU VERMOEGENSVERWALTUNG GMBH & CO OG Issued Capital EURO 6,719,227	VIENNA	1	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
141	CAL-PAPIER INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
142	CALG 307 MOBILIEN LEASING GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
	Issued Capital EURO 90,959			UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
143	CALG 443 GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
	Issued Capital EURO 36,336			CALG IMMOBILIEN LEASING GMBH	1.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
144	CALG 445 GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued Capital EURO 18,168			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
145	CALG 451 GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
146	CALG ALPHA GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
147	CALG ANLAGEN LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 55,945,753			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
148	CALG ANLAGEN LEASING GMBH & CO GRUNDSTUCKVERMIETUNG UND - VERWALTUNG KG	MUNICH	1	CALG ANLAGEN LEASING GMBH	99.90	
	Issued Capital EURO 2,326,378					
149	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
	Issued Capital EURO 13,318,789			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
150	CALG GAMMA GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued Capital EURO 36,337			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
151	CALG GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	74.80	75.00
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
152	CALG IMMOBILIEN LEASING GMBH	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
	Issued Capital EURO 41,384,084			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
153	CALG IMMOBILIEN LEASING GMBH & CO 1050 WIEN, SIEBENBRUNNENGASSE 10-21 OG	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued Capital EURO 300			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
154	CALG IMMOBILIEN LEASING GMBH & CO 1120 WIEN, SCHONBRUNNER SCHLOSS-STRASSE 38-42 OG	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued Capital EURO 300			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
155	CALG IMMOBILIEN LEASING GMBH & CO PROJEKT ACHT OG	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued Capital EURO 300			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
156	CALG IMMOBILIEN LEASING GMBH & CO PROJEKT VIER OG	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued Capital EURO 300			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
157	CALG MINAL GRUNDSTUCKVERWALTUNG GMBH	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
	Issued Capital EURO 18,286			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
158	CAMPO DI FIORI S.R.L.	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
	Issued Capital EURO 154					
159	CARD COMPLETE SERVICE BANK AG	VIENNA	1	UNICREDIT BANK AUSTRIA AG	50.10	
	Issued Capital EURO 6,000,000					
160	CARDS & SYSTEMS EDV-DIENSTLEISTUNGS GMBH	VIENNA	1	CARD COMPLETE SERVICE BANK AG	5.00	
	Issued Capital EURO 75,000			DC BANK AG	1.00	
				UNICREDIT BANK AUSTRIA AG	52.00	

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	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
161	CDM CENTRALNY DOM MAKLERSKI PEKAO SA Issued Capital PLN 56,331,898	WARSAW	1	BANK PEKAO SA	100.00	
162	CEAKSCH VERWALTUNGS G.M.B.H. Issued Capital EURO 35,000	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	100.00	
163	CENTAR KAPTOL DOO Issued Capital HRK 46,830,400	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
164	CENTER HEINRICH-COLLIN-STRASSE1 VERMIETUNGS GMBH U.CO KG	VIENNA	4	BA IMMO GEWINNSCHEIN FONDS1	..	(3)
165	CENTRUM BANKOWOSCI BEZPOSREDNIEJ SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSC Issued Capital PLN 500,000	KRAKOW	1	BANK PEKAO SA	100.00	
166	CENTRUM KART SA Issued Capital PLN 26,782,648	WARSAW	1	BANK PEKAO SA	100.00	
167	CHARADE LEASING GESELLSCHAFT M.B.H. Issued Capital EURO 36,500	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	(4)
168	CHEFREN LEASING GMBH Issued Capital EURO 36,500	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
169	CHIYODA FUDOSAN GK	TOKYO	4	UNICREDIT BANK AG	..	(3)
170	CHRISTOPH REISEGGER GESELLSCHAFT M.B.H. Issued Capital EURO 36,336	VIENNA	1	LASSALLESTRASSE BAU-, PLANUNGS-, ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H.	100.00	
171	CIVITAS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EURO 36,500	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
172	COFIRI S.P.A. IN LIQUIDAZIONE Issued Capital EURO 6,910,151	ROME	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	100.00	
173	COMMUNA - LEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. Issued Capital EURO 36,337	VIENNA	1	REAL-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
174	COMPAGNIA FONDIARIA ROMANA - SOCIETA' A RESPONDABILITA' LIMITATA Issued Capital EURO 103,400	ROME	1	IMMOBILIARE PATETTA SRL	87.50	
				SOCIETA' VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L.	12.50	
175	COMPAGNIA ITALPETROLI S.P.A. Issued Capital EURO 200,000	ROME	1	UNICREDIT SPA	100.00	
176	CONSORZIO QUENIT Issued Capital EURO 10,000	VERONA	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	55.00	

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
177	CONTRA LEASING-GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued Capital EURO 36,500			JAUSERN-LEASING GESELLSCHAFT M.B.H.	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
178	CORDUSIO SIM - ADVISORY & FAMILY OFFICE SPA Issued Capital EURO 120,000	MILAN	1	CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI	100.00	
179	CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI Issued Capital EURO 520,000	MILAN	1	UNICREDIT SPA	100.00	
180	CORIT - CONCESSIONARIA RISCOSSIONE TRIBUTI S.P.A. IN LIQUIDAZIONE Issued Capital EURO 1,243,732	ROME	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	60.00	
181	CRIVELLI SRL Issued Capital EURO 10,000	MILAN	1	UNICREDIT SPA	100.00	
182	CUMTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
	Issued Capital EURO 26,000			UNICREDIT BANK AG	6.15	
183	CUXHAVEN STEEL CONSTRUCTION GMBH Issued Capital EURO 25,000	CUXHAVEN	4	BARD ENGINEERING GMBH	..	(3)
184	DAB BANK AG Issued Capital EURO 90,976,275	MUNICH	1	UNICREDIT BANK AG	81.39	
185	DBC SP.Z O.O. Issued Capital PLN 50,000	WARSAW	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
186	DC BANK AG Issued Capital EURO 5,000,000	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.94	
187	DC ELEKTRONISCHE ZAHLUNGSSYSTEME GMBH Issued Capital EURO 35,000	VIENNA	1	KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H.	100.00	
188	DEBO LEASING IFN S.A.	BUCHAREST	1	UNICREDIT GLOBAL LEASING EXPORT GMBH	10.01	
	Issued Capital RON 724,400			UNICREDIT LEASING S.P.A.	89.99	
189	DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT ALPHA MANAGEMENT KG Issued Capital EURO 255,650	MUNICH	1	HVB PROJEKT GMBH	100.00	
190	DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT BETA MANAGEMENT KG Issued Capital EURO 255,650	MUNICH	1	HVB PROJEKT GMBH	100.00	
191	DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT GAMMA MANAGEMENT KG Issued Capital EURO 255,650	MUNICH	1	HVB PROJEKT GMBH	100.00	
192	DINERS CLUB CS S.R.O. Issued Capital EURO 829,848	BRATISLAVA	1	DC BANK AG	100.00	
193	DINERS CLUB POLSKA SP.Z.O.O. Issued Capital PLN 7,500,000	WARSAW	1	DC BANK AG	100.00	

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
194	DIRANA LIEGENSCHAFTSVERWERTUNGSGESELLSCHAFT M.B.H. Issued Capital EURO 17,500	VIENNA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
195	DIREKTANLAGE.AT AG Issued Capital EURO 15,000,000	SALZBURG	1	DAB BANK AG	100.00	
196	DLV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EURO 36,500	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
197	DOM INWESTYCYJNY XELION SP. Z O.O. Issued Capital PLN 60,050,000	WARSAW	1	BANK PEKAO SA	50.00	
				UNICREDIT SPA	50.00	
198	DOMUS CLEAN REINIGUNGS GMBH Issued Capital EURO 17,500	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
199	DUODEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EURO 36,500	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
200	DV ALPHA GMBH Issued Capital EURO 35,000	VIENNA	1	PIRTA VERWALTUNGS GMBH	100.00	
201	DV BETEILIGUNGSVERWALTUNGS GMBH Issued Capital EURO 35,000	VIENNA	1	PIRTA VERWALTUNGS GMBH	100.00	
202	ELEKTRA PURCHASE No. 17 S.A. - COMPARTEMENT 2	LUXEMBOURG	4	ARABELLA FINANCE LTD.	..	(3)
203	ELEKTRA PURCHASE No. 23 LTD	DUBLIN	4	UNICREDIT BANK AG	..	(3)
204	ELEKTRA PURCHASE No. 24 LTD	DUBLIN	4	ARABELLA FINANCE LTD.	..	(3)
205	ELEKTRA PURCHASE No. 28 LTD	DUBLIN	4	ARABELLA FINANCE LTD.	..	(3)
206	ELEKTRA PURCHASE No. 31 LTD	DUBLIN	4	ARABELLA FINANCE LTD.	..	(3)
207	ELEKTRA PURCHASE No. 911 LTD	ST. HELIER	4	ARABELLA FINANCE LTD.	..	(3)
208	ENDERLEIN & CO. GMBH Issued Capital EURO 27,000	BIELEFELD	1	PLANETHOME AG	100.00	
209	ENTASI SRL Issued Capital EURO 10,200	ROME	1	UNICREDIT SPA	100.00	
210	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK GREFRATH KG Issued Capital EURO 1,043,888	OLDENBURG	1	WEALTHCAP INVESTORENBETREUUNG GMBH	0.07	
				WEALTHCAP PEIA MANAGEMENT GMBH	68.45	68.20
211	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK KRAHENBERG KG Issued Capital EURO 1,393,805	OLDENBURG	1	WEALTHCAP INVESTORENBETREUUNG GMBH	0.05	
				WEALTHCAP PEIA MANAGEMENT GMBH	68.49	68.24
212	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK MOSE KG Issued Capital EURO 1,270,305	OLDENBURG	1	WEALTHCAP INVESTORENBETREUUNG GMBH	0.05	0.06
				WEALTHCAP PEIA MANAGEMENT GMBH	68.48	68.23
213	EUROFINANCE 2000 SRL (IN LIQUIDAZIONE) Issued Capital EURO 28,000	ROME	1	UNICREDIT SPA		
214	EUROLEASE AMUN IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EURO 36,500	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
215	EUROLEASE ANUBIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
216	EUROLEASE ISIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
217	EUROLEASE MARDUK IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
218	EUROLEASE RA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
219	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 14,398,879			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
220	EUROPA BEFEKTETESI ALAPKEZELOE ZRT (EUROPA INVESTMENT FUND MANAGEMENT LTD.) Issued Capital HUF 100,000,000	BUDAPEST	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
221	EUROPE REAL-ESTATE INVESTMENT FUND	BUDAPEST	4	UNICREDIT BANK HUNGARY ZRT.	..	(3)
222	EUROPEAN-OFFICE-FONDS	MUNICH	4	UNICREDIT BANK AG	..	(3)
223	EUROPEYE SRL Issued Capital EURO 100,000	ROME	1	UNICREDIT SPA	85.00	
224	EUROVENTURES-AUSTRIA-CA-MANAGEMENT GESMBH Issued Capital EURO 36,336	VIENNA	1	CABET-HOLDING GMBH	100.00	
225	EXPANDA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
226	FACTORBANK AKTIENGESELLSCHAFT Issued Capital EURO 3,000,000	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
227	FCT UCG TIKEHAU Issued Capital EURO 47,000,000	PARIS	4	UNICREDIT SPA	..	(3)
228	FINECO LEASING S.P.A. Issued Capital EURO 62,915,416	BRESCIA	1	UNICREDIT SPA	100.00	
229	FINECO VERWALTUNG AG (IN LIQUIDATION) Issued Capital EURO 50,000	MUNICH	1	UNICREDIT SPA	100.00	
230	FINECOBANK SPA Issued Capital EURO 200,070,431	MILAN	1	UNICREDIT SPA	100.00	
231	FMC LEASING INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
232	FMZ SAVARIA SZOLGALTATO KFT Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING KFT	75.00	
233	FMZ SIGMA PROJEKTENTWICKLUNGS GMBH	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 35,000			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
234	FOLIA LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
	Issued Capital EURO 1,981,769			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
235	FONDIARIA LASA SPA	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
	Issued Capital EURO 3,102,000					
236	FONDO SIGMA	ROME	4	UNICREDIT SPA	..	(3)
	Issued Capital EURO 180,100,960					
237	FOOD & MORE GMBH	MUNICH	1	UNICREDIT BANK AG	100.00	
	Issued Capital EURO 100,000					
238	FORUM POLSKIEGO BIZNESU MEDIA SP.Z O.O.	WARSAW	1	PROPERTY SP. Z.O.O. (IN LIQUIDAZIONE)	100.00	
	Issued Capital PLN 13,758,000					
239	FUGATO LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
	Issued Capital EURO 36,336					
240	G.N.E. GLOBAL GRUNDSTUCKSVERWERTUNG GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,337			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
241	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued Capital EURO 21,872,755			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
242	GBS GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.00	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	1.00	(4)
243	GEBAUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
244	GELDILUX-PP-2011 S.A.	LUXEMBOURG	4	UNICREDIT LUXEMBOURG S.A.	..	(3)
245	GELDILUX-TS-2010 S.A.	LUXEMBOURG	4	UNICREDIT LUXEMBOURG S.A.	..	(3)
	Issued Capital EURO 31,000					
246	GELDILUX-TS-2011 S.A.	LUXEMBOURG	4	UNICREDIT LUXEMBOURG S.A.	..	(3)
	Issued Capital EURO 31,000					
247	GELDILUX-TS-2013 S.A.	LUXEMBOURG	4	UNICREDIT LUXEMBOURG S.A.	..	(3)
	Issued Capital EURO 31,000					
248	GEMEINDELEASING GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	37.30	37.50
	Issued Capital EURO 18,333			CALG IMMOBILIEN LEASING GMBH	37.50	
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
249	GEMMA VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG	PULLACH	4	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	6.13	(3)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
250	GENERAL LOGISTIC SOLUTIONS LLC Issued Capital RUB 142,309,444	MOSCOW	1	UCTAM RU LIMITED LIABILITY COMPANY	100.00	
251	GIMMO IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH Issued Capital EURO 25,600	MUNICH	1	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	100.00	
252	GOLF- UND COUNTRY CLUB SEDDINER SEE IMMOBILIEN GMBH Issued Capital EURO 52,500	MUNICH	1	ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	6.00	
				HVB PROJEKT GMBH	94.00	
253	GRAND CENTRAL FUNDING CORPORATION Issued Capital USD 1,000	NEW YORK	4	UNICREDIT BANK AG	..	(3)
254	GRAND CENTRAL RE LIMITED Issued Capital USD 1,250,000	HAMILTON	1	UNICREDIT BANK AG	92.50	
255	GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND) Issued Capital EURO 4,086,244	MUNICH	1	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	98.24	
256	GRUNDSTUCKSGESELLSCHAFT SIMON BESCHRANKT HAFTENDE KOMMANDITGESELLSCHAF Issued Capital EURO 51,500	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
257	GRUNDSTUCKSVERWALTUNG LINZ-MITTE GMBH Issued Capital EURO 35,000	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
258	GUS CONSULTING GMBH Issued Capital EURO 30,000,000	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
259	H & B IMMOBILIEN GMBH & CO. OBJEKTE KG Issued Capital EURO 5,000	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
260	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH Issued Capital EURO 4,000,000	MUNICH	1	UNICREDIT BANK AG	10.00	
				WEALTH MANAGEMENT CAPITAL HOLDING GMBH	90.00	
261	H.F.S. IMMOBILIENFONDS GMBH Issued Capital EURO 25,564	EBERSBERG	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
262	H.F.S. LEASINGFONDS DEUTSCHLAND 1 GMBH & CO. KG (IMMOBILIENLEASING)	MUNICH	4	HVB IMMOBILIEN AG	..	(3)
				WEALTHCAP REAL ESTATE MANAGEMENT GMBH	0.08	
263	H.F.S. LEASINGFONDS DEUTSCHLAND 7 GMBH & CO. KG	MUNICH	4	HVB PROJEKT GMBH	0.02	(3)
				WEALTHCAP REAL ESTATE MANAGEMENT GMBH	0.08	
264	HAWA GRUNDSTUCKS GMBH & CO. OHG HOTELVERWALTUNG Issued Capital EURO 276,200	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	99.50	
				TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	0.50	
265	HAWA GRUNDSTUCKS GMBH & CO. OHG IMMOBILIENVERWALTUNG Issued Capital EURO 54,300	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	99.50	
				TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	0.50	

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
266	HERKU LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
267	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH Issued Capital EURO 25,000	MUNICH	1	UNICREDIT BANK AG	100.00	
268	HOKA LEASING-GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
	Issued Capital EURO 36,500			WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	74.80	75.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
269	HONEU LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued Capital EURO 36,336			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
270	HUMAN RESOURCES SERVICE AND DEVELOPMENT GMBH Issued Capital EURO 18,168	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
271	HVB ASIA LIMITED (IN LIQUIDATION)	SINGAPORE	1	UNICREDIT BANK AG	100.00	
272	HVB ASSET LEASING LIMITED Issued Capital USD 1	LONDON	1	HVB LONDON INVESTMENTS (CAM) LIMITED	100.00	
273	HVB ASSET MANAGEMENT HOLDING GMBH Issued Capital EURO 25,000	MUNICH	1	HVB VERWA 4 GMBH	100.00	
274	HVB AUTO LEASING EOOD Issued Capital BGN 8,073,320	SOFIA	1	HVB LEASING EOOD	100.00	
275	HVB CAPITAL LLC Issued Capital USD 10,000	WILMINGTON	1	UNICREDIT BANK AG	100.00	
276	HVB CAPITAL LLC II Issued Capital USD 16	WILMINGTON	1	UNICREDIT BANK AG	100.00	
277	HVB CAPITAL LLC III Issued Capital USD 10,000	WILMINGTON	1	UNICREDIT BANK AG	100.00	
278	HVB CAPITAL PARTNERS AG Issued Capital EURO 2,500,000	MUNICH	1	UNICREDIT BANK AG	100.00	
279	HVB EXPORT LEASING GMBH Issued Capital EURO 25,600	MUNICH	1	UNICREDIT BANK AG	100.00	
280	HVB FINANCE LONDON LIMITED Issued Capital EURO 25,000	LONDON	1	UNICREDIT BANK AG	100.00	
281	HVB FUNDING TRUST	WILMINGTON	4	UNICREDIT BANK AG	..	(3)
282	HVB FUNDING TRUST II Issued Capital USD 2,970	WILMINGTON	1	UNICREDIT BANK AG	100.00	
283	HVB FUNDING TRUST III	WILMINGTON	4	UNICREDIT BANK AG	..	(3)
284	HVB GESELLSCHAFT FUR GEBAUDE BETEILIGUNGS GMBH Issued Capital EURO 25,000	MUNICH	1	UNICREDIT BANK AG	100.00	

				OWNERSHIP RELATIONSHIP		VOTING RIGHTS (2)
	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	HELD BY	HOLDING %	
285	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG Issued Capital EURO 10,000,000	MUNICH	1	UNICREDIT BANK AG	100.00	
286	HVB GLOBAL ASSETS COMPANY (GP), LLC	DOVER	1	UNICREDIT BANK AG	100.00	
287	HVB HONG KONG LIMITED Issued Capital USD 128	HONG KONG	1	UNICREDIT BANK AG	100.00	
288	HVB IMMOBILIEN AG Issued Capital EURO 520,000	MUNICH	1	UNICREDIT BANK AG	100.00	
289	HVB INVESTMENTS (UK) LIMITED Issued Capital GBP 2	GEORGE TOWN	1	UNICREDIT BANK AG	100.00	
290	HVB LEASING CZECH REPUBLIC S.R.O. Issued Capital CZK 49,632,000	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
291	HVB LEASING EOOD Issued Capital BGN 3,353,510	SOFIA	1	UNICREDIT BULBANK AD	100.00	
292	HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG Issued Capital EURO 1,025,000	MUNICH	1	UNICREDIT BANK AG	100.00	
293	HVB LONDON INVESTMENTS (AVON) LIMITED Issued Capital GBP 2	LONDON	1	UNICREDIT BANK AG	100.00	
294	HVB LONDON INVESTMENTS (CAM) LIMITED Issued Capital GBP 100,002	LONDON	1	UNICREDIT BANK AG	100.00	
295	HVB PRINCIPAL EQUITY GMBH Issued Capital EURO 25,600	MUNICH	1	UNICREDIT BANK AG	100.00	
296	HVB PROFIL GESELLSCHAFT FUR PERSONALMANAGEMENT MBH Issued Capital EURO 26,000	MUNICH	1	UNICREDIT BANK AG	100.00	
297	HVB PROJEKT GMBH	MUNICH	1	HVB IMMOBILIEN AG	94.00	
	Issued Capital EURO 24,543,000			UNICREDIT BANK AG	6.00	
298	HVB REALTY CAPITAL INC. Issued Capital USD 1	NEW YORK	1	UNICREDIT U.S. FINANCE LLC	100.00	
299	HVB SECUR GMBH Issued Capital EURO 50,000	MUNICH	1	UNICREDIT GLOBAL BUSINESS SERVICES GMBH	100.00	
300	HVB TECTA GMBH	MUNICH	1	HVB IMMOBILIEN AG	94.00	
	Issued Capital EURO 1,534,000			UNICREDIT BANK AG	6.00	
301	HVB VERWA 1 GMBH Issued Capital EURO 51,200	MUNICH	1	UNICREDIT BANK AG	100.00	
302	HVB VERWA 4 GMBH Issued Capital EURO 26,000	MUNICH	1	UNICREDIT BANK AG	100.00	
303	HVB VERWA 4.4 GMBH Issued Capital EURO 25,000	MUNICH	1	HVB VERWA 4 GMBH	100.00	
304	HVB-LEASING AIDA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	

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	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS (2)
305	HVB-LEASING ATLANTIS INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
306	HVB-LEASING FIDELIO INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
307	HVB-LEASING FORTE INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
308	HVB-LEASING GARO KFT Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
309	HVB-LEASING HAMLET INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
310	HVB-LEASING JUPITER KFT Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
311	HVB-LEASING LAMOND INGATLANHASZNOSITO KFT. Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
312	HVB-LEASING MAESTOSO INGATLANHASZNOSITO KFT. Issued Capital HUF 3,100,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
313	HVB-LEASING NANO KFT Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
314	HVB-LEASING OTHELLO INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
315	HVB-LEASING ROCCA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
316	HVB-LEASING RUBIN KFT. Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
317	HVB-LEASING SMARAGD KFT. Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
318	HVB-LEASING SPORT INGATLANHASZNOSITO KOLATPOT FEOEOASSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
319	HVBFF INTERNATIONAL GREECE GMBH Issued Capital EURO 25,000	MUNICH	1	HVBFF INTERNATIONALE LEASING GMBH	100.00	
320	HVBFF INTERNATIONALE LEASING GMBH Issued Capital EURO 26,000	MUNICH	1	HVBFF OBJEKT BETEILIGUNGS GMBH	10.00	
				WEALTHCAP PEIA MANAGEMENT GMBH	90.00	
321	HVBFF OBJEKT BETEILIGUNGS GMBH Issued Capital EURO 25,000	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
322	HVBFF PRODUKTIONSHALLE GMBH I.L. Issued Capital EURO 26,000	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
323	HVZ GMBH & CO. OBJEKT KG	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
	Issued Capital EURO 148,090,766					
324	HYPO-BANK VERWALTUNGSZENTRUM GMBH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
	Issued Capital EURO 25,600					
325	HYPO-BANK VERWALTUNGSZENTRUM GMBH & CO. KG OBJEKT ARABELLASTRASSE	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
	Issued Capital EURO 25,600					
326	HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH & CO. IMMOBILIEN-VERMIETUNGS KG	MUNICH	1	HVB PROJEKT GMBH	80.00	
	Issued Capital EURO 7,669,500					
327	HYPOVEREINS IMMOBILIEN EOOD	SOFIA	1	UNICREDIT BULBANK AD	100.00	
	Issued Capital BGN 100,000					
328	HYPOVEREINSFINANCE N.V.	AMSTERDAM	1	UNICREDIT BANK AG	100.00	
	Issued Capital EURO 181,512					
329	I-FABER SPA	MILAN	1	UNICREDIT SPA	65.32	
	Issued Capital EURO 5,652,174					
330	IMMOBILIARE PATETTA SRL	ROME	1	COMPAGNIA ITALPETROLI S.P.A.	100.00	
	Issued Capital EURO 103,400					
331	IMMOBILIEN RATING GMBH	VIENNA	1	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	61.00	
	Issued Capital EURO 50,000			UNICREDIT BANK AUSTRIA AG	19.00	
				UNICREDIT LEASING (AUSTRIA) GMBH	19.00	
332	IMMOBILIENLEASING GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H.	74.80	75.00
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
333	INPROX CHOMUTOV, S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital CZK 100,000					
334	INPROX KLADNO, S.R.O.	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital CZK 100,000					
335	INPROX POPRAD, SPOL. S.R.O.	BRATISLAVA	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital EURO 6,639					
336	INPROX SR I., SPOL. S R.O.	BRATISLAVA	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital EURO 6,639					
337	INTERKONZUM DOO SARAJEVO	SARAJEVO	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital BAM 11,942,563					
338	INTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
	Issued Capital EURO 26,000			UNICREDIT BANK AG	6.15	
339	INTRO LEASING GESELLSCHAFT M.B.H.	VIENNA	1	PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
	Issued Capital EURO 36,336					

Part A – Accounting Policies

				OWNERSHIP RELATIONSHIP		
	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	HELD BY	HOLDING %	VOTING RIGHTS (2)
340	IPSE 2000 S.P.A. (IN LIQUIDAZIONE) Issued Capital EURO 12,500,000	ROME	1	UNICREDIT SPA	50.00	
341	ISB UNIVERSALE BAU GMBH Issued Capital EURO 6,288,890	BRANDENBURG	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
342	ISTRA D.M.C. DOO Issued Capital HRK 37,000	UMAG	1	ISTRATURIST UMAG, HOTELIJERSTVO TURIZAM I TURISTICKA AGENCIJA DD	100.00	
343	ISTRATURIST UMAG, HOTELIJERSTVO TURIZAM I TURISTICKA AGENCIJA DD Issued Capital HRK 467,499,500	UMAG	1	ZAGREBACKA BANKA D.D.	93.04	
344	IVONA BETEILIGUNGSVERWALTUNG GMBH Issued Capital EURO 18,168	VIENNA	1	BA IMMO GEWINNSCHEIN FONDS1	100.00	
345	JAUSERN-LEASING GESELLSCHAFT M.B.H. Issued Capital EURO 2,802,537	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
346	JOHA GEBAEUDE- ERRICHTUNGS- UND VERMIETUNGS- GESELLSCHAFT M.B.H. Issued Capital EURO 37,000	LEONDING	1	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	99.03	
347	KAISERWASSER BAU- UND ERRICHTUNGS GMBH UND CO OG	VIENNA	1	RAMSES-IMMOBILIENHOLDING GMBH	..	100.00
	Issued Capital EURO 36,336			UNICREDIT BANK AUSTRIA AG	99.80	0.00
348	KELLER CROSSING TEXAS L.P. Issued Capital USD 7,086,872	WILMINGTON	1	US PROPERTY INVESTMENTS INC.	100.00	
349	KINABALU FINANCIAL PRODUCTS LLP	LONDON	1	UNICREDIT BANK AG	100.00	99.90
	Issued Capital GBP 2,509,000			VERBA VERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG	..	0.10
350	KINABALU FINANCIAL SOLUTIONS LTD Issued Capital GBP 1,700,000	LONDON	1	UNICREDIT BANK AG	100.00	
351	KLEA ZS-IMMOBILIENVERMIETUNG G.M.B.H. Issued Capital EURO 36,336	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	100.00
352	KLEA ZS-LIEGENSCHAFTSVERMIETUNG G.M.B.H. Issued Capital EURO 36,336	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	100.00
353	KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H. Issued Capital EURO 44,000	VIENNA	1	CARD COMPLETE SERVICE BANK AG	100.00	
354	KUNSTHAUS LEASING GMBH	VIENNA	1	KUTRA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	5.00	
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
355	KUTRA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,337			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
356	LAGERMAX LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
357	LAGEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

				OWNERSHIP RELATIONSHIP		VOTING RIGHTS (2)
	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	HELD BY	HOLDING %	
358	LARGO LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
	Issued Capital EURO 36,500			VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.	98.80	99.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
359	LASSALLESTRASSE BAU-, PLANUNGS-, ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.00	100.00
	Issued Capital EURO 36,336					
360	LEASFINANZ BANK GMBH	VIENNA	1	BACA LEASING UND BETEILGUNGSMANAGEMENT GMBH	100.00	
	Issued Capital EURO 5,136,500					
361	LEASFINANZ GMBH	VIENNA	1	BACA LEASING UND BETEILGUNGSMANAGEMENT GMBH	100.00	
	Issued Capital EURO 672,053					
362	LEGATO LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
363	LELEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
364	LIFE MANAGEMENT ERSTE GMBH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
	Issued Capital EURO 25,000					
365	LIFE MANAGEMENT ZWEITE GMBH	GRUNWALD	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
	Issued Capital EURO 26,000					
366	LIFE SCIENCE I BETEILIGUNGS GMBH	MUNICH	1	HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG	100.00	
	Issued Capital EURO 25,000					
367	LINO HOTEL-LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
368	LIPARK LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
369	LIVA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 38,731			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
370	LLC UKROTSBUD	KIEV	1	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	99.00	
	Issued Capital UAH 31,000					
371	LOCALMIND SPA IN LIQUIDAZIONE	MILAN	1	UNICREDIT SPA	95.76	
	Issued Capital EURO 2,652,340					
372	LOCAT CROATIA DOO	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital HRK 39,000,000					
373	LTD SI&C AMC UKRSOTS REAL ESTATE	KIEV	1	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	99.99	
	Issued Capital UAH 7,000,000					

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
374	M. A. V. 7., BANK AUSTRIA LEASING BAUTRAGER GMBH & CO.OHG.	VIENNA	1	UNICREDIT LUNA LEASING GMBH	98.03	100.00
	Issued Capital EURO 3,707			VIA A TRUST COMPANY OUTSIDE THE GROUP	1.97	(4)
375	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	0.00
	Issued Capital EURO 1,000			TREUCONSULT PROPERTY BETA GMBH	0.00	100.00
376	M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H.	VIENNA	1	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	99.95	
	Issued Capital EURO 254,355			TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	0.05	
377	MARTIANEZ COMERCIAL, SOCIEDAD ANONIMA	PUERTO DE LA CRUZ	1	BF NINE HOLDING GMBH	99.96	
378	MBC IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
379	MC MARKETING GMBH Issued Capital EURO 300,000	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
380	MC RETAIL GMBH Issued Capital EURO 35,000	VIENNA	1	MC MARKETING GMBH	100.00	
381	MENUETT GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,337			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
382	MERIDIONALE PETROLI SRL Issued Capital EURO 4,000,000	VIBO VALENTIA	1	SOCIETA' DEPOSITI COSTIERI - SO.DE.CO. SRL	98.66	
383	MERKURHOF GRUNDSTUCKSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG Issued Capital EURO 5,112,918	MUNICH	1	UNICREDIT BANK AG	100.00	
384	MEZZANIN FINANZIERUNGS AG Issued Capital EURO 30,000,000	VIENNA	1	UNICREDIT BANK AUSTRIA AG	56.67	
385	MIK 2012 KARLATOLT FELELOSSEGU TARSAAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
386	MILLETERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH Issued Capital EURO 25,000	MUNICH	1	HVB IMMOBILIEN AG	100.00	
387	MM OMEGA PROJEKTENTWICKLUNGS GMBH	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 35,000			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
388	MOBILITY CONCEPT GMBH Issued Capital EURO 4,000,000	OBERHACHING	1	UNICREDIT LEASING GMBH	60.00	
389	MOC VERWALTUNGS GMBH & CO. IMMOBILIEN KG	MUNICH	4	HVB PROJEKT GMBH	23.00	(3)
390	MOGRA LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
391	MOVIE MARKET BETEILIGUNGS GMBH Issued Capital EURO 25,000	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
392	MY BETEILIGUNGS GMBH Issued Capital EURO 17,500	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
393	NAGE LOKALVERMIETUNGSGESELLSCHAFT M.B.H. Issued Capital EURO 36,500	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
394	NATA IMMOBILIEN-LEASING GESELLSCHAFT M.B.H. Issued Capital EURO 18,200	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	51.50	
				UNICREDIT LEASING (AUSTRIA) GMBH	6.00	
395	NF OBJEKT FFM GMBH Issued Capital EURO 25,000	MUNICH	1	HVB IMMOBILIEN AG	100.00	
396	NF OBJEKT MUNCHEN GMBH Issued Capital EURO 25,000	MUNICH	1	HVB IMMOBILIEN AG	100.00	
397	NF OBJEKTE BERLIN GMBH Issued Capital EURO 25,000	MUNICH	1	HVB IMMOBILIEN AG	100.00	
398	NO. HYPO LEASING ASTRICTA GRUNDSTUCKVERMIETUNGS GESELLSCHAFT M.B.H. Issued Capital EURO 36,337	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
399	NORDBAHNHOF BAUFELD ACHT PROJEKTENTWICKLUNG GMBH Issued Capital EURO 35,000	VIENNA	1	NORDBAHNHOF PROJEKTE HOLDING GMBH	100.00	
400	NORDBAHNHOF BAUFELD FUENF PROJEKTENTWICKLUNG GMBH Issued Capital EURO 35,000	VIENNA	1	NORDBAHNHOF PROJEKTE HOLDING GMBH	100.00	
401	NORDBAHNHOF BAUFELD SIEBEN PROJEKTENTWICKLUNG GMBH Issued Capital EURO 35,000	VIENNA	1	NORDBAHNHOF PROJEKTE HOLDING GMBH	100.00	
402	NORDBAHNHOF PROJEKTE HOLDING GMBH Issued Capital EURO 35,000	VIENNA	1	UNICREDIT BANK AUSTRIA AG	93.00	
403	NXP CO-INVESTMENT PARTNERS VIII L.P. Issued Capital EURO 185	LONDON	1	HVB CAPITAL PARTNERS AG	85.00	
404	OCEAN BREEZE ASSET GMBH & CO. KG Issued Capital EURO 2,000	MUNICH	1	OCEAN BREEZE ENERGY GMBH & CO. KG	100.00	
405	OCEAN BREEZE ENERGY GMBH & CO. KG Issued Capital EURO 2,000	MUNICH	1	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH	100.00	
406	OCEAN BREEZE FINANCE S.A. - COMPARTMENT 1	LUXEMBOURG	4	UNICREDIT BANK AG	..	(3)
407	OCEAN BREEZE GMBH Issued Capital EURO 25,000	MUNICH	1	OCEAN BREEZE ENERGY GMBH & CO. KG	100.00	
408	OCT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H Issued Capital EURO 36,500	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
409	OLG HANDELS- UND BETEILIGUNGSVERWALTUNGSGESELLSCHAFT M.B.H. Issued Capital EURO 36,336	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
410	OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT EGGENFELDENER STRASSE KG Issued Capital EURO 26,000	MUNICH	1	HVB IMMOBILIEN AG	94.00	
				UNICREDIT BANK AG	6.00	

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS (2)
411	OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT HAIDENAUPLATZ KG	MUNICH	1	HVB IMMOBILIEN AG	94.00	
	Issued Capital EURO 26,000			UNICREDIT BANK AG	6.00	
412	OOO UNICREDIT LEASING	MOSCOW	1	UNICREDIT LEASING S.P.A.	60.00	
	Issued Capital RUR 149,160,248			ZAO UNICREDIT BANK	40.00	
413	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH Issued Capital EURO 10,149,150	MUNICH	1	HVB PROJEKT GMBH	100.00	
414	OSI OFF-SHORE SERVICE INVEST GMBH Issued Capital EURO 25,000	HAMBURG	4	UNICREDIT BANK AG	..	(3)
415	OTHMARSCHEN PARK HAMBURG GMBH & CO. CENTERPARK KG	MUNICH	1	HVB PROJEKT GMBH	10.00	
	Issued Capital EURO 51,129			T & P FRANKFURT DEVELOPMENT B.V.	30.00	
				T & P VASTGOED STUTTGART B.V.	60.00	
416	OTHMARSCHEN PARK HAMBURG GMBH & CO. GEWERBEPARK KG	MUNICH	1	HVB PROJEKT GMBH	10.00	
	Issued Capital EURO 51,129			T & P FRANKFURT DEVELOPMENT B.V.	30.00	
				T & P VASTGOED STUTTGART B.V.	60.00	
417	OWS LOGISTIK GMBH Issued Capital EURO 1,000	EMDEN	4	OSI OFF-SHORE SERVICE INVEST GMBH	..	(3)
418	OWS NATALIA BEKKER GMBH & Co. KG Issued Capital EURO 12,500	EMDEN	4	OWS LOGISTIK GMBH	..	(3)
419	OWS OCEAN ZEPHYR GMBH & CO. KG Issued Capital EURO 6,000	EMDEN	4	OWS OFF-SHORE WIND SOLUTIONS GMBH	..	(3)
420	OWS OFF-SHORE WIND SOLUTIONS GMBH Issued Capital EURO 25,000	EMDEN	4	OSI OFF-SHORE SERVICE INVEST GMBH	..	(3)
421	OWS WINDLIFT 1 CHARTER GMBH & Co. KG Issued Capital EURO 1,000	EMDEN	4	OWS LOGISTIK GMBH	..	(3)
422	PALAIS ROTHSCHILD VERMIETUNGS GMBH & CO OG Issued Capital EURO 2,180,185	VIENNA	1	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
423	PARZHOF-ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.60	99.80
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	0.20	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
424	PEKAO BANK HIPOTECZNY S.A. Issued Capital PLN 223,000,000	WARSAW	1	BANK PEKAO SA	100.00	
425	PEKAO FAKTORING SP. ZOO Issued Capital PLN 50,587,900	LUBLIN	1	BANK PEKAO SA	100.00	
426	PEKAO FINANCIAL SERVICES SP. ZOO Issued Capital PLN 4,500,000	WARSAW	1	BANK PEKAO SA	100.00	
427	PEKAO FUNDUSZ KAPITALOWY SP. ZOO Issued Capital PLN 51,380,000	WARSAW	1	BANK PEKAO SA	100.00	
428	PEKAO LEASING HOLDING S.A.	WARSAW	1	BANK PEKAO SA	80.10	
	Issued Capital PLN 207,671,225			UNICREDIT LEASING S.P.A.	19.90	

				OWNERSHIP RELATIONSHIP		VOTING RIGHTS (2)
	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	HELD BY	HOLDING %	
429	PEKAO LEASING SP ZO.O.	WARSAW	1	BANK PEKAO SA	36.49	
	Issued Capital PLN 241,588,600			PEKAO LEASING HOLDING S.A.	63.51	
430	PEKAO PIONEER P.T.E. SA	WARSAW	1	BANK PEKAO SA	65.00	
	Issued Capital PLN 20,760,000			PIONEER GLOBAL ASSET MANAGEMENT SPA	35.00	
431	PEKAO PROPERTY SA	WARSAW	1	BANK PEKAO SA	100.00	
	Issued Capital PLN 35,300,000					
432	PEKAO TELECENTRUM SP. ZOO IN LIQUIDATION	WARSAW	1	BANK PEKAO SA	100.00	
	Issued Capital PLN 9,851,310					
433	PELOPS LEASING GESELLSCHAFT M.B.H.	VIENNA	1	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	99.80	100.00
	Issued Capital EURO 36,337			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
434	PENSIONSKASSE DER HYPO VEREINSBANK VVAG	MUNICH	4	UNICREDIT BANK AG	..	(3)
435	PERIKLES 20092 VERMOGENSVERWALTUNG GMBH	MUNICH	1	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH	100.00	
	Issued Capital EURO 25,000					
436	PESTSZENTIMREI SZAKORVOSI RENDELO KFT.	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued Capital HUF 3,000,000					
437	PETROLI INVESTIMENTI SPA	CIVITAVECCHIA	1	SOCIETA' DEPOSITI COSTIERI - SO.DE.CO. SRL	100.00	
	Issued Capital EURO 3,412,200					
438	PIANA LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
439	PIONEER ALTERNATIVE INVESTMENT MANAGEMENT (BERMUDA) LIMITED	HAMILTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
	Issued Capital USD 12,000					
440	PIONEER ALTERNATIVE INVESTMENT MANAGEMENT LTD	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
	Issued Capital EURO 1,032,000					
441	PIONEER ALTERNATIVE INVESTMENTS (ISRAEL) LTD	RAMAT GAN.	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
	Issued Capital ILS 50,000					
442	PIONEER ALTERNATIVE INVESTMENTS (NEW YORK) LTD	DOVER	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
	Issued Capital USD 1					
443	PIONEER ASSET MANAGEMENT AS	PRAGUE	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
	Issued Capital CZK 27,000,000					
444	PIONEER ASSET MANAGEMENT S.A.I. S.A.	BUCHAREST	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	97.42	
	Issued Capital RON 3,022,000			UNICREDIT TIRIAC BANK S.A.	2.58	
445	PIONEER ASSET MANAGEMENT SA	LUXEMBOURG	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
	Issued Capital EURO 10,000,000					
446	PIONEER FUNDS DISTRIBUTOR INC	BOSTON	1	PIONEER INVESTMENT MANAGEMENT INC	100.00	
	Issued Capital USD 2,060					
447	PIONEER GLOBAL ASSET MANAGEMENT SPA	MILAN	1	UNICREDIT SPA	100.00	
	Issued Capital EURO 1,219,463,434					

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	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS (2)
448	PIONEER GLOBAL FUNDS DISTRIBUTOR LTD Issued Capital EURO 12,900	HAMILTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
449	PIONEER GLOBAL INVESTMENTS (AUSTRALIA) PTY LIMITED Issued Capital AUD 3,980,000	SYDNEY	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
450	PIONEER GLOBAL INVESTMENTS (TAIWAN) LTD. Issued Capital TWD 70,000,000	TAIPEI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
451	PIONEER GLOBAL INVESTMENTS LIMITED Issued Capital EURO 752,500	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
452	PIONEER INSTITUTIONAL ASSET MANAGEMENT INC Issued Capital USD 1,000	WILMINGTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
453	PIONEER INVESTMENT COMPANY AS Issued Capital CZK 61,000,000	PRAGUE	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
454	PIONEER INVESTMENT FUND MANAGEMENT LIMITED Issued Capital HUF 100,000,000	BUDAPEST	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
455	PIONEER INVESTMENT MANAGEMENT INC Issued Capital USD 20,990	WILMINGTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
456	PIONEER INVESTMENT MANAGEMENT LIMITED Issued Capital EURO 1,032,912	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
457	PIONEER INVESTMENT MANAGEMENT LLC - UNDER LIQUIDATION	MOSCOW	1	PIONEER ASSET MANAGEMENT AS	1.00	
				PIONEER GLOBAL ASSET MANAGEMENT SPA	99.00	
458	PIONEER INVESTMENT MANAGEMENT SHAREHOLDER SERVICES INC. Issued Capital USD 1,000	BOSTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
459	PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ Issued Capital EURO 51,340,995	MILAN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
460	PIONEER INVESTMENT MANAGEMENT USA INC. Issued Capital USD 1	WILMINGTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
461	PIONEER INVESTMENTS (SCHWEIZ) GMBH Issued Capital CHF 20,000	ZURICH	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
462	PIONEER INVESTMENTS AUSTRIA GMBH Issued Capital EURO 5,000,000	VIENNA	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
463	PIONEER INVESTMENTS KAPITALANLAGEGESELLSCHAFT MBH Issued Capital EURO 6,500,000	MUNICH	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
464	PIONEER PEKAO INVESTMENT FUND COMPANY SA (POLISH NAME: PIONEER PEKAO TFI SA) Issued Capital PLN 37,804,000	WARSAW	1	PIONEER PEKAO INVESTMENT MANAGEMENT SA	100.00	
465	PIONEER PEKAO INVESTMENT MANAGEMENT SA Issued Capital PLN 28,914,000	WARSAW	1	BANK PEKAO SA	49.00	
				PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
466	PIRTA VERWALTUNGS GMBH Issued Capital EURO 2,067,138	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
467	PLANETHOME AG Issued Capital EURO 5,000,000	UNTERFOHRING	1	UNICREDIT BANK AG	100.00	
468	PLANETHOME GMBH Issued Capital EURO 235,800	MANNHEIM	1	PLANETHOME AG	100.00	
469	POLLUX IMMOBILIEN GMBH Issued Capital EURO 36,500	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	
470	POMINVEST DD Issued Capital HRK 17,434,000	SPLIT	1	ZAGREBACKA BANKA D.D.	88.66	88.95
471	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG Issued Capital EURO 500,013,550	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
472	PORTIA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG Issued Capital EURO 25,600	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
473	POSATO LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
474	PRELUDE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
475	PRIM Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
476	PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL Issued Capital UAH 877,000,000	KIEV	1	UNICREDIT BANK AUSTRIA AG	100.00	
477	PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H.	74.80	75.00
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
478	PROPERTY SP. Z.O.O. (IN LIQUIDAZIONE) Issued Capital PLN 10,004,000	WARSAW	1	BANK PEKAO SA	100.00	
479	PRVA STAMBENA STEDIONICA DD ZAGREB Issued Capital HRK 80,000,000	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
480	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	KIEV	1	PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL	48.40	
	Issued Capital UAH 1,941,163,772			UNICREDIT BANK AUSTRIA AG	50.17	50.18
481	PUBLIC JOINT STOCK COMPANY UNICREDIT BANK	KIEV	1	UNICREDIT SPA	100.00	
482	PURE FUNDING No 10 LTD	DUBLIN	4	UNICREDIT BANK AG	..	(3)

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS (2)
483	QUADEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
484	QUART Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
485	QUINT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
486	RAMSES IMMOBILIEN GESELLSCHAFT M.B.H. & CO OG	VIENNA	1	RAMSES-IMMOBILIENHOLDING GMBH	0.20	
				UNICREDIT BANK AUSTRIA AG	99.30	
487	RANA-LIEGENSCHAFTSVERWERTUNG GMBH Issued Capital EURO 72,700	VIENNA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	99.90	
488	REAL ESTATE MANAGEMENT POLAND SP. Z O.O. Issued Capital PLN 124,500	WARSAW	1	UNICREDIT LEASING S.P.A.	100.00	
489	REAL INVEST IMMOBILIEN GMBH Issued Capital EURO 36,400	VIENNA	1	M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H.	100.00	
490	REAL-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
491	REAL-RENT LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 73,000			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
492	REDSTONE MORTGAGES LIMITED Issued Capital GBP 100,000	LONDON		UNICREDIT BANK AG	100.00	
493	REGEV REALITATENVERWERTUNGSGESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 726,728			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
494	RHOTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
	Issued Capital EURO 26,000			UNICREDIT BANK AG	6.15	
495	RIGEL IMMOBILIEN GMBH Issued Capital EURO 36,500	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	
496	ROMA 2000 SRL Issued Capital EURO 5,200,000	ROME	1	COMPAGNIA ITALPETROLI S.P.A.	100.00	
497	RONCASA IMMOBILIEN-VERWALTUNGS GMBH Issued Capital EURO 256,000	MUNICH	1	HVB PROJEKT GMBH	90.00	
498	RONDO LEASING GMBH Issued Capital EURO 3,322,140	VIENNA	1	WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
499	ROSENKAVALIER 2008 GMBH	FRANKFURT	4	UNICREDIT BANK AG	..	(3)
500	ROYSTON LEASING LIMITED	GRAND CAYMAN	4	UNICREDIT BANK AG	..	(3)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
501	RSB ANLAGENVERMIETUNG GESELLSCHAFT M.B.H.	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued Capital EURO 36,337			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
502	SALOME FUNDING PLC	DUBLIN	4	UNICREDIT BANK AG	..	(3)
503	SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
	Issued Capital EURO 511,300					
504	SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. OHG SAARLAND	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
	Issued Capital EURO 1,533,900					
505	SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. OHG VERWALTUNGSZENTRUM	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	97.78	
	Issued Capital EURO 2,300,850			TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	2.22	
506	SANITA' - S.R.L. IN LIQUIDAZIONE	ROME	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	99.60	
	Issued Capital EURO 5,164,333					
507	SANTA ROSA S.R.L.	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
	Issued Capital EURO 5,164					
508	SAS-REAL INGATLANUEZEMELTETO ES KEZELO KFT (ENGL ISH :SAS-REAL KFT)	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
	Issued Capital HUF 750,000,000					
509	SCHOELLERBANK AKTIENGESELLSCHAFT	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital EURO 20,000,000					
510	SCHOELLERBANK INVEST AG	SALZBURG	1	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
	Issued Capital EURO 2,543,549					
511	SCHOTTENGASSE 6-8 IMMOBILIEN GMBH	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital EURO 10,000					
512	SCHOTTENGASSE 6-8 IMMOBILIEN GMBH UND CO OG	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital EURO 10,000					
513	SECA-LEASING GESELLSCHAFT M.B.H.	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	74.80	75.00
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
514	SEDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
515	SELFOSS BETEILIGUNGSGESELLSCHAFT MBH	GRUNWALD	1	HVB PROJEKT GMBH	100.00	
	Issued Capital EURO 25,000					
516	SEXT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
517	SIA UNICREDIT INSURANCE BROKER	RIGA	1	SIA UNICREDIT LEASING	100.00	
	Issued Capital LVL 10,600					
518	SIA UNICREDIT LEASING	RIGA	1	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital LVL 3,914,000					

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	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
519	SIGMA LEASING GMBH Issued Capital EURO 18,286	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	(4)
520	SIMON VERWALTUNGS-AKTIENGESELLSCHAFT I.L. Issued Capital EURO 2,556,459	MUNICH	1	UNICREDIT BANK AG	99.98	
521	SIRIUS IMMOBILIEN GMBH Issued Capital EURO 36,500	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	
522	SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH Issued Capital EURO 30,000	MUNICH	1	HVB PROJEKT GMBH	5.00	
				SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG	95.00	
523	SOCIETA' DEPOSITI COSTIERI - SO.DE.CO. SRL Issued Capital EURO 103,400	ROME	1	COMPAGNIA ITALPETROLI S.P.A.	100.00	
524	SOCIETA' DI GESTIONI ESATTORIALI IN SICILIA SO.G.E.SI. S.P.A. IN LIQ. Issued Capital EURO 36,151,500	PALERMO	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	80.00	
525	SOCIETA' ITALIANA GESTIONE ED INCASSO CREDITI S.P.A. IN LIQUIDAZIONE Issued Capital EURO 341,916	ROME	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	100.00	
526	SOCIETA' PETROLIFERA GIOIA TAURO SRL Issued Capital EURO 12,353,000	REGGIO CALABRIA	1	MERIDIONALE PETROLI SRL	49.00	
				SOCIETA' DEPOSITI COSTIERI - SO.DE.CO. SRL	51.00	
527	SOCIETA' VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L. Issued Capital EURO 108,500	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
528	SOFIGERE SOCIETE PAR ACTIONS SIMPLIFIEE Issued Capital EURO 40,000	PARIS	1	UNICREDIT SPA	100.00	
529	SOLARIS VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG Issued Capital EURO 31,187,620	MUNICH	1	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	94.90	
530	SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG Issued Capital EURO 35,800	MUNICH	1	HVB PROJEKT GMBH	100.00	
531	SONATA LEASING-GESELLSCHAFT M.B.H. Issued Capital EURO 36,336	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	(4)
532	SPECTRUM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued Capital EURO 36,336	VIENNA	1	WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
533	SPREE GALERIE HOTELBETRIEBSGESELLSCHAFT MBH Issued Capital EURO 511,300	MUNICH	1	ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH	100.00	
534	STATUS VERMOGENSVERWALTUNG GMBH Issued Capital EURO 102,258	SCHWERIN	1	UNICREDIT BANK AG	100.00	

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
535	STEWE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	24.00	
	Issued Capital EURO 36,337			UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	75.80	76.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
536	STRUCTURED INVEST SOCIETE ANONYME Issued Capital EURO 125,500	LUXEMBOURG	1	UNICREDIT BANK AG	100.00	
537	STRUCTURED LEASE GMBH Issued Capital EURO 250,000	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
538	SUVREMENE POSILOVNE KOMUNIKACIJE D.O.O Issued Capital HRK 1,110,000	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
539	SVIF UKRSOTSBUD	KIEV	4	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	..	(3)
540	T & P FRANKFURT DEVELOPMENT B.V. Issued Capital EURO 4,938,271	AMSTERDAM	1	HVB PROJEKT GMBH	100.00	
541	T & P VASTGOED STUTTGART B.V. Issued Capital EURO 10,769,773	AMSTERDAM	1	HVB PROJEKT GMBH	87.50	
542	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG Issued Capital EURO 920,400	MUNICH	1	HVB TECTA GMBH	75.00	
543	TERRONDA DEVELOPMENT B.V. Issued Capital EURO 1,252,433	AMSTERDAM	1	HVB PROJEKT GMBH	100.00	
544	TERZ Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
545	TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT Issued Capital EURO 6,240,000	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	99.67	
546	TRANSTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
	Issued Capital EURO 26,000			UNICREDIT BANK AG	6.15	
547	TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
548	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. Issued Capital EURO 365,000	VIENNA	1	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	100.00	
549	TREVI FINANCE N. 2 S.P.A. Issued Capital EURO 100,000	CONEGLIANO	1	UNICREDIT SPA	60.00	
550	TREVI FINANCE N. 3 S.R.L. Issued Capital EURO 10,000	CONEGLIANO	1	UNICREDIT SPA	60.00	
551	TREVI FINANCE S.P.A. Issued Capital EURO 103,200	CONEGLIANO	1	UNICREDIT SPA	60.00	

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
552	TRICASA GRUNDBESITZ GESELLSCHAFT MBH & CO. 1. VERMIETUNGS KG	MUNICH	1	HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH	..	
	Issued Capital EURO 6,979,476			ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	100.00	
553	TRICASA GRUNDBESITZGESELLSCHAFT DES BURGERLICHEN RECHTS NR. 1 Issued Capital EURO 13,687,271	MUNICH	1	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	100.00	
554	TRIESTE ADRIATIC MARITIME INITIATIVES SRL Issued Capital EURO 2,000,000	TRIESTE	3	UNICREDIT SPA	34.10	
555	TRINITRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG Issued Capital EURO 102,300	MUNICH	1	UNICREDIT BANK AG	100.00	
556	UCL NEKRETNINE D.O.O.	SARAJEVO	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	30.00	
	Issued Capital BAM 10,000			UNICREDIT LEASING (AUSTRIA) GMBH	70.00	
557	UCTAM BALTICS SIA Issued Capital LVL 2,941,646	RIGA	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
558	UCTAM BULGARIA EOOD Issued Capital BGN 20,000	SOFIA	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
559	UCTAM CZECH REPUBLIC SRO	PRAGUE	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	99.96	
	Issued Capital CZK 45,500,000			UNICREDIT TURN-AROUND MANAGEMENT GMBH	0.04	
560	UCTAM D.O.O. BEOGRAD Issued Capital RSD 564,070,470	BELGRADE	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
561	UCTAM RK LIMITED LIABILITY COMPANY Issued Capital KZT 5,000,000	ALMATY CITY	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
562	UCTAM RO S.R.L.	BUCHAREST	1	UCTAM BALTICS SIA	..	
	Issued Capital RON 2,428,750			UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
563	UCTAM RU LIMITED LIABILITY COMPANY	MOSCOW	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
	Issued Capital RUB 4,000,000			ZAO UNICREDIT BANK	..	
564	UCTAM UKRAINE LLC Issued Capital UAH 1,013,324	KIEV	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	99.99	
565	UCTAM UPRAVLJANJE D.O.O. Issued Capital EURO 7,500	LJUBLJANA	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
566	UFFICIUM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	KUTRA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	5.00	
	Issued Capital EURO 36,337			UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
567	UNI IT SRL Issued Capital EURO 1,000,000	TRENTO	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	51.00	

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
568	UNICOM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
569	UNICREDIT (CHINA) ADVISORY LIMITED	BEIJING	1	UNICREDIT BANK AG	100.00	
	Issued Capital CNY 826,410					
570	UNICREDIT AURORA LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
	Issued Capital EURO 219,000					
571	UNICREDIT AUTO LEASING E.O.O.D.	SOFIA	1	UNICREDIT LEASING EAD	100.00	
	Issued Capital BGN 2,205,830					
572	UNICREDIT BANK A.D. BANJA LUKA	BANJA LUKA	1	UNICREDIT BANK AUSTRIA AG	98.37	
	Issued Capital BAM 97,055,000					
573	UNICREDIT BANK AG	MUNICH	1	UNICREDIT SPA	100.00	
	Issued Capital EURO 2,407,151,016					
574	UNICREDIT BANK AUSTRIA AG	VIENNA	1	UNICREDIT SPA	99,99	
	Issued Capital EURO 1,681,033,521					
575	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA A.S.	PRAGUE	1	UNICREDIT BANK AUSTRIA AG	99.94	
	Issued Capital CZK 8,754,617,898					
576	UNICREDIT BANK D.D.	MOSTAR	1	UNICREDIT BANK AUSTRIA AG	30.14	24.29 (5)
	Issued Capital BAM 119,195,000			UNICREDIT SPA	3.27	3.28
				ZAGREBACKA BANKA D.D.	65.59	65.69
577	UNICREDIT BANK HUNGARY ZRT.	BUDAPEST	1	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital HUF 24,118,220,000					
578	UNICREDIT BANK IRELAND PLC	DUBLIN	1	UNICREDIT SPA	100.00	
	Issued Capital EURO 1,343,118,650					
579	UNICREDIT BANK SERBIA JSC	BELGRADE	1	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued Capital RSD 23,607,620,000					
580	UNICREDIT BANKA SLOVENIJA D.D.	LJUBLJANA	1	UNICREDIT BANK AUSTRIA AG	99.99	
	Issued Capital EURO 20,383,764					
581	UNICREDIT BETEILIGUNGS GMBH	MUNICH	1	UNICREDIT BANK AG	100.00	
	Issued Capital EURO 1,000,000					
582	UNICREDIT BPC MORTGAGE S.R.L.	VERONA	1	UNICREDIT SPA	60.00	
	Issued Capital EURO 12,000					
583	UNICREDIT BROKER DOO SARAJEVO ZA BROKERSKE POSLOVE U OSIGURANJU Issued Capital BAM 7,823	SARAJEVO	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	100.00	
584	UNICREDIT BROKER S.R.O.	BRATISLAVA	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	19.68	
	Issued Capital EURO 8,266			UNICREDIT LEASING SLOVAKIA A.S.	80.32	
585	UNICREDIT BULBANK AD	SOFIA	1	UNICREDIT BANK AUSTRIA AG	99.45	
	Issued Capital BGN 285,776,674			UNICREDIT SPA	..	
586	UNICREDIT BUSINESS INTEGRATED SOLUTIONS AUSTRIA GMBH	VIENNA	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	100.00	
	Issued Capital EURO 1,200,000					

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS (2)
587	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI Issued Capital EURO 237,523,160	MILAN	1	CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI	..	
				FINECOBANK SPA	..	
				PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ	..	
				UNICREDIT BANK AG	..	
				UNICREDIT FACTORING SPA	..	
				UNICREDIT SPA	100.00	
588	UNICREDIT BUSINESS PARTNER S.R.O. Issued Capital CZK 45,000,000	PRAGUE	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	100.00	
589	UNICREDIT CAIB POLAND S.A. Issued Capital PLN 225,141,851	WARSAW	1	UNICREDIT BANK AUSTRIA AG	100.00	
590	UNICREDIT CAIB ROMANIA SRL (IN LIQUIDAZIONE) Issued Capital RON 12,173,666	BUCHAREST	1	UNICREDIT BANK AUSTRIA AG	100.00	
591	UNICREDIT CAIB SECURITIES ROMANIA SA Issued Capital RON 13,490,893	BUCHAREST	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	80.02	
				UNICREDIT TIRIAC BANK S.A.	19.98	
592	UNICREDIT CAIB SECURITIES UK LTD. Issued Capital GBP 50,000	LONDON	1	UNICREDIT BANK AG	100.00	
593	UNICREDIT CAPITAL MARKETS LLC Issued Capital USD 100,100	NEW YORK	1	UNICREDIT U.S. FINANCE LLC	100.00	
594	UNICREDIT CENTER AM KAISERWASSER GMBH Issued Capital EURO 35,000	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
595	UNICREDIT CONSUMER FINANCING EAD Issued Capital BGN 2,800,000	SOFIA	1	UNICREDIT BULBANK AD	100.00	
596	UNICREDIT CONSUMER FINANCING IFN S.A. Issued Capital RON 103,269,200	BUCHAREST	1	UNICREDIT SPA	49.90	
				UNICREDIT TIRIAC BANK S.A.	50.10	
597	UNICREDIT CREDIT MANAGEMENT BANK SPA Issued Capital EURO 41,280,000	VERONA	1	UNICREDIT SPA	100.00	
598	UNICREDIT CREDIT MANAGEMENT IMMOBILIARE S.P.A. Issued Capital EURO 1,000,000	VERONA	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	100.00	
599	UNICREDIT DELAWARE INC Issued Capital USD 1,000	DOVER	1	UNICREDIT SPA	100.00	
600	UNICREDIT DIRECT SERVICES GMBH Issued Capital EURO 767,000	MUNICH	1	UNICREDIT BANK AG	100.00	
601	UNICREDIT FACTORING EAD Issued Capital BGN 1,000,000	SOFIA	1	UNICREDIT BULBANK AD	100.00	
602	UNICREDIT FACTORING SPA Issued Capital EURO 414,348,000	MILAN	1	UNICREDIT SPA	100.00	
603	UNICREDIT FLEET MANAGEMENT S.R.O. Issued Capital CZK 5,000,000	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
604	UNICREDIT FLEET MANAGEMENT S.R.O. Issued Capital EURO 6,639	BRATISLAVA	1	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
605	UNICREDIT FUGGETLEN BIZTOSITASKOZVETITO KFT Issued Capital HUF 5,000,000	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	25.20	
				UNICREDIT LEASING KFT	74.80	
606	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH Issued Capital EURO 14,383,206	VIENNA	1	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
607	UNICREDIT GLOBAL BUSINESS SERVICES GMBH Issued Capital EURO 1,525,600	UNTERFOHRING	1	UNICREDIT BANK AG	100.00	
608	UNICREDIT GLOBAL LEASING EXPORT GMBH Issued Capital EURO 11,745,607	VIENNA	1	UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH	100.00	
609	UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH Issued Capital EURO 7,476,432	VIENNA	1	UNICREDIT LEASING S.P.A.	100.00	
610	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH Issued Capital EURO 156,905	VIENNA	1	UNICREDIT LEASING S.P.A.	100.00	
611	UNICREDIT INGATLANLIZING ZRT Issued Capital HUF 80,000,000	BUDAPEST	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
612	UNICREDIT INSURANCE BROKER EOOD Issued Capital BGN 5,000	SOFIA	1	UNICREDIT LEASING EAD	100.00	
613	UNICREDIT INSURANCE BROKER SRL Issued Capital RON 25,000	BUCHAREST	1	ALLEGRO LEASING GESELLSCHAFT M.B.H.	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
614	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA Issued Capital EURO 10,000,000	LUXEMBOURG	1	UNICREDIT SPA	100.00	
615	UNICREDIT JELZALOGBANK ZRT. Issued Capital HUF 3,000,000,000	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
616	UNICREDIT KFZ LEASING GMBH Issued Capital EURO 648,265	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	100.00	
617	UNICREDIT LEASING (AUSTRIA) GMBH Issued Capital EURO 93,510,420	VIENNA	1	UNICREDIT LEASING S.P.A.	99.98	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.02	(4)
618	UNICREDIT LEASING AVIATION GMBH Issued Capital EURO 1,600,000	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
619	UNICREDIT LEASING CORPORATION IFN S.A. Issued Capital RON 41,144,990	BUCHAREST	1	UNICREDIT LEASING S.P.A.	80.00	
				UNICREDIT TIRIAC BANK S.A.	20.00	
620	UNICREDIT LEASING CROATIA D.O.O. ZA LEASING Issued Capital HRK 28,741,800	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
621	UNICREDIT LEASING CZ, A.S. Issued Capital CZK 226,000,000	PRAGUE	1	UNICREDIT LEASING S.P.A.	100.00	
622	UNICREDIT LEASING D.O.O. Issued Capital BAM 20,624,944	SARAJEVO	1	UNICREDIT LEASING S.P.A.	100.00	
623	UNICREDIT LEASING EAD Issued Capital BGN 2,605,000	SOFIA	1	UNICREDIT BULBANK AD	100.00	

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS (2)
624	UNICREDIT LEASING FINANCE GMBH Issued Capital EURO 17,580,000	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
625	UNICREDIT LEASING FLEET MANAGEMENT S.R.L. Issued Capital RON 680,000	BUCHAREST	1	UNICREDIT GLOBAL LEASING EXPORT GMBH	10.00	
				UNICREDIT LEASING S.P.A.	90.00	
626	UNICREDIT LEASING FUHRPARKMANAGEMENT GMBH Issued Capital EURO 364,000	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
627	UNICREDIT LEASING GMBH Issued Capital EURO 15,000,000	HAMBURG	1	UNICREDIT BANK AG	100.00	
628	UNICREDIT LEASING HUNGARY ZRT Issued Capital HUF 300,000,000	BUDAPEST	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	5.00	
				UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
629	UNICREDIT LEASING IMMOTRUCK ZRT. Issued Capital HUF 90,000,000	BUDAPEST	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	28.57	
				UNICREDIT LEASING (AUSTRIA) GMBH	71.43	
630	UNICREDIT LEASING KFT Issued Capital HUF 3,100,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
631	UNICREDIT LEASING LUNA KFT Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	80.00	
632	UNICREDIT LEASING MARS KFT Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	80.00	
633	UNICREDIT LEASING REAL ESTATE S.R.O. Issued Capital EURO 106,221	BRATISLAVA	1	UNICREDIT LEASING S.P.A.	100.00	
634	UNICREDIT LEASING ROMANIA S.A. Issued Capital RON 880,000	BUCHAREST	1	UNICREDIT LEASING S.P.A.	100.00	
				UNICREDIT TIRIAC BANK S.A.	..	
635	UNICREDIT LEASING S.P.A. Issued Capital EURO 410,131,062	BOLOGNA	1	UNICREDIT BANK AUSTRIA AG	31.01	
				UNICREDIT SPA	68.99	
636	UNICREDIT LEASING SLOVAKIA A.S. Issued Capital EURO 26,560,000	BRATISLAVA	1	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA A.S.	19.90	
				UNICREDIT LEASING CZ, A.S.	8.80	
				UNICREDIT LEASING S.P.A.	71.30	
637	UNICREDIT LEASING SRBIJA D.O.O. BEOGRAD Issued Capital RSD 693,877,000	BELGRADE	1	UNICREDIT LEASING S.P.A.	100.00	
638	UNICREDIT LEASING TECHNIKUM GMBH Issued Capital EURO 1,435,000	VIENNA	1	LEASFINANZ GMBH	99.80	100.00
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
639	UNICREDIT LEASING TOB Issued Capital UAH 5,083,582	KIEV	1	UNICREDIT LEASING S.P.A.	100.00	
640	UNICREDIT LEASING URANUS KFT Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	80.00	
641	UNICREDIT LEASING VERSICHERUNGSSERVICE GMBH & CO KG Issued Capital EURO 36,500	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
642	UNICREDIT LEASING, LEASING, D.O.O. Issued Capital EURO 8,299,658	LJUBLJANA	1	UNICREDIT BANKA SLOVENIJA D.D.	1.79	
				UNICREDIT LEASING S.P.A.	98.21	

				OWNERSHIP RELATIONSHIP		VOTING RIGHTS (2)
	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	HELD BY	HOLDING %	
643	UNICREDIT LONDON INVESTMENTS LIMITED Issued Capital EURO 100	LONDON	1	UNICREDIT BANK AG	100.00	
644	UNICREDIT LUNA LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
645	UNICREDIT LUXEMBOURG FINANCE SA Issued Capital EURO 350,000	LUXEMBOURG	1	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	100.00	
646	UNICREDIT LUXEMBOURG S.A. Issued Capital EURO 238,000,000	LUXEMBOURG	1	UNICREDIT BANK AG	100.00	
647	UNICREDIT MOBILIEN UND KFZ LEASING GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
648	UNICREDIT OBG S.R.L. Issued Capital EURO 10,000	VERONA	1	UNICREDIT SPA	60.00	
649	UNICREDIT PARTNER D.O.O	ZAGREB	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	20.00	
	Issued Capital HRK 200,000			UNICREDIT LEASING CROATIA D.O.O. ZA LEASING	80.00	
650	UNICREDIT PARTNER D.O.O BEOGRAD Issued Capital RSD 1,991,390	BELGRADE	1	ALLEGRO LEASING GESELLSCHAFT M.B.H.	100.00	
651	UNICREDIT PARTNER LLC Issued Capital UAH 53,557	KIEV	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	100.00	
652	UNICREDIT PEGASUS LEASING GMBH	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	74.80	75.00
	Issued Capital EURO 36,500			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
653	UNICREDIT POIJIST'OVACI MAKLERSKA SPOL. S R.O. Issued Capital CZK 510,000	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
654	UNICREDIT POLARIS LEASING GMBH	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
655	UNICREDIT RENT D.O.O. BEOGRAD Issued Capital RSD 43,500	BELGRADE	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
656	UNICREDIT TECHRENT LEASING GMBH	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.00	
	Issued Capital EURO 36,336			UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
657	UNICREDIT TIRIAC BANK S.A.	BUCHAREST	1	ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H.	0.01	
	Issued Capital RON 1,101,604,066			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.	..	

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	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
658	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH Issued Capital EURO 750,000	VIENNA	1	UNICREDIT TURN-AROUND MANAGEMENT GMBH	100.00	
659	UNICREDIT TURN-AROUND MANAGEMENT GMBH Issued Capital EURO 72,673	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
660	UNICREDIT U.S. FINANCE LLC Issued Capital USD 130	WILMINGTON	1	UNICREDIT BANK AG	100.00	
661	UNICREDIT ZAVAROVALNO ZASTOPINSKA DRUZBA DOO Issued Capital EURO 40,000	LJUBLJANA	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	100.00	
662	UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
663	UNICREDIT-LEASING HOSPES KFT Issued Capital HUF 1,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
664	UNICREDIT-LEASING NEPTUNUS KFT Issued Capital HUF 3,010,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	96.35	
665	UNICREDIT-LEASING ORION INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG Issued Capital HUF 3,000,000	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
666	UNICREDITO ITALIANO CAPITAL TRUST III Issued Capital EURO 1,000	NEWARK	1	UNICREDITO ITALIANO FUNDING LLC III	100.00	
667	UNICREDITO ITALIANO CAPITAL TRUST IV Issued Capital GBP 1,000	NEWARK	1	UNICREDITO ITALIANO FUNDING LLC IV	100.00	
668	UNICREDITO ITALIANO FUNDING LLC III Issued Capital EURO 1,000	WILMINGTON	1	UNICREDIT SPA	100.00	
669	UNICREDITO ITALIANO FUNDING LLC IV Issued Capital GBP 1,000	WILMINGTON	1	UNICREDIT SPA	100.00	
670	UNIVERSALE INTERNATIONAL REALITAETEN GMBH Issued Capital EURO 32,715,000	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
671	US PROPERTY INVESTMENTS INC. Issued Capital USD 100,000	DALLAS	1	UNICREDIT BANK AG	100.00	
672	V.M.G. VERMIETUNGSGESELLSCHAFT MBH Issued Capital EURO 25,564	MUNICH	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
673	VANDERBILT CAPITAL ADVISORS LLC	WILMINGTON	1	PIONEER INSTITUTIONAL ASSET MANAGEMENT INC	100.00	
674	VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued Capital EURO 431,630			UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
675	VERBA VERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG Issued Capital EURO 1,023,000	MUNICH	1	UNICREDIT BANK AG	100.00	

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
676	VERMIETUNGSGESELLSCHAFT MBH & CO OBJEKT MOC KG	MUNICH	1	HVB IMMOBILIEN AG	88.00	87.94
	Issued Capital EURO 48,728,161			LANDOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	0.06
677	VERWALTUNGSGESELLSCHAFT KATHARINENHOF MBH Issued Capital EURO 511,291	MUNICH	1	UNICREDIT BANK AG	100.00	
678	VIENNA DC BAUTRAEGER GMBH Issued Capital EURO 18,168	VIENNA	1	WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT	100.00	
679	VIENNA DC TOWER 1 LIEGENSCHAFTSBESITZ GMBH Issued Capital EURO 17,500	VIENNA	1	WED DONAU-CITY GESELLSCHAFT M.B.H.	100.00	
680	VIENNA DC TOWER 2 LIEGENSCHAFTSBESITZ GMBH Issued Capital EURO 17,500	VIENNA	1	WED DONAU-CITY GESELLSCHAFT M.B.H.	100.00	
681	VILLINO PACELLI SRL Issued Capital EURO 41,600	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
682	VISCONTI SRL Issued Capital EURO 3,000,000	MILAN	1	UNICREDIT SPA	84.71	
683	VUWB INVESTMENTS INC. Issued Capital USD 10,000	ATLANTA	1	WEALTHCAP FONDS GMBH	100.00	
684	WEALTH CAPITAL INVESTMENT INC. Issued Capital USD 312,000	WILMINGTON	1	WEALTHCAP FONDS GMBH	100.00	
685	WEALTH MANAGEMENT CAPITAL HOLDING GMBH Issued Capital EURO 26,000	MUNICH	1	UNICREDIT BANK AG	100.00	
686	WEALTHCAP EQUITY GMBH Issued Capital EURO 500,000	MUNICH	1	WEALTHCAP INITIATOREN GMBH	100.00	
687	WEALTHCAP EQUITY MANAGEMENT GMBH Issued Capital EURO 25,000	MUNICH	1	WEALTHCAP EQUITY GMBH	100.00	
688	WEALTHCAP FONDS GMBH Issued Capital EURO 512,000	MUNICH	1	WEALTHCAP INITIATOREN GMBH	100.00	
689	WEALTHCAP INITIATOREN GMBH Issued Capital EURO 1,533,875	MUNICH	1	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
690	WEALTHCAP INVESTORENBETREUUNG GMBH Issued Capital EURO 60,000	MUNICH	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
691	WEALTHCAP LEASING GMBH Issued Capital EURO 25,000	GRUNWALD	1	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
692	WEALTHCAP PEIA KOMPLEMENTAR GMBH Issued Capital EURO 26,000	GRUNWALD	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
693	WEALTHCAP PEIA MANAGEMENT GMBH	MUNICH	1	UNICREDIT BANK AG	6.00	
	Issued Capital EURO 1,023,000			WEALTH MANAGEMENT CAPITAL HOLDING GMBH	94.00	
694	WEALTHCAP REAL ESTATE MANAGEMENT GMBH Issued Capital EURO 60,000	MUNICH	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
695	WEALTHCAP STIFTUNGSTREUHAND GMBH Issued Capital EURO 25,000	MUNICH	1	WEALTHCAP FONDS GMBH	100.00	
696	WEALTHCAP USA IMMOBILIEN VERWALTUNGS GMBH Issued Capital EURO 25,000	MUNICH	1	WEALTHCAP FONDS GMBH	100.00	
697	WED DONAU-CITY GESELLSCHAFT M.B.H. Issued Capital EURO 726,728	VIENNA	1	WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT	100.00	
698	WED HOLDING GESELLSCHAFT M.B.H. Issued Capital EURO 72,673	VIENNA	1	UNICREDIT BANK AUSTRIA AG	53.83	
699	WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT	VIENNA	1	UNICREDIT BANK AUSTRIA AG	38.00	
	Issued Capital EURO 3,634,368			WED HOLDING GESELLSCHAFT M.B.H.	62.00	
700	WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 3,322,141			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
701	Z LEASING ALFA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
702	Z LEASING ARKTUR IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
703	Z LEASING AURIGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
704	Z LEASING CORVUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
705	Z LEASING DORADO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	CALG GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
706	Z LEASING DRACO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
707	Z LEASING GAMA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
708	Z LEASING GEMINI IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
709	Z LEASING HEBE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GEBAUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
710	Z LEASING HERCULES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
711	Z LEASING IPSILON IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
712	Z LEASING ITA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
713	Z LEASING JANUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
714	Z LEASING KALLISTO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 263,958			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
715	Z LEASING KAPA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
716	Z LEASING LYRA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
717	Z LEASING NEREIDE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
718	Z LEASING OMEGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	CALG DELTA GRUNDSTUCKVERWALTUNG GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
719	Z LEASING PERSEUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued Capital EURO 16,134,987	VIENNA	1	BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH	100.00	
720	Z LEASING SCORPIUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
721	Z LEASING TAURUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	99.80	100.00
	Issued Capital EURO 73,000			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
722	Z LEASING VENUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
723	Z LEASING VOLANS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued Capital EURO 36,500			VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
724	ZABA PARTNER DOO ZA POSREDOVANJE U OSIGURANJU I REOSIGURANJU Issued Capital HRK 1,500,000	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
725	ZAGREB NEKRETNINE DOO Issued Capital HRK 5,000,000	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
726	ZAGREBACKA BANKA D.D. Issued Capital HRK 6,404,839,100	ZAGREB	1	UNICREDIT BANK AUSTRIA AG	84.48	
727	ZANE BH DOO Issued Capital BAM 131,529	SARAJEVO	1	ZAGREB NEKRETNINE DOO	100.00	

Part A – Accounting Policies

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
728	ZAO LOCAT LEASING RUSSIA Issued Capital RUR 107,000,000	MOSCOW	1	OOO UNICREDIT LEASING	100.00	
729	ZAO UNICREDIT BANK Issued Capital RUR 41,787,805,174	MOSCOW	1	UNICREDIT BANK AUSTRIA AG	100.00	
730	ZAPADNI TRGOVACKI CENTAR D.O.O. Issued Capital HRK 20,000	RIJEKA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
731	ZB INVEST DOO Issued Capital HRK 4,000,000	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
732	ZETA FUENF HANDELS GMBH Issued Capital EURO 17,500	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 Issued Capital HRK 20,000	ZAGREB	7	HYPO-BA LEASING SUD GMBH	50.00	
2	FIDES LEASING GMBH Issued Capital EURO 57,229	VIENNA	7	CALG ANLAGEN LEASING GMBH	50.00	
3	HYBA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRTNINAMA Issued Capital HRK 1,000,000	ZAGREB	7	HYPO-BA LEASING SUD GMBH	50.00	
4	HYPO-BA LEASING SUD GMBH Issued Capital EURO 36,500	KLAGENFURT	7	UNICREDIT LEASING S.P.A.	50.00	
5	HYPO-BA PROJEKT, FINANCIRANJE D.O.O. Issued Capital EURO 8,763	LJUBLJANA	7	HYPO-BA LEASING SUD GMBH	50.00	
6	HYPO-BA ZAGREB D.O.O. ZA POSLOVANJE NEKRETNINAMA Issued Capital HRK 20,000	ZAGREB	7	HYPO-BA LEASING SUD GMBH	50.00	
7	INPROX LEASING, NEPREMICNINE, D.O.O. Issued Capital EURO 8,763	LJUBLJANA	7	HYPO-BA LEASING SUD GMBH	50.00	
8	INPROX OSIJEK D.O.O. Issued Capital HRK 100,000	ZAGREB	7	HYPO-BA LEASING SUD GMBH	50.00	
9	KOC FINANSAL HIZMETLER AS Issued Capital TRY 3,093,741,012	ISTANBUL	7	UNICREDIT BANK AUSTRIA AG	50.00	
10	MONTREAL NEKRETNINE D.O.O. Issued Capital HRK 12,933,200	ZAGREB	7	HYPO-BA LEASING SUD GMBH	50.00	
11	ORBIT ASSET MANAGEMENT LIMITED Issued Capital USD 12,000	HAMILTON	7	PIONEER ALTERNATIVE INVESTMENT MANAGEMENT (BERMUDA) LIMITED	50.00	
12	STICHTING CUSTODY SERVICES YKB Issued Capital EURO 125,000	AMSTERDAM	7	YAPI KREDI BANK NEDERLAND N.V.	40.90	
13	SYNERGA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNIN-AMA Issued Capital HRK 20,000	ZAGREB	7	HYPO-BA LEASING SUD GMBH	50.00	
14	TASFIYE HALINDE YAPI KREDI B TIPI YATIRIM ORTAKLIGI A.S. Issued Capital TRY 38,859,306	ISTANBUL	7	YAPI VE KREDI BANKASI AS	39.00	

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
15	UNICREDIT MENKUL DEGERLER AS	ISTANBUL	7	KOC FINANSAL HIZMETLER AS	50.00	
	Issued Capital TRY 10,603,279			YAPI KREDI FINANSAL KIRALAMA AO	..	
16	YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY	BAKU	7	YAPI KREDI FINANSAL KIRALAMA AO	0.04	
	Issued Capital AZN 47,325,904			YAPI KREDI YATIRIM MENKUL DEGERLER AS	0.04	
				YAPI VE KREDI BANKASI AS	40.82	
17	YAPI KREDI BANK MOSCOW	MOSCOW	7	YAPI KREDI FINANSAL KIRALAMA AO	0.07	
	Issued Capital USD 30,760,000			YAPI VE KREDI BANKASI AS	40.83	
18	YAPI KREDI BANK NEDERLAND N.V.	AMSTERDAM	7	YAPI KREDI HOLDING BV	13.40	
	Issued Capital EURO 48,589,110			YAPI VE KREDI BANKASI AS	27.50	
19	YAPI KREDI DIVERSIFIED PAYMENT RIGHTS FINANCE	GEORGE TOWN	7	YAPI VE KREDI BANKASI AS	40.90	(3)
	Issued Capital USD 1,000					
20	YAPI KREDI FAKTORING AS	ISTANBUL	7	YAPI KREDI FINANSAL KIRALAMA AO	..	
	Issued Capital TRY 75,183,837			YAPI VE KREDI BANKASI AS	40.88	
21	YAPI KREDI FINANSAL KIRALAMA AO	ISTANBUL	7	YAPI VE KREDI BANKASI AS	40.90	
	Issued Capital TRY 389,927,705					
22	YAPI KREDI HOLDING BV	AMSTERDAM	7	YAPI VE KREDI BANKASI AS	40.90	
	Issued Capital EURO 59,000,000					
23	YAPI KREDI INVEST LIMITED LIABILITY COMPANY	BAKU	7	YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY	40.90	
	Issued Capital AZN 75,000					
24	YAPI KREDI PORTFOEY YOENETIMI AS	ISTANBUL	7	YAPI KREDI YATIRIM MENKUL DEGERLER AS	35.71	
	Issued Capital TRY 5,860,131			YAPI VE KREDI BANKASI AS	5.17	
25	YAPI KREDI YATIRIM MENKUL DEGERLER AS	ISTANBUL	7	YAPI KREDI FINANSAL KIRALAMA AO	..	
	Issued Capital TRY 197,682,787			YAPI VE KREDI BANKASI AS	40.89	
26	YAPI VE KREDI BANKASI AS	ISTANBUL	7	KOC FINANSAL HIZMETLER AS	40.90	
	Issued Capital TRY 4,298,165,828					

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) 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.
(5) The equity investment in Unicredit Bank D.D. is consolidated at 99% by virtue of UniCredit S.p.A.'s and Zagrebacka Banka D.D's.direct shareholdings, Unicredit Bank Austria AG's direct shareholding of 24.40% and its option on minority interests representing 5.74% of the share capital.
(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.

Part A – Accounting Policies

Changes in the scope of consolidation

Fully consolidated entities, including the Parent Company, decreased from 737 at December 31, 2012 to 732 at December 31, 2013 (-5 entities).
The number of **proportionately** consolidated entities,decreased from 30 at December 31, 2012 to 26 at December 31, 2013.

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	**737**
B. Increased by	**42**
B.1 Newly established companies	3
B.2 Change of the consolidation method	3
B.3 Entities consolidated for the first time in 2013	36
C. Reduced by	**47**
C.1 Disposal	25
C.2 Change of the consolidation method	3
C.3 Absorption by other Group entities	19
D. Closing balance	**732**

Details of 2013 increases or reductions are presented below:

Increases

Newly established companies

COMPANY NAME	MAIN OFFICE
SCHOTTENGASSE 6-8 IMMOBILIEN GMBH	VIENNA
SCHOTTENGASSE 6-8 IMMOBILIEN GMBH UND CO OG	VIENNA
ZABA PARTNER DOO ZA POSREDOVANJE U OSIGURANJU I REOSIGURANJU	ZAGABRIA

The table above shows companies belonging to the sub-group Bank Austria.

Change of the consolidation method

COMPANY NAME	MAIN OFFICE
UNICREDIT CENTER AM KAISERWASSER GMB	VIENNA
BAVARIA SERVICOS DE REPRESENTACAO COMERCIAL LTDA.	SAO PAULO
BUCHSTEIN IMMOBILIENVERWALTUNG GMBH UND CO OG	VIENNA

The table above shows companies transferred from item 100. Investments in non-consolidated subsidiaries to Investments in fully consolidated subsidiaries.

Entities consolidated for the first time in 2013

COMPANY NAME	MAIN OFFICE	COMPANY NAME	MAIN OFFICE
VISCONTI SRL	MILAN	GELDILUX-TS-2013 S.A.	LUXEMBOURG
AMBASSADOR PARC DEDINJE D.O.O. BEOGRAD	BELGRADE	VERMIETUNGSGESELLSCHAFT MBH & CO OBJEKT MOC KG	MUNICH
PURE FUNDING No 10 LTD	DUBLIN	EUROPEYE SRL	ROME
ELEKTRA PURCHASE No. 24 LTD	DUBLIN	ELEKTRA PURCHASE No. 17 S.A. - COMPARTMENT 2	LUXEMBOURG
ELEKTRA PURCHASE No. 28 LTD	DUBLIN	ELEKTRA PURCHASE No. 911 LTD	ST. HELIER
ELEKTRA PURCHASE No. 23 LTD	DUBLIN	ELEKTRA PURCHASE No. 31 LTD	DUBLIN
NORDBAHNHOF PROJEKTE HOLDING GMBH	VIENNA	NORDBAHNHOF BAUFELD SIEBEN PROJEKTENTWICKLUNG GMBH	VIENNA
NORDBAHNHOF BAUFELD ACHT PROJEKTENTWICKLUNG GMBH	VIENNA	NORDBAHNHOF BAUFELD FUNF PROJEKTENTWICKLUNG GMBH	VIENNA
BF NINE HOLDING GMBH	VIENNA	PIONEER INVESTMENTS (SCHWEIZ) GMBH	ZURICH
BARD SCHIFFSBETRIEBSGESELLSCHAT MBH & Co. NATALIE KG	EMDEN	CUXHAVEN STEEL CONSTRUCTION GMBH	CUXHAVEN
BARD HOLDING GMBH	EMDEN	ALEXANDA GV GMBH & Co. VERMIETUNGS KG	WIESBADEN
BARD ENGINEERING GMBH	EMDEN	BARD PHONIX VERWALTUNGS GMBH	EMDEN
BUITENGAATS HOLDING B.V.	EEMSHAVEN	OSI OFF-SHORE SERVICE INVEST GMBH	AMBURGO
BARD EMDEN ENERGY GMBH & Co. KG	EMDEN	OWS OFF-SHORE WIND SOLUTIONS GMBH	EMDEN
BARD BUILDING GMBH & Co. KG	EMDEN	OWS LOGISTIK GMBH	EMDEN
BARD SERVICE GMBH	EMDEN	OWS NATALIA BEKKER GMBH & Co. KG	EMDEN
BARD LOGISTIK GMBH	EMDEN	OWS WINDLIFT 1 CHARTER GMBH & Co. KG	EMDEN
BARD NEARSHORE HOOKSIEL GMBH	EMDEN	OWS OCEAN ZEPHYR GMBH & CO. KG	EMDEN

Entities consolidated for the first time relate to new companies that were acquired/became operational during 2013.
Entities consolidated for the first time also include some SPVs, consolidated in accordance with SIC 12:

- SPVs, Geldilux-TS-2013 SA and Pure Funding No. 10 LTD;
- 18 SPVs belonging to the subgroup BARD Energy.

Purchase companies: Elektra Purchase No. 17 S.A. – Compartment 2, Elektra Purchase No. 24 LTD, Elektra Purchase No. 28 LTD and Elektra Purchase No. 23 LTD, which were consolidated through Arabella Finance Ltd. and are now consolidated individually. The new SPVs Elektra Purchase No. 911 LTD and Elektra Purchase No. 31 LTD are also included.

Reductions

Disposal

COMPANY NAME	MAIN OFFICE
LOWES LIMITED IN LIQUIDATION	NICOSIA
EK MITTELSTANDSFINANZIERUNGS AG	VIENNA
ATF CAPITAL B.V.	ROTTERDAM
ATF INKASSATSIYA LTD	ALMATY CITY
BLACK FOREST FUNDING LLC	DOVER
AUTOGYOR INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST
HVB-LEASING ZAFIR KFT	BUDAPEST
BACA-LEASING NERO INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST
CJSC BANK SIBIR	OMSK CITY
HVB ALTERNATIVE ADVISORS LLC	WILMINGTON
ANI LEASING IFN S.A.	BUCHAREST
HVB CAPITAL LLC VI	WILMINGTON
UNICREDIT CAIB HUNGARY PRIVATE LTD UNDER VOLUNTARY LIQUIDATION	BUDAPEST

COMPANY NAME	MAIN OFFICE
GELDILUX-TS-2007 S.A.	LUXEMBOURG
JSC ATF BANK	ALMATY CITY
UNICREDIT BANK OJSC	BISHKEK
ATF FINANCE JSC	ALMATY CITY
LIMITED LIABILITY COMPANY AI LINE	MOSCOW
HVB-LEASING DANTE INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST
BACA-LEASING URSUS INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST
UNICREDIT-LEASING SATURNUS KFT	BUDAPEST
UNICREDIT CAIB SERBIA LTD. BELGRADE IN LIQUIDATION	BELGRADE
UNICREDIT SECURITIES INTERNATIONAL LIMITED IN LIQUIDATION	NICOSIA
CLOSED JOINT-STOCK COMPANY UNICREDIT SECURITIES IN LIQ	MOSCOW
HVB GLOBAL ASSETS COMPANY L.P.	DOVER

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

Change of the consolidation method

COMPANY NAME	MAIN OFFICE
CBD INTERNATIONAL SP.ZO.O.	WARSAW
UNICREDIT MERCHANT PARTNERS GMBH	MUNICH

COMPANY NAME	MAIN OFFICE
INTERNATIONALES IMMOBILIEN-INSTITUT GMBH	MUNICH

The changes in the consolidation method of CBD INTERNATIONAL SP.ZO.O. and Unicredit Merchant Partners GMBH are due to the reclassification from Investments in fully consolidated subsidiaries to item 100. Investments in entities subject to significant influence valued at Net Equity, while the company Internationales Immobilien-Institut GmbH is no longer a subsidiary as a result of a partial sale to third parties.

Absorption by other Group entities

COMPANY NAME OF THE MERGERD ENTITY	MAIN OFFICE		COMPANY NAME OF THE TAKING IN ENTITY	MAIN OFFICE
UNICREDIT MERCHANT S.P.A.	ROME	>>>	UNICREDIT SPA	ROME
UNICREDIT AUDIT SOCIETA' CONSORTILE PER AZIONI	MILAN	>>>	UNICREDIT SPA	ROME
UNIMANAGEMENT SCRL	TORINO	>>>	UNICREDIT SPA	ROME
UNICREDIT LOGISTICS SRL	VERONA	>>>	UNICREDIT SPA	ROME
DOMUS FACILITY MANAGEMENT GMBH	VIENNA	>>>	UNICREDIT BUSINESS INTEGRATED SOLUTIONS AUSTRIA GMBH	VIENNA
METROPOLIS SP. ZO.O.	WARSAW	>>>	PEKAO PROPERTY SA	WARSAW
JANA KAZIMIERZA DEVELOPMENT SP.Z.O.O.	WARSAW	>>>	PEKAO PROPERTY SA	WARSAW
UNICREDIT CAIB SLOVAKIA A.S.	LJUBLJANA	>>>	UNICREDIT BANK SLOVAKIA A.S.	BRATISLAVA
ESPERTI IN MEDIAZIONE SRL	VERONA	>>>	UNICREDIT CREDIT MANAGEMENT BANK SPA	VERONA
HVB EXPERTISE GMBH	MUNICH	>>>	UNICREDIT BANK AG	MUNICH
HVB LEASING MAX INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	>>>	UNICREDIT-LEASING ORION INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST
CA-LEASING YPSILON INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	>>>	UNICREDIT-LEASING ORION INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST
PAZONYI'98 INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST	>>>	UNICREDIT-LEASING ORION INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST
S.I.P.I.C. - SOCIETA' INDUSTRIALE PETROLIFERA ITALIA CENTRALE SRL	ROME	>>>	SOCIETA' DEPOSITI COSTIERI - SO.DE.CO. SRL	ROME
SOCIETA ' SPORTIVA TORREVECCHIA SRL	ROME	>>>	COMPAGNIA FONDIARIA ROMANA - SOCIETA' A RESPONDABILITA' LIMITATA	ROME
IMMOBILIARE TABACCAIA SRL	MASSA MARITTIMA	>>>	BORGO DI PEROLLA SRL	MASSA MARITTIMA
UNICREDIT BANK SLOVAKIA A.S.	BRATISLAVA	>>>	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA A.S.	PRAGA
UNICREDIT CAIB SLOVENIJA, D.O.O.	LJUBLJANA	>>>	UNICREDIT BANKA SLOVENIJA D.D.	LJUBLJANA
INFISSER SRL	ROME	>>>	IMMOBILIARE PATETTA SRL	ROME

Part A – Accounting Policies

The following table shows the Entities which changed their company name in 2013.

Entities line by line which changed the company name during 2013

COMPANY NAME	MAIN OFFICE
PIONEER INVESTMENT MANAGEMENT LLC - UNDER LIQUIDATION (ex. PIONEER INVESTMENT MANAGEMENT LLC)	MOSCOW
GENERAL LOGISTIC SOLUTIONS (ex. INTEREUROPA-EAST LTD)	MOSCOW
LOCALMIND SPA IN LIQUIDAZIONE (ex. LOCALMIND SPA)	MILAN
COMPAGNIA FONDIARIA ROMANA - SOCIETA' A RESPONDABILITA' LIMITATA (ex. COMPAGNIA FONDIARIA ROMANA (C.F.R.) SRL)	ROME
CAMPO DI FIORI S.R.L. (ex. CAMPO DI FIORI SAS)	ROME
KELLER CROSSING TEXAS L.P. (Ex.KELLER CROSSING L.P.)	WILMINGTON
UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA A.S. (Ex. UNICREDIT BANK CZECH REPUBLIC A.S.)	PRAGUE
PEKAO TELECENTRUM SP. ZOO IN LIQUIDATION (ex. PEKAO TELECENTRUM SP. ZOO)	WARSAW
HVB LEASING EOOD (ex. HVB LEASING OOD)	SOFIA

COMPANY NAME	MAIN OFFICE
UNICREDIT CAIB ROMANIA SRL (IN LIQUIDAZIONE) (ex. UNICREDIT CAIB ROMANIA SRL)	BUCHAREST
EUROFINANCE 2000 SRL (IN LIQUIDAZIONE) (ex. EUROFINANCE 2000 SRL)	ROME
CORIT - CONCESSIONARIA RISCOSSIONE TRIBUTI S.P.A. IN LIQUIDAZIONE (ex. CO.RI.T. S.P.A. IN LIQUIDAZIONE)	ROME
SANTA ROSA S.R.L. (ex.SANTA ROSA SAS)	ROME
HVB ASIA LIMITED (IN LIQUIDATION) (ex.HVB ASIA LIMITED)	SINGAPORE
UNICREDIT MOBILIEN UND KFZ LEASING GMBH (ex. SHS LEASING GMBH)	VIENNA
BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH (ex. BANK AUSTRIA REAL INVEST GMBH)	VIENNA
UNICREDIT LEASING EAD (ex. UNICREDIT LEASING AD)	SOFIA
UNICREDIT CONSUMER FINANCING EAD (ex. UNICREDIT CONSUMER FINANCING AD)	SOFIA

Proportionately consolidated companies

The number of **proportionately** consolidated entities,decreased from 30 at December 31, 2012 to 26 at December 31, 2013.

Investments in joint ventures (recognized using proportionate	Number of companies
A. Opening balance	**30**
B. Increased by	**-**
B.1 Newly established companies	
B.2 Change of the consolidation method	-
B.3 Entities consolidated for the first time in 2013	
C. Reduced by	**4**
C.1 Disposal	2
C.2 Change of the consolidation method	2
C.3 Absorption by other Group entities	
D. Closing balance	**26**

Disposal

COMPANY NAME	MAIN OFFICE
YAPI KREDI SIGORTA AS	ISTANBUL
EUROLEASE FINANCE, D.O.O.	LJUBLJANA

The above table refers to disposals carried out in 2013.

Change of the consolidation method

COMPANY NAME	MAIN OFFICE
YAPI KREDI EMEKLILIK AS	ISTANBUL
RCI FINANCIAL SERVICES S.R.O.	PRAGUE

The changes in the method of consolidation of YAPI KREDI EMEKLILI AS and RCI FINANCIAL SERVICES S.R.O. are due to the reclassification from Investments in jointly owned companies consolidated proportionately to item 100. Investments in entities subject to significant influence valued at Net Equity since they are no longer jointly owned.

Entities proportional which changed the company name during 2013

COMPANY NAME	MAIN OFFICE
TASFIYE HALINDE YAPI KREDI B TIPI YATIRIM ORTAKLIGI A.S.(ex. YAPI KREDI B TIPI YATIRIM ORTAKLIGI A.S.)	ISTANBUL

Part A – Accounting Policies

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, 2013. For a description of the significant events after year end see the specific paragraph of the Report on Operations.

Section 5 – Other Matters

In 2013, the following principles and accounting interpretations came into force:

- Amendments to IAS 1 – 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);
- Amendments to IAS 19 – Employee Benefit (EU Regulation 475/2012);
- Amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities (EU Regulation 1256/2012);
- Amendments to IFRS1 – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters (EU Regulation 1255/2012);
- Amendments to IFRS1 – First-time Adoption of International Financial Reporting Standards - Government Loans (EU Regulation 183/2013);
- 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);
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine (EU Regulation 1255/2012);
- Improvements to IFRSs (2009-2011) (EU Regulation 301/2013).

In 2012 and 2013 the European Commission endorsed the following accounting principles and interpretations that will be applicable for reporting periods beginning on or after January 1, 2014:

- 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 Statements (EU Regulation 1254/2012);
- IFRS 11 – Joint Arrangements (EU Regulation 1254/2012);
- IFRS 12 – Disclosure of interests in Other Entities (EU Regulation 1254/2012);
- Amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets (EU Regulation 1374/2013);
- Amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting (EU Regulation 1375/2013);
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition Guidance (EU Regulation 313/2013);
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities (EU Regulation 1174/2013).

IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements” and IFRS 12 “Disclosure of interests in Other Entities”, effective from January 1, 2014, govern respectively the definition of “control” and the consolidation of subsidiaries (IFRS10), the definition of “joint venture” (IFRS11) and the information to be provided on the scope of consolidation and on “structured entities” not subject to consolidation (IFRS12).

With the new IFRS 11 coming into effect, the equity method of accounting will be adopted for investments currently consolidated proportionately (26 companies as at December 31, 2013, mostly subsidiaries of the jointly owned company Koç Finansal Hizmetler AS), with no effects on the Group’s net Equity.
As a consequence, this item, amounting to €22,289 million as of December 31, 2013, will be excluded from the total assets of the consolidated financial statements.

Neither the Group’s total assets nor net Equity are expected to be significantly impacted by the determination of the scope of consolidation under the new rules laid down by IFRS 10.

At December 31, 2013 the IASB issued the following standards, amendments, interpretations or revisions:

- IFRS 9 – Financial Instruments (November 2009) and the following subsequent amendments:
  - Amendments to IFRS 9 and IFRS 7 - Mandatory Effective Date and Transition - December 2011;
  - Hedge Accounting and amendments to IFRS9, IFRS7 and IAS 39 – November 2013;
- IFRIC 21 – Levies (May 2013);
- Amendments to IAS 19 – Defined benefit Plans: Employee Contributions (November 2013);
- Annual Improvements to IFRSs 2010 – 2012 Cycle (December 2013);
- Annual Improvements to IFRSs 2011 – 2013 Cycle (December 2013).

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

It should be noted that in 2013 UniCredit S.p.A and its subsidiaries Unicredit Credit Management Bank S.p.A. and UniCredit Leasing S.p.A. modified the parameters used for the valuation of impaired and performing loans; since the measurement base of the loans was not modified, this change qualifies as a “change in accounting estimates” under IAS 8 (paragraph 5). Detailed information about the effects of this change was provided, as required by IAS 8 (paragraph 39), in Part E – Information on risks and related risk management policies – at the foot of Table A.1.2 Breakdown of credit exposures by portfolio and credit quality, which should be consulted for further information.

Part A – Accounting Policies

The Consolidated Accounts and the Parent Company Accounts are audited by Deloitte & Touche S.p.A. pursuant to Legislative Decree no. 39 of January 27, 2010 and to the resolution passed by the Shareholders' Meeting on May 11, 2012.

The UniCredit group prepared and published its Consolidated First Half Financial Report as at June 30, 2013, subject to limited scope audit, as well as the Consolidated Interim Reports as at March 31 and September 30, 2013, 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 11, 2014, which authorized their publication, also pursuant to IAS 10.

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”.

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.

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.

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.

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 (included host contract of hybrid instruments from which embedded derivative has been bifurcated) 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.

Equity instruments (shares) not listed in an active market and whose fair value cannot be reliably determined due to lack or unreliability of information for the fair value measurement are valued at cost, equivalent to the last fair value reliably measured.

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 (the recoverable amount).

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 worthiness 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 (included host contract of hybrid instruments from which embedded derivative has been bifurcated whose value is represented by the difference between the total amount received and the fair value of the embedded derivative)

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. The difference between the carrying value of the asset and the amount received is taken to profit and loss under 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.

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 (included host contract of hybrid instruments from which embedded derivative has been bifurcated) 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 (coverage ratios statistically and automatically determined for some loan portfolios below a predefined threshold are also checked), 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 or 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.4 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;
- **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" and subsequent amendments) 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).

On October 21, 2013 the EBA document "Final draft Implementing Technical Standards" was issued, which provides for a new harmonized definition of "non performing exposures" applicable across the EU within the FINREP framework. The new definition is effective from the September 2014 reporting period.
For further information regarding forborne exposures see Part E – Section 1 – Credit risk– Information on renegotiated exposures and new EBA definition of Non-Performing exposures.

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.

Part A – Accounting Policies

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.

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 January 1, 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".

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In 2013 UniCredit S.p.A and its subsidiaries Unicredit Credit Management Bank S.p.A. and UniCredit Leasing S.p.A. modified the parameters used for the valuation of impaired and performing loans; since the measurement base of the loans was not modified, this change qualifies as a "change in accounting estimates" under IAS 8 (paragraph 5). Detailed information about the effects of this change was provided, as required by IAS 8 (paragraph 39), in Part E – Information on risks and related risk management policies – at the foot of Table A.1.2 Breakdown of credit exposures by portfolio and credit quality, which should be consulted for further information.

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).

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 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 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 any further 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.

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 and disposal groups classified as Held for Sale

These categories include individual assets held for disposal (tangible, intangible and financial assets) or groups of assets held for sale, with the related liabilities, as required by IFRS 5.
Individual assets (or groups of assets held for sale) 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 lower of their carrying amounts and fair values less costs to sell.

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).

The net balance of profits (dividends, interest income, etc.) and losses (interest expense, etc.) attributable to groups of assets or liabilities held for sale are recognized in the income statement under item 310. "Profit (Loss) after tax from discontinued operations". Profits and losses attributable to individual assets held for disposal are recognized in the income statement under the most appropriate item.

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 – Revaluation 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.

More specifically, the amount recognized according to IAS 19 Revised as a net liability/asset 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 any pension charges relating to benefits already provided but not yet recognized, less the fair value at the balance sheet date of plan assets other than those due to directly settle the obligations adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. Actuarial gains or losses arising from the valuation of defined-benefit liabilities are recognized against Revaluation reserves.

The discount rate used to discount obligations (whether financed or not) relating to benefits to be provided after retirement varies according to the currency of denomination and 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.

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).

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 total shareholding acquired.
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.

Part A – Accounting Policies

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 collateralized by cash fully available to the lender.
The P&L items connected with these transactions are booked respectively:

- in item Interest, with respect to the positive item (borrower) and the negative item (lender) related to the return on cash paid to the lender;
- in item Fees and commissions, with respect to the negative item (borrower) and the positive item (lender) related to the service provided by the lender by making the security available.

With reference to securities lending transactions collateralized by other securities, or not collateralized, the security lent or the security put up as collateral are still recognized as assets in the balance sheet, depending on the role – lender or borrower, respectively – played in the transaction.

Counterparty risk related to the latter securities lending or borrowing transactions is shown under the tables of Part E – Section 1 – Credit risk – A. Credit quality.

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 – Provisions for Risks and Charges – 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.

Following pension reform by Law 252/2005, TFR installments accrued to 12.31.2006 (or to the date between 01.01.2007 and 30.06.2007 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 01.01.2007 (date of Law 252's coming into effect) (or since the date between 01.01.2007 and 30.06.2007) 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 assimilated to a defined-contribution plan.

Costs relating to TFR are recognized in the Income Statement in item 180.a) "Administrative costs: staff expense" and include, for the part of obligations already exiting at the date of the reform (assimilated to a defined benefit plan) (i) service costs for companies with less than 50 employees, (ii) interest cost accrued in the year; for the part of plan considered defined contribution plan (iii) the accrued installments for the year paid into the complementary pension scheme or to the Treasury fund of INPS.

Actuarial gains (losses), i.e., the difference between the liabilities' carrying value and the present value of the obligation at the end of the period are recognized against Revaluation reserves according to IAS19R.

Part A – Accounting Policies

Share-Based Payment
Equity-settled payments made to employees or other staff in consideration of goods received or 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 rendered 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 of the liability at the balance sheet date, 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). Actuarial gains (losses) on this type of benefit are recognized immediately in the Income Statement.

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.

Offsetting Financial assets and Financial liabilities
The accounting offsetting of assets and liabilities items has been performed according to IAS 32, assessing the fulfillment of the following requirements:
- current legal enforceable right to set off the recognised amounts;
- intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accordance with IFRS 7, further information have been included in the table of Note to the accounts, in Part B – Other information.

In the new tables, in particular, following information have to be reported:
- balance-sheet values, before and after the accounting offsetting effects, related to the assets and liabilities which meet the criteria for applying those effects;
- values of the exposures which do not meet the above mentioned criteria, but are included in Master Netting Agreements, or similar agreements, which create the right to set-off only following specified circumstances (ie default events);
- figures of related collateral.

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.

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.
With respect to instruments classified as available-for-sale financial assets, this amount is equal to the balance of the negative Revaluation reserve (see Section 2).

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 transfers between portfolios of financial assets

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, 2013 (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 €533,500 thousand, while the impact actually recognized was a gain of €184,604 thousand.

A.3.1 Reclassified financial assets: book value, fair value and effects on comprehensive income

(€ '000)

INSTRUMENTS TYPE (1)	ACCOUNTING PORTFOLIO BEFORE RECLASSIFICATION (2)	ACCOUNTING PORTFOLIO AFTER RECLASSIFICATION (3)	BOOK VALUE AS AT 31.12.2013 (4)	FAIR VALUE AS AT 31.12.2013 (5)	INCOME/EXPENSES ABSENT RECLASSIFICATION (BEFORE TAX)		INCOME/EXPENSE RECOGNIZED DURING THE PERIOD (BEFORE TAX)	
					FROM MEASUREMENT (6)	OTHER (7)	FROM MEASUREMENT (8)	OTHER (9)
A. Debt securities			**5,218,549**	**5,171,878**	**335,028**	**191,601**	**4,418**	**160,852**
	Held for trading	Available for sale	10,019	10,019	449	445	446	470
	Held for trading	Held to maturity	181,099	186,556	(7,582)	7,829	-	7,382
	Held for trading	Loans to Banks	1,614,005	1,680,248	(2,154)	46,370	-	51,617
	Held for trading	Loans to Customers	3,285,288	3,195,092	324,106	133,908	3,972	98,213
	Available for sale	Loans to Banks	-	-	-	-	-	-
	Available for sale	Loans to Customers	128,138	99,963	20,209	3,049	-	3,170
B. Equity instruments			**-**	**-**	**-**	**-**	**-**	**-**
	Held for trading	Available for sale	-	-	-	-	-	-
C. Loans			**328,267**	**346,708**	**(11,624)**	**18,495**	**-**	**19,334**
	Held for trading	Available for sale	-	-	-	-	-	-
	Held for trading	Held to maturity	-	-	-	-	-	-
	Held for trading	Loans to Banks	99,782	102,744	(1,756)	4,633	-	5,130
	Held for trading	Loans to Customers	228,485	243,964	(9,868)	13,862	-	14,204
	Available for sale	Loans to Banks	-	-	-	-	-	-
	Available for sale	Loans to Customers	-	-	-	-	-	-
D. Units in investment funds			**-**	**-**	**-**	**-**	**-**	**-**
	Held for trading	Available for sale	-	-	-	-	-	-
Total			**5,546,816**	**5,518,586**	**323,404**	**210,096**	**4,418**	**180,186**

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 €2,748,856 thousand at December 31, 2013.

A.4 – Information on fair value

QUALITATIVE INFORMATION

This section presents a disclosure on fair value as required by IFRS 13.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market at the measurement date (i.e. an exit price).

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 principal market (most advantageous) 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 the observable prices in active market or other observable inputs, such as the quoted price of a similar instrument in an active market, the Group should use another valuation techniques, such as:

- a market approach (eg using quoted prices for similar liabilities or equity instruments held by other parties as assets);
- cost approach (eg it reflects the amount that would be required currently to replace the service capacity of an asset, that is the current replacement cost);
- an income approach (eg a present value technique that takes into account the future cash flows that a market participant would expect to receive from holding the liability or equity instrument as an asset).

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 are 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 info providers 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 info provider to obtain the information.

A.4.1 Fair value levels 2 and 3: valuation techniques and inputs used

Hereby we provide IFRS13 disclosure requirements about accounting portfolios measured at fair value on a recurring basis, not measured at fair value, or measured at fair value on a non-recurring basis.

Assets and Liabilities measured at fair value on a recurring basis

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 credit spread curves used are significantly unobservable. 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 Independent Price Verification (IPV) process market prices of Level 1 bonds and pricing models for illiquid bonds are regularly verified for accuracy.

Structured Financial Products
The Group determines the fair value of structured financial products not quoted on active markets using the appropriate derivative valuation methodology given the nature of the embedded structure (when this is not to be separated). Such instruments are classified as Level 2 or Level 3 depending on the observability of significant inputs to the model.

Asset Backed Securities
Since 2009, UniCredit's enforced the "Structured Credit Bonds Valuation Group Policy", centered on:
- 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.

According to the IPV process the quality of a price is assessed based upon the availability of quotes of independent market players for identical assets.
The process relies in the first instance on *consensus data provider* as reliable collector of market quotes.
As a second step, prices are assessed by benchmarking each security to a pool of similar securities with available market quotes. An alternative approach consists in evaluating the instrument through the use of quantitative pricing models, which are applicable every time that information regarding market participants assumptions on model parameters are reasonably made available without excessive costs or efforts.

Derivatives
Fair value of derivatives not traded in an active market is determined using a mark to model valuation technique. In such cases, where active markets exist for its component parts, then fair value is determined on the basis of the relevant market prices for the component parts.
Valuation techniques that are based on significant inputs that are observable are referred to as Level 2 valuations, while those based on techniques that use significant unobservable inputs are referred to as Level 3 valuations.

Equity Instruments
Equity Instruments are assigned to Level 1 when a quoted price is available on a liquid market and to Level 3 when no quotations are available or quotations have been suspended indefinitely. These instruments are classifies as Level 2 only when trading volume on the market where the instrument is quoted has decreased significantly.
For equity instruments measured at cost an impairment is given, if the carrying amount exceeds the recoverable amount significantly and/or over a prolonged period of time.

Investment Funds
The Group holds investments in certain investment funds that publish net asset value (NAV) per share, including mutual funds, private equity funds, hedge funds (including funds of funds) and real estate funds. The Group's investments include co-investments in funds that are managed by the Group and investments in funds that are managed by third parties and in particular:

Real Estate Funds
Real Estate Funds are mapped to Level 1 when quoted prices are available on an active market; when this condition does not hold, Real Estate Funds are disclosed as Level 3 and they are evaluated through an adequate credit adjustment of the NAV based on the specific features of each fund.

Other Funds
The Group holds investments also in mutual funds, hedge funds and private equity funds.
Funds are usually assigned to Level 1 when a quoted price is available on an active market.
Funds are disclosed as Level 2 or Level 3 depending on NAV availability, portfolio transparency and possible issues related to position write off.
When sufficient information for reliable fair value measurements is not available, funds (e.g. hedge funds and private equity) are valued at cost and classified as Available for Sale at Level 3.
With reference to funds valued at cost, an impairment is applied in case the carrying amount is significantly above the recoverable amount for a prolonged period of time.

Property, plant and equipment measured at fair value
The Group owns property, plant and equipment held for investment purposes, which are valued according to the fair value model for Real Estate investments linked to liabilities that generate a return on investments themselves.
The attribution of fair value levels is based on the level of observability of the significant market parameters used by the valuation technique. Given the current portfolio composition, most of the positions are at level 3.

Fair Value Adjustments (FVA)

Fair value adjustment is defined as the amount to be added either to the market observed mid-price or to the theoretical price generated by a valuation model with the aim of obtaining a fair value of the position. Therefore FVA are aimed at insuring that the fair value reflects the actual exit price of a certain position.
Below the main adjustments:
- Credit and debit valuation adjustment (CVA/DVA);
- Model Risk;
- Close-out Costs;
- Other Adjustments.

Credit and debit valuation adjustment (CVA/DVA)
Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit own credit quality respectively.

UniCredit CVA/DVA methodology is based on the following inputs:
- EAD derived by simulation techniques. Simulated exposures also take into account Specific Wrong Way Risk that arises for transactions where there is a correlation between counterparty credit risk and the underlying derivative risk factors;
- PD derived by actual historic default rates or implied by current market default rates, obtained from credit default swaps;
- LGD based on the estimated level of expected recovery should a counterparty default and obtained from a bank's own historical experience or implied by current market default rates, obtained from credit default swaps.

Model Risk
Financial models are used for the valuation of the financial instruments if the direct market quotes are not readily available. In general the model risk is represented by the possibility that a financial instrument's evaluation is actually sensitive to the choice of model. It is possible to value the same financial instrument by using alternative models which could provide different results in term of pricing. The model risk adjustments refer to the risk that the actual fair value of the instrument differs from the value produced by the model.

Close-out Costs
It measures the implicit costs of closing an (aggregated) trading position. The position could be closed by a long position (or purchase in the case of a short position), or by entering into a new transaction (or several transactions) that offsets (hedges) the open position. The close-out costs are typically derived from the bid/ask spreads observed on the market. It accounts for the fact that a position is valued at mid but can only be closed at bid or ask. This adjustment is not needed when the position is marked at bid or ask and already represents an exit price. Moreover a close-out adjustment of the NAV is applied when there are some penalties related to position write off in an investment fund.

Other adjustments
Other fair value adjustments, which are not included into the previous categories, could be taken into consideration to align the evaluation to the current exit price, also according to the level of liquidity of the market and valuation parameters, e.g adjustment of equity prices whose quotation on the market are not representative of the effective exit price.

Assets and Liabilities not measured at fair value or measured at fair value on a non-recurring basis

Financial instrument not carried at fair value, for example retail loans and deposit, and credit facilities extended to corporate clients are not managed on a fair value basis.
For these instruments fair value are calculated for disclosure purposes only and do not impact the balance sheet or the profit or loss. Additionally, since these instruments generally do not trade, there is significant management judgment required to determine their fair values as defined by IFRS 13.

Cash and cash balances
Cash and cash balances are not carried at fair value on the Consolidated Balance Sheets, but they are carried at amounts that approximate fair value, due to their short term nature and generally negligible credit risk.

Held-to-maturity investments
Considering that held to maturity investments are mainly composed by securities fair value for this asset class is determined according to what previously explained in Part A – Additional information on fair value – Fixed Income Securities.

Loans and Receivables
Fair value for performing Loans and Receivables from customers and banks, recorded ad amortized cost, is determined using the discounted cash flow model adjusted for credit risk. Some portfolios are valued according to simplified approaches, which however take into account the financial features of the financial instruments.

Property, plant and equipment held for investment purposes
The fair value of property, plant and equipment held for investment purposes is determined on the basis of a valuation by an independent valuer who holds a recognized and relevant professional qualification which perform its valuation mainly on the basis of an indirect knowledge of the assets through the information made available by the owner and relative to the localization, consistency, destination and in consideration of market analysis.
The attribution of fair value levels is based on the level of observability of the significant market parameters used by the valuation technique. Given the current portfolio composition, most of the positions are at level 3.

Debt securities in issue
Fair value for debt securities in issue, recorded ad amortized cost, is determined using the discounted cash flow model adjusted for Unicredit credit risk. The Credit Spread is determined using UCG’s subordinated and non-subordinated risk curves.

Other liabilities
Fair value for liabilities, recorded ad amortized cost, is determined using the discounted cash flow model adjusted for Unicredit credit risk.
The Credit Spread is determined using UCI’s senior and subordinated risk curves.

Description of the valuation techniques

Specific valuation techniques are used to value positions for which a market price is not directly observable from market sources. The Group uses well known valuation techniques for determining fair values of financial and nonfinancial instruments that are not actively traded and quoted. The valuation techniques used for Level 2 and 3 assets and liabilities, are described as follows.

Option Pricing Model
Option model valuation techniques are generally used for instruments in which the holder has a contingent right or obligation based on the occurrence of a future event, such as the price of a referenced asset going above or below a predetermined strike price. Option models estimate the likelihood of the specified event occurring by incorporating assumptions such as volatility estimates, price of the underlying instrument and expected rate of return.

Discounted cash flow
Discounted cash flow valuation techniques generally consist of developing an estimate of future cash flows that are expected to occur over the life of an instrument. The model requires the estimation of the cash flow and the adoption of market's parameters for the discounting: discount rate or discount margin reflects the credit and/or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a "present value". The fair value of the contract is given by the sum of the present values of future cash flow.

Hazard Rate Model
The valuation of CDS instruments requires the knowledge of the entity's survival probability at future dates. The estimate of this probability curve uses the standard model for survival probabilities and requires as parameters the credit default swap market quotes on standard future dates in addition to the risk free curve and the expected recovery rate.
The hazard rate is part of the described process and it indicates the instantaneous probability of default at different future instants.

Market Approach
A valuation technique that uses prices generated by market transactions involving identical or comparable (ie similar) assets, liabilities or a group of assets and liabilities.

Gordon Growth Model
This is the model used to determine the intrinsic value of an equity investment, based on a series of future dividends which grow at a constant rate. Given a dividend to be paid in a specific year and the hypothesis that the dividend grows at a constant rate, the model computes the present value of future dividends.

Dividend Discount Model
This model is used to determine the value of an equity investment, based on the series of predicted future dividends. Given a dividend to be paid in a specific year and the hypothesis that the dividend grows at a constant rate, the model computes the fair value of an equity share as the sum of the present value of all future dividends.

Adjusted NAV
Net asset value is the total value of a fund's assets less liabilities. An increase in net asset value would result in an increase in a fair value measurement. Usually for funds classified as Level 3, NAV represents a risk free valuation, therefore in this case the NAV is adjusted so as to consider the issuer's default risk.

Description of the inputs used to measure the fair value of items categorized in Level 2 and 3

Hereby a description of the main significant inputs used to measure the fair value of items categorized in Level 2 and 3 of the fair value hierarchy.

Volatility
Volatility is a measure for variation of price of a financial instrument over time. In particular, volatility measures the speed and severity of market price changes for an instrument, parameter or market index given how much the particular instrument, parameter or index changes in value over time, expressed as a percentage of relative change in price. The higher the volatility of the underlying, the riskier the instrument. In general, long option positions benefit from increases in volatility, whereas short option positions will suffer losses.
There are different types of volatility: volatility of interest rate, inflation volatility, volatility of foreign exchange and volatility of equity stocks, equity or other indices.

Correlation
Correlation is a measure of the relationship between the movements of two variables. When parameters are positively correlated, an increase in correlation results in a higher fair value measurement. On the contrary, given a short correlation position, an increase in correlation, in isolation, would generally result in a decrease in a fair value measurement. Therefore changes in correlation levels can have a major impact, favorable or unfavorable, on the fair value of an instrument, depending on the type of correlation.
Correlation is a pricing input for a derivative product where the payoff is driven by multiple underlying risks. The level of correlation used in the valuation of derivatives with multiple underlying risks depends on a number of factors including the nature of those risks.

Dividends
The derivation of a forward price for an individual stock or index is important both for measuring fair value for forward or swap contracts and for measuring fair value using option pricing models. The relationship between the current stock price and the forward price is based on a combination of expected future dividend levels and payment timings and, to a lesser extent, the relevant funding rates applicable to the stock in question. The dividend yield and timing represents the most significant parameter in determining fair value for instruments that are sensitive to an equity forward price.

Interest rate curve
The calculation of the interest rate curve is based on standard bootstrapping techniques relying on the set of quotes of appropriate financial instruments, for each currency.
Less liquid currencies interest curve refer to the rates in currencies for which doesn’t exist a market liquidity in terms of tightness, depth and resiliency. The illiquidity of these input data impacts directly the valuation of securities or derivatives expressed in illiquid currencies.

Inflation Swap rate
The determination of forward levels for inflation indexes is based on swap quote over inflation indexes. Swap over inflation may present a low liquidity level whether there is no liquid market in terms of rigidity, deepness and resistance. The illiquidity of those inputs has an indirect impact on the valuation of a debt instrument linked to inflation (inflation-linked note) or in case of a derivative over inflation.

Credit spreads
Different valuation models, especially for credit derivatives require an input for the credit spread which reflects the credit quality of the associated credit name. The credit spread of a particular security is quoted in relation to the yield on a benchmark security or reference rate, typically either U.S. Treasury or LIBOR/EURIBOR and is generally expressed in terms of basis points. The ranges for credit spreads cover a variety of underlings (index and single names), regions, sectors, maturities and credit qualities (high-yield and investment-grade). The broad range of this population gives rise to the width of the ranges of unobservable inputs.

Loss Given Default (LGD)/Recovery Rate
LGD also known as loss severity (the inverse concept is the recovery rate) represents the percentage of contractual cash flows lost in the event of a default, expressed as the net amount of loss relative to the outstanding balance. An increase in the loss severity, in isolation, would result in a decrease in a fair value measurement. Loss given default is facility-specific because such losses are generally understood to be influenced by key transaction characteristics such as the presence of collateral and the degree of subordination.

Part A – Accounting Policies

Price
Where market prices are not observable, comparison via proxy is used to measure a fair value.

Prepayment Rate (PR)
The PR is the estimated rate at which forecasted prepayments of principal of the related debt instrument are expected to occur. Voluntary unscheduled payments (prepayments) change the future cash flows for the investor and thereby change the fair value of the security.
In general as prepayment speeds change, the weighted average life of the security changes, which impacts the valuation either positively or negatively, depending upon the nature of the security and the direction of the change in the weighted average life.

Probability of Default (PD)
The probability of default is an estimate of the likelihood of not collecting contractual amounts. It provides an estimate of the likelihood that a client of a financial institution will be unable to meet its debt obligations over a particular time horizon. The PD of an obligor not only depends on the risk characteristics of that particular obligor but also the economic environment and the degree to which it affects the obligor.

Early conversion
The early conversion is the estimate of the probability that the liability would be converted into equity earlier than the terms stated.

EBITDA
EBITDA is an indicator of the current operating profitability of the business, that is the income generated by the use of the company's assets and the commercialization of the products manufactured.

Ke
The Ke (cost of capital) represents the minimum rate that the company has to offer to its shareholders as remuneration for the capital received.

Growth rate
It is the constant growth rate used for the future dividends estimate.

Quantitative information on significant unobservable inputs used in the fair value measurement: accounting portfolios measured at fair value categorized as Level 3

The following table shows, for each product category, the amount of Assets and Liabilities measured at fair value and the range of variation of unobservable parameters, across the whole portfolio, as monitored by Risk Management functions.

(€ million)

PRODUCT CATEGORIES			FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	VALUATION TECHNIQUES	UNOBSERVABLE PARAMETERS	RANGE	
Derivatives	Financial							
		Commodities	9.22	26.62	Discounted Cash Flows	Swap Rate (% of used value)	70%	130%
					Option Pricing Model	Volatility	35%	120%
						Correlation	-100%	100%
		Equity	233.97	316.46	Option Pricing Model	Volatility	25%	120%
						Correlation	-100%	100%
					Option Pricing Model/ Discounted Cash Flows	Dividends Yield	0%	20%
		Foreign Exchange	163.83	113.61	Option Pricing Model	Volatility	1%	30%
					Discounted Cash Flows	Interest rate	30 bps	1000 bps
		Interest Rate	695.94	193.22	Discounted Cash Flows	Swap Rate (bps)	30 bps	1000 bps
						Inflation Swap Rate	120 bps	230 bps
					Option Pricing Model	Inflation Volatility	1%	10%
						Interest Rate Volatility	5%	100%
						Correlation	20%	100%
		Hybrid	1.06	17.66	Option Pricing Model	Volatility	25%	120%
						Correlation	-100%	100%
	Credit		76.16	83.53	Hazard Rate Model	Credit Spread	10bps	150%
						LGD	5%	95%
						Correlation	20%	80%
					Option Pricing Model	Volatility	35%	50%
Debt Securities and Loans		Corporate/ Government/Other	1,706.20	675.05	Market Approach	Price (% of used value)	95%	110%
		Mortgage & Asset Backed Securities	163.44		Discounted Cash Flows	Credit Spread (% of used value)	0bps	34%
						LGD	50%	100%
						Default Rate	0%	7.5%
						Prepayment Rate	0%	30%
Equity Securities		Unlisted Equity & Holdings	2,477.98	39.32	Market Approach	Price (% of used value)	0%	100%
					Gordon Growth Model	Ke	8.8%	11.8%
						Growth Rate	2.5%	3.5%
					Dividend Discount Model	Beta	0.35	0.45
						Risk Premium	5.5%	6.5%
Units in Investment Funds		Real Estate & Other Funds	305.84		Adjusted Nav	PD	1%	30%
						LGD	30%	40%

A.4.2 Valuations processes and sensitivities

The Group verifies that the value attributed to each position reflects the current fair value in an appropriate way. Assets and liabilities subject to fair value measurements are determined using different techniques, among which (but not only) models such as discounted cash flow and internal models. On the basis of the observability of the input used, all the measurements are classified as Level 1, Level 2 or Level 3 of the fair value hierarchy.
When a financial instrument, measured at fair value, is valued through the use of one or more significant inputs non directly observable on the market, a further procedure for the price verification is implemented. These procedures include the revision of relevant historical data, the analysis of profits and losses, the individual valuation of each component for structural products and benchmarking. This approach uses subjective opinions and judgments based on experience and, therefore it could require valuation adjustments which take into account the bid/ask spread, liquidity and counterparty risk, in addition to the valuation model type adopted.
According to Group Market Risk Governance guidelines, in order to ensure the right separateness of the functions in charge of the model development and those in charge of the validation processes, all valuation models developed by Group companies' front offices are independently tested centrally and validated by the Group Internal Validation functions. The aim of this independent control structure is of evaluating the model risk from a theoretical solidity, calibration techniques eventually applied and appropriateness of the model for a specific product in a defined market point of views.
In addition to the daily mark to market or mark to model valuation, the Independent Price Verification (IPV) is applied with the aim of guaranteeing a fair value which is independent from Market Risk perspective for all illiquid instruments.

Fair value sensitivity to variations in unobservable input used in the fair value computation for instruments categorized as Level 3

The direction of sensitivity for instruments categorized at level 3 of fair value hierarchy to variations in significant unobservable inputs is supplied in the following table. For fair value computations where significant unobservable input are employed (Level 3), the sensitivity analysis is performed using a range of reasonable alternatives for the un-observable parameters.
The Group takes into account that the impact of unobservable inputs in the fair value computation of level 3 financial instruments, depends on the correlation among different inputs used in the valuation technique. Furthermore, the effect of unobservable input variation has an impact on the amount and the direction of fair value measurement, also according to the instrument nature and sign.

(€ million)

PRODUCT CATEGORIES			FAIR VALUE MOVEMENTS GIVEN REASONABLE POSSIBLE ALTERNATIVES	
Derivatives				
	Financial			
		Commodities	+/-	0.78
		Equity	+/-	27.52
		Foreign Exchange	+/-	1.25
		Interest Rate	+/-	21.43
		Hybrid	+/-	0.32
	Credit		+/-	19.57
Debt Securities and Loans				
		Corporate/Government/Other	+/-	53.48
		Mortgage & Asset Backed Securities	+/-	2.43
Equity Securities				
		Unlisted Equity &Holdings	+/-	367.13
Units in Investment Funds				
		Real Estate & Other Funds	+/-	30.65

A.4.3 Fair value hierarchy

The IFRS 13 principle establishes a fair value hierarchy according to to the observability of the input used in the valuation techniques adopted for valuations.

The fair value hierarchy level associated to assets and liabilities is set as the minimum level among all significant valuation inputs used.
A valuation input is not considered significant for the fair value of an instrument if the remaining inputs are able to explain the major part of the fair value variance itself over a period of three months.

In particular, three levels are considered:
- level 1: *fair value* for instruments classified within this level is determined according to the quoted prices on active markets;
- level 2: *fair value* for instruments classified within this level is determined according to the valuation models which use observable inputs on active markets;
- level 3: *fair value* for instruments classified within this level is determined according to the valuation models which prevalently use significant unobservable input on active market.

Financial instruments are classified to a certain fair value level according to the observability of the input used for the valuation.

Level 1 (quoted prices in active market): quoted prices (unadjusted) in active markets are available for identical assets or liabilities that the entity has the ability to access at the measurement date. An active market is a market in which orderly transactions for the asset or liability take place with sufficient frequency and volume for pricing information to be provided on an on-going basis.

Level 2 (observable inputs): inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs are observable if they are developed on the basis of publicly available information about actual events or transactions and reflect the assumptions that market participants would use when pricing the asset or liability.

Level 3 (unobservable inputs): inputs other than the ones included in level 1 and level 2, not directly observable on the market for the evaluation of asset and liability, or used for the definition of significant adjustments to fair value. Unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

When fair value is measured directly taking into consideration an observable price and quoted on an active market, the hierarchy attribution process will assign Level 1. When fair value has to be measured either via Comparable approach or via Mark-to-Model approach, the hierarchy attribution process will assign Level 2 or Level 3, depending on the observability of all the significant input parameters.

Within the choice among various valuation techniques the Group employs the one which maximizes the use of observable inputs.

Transfers between hierarchy levels

All transfers between fair value hierarchy levels are reported through the last day of the reporting period.
The main drivers to transfers in and out the FV levels (both between L1 and L2 and within L3) include changes in market conditions (among which liquidity parameter) and enhancements to valuation techniques and weights for unobservable inputs used for the valuation itself.

A.4.4 Other information

The Group uses the IFRS 13 exception for fair value measurements on a net basis with reference to financial assets and liabilities with off-setting positions of market risk or counterparty credit risk.

QUANTITATIVE INFORMATION

A.4.5 Fair Value Hierarchy

The following tables show the portfolios breakdown in terms of (i) financial assets and liabilities valued at fair value as well as (ii) assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis, according to the above-mentioned levels.

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value levels

(€ '000)

FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	AMOUNTS AS AT 31.12.2013			AMOUNTS AS AT 31.12.2012		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Financial assets held for trading	22,546,999	56,857,089	1,505,768	15,849,091	89,032,779	2,163,916
2. Financial assets at fair value through P&L	15,322,272	14,472,644	697,642	9,687,439	11,454,058	3,335,448
3. Available for sale financial assets	70,139,521	10,843,284	4,891,266	55,141,467	13,236,679	5,024,748
4. Hedging derivatives	-	9,648,576	1	-	17,635,111	56,223
5. Property, plant and equipment	-	-	40,673	-	-	77,848
6. Intangible assets						
Total	**108,008,792**	**91,821,593**	**7,135,350**	**80,677,997**	**131,358,627**	**10,658,183**
1. Financial liabilities held for Trading	6,879,961	54,836,762	1,451,882	5,837,169	91,737,453	1,548,571
2. Financial liabilities at fair value through P&L	-	701,723	-	-	851,754	-
3. Hedging derivatives	-	8,681,839	548	345	14,494,700	44,480
Total	**6,879,961**	**64,220,324**	**1,452,430**	**5,837,514**	**107,083,907**	**1,593,051**

Transfers between level of fair value occurring between December 31, 2012 and December 31, 2013 mainly reflect the evolution of market of reference in the period and the enhancement of processes for fair value level attribution in some Group entities.

A.4.5.2 Annual changes in assets measured at fair value on a recurring basis (level 3)

(€ '000)

	CHANGES IN 2013					
	HELD FOR TRADING FINANCIAL ASSETS	FINANCIAL ASSETS AT FAIR VALUE THROUGH P&L	AVAILABLE FOR SALE FINANCIAL ASSETS	HEDGING DERIVATIVES	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS
1. Opening balances	**2,203,610**	**3,335,448**	**5,050,003**	**56,223**	**77,848**	-
2. Increases	**8,137,976**	**761,812**	**4,588,793**	**-**	**2,389**	-
2.1 Purchases	7,161,162	87,465	2,483,641	-	-	-
2.2 Profits recognized	100,818	7,690	1,630,932	-	-	-
2.2.1 Income Statement	100,818	7,690	1,525,855	-	-	-
- of which Unrealized gains	*78,726*	*7,690*	*9,875*	-	-	-
2.2.2 Equity	X	X	105,077	-	-	-
2.3 Transfers from other levels	684,624	659,976	372,211	-	-	-
2.4 Other increases	191,372	6,681	102,009	-	2,389	-
3. Decreases	**8,835,818**	**3,399,618**	**4,747,530**	**56,222**	**39,564**	-
3.1 Sales	6,983,517	53,971	2,975,258	-	-	-
3.2 Redemptions	429,877	40,683	24,172	-	-	-
3.3 Losses recognized	118,369	73,644	286,066	-	-	-
3.3.1 Income Statement	118,369	73,644	128,670	-	-	-
- of which Unrealized losses	*112,419*	*73,644*	*54,097*	-	-	-
3.3.2 Equity	X	X	157,396	-	-	-
3.4 Transfers to other levels	1,146,899	3,215,981	1,277,330	56,222	9,364	-
3.5 Other decreases	157,156	15,339	184,704	-	30,200	-
4. Closing balances	**1,505,768**	**697,642**	**4,891,266**	**1**	**40,673**	-

The sub-item 2 increases and 3 decreases in financial assets are included in the Profit and Loss in the following items:

- Item 80: Gains and losses on financial assets and liabilities held for trading;
- Item 110: Gains and losses on financial assets/liabilities at fair value through profit or loss;
- Item 90: Fair value adjustments in hedge accounting.

The sub-item 2.2 gains and the sub-item 3.3 losses on fair value on financial assets and liabilities available for sale are accounted in item 140. "Revaluation reserves" of shareholder's equity – with the exception of impairment and gains and losses on exchange rates on monetary assets (liabilities) which are reported respectively within item 130. b) "Impairment losses on available-for-sale financial assets" and item 80. "Gains and losses on financial assets and liabilities held for trading" until the financial asset is not sold, instant in which cumulative gains and losses are reported at Profit & loss at item 100. b) "Gains and losses on financial assets and liabilities available for sale".

Transfers between level of fair value occurring between December 31, 2012 and December 31, 2013 mainly reflect the evolution of market of reference in the period and the enhancement of processes for fair value level attribution in some Group entities and mostly refer to exposure held by UniCredit Bank AG.

The Available-for-sale portfolio reflects the effects of Bank of Italy Capital Increase for an amount equal to €1,659 million as at December 31, 2013 substituting Old Shares accounted at cost with a book value of €285 million as at December 31, 2012. For additional information please refer to Part E – Section 2.4.

A.4.5.3 Annual changes in liabilities at fair value on a recurring basis (level 3)

(€ '000)

	CHANGES IN 2013		
	FINANCIAL LIABILITIES HELD FOR TRADING	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH P&L	HEDGING DERIVATIVES
1. Opening balances	**1,548,571**	**-**	**44,480**
2. Increases	**1,619,633**	**-**	**555**
2.1 Issuance	569,502	-	547
2.2 Losses recognized in:	231,372	-	-
2.2.1 Income Statement	231,372	-	-
- of which Unrealized losses	*84,390*	-	-
2.2.2 Equity	X	X	-
2.3 Transfers from other levels	764,815	-	-
2.4 Other increases	53,944	-	8
3. Decreases	**1,716,322**	**-**	**44,487**
3.1 Redemptions	173,970	-	-
3.2 Purchases	322,241	-	-
3.3 Profits recognized in:	68,575	-	-
3.3.1 Income Statement	68,575	-	-
- of which Unrealized gains	*55,312*	-	-
3.3.2 Equity	X	X	-
3.4 Transfers to other levels	1,072,150	-	-
3.5 Other decreases	79,386	-	44,487
4. Closing balances	**1,451,882**	**-**	**548**

The sub-item 2 increases and 3 decreases in financial assets are included in the Profit and Loss in the following items:

- Item 80: Gains and losses on financial assets and liabilities held for trading;
- Item 110: Gains and losses on financial assets/liabilities at fair value through profit or loss;
- Item 90: Fair value adjustments in hedge accounting.

The sub-item 2.2 gains and the sub-item 3.3 losses on fair value on financial assets and liabilities available for sale are accounted in item 140. “Revaluation reserves” of shareholder’s equity – with the exception of impairment and gains and losses on exchange rates on monetary assets (liabilities) which are reported respectively within item 130. b) “Impairment losses on available-for-sale financial assets” and item 80. “Gains and losses on financial assets and liabilities held for trading” until the financial asset is not sold, instant in which cumulative gains and losses are reported at Profit & loss at item 100. b) “Gains and losses on financial assets and liabilities available for sale”.

Transfers between level of fair value occurring between December 31, 2012 and December 31, 2013 mainly reflect the evolution of market of reference in the period and the enhancement of processes for fair value level attribution in some Group entities and mostly refer to exposure held by UniCredit Bank AG.

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level

(€ '000)

ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS: BREAKDOWN BY FAIR VALUE LEVEL	AMOUNTS AS AT 31.12.2013				AMOUNTS AS AT 31.12.2012			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
1. Held-to-maturity investments	5,305,424	4,558,400	571,684	186,030	6,207,867	4,142,242	1,496,910	529,223
2. Loans and receivables with banks	61,118,875	648,858	32,417,171	28,740,785	73,995,214	74,709,250 (L1 + L2 + L3)		
3. Loans and receivables with customers	503,142,266	610,366	183,516,089	328,379,550	544,442,535	563,801,156 (L1 + L2 + L3)		
4. Property, plant and equipment held for investment	3,321,812	-	133,494	3,645,282	3,316,839	3,898,943 (L1 + L2 + L3)		
5. Non-current assets and disposal groups classified as held for sale	3,928,502	-	3,435,570	131,294	8,116,680	X		
Total	**576,816,879**	**5,817,624**	**220,074,008**	**361,082,941**	**636,079,135**			
1. Deposits from banks	110,222,387	-	66,060,663	44,895,420	117,320,062	121,924,429 (L1 + L2 + L3)		
2. Deposits from customers	410,929,970	-	175,699,409	236,162,856	407,614,884	407,230,193 (L1 + L2 + L3)		
3. Debt securities in issue	160,093,779	71,106,715	75,178,743	19,110,687	170,450,629	54,563,701	97,989,032	22,179,734
4. Liabilities included in disposal groups classified as held for sale	2,128,617	-	2,085,236	37,936	5,627,578	X		
Total	**683,374,753**	**71,106,715**	**319,024,051**	**300,206,899**	**701,013,153**			

Between December 31, 2012 and December 31, 2013 changes in the ratio between fair value and book value for loans and receivables to banks and customers reflect the enhancement of the assumptions and the parameters adopted for the fair value calculation for disclosure.

Sub item 5. Non-current assets and disposal groups classified as held for sale also contains €361,638 thousand measured at cost (see Part B Section 15, table 15.1).

Sub item 4. Liabilities included in disposal groups classified as held for sale also contains €5,445 thousand measured at cost (see Part B Section 15, table 15.1).

A.5 – 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 (amount not recognized in the Income Statement) changed from €117,385 thousand at December 31, 2012 to €141,572 thousand at December 31, 2013.

Part B – Consolidated Balance Sheet

Assets

Section 1 - Cash and cash balances - Item 10

At December 31, 2013 the item cash and cash balances amounted to €10,808 million, an increase of €3,438 million (+47%) from 2012 (€7,370 million).
The increase was due to the sub-item "b) Demand deposits with Central Banks" which totaled €2,975 million at end 2012 and €6,695 million at December 31, 2013 (+€3,720 million, +125%), mainly attributable to the German subsidiary UniCredit Bank AG (€2.4 billion).

1.1 Cash and cash balances: breakdown

(€ '000)

	AMOUNTS AS AT	
	12.31.2013	**12.31.2012**
a) Cash	4,113,294	4,394,620
b) Demand deposits with Central banks	6,694,608	2,975,131
Total	**10,807,902**	**7,369,751**

At December 31, 2013, in accordance with the accounting standard IFRS5, all assets of the companies PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD 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, 2013 financial assets held for trading amounted to €80,910 million, a decrease of €26,136 million (-24%) over 2012 (€107,046 million).

This decrease is attributable to derivative instruments (€32,378 million), while financial assets (non-derivatives) were up €6,242 million.

In detail, derivative instruments decreased from €81,781 million to €49,403 million.
This change refers to:

- banks: -€31,038 million (from €54,152 million in 2012 to €23,115 million in 2013), due equally to the optimization of the portfolio and the change in market conditions with respect to all the agreements entered into;
- customers: -€1,340 million (from €27,629 million in 2012 to €26,289 million in 2013).

Financial assets (non-derivatives) increased from €25,246 in 2012 to €31,506 million in 2013.
The increase in financial assets (non-derivatives) was mainly due to:

- an increase in equity instruments (+€3,055 million, +79%), from €3,861 million in 2012 to €6,916 million in 2013, principally due to the delta-hedge of short exposures to index futures;
- an increase of loans (+€2,021 million or +35%), from €5,838 in 2012 to €7,859 in 2013.

2.1 Financial assets held for trading: product breakdown

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2013			AMOUNTS AS AT 12.31.2012		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
A) Financial assets (non-derivatives)						
1. Debt securities	**12,399,647**	**2,272,596**	**313,838**	**9,049,710**	**3,929,559**	**1,109,920**
1.1 Structured securities	43,747	440,895	180,712	78,137	1,032,258	309,393
1.2 Other debt securities	12,355,900	1,831,701	133,126	8,971,573	2,897,301	800,527
2. Equity instruments	**6,903,861**	**6,390**	**5,461**	**3,793,653**	**3,763**	**63,561**
3. Units in investment funds	**1,248,920**	**452,785**	**44,140**	**1,069,239**	**341,035**	**66,363**
4. Loans	**1**	**7,858,767**	**-**	**1**	**5,712,558**	**125,019**
4.1 Reverse Repos	-	7,841,045	-	-	5,615,603	-
4.2 Other	1	17,722	-	1	96,955	125,019
Total (A)	**20,552,429**	**10,590,538**	**363,439**	**13,912,603**	**9,986,915**	**1,364,863**
B) Derivative instruments						
1. Financial derivatives	**1,599,569**	**45,857,637**	**1,066,098**	**1,696,931**	**78,075,667**	**688,162**
1.1 Trading	1,599,569	44,868,664	583,166	1,693,994	76,818,760	687,734
1.2 Related to fair value option	-	39,101	-	-	98,824	-
1.3 Other	-	949,872	482,932	2,937	1,158,083	428
2. Credit derivatives	**395,001**	**408,914**	**76,231**	**239,557**	**970,197**	**110,891**
2.1 Trading	395,001	407,803	76,231	239,557	965,405	110,891
2.2 Related to fair value option	-	-	-	-	-	-
2.3 Other	-	1,111	-	-	4,792	-
Total (B)	**1,994,570**	**46,266,551**	**1,142,329**	**1,936,488**	**79,045,864**	**799,053**
Total (A+B)	**22,546,999**	**56,857,089**	**1,505,768**	**15,849,091**	**89,032,779**	**2,163,916**
Total Level 1, Level 2 and Level 3			**80,909,856**			**107,045,786**

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.4 Information on fair value.

At December 31, 2013, in accordance with the accounting standard IFRS5, all assets of the companies PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD were recognized under item “Non-current assets and disposal groups classified as held for sale”. The previous period was restated accordingly to increase comparability.

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

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2013	AMOUNTS AS AT 12.31.2012
A. Financial assets (non-derivateves)		
1. Debt securities	**14,986,081**	**14,089,189**
a) Governments and Central Banks	6,683,977	6,659,103
b) Other public-sector entities	1,675,634	1,131,801
c) Banks	4,365,113	3,820,643
d) Other issuers	2,261,357	2,477,642
2. Equity instruments	**6,915,712**	**3,860,977**
a) Banks	530,649	262,217
b) Other issuers	6,385,063	3,598,760
- insurance companies	*357,779*	*110,251*
- financial companies	*297,426*	*111,519*
- non-financial companies	*5,727,031*	*3,370,933*
- other	*2,827*	*6,057*
3. Units in investment funds	**1,745,845**	**1,476,637**
4. Loans	**7,858,768**	**5,837,578**
a) Governments and Central Banks	262	81,976
b) Other public-sector entities	17,460	35,470
c) Banks	1,604,346	2,347,460
d) Other issuers	6,236,700	3,372,672
Total A	**31,506,406**	**25,264,381**
B. Derivative instruments		
a) Banks	23,114,635	54,152,368
- fair value	23,114,635	54,152,368
b) Customers	26,288,815	27,629,037
- fair value	26,288,815	27,629,037
Total B	**49,403,450**	**81,781,405**
Total (A+B)	**80,909,856**	**107,045,786**

At December 31, 2013, in accordance with the accounting standard IFRS5, all assets of the companies PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

2.3 Financial assets held for trading: annual changes

(€ '000)

	CHANGES IN 2013				
	DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMENT FUNDS	LOANS	TOTAL
A. Opening balance	**14,128,883**	**3,860,977**	**1,476,637**	**5,837,578**	**25,304,075**
B. Increases	**429,396,125**	**117,145,098**	**36,208,848**	**275,107,138**	**857,857,209**
B.1 Purchases	426,098,755	116,163,236	36,048,112	274,993,374	853,303,477
B.2 Positive changes in fair value	124,812	497,502	74,795	42,117	739,226
B.3 Other changes	3,172,558	484,360	85,941	71,647	3,814,506
C. Decreases	**428,538,927**	**114,090,363**	**35,939,640**	**273,085,948**	**851,654,878**
C.1 Sales	422,464,563	112,682,957	35,471,641	357,735	570,976,896
C.2 Redemptions	3,655,009	34,939	37,794	272,612,182	276,339,924
C.3 Negative changes in fair value	239,531	194,922	33,254	48,482	516,189
C.4 Tranfers to other portfolios	-	-	-	-	-
C.5 Other changes	2,179,824	1,177,545	396,951	67,549	3,821,869
D. Closing balance	**14,986,081**	**6,915,712**	**1,745,845**	**7,858,768**	**31,506,406**

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

At December 31, 2013 financial assets at fair value were €30,493 million, an increase of €5,468 million (+22%) over €25,025 million of end 2012.
This increase was mainly due to debt securities (+5,596 million, +24%).

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 12.31.2013			AMOUNTS AS AT 12.31.2012		
ITEM/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**15,229,702**	**12,908,468**	**586,573**	**9,972,613**	**10,920,258**	**2,235,572**
1.1 Structured securities	844	-	-	1,306	32,019	18,195
1.2 Other debt securities	15,228,858	12,908,468	586,573	9,971,307	10,888,239	2,217,377
2. Equity instruments	**1,234**	**-**	**35,443**	**437**	**11**	**35,443**
3. Units in investment funds	**91,336**	**353,185**	**54,777**	**63,949**	**-**	**431,374**
4. Loans	**-**	**1,210,991**	**20,849**	**-**	**732,299**	**633,059**
4.1 Structured	-	-	-	-	-	-
4.2 Other	-	1,210,991	20,849	-	732,299	633,059
Total	**15,322,272**	**14,472,644**	**697,642**	**10,036,999**	**11,652,568**	**3,335,448**
Cost	**15,345,613**	**14,351,855**	**662,254**	**9,687,439**	**11,454,058**	**3,068,867**
Total Level 1, Level 2 and Level 3			**30,492,558**			**25,025,015**

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.4 Information on fair value.

Part B – Consolidated Balance Sheet - Assets

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

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2013	12.31.2012
1. Debt securities	**28,724,743**	**23,128,443**
a) Governments and central banks	461,897	3,099,900
b) Other public-sector entities	17,077,929	11,559,610
c) Banks	7,121,538	5,912,845
d) Other issuers	4,063,379	2,556,088
2. Equity instruments	**36,677**	**35,891**
a) Banks	180	250
b) Other issuers:	36,497	35,641
- insurance companies	*23*	*21*
- financial companies	*182*	-
- non-financial companies	*36,267*	*35,596*
- other	*25*	*24*
3. Units in investment funds	**499,298**	**495,323**
4. Loans	**1,231,840**	**1,365,358**
a) Governments and central banks	221,566	237,096
b) Other public-sector entities	851,250	914,758
c) Banks	137,837	191,649
d) Other entities	21,187	21,855
Total	**30,492,558**	**25,025,015**

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

(€ '000)

	CHANGES IN 2013 DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMENT FUNDS	LOANS	TOTAL
A. Opening balance	**23,128,443**	**35,891**	**495,323**	**1,365,358**	**25,025,015**
B. Increases	**19,491,506**	**50,038**	**113,535**	**110,584**	**19,765,663**
B.1 Purchases	19,259,197	48,866	87,647	94,251	19,489,961
B.2 Positive changes in fair value	118,608	263	25,459	1,733	146,063
B.3 Other increases	113,701	909	429	14,600	129,639
C. Decreases	**13,895,206**	**49,252**	**109,560**	**244,102**	**14,298,120**
C.1 Sales	12,019,351	48,873	54,631	118,404	12,241,259
C.2 Redemptions	1,309,892	-	20,461	50,565	1,380,918
C.3 Negative changes in fair value	396,049	32	25,317	67,440	488,838
C.4 Other decreases	169,914	347	9,151	7,693	187,105
D. Closing balance	**28,724,743**	**36,677**	**499,298**	**1,231,840**	**30,492,558**

Section 4 - Available for sale financial assets - Item 40

As at December 31, 2013, available-for-sale financial assets were €85,874 million, up by 17% (+€12,471 million) compared with December 31, 2012 (€73,403 million).
This increase is attributable to:

- trend in bonds investments that come from €69,557 million in 2012 to €81,249 million in 2013, mainly due to increase in values and volumes of Sovereign bonds (please refer to Section E – Information on Sovereign Exposures for further details);
- trend in Equity Investments that come from €2,354 million in 2012 to €3,395 million in 2013 mainly due to the Bank of Italy stake, following the Capital Increase executed by issuing New Shares (€1,659 million as at December 31, 2013, measured at fair value) replacing Old Shares (€285 million as at December 31, 2012, carried at cost); see Part E – Section 2.4 for further information).

4.1 Available for sale financial assets: product breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2013			AMOUNTS AS AT 12.31.2012		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**69,575,809**	**10,712,585**	**960,268**	**54,484,088**	**13,018,951**	**2,054,064**
1.1 Structured securities	28,759	2,663	18,885	83,199	174,971	167,101
1.2 Other	69,547,050	10,709,922	941,383	54,400,889	12,843,980	1,886,963
2. Equity instruments	**303,226**	**11,293**	**3,080,557**	**434,424**	**30,744**	**1,889,013**
2.1 Measured at fair value	303,226	11,293	2,421,730	434,424	30,744	724,737
2.2 Carried at cost	-	-	658,827	-	-	1,164,276
3. Units in investment funds	**260,486**	**119,406**	**850,441**	**222,955**	**186,984**	**1,081,671**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**70,139,521**	**10,843,284**	**4,891,266**	**55,141,467**	**13,236,679**	**5,024,748**
Total Level 1, Level 2 and Level 3			**85,874,071**			**73,402,894**

At December 31, 2013, in accordance with the accounting standard IFRS5, all assets of the companies PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD 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, A.4 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).

Part B – Consolidated Balance Sheet - Assets

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

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2013	12.31.2012
1. Debt securities	**81,248,662**	**69,557,103**
a) Governments and central banks	66,606,300	56,635,033
b) Other public-sector entities	833,598	775,197
c) Banks	8,467,948	7,736,618
d) Other issuers	5,340,816	4,410,255
2.Equity instruments	**3,395,076**	**2,354,181**
a) Banks	1,918,833	531,840
b) Other issuers:	1,476,243	1,822,341
- insurance companies	*40,139*	*86,005*
- financial companies	*332,250*	*366,114*
- non-financial companies	*636,499*	*936,054*
- other	*467,355*	*434,168*
3. Units in investment funds	**1,230,333**	**1,491,610**
4. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public-sector entities	-	-
c) Banks	-	-
d) Other entities	-	-
Total	**85,874,071**	**73,402,894**

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 12.31.2013	AMOUNTS AS AT 12.31.2012
1. Financial assets subject to micro-hedging of fair value	**37,019,903**	**33,899,147**
a) Interest rate risk	37,019,903	33,899,147
b) Price risk	-	-
c) Currency risk	-	-
d) Credit risk	-	-
e) Multiple risks	-	-
2. Financial assets subject to micro-hedging of cash flows	**-**	**-**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	-	-
Total	**37,019,903**	**33,899,147**

4.4 Available for-sale financial assets: annual change

(€ '000)

	CHANGES IN 2013				
	DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMEN FUNDS	LOANS	TOTAL
A. Opening balance	**69,748,596**	**2,354,742**	**1,491,610**	**-**	**73,594,948**
B Increases	**160,846,036**	**3,711,870**	**499,679**	**-**	**165,057,585**
B.1 Purchases	156,717,337	1,922,655	445,517	-	159,085,509
B.2 Positive changes in fair value	948,641	153,175	6,791	-	1,108,607
B.3 Write-backs	5,967	-	-	-	5,967
- through profit or loss	*5,967*	*X*	-	-	*5,967*
- in equity	-	-	-	-	-
B.4 Transfer from other portfolio	-	-	-	-	-
- Held for trading financial assets	-	-	-	-	-
- HTM financial assets	-	*X*	*X*	-	-
B.5 Other changes	3,174,091	1,636,040	47,371	-	4,857,502
C. Descreases	**149,345,970**	**2,671,536**	**760,956**	**-**	**152,778,462**
C.1 Sales	21,696,240	2,354,587	653,335	-	24,704,162
C.2 Redemptions	122,077,341	6	6,678	-	122,084,025
C.3 Negative changes in fair value	943,357	37,937	14,375	-	995,669
C.4 Impairment	18,835	97,267	39,407	-	155,509
- through profit or loss	*18,835*	*94,325*	*39,407*	-	*152,567*
- in equity	-	*2,942*	-	-	*2,942*
C.5 Transfers to other portfolios	21,402	-	-	-	21,402
C.6 Other changes	4,588,795	181,739	47,161	-	4,817,695
D. Closing balance	**81,248,662**	**3,395,076**	**1,230,333**	**-**	**85,874,071**

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

Held-to-maturity investments decreased from €6,208 million in 2012 to €5,305 million in 2013, a reduction of €903 million (-15%).

5.1 Held-to-maturity investments: product breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2013				AMOUNTS AS AT 12.31.2012			
		FAIR VALUE				FAIR VALUE		
	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**5,305,424**	**4,558,400**	**571,684**	**186,030**	**6,207,867**	**4,142,242**	**1,496,910**	**529,223**
- Structured securities	-	-	-	-	-	-	-	-
- Other securities	5,305,424	4,558,400	571,684	186,030	6,207,867	4,142,242	1,496,910	529,223
2. Loans	-	-	-	-	-	-	-	-
Total Level 1, Level 2 and Level 3				**5,316,114**				**6,168,375**

Fair value measurements solely for the purpose of fulfilling market disclosure requirements were classified according to a hierarchy of levels reflecting the significance of the valuation inputs. For further information see Part A - Accounting Policies – A.4 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 12.31.2013	AMOUNTS AS AT 12.31.2012
1. Debt securities	**5,305,424**	**6,207,867**
a) Governments and central banks	4,497,312	4,973,456
b) Other public-sector entities	133,426	149,477
c) Banks	210,574	606,608
d) Other issuers	464,112	478,326
2. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public-sector entities	-	-
c) Banks	-	-
d) Other entities	-	-
Total	**5,305,424**	**6,207,867**
Total fair value	**5,316,114**	**6,168,375**

5.3 Held-to-maturity investments: Assets subject to micro hedging

There are no HTM assets subject to micro hedging.

5.4 Held-to-maturity investments: annual change

(€ '000)

	CHANGES IN 2013		
	DEBT SECURITIES	**LOANS**	**TOTAL**
A. Opening balance	**6,207,867**	**-**	**6,207,867**
B. Increases	**11,334,785**	**-**	**11,334,785**
B.1 Purchases	11,126,672	-	11,126,672
B.2 Write-backs	3	-	3
B.3 Transfers from other portfolios	21,402	-	21,402
B.4 Other changes	186,708	-	186,708
C. Decreases	**12,237,228**	**-**	**12,237,228**
C.1 Sales	88,149	-	88,149
C.2 Redemptions	11,845,359	-	11,845,359
C.3 Write-downs	469	-	469
C.4 Transfers to other portfolios	-	-	-
C.5 Other changes	303,251	-	303,251
D. Closing balance	**5,305,424**	**-**	**5,305,424**

Section 6 - Loans and receivables with banks - Item 60

At December 31, 2013 loans to banks were €61,119 million, a €12,876 million decrease (-17%) from 2012 (€73,995 million). This decrease was due to a change in the Compulsory reserves at Central Banks.

At December 31, 2013 the net interbank position was -€49,104 million, at end 2012 it was -€43,325 million.

Loans to banks/deposits from banks (€ million)

	AMOUNTS AS AT		CHANGE	
	12.31.2013	12.31.2012	AMOUNT	%
Loans to banks	61,119	73,995	-12,876	-17.4%
Deposits from banks	(110,222)	(117,320)	7,098	-6.1%
Changes (negative balance)	**(49,104)**	**(43,325)**	**-5,779**	**13.3%**

At December 31, 2013, in accordance with the accounting standard IFRS5, all assets of the companies PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD were recognized under item “Non-current assets and disposal groups classified as held for sale”. The previous period was restated accordingly to increase comparability.

6.1 Loans and receivables with banks: product breakdown

(€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 31.12.2013				AMOUNTS AS AT 31.12.2012	
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE
		LEVEL 1	LEVEL 2	LEVEL 3		
A. Loans to Central Banks	**17.331.445**	**-**	**5,213,543**	**12,088,133**	**28,272,350**	
1. Time deposits	1.363.712	X	X	X	1.308.196	
2. Compulsory reserves	15.138.943	X	X	X	26.521.862	
3. Reverse repos	825.041	X	X	X	424.649	
4. Other	3.749	X	X	X	17.643	
B. Loans to banks	**43,787,430**	**648.858**	**27,203,628**	**16,652,652**	**45,722,864**	
1. Loans	**37,833,608**	**165**	**21,356,332**	**16,628,717**	**38,727,040**	
1.1 Current accounts and demand deposits	15.015.754	X	X	X	20.330.082	
1.2 Time deposits	5.435.636	X	X	X	4.857.437	
1.3 Other loans	17,382,218	-	-	-	13.539.521	
- Reverse repos	*12.686.995*	*X*	*X*	*X*	*9.427.872*	
- Finance leases	*5.179*	*X*	*X*	*X*	*4.566*	
- Other	*4,690,044*	*X*	*X*	*X*	*4.107.083*	
2. Debt securities	**5.953.822**	**648.693**	**5,847,296**	**23.935**	**6.995.824**	
2.1 Structured	*-*	*X*	*X*	*X*	*10*	
2.2 Other	*5.953.822*	*X*	*X*	*X*	*6,995,814*	
Total	**61,118,875**	**648.858**	**32.417.171**	**28.740.785**	**73.995.214**	**74,709,250**

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, 2013, in accordance with the accounting standard IFRS5, all assets of the companies PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD were recognized under item “Non-current assets and disposal groups classified as held for sale”. The previous period was restated accordingly to increase comparability.

Loans and receivables with banks are not carried at fair value, which is presented solely for the purpose of fulfilling market disclosure requirements. Fair value measurements are classified according to a three level hierarchy that reflects the significance of the inputs used in the measurements. For further information see Part A – Accounting Policies – A.4 Information on fair value.

The changes occurred between December 31, 2012 and December 31, 2013 in the relationship between fair value and book value reflect the refinement of the assumptions and parameters used to measure fair value for the purposes of financial reporting.

6.2 Loans and receivables with banks subject to micro-hedging

(€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 12.31.2013	AMOUNTS AS AT 12.31.2012
1. Loans and receivables subject to micro-hedging of fair value	**-**	**431,697**
a) Interest rate risk	-	431,697
b) Currency risk	-	-
c) Credit risk	-	-
d) Multiple risks	-	-
2. Loans and receivables subject to micro-hedging of cash flows	**44,908**	**43,918**
a) Interest rate risk	44,908	43,918
b) Currency risk	-	-
c) Other	-	-
Total	**44,908**	**475,615**

No amounts are shown in Sub-item 1.a, with reference to fair value hedges, as a result of the fact that micro-hedging relationships previously existing at the Irish subsidiary no longer exist.

6.3 Finance leases

(€ '000)

LESSOR INFORMATION	AMOUNTS AS AT 12.31.2013		AMOUNTS AS AT 12.31.2012	
	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	1,689	1,251	1,348	1,255
From 1 to 5 years	3,687	3,036	2,560	2,331
Later than 5 years	994	891	1,105	980
Total gross/net investment value	**6,370**	**5,178**	**5,013**	**4,566**
of which: - Unguaranteed residual values of assets leased under finance leases	*985*	*980*	*1,166*	*1,159*
Less: Unearned finance income (by remaining maturity)	**(1,191)**	**X**	**(447)**	**X**
Present value of minimum lease payments receivable (net investment in the lease)	**5,179**	**5,178**	**4,566**	**4,566**

Section 7 - Loans and receivables with customers - Item 70

As at December 31, 2013 loans and receivables with customers amounted to €503,142 million, down €41,301 million over 2012 (€544,443 million).

This change was due to the combination of:

- a €5,823 million decrease in current accounts;
- a €763 million increase in repos;
- a €7,916 million decrease in mortgages;
- a decline in credit cards and personal loans, including wage assignment loans (-€1,172 million);
- a €1,831 million decrease in finance leases;
- a €668 million reduction in factoring;
- a significant decrease in other loans (-€23,922 million);
- a €731 million decrease in debt securities.

In 2013 UniCredit S.p.A and its subsidiaries Unicredit Credit Management Bank S.p.A. and UniCredit Leasing S.p.A. modified the parameters used for the valuation of impaired and performing loans; since the measurement base of the loans was not modified, this change qualifies as a “change in accounting estimates” under IAS 8 (paragraph 5). Detailed information about the effects of this change was provided, as required by IAS 8 (paragraph 39), in Part E – Information on risks and related risk management policies – at the foot of Table A.1.2 Breakdown of credit exposures by portfolio and credit quality, which should be consulted for further information.

7.1 Loans and receivables with customers: product breakdown

(€ '000)

TYPE OF TRANSACTION/VALUES	AMOUNTS AS AT 12.31.2013						AMOUNTS AS AT 12.31.2012			
	BOOK VALUE			FAIR VALUE			BOOK VALUE			FAIR VALUE
	PERFORMING	IMPAIRED		LEVEL 1	LEVEL 2	LEVEL 3	PERFORMING	IMPAIRED		
		PURCHASED	OTHERS					PURCHASED	OTHERS	
Loans	**452,126,677**	**122,022**	**39,634,091**	**163**	**172,904,759**	**326,168,614**	**489,595,278**	**124,933**	**42,732,072**	
1. Current accounts	46,379,998	19,858	7,122,503	X	X	X	50,324,661	29,144	8,991,884	
2. Reverse repos	32,965,692	-	56	X	X	X	32,202,407	-	97	
3. Mortgages	153,434,383	63,835	16,569,592	X	X	X	161,485,048	9,991	16,489,140	
4. Credit cards and personal loans, including wage assignement loans	18,627,711	31	611,968	X	X	X	19,692,124	1,766	718,147	
5. Finance leases	26,357,225	-	4,079,660	X	X	X	27,883,413	-	4,384,173	
6. Factoring	10,235,644	6	363,884	X	X	X	10,928,972	-	338,967	
7. Other loans	164,126,024	38,292	10,886,428	X	X	X	187,078,653	84,032	11,809,664	
Debt securities	**11,200,898**	**-**	**58,578**	**610,203**	**10,611,330**	**2,210,936**	**11,917,986**	**-**	**72,266**	
8. Structured securities	-	-	-	X	X	X	-	-	-	
9. Other debt securities	11,200,898	-	58,578	X	X	X	11,917,986	-	72,266	
Total	**463,327,575**	**122,022**	**39,692,669**	**610,366**	**183,516,089**	**328,379,550**	**501,513,264**	**124,933**	**42,804,338**	**563,801,156**
Total carrying amount Performing and Impaired	**503,142,266**						**544,442,535**			

Notes to the table in the previous page:

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, 2013, in accordance with the accounting standard IFRS5, all assets of the companies PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD 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:
- €55,247 million for other non-current account loans (€61.264 million as at December 31, 2012);
- €23,420 million for pooled transaction (€29,215 million as at December 31, 2012);
- €12,732 million advances to customers for import/export (€14,173 million as at December 31, 2012);
- €9,721 million for advances to ordinary customers (€11,204 million as at December 31, 2012);
- €7,938 million "hot money" transactions (€9,935 million as at December 31, 2012).

Sub-items 7. "Other loans" and 8.2 "Other Debt Securities" include respectively €88 million and €308 million 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, at the date of application of international accounting standards for the faculty introduced by IFRS 1 applicable since the transactions were performed before January 1, 2004.
An Italian Government bond partly guarantees these securities for €215 million.
The assets underlying these securitization transactions are non-performing loans, whose carrying amount was €184 million at December 31, 2013, as against a face value of €3,053 million.
It should be noted that during 2013 "Trevi Finance", "Trevi Finance 2" and "Trevi Finance 3" completed the sale of loans and receivables amounting to nominal €717 million (equal to a book value of €16 million) to an SPV called "Aurora SPV S.r.L." (for further information see Part E – Section 1 – Credit risk – C. Securitization transactions – AURORA 1).
The remaining exposures to the Trevi SPVs disclosed in the financial statements as at December 31, 2013 were therefore calculated taking account of both the outcome of this sale and the disposal strategy applied to other portfolios belonging to these SPVs. Overall, further write-downs of €268 million were recognized in the Income Statement of UniCredit S.p.A. during 2013, also in light of the need to adjust the book value to the expected recoverable amount.

Loans and receivables with customers are not carried at fair value, which is presented solely for the purpose of fulfilling financial disclosure requirements. Fair value measurements are classified according to a three level hierarchy that reflects the significance of the inputs used in the measurements. For further information see Part A – Accounting Policies – A.4 Information on fair value.

The changes occurred between December 31, 2012 and December 31, 2013 in the relationship between fair value and book value reflect the refinement of the assumptions and parameters used to measure fair value for the purposes of financial reporting.

The fair value of demand items was estimated to be equal to their net book value by exercising the option provided for by IFRS 7.29 . According to this assumption, demand items were classified as level 3 in the fair value hierarchy.

The fair value of impaired loans was estimated to be equal to their net book value by considering the analytical realizable value the best estimate of the future expected cash flows discounted at the valuation date. According to this assumption, impaired loans were classified as level 3 in the fair value hierarchy.

Part B – Consolidated Balance Sheet - Assets

7.2 Loans and receivables with customers: breakdown by issuer/borrower

(€ '000)

TYPE OF TRANSACTION/VALUES	AMOUNTS AS AT 12.31.2013			AMOUNTS AS AT 12.31.2012		
	PERFORMING	IMPAIRED		PERFORMING	IMPAIRED	
		PURCHASED	OTHERS		PURCHASED	OTHERS
1. Debt securities:	**11,200,898**	**-**	**58,578**	**11,917,988**	**-**	**72,266**
a) Governments	95,217	-	-	712,987	-	-
b) Other public-sector entities	3,604,451	-	-	2,960,455	-	-
c) Other issuers	7,501,230	-	58,578	8,244,546	-	72,266
- non-financial companies	*1,053,171*	-	*914*	*1,156,966*	-	-
- financial companies	*2,324,512*	-	*19,827*	*3,385,142*	-	*22,056*
- insurance companies	*443,547*	-	-	*444,104*	-	-
- other	*3,680,000*	-	*37,837*	*3,258,334*	-	*50,210*
2. Loans to	**452,126,677**	**122,022**	**39,634,091**	**489,595,276**	**124,933**	**42,732,072**
a) Governments	6,614,880	-	4,019	6,341,407	-	5,802
b) Other public-sector entities	18,665,335	-	151,338	21,209,618	-	249,208
c) Other entities	426,846,462	122,022	39,478,734	462,044,251	124,933	42,477,062
- non-financial companies	*224,173,474*	*58,671*	*30,036,828*	*255,392,671*	*106,227*	*32,810,039*
- financial companies	*51,910,482*	-	*363,786*	*51,877,831*	*104*	*600,786*
- Insurance companies	*682,275*	-	*13,298*	*772,821*	-	*17,519*
- other	*150,080,231*	*63,351*	*9,064,822*	*154,000,928*	*18,602*	*9,048,718*
Total	**463,327,575**	**122,022**	**39,692,669**	**501,513,264**	**124,933**	**42,804,338**
Total Performing and Impaired			**503,142,266**			**544,442,535**

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, 2013, in accordance with the accounting standard IFRS5, all assets of the companies PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD 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 TRANSACTION/VALUES	AMOUNTS AS AT 12.31.2013	AMOUNTS AS AT 12.31.2012
1. Loans and receivables subject to micro-hedging of fair value	**232,790**	**389,818**
a) interest rate risk	218,807	292,002
b) currency risk	-	-
c) credit risk	13,983	97,816
d) multiple risk	-	-
2. Loans and receivables subject to micro-hedging of cash flows	**1,364**	**1,903**
a) interest rate risk	1,364	1,903
b) currency risk	-	-
c) other	-	-
Total	**234,154**	**391,721**

7.4 Finance leases

(€ '000)

LESSOR INFORMATION	AMOUNTS AS AT 12.31.2013 MINIMUM LEASE PAYMENTS	AMOUNTS AS AT 12.31.2013 PRESENT VALUE OF MINIMUM LEASE PAYMENTS	AMOUNTS AS AT 12.31.2012 MINIMUM LEASE PAYMENTS	AMOUNTS AS AT 12.31.2012 PRESENT VALUE OF MINIMUM LEASE PAYMENTS
Amounts receivable under finance leases				
Up to 12 months	6,497,350	5,615,655	8,918,914	7,961,691
From 1 to 5 years	13,996,776	11,662,138	13,537,778	11,022,786
Later than 5 years	15,235,624	13,159,092	15,620,847	13,283,109
Total gross/net investment value	**35,729,750**	**30,436,885**	**38,077,539**	**32,267,586**
of which: - Unguaranteed residual values of assets leased under finance leases	*3,759,481*	*3,742,897*	*4,110,616*	*4,090,383*
Less: Unearned finance income (by remaining maturity)	**(5,292,865)**	**X**	**(5,809,953)**	**X**
Present value of minimum lease payments receivable (net investment in the lease)	**30,436,885**	**30,436,885**	**32,267,586**	**32,267,586**

Part B – Consolidated Balance Sheet - Assets

Section 8 - Hedging derivatives - Item 80

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

(€ '000)

	AMOUNTS AS AT 12.31.2013				AMOUNTS AS AT 12.31.2012			
	FAIR VALUE			NOTIONAL AMOUNT	FAIR VALUE			NOTIONAL AMOUNT
	LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3	
A. Financial derivatives	**-**	**9,648,576**	**-**	**156,409,504**	**-**	**17,634,318**	**56,223**	**189,937,190**
1) Fair value	-	6,359,039	-	142,264,984	-	13,057,723	56,223	170,651,073
2) Cash flows	-	3,289,537	-	14,144,520	-	4,576,595	-	19,286,117
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**1**	**155,000**	**-**	**793**	**-**	**220,000**
1) Fair value	-	-	1	155,000	-	793	-	220,000
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**9,648,576**	**1**	**156,564,504**	**-**	**17,635,111**	**56,223**	**190,157,190**
Total Level 1, Level 2 e Level 3			**9,648,577**				**17,691,334**	

8.2 Hedging derivatives: breakdown by hedged assets and risk (book value)

(€ '000)

	AMOUNTS AS AT 12.31.2013								
	FAIR VALUE HEDGES						CASH-FLOW HEDGES		
	MICRO-HEDGE								
TRANSACTIONS/TYPE OF HEDGES	INTEREST RATE RISK	CURRENCY RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISKS	MACRO-HEDGE	MICRO-HEDGE	MACRO-HEDGE	TOTAL NET INVEST. ON FOREIGN INVESTM.
1. Available-for-sale financial assets	352	76,120	-	-	-	X	-	X	X
2. Loans and receivables	250,349	-	-	X	-	X	-	X	X
3. Held-to-maturity investments	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	1,410,610	X	3,281,766	X
5. Other investments	-	-	-	-	-	X	-	X	-
Total assets	**250,701**	**76,120**	**-**	**-**	**-**	**1,410,610**	**-**	**3,281,766**	**-**
1. Financial liabilities	15,726	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	4,605,883	X	7,769	X
Total liabilities	**15,726**	**-**	**-**	**-**	**-**	**4,605,883**	**-**	**7,769**	**X**
1. Expected transactions	X	X	X	X	X	X	2	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

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	
	12.31.2013	12.31.2012
1. Positive changes	**4,001,128**	**5,357,195**
1.1 of specific portfolios:	406,812	528,510
a) loans and receivables	406,812	*528,510*
b) available-for-sale financial assets	-	-
1.2 overall	3,594,316	4,828,685
2. Negative changes	**1,186,074**	**2,201,654**
2.1 of specific portfolios:	75,761	185,468
a) loans and receivables	*75,761*	*185,468*
b) available-for-sale financial assets	-	-
2.2 overall	1,110,313	2,016,186
Total	**2,815,054**	**3,155,541**

9.2 Banking group assets subject to macro-hedging of interest-rate risk: breakdown

(€ '000)

	AMOUNTS AS AT	
	12.31.2013	12.31.2012
1. Loans and receivables	6,163,665	7,159,957
2. Available-for-sale financial assets	-	-
3. Portfolio	34,798,297	52,682,147
Total	**40,961,962**	**59,842,104**

Section 10 - Investments in associates and joint ventures - Item 100

As at December 2013, investments in associates and joint ventures amounted to €4,050 million, up €192 million from €3,858 million at the end of 2012.

10.1 Equity investments in joint ventures (valued at equity) and companies under significant influence: information on shareholders' equity

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
	VALUED AT EQUITY METHOD					
1	ADLER FUNDING LLC	DOVER	8	UNICREDIT BANK AG	32.81	
2	ALLIANZ YASAM VE EMEKLILIK AS	ISTANBUL	8	YAPI KREDI FAKTORING AS	0.04	
				YAPI KREDI FINANSAL KIRALAMA AO	19.93	
				YAPI KREDI YATIRIM MENKUL DEGERLER AS	0.04	
				YAPI VE KREDI BANKASI AS	..	
3	ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE DOBROVOLJNIM MIROVINSKIM FONDOM	ZAGREB	8	ZAGREBACKA BANKA D.D.	49.00	
4	ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE OBVEZNIM MIROVINSKIM FONDOM	ZAGREB	8	ZAGREBACKA BANKA D.D.	49.00	
5	ASSET BANCARI II	MILAN	8	UNICREDIT CREDIT MANAGEMENT BANK SPA	46.30	
6	AVIVA SPA	MILAN	8	UNICREDIT SPA	49.00	
7	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
8	BANQUE DE COMMERCE ET DE PLACEMENTS SA	GENEVA	8	YAPI VE KREDI BANKASI AS	30.67	
9	BARN BV	AMSTERDAM	8	UNICREDIT BANK AUSTRIA AG	40.00	
10	BKS BANK AG	KLAGENFURT	8	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	28.01	29.64
				UNICREDIT BANK AUSTRIA AG	8.02	7.46
11	BLUVACANZE SPA	MILAN	8	UNICREDIT SPA	42.85	
12	BULKMAX HOLDING LTD	LA VALLETTA	8	HVB CAPITAL PARTNERS AG	45.00	
13	CA IMMOBILIEN ANLAGEN AKTIENGESELLSCHAFT	VIENNA	8	UNICREDIT BANK AUSTRIA AG	18.16	
14	CASH SERVICE COMPANY AD	SOFIA	8	UNICREDIT BULBANK AD	20.00	
15	CBD INTERNATIONAL SP.ZO.O.	WARSAW	8	ISB UNIVERSALE BAU GMBH	49.75	
16	CNP UNICREDIT VITA S.P.A.	MILAN	8	UNICREDIT SPA	38.80	
17	COMTRADE GROUP B.V.	AMSTERDAM	8	HVB CAPITAL PARTNERS AG	21.05	
18	CONSORZIO SE.TEL. SERVIZI TELEMATICI IN LIQUIDAZIONE	NAPLES	8	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	33.33	
19	CREDITRAS ASSICURAZIONI SPA	MILAN	8	UNICREDIT SPA	50.00	

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
20	CREDITRAS VITA SPA	MILAN	8	UNICREDIT SPA	50.00	
21	DA VINCI S.R.L.	ROME	8	FONDO SIGMA	25.00	(3)
22	ES SHARED SERVICE CENTER SOCIETA' PER AZIONI	CERNUSCO SUL NAVIGLIO	8	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	49.00	
23	EUROPROGETTI & FINANZA S.P.A. IN LIQUIDAZIONE	ROME	8	UNICREDIT SPA	39.79	
24	FENICE HOLDING S.P.A.	CALENZANO	8	UNICREDIT SPA	25.91	
25	FIDIA SPA IN LIQUIDAZIONE	MILAN	8	UNICREDIT SPA	50.00	
26	INCONTRA ASSICURAZIONI S.P.A.	MILAN	8	UNICREDIT SPA	49.00	
27	KRAJOWA IZBA ROZLICZENIOWA SA	WARSAW	8	BANK PEKAO SA	34.44	
28	MARINA CITY ENTWICKLUNGS GMBH	VIENNA	8	CABET-HOLDING GMBH	25.00	
29	MARINA TOWER HOLDING GMBH	VIENNA	8	CABET-HOLDING GMBH	25.00	
30	MARTUR SUNGER VE KOLTUK TESISLERI TICARET VE SANAYI A. S.	ISTANBUL	8	HVB CAPITAL PARTNERS AG	20.00	
31	MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	MILAN	8	UNICREDIT SPA	8.66	
32	MEGAPARK OOD	SOFIA	8	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	43.50	
33	MULTIPLUS CARD D.O.O. ZA PROMIDZBU I USLUGE	ZAGREB	8	SUVREMENE POSILOVNE KOMUNIKACIJE D.O.O	75.00	25.00
34	NAUTILUS TANKERS LIMITED	LA VALLETTA	8	HVB CAPITAL PARTNERS AG	45.00	
35	NEEP ROMA HOLDING SPA	ROME	8	UNICREDIT SPA	31.00	
36	NOTARTREUHANDBANK AG	VIENNA	8	UNICREDIT BANK AUSTRIA AG	25.00	
37	OAK RIDGE INVESTMENT LLC	WILMINGTON	8	PIONEER INSTITUTIONAL ASSET MANAGEMENT INC	49.00	
38	OBERBANK AG	LINZ	8	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	29.14	32.54
				UNICREDIT BANK AUSTRIA AG	4.19	1.65
39	OBJEKT-LEASE GRUNDSTUCKSVERWALTUNGSGESE	VIENNA	8	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA	49.23	
				UNICREDIT LEASING (AUSTRIA) GMBH	0.77	
40	OESTERREICHISCHE HOTEL- UND TOURISMUSBANK GESELLSCHAFT M.B.H.	VIENNA	8	UNICREDIT BANK AUSTRIA AG	50.00	

Part B – Consolidated Balance Sheet - Assets

	NAME	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS (2)
41	OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT	VIENNA	8	CABET-HOLDING GMBH	24.75	
				SCHOELLERBANK AKTIENGESELLSCHAFT	8.26	
				UNICREDIT BANK AUSTRIA AG	16.14	
42	OESTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH	VIENNA	8	UNICREDIT BANK AUSTRIA AG	29.30	
43	PALATIN GRUNDSTUCKVERWALTUNGS GESELLSCHAFT M.B.H.	STOCKERAU	8	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
44	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	13.58	
45	PURGE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	8	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	50.00	
46	RCI FINANCIAL SERVICES S.R.O.	PRAGUE	8	UNICREDIT LEASING CZ, A.S.	50.00	49.86
47	REMBRA LEASING GESELLSCHAFT M.B.H.	VIENNA	8	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
48	SCHULERRICHTUNGSGESELLSCHAFT M.B.H.	VIENNA	8	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
49	SIA SPA	MILAN	8	UNICREDIT SPA	24.07	
50	SMIA SPA	ROME	8	UNICREDIT SPA	26.38	
51	SP PROJEKTENTWICKLUNG SCHOENEFELD GMBH & CO.KG	SCHOENEFELD	8	UNICREDIT BANK AUSTRIA AG	50.00	
52	SVILUPPO GLOBALE GEIE	ROME	8	UNICREDIT SPA	33.33	
53	SW HOLDING SPA	ROME	8	UNICREDIT SPA	28.57	13.79
54	SWANCAP PARTNERS GMBH	MUNICH	8	UNICREDIT BANK AG	75.25	49.00
55	TORRE SGR S.P.A.	ROME	8	PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER	37.50	
56	UNI GEBAEUDEMANAGEMENT GMBH	LINZ	8	BA GVG-HOLDING GMBH	50.00	
57	WIEN MITTE IMMOBILIEN GMBH	VIENNA	8	BA-CA WIEN MITTE HOLDING GMBH	50.00	
58	WKBG WIENER KREDITBURGSCHAFTS- UND	VIENNA	8	UNICREDIT BANK AUSTRIA AG	22.73	
59	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 – Section 3 of Accounting Policies for a description of the consolidation procedures and scope.

The following table shows the changes in associates (consolidated at net equity).

Equity investments in companies under significant influence: annual changes	Number of companies
A. Opening balance	**54**
B. Increased by	**8**
B.1 Newly established companies	-
B.2 Change of the consolidation method	5
B.3 Entities consolidated for the first time in 2013	3
C. Reduced by	**3**
C.1 Disposal	3
C.2 Change of the consolidation method	-
C.3 Absorption by other entities	-
D. Closing balance	**59**

Details of 2013 increases or reductions are presented below:

Increases

Change of the consolidation method

COMPANY NAME	MAIN OFFICE
CBD INTERNATIONAL SP.ZO.O.	WARSAW
ALLIANZ YASAM VE EMEKLILIK AS	ISTANBUL
SWANCAP PARTNERS GMBH	MUNICH
ES SHARED SERVICE CENTER SOCIETA' PER AZIONI	CERNUSCO SUL NAVIGLIO
RCI FINANCIAL SERVICES S.R.O.	PRAGUE

The changes in the consolidation method refer to the transfer:

- of the companies CDB International SP.ZO.O. and Swancap Partners GMBH from wholly owned subsidiaries;
- of the companies Allianz Yasam Ve Emeklilik As and RCI Financial Services S.R.O. from jointly owned companies consolidated proportionately;
- of the company Es Shared Service Center Società per Azioni from entities subject to significant influence valued at cost.

Entities consolidated for the first time in 2013

COMPANY NAME	MAIN OFFICE
FENICE HOLDING S.P.A.	CALENZANO
BARN BV	AMSTERDAM
ASSET BANCARI II	MILAN

The above table shows new companies set up in 2013.

Part B – Consolidated Balance Sheet - Assets

Reductions

Disposal

COMPANY NAME	MAIN OFFICE
ALTOS-IMMORENT IMMOBILIENLEASING GMBH	VIENNA
G.B.S. - GENERAL BROKER SERVICE S.P.A.	ROME
SCHUL- UND AMTSGEBAUDE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	GRAZ

The above table shows disposals and liquidations of inactive companies.

Entities at equity which changed the company name during 2013

COMPANY NAME	MAIN OFFICE
FIDIA SPA IN LIQUIDAZIONE (Ex. FIDIA SGR SPA)	MILAN
SWANCAP PARTNERS GMBH (Ex. UNICREDIT MERCHANT PARTNERS GMBH)	MUNICH
ALLIANZ YASAM VE EMEKLILIK AS (Ex.YAPI KREDI EMEKLILIK AS)	ISTANBUL

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			NOTES
						L1	L2	L3	
A.EQUITY METHOD									
A.2 Companies under significant influence									
ADLER FUNDING LLC	145,846	14,091	(2,943)	4,122	1,357				
ALLIANZ YASAM VE EMEKLILIK AS	310,591	70,259	10,677	80,112	26,677				(1) (3)
ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE DOBROVOLJNIM MIROVINSKIM FONDOM	20,013	15,566	8,007	18,595	9,116				
ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE OBVEZNIM MIROVINSKIM FONDOM	5,065	4,088	1,390	3,375	1,659				
ASSET BANCARI II	23,338	560	(1,389)	12,111	5,607				
AVIVA SPA	10,189,500	1,339,000	(11,200)	684,034	335,178				(3)
BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT	9,304,189	167,848	65,716	874,527	435,676	227,076			(1) (2)
BANQUE DE COMMERCE ET DE PLACEMENTS SA	1,754,797	70,507	12,780	282,591	35,445				(3)
BARN BV	164,648	2,613	(4,383)	162,936	65,174				(3)
BKS BANK AG	6,812,920	142,593	40,569	706,119	254,444	204,705			(2)
BLUVACANZE SPA (*)	112,230	71,122	(10,523)	19,080	-				
BULKMAX HOLDING LTD	18,656	835	(76)	12,091	5,442				
CA IMMOBILIEN ANLAGEN AKTIENGESELLSCHAFT	5,491,468	176,752	6,848	1,468,524	266,683	201,989			(2)
CASH SERVICE COMPANY AD	6,770	3,221	250	6,551	1,311				(3)
CBD INTERNATIONAL SP. ZO.O.	23,791	52	(795)	5,704	6,568				(1) (3)
CNP UNICREDIT VITA S.P.A.	11,378,610	2,179,884	43,122	752,113	317,616				(1) (3)
COMTRADE GROUP B.V.	102,344	47,704	5,431	21,966	4,624				
CONSORZIO SE.TEL. SERVIZI TELEMATICI IN LIQUIDAZIONE	78	2	-	27	10				
CREDITRAS ASSICURAZIONI SPA	345,731	38,937	5,371	29,358	14,679				(3)
CREDITRAS VITA SPA	18,412,774	369,002	36,021	606,336	303,167				(3)
DA VINCI S.R.L.	160,818	250	(14,431)	445	111				
ES SHARED SERVICE CENTER SOCIETA' PER AZIONI (*)	42,575	19,597	931	1,051	59				
EUROPROGETTI & FINANZA S.P.A. IN LIQUIDAZIONE	6,687	503	41	(3,337)	-				
FENICE HOLDING S.P.A.	1,083,294	32,549	(10,960)	214,251	55,517				

Part B – Consolidated Balance Sheet - Assets

NAME	TOTAL ASSET	TOTAL REVENUES	NET PROFIT (LOSS)	SHAREHOLDERS' EQUITY	CONSOLIDATED CARRYING VALUE	FAIR VALUE L1	FAIR VALUE L2	FAIR VALUE L3	NOTES
FIDIA SPA IN LIQUIDAZIONE	3,129	22	(821)	2,588	1,295				
INCONTRA ASSICURAZIONI S.P.A.	153,314	30,117	2,000	18,316	8,976				
KRAJOWA IZBA ROZLICZENIOWA SA	27,578	27,449	7,034	23,225	8,002				(3)
MARINA CITY ENTWICKLUNGS GMBH	11,860	8	(219)	399	99				
MARINA TOWER HOLDING GMBH	1,508	-	147	1,623	406				
MARTUR SUNGER VE KOLTUK TESISLERI TICARET VE SANAYI A.S.	124,892	41,885	20,621	55,625	11,125				
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	77,204,800	3,389,818	(117,625)	7,055,664	610,667	474,022			(2)
MEGAPARK OOD	70,565	2,103	(2,876)	(25,395)	-				
MULTIPLUS CARD D.O.O. ZA PROMIDZBU I USLUGE	2,285	4,423	(132)	(1,270)	-				
NAUTILUS TANKERS LIMITED	21,516	8,364	1,812	21,489	9,672				
NEEP ROMA HOLDING SPA	446,521	95,824	4,591	78,532	22,845				
NOTARTREUHANDBANK AG	1,466,920	11,976	7,182	25,302	6,328				
OAK RIDGE INVESTMENT LLC	4,068	11,807	1,135	1,093	4,130				(1) (3)
OBERBANK AG	17,388,900	344,200	116,811	1,399,099	466,362	456,951			(2)
OBJEKT-LEASE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	9,509	300	124	1,351	676				(3)
OESTERREICHISCHE HOTEL- UND TOURISMUSBANK GESELLSCHAFT M.B.H.	1,052,985	6,352	1,852	26,288	13,144				
OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT	30,531,299	106,222	46,461	665,032	340,606				(1)
OESTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH	1,958	3,437	6	53	16				
PALATIN GRUNDSTUCKVERWALTUNGS GESELLSCHAFT M.B.H.	8,662	69	(8)	1,592	795				(3)
PSA PAYMENT SERVICE AUSTRIA GMBH	130,973	17,304	4,704	31,746	7,576				
PURGE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H.	502	9	(3)	35	16				(3)
RCI FINANCIAL SERVICES S.R.O.	93,762	3,206	1,384	29,708	17,117				(1) (3)
REMBRA LEASING GESELLSCHAFT M.B.H.	177	175	158	172	86				(3)
SCHULERRICHTUNGSGESELLSCHAFT M.B.H.	1,381	30	(68)	1,381	690				(3)
SIA SPA (**)	310,910	365,845	41,274	158,451	6,337				
SMIA SPA	38,909	2,866	(742)	29,500	7,783				
SP PROJEKTENTWICKLUNG SCHOENEFELD GMBH & CO.KG	19,168	3,943	2,603	17,744	8,872				

NAME	TOTAL ASSET	TOTAL REVENUES	NET PROFIT (LOSS)	SHAREHOLDERS' EQUITY	CONSOLIDATED CARRYING VALUE	FAIR VALUE L1	FAIR VALUE L2	FAIR VALUE L3	NOTES
SVILUPPO GLOBALE GEIE	3,231	869	32	287	96				
SW HOLDING SPA	314,419	29,174	28,634	313,655	86,111				
SWANCAP PARTNERS GMBH	1,998	-	-	1,866	9,330				(1)
TORRE SGR S.P.A.	43,460	9,187	507	37,667	17,736				(1) (3)
UNI GEBAEUDEMANAGEMENT GMBH	2,007	240	38	(152)	-				
WIEN MITTE IMMOBILIEN GMBH	463,874	16,653	(24,703)	106,568	53,284				(3)
WKBG WIENER KREDITBURGSCHAFTS- UND BETEILIGUNGSBANK AG	30,831	2,178	(344)	28,674	7,413				
YAPI KREDI KORAY GAYRIMENKUL YATIRIM ORTAKLIGI AS	37,705	3,577	(12,788)	9,777	1,212	1,952			(3)
B.COMPANIES AT PROPORTIONAL METHOD									
B.2 Companies under joint control									
BA HYPO FINANCIRANJE D.O.O.ZA POSLOVANJE NEKRET-NINAMA	12,974	204	(63)	(9)	-				
FIDES LEASING GMBH	51,468	875	(139)	127	-				
HYBA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRTNINAMA	2,248	88	6	152	-				
HYPO-BA LEASING SUD GMBH	2,824	262	228	2,815	-				
HYPO-BA PROJEKT, FINANCIRANJE D.O.O.	22,986	1,135	52	220	-				
HYPO-BA ZAGREB D.O.O. ZA POSLOVANJE NEKRETNINAMA	25,733	1,398	(240)	(2,667)	-				
INPROX LEASING, NEPREMICNINE, D.O.O.	2,789	292	14	85	-				
INPROX OSIJEK D.O.O.	3,863	90	6	179	-				
KOC FINANSAL HIZMETLER AS	1,458,572	97,434	87,547	1,458,368	-				
MONTREAL NEKRETNINE D.O.O.	4,557	137	54	2,203	-				
ORBIT ASSET MANAGEMENT LIMITED	181	990	-	34	-				
STICHTING CUSTODY SERVICES YKB	125	-	-	125	-				
SYNERGA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNIN-AMA	20,471	303	(7)	266	-				
TASFIYE HALINDE YAPI KREDI B TIPI YATIRIM ORTAKLIGI A.S.	16,182	1,957	899	15,920	-				
UNICREDIT MENKUL DEGERLER AS	2,783	546	(32)	2,624	-				
YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY	286,197	36,535	1,988	58,669	-				
YAPI KREDI BANK MOSCOW	174,334	14,970	6,539	52,724	-				

Part B – Consolidated Balance Sheet - Assets

NAME	TOTAL ASSET	TOTAL REVENUES	NET PROFIT (LOSS)	SHAREHOLDERS' EQUITY	CONSOLIDATED CARRYING VALUE	FAIR VALUE L1	FAIR VALUE L2	FAIR VALUE L3	NOTES
YAPI KREDI BANK NEDERLAND N.V.	1,609,590	76,832	18,509	261,678	-				
YAPI KREDI DIVERSIFIED PAYMENT RIGHTS FINANCE	940,559	13,608	-	3	-				
YAPI KREDI FAKTORING AS	739,337	99,761	58,157	89,112	-				
YAPI KREDI FINANSAL KIRALAMA AO	1,558,488	124,401	52,912	386,452	-				
YAPI KREDI HOLDING BV	45,338	-	(83)	45,299	-				
YAPI KREDI INVEST LIMITED LIABILITY COMPANY	75	67	-	75	-				
YAPI KREDI PORTFOEY YOENETIMI AS	19,587	20,160	9,312	16,812	-				
YAPI KREDI YATIRIM MENKUL DEGERLER AS	1,099,607	207,922	100,431	166,476	-				
YAPI VE KREDI BANKASI AS	50,213,512	5,357,354	1,337,492	5,995,026	-				
TOTAL INVESTMENTS VALUED AT EQUITY					3,874,923				

		CONSOLIDATED CARRYING VALUE
N. 59 INVESTMENTS VALUED AT EQUITY		**3,874,923**
INVESTMENTS VALUED AT COST:		**175,166**
n. 125 Unicredit Bank AG Subsidiaries and Associates	21,931	
n. 63 Unicredit Bank Austria Subsidiaries and Associates	4,075	
n. 38 Other Subsidiaries and Associates	149,160	
TOTAL		**4,050,089**

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, 2013 the recoverable value of the equity investments was redefined and was greater than carrying value after impairment charges. No further write-downs were recorded in addition to those previously recorded. (3) Data taken from the draft accounts for 2013 approved by the company’s governing bodies. If not available, they were taken from the latest approved financial statements or balance sheets.
(*) Consolidated carrying value relating to the valuation.
(**) Book value equal to 4% due to reclassification into IFRS5 for 20.07%.

Investments valued at cost comprise 202 subsidiaries controlled or companies under joint control as reported in the following table (figures updated on the basis of the latest accounts available):

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(€ '000)

	Number	Total assets
Subsidiaries not consolidated		
- Belonging to Banking Group	15	2,784
- Not belonging to Banking Group	175	58,320
Joint controlled entities not consolidated	12	16,096

Subsidiaries not consolidated that do not belong to Banking Group are composed mainly by Investment funds in Seed/Warehousing phase (n. 79) and Entities in liquidation or pre-liquidation (n.24)

10.3 Equity instruments: annual changes

(€ '000)

	CHANGES IN	
	2013	**2012**
A. Opening balance	**3,858,428**	**3,554,675**
B. Increases	**897,335**	**624,441**
B.1 Purchases	416,361	129,553
B.2 Write-backs	151	21
B.3 Revaluation	-	-
B.4 Other changes	480,823	494,867
C. Decreases	**705,674**	**320,688**
C.1 Sales	167,044	51,568
C.2 Write-downs	87,558	99,955
C.3 Other changes	451,072	169,165
D. Closing balance	**4,050,089**	**3,858,428**
E. Total revaluation	**-**	**-**
F. Total write-downs	**566,920**	**482,320**

At December 31, 2013, in accordance with the accounting standard IFRS5, all assets of some Group companies (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD) were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

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, 2013:

- a commitment to making a capital contribution of €1.5 million to the subsidiary UniCredit Consumer Financing IFN S.A. to support its growth;
- a commitment to subscribing for the recapitalization of the subsidiary Trieste Adriatic Maritime Initiatives S.r.l. with an investment of €1.03 million.

Section 11 - Insurance reserves attributable to reinsurers - Item 110

11.1 Insurance reserves attributed to reinsurers: breakdown

(€ '000)

	AMOUNTS AS AT	
	12.31.2013	12.31.2012
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**
B.1 Mathematical provisions	-	-
B.2 Provision for outstanding claims	-	648
B.3 Other insurance provisions	-	144
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**

11.2 Changes in item 110 "Technical reserves attributed to reinsures"

(€ '000)

	CHANGES IN 2013							
	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	**-**	**-**	**-**	**-**	**648**	**144**	**-**	**-**
a) Increases	-	-	-	-	-	-	-	-
b) Decreases	-	-	-	-	648	144	-	-
Amounts ceded to reinsures from insurance provisions - closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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 €10,950 million at end 2013, down by €636 million over the end of 2012 (€11,586 million).

12.1 Property, plant and equipment used in the business: breakdown of assets carried at cost

(€'000)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2013	AMOUNTS AS AT 12.31.2012
1. Owned assets	**7,458,417**	**8,049,323**
a) land	1,300,598	1,462,781
b) buildings	2,973,471	3,067,016
c) office furniture and fitting	275,948	287,291
d) electronic systems	581,225	721,359
e) other	2,327,175	2,510,876
1.2 Leased assets	**129,223**	**141,892**
a) land	44,362	45,671
b) buildings	77,255	85,878
c) office furniture and fitting	36	45
d) electronic systems	-	-
e) other	7,570	10,298
Total	**7,587,640**	**8,191,215**

As of December 31, 2013 the assets for operational use "other" include €1.6 billion related to a windmill park owned by Ocean Breeze Energy GmbH & Co. KG, for more qualitative and quantitative information please refer to the Part E.

In accordance with IFRS5, at December 31, 2013 all assets of the companies PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD were recognized in item "Non-current assets and disposal groups held for sale". The previous period was restated accordingly to increase comparability.

Part B – Consolidated Balance Sheet - Assets

12.2 Property, plant and equipment held for investment: breakdown of assets carried at cost

(€'000)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2013 BOOK VALUE	FAIR VALUE LEVEL 1	FAIR VALUE LEVEL 2	FAIR VALUE LEVEL 3	AMOUNTS AS AT 12.31.2012 BOOK VALUE	FAIR VALUE
1. Owned assets	**3,239,912**	**-**	**133,494**	**3,563,374**	**3,190,026**	
a) land	1,226,127	-	19,406	1,259,391	1,155,695	
b) buildings	2,013,785	-	114,088	2,303,983	2,034,331	
2. Leased assets	**81,908**	**-**	**-**	**81,908**	**126,813**	
a) land	12,531	-	-	12,531	23,556	
b) buildings	69,377	-	-	69,377	103,257	
Total	**3,321,820**	**-**	**133,494**	**3,645,282**	**3,316,839**	
Total Level 1, Level 2 and Level 3				**3,778,776**		**3,898,943**

Fair value measurements solely for the purpose of fulfilling market disclosure requirements were classified according to a hierarchy of levels reflecting the significance of the valuation inputs. For further information see Part A - Accounting Policies – A.4 Information on fair value.

In accordance with IFRS5, at December 31, 2013 all assets of the companies PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD were recognized in item “Non-current assets and disposal groups held for sale”. The previous period was restated accordingly to increase comparability.

12.3 Property, plant and equipment used in the business: breakdown of revalued assets

(€'000)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2013			AMOUNTS AS AT 12.31.2012		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Owned assets	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
c) office furniture and fitting	-	-	-	-	-	-
d) electronic systems	-	-	-	-	-	-
e) other	-	-	-	-	-	-
2. Leased assets	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
c) office furniture and fitting	-	-	-	-	-	-
d) electronic systems	-	-	-	-	-	-
e) other	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Total Level 1, Level 2 and Level 3			**-**			**-**

(*) 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, opening balances have been adjusted.

12.4 Property, plant and equipment held for investment: breakdown of assets designated at fair value

(€'000)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2013			AMOUNTS AS AT 12.31.2012		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Owned assets	**-**	**-**	**40,673**	**-**	**-**	**77,848**
a) land	-	-	294	-	-	19,491
b) buildings	-	-	40,379	-	-	58,357
2. Leased assets	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
Total	**-**	**-**	**40,673**	**-**	**-**	**77,848**
Total Level 1, Level 2 and Level 3			**40,673**			**77,848**

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

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

(€'000)

	CHANGES IN 2013					
	LAND	BUILDINGS	OFFICE FURNITURE AND FITTINGS	ELECTRONIC SYSTEMS	OTHER	TOTAL
A. Gross opening balance	**1,508,457**	**6,122,448**	**1,570,118**	**3,688,771**	**3,816,805**	**16,706,599**
A.1 Total net reduction in value	-	(2,814,791)	(1,278,677)	(2,945,740)	(1,275,761)	(8,314,969)
A.2 Net opening balance	**1,508,457**	**3,307,657**	**291,441**	**743,031**	**2,541,044**	**8,391,630**
B Increases	**284,758**	**455,292**	**63,243**	**229,985**	**438,571**	**1,471,849**
B.1 Purchases	60,169	199,066	54,141	188,235	285,277	786,888
B.2 Capitalised expenditure on improvements	31	25,653	-	-	-	25,684
B.3 Write-backs	6	1,621	9	7	500	2,143
B.4 Increases in fair value:	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
B.5 Positive Exchange differences	175	4,211	569	257	77	5,289
B.6 Transfer from properties held for investment	169,256	213,118	-	-	-	382,374
B.7 Other changes	55,121	11,623	8,524	41,486	152,717	269,471
C. Reductions	**448,255**	**712,223**	**78,700**	**391,791**	**644,870**	**2,275,839**
C.1 Disposals	2,563	15,491	1,937	99,703	96,175	215,869
C.2 Depreciation	-	166,731	52,027	220,999	193,344	633,101
C.3 Impairment losses	2,902	24,914	7,295	4,726	43,426	83,263
a) in equity	-	-	-	-	-	-
b) through profit or loss	*2,902*	*24,914*	*7,295*	*4,726*	*43,426*	*83,263*
C.4 Reduction of fair value:	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
C.5 Negative exchange differences	4,427	57,651	1,672	12,972	10,957	87,679
C.6 Transfer to:	388,562	445,680	3,549	25,119	46,044	908,954
a) property, plant and equipment held for investment	*377,019*	*284,652*	-	-	-	*661,671*
b) assets held for sale	*11,543*	*161,028*	*3,549*	*25,119*	*46,044*	*247,283*
C.7 Other changes	49,801	1,756	12,220	28,272	254,924	346,973
D. Net final balance	**1,344,960**	**3,050,726**	**275,984**	**581,225**	**2,334,745**	**7,587,640**
D.1 Total net reduction in value	-	(2,777,993)	(1,276,758)	(2,427,421)	(1,269,630)	(7,751,802)
D.2 Gross closing balance	**1,344,960**	**5,828,719**	**1,552,742**	**3,008,646**	**3,604,375**	**15,339,442**
E. Carried at cost (*)	**-**	**-**	**-**	**-**	**-**	**-**

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

(€'000)

	CHANGES IN 2013	
	LAND	BUILDINGS
A. Opening balances	**1,203,849**	**2,237,306**
B. Increases	**496,892**	**566,877**
B.1 Purchases	33,014	103,817
B.2 Capitalised expenditure on improvements	-	7,899
B.3 Increases in fair value	-	-
B.4 Write backs	4,424	14,405
B.5 Positive exchange differences	-	1,066
B.6 Transfer from properties used in the business	377,019	284,652
B.7 Other changes	82,435	155,038
C. Reductions	**461,789**	**680,642**
C.1 Disposals	10,079	28,634
C.2 Depreciation	-	74,381
C.3 Reductions in fair value	5	721
C.4 Impairment losses	36,183	61,044
C.5 Negative exchange differences	2,643	11,360
C.6 Transfer to:	324,626	432,116
a) Properties used in the business	*169,256*	*213,118*
b) Non-current assets classified as held for sale	*155,370*	*218,998*
C.7 Other changes	88,253	72,386
D. Closing balances	**1,238,952**	**2,123,541**
E. Measured at fair value	**1,291,328**	**2,487,448**

12.7 Commitments to purchase property, plant and equipment

(€'000)

	AMOUNTS AS AT	
	12.31.2013	12.31.2012
A. Contractual commitments	18,744	17,338

Outstanding commitments refer to the purchase of property, plant and equipment.

Part B – Consolidated Balance Sheet - Assets

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, 2013 this item was €5,384 million against €15,605 million at December 31, 2012, a measurable decrease due to impairment losses (-€10,041 million) recognized in the fourth quarter of 2013 and mainly attributable to the goodwill and customer relationship.

13.1 Intangible assets: breakdown

(€'000)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2013		AMOUNTS AS AT 12.31.2012	
	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE
A.1 Goodwill	**X**	**3,533,100**	**X**	**11,677,608**
A.1.1 attributable to the Group	X	3,533,100	X	11,677,608
A.1.2 attributable to minorities	X	-	X	-
A.2 Other intangible assets	**1,757,725**	**92,957**	**3,834,578**	**92,957**
A.2.1 Assets carried at cost:	1,757,725	92,957	3,834,578	92,957
a) Intangible assets generated internally	*967,475*	-	*822,741*	-
b) Other assets	*790,250*	*92,957*	*3,011,837*	*92,957*
A.2.2 Assets valued at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**1,757,725**	**3,626,057**	**3,834,578**	**11,770,565**
Total finite and indefinite life		**5,383,782**		**15,605,143**

At December 31, 2013, in accordance with the accounting standard IFRS5, all assets of some Group companies (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD 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 €108 million;
- Software of €518 million;
- Licenses, patents and similar rights of €80 million.

13.2 Intangible assets: annual changes

(€'000)

		CHANGES IN 2013				
		OTHER INTANGIBLE ASSETS				
		GENERATED INTERNALLY		OTHER		
	GOODWILL	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE	TOTAL
A. Gross opening balance	**22,975,148**	**1,495,909**	**-**	**7,460,744**	**1,070,721**	**33,002,522**
A.1 Total net reduction in value	(11,297,540)	(673,168)	-	(4,396,046)	(977,764)	(17,344,518)
A.2 Net opening balance	**11,677,608**	**822,741**	**-**	**3,064,698**	**92,957**	**15,658,004**
B Increases	**429,463**	**425,663**	**-**	**321,105**	**-**	**1,176,231**
B.1 Purchases	495	14,515	-	238,984	-	253,994
B.2 Increases in intangible assets generated internally	X	407,854	-	52	-	407,906
B.3 Write-backs	X	-	-	-	-	-
B.4 Increases in fair value		-	-	-	-	-
- in equity	*X*	-	-	-	-	-
- through profit or loss	*X*	-	-	-	-	-
B.5 Positive exchange differences	428,968	-	-	1,642	-	430,610
B.6 Other changes	-	3,294	-	80,427	-	83,721
C. Reduction	**8,573,971**	**280,929**	**-**	**2,595,553**	**-**	**11,450,453**
C.1 Disposals	-	-	-	4,747	-	4,747
C.2 Write-downs	7,989,792	272,325	-	2,434,861	-	10,696,978
- amortization	X	208,154	-	447,414	-	655,568
- write-downs	7,989,792	64,171	-	1,987,447	-	10,041,410
+ in equity	*X*	-	-	-	-	-
+ through profit or loss	*7,989,792*	*64,171*	-	*1,987,447*	-	*10,041,410*
C.3 Reduction in fair value						
- in equity	*X*	-	-	-	-	-
- through profit or loss	*X*	-	-	-	-	-
C.4 Transfer to non-current assets held for sale	-	2,081	-	65,351	-	67,432
C.5 Negative exchange differences	155,207	642	-	31,327	-	187,176
C.6 Other changes	428,972	5,881	-	59,267	-	494,120
D. Net Closing Balance	**3,533,100**	**967,475**	**-**	**790,250**	**92,957**	**5,383,782**
D.1 Total net write-down	(16,792,534)	(938,881)	-	(6,637,531)	(901,777)	(25,270,723)
E. Gross closing balance	**20,325,634**	**1,906,356**	**-**	**7,427,781**	**994,734**	**30,654,505**
F. Carried at cost	**-**	**-**	**-**	**-**	**-**	**-**

At December 31, 2013, in accordance with the accounting standard IFRS5, all assets of Ukrainian Group companies (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD) 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.

The purchases of the period is related to the initial recognition of the goodwill recognized along with the purchase of the holding company Nordbahnhof Projekte Holding Gmbh and its subsiaries Nordbahnhof Baufeld Acht Projektentwicklung Gmbh, Nordbahnhof Baufeld Sieben Projektentwicklung Gmbh and Nordbahnhof Baufeld Fuenf Projektentwicklung Gmbh, which was respectively fully written-off as at the end of reporting period.
The Goodwill book value as at December 31, 2013 (€3,533 million) has negative exchange differences for €155 million related to the change occurred during the period of the original currencies in which the Goodwill was recognized. The variations mainly refer to the companies operating in Russia in amount of €51 million, Turkey in amount of €46 million, USA in amount of €27 million and Poland in amount of €24 million respectively.
The positive exchange differences and the other decreases relating to goodwill, both amounting to €429 million, conventionally refer to the reclassification of the negative exchange differences relating to goodwill to the Income Statement, which had already been subject to full impairment, following the sale of the companies operating in Kazakhstan and the classification of the Ukrainian companies in accordance with IFRS5.
The impairment of goodwill through Profit and Loss was approximately €8 billion, while the impairment through Profit and Loss of the other intangible assets with finite life was approximately €2 billion and was due to Customer Relationships and Core Deposits with the exception of subsidiaries in Poland (€1.9 billion) and software no more used by the Group (€0.1 billion).
For further details on goodwill impairment losses and write-downs of other intangible assets with definite and indefinite life, noted during business combinations, please refer to the following pages.

Part B – Consolidated Balance Sheet - Assets

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 12.31.2012**	**Amortization**	**Impairment**	**(*) Other changes**	**TOTAL 12.31.2013**
Trademarks	93	-	-	-	93
Core deposits and customer relationships	2.221	(188)	(1.925)	-	108
Goodwill	11.678	-	(7.990)	(155)	3.533
TOTAL	**13.992**	**(188)**	**(9.915)**	**(155)**	**3.733**

(*) mainly due to exchange rate effect related to intangible assets in foreign currency.
Any discrepancies in this table and between data shown in it and other information in the Notes to the Accounts 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.

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.
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.
As of December 31, 2013, the residual value of the Core Deposits was completely impaired.

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.
As of December 31, 2013, the residual value of the Customer Relationship was completely impaired.

Assets 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.
As of December 31, 2013, the residual value of the Assets under custody was completely impaired.

Part B – Consolidated Balance Sheet - Assets

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.
As of December 31, 2013, the residual value of the Life insurance was completely impaired.

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.
As of December 31, 2013, the residual value of the Products was completely impaired.

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.
As of December 31, 2013, the gross residual value of these intangible assets which is the Customer Relationship of Poland is equal to €108 million. The average residual useful life of Customer Relationship is 14 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.
With reference to the positive fair value adjustments on loans to customers, recorded according to the purchase method, it should be noted that their sustainability is tested within the overall carrying value of the Group as part of the impairment test of the intangible assets as the performance of an analytical impairment test would be excessively burdensome. To this regard the adjustment to amortized cost of the loans associated with these positive fair value adjustments is deducted from the Group's income flows of the period.
For the purposes of the impairment testing, the value in use of the so-called Cash Generating Units (CGUs) to which these intangible assets are allocated must be calculated taking into account the cash flows for all assets and liabilities included in the CGUs and not only those for which goodwill and/or the intangible asset were recorded when applying IFRS 3.
Finally, please note that the impairment test performed by the UniCredit group consists of two stages:

- the first stage compares the recoverable amount and the carrying amount of each CGU;
- the second stage compares the recoverable amount and the carrying amount of the Group as a whole in order to include in the analysis the negative income flows and the positive carrying amount of assets that cannot be allocated ("corporate center") in accordance with IAS 36.

Definition of Cash Generating Units (CGU)

Estimating the value in use for the purposes of any impairment testing of intangible assets, including goodwill, which does 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.
With the organizational structure (GOLD project) implemented in 2013 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.

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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.

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.

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 CEE Leasing and CEE Consumer Finance (IFN Romania and AD 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 to break them down correctly. Specifically, the operational driver that is used is allocated capital, which is calculated as the Risk-Weighted Assets absorption of the single CGU. 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, 2013, determined as described above, and the portions of goodwill and other intangible assets allocated to each of them are shown below.
The values refer to the situation after Impairment test taking into account the write downs which were made as of December 31, 2013.

(€ million)

Cash Generating Unit (CGU)	Value as at 12.31.2013	of which Goodwill (Group Share)	of which Other Intangible Assets (*)
Commercial Banking Italy	9.756		
Commercial Banking Germany	3.305	261	
Commercial Banking Austria	2.292		
Poland	7.284	1.061	
CIB Global	7.585	878	
Asset Management	924	736	
Asset Gathering	922	597	62
CEE	14.472		
GBS	845		
Governance	5.826		
Total	53.210	3.533	62

At December 31, 2013, the Ukraine entities, which goodwill had already been subject to full impairment in previous financial years, have been excluded from the impairment testing, following their classification as discontinued operations (IFRS 5); consequently the Ukraine entities are measured at the lower of carrying value and fair value less costs to sell (IAS 36 par.2).
Any discrepancies in this table and between data given in the above table and other information in the Notes to the Accounts are solely due to the effect of rounding.
(*) Stated amounts are net of deferred taxes.

Estimating cash flows to determine the value in use of the CGUs
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 is carried out by comparing the book value of each CGU with its recoverable value. When the latter proves to be less than the book value, a write-down must be recorded in the financial statement. The recoverable amount of the CGU is the greater of its fair value (net of costs to sell) and the related value in use.

Projections
The impairment test at December 31, 2013 was performed on the basis of the financial projections (Net Profit and RWA) embedded in the Strategic Plan submitted for approval to the Board of Directors on March 11, 2014.
Compared to the financial projections and the estimation parameters previously used in the impairment test, the plan is characterized in particular by a less favorable macroeconomic environment and a stricter regulatory requirement, as explained below.

In particular, at the end of the year emerged the following major discontinuity factors with significant effects on the strategic plan:

- A more complex long-term macroeconomic scenario, with concerns for a relatively long period of economic stagnation and lower inflation, as reported from several authoritative sources;
- Further reductions in interest rates that occurred in the second half of the year and expectations of the ECB increasing probability of a relatively extended period of low interest rates;
- Uncertainties on the economy of emerging countries arising from the tapering program put in place by the FED, with rather less marked effect in Europe in view of plans to reduce interest rates expected by the ECB.

These new most negative scenarios induced to revise several of the predictive variables of the Group and to formulate a new Strategic Plan by revising downward the estimated future cash flows.

Pursuant to IAS 36.44, for the purposes of the goodwill impairment test the following effects – included in the data of the Strategic Plan –, which could have led to a higher residual value of the CGUs and the Group, were not taken into account:

- the positive economic effect deriving from some of the managerial objectives of cost reduction embedded in the Strategic Plan. Despite the management commitment to pursue such objectives within the Strategic Plan horizon, the identification of specific initiatives underlying the cost reduction target is still under definition and there is no evidence, as of today, of the operative details for the incorporation of such initiatives;
- the optimization effect of the Risk Weighted Assets (RWAs) arising from revisions to the models for assessing risk, planned but not yet finalized and subject to future validation and approval procedures by the relevant Authorities and the results of the validation process is still uncertain.

With regard to the scope for the purposes of the impairment test, it should be noted that the organizational structure of the Cash Generating Units reflects the organizational structure of the Group as at December 31, 2013, and was unchanged compared to December 31, 2012, except for the aforementioned exclusion of Ukraine entities, classified under disposal groups classified as held for sale (IFRS 5) and therefore measured at the lower of carrying amount and Fair Value less costs to sell. Furthermore the related goodwill had already been subject to full impairment in previous financial years.

Macroeconomic scenario
The following tables show the forecasts concerning the main macroeconomic indicators, related to the markets in which the Group operates, which are underlying to the Strategic Plan used for December 2013 Impairment Test purposes. The main source of the new macroeconomic scenario is the long term Outlook provided by UniCredit CIB Research, revised by the senior management of the Group.

EUROZONE

Italy	**2013F**	**2014F**	**2015F**	**2016F**	**2017F**	**2018F**
y/y % changes						
GDP	-1.7	0.6	0.9	0.9	0.8	0.8
Inflation (CPI)	1.5	1.8	1.5	1.6	1.7	1.8
Unemployment rate	12.1	12.7				

Germany	**2013F**	**2014F**	**2015F**	**2016F**	**2017F**	**2018F**
y/y % changes						
GDP	0.6	1.5	1.8	1.6	1.6	1.4
Inflation (CPI)	1.5	1.4	1.7	1.6	1.4	1.7
Unemployment rate	6.8	6.6				

Austria	**2013F**	**2014F**	**2015F**	**2016F**	**2017F**	**2018F**
y/y % changes						
GDP	0.4	1.8	1.5	1.4	1.5	1.3
Inflation (CPI)	1.9	1.8	1.8	1.8	1.8	1.8
Unemployment rate	4.8	4.7				

FUNANCIAL INDICATOR

	2013F	**2014F**	**2015F**	**2016F**	**2017F**	**2018F**
Euribor 3m avg	0.2	0.2	0.3	0.8	1.5	2.0
BTP - Bund spread (10y, eop)	250.0	190.0	170.0	140.0	130.0	120.0

CENTRAL EASTERN EUROPE (CEE)

	Real GDP Growth		Inflation (CPI) yoy, avg	
	2014	2018	2014	2018
Poland	2.3	3.6	2.0	2.5
Hungary	1.7	2.2	1.7	2.9
Czech Rep.	2.0	2.5	1.5	2.2
Slovenia	-0.8	1.3	1.7	2.1
Bulgaria	1.3	3.5	1.3	3.5
Romania	1.9	3.5	2.9	3.0
Croatia	-1.0	3.0	2.7	2.5
Bosnia-H.	0.9	3.0	2.0	2.2
Serbia	1.5	2.6	5.0	4.0
Turkey	4.5	4.9	6.0	5.4
Russia	1.8	3.5	4.9	4.7

	Interbank rates, avg		Exchange rates, avg	
	2014	2018	2014	2018
Poland	2.7	3.8	4.1	3.8
Hungary	3.5	4.5	303.5	327.5
Czech Rep.	0.5	3.3	26.8	26.6
Slovenia	EUR	EUR	EUR	EUR
Bulgaria	0.1	2.3	2.0	2.0
Romania	3.9	3.8	4.4	4.2
Croatia	3.5	4.5	7.5	7.5
Bosnia-H.	0.4	3.3	2.0	2.0
Serbia	10.0	9.0	117.8	124.5
Turkey	8.4	7.1	2.5	2.4
Russia	5.8	5.3	44.9	51.0

For a comparative purpose only are reported below the Forecasts on main macroeconomic indicators published in October 2013 by IMF

IMF Forecasts Real GDP Growth	**2014F**	**2015F**	**2016F**	**2017F**	**2018F**
Italy	0.7	1.1	1.4	1.4	1.2
Germany	1.4	1.4	1.3	1.3	1.2
Austria	1.6	1.8	1.7	1.5	1.4

IMF Forecasts Inflation	**2014F**	**2015F**	**2016F**	**2017F**	**2018F**
Italy	1.3	1.2	1.3	1.4	1.5
Germany	1.8	1.8	1.8	1.9	1.9
Austria	1.8	1.8	1.8	1.8	1.8

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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 2014 to 2018, which uses the new Strategic Plan submitted for approval to the Board of Directors on March 11, 2014, properly adjusted, as described above, in accordance with IAS 36.44;
- intermediate period from 2019 to 2023, for which the cash flow projections are extrapolated by applying, as from the last explicit forecast period (2018), 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 2013 was 3.0% (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.

The application of an intermediate period is due to allow a normalization in parameters used (i.e. cost of equity and nominal growth rate) before the convergence to the Terminal Value, since the Group operates in different regions and business segments characterized by different risk profile and growth prospects. The growth rates for the intermediated period are defined in such a way that the weighted average of the intermediated period and the terminal value are not higher than a maximum limit, defined by applying a difference to the historical average of long-term growth of the respective areas or business segments.
Group assets or shared assets (corporate assets) are allocated to the CGUs to which they refer, where applicable. For the portion not allocable of these assets, the recoverable amount is verified at overall Group level (so-called "corporate center"). As part of a process of continuous refinement of the Group's impairment model, in 2013 impairment test the portion of Group future costs (corporate center) allocated to the single CGUs - previously not allocated – has been increased, reflecting the changed regulatory framework in terms of liquidity and its effects on the model of remuneration of the funds pertaining to each CGU managed by the centralized treasury. This change does not impact the overall impairment result at Group level.

Noting that the sustainability of cash flow projections used in the impairment test was valued in light of the updated macroeconomic situation as at the approval date of the impairment test, the following assumptions in relation to the main profitability determinants adopted for the various CGU are outlined below:

Commercial Banking
In Retail Banking the Group has started to transform its delivery model, reshaping the branches in a flexible way creating synergies between physical and digital network.
Innovation and digitalization are the key drivers of the strategic plan, where UCG is going to invest €1 billion.
The investments will enable remote sales and advisory further supporting UCG future profitability.
The strategy aims at fueling revenue growth through strengthened sales effectiveness and exploiting also multichannel sales, while reducing the cost to serve, with a 16 percent reduction of cost/income and a 17 percentage points reduction in the number of branches.
UCG envisages different transformation approaches in each market: while global trends in retail banking are the same, our starting position is quite different in the Western European markets.

Italy
With reference to the *Commercial Banking Italy* the multi-year plan envisions a further reduction in the cost/income ratio through the implementation of our multi-channel distribution model. This initiative is aimed at increasing UniCredit's market share in consumer credit, and going back to our historical market share on mortgages.
As for Corporate Banking, the Group plans to enhance the business by leveraging on cross-selling and international capabilities.
Profitability expressed as a percentage of RWAs is expected to significantly increase from 3.9 percent to 4.8 percent. The growth will be achieved focusing on Italian corporates active in international markets.
Actually, there is an untapped potential of valuable, growing, international enterprises in Italy that UCG aims to attract in order to grow without taking undesired risks.
In Private Banking, the Group's ambition is to capture market growth by enhancing business model and leveraging on synergies across the bank.

Germany

With reference to *Commercial Banking Germany*, the multi-year plan envisions the refocusing of the business model towards the affluent and private banking segment, dramatically reducing the cost base of physical branch network by 50%. This will allow UniCredit to restore profitability also in this market bringing cost to income ratio down by almost 27 percentage points.

In Corporate Banking, the Group aims to leverage on current strong positioning to accelerate loan growth while keeping the cost of risk at a very low level.

Austria

With reference to *Commercial Banking Austria*, the multi-year plan envisions the repositioning of the bank as a multichannel bank through development of a fully integrated multichannel distribution, introduction of remote advisory and specialists, branch footprint optimization and re-design.

The service model will be re-oriented to fit with the multichannel offering, differentiating the bank by offering fully-fledged advisory service bank and maintaining premium offering for valuable clientele.

Poland

The multi-year plan in Poland aims to create a new bank, digital and leaner.

There will be a huge effort in simplifying the organization in terms of processes, structures and branch footprint, as well in expanding all multichannel activities and enhancing payment platforms.

Bank Pekao will focus on client acquisition through active customer lifecycle management and customer centric branch formats. These initiatives are aimed at capturing the strong demand for retail lending (mortgages and consumer loans) and new clients in the dynamic SME segment, supported by technological innovations and new products. Enhancement of payment solutions will further sustain the new bank positioning.

CEE

With reference to the CEE the multi-year plan envisions initiatives aimed at fuelling growth in the most attractive markets and businesses.

The CEE market will continue to be the Group growth engine, and the Group is planning to rebalance capital allocation towards CEE markets over the next five years.

In this respect, the following should be noted:

- CEE is still growing faster than Western Europe, showing a higher level of profitability;
- the market, still underpenetrated for traditional bank products, is characterized by increasing demand for more value added products such as trade finance and capital markets;
- UniCredit is the best positioned bank in CEE (thanks to the combination of its local presence, international network and global platforms). Such an international and diversified presence enables UniCredit to get a high potential from cross border business and to exploit Debt Capital Markets.

Asset Management and Asset Gathering

UniCredit will continue to grow capital light businesses, scaling-up Asset management, and boosting client acquisition in Asset Gathering.

Assets under management by Pioneer Investments are expected to grow from €174 billion to approximately €263 billion, mainly driven by growth in non-captive flows.

On the other hand, Asset Gathering growth will be driven mainly by strong Financial Advisors recruitment, leveraging on a superior platform and leading to Total financial assets from €76 billion to €111 billion.

CIB

A key priority for the Group is to consolidate CIB's leadership and its competitive advantage.

In this regard, the return on allocated capital is expected to further grow (from the current 14% to 17.6% by 2018).

The business will be further rebalanced towards developing client related revenues, reducing risky sources of value generation. In addition, synergies with CEE will be strengthened.

CIB role in enabling client access to international infrastructure and superior product capabilities will be further consolidated strengthening its core offer:

- Corporate banking and transaction services;
- Structured finance and capital markets;
- Access to Western, Eastern and Central Europe.

Discount rates of cash flows and Capital Targets

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
Reference period:	*December 2013*	*December 2012* [(2)]	*unchanged vs. previous year*	*unchanged vs. previous year*
Commercial Banking Italy	12.5%	12.3%	10.0%	2.0%
Commercial Banking Germany	10.7%	10.9%	10.0%	2.0%
Commercial Banking Austria	11.1%	11.3%	10.0%	2.0%
Poland	15.1%	14.9%	10.5%	2.0%
CIB	13.2%	13.1%	10.0%	2.0%
Asset Management	11.3%	11.4%	10.0%	2.0%
Asset Gathering	9.7%	9.9%	10.0%	2.0%
Central Eastern Europe (CEE) [(1)]	18.1%	18.4%	11.4%	2.0%

[1] The discount rate used for the Central Eastern Europe CGU is the weighted arithmetic mean of the discount rates in local currency used for individual countries belonging to the individual business sector.
[2] December 2012 initial discount rates are reported for a comparative purpose only

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 cost of equity (Ke). The discount rate is a nominal rate, net of taxes.

In particular, the cost of equity for the CGUs is the sum of the following:

- Country rate: whose calculation method 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 the last six years average of the 5-year BTP;
    - for Commercial Banking Austria the last six years average of the 5-year Austrian government rate;
    - for Commercial Banking Germany the last six years average of the 5-year Bund.
- Equity Risk Premium: calculated using the Option Price 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 equity for CEE is differentiated by single country and it 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);
- Equity Risk Premium: calculated using the Option Price Based Model, based on the volatility of UniCredit's share price over the last six years.

The cost of equity as defined above converges in a linear way to the cost of equity of the Terminal Value, over the 10 years planned in the model.

The cost of equity 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 equity 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, 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 target.

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.

The Core Tier 1 ratio as defined above, converges linearly to 10% in 2018 (in previous impairment test the long term Core Tier 1 ratio target was set at 9%) in line with the long term strategic target set in the new Strategic Plan as a consequence of the increasingly challenging Regulatory Framework (Basel 3, ECB Comprehensive Assessment of the European Banking Sector, Bail-in rules, new Basel proposals on trading book, securitization and investment funds).

Part B – Consolidated Balance Sheet - Assets

Results of the impairment test
The impairment test result as at December 31, 2013 did not confirm the goodwill sustainability and indicated the need for an impairment on the consolidated accounts of the UniCredit group.

The impairment testing requires that the resulting impairment losses are attributed firstly by comparing the book value of assets and liabilities attributed to each CGU with its respective recoverable amount.

As a second step, the carrying value of the Group is compared with its overall recoverable amount: this comparison revealed the need for further impairment of goodwill and the other intangible assets tested at Group level. For the purposes of the allocation of these additional impairment losses:

- the carrying value of Core Deposits and Customer Relationships is taken into account, whose sustainability is assessed through the above-mentioned comparison. Indeed, such intangible assets are overall tested for impairment at Group level. With reference to them, the projections of the new Strategic Plan showed a reduction in the expected flow of the related revenues compared to previous projections. This represents a specific indicator of impairment in accordance with IAS 36. Therefore, it was necessary to impair the residual value of these intangible assets for a total amount of -€1,311 million after tax (-€1,925 million before tax);
- the remaining impairment losses have been attributed to the residual goodwill of the various CGUs, according to a conventional approach.

The goodwill impairment stands at -€7,999 million (-€7,985 million net of Minorities) and it is allocated across each CGUs as follows:

- Commercial Banking Italy (-€4,009 million including minorities);
- Commercial Banking Germany (-€173 million including minorities);
- Commercial Banking Austria (-€538 million including minorities);
- Corporate & Investment Banking (-€587 million including minorities);
- Asset Management (-€491 million including minorities);
- CEE (-€2,199 million including minorities);
- GBS (-€2 million including minorities).

Impairment losses in 2013 totaled -€7,990 million, of which -€7,985 million attributable to write-downs made following the impairment test performed as at December 31, 2013, the remaining -€5 million refers to other goodwill impairment charges.
As a result of these write-downs, the goodwill allocated to the Commercial Banking Italy, Commercial Banking Austria and Central Eastern Europe CGUs was written down in its entirety.

It should be noted that the data of the Strategic Plan were compared with the system forecasts, in order to assess the need to introduce scenarios of greater severity in the impairment test for CGUs showing any particularly significant deviations. This analysis confirmed, also in the light of the full impairment of the remaining goodwill of the Commercial Banking Italy CGU, the sustainability of the recoverable amount of remaining goodwill on the other CGUs as resulting after the write-downs.

The main reasons that during the impairment testing performed on December 31, 2013 led to the need for a goodwill impairment are related to the Group's new Strategic Plan and the underlying Macro Scenario, which has been reviewed versus the one used in previous impairment test taking into consideration the recent developments of macro and financial KPIs. On top of that also the increase of the Core Tier 1 ratio target to 10% in 2018, consistently with the Strategic Plan target, has been a key determinant of goodwill impairment.

It must be emphasized that the parameters and information used to verify the recoverability of goodwill (in particular the expected cash flows for the various CGU, and the discount rates used) are significantly influenced by the macroeconomic and market situation, which may be subject, to currently unpredictable changes. In the coming reporting periods, the effect of these changes – and of changes in the corporate strategies – could therefore lead to a revision of the estimated cash flows of the various CGUs and of the assumptions about the main financial measures (discount rates, expected growth rates, Core Tier 1 ratio, etc.) that could impact the results of the future impairment tests.

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 (for the CGUs which still have goodwill) the percentage deviations of the basic assumptions (cost of equity, 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:

CGUs €m *(post Dec 13 write-down)*	**Increase in the discount rate after tax (Ke)**	**Increase in the 2018 Core Tier 1 ratio target**	**Decrease in the nominal growth rate for the calculation of Terminal Value**	**Decrease in annual earnings**
	Absolute change	**Absolute change**	**Absolute change**	**% change**
Commercial Banking Germany	1.5%	2.6%	-9.3%	-14.7%
Poland	0.9%	2.8%	-2.3%	-8.5%
CIB	1.8%	3.1%	-10.8%	-15.4%
Asset Management	13.9%	87.9%	n.m.	-65.0%
Asset Gathering	14.9%	70.6%	n.m.	-67.3%

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.

Group Level €m *(post Dec 13 write-down)*	**Increase in the discount rate after tax (Ke) [3] (*)**	**Increase in the 2018 Core Tier 1 ratio target**	**Decrease in the nominal growth rate for the calculation of Terminal Value**	**Decrease in annual earnings**
Sensitivity Factor [%]	***+1%***	***+1%***	***-1%***	***-5%***
Change of Group value in use	-12%	-7%	-5%	-6%

(*) As a result of the impairment losses recorded in 2013, the recoverable amount of the Group is in line with the value in use. To be consistent with the information provided in previous years, the sensitivity with respect to a 1% increase in the discount rate is reported; it should be noted, however, that the maximum reduction in the total value in use of the Group is -8%, which would correspond to the full impairment of the remaining goodwill (€3,533 million).

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.

[3] The increase of 1% in the discount rate is applied to the whole stream from 2014 to Terminal value

Comparison with market capitalization

The Group's total value in use used in the impairment test is higher than the current market capitalization of the Parent Company. This difference is largely explained by the short-term prospects implicit in the current market price, which is influenced by expectations of moderate profit in the short term and the continuing uncertainty surrounding the outlook for GDP growth in the global economy.

By contrast, the value in use takes account of mid- to long-term revenue prospects that are implicit in the financial projections used.

Finally, as a consequence of the positive performance of UniCredit stock during 2013 (UniCredit market capitalization increased by approximately €10 billion during the year, from €21 billion as of December 2012 to €31 billion as of December 2013) and the reduction of value in use compared to the previous test (that lead to the impairment loss of -€9.3 billion) the difference between the current market price and value in use is significantly lower than the value as of December 2012.

Section 14 - Tax assets and tax liabilities - Item 140 (assets) and 80 (liabilities)

14.1 Deferred tax assets: breakdown

(€'000)

	AMOUNTS AS AT	
	12.31.2013	**12.31.2012**
Deferred tax assets related to:		
Assets/liabilities held for trading	327,077	485,532
Other financial instruments	3,206,935	5,499,075
Property, plant and equipment / Intangible assets	4,017,996	2,478,551
Provisions	1,704,786	1,325,513
Other assets / liabilities	286,910	160,448
Loans and receivables with banks and customers	7,943,777	4,965,150
Tax losses carried forward	548,362	830,037
Other	585,028	1,255,381
Total	**18,620,871**	**16,999,687**

14.2 Deferred tax liabilities: breakdown

(€'000)

	AMOUNTS AS AT	
	12.31.2013	**12.31.2012**
Deffered tax liabilities related to:		
Loans and receivables with Banks and Customers	333,848	476,866
Assets/liabilities held for trading	219,701	231,820
Other financial instruments	1,040,775	1,584,753
Property, plant and equipment / intangible assets	533,435	1,215,902
Other assets / liabilities	289,443	437,889
Deposits from Banks and Customers	3,169	54,368
Other	294,177	614,528
Total	**2,714,548**	**4,616,126**

Part B – Consolidated Balance Sheet - Assets

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

(€'000)

	CHANGES IN	
	2013	2012
1. Opening balance	**15,672,187**	**11,244,359**
2. Increases	**4,357,642**	**6,147,126**
2.1 Deferred tax assets arising during the year	4,328,216	6,061,148
a) relating to previous years	*88,732*	*27,291*
b) due to change in accounting policies	*348*	-
c) write-backs	*80,478*	*145,821*
d) other	*4,158,658*	*5,888,036*
2.2 New taxes or increases in tax rates	4,413	10,350
2.3 Other increases	25,013	75,628
3. Decreases	**2,548,950**	**1,719,298**
3.1 Deferred tax assets derecognised during the year	2,201,517	1,048,330
a) reversals of temporary differences	*2,088,952*	*938,941*
b) write-downs of non-recoverable items	*18,081*	*52,781*
c) change in accounting policies	-	-
d) other	*94,484*	*56,608*
3.2 Reduction in tax rates	6,160	3,871
3.3 Other decreases	341,273	667,097
a) conversion into tax credit under L. 214/2011	45,025	588,386
b) other	296,248	78,711
4. Final amount	**17,480,879**	**15,672,187**

14.3.1 Deferred tax assets (L. 214/2011): annual changes (balancing P&L)

(€'000)

	CHANGES IN	
	2013	2012
1. Opening balance	**9,444,621**	**5,260,971**
2. Increases	**3,893,548**	**4,777,106**
3. Decreases	**193,040**	**593,456**
3.1 Reversal	147,627	5,070
3.2 Conversion into tax credits	45,025	588,386
a) due to loss positions arising from Profit and Loss	*45,025*	*588,386*
b) due to tax losses	-	-
3.3 Other decreases	388	-
4. Final amount	**13,145,129**	**9,444,621**

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

(€'000)

	CHANGES IN 2013	CHANGES IN 2012
1. Opening balance	**3,552,140**	**3,871,986**
2. Increases	**316,256**	**379,058**
2.1 Deferred tax liabilities arising during the year	255,955	300,492
a) relating to previous years	*3,825*	*12,311*
b) due to change in accounting policies	-	-
c) other	*252,130*	*288,181*
2.2 New taxes or increases in tax rates	1,196	219
2.3 Other increases	59,105	78,347
3. Decreases	**1,880,355**	**709,868**
3.1 Deferred tax liabilities derecognised during the year	1,825,984	554,787
a) reversals of temporary differences	*1,199,760*	*419,233*
b) due to change in accounting policies	*763*	-
c) other	*625,461*	*135,554*
3.2 Reduction in tax rates	949	455
3.3 Other decreases	53,422	154,626
4. Final amount	**1,988,041**	**3,541,176**

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

(€'000)

	CHANGES IN 2013	CHANGES IN 2012
1. Opening balance	**1,327,500**	**1,471,212**
2. Increases	**173,954**	**496,186**
2.1 Deferred tax assets arising during the year	92,244	87,680
a) relating to previous years	*3,149*	-
b) due to change in accounting policies	*421*	-
c) other	*88,674*	*87,680*
2.2 New taxes or increase in tax rates	210	266
2.3 Other increases	81,500	408,240
3. Decreases	**361,462**	**639,898**
3.1 Deferred tax assets derecognised during the year	354,640	634,334
a) reversals of temporary differences	*51,082*	*129,698*
b) writedowns of non-recoverable items	-	-
c) due to change in accounting policies	*11*	-
d) other	*303,547*	*504,636*
3.2 Reduction in tax rates	139	97
3.3 Other decreases	6,683	5,467
4. Final amount	**1,139,992**	**1,327,500**

Part B – Consolidated Balance Sheet - Assets

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

(€'000)

	CHANGES IN	
	2013	2012
1. Opening balance	**1,074,950**	**847,491**
2. Increases	**108,593**	**284,210**
2.1 Deferred tax liabilities arising during the year	105,435	274,429
a) relating to previous years	*365*	-
b) due to change in accounting policies	*10*	-
c) other	*105,060*	*274,429*
2.2 New taxes or increase in tax rates	166	3,379
2.3 Other increases	2,992	6,402
3. Decreases	**457,036**	**56,751**
3.1 Deferred tax liabilities derecognised during the year	377,341	47,584
a) reversal of temporary differences	*254,166*	*45,681*
b) due to change in accounting policies	-	-
c) Other	*123,175*	*1,903*
3.2 Reduction in tax rates	-	-
3.3 Other decreases	79,695	9,167
4. Final amount	**726,507**	**1,074,950**

14.7 Other information

It should be noted that in 2014, pursuant to Law 10/2011, formerly L.D. 225/2010, so-called Milleproroghe 2011, as amended and supplemented, after the approval of the 2013 financial statements by the Shareholders' Meetings of the respective companies – UniCredit S.p.A., UniCredit Leasing S.p.A. and UniCredit Credit Management Bank S.p.A. – deferred tax assets, IRES and IRAP, amounting to €2,718.7 million will be converted into tax credits pursuant to and for the purposes of law.

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 measured at the lower of carrying amount and fair value less costs to sell.
Disclosures in the Balance Sheet as at December 31, 2013, compared to December 31, 2012, include *inter alia* the sale of a building owned by UniCredit Bank AG, the sale of a building belonging to the company Ivona Beteiligungsverwaltung GmbH, the sale of some buildings owned by Bank Pekao SA and the sale of the company EK Mittelstandsfinanzierungs AG, which resulted together with the sale of its subsidiaries V.A. Holding GmbH, Anger Machining GmbH, Forstinger International GmbH, and Papcel A.S.
Several buildings owned by UniCredit S.p.A., property and project rights owned by the BARD Group and the 20.07% shareholding in the associate SIA S.p.A. were also initially recognized during 2013.
During 2013 the following companies are initially recognized: Vienna Dc Tower 2 Liegenschaftsbesitz GMBH, Erste Onshore Windkraft Beteiligungsgesellschaft MBH & co. Windpark Mose KG, Erste Onshore Windkraft Beteiligungsgesellschaft MBH & Co. Windpark Krahenberg kg and Erste Onshore Windkraft Beteiligungsgesellschaft MBH & Co. Windpark Grefrath KG.
Discontinued operations decreased following the sale of the subsidiaries of JSC ATF BANK (UniCredit Bank OJSC, ATF Capital B.V., ATF Finance JSC and ATF Inkassatsiya LTD).
Data as at December 31, 2013, with respect to the individual assets and liabilities held for sale, refer primarily to the companies Mezzanin Finanzierungs AG and the 20.07% of SIA S.p.A., to the Business Oil of the Italpetroli Group and to the properties owned by UniCredit S.p.A., by the BARD Group, by Fondo Sigma and to the company Vienna Dc Tower 2 Liegenschaftsbesitz GMBH belonging to BA-CA Group.

With reference to the data relating to disposal groups classified as held for sale, and the liabilities included in them, please note that the companies of the Ukrainian group (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD) were recognized in accordance to IFRS5 in the light of the negotiations entered into in 2013 over their disposal. The previous period was restated accordingly to increase comparability.

Part B – Consolidated Balance Sheet - Assets

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

(€'000)

	AMOUNTS AS AT	
	12.31.2013	12.31.2012
A. Individual assets		
A.1 Financial assets	7,736	26,791
A.2 Equity investments	31,894	26,765
A.3 Property, Plant and Equipment	415,337	334,066
A.4 Intangible assets	50,000	105
A.5 Other non-current assets	17,815	25,855
of which carried at cost	361,638	
of which designated at fair value – level 1	-	
of which designated at fair value – level 2	29,850	
of which designated at fair value – level 3	131,294	
Total A	**522,782**	**413,582**
B. Assets groups classified as held for sale		
B.1 Financial assets held for trading	38,086	72,778
B.2 Financial assets at fair value through profit or loss	-	1,397
B.3 Available for sale financial assets	198,516	253,976
B.4 Held to maturity investments	-	-
B.5 Loans and receivables with banks	195,984	587,468
B.6 Loans and receivables with customers	2,476,786	5,649,201
B.7 Equity investments	3	12
B.8 Property, Plant and Equipment	316,433	342,041
B.9 Intangible assets	67,332	61,078
B.10 Other assets	112,580	735,147
of which carried at cost	-	
of which designated at fair value – level 1	-	
of which designated at fair value – level 2	3,405,720	
of which designated at fair value – level 3	-	
Total B	**3,405,720**	**7,703,098**
Total A+B	**3,928,502**	**8,116,680**
C. Liabilities associated with assets classified as held for sale		
C.1 Deposits	12,551	7,462
C.2 Securities	-	-
C.3 Other liabilities	31,034	51,893
of which carried at cost	5,445	
of which designated at fair value – level 1	-	
of which designated at fair value – level 2	204	
of which designated at fair value – level 3	37,936	
Total C	**43,585**	**59,355**
D. Liabilities included in disposal groups classified as held for sale		
D.1 Deposits from banks	163,719	283,399
D.2 Deposits from customers	1,896,187	4,579,907
D.3 Debt securities in issue	3,924	620,751
D.4 Financial liabilities held for trading	555	37
D.5 Financial liabilities at fair value through profit or loss	-	-
D.6 Provisions	398	463
D.7 Other liabilities	20,249	83,666
of which carried at cost	-	
of which designated at fair value – level 1	-	
of which designated at fair value – level 2	2,085,032	
of which designated at fair value – level 3	-	
Total D	**2,085,032**	**5,568,223**
Total C+D	**2,128,617**	**5,627,578**

Fair value measurements, made for disclosure purposes only, are classified into a fair value hierarchy that reflects the significance of inputs used in the valuations.

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 are no Equity interests in the associates included in *Non-current assets and disposal groups* in 2013.

Part B – Consolidated Balance Sheet - Assets

Section 16 - Other assets - Item 160

At December 31, 2013 other assets were €11,461 million, up by €189 million over 2012 (€11,272 million).

16.1 Other assets: breakdown

(€'000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2013	12.31.2012
Margin with derivatives clearers (non-interest bearing)	5,333	39,594
Gold, silver and precious metals	34,227	47,803
Accrued income other capitalised income	645,585	611,440
Cash and other valuables held by cashier:	334,903	470,772
- current account cheques being settled, drawn on third parties	*322,240*	*452,444*
- current account cheques payable by group banks, cleared and in the process of being debited	*545*	*956*
- money orders, bank drafts and equivalent securities	*12,081*	*17,311*
- coupons, securities due on demand, revenue stamps and miscellaneous valuables	*37*	*61*
Interest and changes to be debited to:	120,489	116,891
- customers	*117,792*	*109,245*
- banks	*2,697*	*7,646*
Items in transit between branches not yet allocated to destination accounts	108,590	1,019,466
Items in processing	2,383,514	1,191,752
Items deemed definitive but not-attributable to other items:	2,921,583	3,728,924
- securities and coupons to be settled	*70,852*	*78,840*
- other transactions	*2,850,731*	*3,650,084*
Adjustments for unpaid bills and notes	38,594	68,066
Tax items other than those included in item 140	2,382,383	2,255,393
Other items	2,485,562	1,722,076
Total	**11,460,763**	**11,272,177**

As at December 31, 2013 "Other items" included €190 million relating to Property, Plant and Equipment, deriving from repossessing and lease, classified as inventories pursuant to IAS 2.

At December 31, 2013, in accordance with the accounting standard IFRS5, all assets of the companies PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD were recognized under item "Non-current assets and disposal groups classified as held for sale". The previous period was restated accordingly to increase comparability.

Liabilities

Section 1 - Deposits from banks - Item 10

Deposits from banks decreased from €117,320 million at the end of December 2012 to €110,222 million at December 31, 2013.

The decrease in deposits from banks (-€7,098 million, -6%) was due to the reduction in:

- deposits from central banks (-€4,658 million; -13%);
- deposits from banks (-€2,439 million; -3%), and in particular in Current accounts and demand deposits (-€2,516 million, -16%).

1.1 Deposits from banks: product breakdown

(€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 12.31.2013	AMOUNTS AS AT 12.31.2012
1. Deposits from central banks	**31,690,889**	**36,349,193**
2. Deposits from banks	**78,531,498**	**80,970,869**
2.1 Current accounts and demand deposits	13,291,728	15,807,647
2.2 Time deposits	13,135,713	17,465,824
2.3 Loans	45,634,502	40,994,929
2.3.1 repos	*25,528,554*	*21,378,960*
2.3.2 other	*20,105,948*	*19,615,969*
2.4 Liabilities in respect of commitments to repurchase treasury shares	-	-
2.5 Other liabilities	6,469,555	6,702,469
Total	**110,222,387**	**117,320,062**
Fair value - level 1	-	
Fair value - level 2	66,060,663	
Fair value - level 3	44,895,420	
Total fair value	**110,956,083**	**121,924,429**

Sub-item 2.3 Loans includes repos executed using proprietary securities issued by Group companies, which were eliminated from assets on consolidation.

In accordance with IFRS5, as at December 31, 2013 the individual liabilities of the following companies were recognized in item "Liabilities included in disposal groups classified as held for sale": PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD. The previous period was restated accordingly to increase comparability.

Deposits from banks are not carried at fair value, which is presented solely for the purpose of fulfilling market disclosure requirements. Fair value measurements are classified according to a three level hierarchy that reflects the significance of the inputs used in the measurements. For further information see Part A – Accounting Policies – A.4 Information on fair value.

The changes occurred between December 31, 2012 and December 31, 2013 in the relationship between fair value and book value reflect the refinement of the assumptions and parameters used to measure fair value for the purposes of financial reporting.

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

(€ '000)

	AMOUNTS AS AT 12.31.2013	AMOUNTS AS AT 12.31.2012
Deposits from banks: subordinated debts	-	78,585

1.3 Breakdown of item 10 "Deposits from banks": structured debts

There were no deposits from banks: structured debts.

Part B – Consolidated Balance Sheet - Liabilities

1.4 Deposits from banks: liability items subjected to micro-hedging

(€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT	
	12.31.2013	12.31.2012
1. Liability items 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	**-**	**-**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	-	-
Total	**-**	**-**

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 €410,930 million (€407,615 million in 2012) and increased by €3,315 million.

2.1 Deposits from customers: product breakdown

(€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 12.31.2013	AMOUNTS AS AT 12.31.2012
1. Current accounts and demand deposits	243,406,087	239,664,711
2. Time deposits	104,688,707	105,503,072
3. Loans	52,212,317	50,886,549
3.1 repos	*44,182,911*	*41,035,071*
3.2 other	*8,029,406*	*9,851,478*
4. Liabilities in respect of commitments to repurchase treasury shares	695,200	648,900
5. Other liabilities	9,927,659	10,911,652
Total	**410,929,970**	**407,614,884**
Fair value - level 1	-	
Fair value - level 2	175,699,409	
Fair value - level 3	236,162,856	
Total fair value	**411,862,265**	**407,230,193**

In accordance with IFRS5, as at December 31, 2013 the individual liabilities of the following companies were recognized in item “Liabilities included in disposal groups classified as held for sale”: PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD. The previous period was restated accordingly to increase comparability.

Deposits from customers are not carried at fair value, which is presented solely for the purpose of fulfilling financial disclosure requirements. Fair value measurements are classified according to a three level hierarchy that reflects the significance of the inputs used in the measurements. For further information see Part A – Accounting Policies – A.4 Information on fair value.

The changes occurred between December 31, 2012 and December 31, 2013 in the relationship between fair value and book value reflect the refinement of the assumptions and parameters used to measure fair value for the purposes of financial reporting.

The fair value of demand items was estimated to be equal to their net book value by exercising the option provided for by IFRS 7.29 . According to this assumption, demand items were classified as level 3 in the fair value hierarchy.

Part B – Consolidated Balance Sheet - Liabilities

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

(€ '000)

	AMOUNTS AS AT	
	12.31.2013	12.31.2012
Deposits from customers: subordinated debts	371,031	428,534

2.3 Breakdown of item 20 "Deposits from customers": structured debts

(€ '000)

	AMOUNTS AS AT	
	12.31.2013	12.31.2012
Deposits from customers: structured debts	22,783	51,571

2.4 Deposits from customers: liability items subject to micro-hedging

(€ '000)

	AMOUNTS AS AT	
TYPE OF TRANSACTIONS/VALUES	12.31.2013	12.31.2012
1. Liability items subject to micro-hedging of fair value	**-**	**-**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	-	-
2. Liability items subject to micro-hedging of cash flows	**499**	**1,144**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	499	1,144
Total	**499**	**1,144**

2.5 Amounts payable under finance leases

(€ '000)

	AMOUNTS AS AT	12.31.2013
	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF MINIMUM LEASE PAYMENTS
Amounts payable under finance leases:		
Up to 12 months	141,871	140,099
From 1 to 5 years	61,772	55,148
Over 5 years	200,969	144,630
Total value of minimum lease payments	**404,612**	**339,877**
Time value effect	**(64,675)**	**X**
Present value of minimum payment obligation	**339,937**	**339,877**

Section 3 - Debt securities in issue - Item 30

At December 31, 2013 debt securities in issue were €160,094 million, down by €10,357 million (-6%) from 2012.

3.1 Debt securities in issue: product breakdown

(€ '000)

TYPE OF SECURITIES/VALUES	AMOUNTS AS AT 12.31.2013				AMOUNTS AS AT 12.31.2012			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
A. Listed securities								
1. Bonds	142,029,346	70,848,860	60,034,906	16,217,964	145,409,232	53,090,622	94,995,036	1,514,882
1.1 structured	1,703,011	87,955	1,671,498	-	3,440,661	63,531	3,434,948	-
1.2 other	140,326,335	70,760,905	58,363,408	16,217,964	141,968,571	53,027,091	91,560,088	1,514,882
2. Other securities	18,064,433	257,855	15,143,837	2,892,723	25,041,397	1,473,079	2,993,996	20,664,852
2.1 structured	401,144	-	404,871	-	652,024	-	654,944	-
2.2 other	17,663,289	257,855	14,738,966	2,892,723	24,389,373	1,473,079	2,339,052	20,664,852
Total	**160,093,779**	**71,106,715**	**75,178,743**	**19,110,687**	**170,450,629**	**54,563,701**	**97,989,032**	**22,179,734**
Total Level 1, Level 2 and Level 3				**165,396,145**				**174,732,467**

Fair value measurements, solely for the purpose of fulfilling financial disclosure requirements, are classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A. Accounting Policies – A.4. Information on fair value.

The sum of the sub-items 1.1 “Structured bonds” and 2.1 “Other structured securities” was equal to €2,104 million and accounted for 1% 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 Item 20 of Assets and Item 40 of Liabilities and included in Trading derivatives – Others, amounted to a net balance of €101 million negative.

At December 31, 2013, in accordance with the accounting standard IFRS5, all assets of the companies PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD were recognized under item “Non-current assets and disposal groups classified as held for sale”. The previous period was restated accordingly to increase comparability.

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

(€'000)

	AMOUNTS AS AT	
	12.31.2013	12.31.2012
Debt securities in issue: subordinated securities	20,054,100	20,246,820

3.3 Breakdown of item 30 "Debt securities in issue": securities subject to micro-hedging

(€ '000)

TYPE OPERATIONS/VALUES	AMOUNTS AS AT 12.31.2013	AMOUNTS AS AT 12.31.2012
1. Securities subject to micro-hedging of fair value	**275,198**	**351,146**
a) Interest rate risk	275,198	351,146
b) Currency risk	-	-
c) Multiple risks	-	-
2. Securities subject to micro-hedging of cash flows	**-**	**1,920,573**
a) Interest rate risk	-	1,920,573
b) Currency risk	-	-
c) Other	-	-
Total	**275,198**	**2,271,719**

No amount is shown in sub-item 2.a, with respect to fair value hedges, as a result of the fact that the micro-hedging relationships previously existing at some companies belonging to the subgroup UCB AG no longer exist.

Part B – Consolidated Balance Sheet - Liabilities

Section 4 - Financial liabilities held for trading - Item 40

Financial liabilities held for trading, which amounted to €63,169 million as at December 31, 2013, decreased over 2012 (€99,123 million).

4.1 Financial liabilities held for trading: product breakdown

(€ '000)

TYPE OF OPERATIONS / GROUP COMPONENTS	AMOUNTS AS AT 12.31.2013					AMOUNTS AS AT 12.31.2012				
		FAIR VALUE					FAIR VALUE			
	NOMINAL VALUE	LEVEL 1	LEVEL 2	LEVEL 3	FAIR VALUE*	NOMINAL VALUE	LEVEL 1	LEVEL 2	LEVEL 3	FAIR VALUE*
A. Financial liabilities										
1. Deposits from banks	5	386,337	22,565	12,410	421,311	360,329	239,578	392,451	22,406	654,476
2. Deposits from customers	3,443,491	4,755,134	3,559,341	46,080	8,328,992	2,998,429	3,609,114	3,260,138	57,295	6,864,236
3. Debt securities	9,631,424	75,716	5,748,132	643,108	6,497,969	9,209,347	63,286	8,075,290	386,661	8,585,965
3.1 Bonds	5,134,616	75,716	4,729,231	487,403	5,323,363	7,627,813	63,286	6,621,021	354,149	7,099,183
3.1.1 Structured	*4,309,664*	*1,157*	*3,970,063*	*474,857*	X	*6,530,244*	-	*5,880,470*	*219,833*	X
3.1.2 Other	*824,952*	*74,559*	*759,168*	*12,546*	X	*1,097,569*	*63,286*	*740,551*	*134,316*	X
3.2 Other securities	4,496,808	-	1,018,901	155,705	1,174,606	1,581,534	-	1,454,269	32,512	1,486,782
3.2.1 Structured	*4,496,808*	-	*1,018,901*	*155,705*	X	*1,581,534*	-	*1,454,269*	*32,512*	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**13,074,920**	**5,217,187**	**9,330,038**	**701,598**	**15,248,272**	**12,568,105**	**3,911,978**	**11,727,879**	**466,362**	**16,104,677**
B. Derivatives instruments										
1. Financial derivatives	X	1,226,968	45,028,248	666,826	X	X	1,696,258	78,961,932	974,530	X
1.1 Trading	X	1,226,968	43,782,559	586,066	X	X	1,694,384	77,097,793	894,480	X
1.2 Related to fair value option	X	-	161,044	-	X	X	-	500,893	-	X
1.3 Other	X	-	1,084,645	80,760	X	X	1,874	1,363,246	80,050	X
2. Credit derivatives	X	435,806	478,476	83,458	X	X	228,933	1,047,642	107,679	X
2.1 Trading derivatives	X	435,806	472,431	83,458	X	X	228,933	1,039,328	106,808	X
2.2 Related to fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	6,045	-	X	X	-	8,314	871	X
Total B	**-**	**1,662,774**	**45,506,724**	**750,284**	**-**	**-**	**1,925,191**	**80,009,574**	**1,082,209**	**-**
Total A+B	**13,074,920**	**6,879,961**	**54,836,762**	**1,451,882**	**15,248,272**	**12,568,105**	**5,837,169**	**91,737,453**	**1,548,571**	**16,104,677**
Total Level 1, Level 2 and Level 3				**63,168,605**					**99,123,193**	

*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.4.Information on Fair Value.

"Deposits from banks" and "Deposits from customers" include technical overdrafts totaling €5,324 million as at 2013 and €4,192 million as at 2012, 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	
	12.31.2013	12.31.2012
Financial liabilities held for trading: subordinated liabilities	376,408	418,475

At December 31, 2013 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	
	12.31.2013	12.31.2012
Financial liabilities held for trading: structured debts	-	-

4.4 Financial liabilities (other than "short selling") held for trading: annual changes

(€ '000)

	CHANGES IN 2013			
	DEPOSITS FROM BANKS	DEPOSITS FROM CUSTOMERS	DEBT SECURITIES IN ISSUE	TOTAL
A. Opening balance	**360,354**	**3,028,995**	**8,525,243**	**11,914,592**
B. Increases	**5,875,085**	**640,920,939**	**9,575,028**	**656,371,052**
B.1 Issues	-	33,526	2,442,337	2,475,863
B.2 Sales	5,874,752	640,856,165	2,668,516	649,399,433
B.3 Increases in fair value	161	10,386	2,453,201	2,463,748
B.4 Other changes	172	20,862	2,010,974	2,032,008
C. Decreases	**6,235,434**	**640,492,435**	**11,633,318**	**658,361,187**
C.1 Purchases	-	10,000	2,471,352	2,481,352
C.2 Redemptions	6,235,077	640,434,551	4,711,188	651,380,816
C.3 Reductions of fair value	165	27,297	2,026,703	2,054,165
C.4 Other changes	192	20,587	2,424,075	2,444,854
D. Closing balance	**5**	**3,457,499**	**6,466,953**	**9,924,457**

Part B – Consolidated Balance Sheet - Liabilities

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

As at December 31, 2013 financial liabilities at fair value through profit or loss amounted to €702 million, down €150 million compared with the previous year.

5.1 Financial liabilities at fair value through profit or loss: product breakdown

(€ '000)

TYPE OF OPERATIONS / GROUP COMPONENTS	AMOUNTS AS AT 12.31.2013					AMOUNTS AS AT 12.31.2012				
	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	**664,236**	-	**701,723**	-	**718,603**	**837,781**	-	**851,754**	-	**912,740**
3.1 Structured	664,236	-	701,723	-	X	837,781	-	851,754	-	X
3.2 Other	-	-	-	-	X	-	-	-	-	X
Total	**664,236**	-	**701,723**	-	**718,603**	**837,781**	-	**851,754**	-	**912,740**
Total Level 1, Level 2 and Level 3			**701,723**					**851,754**		

*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.4. 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 2013			
	DEPOSITS FROM BANKS	DEPOSITS FROM CUSTOMERS	DEBT SECURITIES IN ISSUE	TOTAL
A. Opening balance	**-**	**-**	**851,754**	**851,754**
B. Increases	**-**	**-**	**30,447**	**30,447**
B.1 Issues	-	-	-	-
B.2 Sales	-	-	3,872	3,872
B.3 Increases in fair value	-	-	26,290	26,290
B.4 Other changes	-	-	285	285
C. Decreases	**-**	**-**	**180,478**	**180,478**
C.1 Purchases	-	-	22,195	22,195
C.2 Redemptions	-	-	153,639	153,639
C.3 Reductions of fair value	-	-	2,230	2,230
C.4 Other changes	-	-	2,414	2,414
D. Closing balance	**-**	**-**	**701,723**	**701,723**

Section 6 - Hedging derivatives - Item 60

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

(€ '000)

	AMOUNTS AS AT 12.31.2013				AMOUNTS AS AT 12.31.2012			
	FAIR VALUE			NOTIONAL AMOUNT	FAIR VALUE			NOTIONAL AMOUNT
	LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3	
A. Financial derivatives	**-**	**8,681,096**	**547**	**151,545,219**	**345**	**14,493,769**	**44,480**	**139,960,373**
1) Fair value	-	5,865,138	-	137,018,479	345	10,814,233	44,480	121,663,718
2) Cash flows	-	2,815,958	547	14,526,740	-	3,679,536	-	18,296,655
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**743**	**1**	**279,000**	**-**	**931**	**-**	**221,000**
1) Fair value	-	743	-	279,000	-	931	-	221,000
2) Cash flows	-	-	1	-	-	-	-	-
Total	**-**	**8,681,839**	**548**	**151,824,219**	**345**	**14,494,700**	**44,480**	**140,181,373**
Total Level 1, Level 2 e Level 3			**8,682,387**				**14,539,525**	

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.

6.2 Hedging derivatives: brekdown by hedged items and risk type

(€ '000)

	AMOUNTS AS AT 12.31.2013								
	FAIR VALUE						CASH FLOWS		
	MICRO-HEDGE								
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	205,686	-	-	-	-	X	-	X	X
2. Loans and receivables	4,584	-	743	X	-	X	-	X	X
3. Held to maturity investments	X	-	-	X	4,193,549	X	438,252	X	X
4. Portafoglio	X	X	X	X	X	151,359	X	260,888	X
5. Others	-	-	-	-	-	X	-	X	-
Total assets	**210,270**	**-**	**743**	**-**	**4,193,549**	**151,359**	**438,252**	**260,888**	**-**
1. Financial liabilities	35,275	-	-	X	490,522	X	-	X	X
2. Portfolio	X	X	X	X	X	784,163	X	2,117,366	X
Total liabilities	**35,275**	**-**	**-**	**-**	**490,522**	**784,163**	**-**	**2,117,366**	**-**
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	-	-

Part B – Consolidated Balance Sheet - Liabilities

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/VALUES	AMOUNTS AS AT	
	12.31.2013	12.31.2012
1. Positive changes to financial liabilities	4,624,284	7,345,347
2. Negative changes to financial liabilities	(507,962)	(576,083)
Total	**4,116,322**	**6,769,264**

7.2 Liabilities subject to macro-hedging of interest rate risk: breakdown

(€ '000)

HEDGED LIABILITIES	AMOUNTS AS AT	
	12.31.2013	12.31.2012
1. Deposits	1,003,487	294,678
2. Debt securities in issue	2,511,865	3,075,792
3. Portfolio	96,955,924	100,403,495
Total	**100,471,276**	**103,773,965**

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, 2013 other liabilities amounted to €20,938 million (€20,923 as at December 31, 2012).

10.1 Other liabilities: breakdown

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2013	12.31.2012
Liabilities in respect of financial guarantees issued	34,064	37,929
Impairment: of financial guarantees issued, of credit derivatives, of irrevocable commitments to distribute funds	2,062,834	1,825,426
Obligations for irrevocable commitments to distribute funds	-	-
Accrued expenses other than those to be capitalized for the financial liabilities	808,201	825,401
Share Based Payment classified as liabilities under IFRS 2	20,335	5,606
Other liabilities due to employees	1,753,688	2,219,861
Other liabilities due to other staff	17,643	14,792
Other liabilities due to Directors and Statutory Auditors	5,602	5,349
Interest and amounts to be credited to:	320,850	335,979
- customers	*244,213*	*284,871*
- banks	*76,637*	*51,108*
Items in transit between branches and not yet allocated to destination accounts	250,396	1,089,388
Available amounts to be paid to others	2,751,554	1,773,068
Items in processing	2,267,240	2,630,232
Entries related to securities transactions	201,293	223,836
Items deemed definitive but not attributable to other lines:	4,205,148	3,194,637
- accounts payable - suppliers	*1,030,025*	*1,120,067*
- provisions for tax withholding on accrued interest, bond coupon payments or dividends	*1,756*	*3,732*
- other entries	*3,173,367*	*2,070,838*
Liabilities for miscellaneous entries related to tax collection service	569	186
Adjustments for unpaid portfolio entries	455,133	504,593
Tax items different from those included in item 80	1,326,474	1,828,540
Other entries	4,457,468	4,408,351
Total	**20,938,492**	**20,923,174**

The item “Impairment: of financial guarantees issued, of credit derivatives, of irrevocable commitments to distribute funds” includes €951 million (€891 million at December 31, 2012) 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.
These securities are zero-coupon bonds with a maturity value (August 16, 2016) of €1,012.8 million and a carrying value of €830 million in the vehicle company’s financial statements as at December 31, 2013.
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 to this liability.

Figures as at December 31, 2012 relating to “Other liabilities due to employees” were written down by €400 million against an increase in “Other entries”.

Part B – Consolidated Balance Sheet - Liabilities

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	
	2013	2012
A. Opening balances	**1,176,953**	**1,078,962**
B. Increases	**49,919**	**203,091**
B.1 Provisions for the year	38,074	48,522
B.2 Other increases	11,845	154,569
C. Reductions	**146,094**	**105,157**
C.1 Severance payments	85,368	91,338
C.2 Other decreases	60,726	13,819
D. Closing balance	**1,080,778**	**1,176,896**

Provisions for employee severance pay: other information

(€ '000)

	CHANGES IN	
	2013	2012
Cost Recognised in P&L:	**38,073**	**48,580**
- Current Service Cost	-	-
- Interest Cost on the DBO	38,073	48,580
- Settlement (Gain)/Loss	-	-
- Past Service Cost	-	-
Remeasurement Effects (Gains) Losses Recognised in OCI	**(42,873)**	**135,944**

Description of the main actuarial assumptions	December 31, 2013	December 31, 2012
Discount rate	3.30%	3.30%
Expected inflation rate	1.80%	2.00%

Duration of defined benefit obligation equals to 9,9 years; Valuation Reserve negative balance (net of tax) move from -98 euro million as at 31 December 2012 to -67 euro million as at 31 December 2013..
A change of -25 basis points of Discount Rate would result in an increase of the liability of 27,082 euro thousands (+2.51%); a correspondant increase would result in a reduction in the liability of 26,149 euro thousands (-2.42%). A change of -25 basis points of Price inflation rate would result in a reduction of the liability of 13,729 euro thousands (-1.27%); a correspondant increase would result in an increase of the liability of 13,950 euro thousands (+1.29%).

Section 12 - Provisions for risks and charges - Item 120

As at December 31, 2013, **provisions for risks and charges** amounted to €9,629 million, an increase of €538 million over end 2012 (€9,091 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 €5,728 million at December 31, 2013, as against €5,578 million in 2012.
The sub-item “2. Other provisions for risks and charges”, which amounted to €3,901 million at end 2013, as against €3,513 million in 2012, 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 risks and charges: breakdown

(€ '000)

ITEMS/COMPONENTS	AMOUNTS AS AT 12.31.2013	12.31.2012
1. Pensions and other post retirement benefit obligations	**5,728,312**	**5,577,630**
2. Other provisions for risks and charges	**3,900,566**	**3,513,338**
2.1 Legal disputes	1,043,595	1,324,332
2.2 Staff expenses	1,021,019	400,681
2.3 Other	1,835,952	1,788,325
Total	**9,628,878**	**9,090,968**

Comparative figures as at December 31, 2012 were restated to take account of the introduction of IAS19R, resulting in a €1,082,408 increase in sub-item 1. Pensions and other post-retirement benefit obligations and a €5,410 decrease in sub-item 2.2.3 Other provisions for risks and charges – Other.

The increase in Other provisions for risks and charges relating to staff expenses was essentially due to the recognition of restructuring costs totaling €727 million, principally connected with the initiatives undertaken by the Italian, German and Austrian subsidiaries amounting to €227, €365 and €104 million, respectively.

12.2 Provisions for risks and charges: annual changes

(€ '000)

ITEMS/COMPONENTS	CHANGES IN 2013 PENSION AND POST RETIREMENT BENEFIT OBLIGATIONS	OTHER PROVISIONS
A. Opening balance	**5,577,630**	**3,513,338**
B. Increases	**738,067**	**2,023,434**
B.1 Provisions for the year	152,401	1,851,488
B.2 Changes due to the passing time	197,919	12,831
B.3 Differences due to discount-rate changes against P&L	-	9,304
B.4 Other adjustments	387,747	149,811
C. Decreases	**587,385**	**1,636,206**
C.1 Use during the year	437,040	923,896
C.2 Differences due to discount-rate changes against P&L	-	5,356
C.3 Other decreases	150,345	706,954
D. Closing balance	**5,728,312**	**3,900,566**

12.3 Pensions and other post-retirement defined-benefit obligations

1. DESCRIPTION OF THE CHARACTERISTICS OF THE FUNDS AND RELATED RISKS
There are several defined-benefit 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 Germany and Italy, where most new recruits join defined-contribution plans instead 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 measured at 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 any impacts of the limit on assets. Actuarial gains and losses are recognized in Shareholders' Equity and shown in a specific item of Revaluation reserves in the financial year in which they are recorded.
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.
Since January 1, 2013, following the entry into force of the amendments to IAS 19 ('IAS 19R'), the elimination of the "corridor" method has resulted 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".
Valuation reserve negative balance (net of tax) move from -€1,111 million as at December 31, 2012 to -€1.347 million as at December 31, 2013.

2. BREAKDOWN OF NET DEFINED BENEFIT LIABILITY/ASSET AND ANY REIMBURSEMENT RIGHTS AS OF THE PERIOD END DATE		
NET DEFINED BENEFIT LIABILITY/ASSET AS OF THE PERIOD END DATE	**12.31.2013**	**12.31.2012**
Defined benefit obligation	9,476,671	9,138,908
Fair value of assets	(3,807,057)	(3,710,054)
Deficit/(Surplus)	**5,669,614**	**5,428,854**
Irrecoverable surplus (effect of asset ceiling)	-	-
Net defined benefit liability/(asset) as of the period end date	**5,669,614**	**5,428,854**

(€ '000)

2.1 CHANGES IN DEFINED BENEFIT OBLIGATIONS	12.31.2013	12.31.2012
Defined benefit obligation as of the prior period end date	9,138,908	7,623,720
Current service cost	140,089	107,092
Settlement (gain)/loss	5,715	-
Past service cost	3,433	-
Interest cost on the defined benefit obligation	333,188	379,757
Net actuarial (gain)/loss	303,864	1,515,551
Plan participants' contributions	5,063	23
Disbursements from plan assets	(117,667)	(146,548)
Disbursements directly paid by the employer	(329,225)	(307,214)
Settlements	(5,056)	(38,626)
Other changes on defined benefit obligation	(1,641)	5,153
Total defined benefit obligations as of the period end date	**9,476,671**	**9,138,908**

(€ '000)

2.2 CHANGES TO PLAN ASSETS	12.31.2013	12.31.2012
Fair value of plan assets as of the prior period end date	**3,710,054**	**(3,201,465)**
Interest Income on Plan Assets	135,269	(166,932)
Return on plan assets greater/(less) than discount rate	(31,113)	(44,166)
Employer contributions	432,257	(389,128)
Disbursements from plan assets	(446,892)	146,548
Settlements	(5,056)	-
Other changes on plan assets	12,538	(54,911)
Total fair value of plan assets as of the period end date	**3,807,057**	**(3,710,054)**

(€ '000)

3. INFORMATION ABOUT PLAN ASSETS	12.31.2013	12.31.2012
1. Equities	63,016	437,597
2. Bonds/ Units in investment funds	3,430,890	2,542,058
3. Properties	151,343	166,613
4. Derivative instruments	-	-
5. Others	161,808	563,786
Total	**3,807,057**	**3,710,054**

4. MAIN ACTUARIAL ASSUMPTIONS	12.31.2013	12.31.2012
Discount rate	3.71%	3.81%
Expected return on plan assets	3.71%	3.81%
Rate of increase in future compensation and vested rigths	2.84%	2.84%
Rate of increase in pension obligations	2.07%	2.08%
Expected inflation rate	1.85%	2.02%

5. INFORMATION ON AMOUNT, TIMING AND UNCERTAINTY OF CASH FLOWS	12.31.2013
- Impact of changes in financial/demographic assumptions on DBOs	
a. Discount rate	
a1. -25 basis points	365,552
	3.87%
a2. +25 basis points	(343,139)
	-3.63%
b. Pensions increase rate	
b1. -25 basis points	(244,778)
	-2.59%
b2. +25 basis points	255,727
	2.70%
c. Mortality	
c1.Survival rate +1 year	218,050
	2.31%
- Weighted average duration (years)	15

Part B – Consolidated Balance Sheet - Liabilities

12.4 Provisions for risks and charges - other provisions

(€ '000)

	AMOUNTS AS AT	
	12.31.2013	12.31.2012
2.3 Other provisions for risks and charges - other		
- Real estate risks and costs	110,757	116,270
- Restructuring costs	87,372	74,182
- Out-of-court settlements and legal costs	30,068	37,011
- Allowances payable to agents	127,946	124,748
- Disputes regarding financial instruments and derivatives	229,198	388,815
- Tax Disputes	222,171	200,818
- Costs for liabilities arising from equity investment disposals	108,728	29,578
- Other	919,712	816,903
Total	**1,835,952**	**1,788,325**

Comparative figures as at December 31, 2012 were restated to take account of the introduction of IAS19R, resulting in a €1,082,408 increase in sub-item 1. Pensions and other post-retirement benefit obligations and a €5,410 decrease in sub-item 2.2.3 Other provisions for risks and charges – Other.

In addition, figures as at December 31, 2012 were restated following the reclassification of €150,666 from sub-item “Real estate risks and costs” to sub-item “Other”.

Section 13 - Insurance reserves - Item 130

13.1 Insurance provisions: breakdown

(€ '000)

	AMOUNTS AS AT 31.12.2013			AMOUNTS AS AT 31.12.2012
	DIRECT BUSINESS	INDIRECT BUSINESS	TOTAL	TOTAL
A. Non-life business	**-**	**-**	**-**	**105.802**
A.1 Provision for unearned premiums	-	-	-	78.190
A.2 Provision for outstanding claims	-	-	-	26.836
A.3 Other provisions	-	-	-	776
B. Life business	**-**	**-**	**-**	**121.935**
B.1 Mathematical provisions	-	-	-	107.657
B.2 Provisions for amounts payable	-	-	-	2.563
B.3 Other insurance provisions	-	-	-	11.715
C. Insurance provisions when investment risk is borne by 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**

No amounts are shown in this item as a result of the sale of the insurance companies of the YAPI KREDI group (Turkey).

13.2 Insurance reserves: annual changes

(€ '000)

	CHANGES IN 2013					
	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	**78,190**	**26,836**	**776**	**107,657**	**2,563**	**11,715**
a) increases	-	-	-	-	-	-
b) decreases	78,190	26,836	776	107,657	2,563	11,715
Insurance provisions - closing balance	**-**	**-**	**-**	**-**	**-**	**-**

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

As at December 31, 2013 the Group Shareholders' Equity, including the loss for the period of €(13,965) million, amounted to €46,841 million, as against €61,579 million at end 2012.
The following table shows the breakdown of Group Equity and the changes over the previous year:

Group capital: breakdown (€ '000)

	AMOUNTS AS AT		CHANGES	
	12.31.2013	12.31.2012	AMOUNT	%
1. Share capital	19,654,856	19,647,949	6,907	0.0%
2. Share premium reserve	23,879,202	32,877,938	(8,998,736)	-27.4%
3. Reserves	19,750,176	10,001,793	9,748,383	97.5%
4. Treasury shares	(3,755)	(5,049)	1,294	25.6%
a. Parent Company	(2,440)	(2,440)	-	0.0%
b. Subsidiaries	(1,315)	(2,609)	1,294	49.6%
5. Revaluation reserve	(2,474,772)	(1,808,870)	(665,902)	-36.8%
6. Equity instruments	-	-	-	0.0%
7. Net profit (loss)	(13,964,832)	864,891	(14,829,723)	-1714.6%
Total	**46,840,875**	**61,578,652**	**(14,737,777)**	**-23.9%**

Balances as at December 31, 2012 differ from the amounts disclosed at that date as a result of the introduction of the new IAS19R, which had a negative impact on the Shareholders' Equity as at December 31, 2012 (restated) amounting to €1,205 million following the classification of net actuarial losses (net of deferred tax items connected with them) in the revaluation reserves, as described in Part A - Accounting Policies - Section 2 - Preparation Criteria.

The €14,738 million decrease in Group Equity resulted from:

A free capital increase as resolved by the Shareholders' Meeting of May 11, 2013	€7 million
A decrease in the share premium reserve for supplementation of reserves, coverage of negative reserves and reallocation of the loss for financial year 2011, as resolved by the Shareholders' Meeting of May 11, 2013	-€8,999 million
A decrease in reserves, including the change in Treasury shares due to:	
• the allocation to reserve of the result of the previous year;	€1,081 million
• the increase in reserve resulting from the coverage of the negative reserves and the reallocation of the loss for the year 2011 as resolved by the Shareholders' Meeting of May 11, 2013;	€8,779 million
• the decrease in the reserve for disbursements related to Cashes transaction ("canoni di usufrutto");	-€105 million
• the decrease in the reserve for extraordinary distribution of dividends;	-€513 million
• the increase of the reserve for costs related to Share Based Payment;	€23 million
• other increases mainly represented by the effects of the sale of 9.1% of Pekao S.A., in which UniCredit still has a controlling interest.	€484 million
A change in the revaluation reserve due to:	
• a decrease in exchange-rate differences;	-€761 million
• an increase in available-for-sale financial assets;	€464 million
• a decrease in cash-flow hedge and in disposal groups classified as held for sale;	-€239 million
• a decrease in the reserve for actuarial gains (losses) on employee defined-benefit plans;	-€206 million
• an increase in the reserve for the valuation of equity investments valued at equity method.	€77 million
Result of the period lower than in 2012	-€14,830 million

In addition to the free capital increase of €6,907 thousand carried out through withdrawal from the specific reserve for the issuance of 2,097,587 ordinary shares related to the medium-term incentive plan for Group Staff, as approved by the Board of Directors on March 15, 2013, as at December 31, 2013 the Group Shareholders' Equity reflects the changes resulting from the resolutions of the ordinary Meeting of May 11, 2013, which resulted in:

- the allocation to the legal reserve of €2,413,457 thousand drawn from the Share premium reserve;
- the coverage of negative reserves by using the Share premium reserve for a total of €3,962,124 thousand;
- the reallocation of the coverage of the loss for the year resulting from the Accounts as at December 31, 2011, in lieu of the resolution passed by the Meeting of May 11, 2012, with the exclusive use of the Share premium reserve for €6,348,649 thousand and the subsequent recreation of the statutory reserve of €1,195,845 thousand, of the reserve for allocation of profits to shareholders through the issue of new shares worth €1,193,962 thousand and of Other reserves worth €13,564 thousand.

The Shareholders' Meeting of May 11, 2013 also resolved to:

- cover the loss for the year 2012 through the use of the Share premium reserve for an amount of €219,783 thousand;
- distribute to shareholders an amount equal to €512,535 thousand, drawn from retained earnings.

15.1 "Share capital" and "treasury shares" - breakdown

(€ '000)

	12.31.2013		12.31.2012	
	ISSUED SHARES	UNDERWRITTEN SHARES	ISSUED SHARES	UNDERWRITTEN SHARES
A. Share Capital				
A.1 ordinary shares	19,646,630	-	19,639,723	-
A.2 savings shares	8,226	-	8,226	-
Total A	**19,654,856**	**-**	19,647,949	-
B. Treasury Shares	**(3,755)**	**-**	**(5,049)**	-

During 2013 the Capital – which at December 31, 2012 was made up of 5,787,112,132 ordinary shares and 2,423,898 savings shares, both categories with no par value, changed as a result of the free capital increase carried out through withdrawal from the specific reserve for the issuance of 2,097,587 ordinary shares related to the medium-term incentive plan for Group Staff, as approved by the Board of Directors on March 15, 2013.

As a result of this increase, the Capital is now represented by 5,789,209,719 ordinary shares and 2,423,898 savings shares and increased from €19,647,949 thousand to €19,654,856 thousand.

At the end of 2013, the number of Treasury Shares outstanding was 47,600 ordinary shares, unchanged over the end of 2012 since no transactions were conducted during the year.

Part B – Consolidated Balance Sheet - Liabilities

15.2 Share capital - number of shares owned by the Parent company: annual changes

ITEMS/TYPE	CHANGES IN 2013	
	ORDINARY	OTHER (SAVINGS)
A. Issued shares as at the beginning of the year	**5,787,112,132**	**2,423,898**
- Fully paid	5,787,112,132	2,423,898
- not fully paid	-	-
A.1 Treasury shares (-)	(47,600)	-
A.2 Shares outstanding: opening balance	5,787,064,532	2,423,898
B. Increases	**2,097,587**	**-**
B.1 New issues	2,097,587	-
- against payment	-	-
- business combinations	-	-
- bonds converted	-	-
- warrants exercised	-	-
- other	-	-
- free	2,097,587	-
- to employees	*2,097,587*	-
- 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	**5,789,162,119**	**2,423,898**
D.1 Treasury Shares (+)	47,600	-
D.2 Shares outstanding as at the end of the year	5,789,209,719	2,423,898
- Fully paid	5,789,209,719	2,423,898
- not fully paid	-	-

Ordinary shares include 96,756,406 shares over which UniCredit S.p.A.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 Share capital: other information

	12.31.2013	12.31.2012
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	
	12.31.2013	12.31.2012
Legal Reserve	1,517,514	1,517,514
Statutory Reserve	1,195,845	-
Other Reserves	10,769,949	8,518,138
Total	**13,483,308**	**10,035,652**

(*) The legal reserve of UniCredit S.p.A. also includes €2,413,457 thousand withdrawn, as resolved by the Shareholders' Meeting of May 11, 2013, from the Share premium reserve and therefore not classified among reserves from allocation of profit from previous year.

15.5 Other Information

Revaluation reserves: breakdown

(€ '000)

	AMOUNTS AS AT	
ITEM/TYPES	**12.31.2013**	**12.31.2012**
1. Available-for-sale financial assets	529,293	65,045
2. Property, plant and equipment	-	-
3. Intangible assets	-	-
4. Hedges of foreign investments	-	-
5. Cash-flow hedges	519,904	754,523
6. Exchange differences	(2,485,678)	(1,724,525)
7. Non-current assets classified as held for sale	(4,934)	(96)
8. Actuarial gains (losses) on defined benefit plans	(1,411,662)	(1,205,429)
9. Revaluation reserves of investments valued at net equity	101,285	24,592
10. Special revaluation laws	277,020	277,020
Total	**(2,474,772)**	**(1,808,870)**

In accordance with IFRS5, as at December 31, 2013 the assets of the following companies were recognized under "Non-current assets and disposal groups classified as held for sale" following their classification as "discontinued operations":
- PUBLIC JOINT STOCK COMPANY UNICREDIT BANK;
- BDK CONSULTING;
- PUBLIC JOINT STOCK COMPANY UKRSOTSBANK;
- PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL;
- LLC UKROTSBUD;
- LTD SI&C AMC UKRSOTS REAL ESTATE;
- SVIF UKRSOTSBUD.

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

The amounts relating to the revaluation reserves as at December 31, 2012 differ from the amounts disclosed at that date as a result of the introduction of the new IAS19R, which had a negative impact on the Shareholders' Equity as at December 31, 2012 (restated) amounting to €1,205 million following the classification of net actuarial losses (net of deferred tax items connected with them) in the revaluation reserves.

The FX currency reserves as at December 31, 2013 mainly refer to the following currencies:
- Turkish Lira: 1,000 million (negative);
- Ruble: 626 million (negative);
- UAH (Ukraine): 315 million (negative);
- USD: 144 million (negative).

Part B – Consolidated Balance Sheet - Liabilities

Section 16 - Minorities - Item 210

The table below shows a breakdown of minorities as at December 31, 2013.

Minority interests: breakdown

ITEM/VALUES	AMOUNTS AS AT	
	12.31.2013	12.31.2012
1) Share Capital	403,740	413,254
2) Share premium reserve	1,273,964	1,771,562
3) Reserves	1,250,272	1,085,147
4) Treasury shares	(204)	(206)
5) Revaluation reserves	24,458	41,601
6) Equity instruments	-	-
7) Profit (loss) for the year - Minority interests	381,662	357,641
Total	**3,333,892**	**3,668,999**

16.1 Capital instruments: breakdown and annual changes

There are no equity instruments.

Other information

1, Guarantees given and commitments

(€ '000)

TRANSACTIONS	AMOUNTS AS AT 31.12.2013	AMOUNTS AS AT 31.12.2012
1) Financial guarantees given to	**16,112,435**	**19,393,243**
a) Banks	1,456,753	2,596,019
b) Customers	14,655,682	16,797,224
2) Commercial guarantees given to	**49,234,235**	**48,460,965**
a) Banks	5,440,613	5,667,499
b) Customers	43,793,622	42,793,466
3) Other irrevocable commitments to disburse funds	**102,263,000**	**88,446,364**
a) banks:	5,251,122	2,156,455
i) usage certain	*3,589,005*	*317,553*
ii) usage uncertain	*1,662,117*	*1,838,902*
b) customers:	97,011,878	86,289,909
i) usage certain	*25,805,321*	*16,533,700*
ii) usage uncertain	*71,206,557*	*69,756,209*
4) Underlying obligations for credit derivatives: sales of protection	**-**	**-**
5) Assets used to guarantee others' obligations	**2,046**	**249,339**
6) Other commitments	**7,023,442**	**17,484,138**
Total	**174,635,158**	**174,034,049**

Part B – Consolidated Balance Sheet - Liabilities

2. Assets used to guarantee own liabilities and commitments

(€ '000)

PORTFOLIOS	AMOUNTS AS AT 12.31.2013	AMOUNTS AS AT 12.31.2012
1. Financial assets held for trading	17,993,936	14,596,512
2. Financial assets designated at fair value	14,405,404	10,963,132
3. Financial assets available for sale	35,511,980	29,831,562
4. Financial assets held to maturity	3,386,058	4,242,429
5. Loans and receivables with banks	2,146,039	1,827,327
6. Loans and receivables with customers	71,755,686	64,638,259
7. Property, plant and equipment	-	75,918

Deposits from Banks include €28,880 million related to Central Banks' refinancing operations collateralized by securities nominal worth €45,923 million. Of these, the securities not recognized on balance-sheet – since they represent repurchased or retained Group's financial liabilities – amount to nominal €35,270 million.

In addition to the financial assets used to guarantee the Group's own liabilities and commitments shown in the table above, the table below summarizes all financial assets pledged as collateral for the Group's own transactions at year end.

Security borrowing transactions collateralized by securities or not collateralized

(€ '000)

LENDER BREAKDOWN	AMOUNTS AS AT 31.12.2013			
	AMOUNTS OF THE SECURITIES BORROWED/TRANSACTION PURPOSE			
	GIVEN AS COLLATERAL IN OWN FUNDING TRANSACTIONS	SOLD	SOLD IN REPO TRANSACTIONS	OTHER PURPOSES
A. Banks	320,365	548,697	16,745,215	2,833,429
B. Financials companies	-	15,716	1,588,176	142,271
C. Insurance companies	-	-	70,794	-
D. Non Financials companies	-	-	10,148	-
E. Others	-	924	1,630,938	81
Total	**320,365**	**565,337**	**20,045,271**	**2,975,781**

3. Operating leases

(€ '000)

	AMOUNTS AS AT	
	12.31.2013	12.31.2012
Lessee information		
Operating leases		
Future minimum non-cancellable lease payments:		
- up to twelve months	134,283	168,467
- from one to five years	312,175	350,665
- over five years	141,106	151,190
Total amounts	**587,564**	**670,322**
Future minimum non-cancellable lease payments (to be received)		
Total payments	**11,619**	**2,565**
Lessor information		
Operating leases		
Future minimum non-cancellable lease payments (to be received):		
- up to twelve months	125,794	79,539
- from one to five years	303,012	328,366
- over five years	152,180	211,961
Total amounts	**580,986**	**619,866**

4. Breakdown of investments relating to unit-linked and index-linked policies

There were no transactions concerning unit-linked and index-linked policies.

Part B – Consolidated Balance Sheet - Liabilities

5. Asset management and trading on behalf of others

(€ '000)

TYPE OF SERVICES	12.31.2013
1. Management and trading on behalf of third parties	**831,827,445**
a) purchases	424,178,806
1. Settled	*423,241,183*
2. Unsettled	*937,623*
b) sales	407,648,639
1. Settled	*406,714,017*
2. Unsettled	*934,622*
2. Portfolio management	**211,272,872**
a) Individual	80,140,635
b) Collective	131,132,237
3. Custody and administration of securities	**584,461,890**
a) third party securities on deposits: relating to depositary bank activities (excluding portfolio management)	3,965,856
1. Securities issued by companies included in consolidation	*598*
2. Other securities	*3,965,258*
b) third party securities held in deposits (excluding portfolio management): other	289,860,405
1. Securities issued by companies included in consolidation	*45,869,245*
2. Other securities	*243,991,160*
c) Third party securities deposited with third parties	211,081,891
d) Property securities deposited with third parties	79,553,738
4. Other	**14,716,398**

6. Assets subject to accounting offsetting or under master netting agreements and similar ones

(€ '000)

INSTRUMENT TYPE	GROSS AMOUNTS OF FINANCIAL ASSETS (a)	FINANCIAL LIABILITIES OFFSET IN BALANCE SHEET (b)	NET BALANCE SHEET VALUES OF FINANCIAL ASSETS (c=a-b)	RELATED AMOUNTS NOT RECOGNIZED IN BALANCE SHEET: FINANCIAL INSTRUMENTS (d)	RELATED AMOUNTS NOT RECOGNIZED IN BALANCE SHEET: CASH COLLATERAL RECEIVED (e)	NET AMOUNTS AT 12.31.2013 (f=c-d-e)	NET AMOUNTS AT 12.31.2012
1. Derivatives	83,134,001	15,530,000	67,604,001	49,802,440	7,384,818	10,416,743	
2. Repos	11,913,893	924,000	10,989,893	10,482,415	174	507,304	
3. Securities lending	-	-	-	-	-	-	
4. Others	22,292,000	1,209,000	21,083,000	-	-	21,083,000	
Total 12.31.2013	**117,339,894**	**17,663,000**	**99,676,894**	**60,284,855**	**7,384,992**	**32,007,047**	
Total 12.31.2012							

7. Liabilities subject to accounting offsetting or under master netting agreements and similar ones

(€ '000)

INSTRUMENT TYPE	GROSS AMOUNTS OF FINANCIAL LIABILITIES (a)	FINANCIAL ASSETS OFFSET IN BALANCE SHEET (b)	NET BALANCE SHEET VALUES OF FINANCIAL LIABILITIES (c=a-b)	RELATED AMOUNTS NOT RECOGNIZED IN BALANCE SHEET		NET AMOUNTS AT 12.31.2013 (f=c-d-e)	NET AMOUNTS AT 12.31.2012
				FINANCIAL INSTRUMENTS (d)	CASH COLLATERAL PLEDGED (e)		
1. Derivatives	80,098,720	15,530,000	64,568,720	47,782,278	9,529,932	7,256,510	
2. Repos	24,546,000	924,000	23,622,000	22,679,000	-	943,000	
3. Securities lending	-	-	-	-	-	-	
4. Others	68,865,000	1,209,000	67,656,000	-	-	67,656,000	
Total 12.31.2013	**173,509,720**	**17,663,000**	**155,846,720**	**70,461,278**	**9,529,932**	**75,855,510**	
Total 12.31.2012							

Part C – Consolidated Income Statement

Part C – Consolidated Income Statement

Section 1 - Interest income and expense - Items 10 and 20

In 2013, interest income and similar revenues were €24,210 million, a decrease over the previous year.
More specifically, "Interest income from financial assets denominated in currency", which was 31% of item 10 (31% in 2012) in 2012, decreased by €1,167 million from €8,615 million in 2012 to €7,448 million in 2013.

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 €9 million and €1,046 million respectively.

1.1 Interest income and similar revenues: breakdown

(€ '000)

	2013				2012
ITEMS/TYPE	DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	TOTAL	TOTAL
1. Financial assets held for trading	342,276	21,875	87,637	451,788	608,869
2. Financial assets at fair value through profit or loss	436,284	45,628	-	481,912	598,638
3. Available-for-sale financial assets	2,354,221	-	-	2,354,221	2,300,339
4. Held-to-maturity investments	161,967	-	-	161,967	353,231
5. Loans and receivables with banks	133,837	388,774	-	522,611	849,670
6. Loans and receivables with customers	378,533	17,768,483	-	18,147,016	21,066,246
7. Hedging derivatives	X	X	1,944,514	1,944,514	1,667,053
8. Other assets	X	X	146,014	146,014	221,357
Total	**3,807,118**	**18,224,760**	**2,178,165**	**24,210,043**	**27,665,403**

1.2 and 1.5 Interest income/expense and similar revenues/charges: hedging differentials

(€ '000)

ITEMS	2013	2012
A. Positive differentials relating to hedging operations	8,454,514	10,807,720
B. Negative differentials relating to hedging operations	(6,510,000)	(9,140,667)
C. Net differential	**1,944,514**	**1,667,053**

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	2013	2012
a) Assets denominated in currency	7,448,034	8,615,172

1.3.2 Interest income from finance leases

(€ '000)

ITEMS	2013	2012
a) Financial transactions: contingent rents recognised as income in the period	588,795	706,637

In 2013, interest expense and similar charges were €11,605 million, a decrease over the previous year.
More specifically, “Interest expense on liabilities denominated in currency” were 25% of item 20 in 2013, a decrease over the previous year.

1.4 Interest expense and similar charges: breakdown

(€ '000)

ITEMS/TYPE	2013 DEBTS	2013 SECURITIES	2013 OTHER TRANSACTIONS	2013 TOTAL	2012 TOTAL
1. Deposits from Central banks	(211,055)	X	-	(211,055)	(326,999)
2. Deposits from banks	(723,594)	X	-	(723,594)	(1,112,654)
3. Deposits from customers	(3,769,922)	X	-	(3,769,922)	(5,333,045)
4. Debt securities in issue	X	(5,916,217)	-	(5,916,217)	(6,233,554)
5. Financial liabilities held for trading	(16,618)	(172,442)	(568,913)	(757,973)	(769,971)
6. Financial liabilities at fair value through profit or loss	-	(7,995)	-	(7,995)	(12,002)
7. Other liabilities and funds	X	X	(217,943)	(217,943)	(408,227)
8. Hedging derivatives	X	X	-	-	-
TOTAL	**(4,721,189)**	**(6,096,654)**	**(786,856)**	**(11,604,699)**	**(14,196,452)**

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	2013	2012
a) Liabilities denominated in currency	(2,899,104)	(3,689,282)

1.6.2 Interest expense on finance leases

(€ '000)

ITEMS	2013	2012
a) Financial leasing transaction: contingent rents recognised as expense in the period	(52,510)	(76,731)

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 2012 figures differ from those disclosed in the “2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item “310. Profit (loss) after tax from discontinued operations”.

In addition, with reference to interest income, it should be noted that comparative figures as at December 31, 2012 differ from those disclosed in the “2012 Consolidated Reports and Accounts” as a result of:

- the reclassification, carried out by three Group companies in the first half of 2013, of interest income from impaired assets whose book value was written down and of reversals connected with the passing of time from item "10. Interest income and similar revenues" to item "130. Impairment losses on loans";
- the restatement of some P&L items relating to the operations of a Group company to better reflect their economic nature (previously recognized as fee and commission income).

Part C – Consolidated Income Statement

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

In 2013 fee and commission income totaled €9,262 million, a slight decrease over the previous year (€9,280 million).

2.1 Fee and commission income: breakdown

(€ '000)

TYPE OF SERVICES/VALUES	2013	2012
a) guarantees given	**608,940**	**590,425**
b) credit derivatives	**1**	**84**
c) management, brokerage and consultancy services:	**4,016,842**	**3,710,576**
1. securities trading	264,561	326,142
2. currency trading	173,557	199,036
3. portfolio management	1,642,500	1.527.416
3.1. individual	*205,674*	*209.365*
3.2. collective	*1,436,826*	*1.318.051*
4. custody and administration of securities	174,689	166,676
5. custodian bank	38,077	41.302
6. placement of securities	552,219	457.867
7. reception and transmission of orders	183,604	128.020
8. advisory services	97,123	75.329
8.1 related to investments	*35,148*	*30.512*
8.2 related to financial structure	*61,975*	*44.817*
9. distribution of third party services	890,512	788.788
9.1 portfolio management	278,092	219.122
9.1.1. individual	*1,737*	*2.402*
9.1.2. collective	*276,355*	*216.720*
9.2. insurance products	535,995	508.609
9.3. Other products	76,425	61.057
d) collection and payment services	**1,980,619**	**1,930,040**
e) securitization servicing	**65,071**	**66.052**
f) factoring	**97,485**	**96,310**
g) tax collection services	**-**	**-**
h) management of multilateral trading facilities	**-**	**-**
i) management of current accounts	**1,350,763**	**1,762,153**
j) other services	**1,122,039**	**1,095,282**
k) security lending	**19,866**	**29,483**
Total	**9,261,626**	**9,280,405**

Item "j) other services" mainly comprises:

- fees on loans granted: €540 million in 2013, €616 million in 2012 (-12%);
- fees on the arrangement of loans: €108 million in 2013, €104 million in 2012 (+4%);
- fees for various services provided to customers (e.g. treasury, merchant banking, etc.) of €97 million in 2013, € 100 million in 2012 (-3%);
- fees on ATM and credit card services not included in collection and payment services: €94 million in 2013, €100 million in 2012 (-6%);
- fees on foreign transactions and services: €86 million in 2013 and in 2012.

Fee and commission expense was €1,668 million, an increase over 2012 (€1,657 million).

2.2 Fee and commission expense: breakdown

(€ '000)

TYPE OF SERVICES/VALUES	2013	2012
a) guarantees received	**(104,252)**	**(111.250)**
b) credit derivatives	**(14,402)**	**(17.632)**
c) management,brokerage and consultancy services:	**(768,037)**	**(768.754)**
1. trading financial instruments	(73,682)	(93.516)
2. currency trading	(17,005)	(16.306)
3. portfolio management	(158,771)	(147.003)
3.1. own portfolio	*(126,532)*	*(110.186)*
3.2. third party portfolio	*(32,239)*	*(36.817)*
4. custody and administration of securities	(172,398)	(161.684)
5. placement of financial instruments	(84,887)	(89.384)
6. off-site distribution of financial instruments, products and services	(261,294)	(260.861)
d) collection and payment services	**(534,907)**	**(537.029)**
e) other services	**(209,939)**	**(163,484)**
f) security borrowing	**(36,477)**	**(58,900)**
Total	**(1,668,014)**	**(1,657,049)**

With respect to both fee and commission income and fee and commission expense it should be noted that the 2012 figures differ from those disclosed in the “2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item “310. Profit (loss) after tax from discontinued operations”.

In addition, with specific reference to fee and commission income, it should be noted that comparative figures as at December 31, 2012 differ from those disclosed in the “2012 Consolidated Reports and Accounts” as a result of the restatement of some P&L items relating to the operations of a Group company to better reflect their economic nature (now recognized as interest income).

Part C – Consolidated Income Statement

Section 3 - Dividend income and similar revenue - Item 70

In 2013 dividend income, which is recognized in the accounts in the year in which their distribution is approved, totaled €151 million, or €262 million if income from units in investment funds is also considered, as against €226 million in 2012.

3.1 Dividend income and similar revenue: breakdown

(€ '000)

ITEMS/REVENUES	2013		2012	
	DIVIDENDS	INCOME FROM UNITS IN INVESTMENT FUNDS	DIVIDENDS	INCOME FROM UNITS IN INVESTMENT FUNDS
A. Financial assets held for trading	74,137	9,909	10,862	12,682
B. Available for sale financial assets	67,915	100,104	71,886	117,596
C. Financial assets at fair value through profit or loss	53	1,015	22	1,623
D. Investments	8,926	X	11,646	X
Total	**151,031**	**111,028**	**94,416**	**131,901**
Total dividends and income from units in investment funds		**262,059**		**226,317**

It should be noted that the 2012 figures differ from those disclosed in the “2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, 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

2013 trading income, comprising income from the sale and valuation of trading assets and liabilities, trading gains (losses) on derivatives and exchange differences, was €1,305 million – a decrease from the 2012 figure (€1,313 million).

This table summarizes trading income for 2013 and 2012 with y/y changes.

Gains and losses on financial assets and liabilities held for trading

(€ million)

TRANSACTIONS/P&L ITEMS	2013	2012	CHANGE
Financial assets held for trading	1,281	1,430	-149
Financial liabilities held for trading	(476)	(1,274)	798
Financial assets and liabilities in currency: exchange differences	(76)	360	-436
Financial and credit derivatives	576	797	-221
Total	**1,305**	**1,313**	**-8**

It should be noted that the 2012 figures differ from those disclosed in the “2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, 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)

TRANSACTIONS/P&L ITEMS	2013 UNREALIZED PROFITS	REALIZED PROFITS	UNREALIZED LOSSES	REALIZED LOSSES	NET PROFIT
1. Financial assets held for trading	**986,342**	**1,522,578**	**(549,142)**	**(678,442)**	**1,281,336**
1.1 Debt securities	165,419	498,309	(248,604)	(317,408)	97,716
1.2 Equity instruments	722,183	719,171	(235,809)	(329,320)	876,225
1.3 Units in investment funds	93,851	235,682	(19,727)	(12,517)	297,289
1.4 Loans	2,430	14,606	(9,256)	(9,983)	(2,203)
1.5 Other	2,459	54,810	(35,746)	(9,214)	12,309
2. Financial liabilities held for trading	**1,059,104**	**534,937**	**(1,469,206)**	**(601,325)**	**(476,490)**
2.1 Debt securities	979,019	449,208	(1,164,457)	(384,225)	(120,455)
2.2 Deposits	-	-	-	-	-
2.3 Other	80,085	85,729	(304,749)	(217,100)	(356,035)
3. Other financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**(75,605)**
4. Derivatives	**33,073,203**	**94,431,239**	**(32,417,850)**	**(95,594,904)**	**575,775**
4.1 Financial derivatives:	33,012,308	90,756,755	(32,306,980)	(91,933,469)	612,701
- on debt securities and interest rates	*30,938,856*	*72,282,476*	*(29,810,296)*	*(72,956,337)*	*454,699*
- on equity securities and share indices	*1,982,195*	*18,307,755*	*(2,427,972)*	*(18,846,755)*	*(984,777)*
- on currency and gold	*X*	*X*	*X*	*X*	*1,084,087*
- other	*91,257*	*166,524*	*(68,712)*	*(130,377)*	*58,692*
4.2 Credit derivatives	60,895	3,674,484	(110,870)	(3,661,435)	(36,926)
Total	**35,118,649**	**96,488,754**	**(34,436,198)**	**(96,874,671)**	**1,305,016**

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

In 2013 the item “Fair value adjustments in hedge accounting” amounted to -€15.1 million (-€133.7 million in 2012), which was the result of €12,121 million gains and €12,136 million losses.

5.1 Fair value adjustments in hedge accounting: breakdown

(€ '000)

P&L COMPONENT/VALUES	2013	2012
A. Gains on:		
A.1 Fair value hedging instruments	9,286,646	17,432,242
A.2 Hedged asset items (in fair value hedge relationship)	264,374	2,912,434
A.3 Hedged liability items (in fair value hedge relationship)	2,555,833	56,808
A.4 Cash-flow hedging derivatives	12,029	14,521
A.5 Assets and liabilities denominated in currency	2,425	1,637
Total gains on hedging activities	**12,121,307**	**20,417,642**
B. Losses on:		
B.1 Fair value hedging instruments	(10,770,975)	(16,421,323)
B.2 Hedged asset items (in fair value hedge relationship)	(1,081,101)	(1,677,365)
B.3 Hedged liability items (in fair value hedge relationship)	(280,249)	(2,433,062)
B.4 Cash-flow hedging derivatives	(1,184)	(18,875)
B.5 Assets and liabilities denominated in currency	(2,897)	(717)
Total losses on hedging activities	**(12,136,406)**	**(20,551,342)**
C. Net hedging result	**(15,099)**	**(133,700)**

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

In 2013 the disposal/repurchase of financial assets/liabilities generated net gains in the amount of €2,440 million (€1,591 million in 2012).
2013 net result recognized under sub-item “3. Available-for-sale financial assets – 3.1 Debt securities” was €277 million and mainly comprised gains on disposal of Polish and American Government securities of €73 million, Italian Government securities of €40 million.
Net results of sub-item “3. Available-for-sale financial assets – 3.2 Equity Instruments” equal to euro 1.693 million and includes gain on disposal mainly due to Bank of Italy stake (€1.374 million) following the Capital Increase executed by issuing New Shares replacing Old Shares being cancelled (for further information please refer to Part E –Section 2.4).
Net result includes gains on disposal arising from:

- OJSC Micex - RTS: €145 million;
- Private Equity €98 million (of which Alliance Boots €41 million);
- Fondiaria SAI S.p.A.: €48 million;
- NXP Co-Investment Partners VIII L.P. €11 million;
- RCG Holdings LLC: €7 million.

The net profit on repurchase of financial liabilities (€442 million) principally relates to the repurchase of debt securities, of which €254 million relating to the tender offer concerning senior securities launched in the second quarter of 2013 and to the extinction of other liabilities as to €189 million.
2012 net result recognized under sub-item “3. Available-for-sale financial assets – 3.1 Debt securities” was €170 million and mainly comprised gains on disposal of Polish Government securities of €67 million and Italian Government securities of €49 million.
2012 net result recognized under sub-item “3. Available-for-sale financial assets – 3.2 Equity instruments” was €287 million and included gains on disposals mainly attributable to: London Stock Exchange (€109 million); Private equity (€90 million, of which €75 million Alliance Boots); OJSC Micex - RTS (€75 million).
Net result on Held-to-maturity investments amounted to €30 million and was mainly related to the gains from the sale of government securities (+€36 million).
The net result on repurchase of financial liabilities (€1,063 million) referred 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 SPVs following some securitization transactions regarding assets sold but not derecognized).

6.1 Gains and losses on disposals/repurchases: breakdown

(€ '000)

ITEMS/P&L ITEMS	2013 GAINS	2013 LOSSES	2013 NET PROFIT	2012 GAINS	2012 LOSSES	2012 NET PROFIT
Financial assets						
1. Loans and receivables with banks	**2.043**	**(2.889)**	**(846)**	**14.990**	**(4.047)**	**10.943**
2. Loans and receivables with customers	**92.519**	**(97.408)**	**(4.889)**	**128.924**	**(106.462)**	**22.462**
3. Available-for-sale financial assets	**2.140.464**	**(140.535)**	**1.999.929**	**628.740**	**(164.529)**	**464.211**
3.1 Debt securities	386.470	(109.542)	276.928	324.355	(154.489)	169.866
3.2 Equity instruments	1.699.448	(5.953)	1.693.495	288.356	(1.399)	286.957
3.3 Units in Investment funds	54.546	(24.889)	29.657	15.952	(3.291)	12.661
3.4 Loans	-	(151)	(151)	77	(5.350)	(5.273)
4. Held-to-maturity investments	**3.618**	**-**	**3.618**	**40.937**	**(10.470)**	**30.467**
Total assets	**2.238.644**	**(240.832)**	**1.997.812**	**813.591**	**(285.508)**	**528.083**
Financial liabilities						
1. Deposits with banks	**76**	**(7.631)**	**(7.555)**	**77.173**	**(2.601)**	**74.572**
2. Deposits with customers	**6.993**	**(16.536)**	**(9.543)**	**112.888**	**(4.912)**	**107.976**
3. Debt securities in issue	**499.478**	**(40.228)**	**459.250**	**906.624**	**(25.907)**	**880.717**
Total liabilities	**506.547**	**(64.395)**	**442.152**	**1.096.685**	**(33.420)**	**1.063.265**
Total financial assets and liabilities			**2.439.964**			**1.591.348**

It should be noted that the 2012 figures differ from those disclosed in the “2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, 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 – 1.2 Related to fair value option” and “2. Credit derivatives – 2.2 Related to fair value option”).

At end 2013 this item showed a profit of €211 million (€33 million profit in 2012).

This table summarizes the net result of assets and liabilities valued at fair value for 2013 and 2012, 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	2013	2012	CHANGE
Financial assets	(295)	119	-414
Financial liabilities	(34)	(137)	103
Financial assets and liabilities in currency: exchange differences	-	-	-
Financial and credit derivatives	539	51	488
Total	**210**	**33**	**178**

7.1 Net change in financial assets and liabilities at fair value through profit or loss: breakdown

(€ '000)

	2013				
TRANSACTIONS/P&L ITEMS	UNREALIZED PROFITS	REALIZED PROFITS	UNREALIZED LOSSES	REALIZED LOSSES	NET PROFIT
1. Financial assets	**157,761**	**145,282**	**(516,037)**	**(81,714)**	**(294,708)**
1.1 Debt securities	130,753	114,349	(423,283)	(78,349)	(256,530)
1.2 Equity securities	5	6	(31)	-	(20)
1.3 Units in investment funds	25,270	29,947	(25,283)	(64)	29,870
1.4 Loans	1,733	980	(67,440)	(3,301)	(68,028)
2. Financial liabilities	**11,694**	**16**	**(44,813)**	**(415)**	**(33,518)**
2.1 Debt securities	11,694	16	(44,813)	(415)	(33,518)
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	**545,423**	**4,651**	**(10,161)**	**(414)**	**539,499**
Total	**714,878**	**149,949**	**(571,011)**	**(82,543)**	**211,273**

Part C – Consolidated Income Statement

Section 8 - Impairment losses - Item 130

2013 loan loss provisions were €13,795 million, an increase over the previous year (€8,686 million).

In 2013 UniCredit S.p.A and its subsidiaries Unicredit Credit Management Bank S.p.A. and UniCredit Leasing S.p.A. modified the parameters used for the valuation of impaired and performing loans; since the measurement base of the loans was not modified, this change qualifies as a "change in accounting estimates" under IAS 8 (paragraph 5). Detailed information about the effects of this change was provided, as required by IAS 8 (paragraph 39), in Part E – Information on risks and related risk management policies – at the foot of Table A.1.2 Breakdown of credit exposures by portfolio and credit quality, which should be consulted for further information.

8.1 Impairment losses on loans and receivables: breakdown

(€ '000)

	2013								2012
	WRITE-DOWNS			WRITE-BACKS					
	SPECIFIC			SPECIFIC		PORTFOLIO			
TRANSACTIONS/P&L ITEMS	WRITE-OFFS	OTHER	PORTFOLIO	INTEREST	OTHER	INTEREST	OTHER	TOTAL	TOTAL
A. Loans and receivables with banks	**(742)**	**(12,638)**	**(3,108)**	**498**	**22,243**	**-**	**6,917**	**13,170**	**(7,671)**
- Loans	(742)	(12,638)	(3,106)	498	22,243	-	6,917	13,172	(6,949)
- Debt securities	-	-	(2)	-	-	-	-	(2)	(722)
B. Loans and receivables with customers	**(1,420,351)**	**(15,010,357)**	**(1,678,803)**	**674,646**	**3,045,452**	**34,089**	**547,002**	**(13,808,322)**	**(8,678,535)**
Impaired related to purchase agreements	**(3,267)**	**(75,822)**	**-**	**1,717**	**18,623**	**-**	**-**	**(58,749)**	**(41,413)**
- Loans	(3,267)	(75,822)	X	1,717	18,623	X	X	(58,749)	(43,359)
- Debt securities	-	-	X	-	-	X	X	-	1,946
Other loans	(1,417,084)	(14,934,535)	(1,678,803)	672,929	3,026,829	34,089	547,002	(13,749,573)	(8,637,122)
- Loans	(1,417,084)	(14,933,442)	(1,628,368)	672,929	3,026,119	34,089	530,491	(13,715,266)	(8,597,128)
- Debt securities	-	(1,093)	(50,435)	-	710	-	16,511	(34,307)	(39,994)
C. Total	**(1,421,093)**	**(15,022,995)**	**(1,681,911)**	**675,144**	**3,067,695**	**34,089**	**553,919**	**(13,795,152)**	**(8,686,206)**

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 – Impaired related to purchase includes write-downs and write-backs related to impaired loans acquired as part of disposals other than business combinations.

It should be noted that the 2012 figures differ from those disclosed in the "2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item "310. Profit (loss) after tax from discontinued operations".

8.2 Impairment losses on available for sale financial assets: breakdown

(€ '000)

TRANSACTIONS/P&L ITEMS	2013 WRITE-DOWNS SPECIFIC WRITE-OFFS	2013 WRITE-DOWNS SPECIFIC OTHER	2013 WRITE-BACKS SPECIFIC INTEREST	2013 WRITE-BACKS SPECIFIC OTHER	2013 TOTAL	2012 TOTAL
A. Debt securities	-	(18,835)	-	5,967	(12,868)	733
B. Equity instruments	(5,888)	(88,437)	X	X	(94,325)	(140,999)
C. Units in investment funds	(72)	(39,335)	X	-	(39,407)	(17,845)
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. Total	**(5,960)**	**(146,607)**	**-**	**5,967**	**(146,600)**	**(158,111)**

It should be noted that the 2012 figures differ from those disclosed in the “2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item 310. “Profit (loss) after tax from discontinued operations”.

In 2013 impairment losses on available-for-sale financial assets were €147 million, principally equity instruments (-€94 million), mainly attributable to: Private equity (-€19 million), BWA Beteiligungs- und Verwaltungs-Aktiengesellschaft (-€24 million), Poslovni Sistem Mercator D.D. (Mercator D.D.) (-€19 million).
In 2013 impairment losses on units in investment funds were -€40 million, largely attributable to private equity funds.

In 2012 impairment losses on available-for-sale financial assets were €158 million, principally equity instruments (-€141 million), mainly attributable to: Private equity (-€39 million), B+C Bauverwaltung Genußschein and PORR AG Vorzugsaktien (-€31 million), Union Verwaltungs- und Treuhand-Gesellshaft mit beschränkter Haftung (-€10 million), Wüstenrot & Württembergische AG (-€8 million), FSL Holdings PTE. LTD (-€6 million), Compagnia Investimenti e Sviluppo C.I.S. S.p.A. (-€5 million).
In 2012 impairment losses on units in investment funds were -€18 million, largely due to private equity funds.

Part C – Consolidated Income Statement

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

(€ '000)

	2013								2012
	WRITE-DOWNS			WRITE-BACKS					
	SPECIFIC			SPECIFIC		PORTFOLIO			
TRANSACTIONS/P&L ITEMS	WRITE-OFFS	OTHER	PORTFOLIO	INTEREST	OTHER	INTEREST	OTHER	TOTAL	TOTAL
A. Debt securities	-	(81)	(388)	-	3	-	-	(466)	(15,830)
B. Loans to banks	-	-	-	-	-	-	-	-	-
C. Loans to customers	-	-	-	-	-	-	-	-	-
D. Total	**-**	**(81)**	**(388)**	**-**	**3**	**-**	**-**	**(466)**	**(15,830)**

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)

	2013								2012
	WRITE-DOWNS			WRITE-BACKS					
	SPECIFIC			SPECIFIC		PORTFOLIO			
TRANSACTIONS/P&L ITEMS	WRITE-OFFS	OTHER	PORTFOLIO	INTEREST	OTHER	INTEREST	OTHER	TOTAL	TOTAL
A. Guarantees given	-	(219,787)	(104,170)	210	256,029	-	29,810	(37,908)	(294,630)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	(125,931)	(4,585)	2	347,561	-	2,350	219,397	(303,368)
D. Other transactions	-	(7,163)	(950)	-	8,593	-	1,925	2,405	877
E. Total	**-**	**(352,881)**	**(109,705)**	**212**	**612,183**	**-**	**34,085**	**183,894**	**(597,121)**

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.

It should be noted that the 2012 figures differ from those disclosed in the "2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item "310. Profit (loss) after tax from discontinued operations".

Section 9 - Premiums earned (net) - Item 150

2013 net premium earned on insurance business, including that of both life and general insurers was €83 million as against €161 million in 2012 - a change of -€78 million (-48% over 2012).

9.1 Premium earned (net) - breakdown

(€ '000)

PREMIUMS COMING FROM INSURANCE BUSINESS	2013 DIRECT BUSINESS	2013 INDIRECT BUSINESS	2013 TOTAL	2012 TOTAL
A. Life business				
A.1 Gross premiums written (+)	16,045	-	16,045	34,469
A.2 Reinsurance premiums paid (-)	-	X	-	(3,487)
A.3 Total	**16,045**	**-**	**16,045**	**30,982**
B. Non-life business				
B.1 Gross premiums written (+)	-	67,206	67,206	195,277
B.2 Reinsurance premiums paid (-)	-	X	-	(49,402)
B.3 Change in gross value of premium reserve (+/-)	-	-	-	(21,941)
B.4 Change in provision for unearned premiums ceded to reinsurers (-/+)	-	-	-	6,399
B.5 Total	**-**	**67,206**	**67,206**	**130,333**
C. Total net premiums	**16,045**	**67,206**	**83,251**	**161,315**

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Section 10 - Other income (net) from insurance activities - Item 160

2013 other income (net) from insurance business mainly comprised claims paid of €65 million and showed a loss of €68 million (-€126 million in 2012).

10.1 Other income (net) from insurance business: breakdown

(€ '000)

ITEMS	2013	2012
1. Net change in insurance provisions	(2,430)	3,665
2. Claims paid pertaining to the year	(65,239)	(123,965)
3. Other income and expense from insurance business	-	(5,439)
Total	**(67,669)**	**(125,739)**

10.2 Net change in insurance provisions: breakdown

(€ '000)

ITEMS	2013	2012
1. Life business		
A. Actuarial provisions	**-**	**6,179**
A.1 Gross amount for the year	-	6,179
A.2 (-) Amount attributable to reinsurers	-	-
B. Other insurance provisions	**(2,430)**	**(2,514)**
B.1 Gross amount for the year	-	-
B.2 (-) Amount attributable to reinsurers	(2,430)	(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"	**(2,430)**	**3,665**
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	2013	2012
Life business: expense relating to claims, net of reinsures portions		
A. Amounts paid out	**(8,486)**	**(21,041)**
A.1 Gross annual amount	(8,486)	(22,466)
A.2 (-) Amount attributable to reinsurers	-	1,425
B. Change in provisions for amounts payable	**-**	**(430)**
B.1 Gross annual amount	-	(1,090)
B.2 (-) Amount attributable to reinsurers	-	660
Total life business claims	**(8,486)**	**(21,471)**
Non-life business: expense relating to claims, net of amounts recovered from reinsures		
C. Claims paid	**(56,753)**	**(97,258)**
C.1 Gross annual amount	(56,753)	(113,841)
C.2 (-) Amount attributable to reinsurers	-	16,583
D. Change in recoveries net of reinsurers' portion	**-**	**-**
E. Change in claims reserve	**-**	**(5,236)**
E.1 Gross annual amount	-	(4,700)
E.2 (-) Amount attributable to reinsurers	-	(536)
Total non-life business claims	**(56,753)**	**(102,494)**
Total claims of the year	**(65,239)**	**(123,965)**

10.4 Other income and expense from insurance activities: breakdown

(€ '000)

	2013		
	OTHER INCOME	OTHER EXPENSES	TOTAL
10.4.1 Life business	-	-	-
10.4.2 Property business	-	-	-
Total	**-**	**-**	**-**

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 €16 million as against €36 million in 2012.

Net result of the insurance business

(€ '000)

P&L ITEMS/VALUES	2013	2012
Item 150 - Premiums earned (net)	83,251	161,315
Item 160 - Other income (net) from insurance activities	(67,669)	(125,739)
Total	**15,582**	**35,576**

Overall, the net result of the insurance business was affected by the sale of the insurance companies of the YAPI KREDI group (Turkey), which took place in July 2013.

Section 11 - Administrative costs - Item 180

2013 administrative costs were €14,845 million, up 2.4% over 2012 (€14,496 million).
Specifically:

- **payroll expense** was €9,273 million, up €201 million over 2012;
- **other administrative costs** were €5,573 million, up €148 million over 2012.

11.1 Payroll: breakdown

(€ '000)

TYPE OF EXPENSES/SECTORS	2013	2012
1) Employees	**(9,170,499)**	**(8,959,367)**
a) wages and salaries	(6,077,207)	(6,120,442)
b) social charges	(1,355,233)	(1,339,113)
c) severance pay	(37,874)	(41,036)
d) social security costs	-	-
e) allocation to employee severance pay provision	(41,151)	(52,939)
f) provision for retirements and similar provisions:	(350,283)	(345,125)
- defined contribution	*(3,127)*	*(3,451)*
- defined benefit	*(347,156)*	*(341,674)*
g) payments to external pension funds:	(284,905)	(366,206)
- defined contribution	*(282,824)*	*(362,055)*
- defined benefit	*(2,081)*	*(4,151)*
h) costs related to share-based payments	(41,493)	(74,575)
i) other employee benefits	(1,002,173)	(641,939)
l) recovery payments seconded employees	19,820	22,008
2) Other staff	**(87,208)**	**(96,700)**
3) Directors and Statutory Auditors	**(14,837)**	**(15,653)**
4) Early retirement costs	**-**	**-**
Total	**(9,272,544)**	**(9,071,720)**

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 2012 figures differ from those disclosed in the “2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item “310. Profit (loss) after tax from discontinued operations”.

11.2 Average number of employees by category

	2013	2012
Employees:	**154,505**	**160,851**
a) Senior managers	2,420	2,195
b) Managers	35,914	37,899
c) Remaining employees staff	116,171	120,757
Other Staff	**3,651**	**4,087**
Total	**158,156**	**164,938**

Employees by category at year end

	AMOUNTS AS AT	
	12.31.2013	12.31.2012
Employees:	**150,193**	**158,819**
a) Senior managers	2,761	2,080
b) Managers	35,041	36,787
c) Remaining employees staff	112,391	119,951
Other Staff	**3,257**	**4,045**
Total	**153,449**	**162,864**

11.3 Defined benefit company retirement funds: total costs and revenues

(€ '000)

	2013	2012
Current service cost	(140,089)	(122,626)
Settlement gains (losses)	(5,715)	(4.131)
Past service cost	(3,433)	214
Interest cost on the DBO	(333,188)	(337.092)
Interst income on plan assets	135,269	121.961
Total recognized in profit or loss	**(347,156)**	**(341,674)**

11.4 Other employee benefits

(€ '000)

	2013	2012
- Seniority premiums	(45,028)	(92,283)
- Leaving incentives	(647,619)	(244,799)
- Other	(309,526)	(304,857)
Total	**(1,002,173)**	**(641,939)**

It should be noted that the 2012 figures differ from those disclosed in the “2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item “310. Profit (loss) after tax from discontinued operations”.

Part C – Consolidated Income Statement

11.5 Other administrative expenses: breakdown

(€ '000)

TYPE OF EXPENSES/SECTORS	2013	2012
1) Indirect taxes and duties	**(792,211)**	**(608,221)**
1a. settled	(787,668)	(604,764)
1b. Unsettled	(4,543)	(3,457)
2) Miscellaneous costs and expenses	**(4,780,473)**	**(4,816,181)**
a) advertising marketing and communication	(367,018)	(375,698)
b) expenses related to credit risk	(256,632)	(281,772)
c) expenses related to personnel	(243,405)	(276,898)
d) Information & Communication Technology expenses	**(1,148,752)**	**(1,149,807)**
Lease of ICT equipment and software	(171,861)	(203,877)
Software expenses: lease and maintenance	(305,083)	(343,390)
ICT communication systems	(132,340)	(161,778)
ICT services: external personnel/outsourced services	(398,811)	(287,866)
Financial information providers	(140,657)	(152,896)
e) consulting and professionals services	**(491,143)**	**(465,689)**
Consulting	(296,785)	(312,834)
Legal expenses	(194,358)	(152,855)
f) real estate expenses	**(1,200,387)**	**(1,234,482)**
Premises rentals	(696,285)	(728,952)
Utilities	(231,588)	(214,143)
Other real estate expenses	(272,514)	(291,387)
g) operative costs	**(1,073,136)**	**(1,031,835)**
Surveillance and security services	(63,242)	(64,097)
Money counting services and transport	(79,467)	(90,183)
Insurance	(79,301)	(87,920)
Postage and transport of documents	(143,578)	(147,565)
Printing and stationery	(69,726)	(76,800)
Administrative and logistic services	(322,278)	(267,692)
Association dues and fees	(241,687)	(227,916)
Other administrative expences - Other	(73,857)	(69,662)
Total (1+2)	**(5,572,684)**	**(5,424,402)**

Expenses related to personnel include the expenses that, in compliance with IAS 19, do not represent remuneration of the working activity of an employee.

Pursuant to article 2427, first paragraph of the Italian Civil Code, the fees paid to the auditing firm Deloitte & Touche S.p.A. by UniCredit S.p.A and the Italian entities of the UniCredit group relating to FY 2013 were as follows:

- legal audit of annual accounts (including the audit of the first half financial report): €4,071 thousand;
- other checks: €721 thousand;
- tax advisory: €51 thousand;
- other non-audit services: €5,477 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, with the exception of Fondo Pensione UniCredit Previdenza.

It should be noted that the 2012 figures differ from those disclosed in the “2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item “310. Profit (loss) after tax from discontinued operations”.

Section 12 - Net provisions for risks and charges - Item 190

In 2013 net provisions for risks and charges, which amounted to -€879 million (-€204 million in 2012), 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 2013 provisions (-€1,264 million) were 39% higher than in 2012 (€-911 million), while the reallocation amounted to €385 million, as against €708 million in 2012.

12.1 Net provisions for risks and charges: breakdown

(€ '000)

	2013			2012
ASSETS/P&L ITEMS	PROVISIONS	REALLOCATION SURPLUS	TOTAL	TOTAL
1. Other provisions				
1.1 legal disputes	(454,544)	120,431	(334,113)	(244,014)
1.2 staff costs	(128)	-	(128)	(85)
1.3 other	(809,808)	264,706	(545,102)	40,559
Total	**(1,264,480)**	**385,137**	**(879,343)**	**(203,540)**

It should be noted that the 2012 figures differ from those disclosed in the "2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item "310. Profit (loss) after tax from discontinued operations".

Please note that as at December 31, 2012 the net provisions shown in sub-item "1.3 other" were positive also as a result of the reallocation of provisions previously made for risks relating to contractual commitments (€413 million) and the concurrent recognition of corresponding write-downs in item 130, following the actual disbursement and/or formalization of the irrevocable commitment to disbursing funds related to contractual obligations previously entered into.

Part C – Consolidated Income Statement

Section 13 - Impairments/write-backs on property, plant and equipment - Item 200

In 2013 impairment/write-backs on property, plant and equipment amounted to -€870 million (as against -€778 million in 2012). This amount includes €3,297 thousand impairment losses on tangible assets held for sale. A breakdown of the remaining €867 million is provided in the table below:

13.1 Impairment on property, plant and equipment: breakdown

(€ '000)

	2013			
ASSETS/P&L ITEMS	DEPRECIATION	IMPAIRMENT LOSSES	WRITE-BACKS	NET PROFIT
A. Property, plant and equipment				
A.1 Owned	**(698,101)**	**(180,490)**	**20,972**	**(857,619)**
- used in the business	(623,971)	(83,263)	2,143	(705,091)
- held for investment	(74,130)	(97,227)	18,829	(152,528)
A.2 Finance lease	**(9,381)**	**-**	**-**	**(9,381)**
- used in the business	(9,130)	-	-	(9,130)
- held for investment	(251)	-	-	(251)
Total	**(707,482)**	**(180,490)**	**20,972**	**(867,000)**

It should be noted that the 2012 figure differ from those disclosed in the “2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item “310. Profit (loss) after tax from discontinued operations”.

Section 14 - Impairments/write-backs on intangible assets - Item 210

In 2013 impairments/write-backs on intangible assets were -€2,707,211 thousand, against -€611,417 thousand in the previous year, already reclassified to item “310. Profit (Loss) after tax from discontinued operations” following the restatement of the figure disclosed in the “2012 Consolidated Reports and Accounts” and the recognition of the individual items that constituted the profit and loss of some Group companies (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD).
At December 31, 2013 item 210 included €25 thousand impairment losses on intangible assets classified as held for sale. A breakdown of the remaining €2,707,186 thousand is set out in the table below:

14.1 Impairment on intangible assets: breakdown

(€ '000)

	2013			
ASSETS/P&L ITEMS	AMORTISATION	IMPAIRMENT LOSSES	WRITE-BACKS	NET PROFIT
A. Intangible assets				
A.1 Owned	**(655,353)**	**(2,051,618)**	**-**	**(2,706,971)**
- generated internally by the company	(208,153)	(64,171)	-	(272,324)
- other	(447,200)	(1,987,447)	-	(2,434,647)
A.2 Finance leases	**(215)**	**-**	**-**	**(215)**
Total	**(655,568)**	**(2,051,618)**	**-**	**(2,707,186)**

With reference to the intangible asset – other, see Part B – Consolidated Balance Sheet – Asset - Section 13 – Intangible Assets

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	2013	2012
Total other operating expense	(788,873)	(759,825)
Total other operating revenues	1,900,414	1,568,539
Other operating net income	**1,111,541**	**808,714**

15.1 Other operating expense: breakdown

(€ '000)

TYPE OF EXPENSE/VALUE	2013	2012
Costs for operating leases	(5,118)	(4,480)
Non-deductible tax and other fiscal charges	(5,319)	(5,645)
Write-downs on leasehold improvements	(62,251)	(63,387)
Costs related to the specific service of financial leasing	(134,519)	(145,689)
Other	(581,666)	(540,624)
Total other operating expenses	**(788,873)**	**(759,825)**

The sub-item *Other* includes:

- various settlements and indemnities of € 133 million, € 98 million in 2012;
- additional costs for the leasing business of € 54 million, €49 million in 2012;
- non-banking business costs € 39 million, € 42 million in 2012;
- charges relating to Group property of € 14 million, € 6 million in 2012;
- various payments relating to prior years of € 13 million, € 7 million in 2012;
- additional costs relating to customer accounts of € 16 million, € 15 million in 2012;
- new bank levy of € 100 million, € 127 million in 2012.

15.2 Other operating revenues: breakdown

(€ '000)

TYPE OF REVENUE/VALUES	2013	2012
A) Recovery of costs	**802,102**	**581,219**
B) Other Revenues	**1,098,312**	**987,320**
Revenues from administrative services	77,821	91,519
Revenues on rentals Real Estate investments (net of operating direct costs)	127,960	122,089
Revenues from operating leases	135,835	151,137
Recovery of miscellaneous costs paid in previous years	16,914	21,335
Revenues on Financial Leases activities	159,331	154,803
Others	580,451	446,437
Total operating revenues (A+B)	**1,900,414**	**1,568,539**

The sub-item *Other* includes:

- additional income received from leasing business of €39 million, €61 million in 2012;
- income from non-banking business of €178 million, €136 million in 2012;
- various income from Group property of €13 million, €19 million in 2012;
- payments of indemnities and compensation of €45 million, €56 million in 2012.

With respect to both other operating expenses and other operating revenues it should be noted that the 2012 figures differ from those disclosed in the "2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item "310. Profit (loss) after tax from discontinued operations".

Part C – Consolidated Income Statement

Section 16 - Profit (loss) of associates - Item 240

In 2013 profit (loss) of associates amounted to +€103 million (+€101 million in 2012), entirely attributable to companies subject to significant influence.
This result consists of **A. Income** of +€237 million and **B. Expense** of -€134 million. In more detail:

- sub-item **A. Income** includes:
  - -€189 million **revaluations** related to gains on companies valued at Equity method: Oberbank AG (€39 million), Bank Fuer Tirol Und Vorarlberg Aktiengesellschaft (€31 million), Oesterreichische Kontrollbank Aktiengesellschaft (€23 million), Creditras Vita S.p.A. (€18 million), Cnp Unicredit Vita S.P.A. (€17 million), Bks Bank AG (€15 million), Sia S.p.A. (€10 million), Sw Holding S.p.A. (€8 million), Martur Sunger Ve Koltuk Tesisleri Ticaret Ve Sanayi A. S. (€4 million);
  - **gains on disposal** of €48 million, arising from the investments in the companies Eurotlx Sim S.p.A. (€14 million), Europay Hrvatska d.o.o. (€10 million), Neep Roma Holding S.p.A. (€9 million), Accenture Back Office And Administration Services S.p.A. (€7 million), Centrale Dei Bilanci Srl Soc Studi Finanziari (€7 million);
- sub-item **B. Expense** includes:
  - -€43 million **write-downs** largely referred to losses on companies valued at Equity method: Wien Mitte Immobilien GMBH (-€12 million), Mediobanca Banca Di Credito Finanziario S.p.A. (-€10 million), Aviva S.p.A. (-€5 million);
  - -€89 million **impairment losses**, mainly attributable to permanent write-downs of -€75 million on positive differences in net equity, principally related to Oberbank AG (-€52 million) and Fenice Holding S.P.A. (-€8 million), and to write-downs of -€14 million on investments valued at Equity method, including Real Invest Property GMBH & Co Spb Jota KG (-€4 million) and ASC Logistik GMBH (-€3 million).

16.1 Profit (Loss) of associates: breakdown

(€ '000)

P&L ITEMS/SECTORS	2013	2012
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	**237,544**	**239,342**
1. Revaluations	189,436	238,725
2. Gains on disposal	47,958	596
3. Writebacks	150	21
4. Other gains	-	-
B. Expense	**(134,045)**	**(137,912)**
1. Writedowns	(43,282)	(32,792)
2. Impairment losses	(89,541)	(104,720)
3. Losses on disposal	(1,222)	(400)
4. Other expenses	-	-
Net profit	**103,499**	**101,430**
Total	**103,499**	**101,430**

In **2012** the results were:

- sub-item **A. Income**:
  - €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);
- sub-item **B. Expense**:
  - -€33 million **write-downs** largely referred to losses on companies valued at Equity method, mainly related to Neep Roma Holding S.p.A. (-€19 million) and Da Vinci S.r.l. (-€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.

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)

	2013				
			EXCHANGE DIFFERENCES		
ASSETS/P&L COMPONENTS	REVALUATIONS	WRITEDOWNS	POSITIVE	NEGATIVE	NET PROFIT
A. Property, plant and equipment	**-**	**(726)**	**-**	**-**	**(726)**
A.1 Owned:	-	(726)	-	-	(726)
- used in the business	-	-	-	-	-
- held for investment	-	*(726)*	-	-	*(726)*
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	**-**	**(726)**	**-**	**-**	**(726)**

Part C – Consolidated Income Statement

Section 18 - Impairment of goodwill - Item 260

In 2013 impairment of goodwill is €7,990 million.

18.1 Impairment of goodwill: breakdowns

(€ '000)

P&L COMPONENTS	2013	2012
Impairment of goodwill	(7,989,792)	(30,006)

See Part A – Accounting Policies for a description of the methods used to measure impairment of goodwill.

See Part B – Consolidated Balance Sheet for a description of goodwill impairment testing procedures and results.

Section 19 - Gains (losses) on disposals of investments - Item 270

At December 31, 2013 **gains (losses) on disposals of investments** were €218 million (€107 million in 2012) and comprised:

A. Property

Net gains of €59 million (€86 million in 2012). This item includes the results of the property rationalization carried out by HVB Bank AG (€30 million), UniCredit (€11 million, including net gains on the disposal of a building of the London branch), Yapi VE Kredi Bankasi AS (€6 million) and subgroup PEKAO (€5 million).

B. Other assets

Net gains of €159 million (€20 million in 2012). This item includes:

- €229 million net gains on disposal of equity investments, mainly relating to the disposal of the insurance companies of the Yapi group (€191 million) and of a portion of the shareholdings in the companies BNP Paribas Real Estate Investment Management Germany GMBH (€20 million) and Neep Roma Holding S.p.A. (€8 million);
- -€70 million net losses on disposal of other assets, mainly relating to the recycling through profit and loss of a portion of revaluation reserve on exchange differences of Cayman subsidiaries (-€60 million) and the write-down of Compagnia Italpetroli S.p.A.'s oil business (-€11 million).

19.1 Gains and losses on disposal of investments: breakdown

(€ '000)

P&L COMPONENTS/SECTOR	2013	2012
A. Property		
- gains on disposal	63,637	89,231
- losses on disposal	(4,645)	(2,833)
B. Other assets		
- gains on disposal	255,515	37,586
- losses on disposal	(96,588)	(17,308)
Net Profit	**217,919**	**106,676**

It should be noted that the 2012 figures differ from those disclosed in the "2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item 310. "Profit (loss) after tax from discontinued operations".

In 2012, following the reclassification mentioned above, **gains (losses) on disposals of investments** were €107 million and was comprised of:

A. Property

Net gains of €86 million. This item includes the results of the property rationalization carried out by HVB Gesellschaft für Gebäude MBH & CO KG (€28 million), UniCredit (€12 million), Salvatorplatz-Grundstücksgesellshaft MBH (€9 million), Othmarschen Park Hamburg GMBH & Co. Gewerbepark KG (€7 million), ZABA Sub-Group (€7 million) and subgroup PEKAO (€5 million).

B. Other assets

Net gains of €20 million. This item includes:

- €25 million net gains on disposal of equity investments, mainly shares in Cameron companies (€22 million);
- -€5 million net losses on disposal of other assets.

Section 20 - Tax expense (income) related to profit or loss from continuing operations - Item 290

Each country has its own tax system, therefore 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 major countries where the UniCredit group operates, Italy, Germany, Austria and the United States all have domestic tax consolidation schemes. The United Kingdom does not have a domestic tax consolidation scheme, but tax losses can be transferred to shareholders of the same Group.
Tax consolidation rules also differ from country to country, sometimes markedly. Generally speaking, the main and common benefit of national consolidation is the offsetting of profits and losses of companies belonging to the same scope of consolidation.
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 accordance with the IAS/IFRS or local accounting standards. In addition, 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.

As regards tax rates, and with reference to the Group’s key countries, the corporate tax rate is 31.4% in Germany (also taking account of the impact of the “solidarity surcharge” and the municipal trade tax), 25% in Austria, 19% in Poland, 10% in Bulgaria, 16% in Romania, 20% in Turkey, 19% in the Czech Republic, 20% in Russia, while in Hungary a progressive rate (10%-19%) is applied according to the tax base. In addition, the tax rate is 23% in the United Kingdom, 12.5% in Ireland, 29.22% in Luxembourg, 35% in the United States and 25% in China.

In Italy, the rate of the corporate income tax (IRES) is 27.5%, while the nominal rate of the Regional Tax on Productive Activities (IRAP) – 4.65% for the banking sector (plus any additional regional tax of approximately 1%) – is applied to a different tax base from that provided for the tax on corporate income.
Only with reference to the tax period 2013, a 8.5% increase in the IRES rate is also expected for companies active in the banking sector, which results in an increase in the rate of income tax; this higher rate is applied to a tax base determined without taking account of the changes arising from the tax treatment of write-downs on loans.

As regards the Parent Company, with respect to the financial year 2013, please note that:

- Law no. 5 of January 29, 2014 (previously Legislative Decree 133/2013) provides for the revaluation of Banks’ shareholdings in the Bank of Italy – following the capital increase shown in the financial statements of the Bank of Italy as a conversion of equity reserves to capital– to be recognized in the financial statements with the simultaneous obligation to exempt from taxation the difference between the revalued carrying amount and the tax value through the payment of a substitute tax of 12%; a tax liability of €184.4 million was therefore booked in 2013;
- €31.9 million deferred tax assets relating to IRES recorded in the 2012 financial statements were converted into tax credits, in accordance with Legislative Decree no. 225/2010 art. 2, paragraphs 55 to 59, following the recognition of an accounting loss of €219.7 million;
- another tax benefit of €18.4 million, in addition to €1.2 million for other Italian companies (compared to €181 million recognized in 2012), 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 until December 31, 2011.

The tax expense for the year 2013 amounted to €2,378 million.

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

(€ '000)

P&L COMPONENTS/SECTOR	2013	2012
1. Current tax (-)	(1,420,291)	(3.690.433)
2. Adjustment to current tax of prior years (+/-)	82.525	151.039
3. Reduction of current tax for the year (+)	20,544	16.441
3. bis Reduction in current tax for the year due tax credit under L. 214/2011 (+)	45,025	588,386
4. Changes to deferred tax assets (+/-)	2,079,927	4,430,912
5. Changes to deferred tax liabilities (+/-)	1.569.782	254.532
6. Tax expense for the year (-)	**2,377,512**	**1.750.877**

20.2 Reconciliation of theoretical tax charge to actual tax charge

(€ '000)

	2013	2012
Total profit or loss before tax from continuing operations (item 280)	**(15,200,211)**	**(401,090)**
Theoretical tax rate	27.5%	28.0%
Theoretical computed taxes on income	**4,180,058**	**110,300**
1. Different tax rates	41,993	158,867
2. Non-taxable income - permanent differences	594,728	284,111
3. Non-deductible expenses - permanent differences	(2,630,231)	(438,158)
4. Different fiscal laws/IRAP	283,609	(497,464)
a) IRAP (italian companies)	311,465	(417,381)
b) other taxes (foreign companies)	(27,856)	(80,083)
5. Prior years and changes in tax rates	(23,912)	222,190
a) effects on current taxes	80,927	171,128
- tax loss carryforward/unused tax credit	*114,231*	*16,442*
- other effects of previous periods	*(33,304)*	*154,686*
b) effects on deferred taxes	(104,839)	51,062
- changes in tax rates	*(3,141)*	*12,313*
- new taxes incurred (+) previous taxes revocation (-)	-	*4,529*
- true-ups/ adjustments of the calculated deferred taxes	*(101,698)*	*34,220*
6. Valuation adjustments and non-recognition of deferred taxes	(204,187)	3,786,051
a) deferred tax assets write-down	(219,794)	(97,759)
b) deferred tax assets recognition	199,731	4,092,270
c) deferred tax assets non recognition	(53,550)	(41,735)
d) deferred tax assets non-recognition according to IAS 12.39 e 12.44	(139,130)	(141,984)
e) other	8,556	(24,741)
7. Amortization of goodwill	-	-
8. Non-taxable foreign income	(23,567)	35,652
9. Other differences	159,021	(1,910,672)
Recognized taxes on income	**2,377,512**	**1,750,877**

It should be noted that the 2012 figures differ from those disclosed in the “2012 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 (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at December 31, 2013, in accordance with IFRS5, were shown under item 310. “Profit (loss) after tax from discontinued operations”.

Part C – Consolidated Income Statement

Section 21 – Profit (Loss) after tax from discontinued operations – Item 310

At December 31, 2013, in accordance with IFRS5, all assets and liabilities of the companies PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD were recognized as disposal groups classified as held for sale and related liabilities, and all the income and expenses were disclosed within this section.
The previous period was also restated to allow comparison.

21.1 Profit (Loss) after tax from discontinued operations: breakdown

(€ '000)

P&L ITEMS/SECTORS	2013	2012
1. Income	591.259	1.012.422
2. Expenses	(663.582)	(1,026,704)
3. Valuation of discontinued operations and related liabilities	(579.876)	(93.001)
4. Profit (Loss) on disposal	(120.455)	-
5. Tax	12.183	(19.972)
Profit (Loss)	**(760.471)**	**(127,255)**

In 2013 two groups were recognized in item 310. “Profit (loss) after tax from discontinued operations”. Specifically, these groups refer to the Ukrainian subsidiaries, which contributed to this item during the whole of 2013, and Kazakhstan subsidiaries which contributed to this item till their sale (May 2, 2013).
The “Valuation of discontinued operations and related liabilities” is entirely attributable to the Ukrainian subsidiaries and reflects both the prudential recycling through profit and loss of a portion of negative revaluation reserve on exchange differences (-€380 million) and the lower value of the group following the classification under IFRS5 (-€200 million).
The losses on disposal refer to the impact of the sale of the Kazakhstan subsidiaries.

21.2 Breakdown of tax on discontinued operations

(€ '000)

	2013	2012
1. Current tax (-)	(356)	(5,972)
2. Changes in deferred tax assets (+/-)	13,572	8,910
3. Changes in deferred tax liabilities (+/-)	(1,033)	(22,910)
4. Income tax (-1+/-2+/-3)	**12,183**	**(19,972)**

Section 22 - Minorities - Item 330

In year 2013 net profit attributable to Minorities was €382 million comprising €391 million from profit-making entities or groups, losses of €0.95 million from loss-making entities or groups and negative consolidation adjustments of €8.55 million.
The larger contributions to profit attributable to minorities came from the Bank Pekao SA Group, UniCredit Bank AG Group and UniCredit Bank Austria AG Group.
In 2012 net profit attributable to Minorities was €358 million comprising €361 million from profit-making entities or groups, losses of €0.92 million from loss-making entities or groups and negative consolidation adjustments of €2.47 million.

22.1 and 22.2 Breakdown of item 330 "Minority gains (losses)" (€ '000)

	2013	2012
Profit (loss) of:	**390,214**	**360,111**
Bank Pekao SA Group	326,687	282,009
UniCredit Bank AG Group	41,173	41,482
UniCredit Bank Austria AG Group	22,937	36,845
Unicredit Leasing S.p.A. Group	(81)	65
i-FABER S.p.A.	144	155
Xelion Doradcy Finansow	127	69
UNI IT S.r.l.	62	402
SOGESI - Società di gestioni esattoriali in Sicilia S.p.A.	(432)	(863)
VISCONTI SRL	(441)	-
Other	38	(53)
Other consolidation adjustments	**(8,552)**	**(2,470)**
Total	**381,662**	**357,641**

Section 23 - Other information

There is no information to be disclosed in this section.

Section 24 - Earnings per share

24.1 e 24.2 Average number of diluted shares and other information

	2013	2012
Net profit for the period attributable to the Group (thousands of euros)	(14,070,029)	819,096
Average number of outstanding shares	5,694,410,094	5,376,198,213
Average number of potential dilutive shares	27,109,723	10,738,661
Average number of diluted shares	5,721,519,817	5,386,936,874
Earnings per share (€)	**(2.47)**	**0.15**
Diluted earnings per share (€)	**(2.46)**	**0.15**

€105,197 thousand was added to 2013 net loss of -€13,964,832 thousand due to due to disbursements charged to equity made in connection with the contract of usufruct on treasury shares agreed under the 'cashes' transaction.

€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 treasury shares agreed under the 'cashes' transaction.

(*) Net of average number of treasury shares and of further 96,756,406 shares held under a contract of usufruct.

Part D – Consolidated Comprehensive Income

Part D – Consolidated Comprehensive Income

Comprehensive income is disclosed in the table below as per IAS 1.
This table shows comprehensive income not recognized in the profit (loss) for the period in accordance with IFRS, divided into:

- "comprehensive income that may be reclassified to profit or loss": including income and expense items whose reserves may be reclassified to profit or loss under IFRS in case of disposal/impairment loss;
- "comprehensive income not reclassified to profit or loss": including income and expense items whose reserves are not reclassified to profit or loss under IFRS in case of disposal/impairment loss;

The following are included to this end:

- changes in value recognized in the period contra revaluation reserves 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;
- with respect to comprehensive income that may be reclassified to profit or loss, reclassification adjustments, i.e. amounts reclassified in the profit (loss) of the current financial year already recognized 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 2013 BEFORE TAX EFFECT	YEAR 2013 TAX EFFECT	YEAR 2013 AFTER TAX EFFECT
10. Net profit (loss) for the year	X	X	**(13,583,170)**
Other comprehensive income not reclassified to profit or loss:			
20. Property, plant and equipment	**-**	**-**	**-**
30. Intangible assets	**-**	**-**	**-**
40. Defined benefit plans	**(293.933)**	**84.341**	**(209.592)**
50. Non-current assets classified as held for sale	**-**	**-**	**-**
60. Portion of revaluation reserves from investments valued at equity	**-**	**-**	**-**
Other comprehensive income after tax that may be reclassified to profit or loss:			
70. Hedges of foreign investments:	**-**	**-**	**-**
a) fair value changes	-	-	-
b) reclassification to profit or loss	-	-	-
c) other changes	-	-	-
80. Exchange differences:	**(731.662)**	**-**	**(731.662)**
a) changes in value	-	-	-
b) reclassification to profit or loss	-	-	-
c) other changes	(731.662)	-	(731.662)
90. Cash flow hedges:	**(345.595)**	**113.885**	**(231.710)**
a) fair value changes	(318.765)	105.015	(213.750)
b) reclassification to profit or loss	(49.552)	9.205	(40.347)
c) other changes	22.722	(335)	22.387
100. Available-for-sale financial assets:	**622,650**	**(201,859)**	**420,791**
a) fair value changes	889,214	(241,215)	647,999
b) reclassification to profit or loss	(200.815)	40.816	(159.999)
- impairment losses	20.306	(5.194)	15.112
- gains/losses on disposals	(221.121)	46.010	(175.111)
c) other changes	(65.749)	(1.460)	(67.209)
110. Non-current assets classified as held for sale:	**(5.433)**	**556**	**(4.877)**
a) fair value changes	2.191	(206)	**1.985**
b) reclassification to profit or loss	800	(73)	**727**
c) other changes	(8.424)	835	**(7.589)**
120. Portion of revaluation reserves from investments valued at equity:	**79.334**	**(2.560)**	**76.774**
a) fair value changes	69.468	(2.560)	66.908
b) reclassification to profit or loss	4.273	-	4.273
- impairment losses	2.178	-	2.178
- gains/losses on disposals	2.095	-	2.095
c) other changes	5.593	-	5.593
130. Total of other comprehensive income	**(674,639)**	**(5,637)**	**(680,276)**
140. Comprehensive income (Item 10+130)	**(674,639)**	**(5,637)**	**(14,263,446)**
150. Consolidated comprehensive income attributable to minorities	(39.259)	12.936	(355.339)
160. Consolidated comprehensive income attributable to the Parent Company	**(713,898)**	**7,299**	**(14,618,785)**

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 3 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 do not represent a significant business – if compared to the 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.

In 2013, the GRM Competence Line was the object of organizational analyses and reviews with the aim to:
- ensure a clearer separation of risk management from transactional responsibilities;
- enforce end-to-end risk management processes to clarify responsibilities and accountability;
- clearly distinguish roles and activities between Holding and Italian operations to provide more clarity and accountability;
- maintain and even strengthen a strict focus on GRM core competences.

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 Organization 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, 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, 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.

Part E – Information on risks and related risk management policies

Section 1 – Credit Risk

QUALITATIVE INFORMATION

1. General Aspects
With reference to the risks management model, the risk governance has two levels of control: the Group Risk Governance functions and the Risk functions by Country. The Group Risks Governance functions perform a managerial coordination in respect of the relevant Group Legal Entities' functions which perform the control and the management of the risks portfolio at country level.

Also in 2013, the UniCredit Board of Directors approved the "Credit Risk Strategies" in coherence with Risk Appetite and Budget Targets. A stress test has been performed on the credit portfolio based on two different assumptions of a further worsening of the macro-economic scenario in order to measure the impact on the main credit parameters, in compliance with the regulation defined in Pillar II of the Basel rules, within the ICAAP process.

In order to continue the implementation of the "country risk-cross border credit business" policy (e.g. inclusion also of cross border transaction in local currency) the Group is working on designing automated procedures of collection of single transaction, identified according to defined characteristics (in local vs. foreign currency).

The Group continues to invest in a strong implementation of Basel 2 principles in the entire perimeter.
With reference to credit risk, the Group has been authorized to use internal PD, LGD and EAD calculations for Group wide credit portfolios (Sovereign, Banks, Multinationals and Global Project Finance) and for credit portfolios of the relevant subsidiaries (corporate and retail). With reference to the Italian mid-corporate and small business portfolios, the EAD foundation values are currently being used.

In the first stage, the Advanced Method has been adopted for the relevant portfolios (Corporte, Retail, Institutions, Sovereign) by the Parent Company and by some Italian subsidiaries, subsequently merged in UniCredit S.p.A. (UCI) due to the "One4C" reorganization, by UniCredit Bank AG (UCB AG) and UniCredit Bank Austria (BA AG). According to the Roll-out plan for progressive extension of the IRB rating system approved by the Group and shared with the Regulator, starting from 2008 these methods have been extended to UniCredit Credit Management Bank S.p.A., UniCredit Bank Luxembourg S.A., UniCredit Bank Ireland p.l.c. and to some of the CEE perimeter subsidiaries (UniCredit Banka Slovenija dd, UniCredit Bulbank AD, UniCredit Bank Czech Republic a.s., UniCredit Bank Hungary, UniCredit Tiriac Bank a.s. and UCB SK UniCredit Bank Slovakia a.s.) mainly through adoption of the Foundation method. Subsequently it is expected that other Group entities will adopt IRB systems following the above mentioned Roll-out plan.
In particular, as for 2013, the Group has been authorized to the use of the IRB Advanced approach for Banks, Corporate and Small Business segments in UniCredit Leasing GmbH, subsidiary of UniCredit Bank A.G., and its sub-subsidiaries Structured Lease GmbH, UniCredit Leasing Aviation GmbH and UniCredit Leasing Finance GmbH; as well as to the use of additional IRB rating systems in the subsidiary UniCredit Luxembourg SA and to the Group wide IRB system for the Global Project Finance exposures in UniCredit Bank Austria.

As far as the instruments for measurement and control of economic capital are concerned, within the Group platform for the credit risk, a new correlation framework has been developed and implemented. Furthermore, the Credit Portfolio Model (CPM) Roll Out project continued in its effort to unify the Group methodologies on credit portfolio analysis, providing to the main legal entities of the Group the same tools, methodology and parameterization of the model previously only available in Holding, Austria and Germany. Current focus is the extension to the CEE countries. The resulting homogeneity in the credit portfolio analysis methodology allows a comparison of risk profiles of the different portfolios and as a consequence can be used to steer the strategies of the business areas.

With regards to the organizational structure of the "Group Risk Management" (GRM), during 2013 organizational changes were implemented based on the following principles:
- ensuring a better separation of risk management activities from transactional responsibilities;
- creating an "end to end" risk management process, clarifying the related responsibilities and accountability;
- clearly separating roles and activities referring to the transactions pertaining to the Holding Company from the ones pertaining to the Italian perimeter, similarly to all other Group geographies, providing more clarity and better accountability;
- strict focusing on Risk Management core competencies, leveraging for the other topics, such as Organization and IT, on the dedicated structures, thereby adopting a model more coherent with the overall Group organizational set up.

Moreover with the "Rebalancing Credit Portfolio in Italy" project, a special reinforcement was obtained of the management related to the customer segments with a higher risk profile, through the adoption of a specialized model in managing these clients and the creation, within the “Network Italia” and CRO Italy, of dedicated structures.

The reporting activities about the Italian portfolio have been further fine-tuned in order to make information given to the Top Management, to the internal control bodies and to the territorial structures even more precise and clear.

In order to continue to ensure adequate support to the economy in Italy, the set of credit products to sustain exporting enterprises has been improved (also in agreement with Sace).

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;
        - defining the concept of the Group Wide credit processes (i.e. credit processes related to global portfolios/customer segments);
    - 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;
    - 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:

- CRO Italy Change Management and Support" responsible for the Italian perimeter of UniCredit S.p.A. and for the CRO Italy perimeter activities, for the management of area projects, for the coordination of relations with Supervisory and Control Authority Bodies related to CRO Italy perimeter topics, for the budget planning and for the costs analysis;
- 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 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 Credit Underwriting department responsible – among others – for the following activities:
    - coordinating and management of Regional Industry Team Leaders(excluding RIT 6) and Territorial Credit Risk Underwriting activities (excluding special portfolio perimeter);
    - coordinating correct execution of RIT and Territorial Credit Risk Underwriting granting activities;
    - coordinating and managing underwriting activities for UniCredit SpA customers related to Consumer and Mortgages no banking products;
    - preparatory and administrative activities for proposals to be submitted to Italian Transactional Credit Committee and Italian Special & Transactional Credit Committee;
- the Loan 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;
    - legal advice on credit issues within the Italian perimeter, for both the performing and non performing portfolios;
  - With reference to credit risk, the department is split in the following structures:
    - Mortgages Loan Post Sales Administration;
    - Subsidized Loans;
    - Collateral and Personal Guarantees Administration Services;
    - Contracts Administration Services and Control;
    - Legal Support;

- the Special Credit department responsible – among other things – for the following activities:
    - coordinating and managing the credit underwriting activities, for UniCredit S.p.A. customers, within the "special portfolio" perimeter;
    - conducting borrower assessment, credit analysis and preparing the related documentation for applications to be submitted to the competent decision-making Bodies;
    - managing the collection of delinquent and overdue unpaid credits and the related activities, as the classification as doubtful or non performing credits, according to the delegated powers;
    - managing activities aimed at the containment of the cost of risk regarding irregular and problematic credit;
    - making decisions, within its delegated powers, on restructuring and workout proposals;
  - The department is split in the following structures:
    - Territorial Credit Risk Underwriting Special Portfolio responsible, within the "special portfolio" perimeter – except for the "Credit Underwriting" perimeter for managing credit underwriting activities for UniCredit S.p.A. customers;
    - Restructuring Large Files, 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;
    - 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;
    - Workout Italy, responsible for the workout activities coordination and management;
- the Credit Monitoring department responsible – among other things – for the following activities:
    - coordinating, heading and managing the monitoring activities for all customers within all of UniCredit S.p.A.;
    - managing and recovering past due and unpaid loans;
  - The department is split in the following structures:
    - Credit monitoring Operations & Support responsible for the coordination and oversight of the activities within the monitoring operating model;
    - Central Credit Risk Monitoring Italy responsible for coordinating and guiding the monitoring activities conducted by the local structures, making decisions based on applicable legislation, for the perimeter of UniCredit S.p.A.;
    - Territorial Credit Risk Monitoring responsible for coordinating and managing credit monitoring for the Italian perimeter of UniCredit S.p.A. through the performance monitoring of positions;
    - Customer Recovery responsible for managing and supporting the processes of monitoring, credit collection and classification of customers to impaired loans portfolio for Individuals, Small Businesses and Mid Enterprises, as identified by the applicable legislation, including all the assessments and decisions concerning possible settlements or renegotiations, ensuring their operational effectiveness and efficiency.

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.

Part E – Information on risks and related risk management policies

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). In order to continue in the implementation of the policy (i.e. inclusion also of cross border transaction in local currency) we are working on designing automated procedures of collection of single transaction, identified according to defined characteristics (in local vs. foreign currency).

Country risk management processes are mainly concentrated at Holding 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 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.

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.

With specific reference to the sovereign risk, direct counterparty risk to sovereigns (and central administrations) is managed through the normal counterparty approval process. Limits and exposures to sovereigns - in both the trading and banking books - have been managed in a prudent way to ensure such limits/exposures are sized primarily by both regulatory and liquidity requirements of the Group.

Through the Collateral agreements the Group has in place to mitigate exposures to OTC derivative counterparties, eligible collateral generally includes (in addition to cash) sovereign bond collateral from specified countries (as per the approved Group credit policy). This eligibility is however always subject to minimum external rating criteria, and ongoing daily price availability. The rating threshold has therefore seen a reduction in the number of the eligible sovereign issuers from the original name specific eligibility list.

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 countermeasures 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 analyzing 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 analyzed 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.

Since 2013 reporting and monitoring activities have been mainly performed by a dedicated Group Risk Management Unit named "Group Risk Analytics & Credit Portfolio Monitoring", within "Group Credit Risks Department". The Group Risk Analytics & Credit Portfolio Monitoring 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 and is responsible for the Group credit risk reporting, with specific detail on industries and single portfolios.

During 2011 and 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 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, were further enhanced with dedicated functions of the Group Risk Management that deal with the reporting activities aimed at analyzing 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.

Part E – Information on risks and related risk management policies

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 organizational structure, etc.), regional and industry factors and counterpart behavior 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.

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). 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 one of the tools used for the analysis of stress tests of the credit portfolio, starting from macroeconomic 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.

Credit economic capital estimation is available on a unique technological platform (“CPM”) and a common methodology for holding functions and several legal entities of UniCredit group. The roll out of CPM across CEE legal entities allows to cover most of the relevant geographies.

2.3.4 Credit Risk Strategies

Group Credit Risk Strategies represent an effective instrument for governing credit risk, being oriented at driving the Group objectives defined during the Budget process in coherence with the Group Risk Appetite and at translating them at operational level. Starting from the Macroeconomic and credit scenario, the outlook at economic sector and industry level and the business strategy initiatives, Credit Risk Strategies define a set of guidelines and operative targets for all the Group countries and business lines. The aim is to identify a risk profile and a relative positioning of the business lines, in a way to steer a growth coherent with the Group risk appetite and at the same time, to minimize the impact deriving from credit risk without hampering potential profitable business opportunities.

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").

Stress test simulations are a comprehensive part of credit risk strategies definition. With the stress test procedure it is possible to re-estimate some risk parameters like PD, Expected Loss, economic capital and RWA under the assumption of an "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 the 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

The 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 II), 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 standardize 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, collateral 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.

Collateral accepted in support of credit lines granted by the Group's Legal Entities, primarily includes 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 collateral/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 collateral, 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 time.

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 perform the necessary restrictive management measures aimed at risk reduction in the early phases prior to the potential default;
- 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 2 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 Holding 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.

In general, as for the guidance and coordination of 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.

During the second quarter of 2013, in line with the project started in 2012, a restructuring plan of the organizational structures of the Italian Network and CRO Italy was implemented with the aim of ensuring a dedicated commercial and credit management of the riskier portion of the Italian credit portfolio booked in the UniCredit S.p.A.
In particular, positions requiring high attention due to issues related to individual or sectors reasons were selected, the so-called positions "ad Alto Fattore di Attenzione" (ALFA Portfolio), assigned to a dedicated commercial network – Special Network Italy – and submitted to a centralized credit assessment process within the specialized structure Underwriting Special Portfolio. The credit approach is based on a careful preliminary credit analysis and a specialized assessment of the credit proposals with the specific purpose of improving the risk profile, first of all by reducing the Expected Loss (EL) by specific initiatives aimed at improving the Rating/PD, LGD and EAD, in line with the strategic guidelines of the project.

Part E – Information on risks and related risk management policies

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 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 2. 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	IMPAIRED PAST-DUE	NOT IMPAIRED PAST DUE	OTHER ASSETS	IMPAIRED	OTHERS	TOTAL
1. Financial assets held for trading	12,318	146,186	8,212	10,730	19,468	72,051,385	-	-	72,248,299
2. Avilable-for-sale financial assets	6,284	40,207	14	-	-	81,201,705	-	452	81,248,662
3. Held-to-maturity financial instruments	423	1,429	4,599	-	-	5,298,973	-	-	5,305,424
4. Loans and receivables with banks	151,277	29,789	-	13	631,262	60,244,109	-	62,425	61,118,875
5. Loans and receivables with customers	18,056,776	15,068,284	3,936,726	2,748,304	10,638,538	451,244,302	4,601	1,444,735	503,142,266
6. Financial assets at fair value through profit or loss	-	-	-	-	-	29,956,583	-	-	29,956,583
7. Financial instruments classified as held for sale	534,246	91,076	239,891	40,022	-	2,009,557	-	383	2,915,175
8. Hedging instruments	-	-	-	-	-	9,648,577	-	-	9,648,577
Total 12.31.2013	**18,761,324**	**15,376,971**	**4,189,442**	**2,799,069**	**11,289,268**	**711,655,191**	**4,601**	**1,507,995**	**765,583,861**
Total 12.31.2012	**20,293,615**	**15,642,066**	**5,615,425**	**4,161,942**	**13,262,714**	**783,443,108**	**7,324**	**2,258,433**	**844,684,627**

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 €1,936 thousands.

Part E – Information on risks and related risk management policies

A.1.2 Breakdown of credit exposures by portfolio and credit quality (gross and net values)

(€ '000)

PORTFOLIO/QUALITY	IMPAIRED ASSETS			PERFORMING			TOTAL (NET EXPOSURE)
	GROSS EXPOSURE	SPECIFIC WRITEDOWNS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	
A. Banking group							
1. Financial assets held for trading	322,991	145,545	177,446	X	X	72,070,853	72,248,299
2. Available-for-sale financial assets	93,258	46,753	46,505	81,202,249	544	81,201,705	81,248,210
3. Held-to-maturity financial instruments	23,225	16,774	6,451	5,299,433	460	5,298,973	5,305,424
4. Loans and receivable with banks	327,774	146,695	181,079	60,884,011	8,640	60,875,371	61,056,450
5. Loans and receivables with customers	82,326,520	42,516,430	39,810,090	465,482,042	3,599,202	461,882,840	501,692,930
6. Financial assets at fair value through profit or loss	-	-	-	X	X	29,956,583	29,956,583
7. Financial instruments classified as held for sale	1,577,237	672,002	905,235	2,020,133	10,576	2,009,557	2,914,792
8. Hedging instruments	-	-	-	X	X	9,648,577	9,648,577
Total A	**84,671,005**	**43,544,199**	**41,126,806**	**614,887,868**	**3,619,422**	**722,944,459**	**764,071,265**
B. Other consolidated companies							
1. Financial assets held for trading	-	-	-	X	X	-	-
2. Available-for-sale financial assets	-	-	-	452	-	452	452
3. Held-to-maturity financial instruments	-	-	-	-	-	-	-
4. Loans and receivable with banks	-	-	-	62,425	-	62,425	62,425
5. Loans and receivables with customers	33,675	29,074	4,601	1,445,317	582	1,444,735	1,449,336
6. Financial assets at fair value through profit or loss	-	-	-	X	X	-	-
7. Financial instruments classified as held for sale	-	-	-	383	-	383	383
8. Hedging instruments	-	-	-	X	X	-	-
Total B	**33,675**	**29,074**	**4,601**	**1,508,577**	**582**	**1,507,995**	**1,512,596**
Total 12.31.2013	**84,704,680**	**43,573,273**	**41,131,407**	**616,396,445**	**3,620,004**	**724,452,454**	**765,583,861**
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**

Data concerning the banking Group are net of infragroup positions, including those with other entities included in the scope of consolidation.

As at December 31, 2013 the partial write-offs of impaired assets amounted to €13 million with reference to the "Loans and receivables with banks" portfolio and to €11,348 million with reference to the "Loans and receivables with customers" portfolio, all attributable to the Banking group.

During 2013, UniCredit S.p.A. and its subsidiaries Unicredit Credit Management Bank S.p.A and UniCredit Leasing S.p.A noted progressive changes in the external environment over the past (with remarkable influence on the recoverability of the stock of impaired loans), driven by the following factors:

- an unfavorable macroeconomic environment;
- an evident deterioration in the real estate market;
- the changes in the relevant statutory and regulatory frameworks.

The protracted crisis has produced more and more pronounced effects, in terms of both reduced ability to recover impaired loans and lower chances of success in the corporate restructuring projects of the borrowers.
The real estate market continues in its downtrend, with declining values and extended time for the transactions; estimates showed further significant decreases starting from the second half of 2013, also influenced by the lack of confidence in the enterprises, the difficulties of the labour market and the continuous deterioration of the lending issued to the industry, all factors hinder the recovery of the market of reference. Also the real estate foreclosure have recorded the repetition of consecutive auctions more frequently than the past.
In addition, in the estimation of the recoverability of the stock of impaired loans (in terms of both the haircuts applied to the values of the collateral and write-downs of unsecured loans or loans with guarantees) the changes introduced by the Supervisory Authority with the supplement n. 15 of July 2013 of Circular no. 263 of December 27, 2006 have been applied, making specific reference to the determination of the recoverable amount of impaired loans, taking into account both the typology of enforcement procedure implemented and the outcome of the phases already carried out, as well as the value of “prompt-sell” of collaterals (using, for real estate, “haircuts” determined also on the base of the date of the appraisal and the market environment).

A description of the specific factors considered when updating the estimates of the value of the loans, the nature of the changes and their impacts, detailed in the portfolio of origin follows.

UniCredit S.p.A.
In consideration of the recent evolution and on the basis of the actual knowledge reasonably foreseeable macroeconomic scenario, in particular, the crisis of the real estate market still ongoing both in Italy and in Europe, as well as the changes in the relevant statutory and regulatory frameworks, 2013 was characterized, in UniCredit S.p.A., by an intense activity to introduce several initiatives to strengthen the methodologies to measure credit risk and the valuation process. In particular, with reference to the perimeter of the units of the Bank that operate in Italy:

- a new approach for managing and monitoring the risk linked to certain portfolios of performing loans was implemented; these loans were included in a cluster in order to carefully monitor the emerging risk. This new approach is characterized by more intense monitoring aimed at identifying, with the Customers, the solutions that might safeguard at the best their business continuity and protect the Bank from the risks (in particular, see Part E - “Information on risks and related risk management policies” – Section 1 – Credit Risk – Qualitative information – General Aspects);
- a review of the methods used to classify and measure impaired loans was carried out, in line with the introduction of the new Global Policy “Principles and methods for the classification to higher risk and assessment of loans to Customers in Italy”, approved by the Board of Directors on December 17, 2013.

In more detail:

- with regard to performing loans, whose book value reflects the statistical valuation of the losses incurred but not yet confirmed by the processes of classification to higher risk (i.e. losses incurred but not reported), credit parameters (Probability of Default – PD and Loss Given Default – LGD) were updated, taking into account the additional more recent statistical evidence, in order to make the valuation parameters used most representative of the current situation at the balance sheet date. In addition, the segregation of management sub-portfolios, which originated from the new approach described above, made it necessary to adjust the portfolios of performing loans for the application of the LCP (Loss Confirmation Period) parameter, in order to bring the valuation methodology in line with the characteristics of the sub-portfolios, as resulting from this new business process. The review of estimation parameters resulted in higher write-downs of €655 million, out of a total of gross performing loans to customers of €204,601 million (relating to the units of the Bank that are operating in Italy), resulting in an increase in the average coverage ratio of these performing loans from 0.67% to 1.0%;
- with regard to past due impaired exposures, whose assessment reflects the application of the credit parameters and in particular the LGD, the above-mentioned review resulted in higher write-downs of €151 million, out of a total of €2,467 million gross exposures, reflected in an increase in the coverage ratio from 16.8% to 22.9%;

- within the new Global Policy mentioned above new “Methodologies for the valuation of non-performing and doubtful loans”, valid for UniCredit S.p.A. have been defined, which, inter alia, led to a change in the valuation methods for loans to enterprises with exposure to economic group below a defined threshold, classified as doubtful and non-performing loans. This review enables mitigating the risk of disharmonies deriving by subjective specific evaluation and pursues a more timely update of specific valuation and greater consistency between the coverage ratios compared to their classification, also through the check of coverage ratio statistically and automatically determined. This change in the methodology affected €4,557 million of gross non-performing loans and €2,788 million of gross doubtful loans, and led to higher impairment losses amounting to €585 million (non-performing enterprises) and €155 million (doubtful enterprises), respectively, and led to an increase of average coverage ratio of the respective categories from 45.9% to 58.8% for positions classified as non-performing and 37.7% to 43.2% for positions classified as doubtful;
- the evaluation process for impaired loans (classified as doubtful and non-performing) was further strengthened by reflecting, for mortgage loans, in the level of "haircuts" used for the purpose of enhancement of mortgages collateral at December 31, 2013 the updated macroeconomic and sectorial environment, which was worse than previous estimates, in light of the persistence of the conditions of uncertainty and fragility of the real estate market. As a result:
    - operational guidelines were issued to support the functions involved in the measurements of loans with reference to the loans to enterprises with exposure to economic group above the threshold set for the application of the automatic and statistical evaluation methods, classified as non-performing. This to ensure that the specific valuation process takes into account:
        - for mortgage loans, adequate levels of "haircuts" with respect to the market value of the mortgaged real estate property, in order to determine the recoverable amount of the collateral itself more in line with the latest trends of the market;
        - for non-mortgage loans, a greater uniformity in the application of the Group valuation policies, in order to mitigate disharmony related to the subjective analytical assessment and allowing at the same time to adjust the expectations of collection to the prevailing macroeconomic environment and the outcome of judicial procedures.

      The change affected a perimeter of €8,874 million of gross non-performing loans, in relation to which higher net write-downs of €1,692 billion were recorded, bringing the coverage ratio from 40.7% to 59.7%;
    - the method for measuring Mortgage Loans to Individuals classified as non-performing and doubtful loans was reviewed by implementing automatic valuation methods based on the value of the collateral, updated and evaluated from the perspective of recovery. The overall effects recorded in this aggregate, resulting from the application of parameters consistent with the other credit aggregates, show net write-backs on Mortgage Loans to Individuals classified as non-performing, as to €318 million, and as doubtful, as to €80 million, bringing the coverage level from 43.7% to 37.7% for non-performing loans and from 26.5% to 21.0% for doubtful loans. The change affected a perimeter of €5,313 million gross non-performing loans and €1,445 million gross doubtful loans;
- a review of the restructured loans and the loans to enterprises with exposure to economic group above the threshold has been performed in order to set the application of automatic and statistical valuation methods, classified as doubtful loans, and review the capability of the companies to recover, in a reasonable amount of time, their economic/financial balance. Indeed, the current external environment makes corporate turnaround processes more and more difficult, increases the length of time required for managing corporate crises, leads to a statistically less favorable outcome of restructuring processes than in the past, even recent. This review resulted in further write-downs of €1,400 million on the positions of this perimeter classified as doubtful loans (€12,855 million) and €318 million on restructured loans, increasing their coverage level from 33.3% to 44.2% on doubtful loans, and from 19.2% to 29.7% on restructured loans.

All the changes in the methodology and the review of the parameters used in the valuation of loans described herewith resulted in higher net write-downs of €4,558 million compared to “Net losses/recoveries on impairment” of €9,933 million.

UniCredit Credit Management Bank S.p.A.
During 2013 UniCredit Credit Management Bank S.p.A. updated the parameters and the valuation elements for the loans, within the physiological process of ongoing improvement of the set of information available and the forecasts models useful for the valuation of the loans and taking into account specific elements emerged during 2013.
In particular, the external factors reported above intervene for UniCredit Credit Management Bank S.p.A. on a non-performing loans portfolio characterized by a particularly high vintage (over 10 years).
Similarly to what happened to the Parent Company, fiscal year 2013 was characterized by an intense activity to reinforce the methodologies and the model to evaluate the credit risk, that have affected the non-performing portfolio through a core action plan. Specifically, the Bank implemented the following actions:

- transposition of the methods issued by the Parent Company for classifying and measuring impaired loans (Principles and methods for the classification to higher risk and assessment of loans to Customers in Italy") which, inter alia, resulted in a change in the valuation methodologies for loans to businesses classified as non-performing;
- issue of guidelines to support the functions in charge for the valuation of the loans in relation to the exposure against enterprises classified as non-performing considered more representative of the potential recoverable amount, in the light of the average write-down observed on the updated estimated values in addition to the normal write-down historically experienced in the real estate foreclosures.

In order to fully transpose in the 2013 financial statements the impact of the new scenarios and in the light of the new policies and guidelines defined in the final part of the year, the bank started a process with following area of intervention:

- with reference to mortgage loans (voluntary or by law), the perimeter is characterized by the presence on the loan of at least a not realized first-rank mortgage, by law or voluntary. The application of different level of haircuts in order to reach a "prompt-sell" value of the collateral in line with the most recent market trends determined an impact of higher provisions of €236 million, and an increase of the coverage ratio from 71% to 78%;
- similar evaluation approach was adopted for the uncollateralized loan; these positions were not subject to a review of the estimated future recoverable amounts during 2013. In particular, even without collateral, the recovery forecasts were based on the updated expectations of property disposal (even without a mortgage). This resulted in an increase in the impairment of €317 million and an increase of the coverage ratio from 79% to 88%;
- for the sake of completeness, it should be noted that within the normal activities of financial statements preparation some loans with incomplete documentation (€33 million) and some loans for which the amounts will be recovered mainly through disposal (€11 million) were written-off.

All the changes in the methodology and the review of the parameters used in the valuation of loans described herewith resulted in higher net write-downs of €597 million (compared to "Net losses/recoveries on impairment" of €1,235 million).

UniCredit Leasing S.p.A.
In addition to the factors featuring the external environment above explained, with reference to the Leasing business, the trend in business by segment as measured by the leasing-category Association (Assilea) confirms difficulties in the leasing-market, that expand not only to traditional bank-products (mortages), but also to leasing contracts.
During 2013 UniCredit Leasing S.p.A. also put in place some initiatives aimed at strengthening credit risk-evaluation methodologies and processes.
Specifically:

- the specific valuation, coherent with the new Policies issued by the Parent Company and transposed by the Company, and with the instructions made by the updated 263 Circular above mentioned, bring to the identification of some non performing files that presented a coverage less than the expected loss measured on the basis of managerial parameters; this activity brings to additional impairment of total €368 million, and consequent increase of coverage from 30.9% to 39.1%;
- in accordance with the guidelines (and the instructions contained in the updated Bank of Italy Circular 263 on collateral), with reference to the files with remarketing goods, goods to be recovered and other goods to be immediately sold the company has adopted the “prompt-sell” value for the goods (in order to guarantee an aligned valuation of the recoverable values expressed by current market conditions), as part of an ongoing management process of extraordinary and high-speed sell and considering, where applicable, the indication of preliminary offer received. In particular, the ships and real estate originated the highest provisions for €12 and €93 million, respectively;
- in the light of the new policies and the macroeconomic environment, during the analysis to support the preparation of financial statements, the Company has reviewed the time to recover used in the estimation; this update carried to higher impairment for €39 million;
- updating of the credit parameters used to automatically calculate impaired loans and of models, resulting in a €37 million impact on the Income Statement;
- lastly, for the sake of completeness it should also be noted that some files totaling €52 million were totally impaired because deemed no more recoverable.

The changes in the parameters used in the valuation described herewith resulted in higher net write-downs of €600 million compared to “Net losses/recoveries on impairment” of €962 million.

All the changes in methodology and the review of the parameters used in the measurement of loans of UniCredit S.p.A., UniCredit Credit Management Bank S.p.A. and UniCredit Leasing S.p.A. as at December 31, 2013 illustrated (which resulted in higher net write-downs of €5,755 million compared to “Net losses/recoveries on impairment” reported in item 130 of the Income Statement of 2013 contributed by the three Companies amounts to €12,130 million) are treated in accordance with IAS 8 (paragraph 5 and 35) as “changes in accounting estimates”, whose effects are reflected in the 2013 Income Statement. Indeed, in this financial year the new evidence and information became available for the purpose of estimating the recoverable amount of loans, as described in the preceding paragraphs.

The table below provides a breakdown of the loans to customers subject to renegotiation under collective agreements executed by the Banking Associations/Unions or on the ground of the regulations prevailing in the countries where the Group is present, entailing the temporary suspension of payment of installments (for principal and/or interest).
This table is arranged according to the rules laid down by the Bank of Italy Circular 262 and, therefore, is not representative for the purpose of approximating the EBA definition of Forborne performing exposures. Compared with the EBA definition, the volumes reported here do not take into account the application of the exit criteria set for the "Forborne" class, which allow, after two years and subject to certain conditions, to not classify these exposures as “Forborne” anymore. For information on EBA Forbearance, please refer to the next section E - Information about the renegotiated exposures and new EBA definitions related to impaired loans.

As at December 31, 2013 there are no renegotiation under collective agreements 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) 12.31.2013
	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	
5. Loans and receivables with customers	**437,873,255**	**3,049,067**	**434,824,188**	**24,357,544**	**302,561**	**24,054,983**	**4,696,560**	**248,156**	**4,448,404**	**463,327,575**
- Exposures renegotiated in application of collective agreements	3,749,307	17,760	3,731,547	298,673	6,393	292,280	257,166	12,348	244,818	4,268,645
- Other exposures	434,123,948	3,031,307	431,092,641	24,058,871	296,168	23,762,703	4,439,394	235,808	4,203,586	459,058,930

Part E – Information on risks and related risk management policies

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 12.31.2013 GROSS EXPOSURE	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
A. On-Balance Sheet exposure				
a) Non-performing loans	295,627	144,350	X	151,277
b) Doubtful loans	32,842	3,053	X	29,789
c) Restructured exposures	-	-	X	-
d) Past due	170	157	X	13
e) Other assets	87,676,962	X	9,184	87,667,778
Total A	**88,005,601**	**147,560**	**9,184**	**87,848,857**
B. Off-Balance Sheet exposure				
a) Impaired	475,233	471,499	X	3,734
b) Other	31,340,503	X	4,983	31,335,520
Total B	**31,815,736**	**471,499**	**4,983**	**31,339,254**
Total (A+B)	**119,821,337**	**619,059**	**14,167**	**119,188,111**

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 with banks: gross change in impaired exposures

(€ '000)

SOURCE/CATEGORIES	CHANGES IN 2013 NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST DUE EXPOSURES
A. Opening balance - gross exposure	**303.968**	**3.929**	**11.621**	**31.199**
- of which: assets sold but not derecognised	-	-	-	-
B. Increases	**68,260**	**57,768**	**-**	**14,166**
B.1 transfers from performing loans	19,635	15.910	-	867
B.2 transfer from other impaired exposure categories	-	36,244	-	12,654
B.3 other increases	48,625	5,614	-	645
C. Reductions	**76,601**	**28,855**	**11.621**	**45,195**
C.1 transfers to performing loans	532	1,102	-	-
C.2 derecognised items	10,273	2.905	-	-
C.3 recoveries	55,187	7,972	-	-
C.4 sales proceeds	-	46	1.621	-
C.4 bis Losses on disposals	-	-	-	-
C.5 transfer from other impaired exposure categories	-	12,654	-	36,244
C.6 other reductions	10,609	4,176	10,000	8,951
D. Gross exposure closing balance	**295,627**	**32,842**	**-**	**170**
- of which: assets sold but not derecognised	-	-	-	-

A.1.5 Banking group - Balance Sheet credit exposures to banks: change in overall impairments

(€ '000)

SOURCE/CATEGORIES	CHANGES IN 2013 NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST DUE EXPOSURES
A. Opening gross write-downs	**175,117**	**1,763**	**11,565**	**1,538**
- of which: assets sold but not derecognised	-	-	-	-
B. Increases	**12,682**	**7,354**	**56**	**787**
B.1 writedowns	12,326	1,052	-	2
B.1 bis losses on disposal	-	-	-	-
B.2 transfer from other impaired exposure categories	-	2,155	-	740
B.3 other increases	356	4,147	56	45
C. Reductions	**43,449**	**6,064**	**11,621**	**2,168**
C.1 write-backs from assessments	10,402	334	-	-
C.2 write-backs from recoveries	6,232	1,876	1,568	13
C.2 bis gains on disposal	-	-	-	-
C.3 write-offs	10,273	2,905	-	-
C.4 transfer from other impaired exposure categories	-	740	-	2,155
C.5 other reductions	16,542	209	10,053	-
D. Final gross write-downs	**144,350**	**3,053**	**-**	**157**
- 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 12.31.2013 GROSS EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
A. On-Balance Sheet exposure				
a) Non-performing loans	49,038,764	30,289,568	X	18,749,196
b) Doubful loans	25,271,484	10,070,488	X	15,200,996
c) Restructured exposures	7,600,313	3,190,616	X	4,409,697
d) Impaired past due	3,582,707	794,381	X	2,788,326
e) Other assets	586,775,937	X	3,610,230	583,165,707
Total A	**672,269,205**	**44,345,053**	**3,610,230**	**624,313,922**
B. Off-Balance Sheet exposure				
a) Impaired	3,382,930	677,993	X	2,704,937
b) Other	185,948,874	X	1,114,112	184,834,762
Total B	**189,331,804**	**677,993**	**1,114,112**	**187,539,699**
Total (A+B)	**861,601,009**	**45,023,046**	**4,724,342**	**811,853,621**

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 - Balance Sheet credit exposure to customers: gross change in impaired exposures

(€ '000)

SOURCE/CATEGORIES	CHANGES IN 2013			
	NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST DUE EXPOSURES
A. Opening 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*
B. Increases	**14,236,664**	**18,567,963**	**4,296,023**	**10,185,187**
B.1 transfers from performing loans	2,643,526	7,875,916	1,183,582	8,761,438
B.2 transfer to other impaired exposure	9,108,465	8,169,262	1,173,831	838,475
B.3 other increases	2,484,673	2,522,785	1,938,610	585,274
C. Reductions	**11,835,494**	**16,260,981**	**4,960,181**	**11,436,550**
C.1 transfers to performing loans	525,764	1,436,814	251,851	3,972,660
C.2 derecognised items	4,759,544	296,638	181,678	33.718
C.3 recoveries	2,518,364	2,938,133	499,025	143,136
C.4 sales proceeds	221,221	125,788	58.418	11.242
C.4 bis losses on disposals	12,753	7,384	-	-
C.5 transfer to other impaired exposure	177,450	10,421,372	2,253,253	6,437,958
C.6 other reductions	3,620,398	1,034,852	1,715,956	837,836
D. Closing balance-gross exposure	**49,038,764**	**25,271,484**	**7,600,313**	**3,582,707**
- of which: assets sold but not derecognised	*539,491*	*268,642*	*17,103*	*62,602*

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.

A.1.8 Banking group - Balance Sheet credit exposures to customers: changes in overall impairment

(€ '000)

SOURCE/CATEGORIES	CHANGES IN 2013			
	NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST DUE EXPOSURES
A. Total opening write-downs	**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*
B. Increases	**13,129,808**	**7,255,298**	**1,814,762**	**1,088,637**
B.1 writedowns	9,220,790	5,674,198	1,423,810	707,454
B.1 bis Losses on disposal	24,481	7,444	18	34
B.2 transfer from other impaired exposure	3,106,411	1,060,844	215,573	104,133
B.3 other increases	778,126	512,812	175,361	277,016
C. Reductions	**9,277,639**	**4,707,269**	**1,163,928**	**1,077,683**
C.1 write-backs from assessments	1,463,529	298,037	34,608	41,562
C.2 write-backs from recoveries	1,265,181	461,496	287,013	114,920
C.2 bis Gains on disposal	16,594	289	1,284	-
C.3 write-offs	4,759,547	296,638	181,678	33,718
C.4 transfer to other impaired exposure	81,852	3,157,355	622,464	625,290
C.5 other reductions	1,690,936	493,454	36,881	262,193
D. Final gross write-downs	**30,289,568**	**10,070,488**	**3,190,616**	**794,381**
- of which: assets sold but not derecognised	*196,334*	*52,742*	*1,470*	*11,320*

In 2013 UniCredit S.p.A and its subsidiaries Unicredit Credit Management Bank S.p.A. and UniCredit Leasing S.p.A. modified the parameters used for the valuation of impaired and performing loans; since the measurement base of the loans was not modified, this change qualifies as a "change in accounting estimates" under IAS 8 (paragraph 5). Detailed information about the effects of this change was provided, as required by IAS 8 (paragraph 39), in Part E – Information on risks and related risk management policies – at the foot of Table A.1.2 Breakdown of credit exposures by portfolio and credit quality, which should be consulted for further information.

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 external ratings

A.2.1 Banking group - Balance Sheet and off-Balance Sheet credit exposure by external rating class (book values)

(€ '000)

EXPOSURES	AMOUNTS AS AT 12.31.2013							
	EXTERNAL RATING CLASSES							
	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6	NO RATING	TOTAL
A. On-Balance Sheet exposures	**66,851,328**	**64,077,845**	**87,273,981**	**43,863,509**	**11,144,970**	**42,107,100**	**400,364,564**	**715,683,297**
B. Derivative contracts	**8,182,450**	**9,101,360**	**9,481,383**	**4,254,964**	**1,598,475**	**336,460**	**6,429,665**	**39,384,757**
B.1 Financial derivative contracts	7,848,782	8,817,259	9,090,216	4,143,745	1,546,527	331,681	6,364,756	38,142,966
B.2 Credit derivative contracts	333,668	284,101	391,167	111,219	51,948	4,779	64,909	1,241,791
C. Guarantees given	**1,476,845**	**8,026,026**	**9,108,205**	**4,131,885**	**890,476**	**1,520,294**	**40,827,579**	**65,981,310**
D. Other commitments to disburse funds	**1,184,079**	**6,422,069**	**11,238,303**	**1,793,022**	**474,473**	**1,201,362**	**87,568,787**	**109,882,095**
E. Other	**-**	**71,068**	**2,523,915**	**1,619**	**-**	**-**	**1,034,189**	**3,630,791**
Total	**77,694,702**	**87,698,368**	**119,625,787**	**54,044,999**	**14,108,394**	**45,165,216**	**536,224,784**	**934,562,250**

Item A. On-Balance Sheet includes €3,520,518 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 (2nd update dated January 21, 2014); then it provides, for external ratings, 6 classes of creditworthiness.
Rating Agencies utilized to fill the table are: Moody's, S&Ps, Fitch and DBRS.

Where more than one agency rating is available, the most prudential rating is assigned.
The 42.6% 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 57.4% 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:

Securitization name	Originator	Asset class	Amounts as at 12.31.2013 (€ millions)
Cordusio RMBS 3 - UBCASA 1	Unicredit S.p.A.	RMBS	951
CORDUSIO RMBS	Unicredit S.p.A.	RMBS	526
CORDUSIO RMBS SECURITISATION - SERIE 2006 (ex CORDUSIO RMBS2)	Unicredit S.p.A.	RMBS	747
CORDUSIO RMBS SECURITISATION - SERIE 2007	Unicredit S.p.A.	RMBS	1,719
F-E Mortgages 2003-1	Unicredit S.p.A.	RMBS	213
F-E Mortgages 2005-1	Unicredit S.p.A.	RMBS	330
Heliconus	Unicredit S.p.A.	RMBS	109
CAPITAL MORTGAGE	Unicredit S.p.A.	RMBS	1,202
Locat SV S.r.l. Serie 2005	Unicredit Leasing S.p.A.	Leasing	227
Locat SV S.r.l. Serie 2006	Unicredit Leasing S.p.A.	Leasing	430
F-E Gold Srl	Fineco Leasing	Leasing	210
Geldilux TS 2010	Unicredit Bank AG	CLO	620
Geldilux TS 2011	Unicredit Bank AG	CLO	435
Geldilux TS 2013	Unicredit Bank AG	CLO	875
Total			**8,594**

Part E – Information on risks and related risk management policies

A.2.2 Banking Group - Balance Sheet and off-Balance Sheet exposure by internal rating class (book values)

(€ '000)

	AMOUNTS AS AT 12.31.2013											
	INTERNAL RATING CLASSES									IMPAIRED EXPOSURES	NO RATING	TOTAL
EXPOSURES	1	2	3	4	5	6	7	8	9			
A. On-Balance Sheet exposures	**41,664,840**	**21,281,232**	**187,104,201**	**135,472,808**	**79,870,184**	**59,091,868**	**37,933,944**	**16,026,921**	**10,677,356**	**41,174,190**	**81,865,235**	**712,162,779**
B. Derivative contracts	**5,936,986**	**596,641**	**16,161,259**	**5,549,651**	**2,837,984**	**1,881,175**	**2,733,283**	**763,612**	**155,452**	**178,985**	**2,589,729**	**39,384,757**
B.1 Financial derivative contracts	5,804,482	575,996	15,553,011	5,479,417	2,818,866	1,876,378	2,732,798	763,246	154,804	178,985	2,204,983	38,142,966
B.2 Credit derivative contracts	132,504	20,645	608,248	70,234	19,118	4,797	485	366	648	-	384,746	1,241,791
C. Guarantees given	**56,336**	**3,533,308**	**15,849,678**	**15,360,087**	**8,582,296**	**5,435,197**	**7,850,852**	**1,392,025**	**415,399**	**1,335,791**	**6,170,341**	**65,981,310**
D. Other commitments to disburse funds	**71,703**	**5,417,805**	**33,805,486**	**14,148,666**	**5,966,770**	**2,930,811**	**1,453,345**	**747,708**	**243,171**	**1,193,896**	**43,902,734**	**109,882,095**
E. Other	**-**	**2**	**2,191,292**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,439,497**	**3,630,791**
Total	**47,729,865**	**30,828,988**	**255,111,916**	**170,531,212**	**97,257,234**	**69,339,051**	**49,971,424**	**18,930,266**	**11,491,378**	**43,882,862**	**135,967,536**	**931,041,732**

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	<=	99.9999%

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 14.6% 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, 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 and Slovakia.a.s., UniCredit Bank Hungary, UniCredit Tiriac Bank a.s., UniCredit Bank ZAO Russia and UniCredit Leasing GmbH e le sue controllate UniCredit Leasing Finance GMBH, Structured Lease GMBH, UniCredit Leasing Aviation GMBH.

A.3 Distribution of secured credit exposures by type of security

A.3.1 Bankig group - Secured credit exposures with banks

(€ '000)

	AMOUNTS AS AT 12.31.2013														
		COLLATERAL (1)				GUARANTEES (2)									
						CREDIT DERIVATIVES					SIGNATURE LOANS (LOANS GUARANTIES)				
							OTHER CREDIT DERVATIVES								
		PROPERTY													
	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 On-Balance Sheet credit exposures:															
1.1 totally secured	5,233,261	11,204	138	6,955,339	1,814,805	-	-	-	-	-	1,526,085	41,141	2,853,687	37,915	13,240,314
- of which impaired	123,787	-	-	-	-	-	-	-	-	-	132,200	-	-	3,101	135,301
1.2 partially secured	18,613,487	-	-	6,116,418	411,254	-	-	-	-	-	1,437,684	882,005	37,221	110,245	8,994,827
- of which impaired	26,072	-	-	-	-	-	-	-	-	-	19,751	-	434	5,653	25,838
2. Secured Off-Balance Sheet credit exposures:															
2.1 totally secured	831,446	-	-	2,089,838	407,165	2,023	-	-	55,483	-	712	-	308,428	174,841	3,038,490
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 partially secured	1,393,281	-	-	932	232,658	-	-	-	-	-	-	631	29,639	11,800	275,660
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Classification of exposures as “totally secured” or “partially secured” is made by comparing the gross exposure with the amount of the contractually agreed security.

Part E – Information on risks and related risk management policies

A.3.2 Banking group - Secured credit exposures with customers

(€ '000)

	AMOUNTS AS AT 12.31.2013														
		COLLATERAL (1)				GUARANTEES (2)									TOTAL (1)+(2)
		PROPERTY				CREDIT DERIVATIVES					SIGNATURE LOANS (LOANS GUARANTIES)				
							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	
1. Secured On-Balance Sheet credit exposures:															
1.1 totally secured	229,839,719	330,709,396	15,208,707	35,293,329	38,064,792	-	-	-	6,446	-	2,986,814	1,292,877	5,411,483	25,934,707	454,908,551
- of which impaired	24,558,758	41,312,999	2,616,960	124,373	4,900,223	-	-	-	-	-	19,501	63,646	115,526	5,313,146	54,466,374
1.2 partially secured	108,789,635	2,946,453	-	4,700,716	9,250,591	-	-	-	73,680	-	5,882,066	1,885,362	1,240,179	2,711,403	28,690,450
- of which impaired	6,236,605	2,946,453	-	519,287	498,770	-	-	-	-	-	205,276	28,995	96,627	681,090	4,976,498
2. Secured Off- Balance Sheet credit exposures:															
2.1 totally secured	44,970,002	6,507,634	-	19,114,351	5,333,385	220	-	-	36,485	-	94,200	9,165	4,845,852	15,342,210	51,283,502
- of which impaired	981,348	1,439,112	-	18,080	45,098	4	-	-	-	-	12,804	829	83,066	190,320	1,789,313
2.2 partially secured	10,918,183	618,615	-	364,808	880,164	208	-	-	-	-	84,896	6,406	2,104,254	601,956	4,661,307
- of which impaired	339,032	28,482	-	14,516	28,438	-	-	-	-	-	4,428	2,430	14,214	24,462	116,970

Classification of exposures as "totally secured" or "partially secured" is made by comparing the gross exposure with the amount of the contractually agreed security.

B. Distribution and concentration of credit exposures

B.1 Banking group - Distribution by segment of On-Balance Sheet and Off-Balance Sheet credit exposures to customers (book value)

(€ '000)

COUNTERPARTIES/EXPOSURES		GOVERNMENTS			OTHER PUBLIC ENTITIES			FINANCIAL COMPANIES		
		NET EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS
A. On-Balance Sheet exposures										
A.1 Non-performing loans		1,618	10,669	X	9,242	18,424	X	143,947	572,713	X
A.2 Doubtful loans		1,462	1,039	X	130,208	56,132	X	230,960	167,496	X
A.3 Restructured exposures		1,287	1	X	5,675	7,809	X	39,943	49,398	X
A.4 Past due		938	98	X	42,086	9,882	X	19,067	7,945	X
A.5 Other exposures		77,737,525	X	5,954	42,717,346	X	127,379	70,500,532	X	684,833
Total A		**77,742,830**	**11,807**	**5,954**	**42,904,557**	**92,247**	**127,379**	**70,934,449**	**797,552**	**684,833**
B. Off-Balance Sheet exposures										
B.1 Non-performing Loans		6,655	-	X	2	6	X	43,783	1,944	X
B.2 Doubtful loans		-	-	X	18,665	-	X	24,303	1	X
B.3 Other impaired assets		-	-	X	6	59	X	3,341	8,001	X
B.4 Other exposures		4,421,987	X	103	13,881,837	X	1,067	38,440,021	X	952,533
Total B		**4,428,642**	**-**	**103**	**13,900,510**	**65**	**1,067**	**38,511,448**	**9,946**	**952,533**
TOTAL (A+B)	**12.31.2013**	**82,171,472**	**11,807**	**6,057**	**56,805,067**	**92,312**	**128,446**	**109,445,897**	**807,498**	**1,637,366**
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**

Continued: B.1 Banking group - Distribution by segment of On-Balance Sheet and Off-Balance Sheet credit exposures to customers (book value)

(€ '000)

COUNTERPARTIES/EXPOSURES		INSURANCE COMPANIES			NON-FINANCIAL COMPANIES			OTHER ENTITIES		
		NET EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS
A. On-Balance Sheet exposures										
A.1 Non-performing loans		11,847	10,873	X	12,832,023	21,202,997	X	5,750,519	8,473,892	X
A.2 Doubtful loans		1,421	114	X	12,305,406	8,486,528	X	2,531,539	1,359,179	X
A.3 Restructured exposures		-	-	X	4,199,154	3,064,385	X	163,638	69,023	X
A.4 Past due		31	47	X	1,839,489	512,697	X	886,715	263,712	X
A.5 Other exposures		1,548,513	X	3,861	249,028,395	X	2,012,571	141,633,396	X	775,632
Total A		**1,561,812**	**11,034**	**3,861**	**280,204,467**	**33,266,607**	**2,012,571**	**150,965,807**	**10,165,806**	**775,632**
B. Off-Balance Sheet exposures										
B.1 Non-performing Loans		93	24	X	610,276	290,830	X	20,859	43,480	X
B.2 Doubtful loans		2	2	X	1,226,628	182,957	X	10,084	16,804	X
B.3 Other impaired assets		43	-	X	725,824	127,615	X	14,373	6,270	X
B.4 Other exposures		919,175	X	270	100,771,793	X	147,670	25,398,370	X	12,469
Total B		**919,313**	**26**	**270**	**103,334,521**	**601,402**	**147,670**	**25,443,686**	**66,554**	**12,469**
TOTAL (A+B)	**12.31.2013**	**2,481,125**	**11,060**	**4,131**	**383,538,988**	**33,868,009**	**2,160,241**	**176,409,493**	**10,232,360**	**788,101**
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**

Part E – Information on risks and related risk management policies

B.2 Banking group - Distribution of On-Balance Sheet and Off-Balance Sheet exposures to customers by geographic area (book value)

(€ '000)

EXPOSURES/GEOGRAPHIC AREA	AMOUNT AS AT 12.31.2013									
	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. On-Balance Sheet exposures										
A.1 Non-performing loans	12,730,827	21,617,098	5,547,410	7,625,680	53,879	57,669	138,132	117,489	278,948	871,632
A.2 Doubtful loans	12,473,048	8,372,497	2,519,786	1,422,329	91,852	138,248	48,743	7,697	67,567	129,717
A.3 Restructured exposures	2,224,836	917,771	2,062,848	2,097,331	36,162	51,679	19,924	19,444	65,927	104,391
A.4 Impaired pastdue exposures	2,203,018	630,152	475,115	118,122	990	725	48	20	109,155	45,362
A.5 Other exposures	260,781,583	2,252,498	294,710,685	1,209,603	5,160,830	28,617	3,110,799	14,849	19,401,810	104,663
Total A	**290,413,312**	**33,790,016**	**305,315,844**	**12,473,065**	**5,343,713**	**276,938**	**3,317,646**	**159,499**	**19,923,407**	**1,255,765**
B. Off-Balance Sheet exposures										
B.1 Non-performing Loans	195,388	53,237	456,809	256,729	14,057	-	1,805	1,778	13,609	24,540
B.2 Doubtful loans	1,110,405	85,949	117,574	51,506	50,293	59,900	-	-	1,410	2,409
B.3 Other impairedpast dueexposures	450,814	13,267	285,118	119,487	1,568	-	-	-	6,087	9,191
B.4 Other exposures	67,458,860	1,070,373	99,841,029	1,428	3,089,111	36,458	1,285,604	356	12,158,579	5,497
Total B	**69,215,467**	**1,222,826**	**100,700,530**	**429,150**	**3,155,029**	**96,358**	**1,287,409**	**2,134**	**12,179,685**	**41,637**
TOTAL (A+B) 12.31.2013	**359,628,779**	**35,012,842**	**406,016,374**	**12,902,215**	**8,498,742**	**373,296**	**4,605,055**	**161,633**	**32,103,092**	**1,297,402**
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**

B.3 Banking Group - Distribution of On-Balance Sheet and Off-Balance Sheet credit exposures to banks by geographic area (book value)

(€ '000)

	AMOUNT AS AT 12.31.2013									
	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
EXPOSURES/GEOGRAPHIC AREA	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. On-Balance Sheet exposures										
A.1 Non-performing loans	-	-	18,257	64,059	1,754	23,399	131,266	56,849	-	43
A.2 Doubtful exposures	-	7	835	1,837	-	-	13,044	1,209	15,910	-
A.3 Restructured exposures	-	-	-	-	-	-	-	-	-	-
A.4 Impaired past due exposures	-	-	-	-	-	-	13	157	-	-
A.5 Other exposures	13,484,040	1,960	64,698,945	5,655	3,234,612	196	1,862,186	460	4,387,995	913
Total A	**13,484,040**	**1,967**	**64,718,037**	**71,551**	**3,236,366**	**23,595**	**2,006,509**	**58,675**	**4,403,905**	**956**
B. Off-Balance Sheet exposures										
B.1 Non-performing Loans	-	-	294	9	1,311	-	-	-	-	-
B.2 Doubtful loans	-	-	-	-	1,317	2,165	-	-	-	-
B.3 Other impaired past due exposures	-	-	687	469,325	125	-	-	-	-	-
B.4 Other exposures	2,285,142	159	21,831,049	4,645	1,114,258	5	1,981,139	154	1,494,720	20
Total B	**2,285,142**	**159**	**21,832,030**	**473,979**	**1,117,011**	**2,170**	**1,981,139**	**154**	**1,494,720**	**20**
TOTAL (A+B) 12.31.2013	**15,769,182**	**2,126**	**86,550,067**	**545,530**	**4,353,377**	**25,765**	**3,987,648**	**58,829**	**5,898,625**	**976**
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**

B.4 Large Exposures (according to supervisory regulations)

	12.31.2013
a) Amount book value (€ million)	92,949
a.1) Amount weighted value (€ million)	1,965
b) Number	6

Part E – Information on risks and related risk management policies

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. Since 2013 there have been a few signs of a re-opening of the securitization market in Italy as well. Indeed, four traditional securitization transactions were conducted on the market in the form of a private placement.

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.

In 2013 the Group carried out five traditional transactions and three synthetic transactions:
UniCredit S.p.A.

- Large Corporate One (traditional)
- Consumer Two (traditional)
- Confidi Federconfidi (synthetic)
- Confidi Federascomfidi (synthetic)
- U-Propeller 2013-1 (synthetic)

Trevi Finance S.p.A., Trevi Finance n. 2 S.p.A. e Trevi Finance n.3 S.r.L.

- Aurora 1 (traditional)

UniCredit Credit Management Bank S.p.A.

- Aurora 2 (traditional).

UniCredit Bank AG

- Geldilux – TS – 2013 (traditional).

Details are given in the following tables, which also describe transactions – traditional and synthetic – carried out in previous financial years.

It should also be noted that in 2013 the call option clauses relating to the Building Comfort 2008, Geldilux PP 2011, F-E Green, F-E Red (self-securitization) and Locat Securitisation Vehicle 2 transactions were exercised, with the respective originators acquiring the remaining portfolios from the SPVs.

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 the novation of the swap counterparty from UniCredit to a third party outside the Group with respect to the Cordusio RMBS, Cordusio RMBS Securitisation - Serie 2006, Cordusio RMBS UCFin - Serie 2006, Cordusio RMBS Securitisation - Serie 2007, BipCa Cordusio RMBS, Locat SV - Serie 2006 and Locat SV - Serie 2011 transactions, with the related recovery of the cash pledged as collateral for these vehicles.

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".

Part E – Information on risks and related risk management policies

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. 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 2013, 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.

New transactions 2013

NAME:	CONSUMER TWO	
Type of securitisation:	True Sale	
Originator:	UniCredit S.p.A.	
Issuer:	Consumer TWO S.r.l.	
Servicer:	UniCredit S.p.A.	
Arranger:	UniCredit S.p.A.	
Target transaction :	Funding / Counterbalancing capacity	
Type of asset:	Personal Loans	
Quality of Asset:	Performing	
Closing date:	11/25/2013	
Nominal Value of reference portfolio :	1,234,022,049 €	
Net amount of preexisting w ritedow n/w ritebacks :	1,234,022,049 €	
Disposal Profit & Loss realized :	-	
Portfolio disposal price:	1,240,635,633 €	
Issue guarantees by the Bank:	-	
Issued guarantees by third parties:	-	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	UniCredit S.p.A. has granted the SPV, w ith respect to this transaction, tw o subordinated loans amounting to €24.68 million and € 5 million.	
Other relevant information:	In the role of Servicer, UniCredit S.p.A. has had to hedge mingling risk, w ith a collateral amounting to € 55.12 million at December 2013	
Rating Agencies:	Moody's / Fitch	
Amount of CDS or other risk transferred:	-	
Amount and Condition of tranching:		
. ISIN	IT0004974983	IT0004974777
. Type of security	Senior	Senior
. Class	A1	A2
. Rating	A2/AA+	A2/AA+
. Quotation	-	-
. Issue date	27/11/2013	27/11/2013
. Legal maturity	31/12/2030	31/12/2030
. Call option	Clean-up Call	
. Expected duration	*2.80*	*2.80*
. Rate	Euribor 3m + 123 b.p.	Euribor 3m + 123 b.p.
. Subordinated level	-	-
. Reference Position	250,000,000 €	490,400,000 €
. Reference Position at the end of accounting period	250,000,000 €	490,400,000 €
. Security subscribers	Bank of America NA	HSBC Plc
. ISIN	IT0004974975	
. Type of security	Junior	
. Class	B	
. Rating	n.r.	
. Quotation	Sub A1, A2	
. Issue date	27/11/2013	
. Legal maturity	31/12/2030	
. Call option	Clean-up Call	
. Expected duration	*5.90*	
. Rate	Euribor 3m + 500 b.p.	
. Subordinated level	Sub A1, A2	
. Reference Position	493,622,030 €	
. Reference Position at the end of accounting period	493,622,030 €	
. Security subscribers	UniCredit S.p.A.	
Distribution of securitised assets by area:		
Italy - Northw est	278,115,725 €	
- Northeast	331,136,014 €	
- Central	281,160,265 €	
- South and Islands	343,610,045 €	
Other European Countries - E.U. countries	-	
- not U.E. countries	-	
America	-	
Rest of the World	-	
TOTAL	**1,234,022,049 €**	
Distribution of securitised assets by business sector of the borrower:		
Governments	-	
other governments agencies	-	
Banks	-	
Finance Companies	-	
Insurance Companies	-	
Non-financial companies	-	
Other entities	1,234,022,049 €	
TOTAL	**1,234,022,049 €**	

(1) included accrued interests not paid

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

NAME:	LARGE CORPORATE ONE	
Type of securitisation:	True Sale	
Originator:	UniCredit S.p.A.	
Issuer:	Large Corporate ONE S.r.l.	
Servicer:	UniCredit S.p.A.	
Arranger:	-	
Target transaction :	Funding / Counterbalancing capacity	
Type of asset:	Large Corporate Loans	
Quality of Asset:	Performing	
Closing date:	08/13/2013	
Nominal Value of reference portfolio :	278,606,012 €	
Net amount of preexisting w ritedow n/w ritebacks :	278,606,012 €	
Disposal Profit & Loss realized :	-	
Portfolio disposal price:	279,037,476 €	
Issue guarantees by the Bank:	Senior Notes Guarantee € 304,000,000	
Issued guarantees by third parties:	-	
Bank Lines of Credit:	Interest Shortfall Facility € 15,000,000	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	-	
Other relevant information:	-	
Rating Agencies:	Standard & Poor's	
Amount of CDS or other risk transferred:	-	
Ammontare e condizioni del *tranching* :		
Amount and Condition of tranching:	IT0004955776	IT0004955479
. ISIN	Senior	Junior
. Type of security	A	B
. Class	BBB	--
. Rating	Dublin	Dublin
. Quotation	21/08/2013	21/08/2013
. Issue date	31/10/2020	31/10/2027
. Legal maturity	Clean-up Call	
. Call option	7.2	-
. Expected duration	300 b.p.	Euribor 3m + 500 b.p.
. Rate	-	A
. Subordinated level	897,000,000 €	103,000,000 €
. Reference Position	250,000,000 €	28,706,800 €
. Reference Position at the end of accounting period	250,000,000 €	28,706,800 €
. Security subscribers	Generali Group	UniCredit S.p.A.

Distribution of securitised assets by area:	
Italy - Northw est	54,027,562 €
- Northeast	208,390,110 €
- Central	-
- South and Islands	16,188,340 €
Other European Countries - E.U. countries	-
- not U.E. countries	-
America	-
Rest of the World	-
TOTAL	**278,606,012 €**
Distribution of securitised assets by business sector of the borrower:	
Governments	-
other governments agencies	-
Banks	-
Finance Companies	-
Insurance Companies	-
Non-financial companies	278,606,012 €
Other entities	-
TOTAL	**278,606,012 €**

(1) included accrued interests and fees not paid

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

NAME	U-Propeller 2013-1	
Type of securitisation:	Tranche Covered	
Originator:	UniCredit S.p.A.	
Issuer:	U-Propeller 2013 S.A.	
Servicer:	UniCredit S.p.A.	
Arranger:	UniCredit S.p.A.	
Target transaction :	Capital Relief and risk transfer for concentration risks	
Type of asset:	loans to rew nable energy project financers	
Quality of Asset:	Performing	
Closing date:	12/27/2013	
Nominal Value of reference portfolio :	916,000,000 €	
Issue guarantees by the Bank:	-	
Issued guarantees bythird parties:	cash collateral Mariner Investment Group LLC	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	-	
Other relevant information:	This transaction can be characterized as a partial synthetic securitization of the individual loans included in the portfolio. The guarantee for U-Propeller 2013 S.A. hedges 100% of the Junior tranche, up to a maximum amount equal to 4.75% of the entire securitized portfolio.	
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	CLN
. Type of security	Senior	Junior
. Class	A	B
. Rating	n.r.	n.r.
. Reference Position	762,000,000 €	38,000,000 €
. Reference Position at the end of accounting period	762,000,000 €	38,000,000 €
. Security subscribers	UniCredit S.p.A.	hedged w ith a protection seller

Distribution of securitised assets by area:	
Italy - Northw est	916,000,000 €
- Northeast	-
- Central	-
- South and Islands	-
Other European Countries - E.U. countries	-
- not U.E. countries	-
America	-
Rest of the World	-
TOTAL	**916,000,000 €**

Distribution of securitised assets by business sector of the borrower:	
Governments	-
other governments agencies	-
Banks	-
Finance Companies	-
Insurance Companies	-
Non-financial companies	916,000,000 €
Other entities	-
TOTAL	**916,000,000 €**

(*) 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 follow ing 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

NAME:	FEDERASCOMFIDI		FEDERCOMFIDI	
Type of securitisation:	Tranche Covered		Tranche Covered	
Originator:	UniCredit S.p.A.		UniCredit S.p.A.	
Issuer:	UniCredit S.p.A.		UniCredit S.p.A.	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	UniCredit S.p.A.		UniCredit S.p.A.	
Target transaction :	Capital Relief and risk transfer for concentration risks		Capital Relief and risk transfer for concentration risks	
Type of asset:	Highly diversified and granular pool of UniCredit's loans to corporates.		Highly diversified and granular pool of UniCredit's loans to corporates.	
Quality of Asset:	Performing		Performing	
Closing date:	03/25/2013		03/25/2013	
Nominal Value of reference portfolio :	64,235,679 €		62,470,203 €	
Net amount of preexisting writedown/writebacks :	-		-	
Disposal Profit & Loss realized :	-		-	
Portfolio disposal price:	-		-	
Issue guarantees by the Bank:	-		-	
Issued guarantees by third parties:	Financial guarantee to hedge the junior tranche in the form of a lien on fixed deposit account; financial guarantee to hedge the mezzanine tranche in the form of a personal guarantee.		Financial guarantee to hedge the junior tranche in the form of a lien on fixed deposit account; financial guarantee to hedge the mezzanine tranche in the form of a personal guarantee.	
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 (*)		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	n.a	n.a
. Type of security	Senior	Mezzanine	Senior	Mezzanine
. Class	A	B	A	B
. Rating	n.r.	n.r.	n.r.	n.r.
. Quotation	not listed	not listed	not listed	not listed
. Issue date	03/25/2013	03/25/2013	03/25/2013	03/25/2013
. Legal maturity	05/31/2030	03/25/2023	01/31/2030	03/25/2023
. Call option	Clean-up call, Regulatory Call		Clean-up call, Regulatory Call	
. Expected duration	2.3	5.3	2.3	5.3
. Rate	n.a	6.30%	n.a	6.30%
. Subordinated level	-	Sub A	-	Sub A
. Reference Position	61,430,455 €	1,402,612 €	59,141,910 €	1,344,765 €
. Reference Position at the end of accounting period	47,920,986.25	1,396,135 €	49,329,079.86	1,338,104 €
.Subscriber	UniCredit SpA	partially hedged by *protection seller*	UniCredit SpA	partially hedged by *protection seller*
. ISIN	n.a		n.a	
. Type of security	Junior		Junior	
. Class	C		C	
. Rating	n.r.		n.r.	
. Quotation	not listed		not listed	
. Issue date	03/25/2013		03/25/2013	
. Legal maturity	05/31/2030		01/31/2030	
. Call option				
. Expected duration	4.2		4.2	
. Rate	n.a		n.a	
. Subordinated level	Sub A, B		Sub A, B	
. Reference Position	1,402,612 €		1,983,528 €	
. Reference Position at the end of accounting period	1,396,135 €		1,973,703 €	
.Subscriber	partially hedged by protection seller		partially hedged by protection seller	
Distribution of securitised assets by area:				
Italy - Northwest	11,533,531 €		7,891,416 €	
- Northeast	33,345,850 €		27,942,487 €	
- Central	1,496,977 €		2,819,980 €	
- South and Islands	17,859,321 €		23,816,320 €	
Other European Countries - E.U. countries	-		-	
- not U.E. countries	-		-	
America	-		-	
Rest of the World	-		-	
TOTAL	**64,235,679 €**		**62,470,203 €**	
Distribution of securitised assets by business sector of the borrower:				
Governments	-		-	
other governments agencies	-		-	
Banks	-		-	
Finance Companies	-		-	
Insurance Companies	-		-	
Non-financial companies	64,235,679 €		62,470,203 €	
Other entities	-		-	
TOTAL	**64,235,679 €**		**62,470,203 €**	

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.

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 granted the SPV two subordinated loans amounting to € 420 million (at the end of accounting period the principal amount repaid was 223.53 million) and € 5 million (at the end of accounting period the principal amount repaid was € 3.58 million). UniCredit S.p.A. - London Branch , in May 2012, has granted a new subordinated loan amounting € 102.16 million (at the end of accounting period the principal amount repaid was € 6 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. In May of 2013, after the revision of the rating grades contract signed in November 2012, and with the beginning of the redemption of the securities started in April 2013, which reduced the levels of liquidity transaction, UniCredit SpA again took the role of the Account Bank.	
Rating Agencies:	Moody's / DBRS		DBRS / Moody's	
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	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	2,320,536,000 €	1,236,943,620 €	1,585,454,861 €	1,207,700,000 €
. ISIN			IT0004774441	IT0004774458
. Type of security			Mezzanine	Junior
. Class			C	D
. Rating			BBB/Baa3	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.

Part E – Information on risks and related risk management policies

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.	
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	-	AA+/A2/AA
. Nominal value issued	600,000,000 €	1,735,000,000 €
. Nominal value at the end of accounting period	0 €	729,691,379 €
. ISIN	IT0004144900	IT0004144934
. Type of security	Mezzanine	Mezzanine
. Class	B	C
. Rating	AA/Baa2/AA	A+/Baa3/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+/Ba2/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.

ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A., formerly UniCredit Banca S.p.A.)

Transactions from previous periods

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.		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.		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.	
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	-	AA+/A2/AA	-	AA+/A2/AA	-	AA+/A2/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 €	657,852,827 €	0 €	579,748,532 €	0 €	340,017,832 €
. ISIN	IT0004231244	IT0004231285	IT0004087182	IT0004087190	IT0003844955	IT0003844963
. Type of security	Senior	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine
. Class	A3	B	B	C	B	C
. Rating	AA+/A2/AA	AA-/Baa2/AA	AA/Baa1/AA	BBB+/Ba3/BBB	AA+/A2/AA	BBB+/Baa3/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/Baa3/A	BB/B1/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/Caa1/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.)

Transactions from previous periods

NAME	BIPCA Cordusio rmbs	
Type of securitisation:	Traditional	
Originator:	Bipop - Carire, Società per Azioni	
Issuer:	Capital Mortgage Srl	
Servicer:	UniCredit S.p.A	
Arranger:	Bayerische Hypo und Vereinsbank AG, London Branch	
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. At the end of accounting period the amount of capital tranche is equal to 1.5 million euro.	
Other relevant information :	All securities issued outstanding from 12.31.2010 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.	
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	A2
. Rating	AA/A2	AA/A2
. Nominal value issued	666,300,000 €	185,500,000 €
. Nominal value at the end of accounting period	233,834,787 €	185,500,000 €
. ISIN	IT0004302755	IT0004302763
. Type of security	Mezzanine	Mezzanine
. Class	B	C
. Rating	AA/Baa2	A+/Ba1
. 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/B1	B+/Caa1
. 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.

ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A., formerly Banca di Roma S.p.A.)

Transactions from previous periods

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:	Capitalia 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 €219.237 million at December 31, 2013 to maintain its role as 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/Baa1/A	AA/Baa1/A
. Nominal value issued	1,736,000,000 €	644,000,000 €
. Nominal value at the end of accounting period	395,209,080 €	601,628,278 €
. ISIN	IT0004222557	IT0004222565
. Type of security	Mezzanine	Junior
. Class	B	C
. Rating	A/B1/B	D/Ca/CCC
. Nominal value issued	74,000,000 €	25,350,000 €
. Nominal value at the end of accounting period	74,000,000 €	25,350,000 €

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

ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A., formerly FinecoBank S.p.A.)

Transactions from previous periods

NAME	F-E Mortgages 2005		F-E Mortgages Series 1-2003		Heliconus	
Type of securitisation:	Traditional		Traditional		Traditional	
Originator:	FinecoBank S.p.A.		Fin-eco Banca ICQ S.p.A.		Fin-eco Banca ICQ 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:	MCC S.p.A. - Group Capitalia		MCC S.p.A. - Group Capitalia		MCC S.p.A. - Group Capitalia	
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:	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). The amount of line of credit is totally redeemed.		UniCredit S.p.A. for € 10.22 million. The amount of the credit line 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 10.84 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 reserve 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 reserve of € 10.22 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	A1	B	A	B
. Rating	AA/A2/AA+	AA/A2/A+	AA/A2/AA+	AA/A2/A	AA/A2/AA+	-- /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	215,712,114 €	36,863,691 €	114,193,500 €	48,000,000 €	59,446,302 €	30,800,000 €
. ISIN	IT0003830434		IT0003575088	IT0003575096	IT0003383939	
. Type of security	Junior		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	32,289,365 €		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.

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 totalled € 60.38 million (€ 19.98 million for Trevi Finance, € 17.18 million for Trevi 2 and € 23.22 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 are retained by UniCredit S.p.A.		All securities issued outstanding 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 €	473,168,126 €	822,826,175 €	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 €			

Part E – Information on risks and related risk management policies

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 12.31.2013 was € 214,802,428.21. 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 million) to Entasi Srl, which placed them in the market with institutional investors.		As at 12.31.2013 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	419,509,772 €	410,809,998 €		
. 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 €			

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.
ORGANIZATIONAL 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 €	56,428,590 €

Part E – Information on risks and related risk management policies

ORIGINATOR: Trevi Finance S.p.A., Trevi Finance n. 2 S.p.A., Trevi Finance n. 3 S.r.L.

New transactions 2013

NAME	AURORA 1	
Type of securitisation:	Traditional	
Originator:	Trevi Finance S.p.A., Trevi Finance n.2 S.p.A., Trevi Finance n.3 S.r.L.	
Issuer:	Aurora SPV S.r.L.	
Servicer:	UCCMB S.p.A.	
Arranger:	AnaCap Financial Ltd	
Target transaction :	Funding	
Type of asset:	ordinary loans – mortgage loans	
Quality of Asset:	Non performing	
Closing date:	03/25/2013	
Nominal Value of disposal portfolio :	716,531,408 €	
Net amount of preexisting w ritedow ns/w ritebacks :	17,232,216 €	
Disposal Profit & Loss realized :	-732,216 €	
Portfolio disposal price:	16,500,000 €	
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:	No Rating Agency	
Amount of CDS or other supersenior risk transferred :	-	
Amount and Condition of tranching:		
. ISIN	IT0004907272	IT0004907348
. Type of security	Senior	Junior
. Class	A	B
. Rating	n.r.	n.r.
. Quotation	not listed	not listed
. Issue date	03/26/2013	03/26/2013
. Legal maturity	2045	2045
. Call option	Clean-up call	
. Expected duration	2.8	2.8
. Rate	3%	6.5%
. Subordinated level	-	Sub A
. Reference Position	7,425,000 €	2,475,000 €
. Reference Position at the end of accounting period	3,564,441 €	2,475,000 €
. Security subscribers	Prime Credit 3 S.A.R.L., UniCredit Credit Management Bank S.p.A.	Prime Credit 3 S.A.R.L., UniCredit Credit Management Bank S.p.A.

Distribution of securitised assets by area:	
Italy - Northw est	38,746,833 €
- Northeast	15,847,362 €
- Central	537,881,417 €
- South and Islands	124,055,796 €
Other European Countries - E.U. countries	-
- not U.E. countries	-
America	-
Rest of the World	-
TOTAL	**716,531,408 €**
Distribution of securitised assets by business sector of the borrower:	
Governments	-
other governments agencies	-
Banks	-
Finance Companies	7,788,949 €
Insurance Companies	-
Non-financial companies	431,774,946 €
Other entities	276,967,513 €
TOTAL	**716,531,408 €**

ORIGINATOR: UniCredit Credit Management Bank S.p.A.

New transactions 2013

NAME	AURORA 2	
Type of securitisation:	Traditional	
Originator:	UniCredit Credit Management Bank S.p.A.	
Issuer:	Aurora SPV S.r.L.	
Servicer:	UCCMB S.p.A.	
Arranger:	AnaCap Financial Ltd	
Target transaction :	Funding	
Type of asset:	ordinary loans – mortgage loans	
Quality of Asset:	Non performing	
Closing date:	12/19/2013	
Nominal Value of disposal portfolio :	699,393,888 €	
Net amount of preexisting writedowns/writebacks :	11,269,751 €	
Disposal Profit & Loss realized :	-69,751 €	
Portfolio disposal price:	11,200,000 €	
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:	No Rating Agency	
Amount of CDS or other supersenior risk transferred :	-	
Amount and Condition of tranching:		
. ISIN	IT0004983893	IT0004983885
. Type of security	Senior	Junior
. Class	A	B
. Rating	n.r.	n.r.
. Quotation	not listed	not listed
. Issue date	12/19/2013	12/19/2013
. Legal maturity	2045	2045
. Call option	Clean-up call	
. Expected duration	2.1	2.1
. Rate	3%	6.5%
. Subordinated level	-	Sub A
. Reference Position	6,562,500 €	2,187,500 €
. Reference Position at the end of accounting period	6,562,500 €	2,187,500 €
. Security subscribers	Prime Credit 3 S.A.R.L.	Prime Credit 3 S.A.R.L.

Distribution of securitised assets by area:	
Italy - Northwest	107,718,617 €
- Northeast	88,857,380 €
- Central	268,518,104 €
- South and Islands	234,299,787 €
Other European Countries - E.U. countries	-
- not U.E. countries	-
America	-
Rest of the World	-
TOTAL	**699,393,888 €**

Distribution of securitised assets by business sector of the borrower:	
Governments	-
other governments agencies	-
Banks	-
Finance Companies	34,153,529 €
Insurance Companies	-
Non-financial companies	570,136,036 €
Other entities	95,104,323 €
TOTAL	**699,393,888 €**

Part E – Information on risks and related risk management policies

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		Locat SV - Serie 2005 (ex Locat Securitisation Vehicle 3)	
Type of securitisation:	Traditional		Traditional		Traditional	
Originator:	UniCredit Leasing S.p.A. (ex Locat S.p.A.)		Locat S.p.A.		Locat S.p.A.	
Issuer:	Locat SV S.r.l.		Locat SV S.r.l.		Locat SV S.r.l. (ex Locat Securitisation Vehicle 3 S.r.l.)	
Servicer:	UniCredit Leasing S.p.A. (ex Locat S.p.A.)		Locat S.p.A.		Locat S.p.A.	
Arranger:	UniCredit Bank AG London Branch		UniCredit Banca Mobiliare S.p.A.		UniCredit Banca Mobiliare S.p.A.	
Target transaction:	Funding / Counterbalancing capacity		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.		Leasing loans bearing car, capital goods and real estate.	
Quality of Asset:	in bonis		performing		performing	
Closing date:	02/11/2011		11/14/2006		10/14/2005	
Nominal Value of disposal portfolio:	5,150,822,514 €		€ 1,972,909,866		€ 2,000,000,136	
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 257 million euro.		-		-	
Other relevant information :	Self-securitization		Revolving		Revolving	
Rating Agencies:	Standard & Poor's / DBRS		Standard & Poor's / Moody's		Standard & Poor's / Moody's	
Amount of CDS or other supersenior risk transferred :	-		-		-	
Amount and Conditions of tranching:						
. ISIN	IT0004690753	IT0004690746	IT0004153661	IT0004153679	IT0003951107	IT0003951115
. Type of security	Senior	Junior	Senior	Senior	Senior	Senior
. Class	A	B	A1	A2	A1	A2
. Rating	AA(sf) / AA (low)(sf)	not rated		AA (sf) /A2 (sf)		
. Nominal value issued	3,502,500,000 €	1,648,322,514 €	€ 400,000,000	€ 1,348,000,000	€ 451,000,000	€ 1,349,000,000
. Nominal value at the end of accounting period	1,894,998,554 €	1,648,322,514 €	€ 0	€ 121,846,798	€ 0	€ 0
. ISIN			IT0004153687	IT0004153695	IT0003951123	IT0003951131
. Type of security			Mezzanine	Mezzanine	Mezzanine	Mezzanine
. Class			B	C	B	C
. Rating			A-(sf)/Baa3 (sf)	B+(sf)/Caa2(sf)	A (sf)/Baa2 (sf)	B/Caa1(sf)
. Nominal value issued			€ 152,000,000	€ 64,000,000	€ 160,000,000	€ 33,000,000
. Nominal value at the end of accounting period			€ 152,000,000	€ 64,000,000	€ 97,449,984	€ 33,000,000
. ISIN			IT0004153885		IT0003951149	
. Type of security			Junior		Junior	
. Class			D		D	
. Rating			not rated		-	
. Nominal value issued			€ 8,909,866		€ 7,000,136	
. Nominal value at the end of accounting period			€ 8,909,866		€ 7,000,136	

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 Gold**	
Type of securitisation:	Traditional	
Originator:	Fineco Leasing S.p.A.	
Issuer:	F-E Gold S.r.l.	
Servicer:	Fineco leasing S.p.A.	
Arranger:	Capitalia S.p.A.	
Target transaction:	Funding	
Type of asset:	Loans relating to leases of property (65.9%), motor vehicles (26.7%) and business assets (7.4%)	
Quality of Asset:	performing	
Closing date:	05/31/2006	
Nominal Value of disposal portfolio:	1,019,029,516 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties:	-	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	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.	
Other relevant information :	Revolving closed in October 2007	
Rating Agencies:	Moody's /Fitch	
Amount of CDS or other supersenior risk transferred:	-	
Amount and Conditions of tranching:		
. ISIN	IT0004068588	IT0004068612
. Type of security	Senior	Senior
. Class	A1	A2
. Rating	-	Baa1 / AAA
. Nominal value issued	203,800,000 €	749,000,000 €
. Nominal value at the end of accounting period	0 €	145,127,139 €
. ISIN	IT0004068620	IT0004068638
. Type of security	Mezzanine	mezzanine
. Class	B	C
. Rating	B1 / BBB	Caa2 / BB
. Nominal value issued	56,000,000 €	10,200,000 €
. Nominal value at the end of accounting period	29,102,998 €	5,300,903 €

Part E – Information on risks and related risk management policies

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), w hich provides a break dow n 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 ow n ABS transactions. The Board member are provided w ith planning forecast figures and annual performance.
HEDGING POLICIES:	For true sale transactions the issuer hedged portfolio's interest rate risks through Interest Rate Sw aps.
OPERATING RESULTS:	The results achieved up to the present are broadly in line w ith expectations; payments reveived from the portfolio ensured punctual and full payment to security holders and other parties to the transaction.

New transactions 2013

NAME	Geldilux-TS-2013	
Type of securitisation:	Traditional	
Originator:	UniCredit Bank AG	
Issuer:	Geldilux-TS-2013 S.A. (Luxembourg)	
Servicer:	UniCredit Bank AG	
Arranger:	UniCredit Bank AG (Corporate & Investment Banking)	
Target transaction :	Funding	
Type of asset:	EURO Loans	
Quality of Asset:	Performing	
Closing date:	07/30/2013	
Nominal Value of disposal portfolio :	852,400,000 €	
Net amount of preexinting w ritedow n/w ritebacks :	-	
Disposal Profit & Loss realized :	-	
Portfolio disposal price:	852,400,000 €	
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 Condition of tranching:		
. ISIN	XS0942202622	XS0942212266
. Type of security	Senior	Senior
. Class	A	Liqudity Note
. Rating	Aaa	A3
. Quotation	Luxembourg	Luxembourg
. Issue date	07/30/2013	07/30/2013
. Legal maturity	08/01/2021	08/01/2021
. Call option	Time Call, Clean-up Call, Regulatory Call	
. Expected duration	5.0	5.0
. Rate	1m EURIBOR + 80 bp	1m EURIBOR + 100 bp
. Subordinated level	A	Liqudity Note
. Reference Position	750,000,000 €	10,700,000 €
. Reference Position at the end of accounting period	750,000,000 €	10,559,591 €
. Security subscribers	sold to an investor	retained by UniCredit Luxembourg S.A.
. ISIN	XS0942205211	XS0942206615
. Type of security	Mezzanine	Mezzanine
. Class	B	C
. Rating	A1	Baa2
. Quotation	Luxembourg	Luxembourg
. Issue date	07/30/2013	07/30/2013
. Legal maturity	08/01/2021	08/01/2021
. Call option	Time Call, Clean-up Call, Regulatory Call	
. Expected duration	5.0	5.0
. Rate	1m EURIBOR + 100 bp	1m EURIBOR + 110 bp
. Subordinated level	B	C
. Reference Position	63,100,000 €	11,100,000 €
. Reference Position at the end of accounting period	63,100,000 €	11,100,000 €
. Security subscribers	retained by UniCredit Luxembourg S.A.	retained by UniCredit Luxembourg S.A.
. ISIN	XS0942207936	XS0942209718
. Type of security	Mezzanine	
. Class	D	E
. Rating	Ba2	NR
. Quotation	Luxembourg	Luxembourg
. Issue date	07/30/2013	07/30/2013
. Legal maturity	08/01/2021	08/01/2021
. Call option	Time Call, Clean-up Call, Regulatory Call	
. Expected duration	5.0	5.0
. Rate	1m EURIBOR + 180 bp	1m EURIBOR + 900 bp
. Subordinated level	D	E
. Reference Position	12,800,000 €	15,400,000 €
. Reference Position at the end of accounting period	12,800,000 €	15,400,000 €
. Security subscribers	retained by UniCredit Luxembourg S.A.	retained by UniCredit Luxembourg S.A.

Distribution of securitised assets by area:	
Italy - Northw est	-
- Northeast	-
- Central	-
- South and Islands	-
Other European Countries - E.U. countries	852,400,000 €
- not U.E. countries	-
America	-
Rest of the World	-
TOTAL	**852,400,000 €**
Distribution of securitised assets by business sector of the borrower:	
Governments	-
other governments agencies	-
Banks	-
Finance Companies	-
Insurance Companies	-
Non-financial companies	-
Other entities	852,400,000 €
TOTAL	**852,400,000 €**

Transactions from previous periods

NAME	Geldilux-TS-2011		Geldilux-TS-2010		Rosenkavalier 2008	
Type of securitisation:	Traditional		Traditional		Traditional	
Originator:	UniCredit Bank AG		UniCredit Bank AG		Bayerische Hypo-und Vereinsbank AG	
Issuer:	Geldilux-TS-2010 S.A. (Luxembourg)		Geldilux-TS-2010 S.A. (Luxembourg)		Rosenkavalier 2008 GmbH	
Servicer:	UniCredit Bank AG		UniCredit Bank AG		Bayerische Hypo-und Vereinsbank AG	
Arranger:	UniCredit Bank AG (Corporate & Investment Banking)		UniCredit Bank AG (Corporate & Investment Banking)		Bayerische Hypo- und Vereinsbank AG (UniCredit Markets & Investment Banking)	
Target transaction :	Capital Relief / Funding		Funding		Liquidity	
Type of asset:	EURO Loans		EURO Loans		large Corporate and SME corporate loans and mortgage loans	
Quality of Asset:	Performing		Performing		Performing	
Closing date:	12/20/2011		09/30/2010		12/12/2008	
Nominal Value of disposal portfolio :	425,100,000 €		606,900,000 €		4.629.113.532 € of w hich already securitised in synthetic transaction: EUROCONNECT SME 2007 74.153.569,14 € EUROCONNECT SME 2008 88.276.467,34 €	
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		replenishing		Transaction executed to create ECB collateral	
Rating Agencies:	Moody´s		Moody´s		S&P	
Amount of CDS or other supersenior risk transferred :			-		-	
Amount and Conditions of tranching:						
. ISIN	XS0677594607	XS0719525924	XS0541574876	XS0541580501	DE000A0AEDB2	DE000A0AEDC0
. Type of security	Senior	Senior	Senior	Senior	Senior	Junior
. Class	A1	A2	A	B	A	B
. Rating	Aaa	Aaa	Aaa	Aaa	A	NR
. Nominal value issued	150,000,000 €	200,000,000 €	500,000,000 €	60,700,000 €	9,652,700,000 €	2,293,750,000 €
. Nominal value at the end of accounting period	150,000,000 €	200,000,000 €	500,000,000 €	60,700,000 €	2,801,666,363 €	1,827,447,169 €
. ISIN	XS0677594946	XS0677595166	XS0541578356	XS0541581731		
. Type of security	Mezzanine	Mezzanine	Mezzanine	Mezzanine		
. Class	B	Liqudity Note	Liquidity Note	C		
. Rating	Aaa	Aa2	A1	A1		
. Nominal value issued	42,500,000 €	6,400,000 €	6,000,000 €	24,300,000 €		
. Nominal value at the end of accounting period	42,500,000 €	3,763,951 €	0 €	24,300,000 €		
. ISIN	XS0677595323	XS0677595596	XS0541583430	XS0541584677		
. Type of security	Mezzanine	Mezzanine	Mezzanine	Mezzanine		
. Class	C	D	D	E		
. Rating	A2	Baa3	Baa2	Ba2		
. Nominal value issued	17,100,000 €	3,500,000 €	4,900,000 €	6,100,000 €		
. Nominal value at the end of accounting period	17,100,000 €	3,500,000 €	4,900,000 €	6,100,000 €		
. ISIN	XS0677595752	XS0686164681	XS0541585724			
. Type of security	Mezzanine	Junior	Junior			
. Class	E	F	F			
. Rating	Ba3	n.r.	NR			
. Nominal value issued	4,300,000 €	7,700,000 €	10,900,000 €			
. Nominal value at the end of accounting period	4,300,000 €	7,700,000 €	10,900,000 €			

Part E – Information on risks and related risk management policies

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%),		Bayerische Hypo- und Vereinsbank AG (66,09%) -	
Issuer:	EuroConnect SME 2008 Limited,		EuroConnect Issuer SME 2007 Limited,	
Servicer:	Bayerische Hypo-und Vereinsbank AG		Bayerische Hypo-und Vereinsbank AG	
Arranger:	Bayerische Hypo- und Vereinsbank AG		Bayerische Hypo- und Vereinsbank AG	
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	552,224,120 €		361,018,322 €	
. 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**		**Bank Austria Creditanstalt 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:	First loss 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 EUR 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	21,531,186 €	9,493,787 €
. Reference Position at the end of accounting period	21,531,186 €	9,493,787 €

(*) 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 w eight by applying the "look through" treatment, provided the composition of the underlying pool is know n at all times. . The unrated most senior position receives the average risk w eight of the underlying exposures subject to supervisory review . Where Bank is unable to determine the risk w eights 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

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

QUALITY OF UNDERLYING ASSETS/EXPOSURES	BALANCE-SHEET EXPOSURE					
	SENIOR		MEZZANINE		JUNIOR	
	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE
A. With own underlying assets:	**5,907,069**	**3,393,444**	**2,940,806**	**1,017,217**	**1,732,614**	**1,640,990**
a) Impaired	1,463	706	2,040,157	151,188	839,408	245,187
b) Other	5,905,606	3,392,738	900,649	866,029	893,206	1,395,803
B. With third-party underlying assets:	**4,499,018**	**4,487,614**	**1,309,637**	**1,281,290**	**81,055**	**58,624**
a) Impaired	7,275	6,050	-	-	-	-
b) Other	4,491,743	4,481,564	1,309,637	1,281,290	81,055	58,624

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

QUALITY OF UNDERLYING ASSETS/EXPOSURES	GUARANTEES GIVEN					
	SENIOR		MEZZANINE		JUNIOR	
	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE
A. With own underlying assets:	**304,000**	**304,000**	**951,303**	**-**	**-**	**-**
a) Impaired	-	-	951,303	-	-	-
b) Other	304,000	304,000	-	-	-	-
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

QUALITY OF UNDERLYING ASSETS/EXPOSURES	CREDIT FACILITIES					
	SENIOR		MEZZANINE		JUNIOR	
	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE
A. With own underlying assets:	**15,000**	**15,000**	**-**	**-**	**-**	**-**
a) Impaired	-	-	-	-	-	-
b) Other	15,000	15,000	-	-	-	-
B. With third-party underlying assets:	**1,110,961**	**1,110,961**	**25,870**	**25,870**	**145**	**145**
a) Impaired	-	-	-	-	-	-
b) Other	1,110,961	1,110,961	25,870	25,870	145	145

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

Type of securitised assets / exposure	BALANCE-SHEET EXPOSURE					
	Senior		Mezzanine		Junior	
	Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs
A. Totally derecognised	**117,967**	**-**	**151,188**	**-268,220**	**288,930**	**-**
A.1 CLO/CBO OTHERS	**117,261**	**-**	**-**	**-**	**43,743**	**-**
A.1 1 Caesar Finance	-	-	-	-	43,743	-
A.1 2 Entasi	117,261	-	-	-	-	-
A.2 OTHERS	**706**	**-**	**151,188**	**-268,220**	**245,187**	**-**
A.2 1 Trevi Finance	-	-	472	-153,084	-	-
A.2 2 Trevi Finance 2	-	-	63,396	-42,124	-	-
A.2 3 Trevi Finance 3	-	-	87,320	-73,012	244,567	-
A.2 4 Aurora 1	706	-	-	-	620	-
B. Partially derecognised	**-**	**-**	**-**	**-**	**-**	**-**
C. Not-derecognised	**3,275,477**	**-**	**866,029**	**-**	**1,352,060**	**-44,249**
C.1 RMBS Prime	**1,060,293**	**-**	**175,392**	**-**	**506,536**	**-5,959**
C.1. 1 Capital Mortgage 2007 - 1	145,755	-	-	-	167,755	-2,377
C.1. 2 Cordusio RMBS	102,932	-	31,750	-	12,738	-1,813
C.1. 3 Cordusio RMBS UCFin - Serie 2006	185,528	-	32,750	-	99,509	-703
C.1. 4 Cordusio RMBS Securitisation - Serie 2006	171,396	-	17,650	-	24,205	-1,099
C.1. 5 Cordusio RMBS Securitisation - Serie 2007	387,782	-	60,900	-	83,457	-2,004
C.1. 6 F-E Mortgages 2003	19,946	-	-	-	41,126	884
C.1. 7 F-E Mortgages 2005	43,729	-	32,342	-	56,074	970
C.1. 8 Heliconus	3,225	-	-	-	21,672	183
C.2 CLO/SME	**1,103,767**	**-**	**331,084**	**-**	**674**	**-**
C.2. 1 CONFIDI FEDERASCOMFIDI	49,184	-	21	-	279	-
C.2. 2 CONFIDI FEDERCONFIDI	50,383	-	31	-	395	-
C.2. 3 EuroConnect SME 2007-1	361,018	-	185,621	-	-	-
C.2. 4 EuroConnect SME 2008	621,814	-	145,411	-	-	-
C.2. 5 JEREMIE BulBank	21,368	-	-		-	-
C.3 CLO/CBO Others	**1,060,304**	**-**	**193,764**	**-**	**61,963**	**591**
C.3. 2 Geldilux TS 2010	60,888	-	35,445	-	9,539	-
C.3. 3 Geldilux TS 2011	30,023	-	71,249	-	7,866	-
C.3. 4 Geldilux TS 2013	207,327	-	87,070	-	15,486	-
C.3. 5 Large Corporate One	-	-	-	-	29,072	591
C.3. 6 U-Propeller 2013-1	762,066	-	-	-	-	-
C.4 CONSUMER LOANS	**-**	**-**	**-**	**-**	**528,911**	**-5,719**
C.4 1 Consumer Two	-	-	-	-	528,911	-5,719
C.5 LEASES	**51,113**	**-**	**165,789**	**-**	**253,976**	**-33,162**
C.5. 1 F-E Gold	33,600	-	23,232	-	62,996	-1,225
C.5. 4 Locat SV - Serie 2005	-	-	38,044	-	95,295	-10,264
C.5. 5 Locat SV - Serie 2006	17,513	-	104,513	-	95,685	-21,673

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 2013 only.

Part E – Information on risks and related risk management policies

C.1.2 Banking Group - Exposure from the main "in-house" securitisation transaction broken dow n by type of securitised asset and by type of exposure Continued

Type of securitised assets / exposure	GUARANTEES GIVEN					
	Senior		Mezzanine		Junior	
	Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs
A. Totally derecognised	**-**	**-**	**-**	**-60,469**	**-**	**-**
A.1 CLO/CBO OTHERS	**-**	**-**	**-**	**-**	**-**	**-**
A.1 1 Caesar Finance	-	-	-	-	-	-
A.1 2 Entasi	-	-	-	-	-	-
A.2 OTHERS	**-**	**-**	**-**	**-60,469**	**-**	**-**
A.2 1 Trevi Finance	-	-	-	-	-	-
A.2 2 Trevi Finance 2	-	-	-	-	-	-
A.2 3 Trevi Finance 3	-	-	-	-60,469	-	-
A.2 4 Aurora 1	-	-	-	-	-	-
B. Partially derecognised	**-**	**-**	**-**	**-**	**-**	**-**
C. Not-derecognised	**304,000**	**-**	**-**	**-**	**-**	**-**
C.1 RMBS Prime	**-**	**-**	**-**	**-**	**-**	**-**
C.1. 1 Capital Mortgage 2007 - 1	-	-	-	-	-	-
C.1. 2 Cordusio RMBS	-	-	-	-	-	-
C.1. 3 Cordusio RMBS UCFin - Serie 2006	-	-	-	-	-	-
C.1. 4 Cordusio RMBS Securitisation - Serie 2006	-	-	-	-	-	-
C.1. 5 Cordusio RMBS Securitisation - Serie 2007	-	-	-	-	-	-
C.1. 6 F-E Mortgages 2003	-	-	-	-	-	-
C.1. 7 F-E Mortgages 2005	-	-	-	-	-	-
C.1. 8 Heliconus	-	-	-	-	-	-
C.2 CLO/SME	**-**	**-**	**-**	**-**	**-**	**-**
C.2. 1 CONFIDI FEDERASCOMFIDI	-	-	-	-	-	-
C.2. 2 CONFIDI FEDERCONFIDI	-	-	-	-	-	-
C.2. 3 EuroConnect SME 2007-1	-	-	-	-	-	-
C.2. 4 EuroConnect SME 2008	-	-	-	-	-	-
C.2. 5 JEREMIE BulBank	-	-	-		-	-
C.3 CLO/CBO Others	**304,000**	**-**	**-**	**-**	**-**	**-**
C.3. 2 Geldilux TS 2010	-	-	-	-	-	-
C.3. 3 Geldilux TS 2011	-	-	-	-	-	-
C.3. 4 Geldilux TS 2013	-	-	-	-	-	-
C.3. 5 Large Corporate One	304,000	-	-	-	-	-
C.3. 6 U-Propeller 2013-1	-	-	-	-	-	-
C.4 CONSUMER LOANS	**-**	**-**	**-**	**-**	**-**	**-**
C.4 1 Consumer Tw o	-	-	-	-	-	-
C.5 LEASES	**-**	**-**	**-**	**-**	**-**	**-**
C.5. 1 F-E Gold	-	-	-	-	-	-
C.5. 4 Locat SV - Serie 2005	-	-	-	-	-	-
C.5. 5 Locat SV - Serie 2006	-	-	-	-	-	-

C.1.2 Banking Group - Exposure from the main "in-house" securitisation transaction broken dow n by type of securitised asset and by type of exposure Continued

Type of securitised assets / exposure	CREDIT FACILITIES					
	Senior		Mezzanine		Junior	
	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	-	-	-	-	-	-
A.2 4 Aurora 1	-	-	-	-	-	-
B. Partially derecognised	**-**	**-**	**-**	**-**	**-**	**-**
C. Not-derecognised	**15,000**	**-**	**-**	**-**	**-**	**-**
C.1 RMBS Prime	**-**	**-**	**-**	**-**	**-**	**-**
C.1. 1 Capital Mortgage 2007 - 1	-	-	-	-	-	-
C.1. 2 Cordusio RMBS	-	-	-	-	-	-
C.1. 3 Cordusio RMBS UCFin - Serie 2006	-	-	-	-	-	-
C.1. 4 Cordusio RMBS Securitisation - Serie 2006	-	-	-	-	-	-
C.1. 5 Cordusio RMBS Securitisation - Serie 2007	-	-	-	-	-	-
C.1. 6 F-E Mortgages 2003	-	-	-	-	-	-
C.1. 7 F-E Mortgages 2005	-	-	-	-	-	-
C.1. 8 Heliconus	-	-	-	-	-	-
C.2 CLO/SME	**-**	**-**	**-**	**-**	**-**	**-**
C.2. 1 CONFIDI FEDERASCOMFIDI	-	-	-	-	-	-
C.2. 2 CONFIDI FEDERCONFIDI	-	-	-	-	-	-
C.2. 3 EuroConnect SME 2007-1	-	-	-	-	-	-
C.2. 4 EuroConnect SME 2008	-	-	-	-	-	-
C.2. 5 JEREMIE BulBank	-	-	-		-	-
C.3 CLO/CBO Others	**15,000**	**-**	**-**	**-**	**-**	**-**
C.3. 2 Geldilux TS 2010	-	-	-	-	-	-
C.3. 3 Geldilux TS 2011	-	-	-	-	-	-
C.3. 4 Geldilux TS 2013	-	-	-	-	-	-
C.3. 5 Large Corporate One	15,000	-	-	-	-	-
C.3. 6 U-Propeller 2013-1	-	-	-	-	-	-
C.4 CONSUMER LOANS	**-**	**-**	**-**	**-**	**-**	**-**
C.4 1 Consumer Tw o	-	-	-	-	-	-
C.5 LEASES	**-**	**-**	**-**	**-**	**-**	**-**
C.5. 1 F-E Gold	-	-	-	-	-	-
C.5. 4 Locat SV - Serie 2005	-	-	-	-	-	-
C.5. 5 Locat SV - Serie 2006	-	-	-	-	-	-

Part E – Information on risks and related risk management policies

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			BALANCE-SHEET EXPOSURE					
			Senior		Mezzanine		Junior	
			Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs
A.1.		**RMBS PRIME**	**2,305,312**	**947**	**333,173**	**17**	**-**	**-**
A.1.	1	GRANITE MASTER ISSUER PLC	18,844	-	73,011	-	-	-
A.1.	2	SAGRES STC SA/DOURO	51,393	9	6,972	-	-	-
A.1.	3	SAECURE 12 B.V.	56,848	-	-	-	-	-
A.1.	4	OTHER 153 EXPOSURES	2,178,227	938	253,190	17	-	-
A.2.		**RMBS NONCONFORMING**	**83,488**	**3**	**160,562**	**-**	**-**	**-**
A.2.	1	BLUESTONE SECURITIES PLC	20,305	-	74,708	-	-	-
A.2.	2	OTHER 18 EXPOSURES	63,183	3	85,854	-	-	-
A.3.		**RMBS US SUBPRIME**	**910**	**-**	**335**	**-**	**-**	**-**
A.3.	1	3 EXPOSURES	910	-	335	-	-	-
A.4.		**CMBS**	**728,387**	**2,053**	**177,430**	**165**	**-**	**-**
A.4.	1	ASAR INTERNATIONAL S.A.	232,040	-	12,227	-	-	-
A.4.	2	OTHER 54 EXPOSURES	496,347	2,053	165,203	165	-	-
A.5.		**CDO OF ABS/CDO SQUARED**	**15,999**	**-**	**-**	**-**	**-**	**-**
A.5.	1	1 EXPOSURES	15,999	-	-	-	-	-
A.6.		**CDO - BALANCE SHEET**	**17,275**	**-**	**-**	**-**	**-**	**-**
A.6.	1	1 EXPOSURES	17,275	-	-	-	-	-
A.7.		**CDO - PREFERRED STOCK**	**36,515**	**-**	**-**	**-**	**-**	**-**
A.7.	1	5 EXPOSURES	36,515	-	-	-	-	-
A.8.		**CDO - SYNTHETIC ARBITRAGE**	**-**	**-**	**-**	**-**	**1**	**-**
A.8.	1	1 EXPOSURES	-	-	-	-	1	-
A.9.		**CDO OTHER**	**2,102**	**-**	**33**	**-**	**-**	**-**
A.9.	1	5 EXPOSURES	2,102	-	33	-	-	-
A.10.		**CLO SME**	**22,618**	**243**	**36,232**	**356**	**-**	**-**
A.10.	1	14 EXPOSURES	22,618	243	36,232	356	-	-
A.11.		**CLO ARBITRAGE/BALANCE SHEET**	**81,736**	**877**	**98,910**	**1,862**	**-**	**-**
A.11.	1	24 EXPOSURES	81,736	877	98,910	1,862	-	-
A.12.		**CLO / CBO OTHER**	**177,848**	**-**	**376,105**	**343**	**-**	**-**
A.12.	1	64 EXPOSURES	177,848	-	376,105	343	-	-
A.13.		**CONSUMER LOANS**	**350,058**	**29**	**5,916**	**-**	**-**	**-**
A.13.	1	24 EXPOSURES	350,058	29	5,916	-	-	-
A.14.		**STUDENT LOANS**	**21,390**		**88,933**	**-**	**55,473**	**-**
A.14.	1	Student Loan Asset Funding Inc	-	-	-	-	55,473	-
A.14.	2	OTHER 7 EXPOSURES	21,390		88,933	-	-	-
A.15.		**LEASES**	**109,832**	**2**	**3,661**	**-**	**-**	**-**
A.15.	1	11 EXPOSURES	109,832	2	3,661	-	-	-
A.16.		**OTHER**	**16,727**	**-**	**-**	**-**	**3,078**	**-**
A.16.	1	9 EXPOSURES	16,727	-	-	-	3,078	-
A.17.		**OTHER SPV CONSOLIDATED**	**24,700**	**-**	**-**	**-**	**73**	**-**
A.17.	1	Pure Funding No. 10 Limited (§)	24,700	-	-	-	-	-
A.17.	2	GRAND CENTRAL FUNDING CORPORATION (§)	-	-	-	-	73	-
A.18.		**CONDUITS**	**492,717**	**-**	**-**	**-**	**-**	**-**
A.18.	1	ARABELLA FINANCE LTD. (§)	492,717	-	-	-	-	-

(*) 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 2013 only.

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 (*) Continued

Type of securitised assets / exposure			GUARANTEES GIVEN					
			Senior		Mezzanine		Junior	
			Net exposure	Write-downs / Write-backs	Net exposure	Write-downs / Write-backs	Net exposure	Write-downs / Write-backs
A.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	OTHER 153 EXPOSURES	-	-	-	-	-	-
A.2.	**RMBS NONCONFORMING**		**-**	**-**	**-**	**-**	**-**	**-**
A.2.	1	BLUESTONE SECURITIES PLC	-	-	-	-	-	-
A.2.	2	OTHER 18 EXPOSURES	-	-	-	-	-	-
A.3.	**RMBS US SUBPRIME**		**-**	**-**	**-**	**-**	**-**	**-**
A.3.	1	3 EXPOSURES	-	-	-	-	-	-
A.4.	**CMBS**		**-**	**-**	**-**	**-**	**-**	**-**
A.4.	1	ASAR INTERNATIONAL S.A.	-	-	-	-	-	-
A.4.	2	OTHER 54 EXPOSURES	-	-	-	-	-	-
A.5.	**CDO OF ABS/CDO SQUARED**		**-**	**-**	**-**	**-**	**-**	**-**
A.5.	1	1 EXPOSURES	-	-	-	-	-	-
A.6.	**CDO - BALANCE SHEET**		**-**	**-**	**-**	**-**	**-**	**-**
A.6.	1	1 EXPOSURES	-	-	-	-	-	-
A.7.	**CDO - PREFERRED STOCK**		**-**	**-**	**-**	**-**	**-**	**-**
A.7.	1	5 EXPOSURES	-	-	-	-	-	-
A.8.	**CDO - SYNTHETIC ARBITRAGE**		**-**	**-**	**-**	**-**	**-**	**-**
A.8.	1	1 EXPOSURES	-	-	-	-	-	-
A.9.	**CDO OTHER**		**-**	**-**	**-**	**-**	**-**	**-**
A.9.	1	5 EXPOSURES	-	-	-	-	-	-
A.10.	**CLO SME**		**-**	**-**	**-**	**-**	**-**	**-**
A.10.	1	14 EXPOSURES	-	-	-	-	-	-
A.11.	**CLO ARBITRAGE/BALANCE SHEET**		**-**	**-**	**-**	**-**	**-**	**-**
A.11.	1	24 EXPOSURES	-	-	-	-	-	-
A.12.	**CLO / CBO OTHER**		**-**	**-**	**-**	**-**	**-**	**-**
A.12.	1	64 EXPOSURES	-	-	-	-	-	-
A.13.	**CONSUMER LOANS**		**-**	**-**	**-**	**-**	**-**	**-**
A.13.	1	24 EXPOSURES	-	-	-	-	-	-
A.14.	**STUDENT LOANS**		**-**	**-**	**-**	**-**	**-**	**-**
A.14.	1	Student Loan Asset Funding Inc	-	-	-	-	-	-
A.14.	2	OTHER 7 EXPOSURES	-	-	-	-	-	-
A.15.	**LEASES**		**-**	**-**	**-**	**-**	**-**	**-**
A.15.	1	11 EXPOSURES	-	-	-	-	-	-
A.16.	**OTHER**		**-**	**-**	**-**	**-**	**-**	**-**
A.16.	1	9 EXPOSURES	-	-	-	-	-	-
A.17.	**OTHER SPV CONSOLIDATED**		**-**	**-**	**-**	**-**	**-**	**-**
A.17.	1	Pure Funding No. 10 Limited (§)	-	-	-	-	-	-
A.17.	2	GRAND CENTRAL FUNDING CORPORATION (§)	-	-	-	-	-	-
A.18.	**CONDUITS**		**-**	**-**	**-**	**-**	**-**	**-**
A.18.	1	ARABELLA FINANCE LTD. (§)	-	-	-	-	-	-

Part E – Information on risks and related risk management policies

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 (*) Continued

Type of securitised assets / exposure	CREDIT FACILITIES					
	Senior		Mezzanine		Junior	
	Net exposure	Write-downs / Write-backs	Net exposure	Write-downs / Write-backs	Net exposure	Write-downs / Write-backs
A.1. 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 OTHER 153 EXPOSURES	-	-	-	-	-	-
A.2. RMBS NONCONFORMING	**-**	**-**	**-**	**-**	**-**	**-**
A.2. 1 BLUESTONE SECURITIES PLC	-	-	-	-	-	-
A.2. 2 OTHER 18 EXPOSURES	-	-	-	-	-	-
A.3. RMBS US SUBPRIME	**-**	**-**	**-**	**-**	**-**	**-**
A.3. 1 3 EXPOSURES	-	-	-	-	-	-
A.4. CMBS	**-**	**-**	**14,993**	**-**	**-**	**-**
A.4. 1 ASAR INTERNATIONAL S.A.	-	-	14,993	-	-	-
A.4. 2 OTHER 54 EXPOSURES	-	-	-	-	-	-
A.5. CDO OF ABS/CDO SQUARED	**-**	**-**	**-**	**-**	**-**	**-**
A.5. 1 1 EXPOSURES	-	-	-	-	-	-
A.6. CDO - BALANCE SHEET	**-**	**-**	**-**	**-**	**-**	**-**
A.6. 1 1 EXPOSURES	-	-	-	-	-	-
A.7. CDO - PREFERRED STOCK	**-**	**-**	**-**	**-**	**-**	**-**
A.7. 1 5 EXPOSURES	-	-	-	-	-	-
A.8. CDO - SYNTHETIC ARBITRAGE	**-**	**-**	**-**	**-**	**-**	**-**
A.8. 1 1 EXPOSURES	-	-	-	-	-	-
A.9. CDO OTHER	**-**	**-**	**-**	**-**	**-**	**-**
A.9. 1 5 EXPOSURES	-	-	-	-	-	-
A.10. CLO SME	**-**	**-**	**-**	**-**	**-**	**-**
A.10. 1 14 EXPOSURES	-	-	-	-	-	-
A.11. CLO ARBITRAGE/BALANCE SHEET	**-**	**-**	**-**	**-**	**-**	**-**
A.11. 1 24 EXPOSURES	-	-	-	-	-	-
A.12. CLO / CBO OTHER	**-**	**-**	**-**	**-**	**-**	**-**
A.12. 1 64 EXPOSURES	-	-	-	-	-	-
A.13. CONSUMER LOANS	**-**	**-**	**-**	**-**	**-**	**-**
A.13. 1 24 EXPOSURES	-	-	-	-	-	-
A.14. STUDENT LOANS	**25,946**	**-**	**-**	**-**	**-**	**-**
A.14. 1 Student Loan Asset Funding Inc	25,946	-	-	-	-	-
A.14. 2 OTHER 7 EXPOSURES	-	-	-	-	-	-
A.15. LEASES	**-**	**-**	**-**	**-**	**-**	**-**
A.15. 1 11 EXPOSURES	-	-	-	-	-	-
A.16. OTHER	**-**	**-**	**-**	**-**	**-**	**-**
A.16. 1 9 EXPOSURES	-	-	-	-	-	-
A.17. OTHER SPV CONSOLIDATED	**5,300**	**-**	**10,877**	**-**	**145**	**-**
A.17. 1 Pure Funding No. 10 Limited (§)	5,300	-	-	-	-	-
A.17. 2 GRAND CENTRAL FUNDING CORPORATION (§)	-	-	10,877	-	145	-
A.18. CONDUITS	**1,079,715**	**-**	**-**	**-**	**-**	**-**
A.18. 1 ARABELLA FINANCE LTD. (§)	1,079,715	-	-	-	-	-

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

EXPOSURE / PORTFOLIO	AMOUNTS AS AT 12.31.2013						AMOUNTS AS AT 12.31.2012
	TRADING	FAIR VALUE THROUGH PROFIT AND LOSS	AVAILABLE FOR SALE	HELD-TO-MATURITY	LOANS	TOTAL	TOTAL
1. Balance Sheet exposures	**714,824**	**40,429**	**126,380**	**109,873**	**5,394,107**	**6,385,613**	**7,753,457**
- Senior	683,564	34,021	14,567	57,689	3,815,741	4,605,582	5,445,554
- Mezzanine	31,259	6,408	111,194	51,728	1,231,889	1,432,478	1,935,304
- Junior	1	-	619	456	346,477	347,553	372,599
2. Off-Balance Sheet exposures	**-**	**-**	**-**	**-**	**1,136,976**	**1,136,976**	**1,455,942**
- Senior	-	-	-	-	1,110,961	1,110,961	1,429,104
- Mezzanine	-	-	-	-	25,870	25,870	26,686
- Junior	-	-	-	-	145	145	152

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.

Part E – Information on risks and related risk management policies

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

	AMOUNTS AS AT 12.31.2013	
ASSET/SECURITIES	TRADITIONAL	SYNTHETIC
A. Own underlying assets:	**10,506,287**	**21,134**
A.1 Totally derecognised	**486,589**	**X**
1. Non-performing loans	195,142	X
2. Doubtful loans	-	X
3. Restructured exposures	-	X
4. Past-due exposures	-	X
5. Other assets	291,447	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	**10,019,698**	**21,134**
1. Non-performing loans	341,053	-
2. Doubtful loans	215,900	-
3. Restructured exposures	11,189	-
4. Past-due exposures	51,282	-
5. Other assets	9,400,274	21,134
B. Third party underlying assets:	**3,360**	**-**
B.1 Non-performing loans	4	-
B.2 Doubtful loans	457	-
B.3 Restructured exposures	-	-
B.4 Past-due exposures	547	-
B.5 Other assets	2,352	-

C.1.6 Stakes in special purpose vehicles

Name	Headquarters	Stake %
Augusto S.r.L.	Milan - Viale Luigi Majno, 45	5%
Colombo S.r.L.	Milan - Viale Luigi Majno, 45	5%
Diocleziano S.r.L	Milan - Viale Luigi Majno, 45	5%
Entasi S.r.l.	Roma - Via Barberini 47	100%
Eurofinance 2000 S.r.l.	Roma - 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

Servicer	Special Purpose Vehicle	Securitised assets (year end figures)		Loans collected during the year		Percentage of securities redeemed (year end figures)					
						Senior		Mezzanine		Junior	
		Impaired	Performing	Impaired	Performing	Impaired assets	Performing assets	Impaired assets	Performing assets	Impaired assets	Performing assets
UniCredit Bank AG / UniCredit Luxembourg S.A.	Geldilux-TS 2010 S.A.	1,848	603,527	-	5.446.954 (*)	-	-	-	19.80%	-	-
	Geldilux-TS 2011 S.A.	-	424,173	-	3.761.114 (*)	-	-	-	5.39%	-	-
	Geldilux-TS 2013 S.A.	4,669	847,279	-	4.054.584 (*)	-	0.02%	-	-	-	-
Fineco Leasing S.p.A.	F-E Gold S.r.L.	44,883	166,493	4,197	58,770	-	84.77%	-	48.03%	-	-
UniCredit Leasing S.p.A.	Locat Securitisation Vehicle 2 S.r.L.	-	-	4,782	297,284	-	100%	-	100%	-	-
	Locat SV S.r.L. - SERIE 2005	75,332	151,748	9,117	89,982	-	100%	-	10.52%	-	-
	Locat SV S.r.L. - SERIE 2006	87,608	342,454	23,385	119,404	-	9820%	-	0.00%	-	-
UniCredit S.p.A.	Capital Mortgage S.r.L.	161,475	1,589,445	5,046	155,359	-	56.18%	-	-	-	-
	Consumer Two S.r.L.	3,939	1,172,651	1	212,632	-	-	-	-	-	-
	Cordusio RMBS S.r.L.	21,794	503,855	3,015	154,251	-	87.90%	-	-	-	-
	Cordusio RMBS Securitisation S.r.L.	128,866	2,336,916	6,943	350,483	-	67.40%	-	-	-	-
	Cordusio RMBS UCFin S.r.L.	70,840	880,356	3,474	123,811	-	68.75%	-	-	-	-
	F-E Mortgage S.r.L.	51,036	492,170	3,603	50,763	-	79.80%	-	4.23%	-	8.51%
	Heliconus S.r.L.	7,303	102,022	866	12,356	-	83.89%	-	-	-	-
	Large Corporate S.r.L.	-	249,320	-	-	-	-	-	-	-	-
	Trevi Finance S.p.A.	43,767	-	19,980	-	100.00%	-	-	-	-	-
	Trevi Finance n. 2 S.p.A.	37,843	-	14,706	-	100.00%	-	-	-	-	-
	Trevi Finance n. 3 s.p.A.	102,069	214,802	23,221	-	100.00%	-	-	68.08%	-	-
	Entasi S.r.L.	-	764,460	-	3,549	-	-	-	-	-	-
UniCredit Credit Management Bank S.p.A.	Quercia Funding S.r.L.	12,054	-	3,441	-	100.00%	-	100%	-	95%	-
	AURORA SPV S.r.L. - Aurora 1	11,461	-	9,247	-	48.00%	-	-	-		-
	AURORA SPV S.r.L. - Aurora 2	8,501	-	3,897	-	-	-	-	-	-	-

(*) replenishing of short term portfolio (3-6 months)

C.1. 8 Special Purpose Vehicle belonging to the Banking Group

Denominazione	Sede legale	
Entasi S.r.L.	Roma - Via Barberini 47	Italy
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 TS 2013 S.A.	8-10, rue Mathias Hardt, L-1717 Luxembourg	Luxembourg
Geldilux TS 2013 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

Part E – Information on risks and related risk management policies

Attachment to table C.1.8.
STATEMENT SUMMARIZING SECURITISED ASSETS AND BONDS ISSUED
(for single subsidiary Special Purpose Vehicle)

Entasi S.r.L.	12/31/2013	12/31/2012
A. Securitised Assets	**824,505**	**764,460**
A.1 Securities	320,002	320,002
A.2 Accrued interests on securitised securities	504,503	444,458
B. Use of liquid assets resulting from loan operations	**355**	**477**
B.1 Bank current account	2	123
B.2 Accrued interests receivable on swap	349	350
B.4 Other assets	**4**	**4**
Due from originator	0	0
Other	4	4
TOTAL ASSETS	**824,860**	**764,937**
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	**203**	**121**
E. Other liabilities	**504,895**	**444,964**
Accrued expenses fior fixed payments to swap counterparty	504,503	444,458
Accrued interest expenses on securities	349	350
Other liabilities	43	156
PROFIT (LOSS) BROUGHT FORWARD	**-148**	**-83**
PROFIT (LOSS) FOR THE PERIOD	**-90**	**-65**
TOTAL LIABILITIES	**824,860**	**764,937**
F. Interest expense on bond issued	**3,549**	**6,419**
F.1 Interest expense on bonds issued	3,549	6,419
G. Commissions and fees related to the transaction	**12**	**141**
G.1 For servicing	3	1
G.2 For other services	9	140
H. Other expenses	**60,201**	**55,819**
Other expenses	60,201	55,819
TOTAL COSTS	**63,762**	**62,379**
I. Interest generated by securitised assets	**60,044**	**55,818**
L. Other income	**3,628**	**6,496**
TOTAL REVENUES	**63,672**	**62,314**
PROFIT (LOSS) FOR THE PERIOD	**-90**	**-65**

Geldilux TS 2010 S.A.

	12/31/2013	12/31/2012
A. Securitised Assets	**605,374**	**603,794**
A.1 Principal	605,374	603,794
B. Use of liquid assets resulting from loan operations	**14,453**	**16,364**
B.1 Bank current account	13,711	15,634
B.2 Other uses	0	0
B.4 Other assets	**742**	**730**
Due from originator	0	0
Other	742	730
TOTAL ASSETS	**619,827**	**620,158**
C. Bonds issued	**607,254**	**605,852**
C.1 "Class A" Bonds	501,382	501,372
C.2 "Class B" Bonds	60,888	60,886
C.3 "Class C + D" Bonds	29,306	29,305
C.4 "Class E, F + Liquidity note	15,678	14,289
D. Loans received	**0**	**0**
E. Other liabilities	**12,573**	**14,306**
Due to originator	12,542	14,275
Accrued interest on bonds	0	0
Accrued interest on liquidity note	0	0
Other liabilities	31	31
Own funds	0	0
TOTAL LIABILITIES	**619,827**	**620,158**
F. Interest expense on bond issued	**10,747**	**17,833**
Interest on class "A", class "B" bonds	7,894	11,348
Interest expense on derivatives	2,853	6,485
G. Commissions and fees related to the transaction	**1,362**	**1,360**
G.1 for servicing	1,331	1,334
G.2 for other services	31	26
H. Other charges	**3,290**	**3,270**
Other costs	3,290	3,270
TOTAL COSTS	**15,399**	**22,463**
I. Interest generated by securitised assets	**12,253**	**15,838**
Interest income on derivatives	**3,143**	**6,577**
L. Other revenues	**3**	**48**
TOTAL REVENUES	**15,399**	**22,463**

Part E – Information on risks and related risk management policies

Geldilux TS 2011 S.A.

	12/31/2013	12/31/2012
A. Securitised Assets	**424,175**	**423,817**
A.1 Principal	424,175	423,817
B. Use of liquid assets resulting from loan operations	**11,245**	**13,502**
B.1 Bank current account	10,520	12,782
B.2 Other uses	0	0
B.4 Other assets	**725**	**720**
Due from originator	0	0
Other	725	720
TOTAL ASSETS	**435,420**	**437,319**
C. Bonds issued	**429,476**	**431,201**
C.1 “Class A” Bonds	351,245	351,238
C.2 “Class B” Bonds	42,532	42,531
C.3 “Class C + D” Bonds	20,616	20,615
C.4 “Class E, F + Liquidity note	15,083	16,817
D. Loans received	**0**	**0**
E. Other liabilities	**5,944**	**6,118**
Due to originator	5,913	6,087
Accrued interest on bonds	0	0
Accrued interest on liquidity note	0	0
Other liabilities	31	31
Own funds	0	0
TOTAL LIABILITIES	**435,420**	**437,319**
F. Interest expense on bond issued	**8,330**	**13,063**
Interest on class “A”, class “B” bonds	6,462	9,106
Interest expense on derivatives	1,868	3,957
G. Commissions and fees related to the transaction	**1,002**	**995**
G.1 for servicing	962	966
G.2 for other services	40	29
H. Other charges	**2,296**	**1,837**
Other costs	2,296	1,837
TOTAL COSTS	**11,628**	**15,895**
I. Interest generated by securitised assets	**8,522**	**10,121**
Interest income on derivatives	**3,102**	**5,722**
L. Other revenues	**4**	**52**
TOTAL REVENUES	**11,628**	**15,895**

Geldilux PP 2011 S.A.

	12/31/2013	12/31/2012
A. Securitised Assets	**0**	**1,133,581**
A.1 Principal	0	1,133,581
B. Use of liquid assets resulting from loan operations	**0**	**24,287**
B.1 Bank current account	0	23,845
B.2 Other uses	0	0
B.4 Other assets	**0**	**442**
Due from originator	0	0
Other	0	442
TOTAL ASSETS	**0**	**1,157,868**
C. Bonds issued	**0**	**1,143,146**
C.1 “Class A” Bonds	0	1,000,677
C.2 “Class B” Bonds	0	136,616
C.3 “Class C + D” Bonds	0	0
C.4 Liquidity note	0	5,853
D. Loans received	**0**	**0**
E. Other liabilities	**0**	**14,722**
Due to originator	0	14,691
Accrued interest on bonds	0	0
Accrued interest on liquidity note	0	0
Other liabilities	0	31
Own funds	0	0
TOTAL LIABILITIES	**0**	**1,157,868**
F. Interest expense on bond issued	**30,259**	**30,259**
Interest on class “A”, class “B” bonds	19,202	19,202
Interest expense on derivatives	11,057	11,057
G. Commissions and fees related to the transaction	**2,449**	**2,449**
G.1 for servicing	2,387	2,387
G.2 for other services	62	62
H. Other charges	**5,880**	**5,880**
Other costs	5,880	5,880
TOTAL COSTS	**38,588**	**38,588**
I. Interest generated by securitised assets	**27,393**	**27,393**
Interest income on derivatives	**11,143**	**11,143**
L. Other revenues	**52**	**52**
TOTAL REVENUES	**38,588**	**38,588**

Part E – Information on risks and related risk management policies

Geldilux TS 2013 S.A.

	12/31/2013
A. Securitised Assets	**851,948**
A.1 Principal	851,948
B. Use of liquid assets resulting from loan operations	**22,904**
B.1 Bank current account	22,623
B.2 Other uses	0
B.4 Other assets	**281**
Due from originator	0
Other	281
TOTAL ASSETS	**874,852**
C. Bonds issued	**863,125**
C.1 “Class A” Bonds	750,451
C.2 “Class B” Bonds	63,146
C.3 “Class C + D” Bonds	23,924
C.4 Liquidity note	25,604
D. Loans received	**0**
E. Other liabilities	**11,727**
Due to originator	11,696
Accrued interest on bonds	0
Accrued interest on liquidity note	0
Other liabilities	31
Own funds	0
TOTAL LIABILITIES	**874,852**
F. Interest expense on bond issued	**5,414**
Interest on class “A”, class “B” bonds	4,148
Interest expense on derivatives	1,266
G. Commissions and fees related to the transaction	**829**
G.1 for servicing	771
G.2 for other services	58
H. Other charges	**1,557**
Other costs	1,557
TOTAL COSTS	**7,800**
I. Interest generated by securitised assets	**5,986**
Interest income on derivatives	**1,814**
L. Other revenues	**0**
TOTAL REVENUES	**7,800**

Trevi Finance S.p.A.

	12/31/2013	12/31/2012
A. Securitised Assets	**42,941**	**175,052**
A.1 Loans	42,941	175,052
A.2 Bonds	0	0
B. Use of liquid assets resulting from loan operations	**8,966**	**18,280**
B.1 Bank current account	7,311	17,981
B.2 Other financial investments	1,645	290
B.4 Other assets	**10**	**9**
Due from originator	0	0
Other	10	9
TOTAL ASSETS	**51,907**	**193,332**
C. Bonds issued	**646,424**	**620,674**
C.1 "Class A" Bonds	0	0
C.2 "Class B" Bonds	0	0
C.3 "Class C" Bonds	473,168	447,418
C.4 "Class D" Bonds	173,256	173,256
D. Loans received	**192,063**	**213,516**
E. Other liabilities	**344,862**	**340,959**
E.1 Due to originator	340,103	335,276
E.2 Accrued interest expenses on securities	1,812	1,812
E.3 Other liabilities	2,947	3,871
PROFIT (LOSS) BROUGHT FORWARD	**-981,817**	**-875,774**
PROFIT (LOSS) FOR THE PERIOD	**-149,625**	**-106,043**
BALANCING TOTAL	**51,907**	**193,332**
F. Interest expense on bond issued	**30,579**	**29,258**
F.1 Interest on "Class C" and "Class D" bonds	30,579	29,258
G. Commissions and fees related to the transaction	**1,260**	**1,683**
G.1 For servicing	970	1,392
G.2 For other services	290	291
H. Other expenses	**148,854**	**117,198**
Other expenses	148,854	117,198
TOTAL COSTS	**180,693**	**148,139**
I. Interest generated by securitised assets	**17,148**	**21,648**
L. Other income	**13,920**	**20,448**
TOTAL REVENUES	**31,068**	**42,096**
PROFIT (LOSS) FOR THE PERIOD	**-149,625**	**-106,043**

Part E – Information on risks and related risk management policies

Trevi Finance n. 2 S.p.A.

	31/12/2013	12/31/2012
A. Securitised Assets	**37,234**	**121,667**
A.1 Loans	37,234	121,667
A.2 Bonds	0	0
B. Use of liquid assets resulting from loan operations	**6,567**	**18,392**
B.1 Bank current account	5,881	18,243
B.2 Other financial investments	77	149
B.4 Other assets	**609**	**0**
Due from originator	0	0
Other	609	0
TOTAL ASSETS	**43,801**	**140,059**
C. Bonds issued	**1,040,325**	**1,007,877**
C.1 "Class A" Bonds	0	0
C.2 "Class B" Bonds	0	0
C.3 "Class C" Bonds	822,826	790,378
C.4 "Class D" Bonds	217,499	217,499
D. Loans received	**0**	**0**
E. Other liabilities	**153,830**	**147,584**
E.1 Due to originator	1,983	142,135
E.2 Accrued interest expenses on securities	2,483	2,484
E.3 Accrued interest expenses on liquidity note	0	0
E.4 Other liabilities	149,364	2,965
PROFIT (LOSS) BROUGHT FORWARD	**-1,015,402**	**-924,644**
PROFIT (LOSS) FOR THE PERIOD	**-134,952**	**-90,758**
BALANCING TOTAL	**43,801**	**140,059**
F. Interest expense on bond issued	**60,743**	**58,831**
F.1 Interest on "Class B", "Class C" and "Class D" bonds	60,743	58,831
G. Commissions and fees related to the transaction	**1,014**	**1,560**
G.1 For servicing	714	1,263
G.2 For other services	300	297
H. Other expenses	**95,644**	**62,982**
Other expenses	95,644	62,982
TOTAL COSTS	**157,401**	**123,373**
I. Interest generated by securitised assets	**14,335**	**17,446**
L. Other income	**8,114**	**15,169**
TOTAL REVENUES	**22,449**	**32,615**
PROFIT (LOSS) FOR THE PERIOD	**-134,952**	**-90,758**

Trevi Finance n. 3 S.r.L.

	12/31/2013	12/31/2012
A. Securitised Assets	**314,186**	**410,084**
A.1 Loans	99,384	207,475
A.2 Bonds	214,802	202,609
B. Use of liquid assets resulting from loan operations	**11,835**	**16,772**
B.1 Bank current account	8,806	16,425
B.2 Other financial investments	343	347
B.4 Other assets	**2,686**	**0**
Due from originator	0	0
Other	2,686	0
TOTAL ASSETS	**326,021**	**426,856**
C. Bonds issued	**1,278,486**	**1,218,139**
C.1 "Class A" Bonds	0	0
C.2 "Class B" Bonds	0	0
C.3 "Class C" Bonds	830,320	769,973
C.4 "Class D" Bonds	448,166	448,166
D. Loans received	**217,194**	**238,807**
E. Other liabilities	**167,783**	**156,921**
E.1 Due to originator	160,343	147,848
E.2 Accrued interest expenses on securities	4,690	4,702
E.2 Accrued interest expenses on liquidity note	0	0
E.4 Other liabilities	2,750	4,371
PROFIT (LOSS) BROUGHT FORWARD	**-1,187,011**	**-1,070,933**
PROFIT (LOSS) FOR THE PERIOD	**-150,431**	**-116,078**
BALANCING TOTAL	**326,021**	**426,856**
F. Interest expense on bond issued	**72,840**	**68,755**
F.1 Interest on "Class C" and "Class D" bonds	72,840	68,755
G. Commissions and fees related to the transaction	**1,316**	**1,604**
G.1 For servicing	1,002	1,292
G.2 For other services	314	312
H. Other expenses	**121,985**	**108,294**
Other expenses	121,985	108,294
TOTAL COSTS	**196,141**	**178,653**
I. Interest generated by securitised assets	**22,291**	**27,351**
L. Other income	**23,419**	**35,223**
L.1 Interest income	12,193	11,531
L.2 Other income	11,226	23,692
TOTAL REVENUES	**45,710**	**62,574**
PROFIT (LOSS) FOR THE PERIOD	**-150,431**	**-116,078**

Part E – Information on risks and related risk management policies

C.2 Sales Transactions

C.2.1 Banking Group - Financial assets sold and not derecognised: carrying value and total value

TYPE / PORTFOLIO	AMOUNTS AS AT 12.31.2013								
	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	**1,831,742**	**-**	**-**	**1,732,327**	**-**	**-**	**20,463,002**	**-**	**-**
1. Debt securities	1,831,742	-	-	1,732,327	-	-	20,463,002	-	-
2. Equity securities	-	-	-	-	-	-	-	-	-
3. UCIS	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-
B. Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total 12.31.2013	**1,831,742**	**-**	**-**	**1,732,327**	**-**	**-**	**20,463,002**	**-**	**-**
of which impaired	-	-	-	-	-	-	-	-	-
Total 12.31.2012	**11,326,042**	**-**	**-**	**366,322**	**-**	**-**	**16,779,827**	**-**	**-**
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 12.31.2013									TOTAL	
	HELD-TO-MATURITY INVESTMENTS			LOANS AND RECEIVABLES WITH BANKS			LOANS AND RECEIVABLES WITH CUSTOMERS				
	A	B	C	A	B	C	A	B	C	12.31.2013	12.31.2012
A. Balance-sheet assets	**2,884,261**	**-**	**-**	**372,746**	**-**	**-**	**10,050,827**	**-**	**-**	**37,334,905**	**51,601,460**
1. Debt securities	2,884,261	-	-	372,160	-	-	80,318	-	-	27,363,810	40,869,034
2. Equity securities	-	-	-	-	-	-	-	-	-	-	4,309
3. UCIS	-	-	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	586	-	-	9,970,509	-	-	9,971,095	10,728,117
B. Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total 12.31.2013	**2,884,261**	**-**	**-**	**372,746**	**-**	**-**	**10,050,827**	**-**	**-**	**37,334,905**	-
of which impaired	-	-	-	-	-	-	*625,939*	-	-	*625,939*	-
Total 12.31.2012	**3,373,017**	**-**	**-**	**35,197**	**-**	**-**	**19,721,055**	**-**	**-**	-	**51,601,460**
of which impaired	-	-	-	-	-	-	*1,287,015*	-	-	-	***1,287,015***

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 repos.

C.2.2 Banking Group - Financial liabilities relating to financial assets sold and not derecognised: carrying value

	AMOUNTS AS AT 12.31.2013						
LIABILITIES/ASSETS PORTFOLIOS	FINANCIAL ASSETS HELD 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	**1,552,501**	**299,897**	**9,842,397**	**1,845,071**	**112,830**	**7,416,397**	**21,069,093**
a) relating to fully recognised assets	1,552,501	299,897	9,842,397	1,845,071	112,830	7,416,397	21,069,093
b) relating to partially recognised assets	-	-	-	-	-	-	-
2. Deposits from Banks	**92,834**	**1,415,230**	**9,594,247**	**1,060,972**	**20,228**	**2,851**	**12,186,362**
a) relating to fully recognised assets	92,834	1,415,230	9,594,247	1,060,972	20,228	2,851	12,186,362
b) relating to partially recognised assets	-	-	-	-	-	-	-
3. Debt Securities in issue	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) relating to fully recognised assets	-	-	-	-	-	-	-
b) relating to partially recognised assets	-	-	-	-	-	-	-
Total 12.31.2013	**1,645,335**	**1,715,127**	**19,436,644**	**2,906,043**	**133,058**	**7,419,248**	**33,255,455**
Total 12.31.2012	**11,436,064**	**364,808**	**16,610,026**	**3,367,980**	**34,729**	**7,839,456**	**39,653,063**

C.2.3 Banking Group - Sales transactions relating to financial liabilities with repayment exclusively based on assets sold and not derecognized: fair value

	AMOUNTS AS AT 12.31.2013					
	FINANCIAL ASSETS HELD FOR TRADING		FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		AVAILABLE FOR SALE FINANCIAL ASSETS	
TYPE / PORTFOLIO	A	B	A	B	A	B
A. Balance-sheet assets	**1,831,742**	**-**	**1,732,327**	**-**	**20,463,002**	**-**
1. Debt securities	1,831,742	-	1,732,327	-	20,463,002	-
2. Equity securities	-	-	-	-	-	-
3. UCIS	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
B. Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
Total assets	**1,831,742**	**-**	**1,732,327**	**-**	**20,463,002**	**-**
C. Associated financial liabilities	**1,842,186**	**-**	**1,715,127**	**-**	**19,557,520**	**-**
1. Deposits from customers	1,552,501	-	299,897	-	9,842,397	-
2. Deposits from banks	289,685	-	1,415,230	-	9,715,123	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities	**1,842,186**	**-**	**1,715,127**	**-**	**19,557,520**	**-**
Total 12.31.2013	**(10,444)**	**-**	**17,200**	**-**	**905,482**	**-**
Total 12.31.2012	**(110,022)**	**-**	**1,514**	**-**	**51,283**	**-**

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 / PORTFOLIO	AMOUNTS AS AT 12.31.2013						TOTAL	
	HELD-TO-MATURITY INVESTMENTS		LOANS AND RECEIVABLES WITH BANKS		LOANS AND RECEIVABLES WITH CUSTOMERS			
	A	B	A	B	A	B	12.31.2013	12.31.2012
A. Balance-sheet assets	**2,880,494**	**-**	**372,746**	**-**	**10,183,874**	**-**	**37,464,185**	**43,228,485**
1. Debt securities	2,880,494	-	372,160	-	80,318	-	**27,360,043**	**32,021,215**
2. Equity securities	-	-	-	-	-	-	**-**	**4,309**
3. UCIS	-	-	-	-	-	-	**-**	**-**
4. Loans	-	-	586	-	10,103,556	-	**10,104,142**	**11,202,961**
B. Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total assets	**2,880,494**	**-**	**372,746**	**-**	**10,183,874**	**-**	**37,464,185**	**43,228,485**
C. Associated financial liabilities	**2,906,043**	**-**	**133,058**	**-**	**6,778,329**	**-**	**x**	**X**
1. Deposits from customers	1,845,071	-	112,830	-	6,775,478	-	**x**	**X**
2. Deposits from banks	1,060,972	-	20,228	-	2,851	-	**x**	**X**
3. Debt securities in issue	-	-	-	-	-	-	**x**	**X**
Total liabilities	**2,906,043**	**-**	**133,058**	**-**	**6,778,329**	**-**	**32,932,263**	**38,668,700**
Totale 12.31.2013	**(25,549)**	**-**	**239,688**	**-**	**3,405,545**	**-**	**4,531,922**	**X**
Total 12.31.2012	**(81,737)**	**-**	**(89)**	**-**	**4,698,836**	**-**	**X**	**4,559,785**

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 Law 130/99, the MEF decree dated December 14, 2006 and Banca d'Italia instructions dated May 17, 2007 as amended on March 24, 2010.

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 the Bank of Italy) 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 approved by the competent committees, the Statutory Auditors and the Board of Directors of UniCredit S.p.A.

As required by the Bank of Italy 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 and commercial mortgage loans 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.

At December 31, 2013 the series of covered bonds issued under the two programs totaled 30 and were worth €29,921 million, of which €16,590 million was repurchased by UniCredit S.p.A.. It should be noted that, following the repurchase, €2,267 million was pledged as collateral for repos and, as consequence, recognized in item 30. "Securities in issue" of liabilities.

Finally, it should be noted that, as part of the first OBG program, covered bonds worth €1,500 million were issued and placed on the market in January 2014.

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:	23,472,174,145.07 €
Covered Bonds issued at the end of accounting period:	13,331,000,000 €
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loans of total 24,675,276,946.85 euro.
Rating Agencies:	S & P - Moody's - Fitch
Rating:	AA (since 07/15/2013) - A2 (since 7/13/2012) - A+ (since 10/18/2013)

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:	17,266,943,484.45 €
Covered Bonds issued at the end of accounting period:	16,590,000,000 €
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loans of total 19,040,418,607.97 euro.

Disclosure related to Forborne exposures and new EBA definition of Non-Performing exposures

In relation to ESMA document n. 2012/853 of 20 December 2012 for disclosure on IFRS financial statements of financial institutions on renegotiated exposures, it should be noted that the identification of the portfolio is relevant to allow the following:

- prompt action: with a solid and effective process for monitoring and reporting, the timely identification of possible credit quality deterioration enables the Group to promptly put in place either the necessary activities aimed at an eventual renegotiation or the restrictive measures at a stage prior to the potential "default" aimed at reappraising the level of risk; any activity aimed at a possible renegotiation has as objective the timely identification and consequently the proper management of exposures with an increased credit risk, when the bank has not yet launched legal enforcement actions still in presence of a full repayment capacity of the customer;
- proper evaluation of impaired loans, in order to define the actions and classification within the "default" classes;
- start of recovery actions depending on the type, the amount of exposure and the customer characteristics;
- appropriate provisioning in the income statement, consistent with the outlook and recovery time of credit and type of exposure. This activity is in line with IAS 39 and " Basel II" rules;
- accurate and regular reporting to monitor over time the risk of the portfolio at the aggregate level.

As for the evaluation and the provisioning of the 'Forborne' exposures, the accounting policies follow the general principle in line with the provisions of IAS 39, i.e. whether there are objective evidences that it has incurred a loss for impairment of loans or financial assets held to maturity (booked at amortized cost), the amount of the loss is measured as the difference between the asset carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet incurred) discounted at the original effective interest rate of the financial asset. 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 accordingly.

ESMA disposals and provisions of IAS 39 are complemented by the instructions for financial reporting FINREP, recently issued by the European Banking Authority (EBA)[5], which introduced two new classifications for loans and debt securities in the financial statements: *Forborne exposures and Non-performing exposures*.

- Forborne exposures are defined as exposures containing measures of renegotiation (Forbearance), i.e. concessions in respect of a debtor who has faced - or is about to face - difficulty in meeting its financial commitments ("financial difficulties")
- Non-performing exposures under the new EBA definitions are those that meet one or both of the following criteria:
  - material exposures overdue by more than 90 days;
  - the bank assesses unlikely that the debtor can fulfill entirely to its credit obligations, without proceeding with the enforcement and realization of collateral, regardless of whether exposures are past due and/or overdue and regardless of days past due.

These two new classifications introduced by EBA are effective as of the financial reporting FINREP to supervisory authority of September 2014.
The Group has already started, during the second half of 2013, the project activities aimed at implementing in the management and accounting systems the classification rules introduced by EBA. The new processes will allow to improve the compliance of the rules to the above legislation, monitor the dynamics of these exposures and report to the supervisory authority.

In line with the implementation plan, with reference to the balance sheet at 31 December 2013, the classification of loans into risk categories remained unchanged compared to the previous year and reflects the regulations issued by the Bank of Italy. Therefore, the classification by each entity in the different classes of "default" is done in accordance with the legal provisions and the regulations issued by the local Supervisory Authorities.
Regarding Forborne exposures, the full implementation of the new processes will lead to a precise identification of the Forborne performing exposures and to a subsequent verification, on the new identified portion of the portfolio, of any adjustments as may be appropriate in the internal rating systems and credit rating.

[5] see EBA/ITS/2013/03 of 21 of October 2013.

Given that the Group is bound to follow the instructions of the Italian Regulatory Authority, with reference to the foreign legal entities specific arrangements have been adopted with the aim of linking and aligning the classification of the “default” classes, otherwise not fully coherent.

The disclosure on forbearance practices is an approximation of the outcome of the new EBA definition, based on the information currently available. Since the implementation of the processes that will lead to the application of the new definition is still underway, the following proxies and limitations were used in preparing this disclosure:

- With reference to the proxy adopted for the Forborne non performing category, please note that according to the Bank of Italy classification, with specific reference to forbearance practices, a position is classified as “restructured loan” when a restructuring agreement includes a the concession of a moratorium on payments of the loan or the renegotiation 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 in the provisions the discounted cost due to renegotiation of the interest rate at a lower level 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 taken by the competent corporate bodies stating that the borrower is again able to service the debt and no overdue amount is outstanding. In the below table the "restructured loans" classified according to the Bank of Italy classification have been reported as Forborne non performing exposures.
- As for the Forborne performing exposures, no consolidated disclosure could be provided, pending the establishment of harmonized measurement procedures at Group level currently underway, refer to the disclosed information, wherever available, in the separated financial statements.

These criteria were used for both the identification of Forborne non performing exposures at 12.31.2012 and at 12.31.2013. Here below the resulting actual figures (in Euro million).

FORBORNE EXPOSURES - Loans and receivable with customers (euro mln)

	Amounts as at 12.31.2013			Amounts as at 12.31.2012 (1)		
	Gross exposure	Writedowns	Net exposure	Gross exposure	Writedowns	Net exposure
General governments	0	0	0	0	0	0
Financial corporations	122	49	74	146	72	74
Non-financial corporations	5,850	2,113	3,737	7,381	2,382	4,999
Households	181	56	125	272	60	212
Total	**6,153**	**2,217**	**3,936**	**7,799**	**2,514**	**5,285**
of which:						
Italy	3,202	920	2,282	3,889	735	3,154
Germany	995	443	552	1,997	1,079	918
Austria	1,009	546	463	835	454	381
CEE	359	95	264	593	120	473
Poland	588	213	375	485	126	359
Coverage ratio			**36.0%**			**32.2%**
% Forborne on total customer loans			**0.78%**			**0.97%**

(1) At December 31, 2013, in accordance with the accounting standard IFRS5, all assets of the companies:

- PUBLIC JOINT STOCK COMPANY UNICREDIT BANK,
- BDK CONSULTING,
- PUBLIC JOINT STOCK COMPANY UKRSOTSBANK,
- PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL,
- LLC UKROTSBUD,
- LTD SI&C AMC UKRSOTS REAL ESTATE,
- SVIF UKRSOTSBUD;

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 E – Information on risks and related risk management policies

The amount of net loans Forborne at 12.31.2013 related to the impaired exposures (3,936 million Euro) is 1,349 million lower than at the end of 2012 (5,285 million Euro), corresponding to -25.5%. The gross values, at the end of 2013, amount to 6,153 million Euro, 1,646 million lower than at the end of 2012 (7,799 million Euro; -21.1%).

The major causes of the above mentioned decrease are in part related to the recurring in 2013 of the conditions for line-by-line consolidation of an exposure previously reported in the loan portfolio of UCB AG and in part, for Italy and some CEE countries, to the usual monitoring activity and updating of the positions, for which have arisen, in the year, the requirements for classification at greater risk.

The coverage of Forborne impaired was increased from 32.2% at the end of 2012 to 36.0% at the end of 2013. In Italy, in line with the revision of the evaluation process of impaired loans implemented in 2013, the coverage of Forborne impaired was increased in 2013 from 18.9% at 12.31.2012 to 28.7% at 12.31.2013. Also in CEE, the level of coverage has been revised consistently with the coverage of the other banks of the area (from 20.2% to 26.4%).

Information on Sovereign Exposures

With reference to the Group's sovereign exposures,[6] the book value of sovereign debt securities as at December 31, 2013 amounted to €106,085 million, of which 89% concentrated in eight countries; Italy, with €47,202 million, represents over 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, 2013.

Breakdown of Sovereign Debt Securities by Country and Portfolio			(€ '000)
Country / portfolio	Amounts as at 12.31.2013		
	Nominal value	Book value	Fair Value
- Italy	**45,139,252**	**47,202,298**	**47,194,268**
financial assets/liabilities held for trading (net exposures[1])	3,027,279	2,646,878	2,646,878
financial assets at fair value through profit or loss	21,096	21,442	21,442
available for sale financial assets	38,836,360	41,297,919	41,297,919
loans and receivables	208,798	209,918	198,795
held to maturity investments	3,045,719	3,026,140	3,029,234
- Germany	**25,340,528**	**25,841,635**	**25,853,978**
financial assets/liabilities held for trading (net exposures[1])	1,939,703	2,024,781	2,024,781
financial assets at fair value through profit or loss	21,588,053	21,982,045	21,982,045
available for sale financial assets	164,772	167,167	167,167
loans and receivables	1,648,000	1,667,643	1,679,986
held to maturity investments	-	-	-
- Poland	**6,574,765**	**6,888,340**	**6,953,448**
financial assets/liabilities held for trading (net exposures[1])	162,833	148,972	148,972
financial assets at fair value through profit or loss	-	-	-
available for sale financial assets	4,935,393	5,242,005	5,242,005
loans and receivables	1,210,185	1,224,053	1,283,644
held to maturity investments	266,354	273,310	278,828
- Austria	**6,705,040**	**7,171,690**	**7,181,528**
financial assets/liabilities held for trading (net exposures[1])	511,014	212,411	212,411
financial assets at fair value through profit or loss	15,544	21,728	21,728
available for sale financial assets	6,052,041	6,810,153	6,810,153
loans and receivables	-	-	-
held to maturity investments	126,442	127,397	137,235
- Turkey ([2])	**2,284,392**	**2,500,609**	**2,500,611**
financial assets/liabilities held for trading (net exposures[1])	45,146	40,265	40,265
financial assets at fair value through profit or loss	-	-	-
available for sale financial assets	1,469,159	1,563,639	1,563,639
loans and receivables	-	-	-
held to maturity investments	770,087	896,705	896,707
- Czech Republic	**2,428,375**	**2,546,559**	**2,546,677**
financial assets/liabilities held for trading (net exposures[1])	132,583	96,375	96,375
financial assets at fair value through profit or loss	232,140	232,277	232,277
available for sale financial assets	2,062,653	2,216,876	2,216,876
loans and receivables	-	-	-
held to maturity investments	1,000	1,031	1,149
- Romania	**1,262,236**	**1,300,750**	**1,300,750**
financial assets/liabilities held for trading (net exposures[1])	99,878	87,063	87,063
financial assets at fair value through profit or loss	-	-	-
available for sale financial assets	1,162,359	1,213,687	1,213,687
loans and receivables	-	-	-
held to maturity investments	-	-	-
- Hungary	**927,216**	**983,540**	**983,890**
financial assets/liabilities held for trading (net exposures[1])	74,216	80,638	80,638
financial assets at fair value through profit or loss	-	-	-
available for sale financial assets	836,855	886,461	886,461
loans and receivables	7,065	6,860	6,860
held to maturity investments	9,080	9,580	9,931
Total on-balance sheet exposures	**90,661,805**	**94,435,420**	**94,515,150**

([1]) including exposures in Credit Derivatives.

([2]) amounts recognized using proportionate consolidation with reference to the ownership percentage for exposures held by joint ventures.

[6] 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

The weighted duration of the sovereign bonds shown in the table above, divided by the banking[7] and trading book, is the following:

Weighted duration		(years)
	Banking book	Trading book
- Italy	2.80	1.78
- Germany	2.20	4.02
- Poland	4.44	3.19
- Austria	5.40	6.74
- Turkey	4.55	-0.37
- Czech Republic	3.92	2.39
- Romania	1.98	2.43
- Hungary	3.03	1.02

The remaining 11% of the total of sovereign debt securities, amounting to €11,650 million with reference to the book values as at December 31, 2013, is divided into 65 countries, including Spain (€504 million), Ukraine (€ 213 million), Slovenia (€202 million), the US (€69 million), Ireland (€52 million) and Portugal (€30 million). The sovereign exposure to Greece and Cyprus is immaterial.
With respect to these exposures, as at December 31, 2013 there were no indications that impairment may have occurred, with the exception of an Argentinian government bond, which was written down by €1.4 million. The book value of the net sovereign exposure to this country amounted to €3.1 million as at December 31, 2013.

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 12.31.2013				
	Financial assets at fair value	Available for sale financial assets	Loans	Held to maturity investments	Total
Book value	27,620,301	63,250,636	3,699,667	4,433,008	99,003,613
% Portfolio	90.58%	73.66%	0.66%	83.56%	14.43%

In addition to the exposures to sovereign debt securities, loans[8] given to central and local governments and governmental bodies must be taken into account.

The table below shows the total amount as at December 31, 2013 of loans given to countries towards which the overall exposure exceeds €150 million, representing more than 95% of the total.

Breakdown of Sovereign Loans by Country	(€ '000)
Country	Amounts as at 12.31.2013
	Book value
- Germany (1)	7,742,269
- Italy	6,463,353
- Austria (2)	5,428,270
- Croatia	2,568,122
- Poland	1,556,137
- Indonesia	467,696
- Slovenia	234,061
- Turkey (3)	224,336
- Bosnia-Herzegovina	215,734
- Hungary	187,461
- Bulgaria	166,667
- Brazil	163,932
Total on-balance sheet exposures	**25,418,038**

(1) of which 868,817 in financial assets held for trading and those at fair value through profit or loss.
(2) of which 221,722 in financial assets held for trading and those at fair value through profit or loss.
(3) amounts recognized using proportionate consolidation with reference to the ownership percentage for exposures held by joint ventures.

[7] The banking book includes assets at fair value through profit or loss, available-for-sale assets, held to maturity assets and loans.
[8] Tax items are not included.

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 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 €3,690 million (nominal value of €3,506 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 2013:
- transactions with a nominal value of €2.08 billion matured;
- neither early termination has been performed nor new transactions has been completed.

The overall reduction in the exposures relating to 2013 (from nominal €5,826 million to nominal 3,506 million) partly refers (approximately €80 million) to foreign exchange revaluation of currency denominated investments (USD 2.63 billion at December 31, 2013).

The aggregate market value of the transactions described above, if considered collectively as a synthetic derivative, would have been positive for approximately €118 million (before tax) at December 31, 2013 (+46 million at December 31, 2012). The cumulated valuation reserve (before tax) for the above mentioned investments totaled about €52 million positive at December 31, 2013 (€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.

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 €731 million including accrued interest at December 31, 2013 (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 in 2012.
At the same time, a 4.25% BTP maturing in September 2019 was purchased under 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, 2013, 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, Trading Derivatives with customers and in the renewable energy sector

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.

The Group makes limited use of this type of transactions. The amount of securitized loans[9], net of the transactions in which the Group has acquired all the liabilities issued by the SPVs (the so-called self-securitizations), accounts for 2.21% of the Group's credit portfolio. Self-securitizations in turn account for 3.04% of the loan portfolio.

[9]We refer to loans sold, also synthetically, but not derecognized from balance sheet.

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. 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 and commercial mortgage loans 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.
At December 31, 2013 the series of covered bonds issued under the two programs numbered 30 and were worth €29,921 million, of which €16,590 million was repurchased by UniCredit S.p.A.. It should be noted that, following the repurchase, €2,267 million was pledged as collateral for repos and, as consequence, recognized in item 30. “Securities in issue” of liabilities.

As at December 31, 2013 similar covered bonds under German law (Pfandbriefe) amounted to €31,786,552 thousand, of which €21,136,040 thousand were backed by mortgage loans and €10,650,512 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 (CIB) Division’s and UniCredit Bank Ireland’s portfolio are also shown.

Exposures deriving from the securitization of own assets

	Balance sheet exposure as at		
	12.31.2013		12.31.2012
	Gross exposure (*)	Net exposure (**)	Net exposure (**)
- Assets sold totally derecognized	3,089,444	558,085	886,547
- Assets sold but not derecognized	5,207,600	3,295,976	3,100,783
- Synthetic transactions	2,283,445	2,218,014	3,491,509
Total	**10,580,488**	**6,072,075**	**7,478,839**

(*) The gross exposure correspond to "risk retained", w hich is measured as the difference betw w en 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

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	Amounts as at				
	12.31.2013				12.31.2012
	Senior	Mezzanine	Junior	Total	Total
Balance sheet exposure	**3,413,868**	**1,017,217**	**1,640,990**	**6,072,075**	**7,478,839**
- Assets sold totally derecognized	117,967	151,188	288,930	558,085	886,547
- Assets sold but not derecognized	1,409,645	534,945	1,351,386	3,295,976	3,100,783
- Synthetic transactions	1,886,256	331,084	674	2,218,014	3,491,509
Guarantees given	**304,000**	**-**	**-**	**304,000**	**-**
- Assets sold totally derecognized	-	-	-	-	-
- Assets sold but not derecognized	304,000	-	-	304,000	-
- Synthetic transactions	-	-	-	-	-
Credit facilities	**15,000**	**-**	**-**	**15,000**	**-**
- Assets sold totally derecognized	-	-	-	-	-
- Assets sold but not derecognized	15,000	-	-	15,000	-
- 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 increase in balance-sheet exposures relating to transactions not derecognized to €3,296 million as at December 2013 from €3,101 million as at December 2012 was due two new transactions called Large Corporate One and Consumer Two, to the completion of the Locat Securitisation Vehicle 2 and F-E Green transactions and to the changes in portfolio holdings.

Moreover, the decrease in cash exposures concerning synthetic transactions from €3,492 million in December 2012 to €2,218 million in December 2013 was due to the completion of the Building Comfort 2008 transaction, partially offset by three new transactions called Federascomfidi, Federconfidi and U-Propeller, and the development of the remaining 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 €17,180,969 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

	Amounts as at 12.31.2013								
	Italy	Germany	Austria	Other EU Countries	Other European Countries (NON EU)	America	Asia	Rest of the world	Total
Assets sold but not derecognized									
- Residential mortgage loans	5,796,547	-	-	-	-	-	-	-	**5,796,547**
- Leasing	867,142	-	-	-	-	-	-	-	**867,142**
- Consumer loans	1,176,590	-	-	-	-	-	-	-	**1,176,590**
- SME loans	-	-	-	-	-	-	-	-	**-**
- Corporate loans	249,320	-	-	1,930,098					**2,179,418**
- Others	-	-	-	-	-	-	-	-	**-**
Total	**8,089,599**	**-**	**-**	**1,930,098**	**-**	**-**	**-**	**-**	**10,019,697**

Securitized assets broken down by geographical area

	Amounts as at 12.31.2013								
	Italy	Germany	Austria	Other EU Countries	Other European Countries (NON EU)	America	Asia	Rest of the world	Total
Synthetic transactions									
- Residential mortgage loans	-	-	-	-	-	-	-	-	**-**
- Commercial mortgage loans	-	353,714	139	81	-	-	-	-	**353,934**
- SME loans	930,806	697,263	434,978	39,327	-	-	-	-	**2,102,374**
- Corporate loans	-	7,265	-	-	-	-	-	-	**7,265**
- Others	-	-	-	-	-	-	-	-	**-**
Total	**930,806**	**1,058,242**	**435,117**	**39,408**	**-**	**-**	**-**	**-**	**2,463,573**

Securitized assets broken down by asset quality

	Amounts as at 12.31.2013		
	Other assets (performing)	Impaired assets	Total
Assets sold but not derecognized			
- Residential mortgage loans	5,391,097	405,450	**5,796,547**
- Leasing	657,107	210,035	**867,142**
- Consumer loans	1,172,651	3,939	**1,176,590**
- SME loans	-	-	**-**
- Corporate loans	2,179,418	-	**2,179,418**
- Others	-	-	**-**
Total	**9,400,273**	**619,424**	**10,019,697**

Securitized assets broken down by asset quality

	Amounts as at 12.31.2013		
	Other assets (performing)	Impaired assets	Total
Synthetic transactions			
- Residential mortgage loans	-	-	**-**
- Commercial mortgage loans	343,908	10,026	**353,934**
- SME loans	2,061,315	41,059	**2,102,374**
- Corporate loans	7,265	-	**7,265**
- Others	-	-	**-**
Total	**2,412,488**	**51,085**	**2,463,573**

Funded securitization structures originated by the Group have residential mortgages originated in Italy, corporate loans originated in EU countries and consumer loans granted to Italian counterparties as underlyings.

Part E – Information on risks and related risk management policies

Synthetic securitization structures have mainly loans to Small Medium Enterprises originated in Italy, Germany and Austria and commercial mortgage loans originated in Germany as underlyings.

Performing assets account for about 94% of the traditional securitizations portfolio and about 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 having as underlying Italian residential mortgages loans exceeds the carrying amount by about €150 million.

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 company Arabella Finance Ltd., sponsored by the Group and issuing commercial papers (so-called Asset Backed Commercial Paper Conduit) and set up as multi-seller customer conduits to give customers access to the securitization market.

In 2013 the purchase companies Elektra Purchase No. 17 S.A. – Compartment 2, Elektra Purchase No. 23 LTD, Elektra Purchase No. 24 LTD and Elektra Purchase No. 28 LTD, which were consolidated by Arabella Finance Ltd., were consolidated individually. The new SPVs Elektra Purchase No. 31 LTD and Elektra Purchase No. 911 LTD were also included.

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 closing down. Moreover, in the first half of 2013 Black Forest Funding Corp. was closed down.

During the previous financial years other SPVs were included in the scope of consolidation as they satisfied the conditions provided for by the above-mentioned SIC 12 (see also Part A – Accounting Policies, Section 3 – Consolidation Procedures and Scope) and therefore met the consolidation requirements of IFRS. These SPVs are: Altus Alpha Plc, Grand Central Funding Corp., Redstone Mortgages Plc and Chiyoda Fudosan GK.

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.

Balance sheet exposures sponsored by the Group

	Amounts as at 12.31.2013	Amounts as at 12.31.2012
Asset Backed Commercial Paper	**492,717**	**775,788**
- Arabella Finance Ltd	492,717	775,788
- Elektra Purchase No. 17 S.A. - Compartment 2 [1]	-	-
- Elektra Purchase No. 23 Ltd [1]	-	-
- Elektra Purchase No. 24 Ltd [1]	-	-
- Elektra Purchase No. 28 Ltd [1]	-	-
- Elektra Purchase No. 31 Ltd [1]	-	-
- Elektra Purchase No. 911 Ltd [1]	-	-
Credit facilities	**1,329,110**	**1,406,983**
- Arabella Finance Ltd	592,289	270,243
- Elektra Purchase No. 17 S.A. - Compartment 2 [1]	-	-
- Elektra Purchase No. 23 Ltd [1]	24,047	170,296
- Elektra Purchase No. 24 Ltd [1]	-	48,973
- Elektra Purchase No. 28 Ltd [1]	211,943	252,654
- Elektra Purchase No. 31 Ltd [1]	73,961	-
- Elektra Purchase No. 911 Ltd [1]	426,870	664,817

[1] SPV individually consolidated in 2013, previously consolidated by Arabella Finance Ltd..
The previous period was restated accordingly to increase comparability.

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 in addition to the underwritten commercial paper. Cash 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.

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.

Part E – Information on risks and related risk management policies

The following table shows the amount of exposures towards other consolidated SPVs.

Exposures toward other consolidated SPV	Amounts as at 12.31.2013	Amounts as at 12.31.2012
Balance sheet exposures	**1,438,377**	**1,757,673**
- Altus Alpha Plc	120,644	233,298
- Chiyoda Fudosan GK	71,365	141,694
- Grand Central Funding Corp	73	76
- Redstone Mortgages Plc	1,221,595	1,382,605
- Pure Funding No. 10 Ltd	24,700	-
Credit facilities	**16,322**	**11,520**
- Altus Alpha Plc	-	-
- Chiyoda Fudosan GK	-	-
- Grand Central Funding Corp	11,022	11,520
- Redstone Mortgages Plc	-	-
- Pure Funding No. 10 Ltd	5,300	-

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.

The following table gives the amount of the consolidated SPVs' **assets** by **region**.

Consolidated SPVs' assets broken down by geographical area	Amounts as at 12.31.2013								
	Consolidated SPVs								
	Italy	Germany	Austria	Other UE Countries	Other European Countries (non UE)	America	Asia	Rest of the world	Total
- Residential mortgage loans	-	-	-	1,191,434	-	-	44,828	-	**1,236,262**
- Commercial mortgage loans	-	-	-	-	-	-	-	-	**-**
- Leasing	-	461,440	-	-	-	-	-	-	**461,440**
- Credit cards	-	-	-	-	-	-	-	-	**-**
- Consumer loans	23,682	232,558	-	-	-	-	-	-	**256,240**
- SME loans	-	-	-	-	-	-	-	-	**-**
- State related entities	-	-	-	-	-	-	-	-	**-**
- Others	100,007	307,739	-	233,827	-	107,890	34,605	-	**784,068**
- Investement funds	-	-	-	50,222	-	-	-	57,636	**107,858**
Total	**123,689**	**1,001,737**	**-**	**1,475,483**	**-**	**107,890**	**79,433**	**57,636**	**2,845,868**

The item "Others", substantially composed by corporate loans and short-term commercial loans, also includes €33,402 thousand of "Other Assets" formed by properties held for sale.

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, 2013 impaired loans were €233,867 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 mainly under one year or over five years.

Consolidated SPVs' assets broken down by residual life

	Amounts as at 12.31.2013			
Remaining average life	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
- Residential mortgage loans	233,867	-	1,002,395	1,236,262
- Commercial mortgage loans	-	-	-	-
- Leasing	42,470	418,970	-	461,440
- Credit cards	-	-	-	-
- Consumer loans	-	256,240	-	256,240
- SME loans	-	-	-	-
- State related entities	-	-	-	-
- Others	784,068	-	-	784,068
- RMBS	-	-	-	-
- CMBS	-	-	-	-
- CDO	-	-	-	-
- CLO / CBO	-	-	-	-
- Corporate and bank bonds	-	-	-	-
- Municipal and local Government bonds	-	-	-	-
- Investement funds	107,858	-	-	107,858
Total	**1,168,263**	**675,210**	**1,002,395**	**2,845,868**

Assets recognized in financial statements, due to consolidation of vehicles, are a marginal portion of the Group's assets.

Part E – Information on risks and related risk management policies

The following table shows the **financial 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						
	Amounts as at 12.31.2013					
	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	107,858	-	2,704,608	-	-	**2,812,466**
% IAS portfolio	0.13%	0.00%	0.48%	0.00%	0.00%	**0.37%**

As noted above, the assets of these SPVs include “Other assets” worth €33,402 thousand consisting in property held for re-sale.

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 83% of the positions is classified as “investment grade”);
- mainly concentrated in EU Countries.

Main features of structured credit portfolio								(€ '000)
	12.31.2013				12.31.2012			
Measurement	**FV/P&L**	**FV/Equity**	**Amortised cost**	**Total**	**FV/P&L**	**FV/Equity**	**Amortised cost**	**Total**
Net exposure	262,536	124,807	5,040,193	5,427,536	414,054	242,803	5,438,352	6,095,209
Seniority	**Senior**	**Mezzanine**	**Junior**		**Senior**	**Mezzanine**	**Junior**	
Net exposure	4,088,135	1,281,290	58,111		4,552,894	1,451,164	91,151	
Asset class	**RMBS/CMBS**	**CDO/CLO**	**Other ABS and Loans**		**RMBS/CMBS**	**CDO/CLO**	**Other ABS and Loans**	
Net exposure	3,788,913	865,377	773,246		4,122,988	1,275,517	696,704	
Underlying	**US Subprime**	**US Alt-A**	**Other**		**US Subprime**	**US Alt-A**	**Other**	
Net exposure	1,244	3,549	5,422,743		3,488	4,856	6,086,865	
Rating %	**AAA**	**Other investment grade**	**Non investment grade**		**AAA**	**Other investment grade**	**Non investment grade**	
% on net exposure	30.21%	53.26%	16.53%	100%	29.58%	55.06%	15.36%	100%
Country %	**US**	**European**	**Other**		**US**	**European**	**Other**	
% on net exposure	8.89%	87.64%	3.47%		12.75%	82.58%	4.66%	

The following table shows the Group’s **exposure** to these instruments, which is in any case limited, at 0.71% of **total financial instruments**.

Structured credit product exposures broken down by type of financial assets portfolio							(€ '000)
	Balance sheet exposure as at						
	12.31.2013						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	Total
Balance sheet amount	222,107	40,429	4,930,761	109,432	124,807	**5,427,536**	**6,095,209**
% IAS portfolio	0.27%	0.13%	0.87%	2.06%	0.15%	**0.71%**	**0.73%**

Part E – Information on risks and related risk management policies

The table below shows the Group's **gross and net exposure** to these instruments.

Structured credit product exposures (€ '000)

Exposure type	Amounts as at 12.31.2013	
	Gross exposure (nominal amount)	Net exposure (carrying amount)
RMBS	2,944,970	2,883,099
CMBS	926,813	905,814
CDO	164,213	71,924
CLO/CBO	838,076	793,453
ABS others	668,488	598,173
Loans	64,965	175,073
Total	**5,607,525**	**5,427,536**

Cash exposure, as mentioned, consists almost entirely of asset backed securities amounting to €5,252,463 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 12.31.2013			
Exposure type	Senior	Mezzanine	Junior	Total
- RMBS	2,389,029	494,070	-	2,883,099
- Prime	*2,304,632*	*333,173*	-	*2,637,805*
- Subprime	*909*	*335*	-	*1,244*
- Nonconforming	*83,488*	*160,562*	-	*244,050*
- CMBS	728,387	177,427	-	905,814
- CDO	71,890	33	1	71,924
- CDO of ABS / CDO of CDO	*15,999*	-	-	*15,999*
- CDO Balance Sheet	*17,275*	-	-	*17,275*
- CDO Market Value	-	-	-	-
- CDO Preferred Stock	36,514	-	-	*36,514*
- CDO Synthetic Arbitrage	-	-	*1*	*1*
- CRE CDO	-	-	-	-
- CDO others	*2,102*	*33*	-	*2,135*
- CLO/CBO	282,202	511,251	-	793,453
- CLO SME	*22,619*	*36,231*	-	*58,850*
- CLO arbitrage/balance sheet	*81,737*	*98,912*	-	*180,649*
- CLO / CBO altri	*177,846*	*376,108*	-	*553,954*
- Consumer loans	350,054	5,915	-	355,969
- Credit cards	-	-	-	-
- Student loans	21,389	88,933	-	110,322
- Leasing	109,831	3,661	-	113,492
- Others	16,727	-	1,663	18,390
Total balance sheet exposures	**3,969,509**	**1,281,290**	**1,664**	**5,252,463**

Loans and guarantees								(€ '000)
	Amounts as at 12.31.2013							
	On Balance Sheet Exposures				Off balance sheet Exposures			
Exposure type	Senior	Mezzanine	Junior	Total	Senior	Mezzanine	Junior	Total
Loans	**118,626**	**-**	**56,447**	**175,073**	**-**	**-**	**-**	**-**
- Residential mortgages	672	-	-	672	-	-	-	-
- Commercial mortgages	-	-	-	-	-	-	-	-
- CDO	-	-	-	-	-	-	-	-
- CLO	-	-	-	-	-	-	-	-
- Credit Cards	-	-	-	-	-	-	-	-
- Consumer loans	-	-	-	-	-	-	-	-
- Student Loans	-	-	55,473	55,473	-	-	-	-
- Others	117,954	-	974	118,928	-	-	-	-
Guarantees given	-	-	-	-	36,256	-	-	36,256
Credit facilities	**-**	-	-	**-**	**25,945**	14,993	-	**40,938**

Part E – Information on risks and related risk management policies

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, 2013 the Group's exposure in structured credit products was €5,427,536 thousand, a reduction of over 10% from December 31, 2012 when the figure was €6,095,209 thousand.

The exposure in ABSs fell from €5,855,703 thousand at December 31, 2012 to €5,252,463 thousand.

Exposure in the form of loans to vehicles was €175,073 thousand at December 31, 2013. The unutilized portion of credit lines and guarantees given amounted to €77,194 thousand.

In addition to reported exposures, the Group is exposed to Credit Default Swaps with structured credit products as underlyings. These instruments had a negative fair value of €19.897 thousand and a notional amount of € 76,071 thousand.

The good credit quality of this portfolio is borne out by the fact that over 68% of these instruments are rated A or better and over 30% of the portfolio is triple-A rated.

At December 31, 2012 over 67% of these exposures were rated A and 29% of the portfolio was rated triple-A.

Over 87% of the exposure was toward countries belonging to European Union.
Exposure to Greece, Ireland, Portugal and Spain accounted for 18.84%, most of which concerns exposures to Spanish underlying assets (11.45%).

The following tables give a breakdown of the **net exposure** at December 31 2013, **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	28.11%	7.24%	28.53%	16.11%	14.32%	5.11%	0.58%	0.00%	0.00%	0.00%
CMBS	36.78%	8.31%	17.69%	19.28%	14.30%	3.35%	0.29%	0.00%	0.00%	0.00%
CDO	0.00%	0.00%	24.01%	22.25%	50.77%	0.00%	2.94%	0.01%	0.02%	0.00%
CLO/CBO	13.68%	45.53%	28.43%	9.67%	2.69%	0.00%	0.00%	0.00%	0.00%	0.00%
Other ABS	56.05%	11.79%	13.03%	7.67%	1.68%	1.00%	0.00%	4.75%	3.20%	0.83%
Total	**30.21%**	**13.63%**	**24.82%**	**14.81%**	**11.62%**	**3.50%**	**0.41%**	**0.54%**	**0.37%**	**0.09%**

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	13.78%	81.62%	0.00%	0.25%	0.18%	4.17%
CMBS	4.65%	87.22%	0.00%	0.00%	8.13%	0.00%
CDO	0.00%	25.19%	0.00%	0.00%	50.79%	24.02%
CLO/CBO	0.96%	59.74%	0.00%	0.00%	34.62%	4.68%
Other ABS	20.10%	66.99%	0.00%	0.00%	12.89%	0.02%
Total	**10.80%**	**76.84%**	**0.00%**	**0.14%**	**8.89%**	**3.33%**

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, 2013 and December 31, 2012.

RMBS	12.31.2013	12.31.2012
Gross Exposure	2,944,970	2,941,353
Net Exposure	2,883,099	2,863,174
%AAA	28.11%	26.10%
%Investment grade	51.88%	52.33%
% Sub Investment grade	20.01%	21.57%
% USA	0.18%	0.26%
% Europe	95.40%	92.65%
% Rest of the w orld	4.42%	7.09%
thereof US Subprime	1,244	2,302
there of US Alt-A	3,549	4,856

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, 2013 and December 31, 2012.

CMBS	12.31.2013	12.31.2012
Gross Exposure	926,813	1,305,456
Net Exposure	905,814	1,259,814
%AAA	36.78%	31.38%
%Investment grade	45.28%	61.01%
% Sub Investment grade	17.94%	7.61%
% USA	8.13%	11.86%
% Europe	91.87%	88.06%
% Rest of the w orld	0.00%	0.08%
thereof US Subprime	0	0
there of US Alt-A	0	0

Part E – Information on risks and related risk management policies

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, 2013 and December 31, 2012.

CDO	12.31.2013	12.31.2012
Gross Exposure	164,213	317,242
Net Exposure	71,924	172,439
%AAA	0.00%	0.00%
%Investment grade	46.26%	72.37%
% Sub Investment grade	53.74%	27.63%
% USA	50.79%	86.16%
% Europe	25.19%	13.83%
% Rest of the w orld	24.02%	0.01%
thereof US Subprime	-	1,186
there of US Alt-A	-	-

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, 2013 and December 31, 2012.

CLO/CBO	12.31.2013	12.31.2012
Gross Exposure	838,076	1,236,219
Net Exposure	793,453	1,103,078
%AAA	13.68%	46.07%
%Investment grade	83.63%	50.22%
% Sub Investment grade	2.69%	3.71%
% USA	34.62%	30.72%
% Europe	60.70%	62.98%
% Rest of the w orld	4.68%	6.30%
thereof US Subprime	0	0
there of US Alt-A	0	0

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, 2013 and December 31, 2012.

Other ABS	12.31.2013	12.31.2012
Gross Exposure	668,488	599,570
Net Exposure	598,173	457,198
%AAA	56.05%	17.74%
%Investment grade	32.49%	60.93%
% Sub Investment grade	11.46%	21.33%
% USA	12.89%	22.41%
% Europe	87.09%	77.59%
% Rest of the w orld	0.02%	0.00%
thereof US Subprime	0	0
there of US Alt-A	0	0

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 €4,793 thousand at December 31, 2013, i.e. a reduction from both December 31, 2012 when this figure was €8.344 thousand.

US Subprime and Alt-A exposures			(€ '000)
	Amounts as at 12.31.2013		
Underlying / exposure type	CDO of ABS	RMBS	Total
US Alt-A		3,549	3,549
US Subprime	-	1,244	1,244
Total	**-**	**4,793**	**4,793**

Instruments with US subprime underlyings have a coverage ratio of 90.9%. Instruments with Alt-A mortgages underlyings have a coverage ratio of 5.8%
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	14.54%	85.46%	0.00%
US Subprime	100.00%	0.00%	0.00%
Total	**36.72%**	**63.28%**	**0.00%**

Part E – Information on risks and related risk management policies

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 12.31.2013	Fair Value as at 12.31.2013	Income/expenses absent reclassification (before taxes)		Income/expense recognized during the period (before taxes)	
				From measurement	Other	From measurement	Other
Available for sale	Loans to customers	109,235	82,164	20,218	1,139	0	1,394
Held for Trading	Loans to customers	2,639,622	2,506,739	246,000	102,165	3,972	57,098
	Total	**2,748,857**	**2,588,903**	**266,218**	**103,304**	**3,972**	**58,492**

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. 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.4, 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.4.3 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.

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.

95.87% of the portfolio is priced using level 2 methods and the remaining 4.13% according to level 3 methods.

Structured credit product exposures: fair value hierarchy		
Exposure type	**Level 2**	**Level 3**
RMBS	98.90%	1.10%
CMBS	97.26%	2.74%
CDO	0.00%	100.00%
CLO	98.63%	1.37%
Other ABS	90.67%	9.33%
Total	**95.87%**	**4.13%**

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		(€ '000)
	Amounts as at	
Counterparty	**12.31.2013**	**12.31.2012**
MBIA Insurance Corporation	4,420	-
The PMI Group Inc.	326	340
Total	**4,746**	**340**

The Group's portfolio includes asset-backed securities amounting to €176,750 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 2013, the net book value of these transactions, mainly carried out by Corporate and Investment Banking (CIB), amounted to €3,327 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 that close transaction in OTC derivatives in order to provide non-institutional clients with products to manage currency, interest-rate and price risk. Under these transactions, the commercial banks transfer their market risks to the CIB Division by means of equal and opposite contracts, retaining only the relevant counterparty risk. The commercial banks also place or collect orders on behalf of others for investment products with embedded derivatives (e.g., structured bonds);
- by the CIB Division operating with large 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 in which they are combined.

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

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

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

- performing exposure to non-institutional clients 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 Banca d'Italia Circular No. 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 is €10,806 million.
The balance of item 20 "Financial assets held for trading" of the consolidated accounts with regard to derivative contracts totaled €49,403 million (with a notional value of €1,310,763 million) including €26,289 million with customers. The notional value of derivatives with customers amounted to €797,217 million including €786,259 million in plain vanilla (with a fair value of €25,772 million) and €10,958 million in structured derivatives (with a fair value of €517 million). The notional value of derivatives with banking counterparties totaled €513,546 million (fair value of €23,114 million) including €61,019 million related to structured derivatives (fair value of €1,411 million).
Customers entered into a total of 1,482 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 36.69% of overall exposure (generating exposure of €190 million for the Group).
The balance of item 40 "Financial liabilities held for trading" of the consolidated accounts with regard to derivative contracts totaled €47,920 million (with a notional value of €852,425 million) including €24,953 million with customers. The notional value of derivatives with customers amounted to €669,371 million including €660,416 million in plain vanilla (with a fair value of €24,716 million) and €8,955 million in structured derivatives (with a fair value €237 million). The notional value of derivatives with banking counterparties totaled €183,054 million (fair value of €22,967 million) including €65,975 million related to structured derivatives (fair value of €1,051 million).

3. Exposures in the renewable energy sector

The Group owns through Ocean Breeze Energy GmbH & Co. KG, a fully consolidated company of UniCredit Bank AG, a wind park named BARD Offshore 1 with following characteristics:

Geographical location	Owner	Percentage of ownership	Date when the plant started to produce energy	Percentage of completion	Installed capacity	Total value of the asset
German EEZ, 100 km before the island of Borkum	Ocean Breeze Energy GmbH & Co. KG	100%	December 2010, final taking into operation August 2013	100%	400 MW	€1.6 bn

This power plant has been developed by the BARD Group on behalf of Ocean Breeze Energy GmbH & Co. KG, included under the tangible assets as of December 31, 2013.
The BARD Group itself has been fully financed by UniCredit Bank AG and, starting from December 31, 2013, fully consolidated in UniCredit Bank AG.

The total value of the wind farm amounts to € 1.6 billion and includes the grants of € 42 million provided by the European Union that have been classified as government grants in accordance with IAS 20 and, in compliance with IAS 20.24, have been deducted from the initial cost of the power plant on the assets side of the balance sheet.
The current book value of the wind farm has been confirmed by an appraisal exercise performed by an independent expert.
With Year End 2013 the wind park has been finalized and transferred to Ocean Breeze Energy GmbH & Co. KG. After the handover some remedial works still need to be carried out in order to ensure that the wind farm can be operated sustainably for at least 25 years and enhance the technical availability and performance of the 80 installed turbines; this optimization of the turbines may take a period of 18 to 24 months.
Bard Holding GmBH does not have other power plants under construction but has three windmill projects for the German North Sea (Veja Mate, Diamant and Euklas) that are still in their early development stage.

Germany is one of the key economies for renewable energy; in recent years, wind, photovoltaic and biomass, have grown to become major sources of energy in Germany with hydropower and geothermal playing a less important role.
The German North Sea is widely expected to be one of the world's fastest growing renewable energy market to 2020 and has already attracted many billions of Euros.
The rules and regulations governing the economics of offshore wind projects in Germany are enshrined in the framework promoting the generation of electricity from renewable energy sources. The provisions are called "Renewable Energy Act" or Erneuerbare-Energien-Gesetz, ("EEG").
Under the EEG, income is generated from the first kWh exported to the grid. Unlike other major offshore wind markets, project sponsors are not required to build the accompanying grid connection assets, which are built under separate regulations by different sponsors.
Following the 2011 Fukushima disaster, Germany voted to stop the use of nuclear power by the end of 2022, with the share of energy generated from renewables to rise from 17% in 2012 to at least 35% by 2020 and 80% by 2050.
To accelerate this transition, the government amended its renewables policies on June 30 and July 8, 2011, providing a legal framework for German nuclear phase out and improving the terms of support across renewable energy sectors. In particular the EEG Novelle 2012 amends the statutory rates of remuneration (Vergütungssätze) applicable to both on and offshore wind turbines and photovoltaic systems. These changes have taken effect from January 1, 2012. In 2014 the German government announced plans to revise the EEG.

To cover the risks regarding dismantlement/refurbishing of the power plants it has been posted a provision of about €11.6 million.

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 structure at first level of reporting to "Group Risk Management", dedicated to market risk governance is the "Group Financial Risk" department.

Risk Management Strategies and Processes

The Parent 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.

In addition to the Group Risk Committee, with reference to the 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 the 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;
  - 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): 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.

The second risk type, 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 function 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 of 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 regional centres. The Asset and Liability management committees decide on the maturity profile that is deemed most appropriate to protect the bank's net interest income. The maturity profile for sight items, as well as the investment strategies, vary per regional centres, as they takes into account local specificities.
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. However 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.

Part E – Information on risks and related risk management policies

The overall interest risk exposure on Banking Book perimeter is periodically reported, at least on a monthly basis, to the 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

During the second quarter of 2013, in order to create a single reference point for the management of UniCredit Group financial risks and to ensure a more efficient steering, coordination and control through a single organizational structure, the "Group Financial Risk" department has been created, with direct report to "Group Risk Management" department.

The "Group Financial Risk" is responsible for the government and control of Group financial risks (liquidity, interest rate, market, counterparty and trading credit[10] risks) through the evaluation of strategies and the proposal to relevant Bodies of risk limits and Global/Local rules. The department is also responsible for the managerial coordination of the corresponding functions of Regional Centers (RCs), according to "GMGR[11]" and "GMGR Evolution", and for providing decisions and Non Binding Opinions (NBO), when specifically required, for all financial risks of the Group.

In addition, the "Group Financial Risk" department is responsible for the definition, set up and maintenance of Group methodologies and architectures for the measurement and control of financial risks and practices for Market Data Reference and Fair Value of financial instruments. The department ensures the compliance of the Financial Risk Management framework with regulatory requirements.

In order to effectively manage Group financial risks, the new organizational structure includes the following units:

- "Group Market & Trading Credit Risk Management" department, responsible for the governance and control of Group's market, trading credit and collateral risks, in charge of the following activities:
    - define Group market and trading credit risk management framework to be implemented by RCs;
    - ensure that counterparty and issuer risk strategies are integrated in the Group credit risk strategy and into the daily credit risk management processes of the RCs;
    - verify the sound implementation of market, counterparty and issuer risk framework and processes in the RCs;
    - steer the market and traded credit risk management of the RCs and ensuring a consistent Group-wide approach;
    - monitor the coherence of business strategy with the market risk strategy.
- The department includes:
    - "Market Risk Management" unit, responsible for market risk management at consolidated level and in charge of these activities:
        - coordinate the market risk identification process of the RCs and ensure the consistency with regulatory standards;
        - propose the Group market risk strategy and translate the strategy into the set up and allocation of global and granular limits at Group and RCs level;
        - assess market risk for new products and formulate NBOs on the issuance of such products for RCs;
        - control risks not included in internal models in cooperation with "Group Risk Methodologies & Architecture" unit;
        - verify the compliance of front office activity with Group market risk strategy through the analysis of P&L explanation and attributions and the daily supervision of the limits monitoring activity performed by RCs' market risk control functions, with the activation, in case of limit breach, of the escalation process and the definition of correct mitigation actions to be taken.

[10] i.e. Pre-settlement, Settlement, Money Market and Issuer Risk
[11] Group Managerial Golden Rules

- “Portfolio Market Risk Management” unit, responsible for stress testing, monitoring and reporting of market risk profiles and limits, with the following activities:
  - coordinate the Group market risk stress test program to be implemented by RCs and ensure that it includes all material market risks of the Group;
  - perform stress testing for market risk at Group level, evaluating Group capacity to absorb market risk losses and opportunities to reduce risk;
  - produce market risk reports in order to provide an updated view of market risks at Group level, both in normal and stressed scenarios, in compliance with the requirements set by the “Group Financial Risk Standard & Practice” unit;
  - provide the relevant functions with the adequate information on Group market risk and ensure they are consistently integrated in Group capital planning and in all regulatory disclosures (ICAAP, Basel II Pillar III disclosures, notes to Financial Statements).

- “Group Price Control” team, responsible for Group-wide Market Data Reference and Fair Value framework for marking books and records. In particular, the team is responsible for the following activities:
  - define, set up and update Market Data Reference framework for the end-of-day market data assignment and Fair Value framework for the valuation of financial instruments for marking purposes, the latter in cooperation with “Group Risk Methodologies & Architecture” unit;
  - define the Group-wide Independent Price Verification (IPV) and Fair Value Adjustments (FVA) activities (for example: cooperation with competence centers and PF&A department, reporting);
  - verify the correct implementation and output quality of the above mentioned frameworks in the RCs and the congruity of the valuation criteria;
  - define, set up and update market conformity checks;
  - perform second level controls, for its area of competence, on money market rates contribution and FTP and end of day market data validation, market conformity checks, IPV and FVA processes for the RC Italy;
  - support UniCredit S.p.A, for the Country Chairman Italy perimeter, in the activities related to the enforcement of the MiFID application;
  - define and monitor risk limits and autonomy levels on portfolio models and building blocks used for management of segregated accounts and verify their allocation with respect to the investment strategies;
  - deliver the results of the monitoring activity to the Group Investment Committee and to the Board of Directors/CEO;
  - assess portfolio models and building blocks’ performance data calculated by “Global Investment Strategy (GIS)” department;
  - provide, or approve if proposed by “Global Investment Strategy” (GIS) or “Investment Products Italy” department, the asset classification for financial instruments in the “Common Instrument Classification” (CIC) Management System.
- “Group Risk Methodologies & Architecture” unit, responsible for the methodologies and architecture at Group level for market, counterparty, interest rate and liquidity risks, through the following activities:
  - define, set up and update the financial risk measurement, management and stress testing methodologies (e.g. VaR, SVaR, IRC, CCR, EPE, CBC);
  - analyze and review of the models developed by “Planning, Finance & Administration” department, used for management and control of the balance sheet and liquidity risk;
  - develop prototypes for new financial risk management models and financial risk management and reporting applications;
  - define, set up and update the methodologies for Independent Price Verification (IPV) and Fair Value Adjustments (FVA), in cooperation with “Group Price Control” team;
  - manage the regulatory approval and review process for financial risks management models, addressing “Group Internal Validation” department and “Internal Audit” department recommendations related to such models;
  - coordinate the Group-wide models’ and architectures rollout and maintenance within the various RCs, verifying their correct implementation and output quality;
  - develop risk metrics for those risks not correctly captured by internal models in cooperation with the “Market Risk Management” unit;
  - support the competent functions in the measurement and analysis of counterparty, liquidity, interest rate and market risk economic capital for regulatory ICAAP process, strategic planning and budgeting process;
  - support, in cooperation with the “CIB Division” and “PF&A” department, the competent functions in order to identify and exploit capital optimization opportunities;
  - analyze Front Office developed models used for marking P&L, review their adequacy on an on-going basis and assess, in cooperation with “Group Price Control” team, the related model risk to quantify Fair Value Adjustments;
  - define, set up and update the Group-wide financial risks management and Front Office reference market data (i.e. EOD, IPV, FVA, conformity checks) architectures;

    - source, validate and supply market parameters for financial risks management models;
    - support the “Group Market & Trading Credit Risk Management” department by configuring Group-wide stress test scenarios into the Group-wide risk measurement systems;
    - maintain and monitor the performance of the Group-wide financial risks models, including back testing results carried out by the RCs and at a consolidated level, in cooperation with “Market Risk Validation” unit.
- “Financial Risk Italy” unit, responsible for the independent control of liquidity, interest rate, market, counterparty, trading credit and collateral risks at RC Italy level as well as for carrying out the stress tests required. In particular, the unit is responsible for the following activities:
    - propose, in cooperation with the Group function, the setting and allocation for the RC Italy of market, interest rate and liquidity risk limits, monitoring breaches and evaluating also countermeasures/mitigation actions to be taken;
    - verify the consistency of Front Office activity with the market risk strategy;
    - perform exposure validation, credit lines monitoring, overnight and intra-day overdraft management for RC Italy trading credit and collateral risks, on FIBS counterparties;
    - produce relevant reporting at RC Italy level;
    - perform stress test program defined at Group level on RC Italy level for market, liquidity, trading credit and collateral risks and relevant internal models maintenance and back-testing for the RC Italy;
    - monitor collateral management relating to derivative products and securities financing transactions with FIBS counterparties at RC Italy level;
    - assess financial risks pertaining to new products in RC Italy and provide an opinion on the issuance of such products;
    - limit monitoring in terms of mark up and hedging cost for corporate treasury sales business;
    - perform largest 50 exposure plausibility checks on exposure data for RC Italy according to the required data model, for weekly and monthly official reporting to the Bank of Italy, for trading credit and collateral risks;
    - perform second level controls, for its area of competence, on money market rates contribution and FTP, as indicated by internal processes and regulation in force.
- “Group Financial Risk Standard & Practice” unit, responsible for Global Policies and for the financial risk reporting coherence and coordination across the Group. In detail, the unit is in charge of the following activities:
    - issue Global Policies in cooperation with the “Group Financial Risk” department;
    - monitor the approval and the implementation of Global Policies on financial risks at local level with the cooperation of Legal Entities competent functions; these functions guarantee the implementation of local Policies in accordance to Global Policies;
    - verify the approval and the implementation at local level of the Global Operational Instructions (GOI) leveraging on Legal entities’ competent functions;
    - set the reporting standards for the “Group Financial Risk” department, managing documentation to Group Committees identifying roles and responsibilities;
    - track and coordinate activities related to “Group Financial Risk” department Audit findings;
    - act as interface with Regulators/Management/relevant Bodies for the “Group Financial Risk” department, in coordination with Group and department's structures.
- “Group Interest Rate Risk Management” unit, responsible for the independent control of interest rate risks at Group level. Responsibilities include these activities:
    - propose to the competent Bodies the limits for managing balance sheet interest rate risks at Group level and review the limits proposal at Regional Centre level;
    - perform controls, analysis and limits monitoring for balance sheet relevant risk factors at both Group and Regional Centre level;
    - verify the correct implementation of balance sheet risks management processes in the Regional Centers;
    - define and coordinate scenario analysis for interest rate risk at both Group and Regional Centre level;
    - produce relevant reporting at Group level to competent Bodies and to Regulators when required, in accordance to the standards and requirements set by the “Financial Risk Standard & Practice” unit.

Risk measurement and reporting systems

Trading Book
During 2013, the 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 and Incremental Risk Charge, have been developed for both capital charge calculation and managerial purposes.

The monitoring of the risk profiles was made even more effective with the introduction of individual granular 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.
The Group Financial Risk 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. Further details on risk valuation models are included in Table 11.

Market risk reporting standards are set by the Group Risk Committee under the proposal of the Market Risk function. Group Financial Risk defines market risk reporting standards, both in terms of contents and recurrence, and provides timely information to Top 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, it 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 1 bp 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 200 bps 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 is Net Interest Income sensitivity for a 100bp parallel shock in rates. It provides an indication of the impact on the net interest income over the next 12 months if such shock 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 and to the Group Market Risk Committee through the Market Risk Overview report; these include VaR, Stressed-VaR and IRC 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
The ALCO evaluates the main market risk drivers on a monthly basis. This committee decides on the strategy which aims to stabilize 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 is responsibility of the treasury functions. Strategic transactions in the banking book can be executed by the Asset and Liability Management – ALM – 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 department 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) and a stressed value-at-risk (sVaR).

Incremental risk capital charge captures default risk as well as migration risk for unsecuritised credit products. 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.

The UniCredit group calculates both VaR and sVaR for market risk on trading positions using the historical simulation method. The historical simulation method revaluates daily 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 first quarter UCBA and UCI S.p.A. used the period from April 15, 2008 to March 30, 2009, while UCB AG applied the stressed window from January 17, 2011 to December 31, 2011 (sovereign debt crisis). From the second quarter on the so-called “Lehman crisis” period (from September 15, 2008 to August 31, 2009) has been the stressed observation period for UCB AG and UCBA while UCI S.p.A. used an interval from July 11, 2011 to June 22, 2012.

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.

The 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 2013 a conservative liquidity horizon of one year has been applied to all positions.

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).

Group Internal Validation performed its analyses in order to evaluate the conceptual soundness of the IRC model, 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 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.

Bank of Italy authorized UniCredit group to the use of internal models for the calculation of capital requirements for market risk. As of today UCI Ireland and Bank Pekao are the main companies of the Group that 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 by comparing the internal model risk estimates with the hypothetical portfolio profit and loss, in order to check if 99% of the trading outcomes is covered by the 99^{th} percentile of the risk measures. The test is based on the last twelve months data (i.e. 250 daily observations). In case that the number of exceptions in the previous year exceeds what forecasted by the confidence level assumed, a careful revision of model parameters and assumptions is initiated. In addition to backtesting, Group Internal Validation performed the periodic validation of the VaR framework to assess the compliance with regulatory requirements.

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. Stress Test's results and effects are discussed on monthly basis, during a Market Risk Stress Test Open Forum, where the Market Risk function' s representatives of the different Group's companies and Business' representatives take part.

Procedures and methodologies for Valuation of Trading Book positions

The UniCredit group 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, that define rules and principles for the management and the control of those activity that are entailed with Market Risk, 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 in coordination with Group Internal Validation. 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 and mark-to-model 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

Hereby we provide IFRS 13 disclosure requirements about accounting portfolios measured at fair value on a recurring basis.

Fixed Income Securities
Fixed Income Securities are priced in a two tier process depending on the liquidity in the respective market. Liquid instruments negotiated 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 Level 1 instruments. The models maximize the use of observable input and minimize the use of unobservable inputs. With this respect, depending on the credit spread curve applied, the bonds are disclosed as Level 2 or Level 3 respectively; Level 3 is applied in case comparable credit spread curves are not available (and unobservable credit spreads are used), or in the case of complex bonds. Under fair value accounting, fair value adjustments for liquidity and model risk compensate for the lack of market observables for the Level 2 and Level 3 positions.
In the global bond Independent Price Verification (IPV) process market prices of Level 1 bonds and pricing models for illiquid bonds are regularly verified for accuracy.

Structured Financial Products
The Group determines the fair value of structured financial products using the appropriate derivative valuation methodology given the nature of the embedded structure (when it has not been already unbundled). Such instruments are classified as Level 2 or Level 3 depending on the observability of significant inputs to the model.

Asset Backed Securities
In 2009 the UniCredit group approved the “Structured Credit Bonds Valuation Group Policy” centered 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 main 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.
The process relies in the first instance on consensus data provider as reliable collector of market quotes.
As a second step, “fallback” prices are assessed by benchmarking each security to a pool of similar securities with available 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.
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.

Derivatives
Fair value of derivatives not traded in an active market is determined using a valuation technique. In such cases, where active markets exist for its component parts, then fair value is determined on the basis of the relevant market prices for the component parts. Valuation techniques that are based on inputs that are observable are referred to as Level 2 valuations. Valuation techniques that use significant unobservable inputs are referred to as Level 3 valuations.

Equity Instruments
Equity instruments are assigned to Level 1 when a quoted price is available on an active market and to Level 3 when no quotations are available or quotations have been suspended indefinitely. Equity instruments are classified as Level 2 only in the case of not significantly active market.
For equity instruments measured at cost due to unavailability of a fair value, an impairment is recognized, if the original cost exceeds the recoverable amount significantly or over a prolonged period of time.

Investment Funds
The Group holds investments in certain investment funds that publish net asset value (NAV) per share, including mutual funds, private equity funds, hedge funds (including funds of funds) and real estate funds. The Group's investments include co-investments in funds that are managed by the Group and investments in funds that are managed by third parties and in particular:

a) Real Estate Funds
Real Estate funds are classified to Level 1 when quoted prices are available on an active market; when this condition is not met, Real Estate funds are classified as Level 3 and they are evaluated through an appropriate credit adjustment of the NAV based on the specific features of each fund.

b) Other Funds
The Group holds investments also in mutual funds, hedge funds and private equity funds.
Funds are usually assigned to Level 1 when a quoted price is available on an active market.
Funds are disclosed as Level 2 or Level 3 depending on NAV availability, portfolio transparency and possible issues related to position write off. When sufficient information for reliable fair value measurements are not available, funds (i.e. hedge funds and private equity) are classified as Available for Sale and valued at cost with a Level 3 disclosure.
For funds measured at cost due to unavailability of a fair value, an impairment is recognized, if the original cost exceeds the recoverable amount significantly or over a prolonged period of time.

Fair Value Adjustments (FVA)
The base fair value assessments have to be adjusted for factors not included in the base net present value that a market participant would consider in order to calculate the derivative instrument's fair value. FVA aim to reduce the risk of using incorrect valuation and align the fair value to the actual exit price of a certain position, while also incorporating future costs. Such adjustments, within the UniCredit group, include:

- Credit and debit valuation adjustment (CVA/DVA)
- Model Risk;
- Close-out risk;
- Other adjustments.

Credit and debit valuation adjustment (CVA/DVA)
Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit own credit quality respectively.
UniCredit CVA/DVA methodology is based on the following input:

- EAD derived by simulation techniques. Simulated exposures also take into account Specific Wrong Way Risk that arises for transactions where there is a correlation between counterparty credit risk and the underlying derivative risk factors;
- PD derived by actual historic default rates or implied by current market default rates, obtained from credit default swaps;
- LGD based on the estimated level of expected recovery should a counterparty default and obtained from a bank's own historical experience or implied by current market default rates, obtained from credit default swaps.

Model Risk
Financial models are used for the valuation of the financial instruments if the direct market quotes are not readily available. In general the model risk is represented by the possibility that a financial instrument's evaluation is actually sensitive to the choice of model. It is possible to value the same financial instrument by using alternative models which could provide different results in term of pricing. The model risk adjustments refer to the risk that the actual fair value of the instrument differs from the value produced by the model.

Close-out risk
It measures the implicit costs of closing an (aggregated) trading position. The position could be closed by a sale (or purchase in the case of a short position), or by entering into a new transaction (or several transactions) that offsets (hedges) the open position. The close-out costs are typically derived from the bid/ask spreads observed on the market. It accounts for the fact that a position is valued at mid but can only be closed at bid or ask. This adjustment is not needed when the position is marked at bid or ask and already represents an exit price. Moreover a close-out adjustment of the NAV is also applied when there are some penalties related to position write off in an investment fund.

Other adjustments
Other fair value adjustments, which are not included into the previous categories, could be taken into consideration to align the evaluation to the current exit price also taking into account market liquidity/input to valuation , e.g adjustment of equity prices whose quotation on the market are not representative of the effective exit price.

Risk measures

VaR data
Shown below are the VaR data on the overall market risk for the trading book. 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

Daily VaR on Trading Book					(€ million)
		2013			2012
	12.27.2013	AVERAGE	MAX	MIN	AVERAGE
UniCredit Spa	6.4	6.5	12.1	2.4	4.3
*Bank Pekao SA	0.3	0.4	0.7	0.2	0.3
UCBA AG Group	1.8	2.2	4.2	1.4	3.6
UCB AG Group	8.4	14.9	27.6	4.7	20.4
UniCredit Group Total (1)	**19.3**	**24.0**	**33.3**	**11.2**	**28.6**

(1) Total Var is computed as simply the sum of the different components, without taking into account diversification effect among the various Entitles.
* For managerial purpose only

VaR increase in UniCredit S.p.A. is driven by the new trading activities in Rates Italy Bond business line started in April 2013. VaR decrease in UCB AG is mainly due to de-risking activities mainly with respect to Credit Indexes, reduced exposure to Italian Sovereign and in addition, shifting of time-window used for VaR calculation. UCI Ireland VaR figure is not disclosed as, for most of 2013, there are no trading book active positions. In addition, Fineco Bank VaR figure is no longer disclosed since it is negligible and does not contribute significantly to the overall Group risk on the trading book.

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

SVaR on Trading Book					(€ million)
		2013			2012
	12.27.13	AVERAGE	MAX	MIN	AVERAGE
UCI SpA	16.3	13.7	24.5	5.8	n.a.(*)
UCBA AG Group	10.1	11.1	22.2	6.7	16.1
UCB AG Group	25.2	23.6	34.9	12.2	24.7
Totale UniCredit Group (1)	**51.7**	**48.4**	**65.5**	**33.0**	**40.8**

(1) Total SVaR is computed as simply the sum of the different components, without taking into account diversification effect among the various Entities.
(*) Not applicable

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.
UCB AG IRC figure drastically decreased with respect to 2012 due to several CDO, CDS and Credit Index positions expiry in December 2012.

Risk on trading book

IRC on Trading Book					(€ million)
		2013			2012
	12.27.13	AVERAGE	MAX	MIN	AVERAGE
UCI SpA	156.6	159.7	242.8	42.1	n.a.(*)
UCBA AG Group	60.6	47.8	65.8	20.3	53.4
UCB AG Group	273.2	251.4	317.1	178.6	503.9
UniCredit Group Total (1)	**490.5**	**443.8**	**560.8**	**276.6**	**557.3**

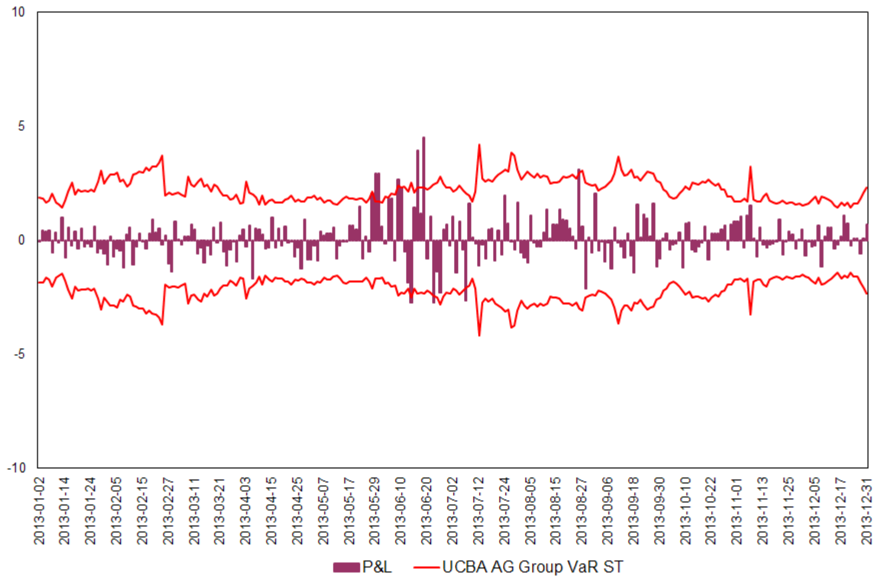
(1) Total IRC is computed as simply the sum of the different components, without taking into account diversification effect among the various Entities.
(*) Not applicable

VaR backtesting
In 2013, the UniCredit group's market risk has remained basically stable notwithstanding a general context of market uncertainty particularly in the first quarter of the year.
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 hypothetical profit and loss results for each main risk taker unit:

UCB AG Group

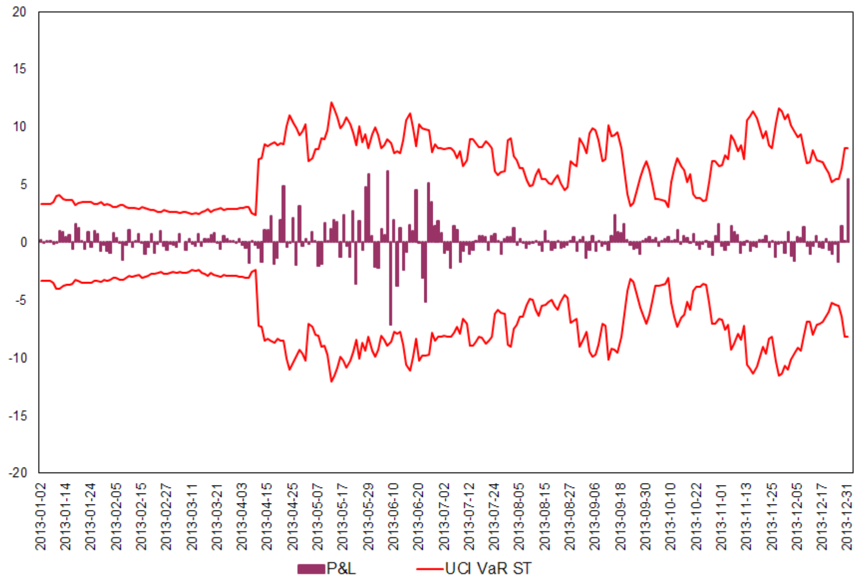
In UCB AG no negative overdrafts were recorded in 2013.

UCBA AG Group



In UCBA AG three negative overdrafts have been recorded in 2013: economic and hypothetical back testing overshootings on June 13 , economic and hypothetical back testing overshootings on June 24 and hypothetical back testing overshootings on July 8. All of them have been determined by strategic FX hedges for budgeted CEE profits, following a simultaneous appreciation of main CEE currencies against EUR.

UCI SPA



In UCI S.p.A. no negative overdrafts were recorded in 2013.
The increase at the beginning of April is due to start-up of market making activity on Italian Government bonds.

2.1 Interest Rate Risk – Regulatory trading book

QUALITATIVE INFORMATION

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.

In addition to the monitoring of Granular Market Limits, Group Market Risk functions conduct sensitivity analysis at least on monthly basis, in order 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, on CIB division's entire portfolio (trading book 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 monthly basis.

In addition to the sensitivity of financial instruments to changes in the underlying risk factor, it also calculated sensitivity to the volatility of interest rates assuming a positive shift 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 ±1bp/±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;
- 0bps for the one-year bucket;
- -50bps/+50bps for the 30-year plus bucket;

for buckets between the above ones, the change to be set is found by linear interpolation.

The tables below show CIB trading book sensitivities:

€ millions

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	**0.1**	**-0.0**	**-0.1**	**-0.6**	**0.5**	**-0.2**	**-0.4**	**90.0**	**5.5**	**-4.7**	**-22.5**	**19.7**	**-17.4**
of which: EUR	0.1	-0.0	-0.4	-0.6	0.4	-0.2	**-0.6**	92.9	7.5	-6.5	-38.0	19.3	-14.6
USD	-0.0	0.0	0.1	0.0	0.0	-0.0	**0.2**	-8.0	-1.9	1.8	18.0	1.2	-0.9
GBP	0.0	-0.1	-0.1	-0.0	-0.0	-0.0	**-0.2**	22.4	2.2	-2.2	-22.4	0.9	-0.8
CHF	-0.0	-0.0	-0.0	0.0	0.0	-0.0	**-0.1**	4.7	0.3	-0.5	-6.3	-1.0	0.2
JPY	-0.0	0.1	0.2	0.0	-0.0	-0.0	**0.3**	-20.9	-2.6	2.6	25.7	0.3	-0.3

€ million

	-30%	+50%
Interest Rates	**14.035**	**8.672**
of which: EUR	14.186	8.306
USD	-0.280	0.836
GBP	0.009	-0.063
CHF	0.087	-0.325
JPY	0.025	-0.043

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, 2013, the sensitivity of interest income to an immediate and parallel shift of +100bps was +€215 million (-€177 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 -€1,335 million at December 31, 2013[12].

The main sources of interest rate risk can be classified as follows:
- repricing risk: risk resulting from differences in interest reset date of assets and liabilities. Mismatches in interest reset dates lead to yield curve risk. This refers to the risk resulting from exposure of the bank's positions to changes in the slope and shape of the yield curve. A related risk is basis risk. This risk resulting from the imperfect correlation in lending and borrowing interest rate changes for different instruments, may also show similar repricing characteristics;
- optional risk: risk resulting from implicit or explicit options in the Group's banking book positions. Embedded options in the bank's mortgage portfolio are a relevant example.

Limits and threshold are defined in terms of VaR (utilizing the methodology described for trading book, based on sensitivities to interest rate fluctuations calculated taking into account information from the behavioral models), Sensitivity or Repricing Gap for each Group Bank or Company. The set of metrics is defined depending on the level of sophistication of the Company's business.

Each of the Group's banks or companies assumes responsibility for managing exposure to interest rate risk within its specified limits. At consolidated level, the Group Asset Liability Management Unit and the functions of Group Risk Management are in charge of interest rate risk measurement.
Interest rate risk measurement includes:
- Net Interest Income analysis: this involves among other a static gap analysis (i.e., assuming that positions remain constant during the period), an impact simulation on interest income for the current period is performed, by taking into account elasticity assumptions for sight items. In addition a simulation analysis includes the analysis of the impact on income from different shocks for the interest rates. Reference shocks for a rate rise and a rate fall scenario are an instantaneous and parallel shock of respectively +/- 100 bps. In addition a flattening and a steepening scenario are also analyzed in order to evaluate the impact on the Net Interest Income of non-parallel movement of the rate curve too;
- Economic Value analysis: this includes the calculation of duration measures, value sensitivities of the balance sheet for different points on the curve, as well as the impact on the Economic Value from larger shocks, e.g. a 200bp parallel shift.

The interest rate risk is monitored on a daily basis in terms of Economic value sensitivity for an instantaneous and parallel shock of +1 basis point value of the interest rate term structure. On a monthly basis the Economic Value sensitivity for interest rate term structure shock of +200 basis point value and Net Interest Income Sensitivity are measured. The function responsible for interest rate risk management verifies on a daily basis the limit usage of the interest rate risk of relevant positions.

The Treasury hedges interest rate risk exposure from commercial transactions. The Treasury interest rate risk exposure is monitored through a set of limits and threshold levels. The same holds for the overall interest rate exposure of the balance sheet, taking into account also the strategic investment positions of the bank, e.g. transactions not directly related to hedging the commercial business.

[12] 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.

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.”

QUANTITATIVE INFORMATION

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

(€ '000)

	AMOUNTS AS AT 12.31.2013							
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	**150,738,822**	**246,559,387**	**49,814,746**	**42,752,381**	**128,988,910**	**43,027,628**	**21,974,528**	**4,416,739**
1.1 Debt securities	313,750	29,155,591	12,939,935	11,467,544	64,454,262	13,532,323	5,505,719	85,000
- *With prepayment option*	2,000	640,931	139,640	93,215	161,444	4,425	-	-
- Other	311,750	28,514,660	12,800,295	11,374,329	64,292,818	13,527,898	5,505,719	85,000
1.2 Loans to banks	15,887,020	34,561,482	1,542,800	750,688	1,566,404	562,140	328,529	236,668
1.3 Loans to customers	134,538,052	182,842,314	35,332,011	30,534,149	62,968,244	28,933,165	16,140,280	4,095,071
- Current accounts	45,675,630	1,384,734	757,700	1,770,306	2,834,582	990,971	488,920	13,402
- Other loans	88,862,422	181,457,580	34,574,311	28,763,843	60,133,662	27,942,194	15,651,360	4,081,669
- *With prepayment option*	28,545,409	37,737,864	12,281,628	3,624,608	13,994,511	6,332,928	7,589,803	-
- Other	60,317,013	143,719,716	22,292,683	25,139,235	46,139,151	21,609,266	8,061,557	4,081,669
2. Balance-sheet liabilities	**273,474,856**	**210,548,281**	**37,153,378**	**43,962,852**	**82,546,426**	**27,325,753**	**7,569,734**	**528,907**
2.1 Deposits from customers	256,809,594	103,816,339	17,868,720	18,915,382	13,724,174	1,059,218	1,973,497	215,227
- Current accounts	240,601,166	11,215,393	1,608,151	1,874,976	226,128	84,026	42,479	1,842
- Other loans	16,208,428	92,600,946	16,260,569	17,040,406	13,498,046	975,192	1,931,018	213,385
- *With prepayment option*	304,077	408,137	188,610	280,910	132,937	650	8	-
- Other	15,904,351	92,192,809	16,071,959	16,759,496	13,365,109	974,542	1,931,010	213,385
2.2 Deposits from banks	16,159,305	56,722,299	5,964,803	7,408,923	18,262,433	4,059,859	1,412,173	117,916
- Current accounts	11,928,223	747,882	-	239	534	-	-	4,422
- Other loans	4,231,082	55,974,417	5,964,803	7,408,684	18,261,899	4,059,859	1,412,173	113,494
2.3 Debt securities in issue	488,032	50,009,643	13,319,855	17,638,547	50,559,819	22,206,676	4,184,064	195,764
- *With prepayment option*	-	345,862	1,012,659	26,721	2,735,491	2,358,877	882,710	3,665
- Other	488,032	49,663,781	12,307,196	17,611,826	47,824,328	19,847,799	3,301,354	192,099
2.4 Other liabilities	17,925	-	-	-	-	-	-	-
- *With prepayment option*	-	-	-	-	-	-	-	-
- Other	17,925	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 Phisically settled financial derivatives								
- Option								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	155,519	5,294,206	383,211	620,901	534,372	689,405	187,600	192,962
+ Short positions	149,439	3,908,676	360,620	587,764	1,820,636	688,330	150,450	192,962
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	1,340,015	1,083,184	281,910	6,960,519	421,051	2,228,513	4,465
+ Short positions	-	1,395,500	1,091,123	275,678	7,148,295	493,466	2,164,771	10,992
- Other derivatives								
+ Long positions	22,292,893	159,332,230	49,597,620	16,514,282	70,535,723	23,316,849	15,757,105	13,931
+ Short positions	29,267,890	173,993,923	35,841,661	15,812,350	67,589,189	18,756,778	15,910,219	85,544
4. Other off-balance sheet transactions								
+ Long positions	12,332,851	25,489,060	5,129,626	3,357,136	19,225,837	1,667,195	821,395	6,197,925
+ Short positions	41,645,643	5,629,103	3,913,517	3,729,199	11,969,950	462,358	672,470	6,198,781

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

1.1 Banking portfolio: distribution by maturity (repricing date) of financial assets and liabilities - Currency: euro

(€ '000)

	AMOUNTS AS AT 12.31.2013							
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	**121,849,224**	**189,018,859**	**41,801,254**	**33,086,202**	**112,483,900**	**37,971,858**	**19,678,674**	**4,328,880**
1.1 Debt securities	84,064	21,145,909	10,361,767	9,418,103	56,889,585	10,854,331	4,620,339	84,981
- *With prepayment option*	2,000	530,531	113,030	22,178	10,975	-	-	-
- Other	82,064	20,615,378	10,248,737	9,395,925	56,878,610	10,854,331	4,620,339	84,981
1.2 Loans to banks	12,727,220	25,398,981	1,284,364	616,917	1,331,494	102,379	328,529	236,445
1.3 Loans to customers	109,037,940	142,473,969	30,155,123	23,051,182	54,262,821	27,015,148	14,729,806	4,007,454
- Current accounts	41,995,201	211,246	735,050	1,398,430	2,791,431	986,999	475,459	12,651
- Other loans	67,042,739	142,262,723	29,420,073	21,652,752	51,471,390	26,028,149	14,254,347	3,994,803
- *With prepayment option*	27,838,672	37,365,757	12,063,204	3,207,657	13,311,241	6,116,425	7,483,321	-
- Other	39,204,067	104,896,966	17,356,869	18,445,095	38,160,149	19,911,724	6,771,026	3,994,803
2. Balance-sheet liabilities	**237,530,644**	**170,212,371**	**31,683,356**	**38,197,036**	**75,870,540**	**26,315,429**	**7,368,765**	**304,885**
2.1 Deposits from customers	223,518,400	74,561,868	15,259,892	14,991,818	10,390,831	915,186	1,863,307	183,493
- Current accounts	209,269,116	758,726	106,938	527,730	159,741	35,363	20,163	1,517
- Other loans	14,249,284	73,803,142	15,152,954	14,464,088	10,231,090	879,823	1,843,144	181,976
- *With prepayment option*	271,951	12,832	11,328	18,782	20,494	35	4	-
- Other	13,977,333	73,790,310	15,141,626	14,445,306	10,210,596	879,788	1,843,140	181,976
2.2 Deposits from banks	13,520,471	47,568,753	4,113,320	6,729,607	17,980,975	4,023,328	1,412,173	113,897
- Current accounts	10,390,502	5,819	-	-	-	-	-	403
- Other loans	3,129,969	47,562,934	4,113,320	6,729,607	17,980,975	4,023,328	1,412,173	113,494
2.3 Debt securities in issue	473,848	48,081,750	12,310,144	16,475,611	47,498,734	21,376,915	4,093,285	7,495
- *With prepayment option*	-	334,715	1,012,659	26,721	2,707,583	2,358,877	882,710	-
- Other	473,848	47,747,035	11,297,485	16,448,890	44,791,151	19,018,038	3,210,575	7,495
2.4 Other liabilities	17,925	-	-	-	-	-	-	-
- *With prepayment option*	-	-	-	-	-	-	-	-
- Other	17,925	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 Phisically settled financial derivatives								
- Option								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	1,091	753,435	190,266	224,950	100,000	118,951	187,600	-
+ Short positions	1,091	1,654,226	114,803	179,692	274,950	90,000	144,600	-
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	1,338,445	1,082,549	280,528	6,951,313	421,051	2,228,513	-
+ Short positions	-	1,394,407	1,090,489	274,296	7,145,139	493,466	2,164,771	-
- Other derivatives								
+ Long positions	21,263,489	151,442,096	48,451,825	16,043,870	67,005,300	22,242,119	15,588,983	6,639
+ Short positions	28,264,337	169,011,364	34,951,215	15,109,441	64,024,646	18,341,050	15,573,508	43,615
4. Other off-balance sheet transactions								
+ Long positions	11,264,733	24,756,390	4,195,498	2,396,214	16,559,398	528,365	542,278	834,026
+ Short positions	38,711,320	5,177,742	3,360,830	2,881,118	9,488,913	213,982	408,969	834,026

1.2 Banking portfolio: distribution by maturity (repricing date) of financial assets and liabilities - Currency: dollar

(€ '000)

	AMOUNTS AS AT 12.31.2013							
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	**4,352,147**	**11,930,960**	**1,565,058**	**2,292,790**	**4,882,250**	**1,532,098**	**787,589**	**3,816**
1.1 Debt securities	7,939	382,352	25,358	1,928	2,984,586	516,851	632,550	9
- With prepayment option	-	660	21,533	-	-	-	-	-
- Other	7,939	381,692	3,825	1,928	2,984,586	516,851	632,550	9
1.2 Loans to banks	1,980,462	2,033,190	137,258	95,173	93,696	457,799	-	189
1.3 Loans to customers	2,363,746	9,515,418	1,402,442	2,195,689	1,803,968	557,448	155,039	3,618
- Current accounts	965,519	10,875	2,449	13,870	6,180	3,950	194	217
- Other loans	1,398,227	9,504,543	1,399,993	2,181,819	1,797,788	553,498	154,845	3,401
- With prepayment option	454,128	143,027	54,088	153,046	383,327	137,471	64,842	-
- Other	944,099	9,361,516	1,345,905	2,028,773	1,414,461	416,027	90,003	3,401
2. Balance-sheet liabilities	**6,515,473**	**11,878,364**	**2,657,556**	**2,166,161**	**3,580,137**	**730,361**	**171,575**	**16,737**
2.1 Deposits from customers	5,141,330	6,809,872	396,824	1,493,677	2,247,612	107,922	104,034	5,388
- Current accounts	4,913,532	470,121	116,164	389,522	5,277	46,751	22,277	5
- Other loans	227,798	6,339,751	280,660	1,104,155	2,242,335	61,171	81,757	5,383
- With prepayment option	8,138	95,696	55,596	180,061	103,732	157	2	-
- Other	219,660	6,244,055	225,064	924,094	2,138,603	61,014	81,755	5,383
2.2 Deposits from banks	1,374,143	4,659,905	1,664,801	570,867	14,938	3,237	-	4,019
- Current accounts	679,739	12,765	-	-	-	-	-	4,019
- Other loans	694,404	4,647,140	1,664,801	570,867	14,938	3,237	-	-
2.3 Debt securities in issue	-	408,587	595,931	101,617	1,317,587	619,202	67,541	7,330
- With prepayment option	-	11,092	-	-	-	-	-	3,665
- Other	-	397,495	595,931	101,617	1,317,587	619,202	67,541	3,665
2.4 Other liabilities	-	-	-	-	-	-	-	-
- With prepayment option	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 Phisically settled financial derivatives								
- Option								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	88,908	1,859,039	-	109,073	49,729	-	-	-
+ Short positions	59,428	839,568	72,503	408,072	1,161,043	27,876	5,850	-
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	634	-	-	-	-	-
- Other derivatives								
+ Long positions	1,029,404	4,117,639	481,585	409	1,906,316	-	130,385	-
+ Short positions	1,003,553	1,568,238	1	20,233	1,949,608	63,490	321,580	-
4. Other off-balance sheet transactions								
+ Long positions	323,440	300,160	65,420	106,221	981,167	28,268	15,617	77,879
+ Short positions	671,230	60,526	261,099	24,820	797,871	4,745	1	77,879

Part E – Information on risks and related risk management policies

1.3 Banking portfolio: distribution by maturity (repricing date) of financial assets and liabilities - Currency: other currencies

(€ '000)

	AMOUNTS AS AT 12.31.2013							
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	**24,537,451**	**45,609,568**	**6,448,434**	**7,373,389**	**11,622,760**	**3,523,672**	**1,508,265**	**84,043**
1.1 Debt securities	221,747	7,627,330	2,552,810	2,047,513	4,580,091	2,161,141	252,830	10
- *With prepayment option*	-	109,740	5,077	71,037	150,469	4,425	-	-
- Other	221,747	7,517,590	2,547,733	1,976,476	4,429,622	2,156,716	252,830	10
1.2 Loans to banks	1,179,338	7,129,311	121,178	38,598	141,214	1,962	-	34
1.3 Loans to customers	23,136,366	30,852,927	3,774,446	5,287,278	6,901,455	1,360,569	1,255,435	83,999
- Current accounts	2,714,910	1,162,613	20,201	358,006	36,971	22	13,267	534
- Other loans	20,421,456	29,690,314	3,754,245	4,929,272	6,864,484	1,360,547	1,242,168	83,465
- *With prepayment option*	252,609	229,080	164,336	263,905	299,943	79,032	41,640	-
- Other	20,168,847	29,461,234	3,589,909	4,665,367	6,564,541	1,281,515	1,200,528	83,465
2. Balance-sheet liabilities	**29,428,739**	**28,457,546**	**2,812,466**	**3,599,655**	**3,095,749**	**279,963**	**29,394**	**207,285**
2.1 Deposits from customers	28,149,864	22,444,599	2,212,004	2,429,887	1,085,731	36,110	6,156	26,346
- Current accounts	26,418,518	9,986,546	1,385,049	957,724	61,110	1,912	39	320
- Other loans	1,731,346	12,458,053	826,955	1,472,163	1,024,621	34,198	6,117	26,026
- *With prepayment option*	23,988	299,609	121,686	82,067	8,711	458	2	-
- Other	1,707,358	12,158,444	705,269	1,390,096	1,015,910	33,740	6,115	26,026
2.2 Deposits from banks	1,264,691	4,493,641	186,682	108,449	266,520	33,294	-	-
- Current accounts	857,982	729,298	-	239	534	-	-	-
- Other loans	406,709	3,764,343	186,682	108,210	265,986	33,294	-	-
2.3 Debt securities in issue	14,184	1,519,306	413,780	1,061,319	1,743,498	210,559	23,238	180,939
- *With prepayment option*	-	55	-	-	27,908	-	-	-
- Other	14,184	1,519,251	413,780	1,061,319	1,715,590	210,559	23,238	180,939
2.4 Other liabilities	-	-	-	-	-	-	-	-
- *With prepayment option*	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 Phisically settled financial derivatives								
- Option								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	65,520	2,681,732	192,945	286,878	384,643	570,454	-	192,962
+ Short positions	88,920	1,414,882	173,314	-	384,643	570,454	-	192,962
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	1,570	635	1,382	9,206	-	-	4,465
+ Short positions	-	1,093	-	1,382	3,156	-	-	10,992
- Other derivatives								
+ Long positions	-	3,772,495	664,210	470,003	1,624,107	1,074,730	37,737	7,292
+ Short positions	-	3,414,321	890,445	682,676	1,614,935	352,238	15,131	41,929
4. Other off-balance sheet transactions								
+ Long positions	744,678	432,510	868,708	854,701	1,685,272	1,110,562	263,500	5,286,020
+ Short positions	2,263,093	390,835	291,588	823,261	1,683,166	243,631	263,500	5,286,876

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.

Part E – Information on risks and related risk management policies

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.

The tables below show CIB trading book sensitivities.

€ million

	Delta Cash-equivalent	-20%	-10%	-5%	-1%	+1%	+5%	+10%	+20%
Equities									
All markets	**30.8**	**-50.6**	**-8.3**	**-1.7**	**-0.5**	**0.3**	**1.2**	**0.2**	**-9.3**
Europe	4.9					0.0			
US	53.8					0.5			
Japan	2.6					0.0			
United Kingdom	34.5					0.3			
Switzerland	12.2					0.1			
CEE	0.6					0.0			
Others	-20.9					-0.2			
Commodities									
All markets	**-0.8**	**0.2**	**0.1**	**0.0**	**0.0**	**-0.0**	**-0.0**	**-0.1**	**-0.2**

€ million

	-30%	+30%
Equities	**5.143**	**-5.709**

2.4 Price Risk – Banking Book

QUALITATIVE INFORMATION

A. General Aspects, Price Risk Management Processes and Measurement Methods
Banking book price risk primarily originates from 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 as they are also held as a stable investment. In the whole banking book portfolio assessment this kind of risk is also considered.

Information about the shareholding in the Bank of Italy

UniCredit S.p.A. holds 22.114% of the Share Capital of the Bank of Italy, classified in Balance Sheet item 40 – Available-for-sale financial assets.
Following the issuance of D.L. no. 133 (hereinafter "D.L. 133") in November 2013 (enacted into Law no. 5 of January 29, 2014) and subsequent changes to the by-law approved on December 23, 2013 by the Extraordinary Shareholders' Meeting, the Bank of Italy increased its capital by €7.5 billion (using pre-existing reserves), replacing the existing shares (that were cancelled) with new shares having nominal value of €25,000.
The D.L. 133 introduced the following changes to the by-law, which set relevant discontinuity in the regulation of shares and result in dramatic changes in the contents and features of the shares and their related rights:

- property rights related to the new shares are limited to shareholders' capital and annual dividends resulting from the Shareholders' resolution;
- with respect to shares remuneration, it was decided that dividends should be attributed only in presence positive net results and up to 6% of the shareholders issued capital;
- changes to the regulation of voting rights were made;
- the list of parties entitled to hold shares was modified;
- in case of transfer of shares, the acceptance-clause formerly retained by the issuer is cancelled;
- an upper limit of 3% was introduced to the (direct or indirect) shareholding of each shareholder;
- the issuer can temporarily buy back its own shares in order to help reduce the shareholders' stake within the above-mentioned limit of 3%.

These changes also resulted in a change in the characteristics of the expected future cash flows. Indeed, the absolute maximum percentages of remuneration before- and after-reform are substantially 4% and 6% respectively, to be applied:

- before-reform, to the amount of ordinary and extraordinary reserves as per last fiscal year (2012, €14.9 billion), within the limit of annual returns from the investments of the reserves;
- after-reform, to the extent of the share capital (€7.5 billion), provided that this amount is lower than the net result of the year.

In the light of the exceptional and unique nature of the legal framework governing the shareholding in the Bank of Italy, of D.L. 133, of the changes to the by-law made by the Extraordinary Meeting of the Bank of Italy, and of the lack of clear instructions within IFRS about how to treat this transaction, the accounting treatment is the result of a complex interpretation and valuation process. In this respect, please note that the Supervisory Authorities are currently conducting further analyses both at national and international level.
In this respect, it should be noted that on March 10, 2014 Consob issued a recommendation highlighting the need – with reference to the interpretation issues arisen at European level and pending the ongoing investigation on the application of the regulations and their consistency with IAS/IFRS – to provide detailed information in the financial statements regarding the accounting approach adopted. Detailed information is therefore included in these accounts pursuant to Consob recommendation.
In the preparation of UniCredit S.p.A.'s Separate and Consolidated Financial Statements as at December 31, 2013, the Directors decided that the most appropriate accounting treatment was to recognize the revaluation of Bank of Italy share in P&L. This interpretation, also confirmed by high level experts, considers capital increase as a realized exchange of shares, as the transaction fulfill the conditions of IAS 39 (paragraph 17) for the derecognition. In more detail:

- expiry of the rights incorporated in the original shares and their replacement with different rights embedded in the new shares; or
- discontinuity from the perspective of the shareholders' expected cash inflows (and therefore the risk related to these cash flows) before and after the reform.

In accordance with this interpretation, in UniCredit S.p.A.'s separate and consolidated Financial Statements as at December 31, 2013:

- the existing shares were derecognized and the new shares were initially recognized at their nominal value, which is considered to represent their fair value for the reasons set out in the following paragraphs;
- in light of the characteristics of the instrument and the parameters used in the valuation, the shares were categorized as Level 3 in the fair value hierarchy as required by IFRS 13;

- the difference between the fair value of the initial recognition of the new shares (€1,659 million) and the carrying amount of the former cancelled shares (€285 million) was recognized in the Income statement (item 100 – Gains and losses on disposal of available-for-sale financial assets). This resulted in a positive effect of €1,190 million (net of €184 million taxes) on the net result of the year. The taxes were determined using the 12% tax rate as required by the Stability law of December 27, 2013;
- since there are no active markets for these shares (which would have made it possible to classify them in Balance Sheet item 20 – Financial assets held for trading, pursuant to D.L. 133), the new shares were classified in Balance Sheet item 40 – Available-for-sale financial assets, both in the separate and consolidated financial statements of UniCredit S.p.A., also in accordance with the Italian tax Authority (Agenzia delle Entrate) Circular of February 24, 2014;
- the transaction had no impact on the Regulatory Capital as at December 31, 2013.

With reference to the measurement of the fair value of the shares, it should be noted that the regulation has set a limit of 3% for each shareholding in the Bank of Italy to facilitate the equal distribution of the shares, specifying that no voting rights or dividends will be assigned to shares exceeding this limit, after an adjusting period of 36 months (during the adjusting period the exceeding shares won't be assigned voting rights but will still have rights to dividends). Even if the reform has laid the foundations to get out of the aforementioned standstill, at the current state there is no obligation for Bank of Italy to buy back or to intermediate the disposal of the exceeding shares, nor the terms and conditions for any buybacks were defined. For the purposes of the 2013 financial statements, the Directors decided that the conditions to reliably determine a fair value were met. Specifically, the fair value of the shares (corresponding to a valuation of 100% of the shares amounting to €7.5 billion) was confirmed, as noted above, by an internal valuation, based on a long term Dividend Discount Model and a liquidity discount that reflects a limited circulation of the shares. As any valuation of a non-listed financial instrument defined through the use of models and non-observable variables, there is a certain level of uncertainty and professional judgment. The valuation also took into consideration the result of the evaluation exercise performed in November 2013 by the group of high-level experts on behalf of the Bank of Italy; this evaluation exercise had identified a value bracket for the shares between €5.0 and €7.5 billion. It is clear that the appearance of transactions on the shares will qualify as a factor of uncertainty in the context of this valuation in the coming periods.
Had the Directors applied a different interpretation of IFRS to this transaction, the alternative treatment would have resulted in the recognition of the revaluation through Revaluation reserves of the Available-for-sale financial assets. Such alternative treatment is based on an interpretation according to which the continuity of rights and cash flows from the shares (before- and after-reform) would prevail. Assuming that the reform is intended to be fair, i.e. it did not modify the shareholders' economic rights (granting a future inflow of dividends having a net present value equal to the estimated current value of the shares of Bank of Italy before the reform), under this alternative accounting treatment no substantial discontinuity was observed between the shares before-reform and the new shares and therefore there should be no derecognition of the existing shares (nor initial recognition of the newly issued ones) and the revaluation gain should be recognized within Equity (against Revaluation reserve). Accordingly, reported loss would have been higher for €1.190 million and an increase of Other Comprehensive Income (Revaluation reserves of the Available-for-sale financial assets) of the same amount would have been reported.
As noted before, the content of D.L. 133 is currently being analyzed by the European Union, which in the last days of February 2014 sent a letter to the Ministry of Treasury asking for information in order to decide if the conditions for the public aids in favor of some banks are met. It should also be noted that in February 2014 the Codacons filed a lawsuit in the Regional Administrative Court of Lazio for the nullification of both the resolution passed by the Bank of Italy Extraordinary Shareholders' Meeting on December 23, 2013 and the evaluation document mentioned above.
It cannot be excluded that future pronouncements of the competent authorities could lead to changes to the assumptions used as the basis for the adopted accounting treatment, thus pointing out a different accounting treatment.

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 expressed 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.

The Group also calculates sensitivity to the volatility of exchange rates assuming a positive shift of 50% or negative change of 30% in volatility curves or matrixes.

The tables below show CIB trading book sensitivities:

€ million

Exchange rates	Delta Cash-Equivalent	-10%	-5%	-1%	+1%	+5%	+10%
EUR		32.8	10.6	1.1	-1.0	-7.7	-14.0
USD	73.7	3.2	-0.4	-0.5	0.7	8.6	22.8
GBP	24.1	-5.4	-2.2	-0.3	0.2	0.7	0.1
CHF	17.0	-6.8	-3.1	-0.1	0.2	-0.2	-0.4
JPY	5.4	4.5	1.4	0.0	0.1	0.2	0.1

€ million

	-30%	+50%
Exchange Rates	**2.569**	**-4.496**
of which: EUR_GBP	0.642	-1.158
EUR_JPY	0.505	-0.600
JPY_USD	0.405	-0.605
EUR_USD	0.328	-0.576
EUR_SEK	-0.776	0.106
GBP_USD	0.297	-0.546
AUD_EUR	-0.231	0.494
PLN_USD	0.371	-0.226

Part E – Information on risks and related risk management policies

2.6 – Exchange Rate Risk – Banking book

QUALITATIVE INFORMATION

A. General Aspects, Exchange Rate Risk Management Processes and Measurement Methods
Exchange rate risk originates both from banks in the Group operating in currency areas other than the Eurozone and from positions taken by specialist centres holding the Group's market risk within the limits assigned.
In the latter case, exchange risk originates from currency trading activities performed through the negotiation of the various market instruments and it 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 due to the exposure to such risk.

B. Hedging Exchange Rate Risk
The Group adopts hedge strategies for profits and dividends arising from its subsidiaries not belonging to the Eurozone. The hedging strategies takes into account market circumstances.

QUANTITATIVE INFORMATION
(Regulatory trading book and Banking book)

1. Distribution by currency of assets and liabilities and derivatives

(€ '000) (€ '000)

	AMOUNTS AS AT 12.31.2013					
	CURRENCIES					
ITEMS	US DOLLAR	ZLOTY	YEN	TURKISH LIRA	SWISS FRANC	OTHER CURRENCY
A. Financial assets	**52,030,523**	**30,340,573**	**2,138,066**	**11,419,389**	**16,225,907**	**57,249,098**
A.1 Debt securities	6,447,920	10,078,576	90,339	1,828,227	330,245	10,098,765
A.2 Equity securities	604,952	11,708	1,549,300	2,915	161,550	895,473
A.3 Loans to banks	18,356,260	1,730,343	112,093	517,867	1,359,530	9,524,466
A.4 Loans to customers	26,578,005	18,519,902	386,235	8,892,334	14,363,830	35,698,151
A.5 Other financial assets	43,386	44	99	178,046	10,752	1,032,243
B. Other assets	**1,425,151**	**25,584**	**648**	**154,467**	**7,980**	**1,624,907**
C. Financial liabilities	**49,307,719**	**26,715,819**	**529,779**	**7,148,842**	**2,557,172**	**39,669,685**
C.1 Deposits from banks	24,695,427	1,252,592	190,982	855,354	1,509,207	8,413,670
C.2 Deposits from customers	20,717,477	24,643,097	122,554	6,033,993	607,295	26,995,343
C.3 Debt securities in issue	3,888,332	820,125	216,243	258,550	406,340	4,222,166
C.4 Other financial liabilities	6,483	5	-	945	34,330	38,506
D. Other liabilities	**357,391**	**103,504**	**2,197**	**999,509**	**1,849**	**4,699,044**
E. Financial derivatives						
- Options						
- Long positions	35,112,892	1,570,485	5,341,305	-	6,105,051	14,062,434
- Short positions	34,474,531	1,639,102	5,363,838	-	6,117,792	14,481,529
- Other						
- Long positions	174,529,977	8,691,156	14,641,758	214,696	47,377,007	79,229,440
- Short positions	172,370,580	8,245,821	16,589,993	286,545	65,403,157	77,496,485
Total assets	**263,098,543**	**40,627,798**	**22,121,777**	**11,788,552**	**69,715,945**	**152,165,879**
Total liabilities	**256,510,221**	**36,704,246**	**22,485,807**	**8,434,896**	**74,079,970**	**136,346,743**
Difference (+/-)	**6,588,322**	**3,923,552**	**(364,030)**	**3,353,656**	**(4,364,025)**	**15,819,136**

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 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.

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%) and from 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.
The table below shows CIB trading book sensitivities.

€ 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**	**-0.2**	**-0.8**	**-0.2**	**-1.2**	**-13.5**	**-133.3**	**79.0**	**-69.7**
Rating									
AAA	-0.0	-0.1	-0.4	-0.1	-0.7	-6.9	-67.4	14.3	-11.2
AA	-0.0	-0.0	-0.1	-0.0	-0.1	-1.0	-9.5	2.5	-2.4
A	0.0	-0.1	-0.3	-0.0	-0.3	-4.4	-42.5	19.8	-18.4
BBB	-0.0	-0.0	-0.0	0.0	-0.0	-0.2	-2.0	10.9	-10.4
BB	0.0	-0.0	-0.1	-0.0	-0.1	-0.7	-7.3	29.9	-23.6
B	0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.2	2.8	-2.3
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	-0.0	-0.2	-0.1	-0.4			6.5	-5.4
ABS and MBS	-0.0	-0.0	-0.0	-0.0	-0.0			7.3	-4.5
Jumbo and Pfandbriefe	-0.0	-0.1	-0.2	-0.0	-0.3			3.5	-3.5
Financial Services	-0.0	-0.1	-0.4	-0.0	-0.5			41.4	-36.5
All Corporates	0.1	-0.0	0.0	-0.1	0.0			21.9	-17.7
-Automotive	0.0	-0.0	-0.0	-0.0	0.0			1.5	-1.4
-Consumer Goods	0.0	-0.0	0.0	-0.0	0.0			5.0	-3.4
-Pharmaceutical	0.0	0.0	0.0	-0.0	0.0			0.6	-0.6
-Industries	0.0	-0.0	-0.0	-0.0	-0.0			5.9	-5.0
-Telecommunications	0.0	0.0	-0.0	-0.0	0.0			-0.1	-0.6
-Utilities and Energy Sources	0.0	0.0	-0.0	-0.0	-0.0			1.2	-0.7
-All other Corporates	0.0	-0.0	0.0	-0.0	0.0			7.7	-6.1
Total Developed Sovereigns					**-1.0**	**-9.9**			

Part E – Information on risks and related risk management policies

2.8 Stress Tests

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, first introduced in June 2012 and updated in December 2013, assumes that Greece exits from the EMU without however bringing the Eurozone to a collapse. While recent developments have greatly reduced the near-term probability of such an event, Greece remains in a difficult situation and exit from EMU in the medium term remains a non-negligible possibility. 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). This would strengthen the negative feedback loop between sovereign risk, banks and the real economy.

- On the fixed income side, a flight-to-quality demand would be observed, with the focus on German and US bonds, for which we expect a significant richening vs swap (20 bp).
- As for peripheral countries, spreads would come under pressure. The Italian swap spread would widen 300bp, reaching the 500bp area, while Spain would widen 250bp.
- Equity markets would plunge and, at the same time, a steady 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 scenario, updated in December 2013, we assume that debt crisis escalates again, 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. As for as Financial markets are concerned:

- on the Fixed Income side, we would initially observe a flight-to-quality-style demand, with focus on German and US bonds. Credit Spreads would fall by around 20/30 bp for these issuers. All other government bonds would come under pressure due to credit risk repricing, Italian and Spanish bonds would widen around 180/230 bp vs Bund. Spread widening is expected also for corporate bonds; the shift in credit risk preference would lead to strong pressure on high-yield bonds;
- Equity markets would experience a moderate downturn, coupled with an increase in volatility;
- Contagion spreading across the eurozone should weight on EUR-USD even though Fed would keep rates on hold. GBP-USD would be less affected then EUR-USD, while EUR-GBP would suffer as well as sterling may be perceived as an EMU hedge. In CEE, as response to lower growth and deteriorating fundamentals, we would expect policy-makers to favour some local currency devaluation to promote growth.

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 spill over 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 is 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

Scenario				(€ million)
12.31.2013	**2013**			
	Sovereign Tensions	**Emerging Market Slowdown**	**Grexit**	**Widespread Contagion**
UniCredit Spa	-31	-15	-114	-54
Bank Pekao SA	8	15	4	3
UCBA AG Group	-58	-64	40	3
UCB AG Group	-504	-499	-332	-157
UniCredit Group Total	**-585**	**-563**	**-401**	**-205**

Conditional losses increased in UniCredit S.p.A. due to new Trading activities in Rates Italy Bond business line starting from April 2013. In UCB AG the increased loss is mainly driven by reverted equity delta exposure and the conditional profit in UCBA AG for Grexit and Widespread Contagion scenarios stems from the CEE area and is mainly driven by FX exposures.

Part E – Information on risks and related risk management policies

2.9 Derivative instruments

A. Financial Derivatives

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

(€ '000)

	AMOUNTS AS AT 12.31.2013		AMOUNTS AS AT 12.31.2012	
DERIVATIVE INSTRUMENT TYPES/UNDERLYINGS	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
1. Debt securities and interest rate indexes	**2,113,766,156**	**73,125,780**	**2,594,144,641**	**100,927,844**
a) Options	323,471,637	25,668,000	391,571,706	50,428,000
b) Swap	1,651,840,689	220,631	1,970,577,338	4,628
c) Forward	53,248,036	1,979,372	81,218,484	19
d) Futures	26,710	45,257,777	32,600	50,495,197
e) Others	85,179,084	-	150,744,513	-
2. Equity instruments and stock indexes	**108,813,605**	**31,150,057**	**78,920,994**	**29,011,119**
a) Options	94,537,276	24,068,811	66,634,555	25,960,609
b) Swap	11,559,000	398,000	11,368,000	314,000
c) Forward	387,000	-	109,056	-
d) Futures	65	6,683,242	25,122	2,736,505
e) Others	2,330,264	4	784,261	5
3. Gold and currencies	**559,289,111**	**75,251**	**538,670,735**	**88,358**
a) Options	27,219,562	-	48,432,594	-
b) Swap	218,399,350	-	226,560,201	-
c) Forward	313,151,840	-	263,677,940	-
d) Futures	-	75,251	-	88,358
e) Others	518,359	-	-	-
4. Commodities	**3,204,261**	**756,000**	**2,732,518**	**1,719,000**
5. Other underlyings	**1,463,710**	**-**	**940,535**	**-**
Total	**2,786,536,843**	**105,107,088**	**3,215,409,423**	**131,746,321**
Avarage amounts	**3,000,973,133**	**118,426,705**	**3,335,885,072**	**150,347,750**

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)

	AMOUNTS AS AT 12.31.2013		AMOUNTS AS AT 12.31.2012	
DERIVATIVE INSTRUMENT TYPES/UNDERLYINGS	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
1. Debt securities and interest rate indexes	**26,807,799**	**8,078,000**	**33,444,536**	**6,675,000**
a) Options	1,994,000	-	1,024,500	-
b) Swap	23,550,799	-	32,208,719	-
c) Forward	1,263,000	-	51,317	-
d) Futures	-	8,078,000	-	6,675,000
e) Others	-	-	160,000	-
2. Equity instruments and stock indexes	**5,394,248**	**-**	**2,513,248**	**-**
a) Options	248	-	3,248	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Others	5,394,000	-	2,510,000	-
3. Gold and currency	**7,814,228**	**-**	**5,819,176**	**-**
a) Options	489,000	-	46,000	-
b) Swap	3,111,711	-	2,966,403	-
c) Forward	4,213,517	-	2,806,773	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlyings	**-**	**-**	**-**	**-**
Total	**40,016,275**	**8,078,000**	**41,776,960**	**6,675,000**
Avarage amounts	**40,896,618**	**7,376,500**	**44,553,228**	**4,926,500**

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.

A.2.2 Banking book: end of period notional amounts - Other derivatives

(€ '000)

	AMOUNTS AS AT 12.31.2013		AMOUNTS AS AT 12.31.2012	
DERIVATIVE INSTRUMENT TYPES/UNDERLYINGS	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
1. Debt securities and interest rate indexes	**42,126,504**	**12,000**	**29,127,868**	**-**
a) Options	6,093,987	-	6,087,382	-
b) Swap	36,032,517	-	23,014,470	-
c) Forward	-	-	26,016	-
d) Futures	-	12,000	-	-
e) Others	-	-	-	-
2. Equity instruments and stock indexes	**2,044,161**	**-**	**3,460,752**	**-**
a) Options	2,044,161	-	3,460,752	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
3. Gold and currency	**1,805,247**	**-**	**2,232,583**	**-**
a) Options	60,006	-	143,940	-
b) Swap	336,433	-	595,659	-
c) Forward	1,408,808	-	1,492,984	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
4. Commodities	**45,993**	**-**	**83,183**	**-**
5. Other underlyings	**-**	**-**	**-**	**-**
Total	**46,021,905**	**12,000**	**34,904,386**	**-**
Avarage amounts	**40,463,146**	**6,000**	**35,678,796**	**-**

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

Part E – Information on risks and related risk management policies

A.3 Financial derivatives: gross positive fair value - breakdown by product

(€ '000)

TRANSACTION TYPES/UNDERLYINGS	POSITIVE FAIR VALUE			
	AMOUNTS AS AT 12.31.2013		AMOUNTS AS AT 12.31.2012	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
A. Regulatory trading portfolio	**69,421,525**	**1,411,513**	**114,748,069**	**1,496,932**
a) Options	5,571,625	1,386,151	7,937,111	1,461,816
b) Interest rate swaps	54,909,113	-	98,288,587	34,245
c) Cross currency swap	3,648,385	-	4,549,150	-
d) Equity swaps	212,000	-	186,000	-
e) Forward	4,761,734	944	3,628,205	-
f) Futures	493	24,418	33,454	870
g) Others	318,175	-	125,562	1
B. Banking portfolio - Hedging derivatives	**877,452**	**-**	**1,068,762**	**-**
a) Options	16,000	-	10,000	-
b) Interest rate swaps	466,443	-	560,407	-
c) Cross currency swap	30,229	-	97,215	-
d) Equity swaps	-	-	-	-
e) Forward	22,780	-	270,140	-
f) Futures	-	-	-	-
g) Others	342,000	-	131,000	-
C. Banking portfolio - other derivatives	**1,456,826**	**164**	**1,165,186**	**428**
a) Options	42,791	-	38,840	-
b) Interest rate swaps	1,385,106	-	1,119,920	-
c) Cross currency swap	3,537	-	102	-
d) Equity swaps	-	-	-	-
e) Forward	25,392	-	6,324	-
f) Futures	-	79	-	-
g) Others	-	85	-	428
Total	**71,755,803**	**1,411,677**	**116,982,017**	**1,497,360**

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 12.31.2013		AMOUNTS AS AT 12.31.2012	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
A. Regulatory trading portfolio	**66,182,149**	**1,287,293**	**110,532,419**	**1,511,463**
a) Options	7,002,812	1,236,029	9,202,414	1,511,407
b) Interest rate swaps	50,519,764	-	92,548,779	56
c) Cross currency swap	4,041,470	-	5,114,140	-
d) Equity swaps	219,000	1,000	256,000	-
e) Forward	4,336,995	581	3,313,521	-
f) Futures	493	49,683	33,849	-
g) Others	61,615	-	63,716	-
B. Banking portfolio - Hedging derivatives	**1,423,656**	**-**	**2,127,139**	**-**
a) Options	50,176	-	40,000	-
b) Interest rate swaps	1,149,912	-	1,855,612	-
c) Cross currency swap	154,805	-	154,457	-
d) Equity swaps	-	-	-	-
e) Forward	68,763	-	77,070	-
f) Futures	-	-	-	-
g) Others	-	-	-	-
C. Banking portfolio - Other derivatives	**1,172,523**	**83**	**1,432,811**	**8**
a) Options	127,279	-	116,181	-
b) Interest rate swaps	1,026,998	-	1,289,498	-
c) Cross currency swap	9,660	-	14,229	-
d) Equity swaps	-	-	-	-
e) Forward	8,586	-	12,903	-
f) Futures	-	79	-	-
g) Others	-	4	-	8
Total	**68,778,328**	**1,287,376**	**114,092,369**	**1,511,471**

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.

Part E – Information on risks and related risk management policies

A.5 OTC Financial derivatives: regulatory trading portfolio - notional amounts, positive and negative gross fair value by counterparty - contracts not included in netting agreements

(€ '000)

	AMOUNTS AS AT 12.31.2013						
CONTRACTS NOT INCLUDED IN NETTING AGREEMENTS	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	**484,211**	**26,021,346**	**56,732,956**	**84,362,321**	**11,953,027**	**42,218,488**	**3,176,206**
- notional amount	482,211	23,887,385	54,096,373	79,073,337	11,907,944	39,961,892	3,085,797
- positive fair value	1,551	1,159,561	985,400	2,435,969	38,900	1,768,151	85,769
- negative fair value	-	700,629	1,315,764	2,497,562	2,333	165,407	1,571
- future exposure	449	273,771	335,419	355,453	3,850	323,038	3,069
2) Equity instruments and stock indexes	**-**	**188,000**	**72,996,007**	**1,258,151**	**45,000**	**52,602**	**5,170,792**
- notional amount	-	170,000	67,955,605	1,106,605	42,000	47,739	5,078,060
- positive fair value	-	3,000	296,921	203	-	4,068	17,696
- negative fair value	-	5,000	46,481	80,343	-	146	19,554
- future exposure	-	10,000	4,697,000	71,000	3,000	649	55,482
3) Gold and currencies	**2,634,771**	**1,067,410**	**16,171,073**	**6,523,378**	**119,378**	**17,393,975**	**2,913,113**
- notional amount	2,562,056	851,847	15,231,228	5,942,017	117,127	16,428,872	2,808,715
- positive fair value	15,905	6,929	230,761	111,698	145	384,347	84,175
- negative fair value	42,310	146,964	330,906	351,838	626	233,336	13,461
- future exposure	14,500	61,670	378,178	117,825	1,480	347,420	6,762
4) Other instruments	**-**	**28,000**	**545,684**	**1,080,938**	**3,000**	**705,050**	**62,244**
- notional amount	-	26,000	482,891	1,002,867	3,000	561,978	59,848
- positive fair value	-	-	2,248	1,000	-	47,479	1,170
- negative fair value	-	-	27,545	13,071	-	47,429	1,057
- future exposure	-	2,000	33,000	64,000	-	48,164	169

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).

A.6 OTC Financial Derivatives: Regulatory trading portfolio - notional amounts, positive and negative gross fair value by counterparty - contracts included in netting agreements

(€ '000)

	AMOUNTS AS AT 12.31.2013						
CONTRACTS INCLUDED IN NETTING AGREEMENTS	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	**51,614**	**19,499,889**	**901,378,395**	**1,039,958,992**	**6,451,550**	**36,677,229**	**333,000**
- notional amount	40,662	17,957,375	842,075,050	999,724,995	5,980,385	35,185,752	307,000
- positive fair value	10,952	963,777	30,169,331	20,062,962	134,708	1,148,719	25,000
- negative fair value	-	578,737	29,134,014	20,171,035	336,457	342,758	1,000
2) Equity instruments and stock indexes	**-**	**24,000**	**29,684,000**	**7,461,000**	**258,913**	**42,000**	**-**
- notional amount	-	21,000	27,104,000	7,000,000	252,597	36,000	-
- positive fair value	-	-	1,023,000	188,000	-	-	-
- negative fair value	-	3,000	1,557,000	273,000	6,316	6,000	-
3) Gold and currencies	**1,349,880**	**2,207,000**	**443,831,094**	**43,556,403**	**1,438,959**	**38,334,848**	**83,536**
- notional amount	1,255,947	2,184,000	431,403,015	42,277,102	1,405,426	36,754,228	67,532
- positive fair value	91,908	15,000	6,323,854	629,141	8,334	782,674	16,001
- negative fair value	2,025	8,000	6,104,225	650,160	25,199	797,946	3
4) Other instruments	**-**	**-**	**845,000**	**106,000**	**-**	**1,872,848**	**-**
- notional amount	-	-	796,000	97,000	-	1,638,387	-
- positive fair value	-	-	16,000	4,000	-	127,885	-
- negative fair value	-	-	33,000	5,000	-	106,576	-

A.7 OTC Financial derivatives: banking portfolio - notional amounts, positive and negative gross fair value by counterparty - contracts not included in netting agreement

(€ '000)

	AMOUNTS AS AT 12.31.2013						
CONTRACTS NOT INCLUDED IN NETTING AGREEMENTS	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	**6,487,248**	**35,000**	**23,208,001**	**14,259,313**	**184,000**	**235,915**	**734,806**
- notional amount	5,193,000	28,000	21,672,060	14,016,642	175,000	226,342	701,595
- positive fair value	1,232,248	-	272,766	128,071	6,000	1,401	3,560
- negative fair value	-	7,000	1,191,919	53,722	-	5,000	26,515
- future exposure	62,000	-	71,256	60,878	3,000	3,172	3,136
2) Equity instruments and stock indexes	**-**	**-**	**6,302,230**	**55,033**	**-**	**50,923**	**1,806,925**
- notional amount	-	-	5,602,435	50,960	-	50,919	1,734,053
- positive fair value	-	-	342,498	-	-	-	-
- negative fair value	-	-	10,033	-	-	-	72,124
- future exposure	-	-	347,264	4,073	-	4	748
3) Gold and currencies	**-**	**-**	**5,786,147**	**43,404**	**-**	**284,949**	**31,960**
- notional amount	-	-	5,356,870	42,422	-	245,652	30,266
- positive fair value	-	-	58,416	580	-	20,276	-
- negative fair value	-	-	154,413	20	-	16,100	1,582
- future exposure	-	-	216,448	382	-	2,921	112
4) Other instruments	**-**	**-**	**20,953**	**2,738**	**-**	**-**	**22,305**
- notional amount	-	-	20,951	2,738	-	-	22,303
- positive fair value	-	-	1	-	-	-	-
- negative fair value	-	-	-	-	-	-	1
- future exposure	-	-	1	-	-	-	1

Part E – Information on risks and related risk management policies

A.8 OTC Financial derivatives: banking portfolio - notional amounts, positive and negative gross fair value by counterparty - contracts included in netting agreements

(€ '000)

	AMOUNTS AS AT 12.31.2013						
CONTRACTS INCLUDED IN NETTING AGREEMENTS	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	**-**	**80,000**	**24,699,200**	**2,753,042**	**201,000**	**422,233**	**-**
- notional amount	-	75,000	23,920,335	2,404,207	200,000	322,127	-
- positive fair value	-	4,000	220,589	26,478	1,000	6,278	-
- negative fair value	-	1,000	558,276	322,357	-	93,828	-
2) Equity instruments and stock indexes	**-**	**-**	**42**	**-**	**-**	**-**	**-**
- notional amount	-	-	42	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
3) Gold and currencies	**-**	**-**	**3,569,672**	**110,000**	**-**	**357,000**	**-**
- notional amount	-	-	3,494,264	104,000	-	346,000	-
- positive fair value	-	-	4,118	-	-	6,000	-
- negative fair value	-	-	71,290	6,000	-	5,000	-
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	**1,109,642,476**	**934,908,446**	**741,985,930**	**2,786,536,852**
A.1 Financial derivative contracts on debt securities	685,372,858	769,951,258	658,442,043	2,113,766,159
A.2 Financial derivative contracts on equity securities	68,040,407	24,075,791	16,697,408	108,813,606
A.3 Financial derivative contracts on exchange rates	352,819,591	139,767,049	66,702,479	559,289,119
A.4 Financial derivative contracts on other values	3,409,620	1,114,348	144,000	4,667,968
B. Banking portfolio	**34,818,650**	**31,957,092**	**19,262,439**	**86,038,181**
B.1 Financial derivative contracts on debt securities	22,707,484	28,410,238	17,816,585	68,934,307
B.2 Financial derivative contracts on equity securities	4,770,681	2,615,002	52,724	7,438,407
B.3 Financial derivative contracts on exchange rates	7,294,492	931,852	1,393,130	9,619,474
B.4 Financial derivative contracts on other values	45,993	-	-	45,993
Amounts 12.31.2013	**1,144,461,126**	**966,865,538**	**761,248,369**	**2,872,575,033**
Amounts 12.31.2012	**1,251,149,315**	**1,171,022,667**	**869,918,779**	**3,292,090,761**

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).

B. Credit Derivatives

B.1 Credit derivatives: end of period and average 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	26,519,000	25,850,400	421,100	-
b) Credit spread products	-	-	-	-
c) Total rate of return swap	26,000	-	-	-
d) Other	2,015,000	300,000	5,000	-
Amounts as at 12.31.2013	**28,560,000**	**26,150,400**	**426,100**	**-**
Average amounts	**40,638,500**	**23,291,400**	**373,550**	**-**
Amounts as at 12.31.2012	**52,717,000**	**20,432,400**	**321,000**	**-**
2. Protection seller's contracts				
a) Credit default products	27,113,000	27,024,000	100,000	-
b) Credit spread products	13,269	-	-	-
c) Total rate of return swap	-	-	-	-
d) Other	430,000	87,000	-	-
Amounts as at 12.31.2013	**27,556,269**	**27,111,000**	**100,000**	**-**
Average amounts	**38,492,627**	**23,961,000**	**112,500**	**-**
Amounts as at 12.31.2012	**49,428,985**	**20,811,000**	**125,000**	**-**

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 12.31.2013	AMOUNTS AS AT 12.31.2012
A. Regulatory trading portfolio	**1,054,221**	**1,523,339**
a) Credit default products	987,147	1,370,742
b) Credit spread products	2,074	3,597
c) Total rate of return swap	3,000	70,000
d) Others	62,000	79,000
B. Banking portfolio	**1,199**	**7,000**
a) Credit default products	1,199	7,000
b) Credit spread products	-	-
c) Total rate of return swap	-	-
d) Others	-	-
Total	**1,055,420**	**1,530,339**

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 12.31.2013	AMOUNTS AS AT 12.31.2012
A. Regulatory trading portfolio	**1,069,107**	**1,476,222**
a) Credit default products	1,033,000	1,429,502
b) Credit spread products	1,107	1,720
c) Total rate of return swap	-	-
d) Others	35,000	45,000
B. Banking portfolio	**10,879**	**10,107**
a) Credit default products	10,824	10,000
b) Credit spread products	-	-
c) Total rate of return swap	-	-
d) Others	55	107
Total	**1,079,986**	**1,486,329**

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 counterparty - contracts not included in netting agreements

(€ '000)

CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	AMOUNTS AS AT 12.31.2013						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
Regulatory trading portfolio							
1) Protection purchase	**-**	**-**	**2,525,000**	**38,000**	**-**	**6,573**	**-**
- notional amount	-	-	2,315,000	36,000	-	5,400	-
- positive fair value	-	-	51,000	-	-	1,146	-
- negative fair value	-	-	26,000	-	-	-	-
- future exposure	-	-	133,000	2,000	-	27	-
2) Protection sale	**-**	**-**	**582,113**	**207**	**-**	**-**	**130**
- notional amount	-	-	529,269	-	-	-	-
- positive fair value	-	-	12,737	207	-	-	130
- negative fair value	-	-	9,107	-	-	-	-
- future exposure	-	-	31,000	-	-	-	-
Banking portfolio							
1) Protection purchase	**-**	**-**	**89,123**	**-**	**-**	**-**	**5,055**
- notional amount	-	-	87,100	-	-	-	5,000
- positive fair value	-	-	199	-	-	-	-
- negative fair value	-	-	1,824	-	-	-	55
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 counterparty - contracts included in netting agreements

(€ '000)

CONTRACTS INCLUDED IN NETTING AGREEMENT	AMOUNTS AS AT 12.31.2013						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
Regulatory trading portfolio							
1) Protection purchase	**-**	**-**	**38,435,000**	**14,905,000**	**-**	**-**	**-**
- notional amount	-	-	37,694,000	14,660,000	-	-	-
- positive fair value	-	-	191,000	96,000	-	-	-
- negative fair value	-	-	550,000	149,000	-	-	-
2) Protection sale	**-**	**-**	**36,089,000**	**19,086,000**	**-**	**-**	**-**
- notional amount	-	-	35,432,000	18,706,000	-	-	-
- positive fair value	-	-	452,000	250,000	-	-	-
- negative fair value	-	-	205,000	130,000	-	-	-
Banking portfolio							
1) Protection purchase	**-**	**-**	**277,000**	**65,000**	**-**	**-**	**-**
- notional amount	-	-	273,000	61,000	-	-	-
- positive fair value	-	-	1,000	-	-	-	-
- negative fair value	-	-	3,000	4,000	-	-	-
2) Protection sale	**-**	**-**	**76,000**	**26,000**	**-**	**-**	**-**
- notional amount	-	-	75,000	25,000	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	1,000	1,000	-	-	-

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	**27,487,000**	**79,143,669**	**2,747,000**	**109,377,669**
A.1 Credit derivatives with "qualified reference obligation"	16,897,000	25,873,269	1,722,000	44,492,269
A.2 Credit derivatives with "not qualified reference obligation"	10,590,000	53,270,400	1,025,000	64,885,400
B. Banking portfolio	**107,000**	**419,100**	**-**	**526,100**
B.1 Credit derivatives with "qualified reference obligation"	27,000	305,100		332,100
B.2 Credit derivatives with "not qualified reference obligation"	80,000	114,000		194,000
Total 12.31.2013	**27,594,000**	**79,562,769**	**2,747,000**	**109,903,769**
Total 12.31.2012	**52,007,967**	**86,122,418**	**5,705,000**	**143,835,385**

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

C. Credit and Financial Derivatives

C.1 OTC Financial and credit derivatives: net fair value and future exposure by counterparty

(€ '000)

	AMOUNTS AS AT 12.31.2013						
	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	**208,653**	**134,083**	**12,680,347**	**6,702,278**	**114,950**	**1,707,657**	**-**
- positive fair value	102,835	53,323	2,760,732	187,561	33,566	615,526	-
- negative fair value	-	10,283	1,989,107	1,593,068	36,497	175,077	-
- future exposure	1,491	8,577	2,617,971	2,376,515	5,660	150,362	-
- net counterparty risk	104,327	61,900	5,312,537	2,545,134	39,227	766,692	-
2) Netting agreements related to Credit Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
- net counterparty risk	-	-	-	-	-	-	-
3) Cross Product netting agreements	**2,630**	**1,094,447**	**37,952,477**	**9,778,990**	**474,222**	**4,510,834**	**140,814**
- positive fair value	-	406,920	7,313,430	1,301,498	68,388	1,104,063	62,471
- negative fair value	1,966	89,671	7,917,424	1,524,822	311,686	736,257	445
- future exposure	332	95,468	10,164,070	4,103,947	30,075	802,800	7,712
- net counterparty risk	332	502,388	12,557,553	2,848,723	64,073	1,867,714	70,186

Section 3 – Liquidity Risk

QUALITATIVE INFORMATION

A. 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 other Liquidity Centres are Germany, Austria & CEE and Poland.

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[13].

As a general rule, the Large Exposure Regime, which came into force on December 31, 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.

[13] 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

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.

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:

- <u>Short-term liquidity risk management (operational liquidity),</u> 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.
- <u>Structural liquidity risk management (structural risk),</u> 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.
- <u>Stress tests:</u> 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 billion 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 is 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.

Part E – Information on risks and related risk management policies

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
The 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. 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, the 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 Gap14.

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 Bank uses the evolution of the earlier mentioned liquidity metrics as a warning indicator.

[14] Defined as Customer loans and customer deposits net of (reverse-) repos but including Network Bonds net issues and other Commercial Securities (eg. CDs).

Part E – Information on risks and related risk management policies

QUANTITATIVE INFORMATION

1.Time breakdown by contractual residual maturity of financial assets and liabilities

(€ '000)

	AMOUNTS AS AT 12.31.2013									
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	**80,722,315**	**35,926,339**	**17,415,633**	**20,688,203**	**45,641,106**	**37,591,754**	**58,150,543**	**218,846,042**	**197,744,033**	**14,547,725**
A.1 Government securities	81,933	87,181	360,486	304,347	2,292,269	6,370,988	8,566,186	37,276,481	15,227,392	1,749
A.2 Other debt securities	275,914	4,210,735	1,266,185	579,783	2,358,163	2,185,923	4,878,797	43,427,543	23,801,790	188,581
A.3 Units in investment funds	976,885	6,930			11,953			1,035		2,522,877
A.4 Loans	79,387,583	31,621,493	15,788,962	19,804,073	40,978,721	29,034,843	44,705,560	138,140,983	158,714,851	11,834,518
- Banks	19,507,942	11,447,799	3,240,283	1,239,872	7,424,890	1,203,615	1,846,218	1,718,196	1,422,439	7,881,840
- Customers	59,879,641	20,173,694	12,548,679	18,564,201	33,553,831	27,831,228	42,859,342	136,422,787	157,292,412	3,952,678
Balance sheet liabilities	**264,949,267**	**37,451,264**	**24,340,902**	**29,591,596**	**66,137,680**	**30,614,451**	**43,129,940**	**144,590,119**	**53,370,879**	**7,814,771**
B.1 Deposits and current accounts	259,763,465	9,815,847	10,927,157	15,038,558	39,191,634	12,946,568	15,688,920	12,481,561	1,584,761	42,701
- Banks	13,707,684	2,286,224	2,357,225	2,044,933	1,440,098	826,327	583,856	3,248,123	221,079	4,422
- Customers	246,055,781	7,529,623	8,569,932	12,993,625	37,751,536	12,120,241	15,105,064	9,233,438	1,363,682	38,279
B.2 Debt securities	206,901	307,199	1,349,437	3,128,785	8,114,938	8,971,298	18,039,920	89,303,947	36,192,079	1,512,676
B.3 Other liabilities	4,978,901	27,328,218	12,064,308	11,424,253	18,831,108	8,696,585	9,401,100	42,804,611	15,594,039	6,259,394
Off-balance sheet "transactions"										
C.1 Physically settled financial derivatives										
- Long positions	2,889	19,838,224	16,284,520	18,019,054	58,410,338	37,938,999	36,199,139	16,352,326	3,507,862	87,120
- Short positions	2,708	20,490,427	15,827,026	18,028,563	59,135,344	36,789,195	38,542,487	15,565,142	3,245,402	84,718
C.2 Cash settled financial derivatives										
- Long positions	28,491,393	977,038	4,746,514	2,098,715	7,384,741	3,095,300	2,645,482	15,059,514	4,926,415	339,855
- Short positions	26,161,868	975,863	4,671,513	2,106,502	7,395,620	3,033,262	2,612,386	15,144,277	4,954,432	339,855
C.3 Deposit to be received										
- Long positions	364,956	3,396,608	2,612,149	1,043,682	-					
- Short positions		1,883,552	39,948	657,948	758,965	2,120,622	1,956,361			
C.4 Irrevocable commitments to disburse funds										
- Long positions	32,584,389	15,594,836	870,723	1,776,116	4,872,376	7,891,670	7,220,837	23,548,024	4,037,968	1,335,028
- Short positions	69,891,654	3,193,556	680,243	654,017	2,590,609	4,011,636	3,792,723	12,899,481	1,313,087	1,334,391
C.5 Written guarantees	1,947,927	4,704	10,668	54,728	267,296	102,349	240,144	720,853	501,127	
C.6 Financial guarantees received	9,294,168			2,652	1,377	416	202,340	111,616,233	38,631,309	
C.7 Physically settled credit derivatives										
- Long positions			7,000	2,815,000	3,699,000	3,792,269	29,677,000	11,800,400	652,000	
- Short positions				1,923,000	3,638,000	5,522,269	29,535,000	12,502,400	646,000	
C.8 Cash settled credit derivatives										
- Long positions			52,000	164,000	255,000	404,000	1,409,000	418,100		
- Short positions			3,000	54,000	220,000	108,000	470,000	238,100		

1.1Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: euro

(€ '000)

ITEMS/MATURITIES	AMOUNTS AS AT 12.31.2013 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	**69,305,464**	**27,521,900**	**13,384,522**	**17,222,359**	**33,329,111**	**30,195,241**	**48,440,881**	**180,321,127**	**163,144,548**	**13,204,040**
A.1 Government securities	24,310	86,703	108,676	196,514	1,699,547	5,674,290	7,915,938	29,874,887	12,327,241	1,740
A.2 Other debt securities	111,915	600,755	257,871	562,083	1,933,837	2,110,834	4,580,699	40,503,955	20,295,869	188,571
A.3 Units in investment funds	813,397							1,035		2,268,181
A.4 Loans	68,355,842	26,834,442	13,017,975	16,463,762	29,695,727	22,410,117	35,944,244	109,941,250	130,521,438	10,745,548
- Banks	14,492,728	9,238,777	1,446,717	791,741	4,565,066	1,050,448	1,709,236	910,554	943,495	7,872,248
- Customers	53,863,114	17,595,665	11,571,258	15,672,021	25,130,661	21,359,669	34,235,008	109,030,696	129,577,943	2,873,300
Balance sheet liabilities	**229,480,376**	**31,253,128**	**15,100,283**	**21,200,332**	**50,200,194**	**26,922,372**	**38,915,111**	**133,315,855**	**50,873,740**	**7,606,333**
B.1 Deposits and current accounts	225,017,841	4,492,339	3,284,363	7,718,085	24,578,576	9,887,912	12,596,949	9,192,059	1,355,838	16,560
- Banks	11,272,880	1,578,008	1,033,499	366,076	289,478	733,727	406,916	2,755,631	153,007	403
- Customers	213,744,961	2,914,331	2,250,864	7,352,009	24,289,098	9,154,185	12,190,033	6,436,428	1,202,831	16,157
B.2 Debt securities	206,901	307,199	1,343,652	2,698,193	7,758,396	8,786,255	17,433,715	84,019,837	34,417,125	1,497,203
B.3 Other liabilities	4,255,634	26,453,590	10,472,268	10,784,054	17,863,222	8,248,205	8,884,447	40,103,959	15,100,777	6,092,570
Off-balance sheet "transactions"										
C.1 Physically settled financial derivatives										
- Long positions	1,617	8,703,184	4,737,974	6,767,776	21,393,050	12,944,005	14,039,720	8,219,634	1,890,700	74,709
- Short positions	1,529	6,738,253	8,965,357	6,369,699	20,383,801	14,576,691	14,446,183	10,902,736	1,249,044	11,853
C.2 Cash settled financial derivatives										
- Long positions	27,843,974	569,225	4,114,420	1,410,013	6,588,100	2,374,951	1,369,365	6,894,681	1,630,043	339,855
- Short positions	25,542,344	570,123	4,127,772	1,349,902	6,279,447	2,278,243	1,442,258	7,157,404	2,407,267	339,855
C.3 Deposit to be received										
- Long positions	317,500	3,139,121	2,612,149	1,043,682	-					
- Short positions		1,876,301		657,941	758,965	1,862,884	1,956,361			
C.4 Irrevocable commitments to disburse funds										
- Long positions	27,144,210	15,489,430	578,366	574,342	3,645,022	4,447,237	4,969,048	20,519,752	2,578,254	1,272,052
- Short positions	61,630,088	3,111,364	12,129	59,617	1,172,064	1,751,349	1,480,314	9,988,210	743,527	1,272,052
C.5 Written guarantees	1,932,995	4,128	3,711	32,810	190,226	65,142	169,565	544,172	437,148	
C.6 Financial guarantees received	8,962,234			2,652	881	51	194,555	20,341,417	33,444,966	
C.7 Physically settled credit derivatives										
- Long positions			7,000	2,735,000	2,778,000	2,477,000	26,935,000	394,400		
- Short positions				1,827,000	2,011,000	4,032,000	27,507,000	822,400		
C.8 Cash settled credit derivatives										
- Long positions			52,000	160,000	73,000	399,000	1,342,000	232,100		
- Short positions			3,000	54,000	220,000	108,000	356,000	141,100		

Part E – Information on risks and related risk management policies

1.2 Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: dollars

(€ '000)

	AMOUNTS AS AT 12.31.2013									
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	**3,211,856**	**998,978**	**542,525**	**598,381**	**2,862,797**	**1,774,204**	**2,187,088**	**10,327,994**	**4,189,337**	**269,592**
A.1 Government securities			172,443	2,323	11,969	2,391	38,111	2,450,097	656,656	9
A.2 Other debt securities	6,526		545	50	94,273	610	6,623	535,590	580,277	-
A.3 Units in investment funds	161,235				11,953					101,731
A.4 Loans	3,044,095	998,978	369,537	596,008	2,744,602	1,771,203	2,142,354	7,342,307	2,952,404	167,852
- Banks	1,537,164	667,360	22,539	56,572	1,225,781	130,485	105,522	529,647	458,053	1,326
- Customers	1,506,931	331,618	346,998	539,436	1,518,821	1,640,718	2,036,832	6,812,660	2,494,351	166,526
Balance sheet liabilities	**6,811,514**	**925,903**	**2,250,773**	**2,548,363**	**4,726,729**	**833,820**	**1,418,278**	**5,973,176**	**1,255,863**	**112,269**
B.1 Deposits and current accounts	6,660,889	892,735	2,087,035	2,465,181	4,664,685	570,906	1,108,509	2,368,433	144,392	9,402
- Banks	1,293,713	440,822	959,103	1,564,806	810,721	42,937	127,941	338,736	58,161	4,019
- Customers	5,367,176	451,913	1,127,932	900,375	3,853,964	527,969	980,568	2,029,697	86,231	5,383
B.2 Debt securities			5,785	78,557	22,293	67,151	194,706	1,548,973	973,653	
B.3 Other liabilities	150,625	33,168	157,953	4,625	39,751	195,763	115,063	2,055,770	137,818	102,867
Off-balance sheet "transactions"										
C.1 Physically settled financial derivatives										
- Long positions	29	5,508,620	7,128,194	7,060,112	20,251,356	12,554,743	13,054,571	3,928,543	325,909	1,402
- Short positions	343	7,578,607	3,698,280	7,303,682	20,278,881	11,811,683	15,661,525	1,615,828	669,472	72,628
C.2 Cash settled financial derivatives										
- Long positions	328,475	104,760	117,205	214,939	198,917	83,365	36,340	3,871,775	47,961	
- Short positions	298,478	198,489	66,476	182,044	187,694	95,322	99,134	3,873,078	47,961	
C.3 Deposit to be received										
- Long positions	47,096	255,965								
- Short positions		7,251	38,432			257,378				
C.4 Irrevocable commitments to disburse funds										
- Long positions	130,838	67,269	173,664	637,608	337,631	1,151,958	706,429	1,047,313	27,969	45,400
- Short positions	667,862	52,279	523,538	325,583	650,921	1,228,379	32,992	797,871	4,746	41,907
C.5 Written guarantees	1,320	69	1,515	20,137	40,320	13,078	8,197	31,978	41,699	
C.6 Financial guarantees received	189,536						5,049	3,680,735	2,019,567	
C.7 Physically settled credit derivatives										
- Long positions				80,000	921,000	1,315,269	2,742,000	11,406,000	652,000	
- Short positions				96,000	1,627,000	1,490,269	2,028,000	11,680,000	646,000	
C.8 Cash settled credit derivatives										
- Long positions				4,000	182,000	5,000	67,000	186,000		
- Short positions							114,000	97,000		

1.3 Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: other currency

(€ '000)

	AMOUNTS AS AT 12.31.2013									
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	**8,204,995**	**7,405,461**	**3,488,586**	**2,867,463**	**9,449,198**	**5,622,309**	**7,522,574**	**28,196,921**	**30,410,148**	**1,074,093**
A.1 Government securities	57,623	478	79,367	105,510	580,753	694,307	612,137	4,951,497	2,243,495	
A.2 Other debt securities	157,473	3,609,980	1,007,769	17,650	330,053	74,479	291,475	2,387,998	2,925,644	10
A.3 Units in investment funds	2,253	6,930						-		152,965
A.4 Loans	7,987,646	3,788,073	2,401,450	2,744,303	8,538,392	4,853,523	6,618,962	20,857,426	25,241,009	921,118
- Banks	3,478,050	1,541,662	1,771,027	391,559	1,634,043	22,682	31,460	277,995	20,891	8,266
- Customers	4,509,596	2,246,411	630,423	2,352,744	6,904,349	4,830,841	6,587,502	20,579,431	25,220,118	912,852
Balance sheet liabilities	**28,657,377**	**5,272,233**	**6,989,846**	**5,842,901**	**11,210,757**	**2,858,259**	**2,796,551**	**5,301,088**	**1,241,276**	**96,169**
B.1 Deposits and current accounts	28,084,735	4,430,773	5,555,759	4,855,292	9,948,373	2,487,750	1,983,462	921,069	84,531	16,739
- Banks	1,141,091	267,394	364,623	114,051	339,899	49,663	48,999	153,756	9,911	
- Customers	26,943,644	4,163,379	5,191,136	4,741,241	9,608,474	2,438,087	1,934,463	767,313	74,620	16,739
B.2 Debt securities				352,035	334,249	117,892	411,499	3,735,137	801,301	15,473
B.3 Other liabilities	572,642	841,460	1,434,087	635,574	928,135	252,617	401,590	644,882	355,444	63,957
Off-balance sheet "transactions"										
C.1 Physically settled financial derivatives										
- Long positions	1,243	5,626,420	4,418,352	4,191,166	16,765,932	12,440,251	9,104,848	4,204,149	1,291,253	11,009
- Short positions	836	6,173,567	3,163,389	4,355,182	18,472,662	10,400,821	8,434,779	3,046,578	1,326,886	237
C.2 Cash settled financial derivatives										
- Long positions	318,944	303,053	514,889	473,763	597,724	636,984	1,239,777	4,293,058	3,248,411	
- Short positions	321,046	207,251	477,265	574,556	928,479	659,697	1,070,994	4,113,795	2,499,204	
C.3 Deposit to be received										
- Long positions	360	1,522								
- Short positions			1,516	7		360				
C.4 Irrevocable commitments to disburse funds										
- Long positions	5,309,341	38,137	118,693	564,166	889,723	2,292,475	1,545,360	1,980,959	1,431,745	17,576
- Short positions	7,593,704	29,913	144,576	268,817	767,624	1,031,908	2,279,417	2,113,400	564,814	20,432
C.5 Written guarantees	13,612	507	5,442	1,781	36,750	24,129	62,382	144,703	22,280	
C.6 Financial guarantees received	142,398				496	365	2,736	87,594,081	3,166,776	
C.7 Physically settled credit derivatives										
- Long positions										
- Short positions										
C.8 Cash settled credit derivatives										
- Long positions										
- Short positions										

Part E – Information on risks and related risk management policies

2. Disclosures about encumbered assets recognized in the financial statements

(€ '000)

TYPE	ENCUMBERED BOOK VALUE	ENCUMBERED FAIR VALUE	UNENCUMBERED BOOK VALUE	UNENCUMBERED FAIR VALUE	TOTAL 12.31.2013	TOTAL 12.31.2012
1. Cash and cash	2	X	10,807,900	X	**10,807,902**	
2. Debt securities	58,834,012	62,565,901	88,644,195	84,518,591	**147,478,207**	
3. Equity instruments	4,385,894	4,385,894	5,792,423	5,857,610	**10,178,317**	
4. Loans	133,678,982	X	422,456,089	X	**556,135,071**	
5. Other financial assets	112,765	X	69,452,410	X	**69,565,175**	
6. Non-financial assets	434,927	X	51,238,845	X	**51,673,772**	
Total 12.31.2013	**197,446,582**	**66,951,795**	**648,391,862**	**90,376,201**	**845,838,444**	
Total 12.31.2012						

3. Disclosures about own encumbered assets not recognized in the financial statements

(€ '000)

TYPE	ENCUMBERED	UNENCUMBERED	TOTAL 12.31.2013	TOTAL 12.31.2012
1. Financial assets	**113,805,394**	**78,936,314**	**192,741,708**	
- Securities	99,226,272	77,526,560	**176,752,832**	
- Other	14,579,122	1,409,754	**15,988,876**	
2. Non-financial assets	**19,610**	**10,922,471**	**10,942,081**	
Total 12.31.2013	**113,825,004**	**89,858,785**	**203,683,789**	
Total 12.31.2012				

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
The 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 Parent company and independent from the Group Operational & Reputational Risks department.

In March 2008, the UniCredit group received authorization to use the AMA model (Advanced Measurement Approach) for calculating operational risk capital. The use of this method has been 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 Risk Management, is made up of permanent and guest members.

The Group Operational & Reputational Risks Committee meets with consulting and suggestion functions for submission to the Group Risk Committee for the following topics with reference to operational risk:

- Group risk appetite including capitalization targets and capital allocation criteria for Group operational risks;
- structure and definition of warning levels 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.

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:
- 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.

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 warning levels.

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 warning levels, 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, monthly updates are provided on operational losses, quarterly updates are provided on 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). Furthermore the validation results are submitted to the attention of the Group Operational & Reputational Risk Committee.

Operational risk management and mitigation
Operational risk management exploits a number of tools like process reengineering to reduce the risk exposure and insurance policies management, by defining proper deductibles and policies’ limits. Regularly tested business continuity plans assure sound operational risk management in case of interruption of main business services.

The Board of Directors of UniCredit S.p.A., within its steering powers, approves the operational risk strategies aiming to identify the priority areas for operational risk mitigation. In the Legal Entities, the Risk Committee (or other bodies, in accordance with 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, in coherence with and implementation of the operational risk strategies

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 (which include adversarial regulatory matters and investigations). 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, client assets, 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 €1,044 million as at December 31, 2013. 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 matters may prove to be substantially higher.

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.

In accordance with IAS 37 information which would seriously prejudice the relevant company's position in the dispute may be omitted.

Madoff

Background

In March 2009 Bernard L. Madoff ("Madoff"), former chairman of the NASDAQ Exchange and owner of Bernard L. Madoff Investment Securities LLC ("BLMIS"), pled guilty to operating what has been described as a Ponzi scheme, for which he was sentenced to 150 years in prison. In December of 2008, a bankruptcy administrator (the "SIPA Trustee") for the liquidation of BLMIS was appointed in accordance with the U.S. Securities Investor Protection Act of 1970.

As at the date of Madoff's arrest in December 2008, 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 BLMIS. PAI also owned the founder shares of Primeo since mid-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 performed investment advisory functions for Thema International Fund plc, a non-U.S. fund that had an account at BLMIS.

UniCredit Bank AG (then HypoVereinsbank) issued several tranches of notes whose potential return was to be calculated by reference to the performance of a synthetic hypothetical investment in the Primeo fund. 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 BLMIS.

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 one or more of 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 respectively to represent investors in three investment fund groups (the "**Herald**" funds, the "Primeo" and the "**Thema**" funds) which were invested, either directly or indirectly, in BLMIS. It was principally alleged that the defendants breached common law duties misrepresenting the monitoring that would be done of Madoff and plaintiffs' investments, and disregarding purported "red flags" of Madoff's fraud, failing to exercise due care in connection with the plaintiffs' investments, and, in the Herald case, that the defendants, including UniCredit S.p.A., violated the United States Racketeer Influenced and Corrupt Organizations Act ("**RICO**"), causing the class some $2 billion in damages, which plaintiffs sought to treble under RICO. Plaintiffs sought damages in unspecified amounts (other than under RICO, as noted above) and other relief.
On November 29, 2011, the Southern District dismissed, 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 September 16, 2013, the United States Court of Appeals for the Second Circuit (the "**Second Circuit**") affirmed the dismissal of the cases brought by the Thema and Herald investors (the Primeo litigants did not appeal and agreed to follow the results of Herald appeal). On September 30, 2013, the plaintiffs in the Thema and in the Herald action requested that the decision to affirm the dismissal be reviewed again by the plenary court – a rehearing en banc. That request remains pending.

Claims by the SIPA Trustee
In December 2010, the SIPA Trustee ("**SIPA**") filed two cases (the "**HSBC**" and the "**KOHN**" case, respectively) in the United States Bankruptcy Court in the Southern District of New York (the "**Bankruptcy Court**") against several dozen defendants. Both cases were later removed to the non-bankruptcy federal trial court, i.e., the Southern District.
In the HSBC case, the SIPA Trustee sought to recover from some 60 defendants, including UniCredit S.p.A., BA, BAWFM, PAI, certain current or formerly affiliated persons, and Bank Medici amounts to be determined at trial, allegedly representing so-called avoidable transfers to initial transferees of funds from BLMIS, subsequent transfers of funds originating from BLMIS (including alleged management, performance, advisory, administrative and marketing fees, 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 abovementioned, alleged to be in excess of $2 billion. In addition to avoidable transfers, the SIPA Trustee sought to recover in the HSBC case unspecified amounts (said to exceed several billion dollars) for common law claims, including aiding and abetting BLMIS's breach of fiduciary duty and BLMIS's fraud, and contribution. The common law and contribution claims were dismissed on July 28, 2011. Certain claims (primarily avoidance claims) remain pending in the Bankruptcy Court. On June 20, 2013, the Second Circuit affirmed the Southern District's dismissal.
On October 9, 2013, the SIPA Trustee petitioned the United States Supreme Court ("Supreme Court") to review the decision by the Second Circuit. On January 13, 2014, the Supreme Court invited the United States Solicitor General ("Solicitor General") to express the opinion of the United States on whether review should be granted. The Solicitor General has yet to express a view on the matter, and the SIPA Trustee's petition remains under consideration. In the Kohn case, the SIPA Trustee seeks to recover from more than 70 defendants, including UniCredit S.p.A., BA, PGAM, BAWFM, Bank Austria Cayman Islands, certain current or formerly affiliated persons, and Bank Medici unspecified avoidable transfers from BA as initial transferee from BLMIS, and from UniCredit S.p.A., BA and other affiliated individual defendants as subsequent transferees of funds likewise originating from BLMIS. The complaint further asserts common law claims and RICO violations, and seeks under RICO three times the reported net $19.6 billion losses allegedly suffered by all BLMIS investors, as well as fees received, compensatory, exemplary and punitive damages, and costs of suit as against the defendants on a joint and several basis.
On February 21, 2012, the Southern District dismissed the RICO and common law claims in respect of UniCredit S.p.A., BA, PGAM, and the former CEO of UniCredit (who had also been named as a defendant). Certain claims (primarily avoidance claims) remain pending in the Bankruptcy Court. On March 21, 2012, the SIPA Trustee appealed the Southern District's dismissal of the RICO and common law claims to the Second Circuit, but the appeal has been stayed subject to potential reinstatement by April 2014.
The current or formerly affiliated persons named as defendants in the HSBC and Kohn cases, who had not been previously served, have now been served. The current or formerly affiliated persons may have similar defenses to the claims as UniCredit S.p.A. and its affiliated entities, and may have rights to indemnification from those parties.

Part E – Information on risks and related risk management policies

Proceedings Outside the United States

On July 22, 2011, the Joint Official Liquidators of Primeo (the "**Primeo Liquidators**") issued proceedings against PAI in the Grand Court of the Cayman Islands, Financial Services Division. In that claim the Primeo Liquidators alleged that PAI was liable under the terms of an investment advisory agreement between Primeo and PAI for alleged breaches of duties by PAI and also as a result of alleged acts and omissions by BLMIS for which PAI was alleged to be responsible. The Primeo Liquidators also made claims in relation to fees paid to PAI. In aggregate, the Primeo Liquidators claimed approximately $262 million plus additional unquantified damages, as well as interest and costs. PAI and the Primeo Liquidators have agreed to settle the claims on confidential terms. PAI has made a provision for the amount payable pursuant to this agreement.

Numerous civil proceedings (with the claimed amount totalling about €150 million) have been initiated in Austria by numerous investors related to Madoff's fraud in which BA, among others, has been named as defendant; different types of claims are asserted, including prospectus liability claims. The plaintiffs invested in investment funds that, in turn, invested directly or indirectly with Bernard L. Madoff Investments Securities LLC and Bernard L. Madoff Securities LLC (collectively referred to as "BMIS"). Several judgments have been issued in favour 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 four recent Supreme Court cases, different senates of the Austrian Supreme Court have held in favour of Bank Austria and rejected claims based on various theories of liability and related to prospectus liability. At this stage, it is not possible to forecast what effect these decisions may have on other cases.

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.

BA 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.

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 and the prospectuses themselves have been examined by an expert appointed by the prosecution.

UniCredit Bank AG ("UCB AG") issued several tranches of notes whose potential return was to be calculated by reference to the performance of a synthetic hypothetical investment in the Primeo fund. The nominal value of the notes issued by UniCredit Bank AG is around €27 million. Legal proceedings have been commenced in Germany in connection with the issuance of said Primeo-linked notes, which also named UniCredit Bank AG as a defendant. One case has been decided in favour of UniCredit Bank AG at first instance and one case in favour of UniCredit Bank AG also at second instance; both rulings are not final and binding as of today. One case has been abandoned by the plaintiff.

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 United States Securities Exchange Commission ("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.

In January 2014 UniCredit and the Cirio Group signed a settlement agreement aimed at closing the whole "Cirio" matter including this dispute.

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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., UniCredit Banca Mobiliare (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, 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 appealed against the ruling. This proceeding was settled being part of the whole settlement agreement signed with the Cirio Group in January 2014.

Merkle

In February 2012 two customers belonging to the same group of companies 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 and UCB AG's valuation of the related collateral. The claimants assert that the valuation ascribed by UCB AG following the clients' default was insufficient. UCB AG is defending itself against said claims.

New Mexico CDO-Related Litigation

Claims brought or threatened by or on behalf of the state of New Mexico or any of its agencies or funds

In August 2006, the New Mexico Educational Retirement Board (ERB) and the New Mexico State Investment Council (SIC), both US 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 made by the ERB and SIC, became worthless. VF was later liquidated.

Beginning in 2009, several lawsuits were threatened or filed on behalf of the state of New Mexico, including by private parties who claimed a right to sue in a representative capacity. The suits relate to losses suffered by the ERB and/or SIC on their VF investments, with additional claims threatened in relation to further losses suffered by SIC on its earlier investments in other VCA-managed CDOs. The lawsuits allege fraud and kickback practices. Damages claimed in the filed lawsuits are computed based on multiples of the original investment, up to a total of $365 million. In 2012, VCA 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 of New Mexico or any of its agencies or funds. The settlement is contingent on the court's approval, but that process is temporarily on hold pending the determination of a legal question in a lawsuit brought against a different set of defendants in other proceedings. A decision is expected in 2014. In the interim, all the suits are stayed or held in abeyance.

Part E – Information on risks and related risk management policies

Other litigations
In November 2011, Bruce Malott, the former chairman of the ERB, brought suit in New Mexico state court against persons allegedly involved with "pay to play" or kickback practices at the ERB, alleging damages to his reputation in earning capacity as a result of his association with the challenged practices. Among the defendants are VCA, VF, PIM US and two former officers of VCA. No damages amount is specified, but Malott seeks treble damages and punitive damages (as applicable) in addition to any actual damages he might prove. In June 2013, Malott's claims were dismissed without prejudice. Malott filed a further amended complaint in August 2013 which, in October 2013, the defendants once again moved to dismiss.

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, a decision of the Court was then expected, but, instead, the Court ordered the expert witness to supplement his opinion.
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 for the trial and the second one was adjourned for the conclusions.
UniCredit S.p.A. has made a provision for an amount consistent with the lawsuit risk.

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.

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.
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 and a ruling is expected in 2014.
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 November 18, 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.
In September 2013, the lawsuit was settled.

ADDITIONAL RELEVANT INFORMATION
The following section sets out further pending proceedings against UniCredit S.p.A. and/or other companies of the UniCredit group and/or employees (even former employees) 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 UCB AG by UniCredit S.p.A. and the related group reorganization.
Proceedings in Germany challenging the validity of UCB AG shareholder resolutions
By resolutions adopted at UCB AG's Extraordinary Shareholders' Meeting of October 25, 2006 (the "2006 EGM"), various sale and purchase agreements were approved (the "2006 Resolutions"). Those agreements transferred (1) the shares held by UCB AG in BA and in HVB Bank Ukraine to UniCredit S.p.A. (2) the shares held by UCB AG in International Moscow Bank and AS UniCredit Bank Riga to BA and (3) the Vilnius and Tallin branches of UCB AG to AS UniCredit Bank Riga. In 2008, these resolutions were confirmed by a UCB AG Shareholders' Meeting (the "2008 Resolutions").
The validity of the 2006 Resolutions, as well as of the 2008 Resolutions, is currently being challenged by several of UCB AG's former minority shareholders in two sets of proceedings in the German courts against UCB AG (the "2006 Proceedings" and the "2008 Proceedings").
The bases for their challenges include allegations that (1) there are defects in the formalities relating to the calling of and conduct of the 2006 EGM and (2) the price paid for the various transactions was too low. In the 2006 Proceedings, several of UCB AG's former minority shareholders also seek a declaratory ruling that a business combination agreement between UCB AG and UniCredit S.p.A. should be regarded as a de facto domination agreement.
In the 2008 Proceedings, the Court has directed that there be an expert appraisal of the price paid for the various transactions. The 2006 proceedings have been stayed pending the resolution of the 2008 proceedings. The 2006 Resolutions, like the 2008 Resolutions, will remain valid and binding unless and until found void by a court of final instance. It is not possible to say when a final decision can be expected in either the 2006 or the 2008 Proceedings.

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 May 21, 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 S.p.A., 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.

Part E – Information on risks and related risk management policies

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 subpoenaed 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. 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 S.p.A., 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 settlement with the investors, this decision only applies to a limited number of investors.
UniCredit, as "legally liable", and the other defendants appealed the decision and requested a stay of execution.
The settlement agreement with the Cirio Group in extraordinary administration of January 2014 resolved the "legal liability" of UniCredit towards the Cirio Group in the criminal proceeding as well. 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 investors 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 (Ciappazzi) 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 investors of Parmalat – 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 settlements with the investors, these decisions apply only to a limited number of them.
On June 7, 2013 the Court of Appeal of Bologna confirmed the decision of the Court of Parma of November 29, 2011 (Ciappazzi). The "Parmatour" proceeding is in the appellate phase.
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, currently towards a limited number of investors only.

Medienfonds/closed end funds

Various customers bought shares in a fund known as 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 risk 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 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 held HVB liable along with the promoter of Medienfonds for such errors. HVB filed an appeal to the Federal Court. This appeal to the Federal Court is still pending. An outstanding final decision with respect to the question of HVB's liability for the prospectus in this proceeding will affect only few remaining pending cases since with the vast majority of the investors a general settlement has already been closed.
In a fiscal proceeding that the fund brought concerning the tax declaration of the fund for the fiscal year 2004, no final decision has been issued as to whether the tax benefits were rightfully revoked in the first place.
In addition to the above matter, HVB is defending lawsuits concerning other closed-end funds. The economic background of these lawsuits is often but not always linked to a modified view of the tax authorities with regard to tax benefits originally envisaged. Plaintiffs claim from HVB repayment of their capital investment in exchange for the respective shares in the fund.
With regard to a mutual fund investing in heating plants, a test case proceeding has been filed against HVB pursuant to the Kapitalanleger-Musterverfahrensgesetz.
HVB has made provisions which are, at present, deemed appropriate.

Disputes related to derivatives

In the years preceding the 2007 financial crisis, financial institutions, including the companies of the UC group, entered into numerous derivatives contracts both with institutional and non-institutional investors. In Germany and Italy such derivative contracts have been challenged most notably by non-institutional investors where those contracts are out of the money. This affected the financial sector generally and is not specific to UniCredit and its group companies. It is impossible to assess the full impact of such legal challenges on the Group.

US Financial Sanctions matters

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 designated by the US Treasury Department's Office of Foreign Assets ("OFAC") and their affiliates. In June 2012, the US Department of Justice ("DOJ") opened an investigation of OFAC-related compliance by UCBAG and its subsidiaries more generally.
UCB AG is cooperating with OFAC, the DOJ and the NYDA and is updating other relevant authorities as appropriate. 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 lead to liquidity outflows and could potentially have a material adverse effect on the net assets and operating results of UCB AG in any particular period. In recent years, alleged violations of US sanctions have resulted in certain financial institutions paying substantial fines, penalties or settlements to the US authorities, depending on the individual circumstances of each case.

Proceedings related to claims for Withholding Tax Credits

In 2011, the Supervisory Board of UCB AG commissioned external advisors to conduct an audit of the trading of German equities around dividend dates by UCBAG in respect of both a former client as well as for the Bank’s own book, covering the period 2005 through 2008. Following an interim report by external advisors in February 2013, the Supervisory Board of UCB AG extended the audit to include non-German equities and expanded the review period to 2009 through 2011. The Management Board has also retained advisors to review the matter. The audit is not yet complete.
In addition, based on a secondary liability notice issued by the German tax authorities, UCBAG has on a without prejudice basis paid €93.1 million of circa €124 million claimed by the German tax authorities from UCBAG’s former client in tax proceedings. Those tax proceedings are ongoing.
UCBAG is cooperating with Prosecutors in Frankfurt and Cologne who are investigating the abovementioned trading of equities. It is also cooperating with the Munich prosecutor, who is conducting a pre-investigation (*Vorermittlungsverfahren*). UCBAG is also in communication with competent domestic and foreign tax authorities.
In relation to the above mentioned matters, UCB AG could be subject to substantial tax and interest claims, as well as penalties, fines and profit claw backs, and/or other tax – or criminal – or administrative exposure. In addition UCB AG could be exposed to damages claims from third parties, whose amount cannot currently be quantified.
UCB AG is in communication with its relevant regulators regarding these matters.

Part E – Information on risks and related risk management policies

Foreign Currency Loans
In Central and Eastern Europe, in the last decade, a significant number of customers took out mortgages denominated in a foreign currency. In a number of instances customers – or consumer associations acting on their behalf – have sought to renegotiate the terms of such foreign currency mortgages, including having the loan principal and associated interest payments redenominated in the local currency at the time the loan was taken out, and floating rates retrospectively changed to fixed rates. This is resulting in litigation against subsidiaries of UniCredit in a number of countries including Croatia, Hungary and Serbia.
Specifically in Croatia, a consumer association sued 8 of the largest banks in 2012 (including Zagrebačka banka) claiming that: for loans linked to Swiss francs, consumers had not been given adequate information prior to taking out the loan and had not therefore been able to make a fully informed decision about the risks of such loans; and
a variable interest rate was unlawful, as it was set by reference to a unilateral decision of the relevant bank and without the factors affecting the setting of the rate being clearly defined.
On July 4, 2013 the first instance court in Zagreb upheld the complaint of the consumer association in a decision which is as yet not binding. All 8 banks have appealed. Were the judgment to be upheld in a court of final determination the banks would, within 60 days of such a determination, have to offer the customers amended terms, converting the outstanding principal amount to Croatian kuna (HRK) at the CHF/HRK rate prevailing on the date the loan agreement was signed and substituting the variable interest rate for the fixed rate applicable at the date the loan in question was drawn down.
At this time, it is not possible to assess the timing of any final decisions, how successful any such litigation may ultimately be or what financial impact it or any associated legislative or regulatory initiatives might ultimately have on the individual subsidiaries or the Group.

Brontos – criminal proceeding
With regard to the transactions known as “Brontos” there is a criminal proceeding which also concerns the conduct of present and former officers/employees of UniCredit.
On October 10, 2013, the Court of Cassation found that the Court of Rome has jurisdiction to try the case; all court documents were therefore transferred from the Public Prosecutor's office at the Court of Bologna to the Court of Rome.

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.

Lawsuits filed against UniCredit S.p.A. by some members of the former Cassa di Risparmio di Roma Fund
Lawsuits are pending before the Court of Rome whose main purpose 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 were made as these actions are considered to be unfounded.

Lawsuit filed against UniCredit S.p.A. by some members of the former Credito Romagnolo's Supplementary Pension Fund
A lawsuit – currently pending before the Court of Rome – was filed by 16 members of the former Credito Romagnolo's Supplementary Pension Fund to challenge UniCredit's reduction of the funds of the aforementioned former Credito Romagnolo's Supplementary Pension Fund in breach of art. 2117 of the Civil Code and to request that UniCredit be ordered to reallocate €48,243,825.00 plus interest to the Fund. No provisions were made as this action is considered to be unfounded.

D. Tax disputes and audits
The Consolidate 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.
The charges are based on the concept of "abuse of rights" for the purpose of requalifying, for tax purposes only, these transactions.
With specific reference to UniCredit Banca S.p.A., the Regional Directorates of Emilia Romagna and Liguria served notices of assessment for IRES and IRAP purposes relating to the tax year 2004, totaling €136.3 million. These notices were promptly challenged and the related proceedings are pending before the competent Provincial Tax Commission.
As at December 31, 2013 the proceeding was still pending and no verdict was returned – or filed – by the Court of First Instance.

New pending cases
During the year, UniCredit S.p.A. was served, both on its own behalf and in its capacity as the holding company of various Group entities, with several notices of assessment showing alleged taxes and related interest and penalties totaling approximately €49 million.
It was decided that an appeal should be filed in the competent Provincial Tax Commissions against these notices.
The notices of particular importance concern the following issues:

- substitute tax on medium- and long-term loans and stamp tax totaling €13.3 million, for tax and incidental expenses, in relation to loan agreements entered into abroad;
- higher stamp tax allegedly due in relation to the sale of two companies to UBIS S.C.p.A. and UniCredit Bank A.G. – Italian Branch, respectively. The amount due is €8.5 million for tax and incidental expenses;
- higher IRES, allegedly to be paid by Capitalia S.p.A., relating to structured finance transactions – so-called DB Vantage – conducted independently by Capitalia in 2004 and having the same nature of those conducted by Unicredit Banca S.p.A., already mentioned above, relating to the same tax period. The total amount due for tax and incidental expenses is €20 million;
- higher IRES and IRAP for 2008 relating to UniCredit Private Banking S.p.A., for disputes over alleged differences in transfer pricing and the alleged non-deductibility of interest expense, for a total amount of €2.6 million for tax and incidental expenses;
- IRES for the year 2008, to be paid by UniCredit S.p.A. as the consolidating entity of FinecoBank S.p.A., totaling €0.7 million, related to the alleged non-deductibility of amounts paid to customers as compensation for damage caused by promoters or by bank employees.

The company considers that, on the whole, the contingent liabilities listed above represent a risk, and therefore made further provisions of approximately €10.5 million.

Updates on pending proceedings and tax audits

In the 2012 Consolidated Reports and Accounts information was given regarding some notices of assessment served on UniCredit S.p.A. as the consolidating entity of Pioneer Investment Management SGR relating to tax years 2006 and 2007 for approximately €33 million and €30.5 million, respectively. These notices were served for IRES purposes and have as their object, essentially, disputes relating to the alleged difference in transfer pricing with certain Group Companies based in Ireland, Luxembourg and the United States, in relation to which, however, no sanctions were imposed because the documentation relating to the above prices, prepared in accordance with and for the purposes of Legislative Decree 78/2010, was considered valid.

The appeals filed, with respect to both years, in the competent Tax Commissions are still pending, but for the tax year 2007 the administrative suspension of tax collection pending dispute settlement was decided during the year in order to start a mutual agreement procedure under the Arbitration Agreement on double taxation between Italy and Ireland, and Italy and Luxembourg.

The same document (2012 Consolidated Reports and Accounts) also provided information regarding the tax audit report (Processo Verbale di Constatazione or PVC) served on December 28, 2012 after the conclusion of the tax audit performed by the tax authorities of Genoa involving former UniCredit Real Estate S.C.p.A. (URE) for the financial year 2009.

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 of €2.5 million was paid on an alleged amount of €12.8 million. In relation to this PVC – and in order to reach an amicable settlement by finding a reasonable solution to a case characterized by particularly specious and misleading charges – UniCredit S.p.A. made a provision of €5.1 million.

On December 30, 2013, in order to put a reasonable end to a case characterized by particularly specious and misleading charges, the liability shown in the PVC was settled for less than the full amount pursuant to Legislative Decree no. 218/1997, by paying €3.7 million for tax and incidental expenses, subject to the recovery of overpaid tax relating to the year of the dispute for the reasons set out in the aforesaid PVC.

In addition, on November 6, 2013 the Regional Directorate of Liguria served a PVC relating to 2008 similar to that already served for 2009, amounting to €0.8 million. The related notice of assessment was subsequently served.

A provision of €0.8 million was made with the view to – also with respect to this year and in order to find a reasonable solution to a case characterized by particularly specious and misleading charges – reach an amicable settlement.

The provisions mentioned above, offset by provisions of €5.5 million used or reversed, are additional to further provisions of €10.0 million were made during the year and €15.6 million for risks related to pending tax proceedings and various operational risks.

Taking account of the €18 million provision already made for payments due pending judgment relating to the dispute still to be settled over structured finance transactions as well as the provision of €53.9 million, made to cover any cancellation of interest accrued on tax credits, the total amount set aside to cover risks resulting from tax audits and disputes is over €103 million.

Lastly, as far as the other Group companies in Italy are concerned, the outcome of the most significant audits completed during 2013 was as follows:

- FinecoBank S.p.A. (years 2008-2011): notification of alleged higher taxes of €6.2 million relating to corporate reorganization (in part already followed by notices of assessment);
- UniCredit Bank Austria A.G. – Milan Branch (year 2010): notification of higher taxes of €1.8 million allegedly due with reference to differences in transfer pricing;
- UniCredit Bank A.G. – Milan Branch (year 2008): requalification, for tax purposes, of certain financial transactions entered into by the company, with the notification of alleged higher taxes of €50 million;
- Pioneer Investment Management SGR (year 2008): €26 million for higher taxes allegedly due for differences in transfer pricing; for more information on this case see the beginning of this paragraph.

Tax proceedings in Germany

See paragraph “Legal Risks”.

E. Extrajudicial procedures

With reference to the extrajudicial procedure relating to Istituto per il Credito Sportivo (ICS), about which disclosure was provided in the financial statements as at December 31, 2012, it should be noted that on March 12, 2013 the Prime Minister’s Office also informed the parties concerned that the “Ministry for Regional Affairs, Tourism and Sport” and the “Ministry for Arts and Culture”, in concert with the Ministry of Economy and Finance, had adopted the interdepartmental Decree of March 6, 2013 annulling the ICS Statute of 2005.

This ruling – which, if confirmed, would result in the dilution of UniCredit S.p.A.’s shareholding in the company and give ICS the right to recover the sums distributed as profits from 2005 onwards – was promptly challenged by the banks having shareholdings in the company.

For the time being, the Bank considers the risk to be only possible.

F. Carlo Tassara S.p.A. restructuring process

On December 23, 2013 Carlo Tassara and the creditor banks signed the third amendment agreement on the moratorium on debt payments.

The purpose of this transaction is to allow the company to better enhance certain assets under disposal, whose proceeds will be used to pay its financial debts.

The main terms and conditions of the Amendment Agreement include:

1. the postponement of the final expiry of the agreements to December 31, 2016;
2. the appointment of the 9 members composing the Board of Directors, with 6 independent members in accordance with the new corporate governance;
3. the conversion of the creditor banks' exposures into Strumenti Finanziari Partecipativi ("SFP") for a total amount of €650 million. The SFP, which can be traded once the restructuring agreement expires, have no maturity date and have a priority over any classes of shares with respect to distribution of net income and reserves, as well as in case of liquidation of Carlo Tassara. The criteria to split the SFP among the banks was calculated taking into account the amount and the distribution of the unsecured debt and, for the difference, the uncovered portion of the secured debt. The value of the listed securities was determined on the basis of the 6-month average share price before the closing of the restructuring agreement;
4. the commitment of the creditor banks to subscribing additional SFP on a pro-rata basis if in the course of the plan material losses occur pursuant to article 2447 of the Italian Civil Code;
5. the commitment of the creditor banks to converting into SFP the residual credits that should remain in place after the disposal of all the available-for-sale assets of Carlo Tassara;
6. the business continuity of Carlo Tassara will be ensured by enterprises with historical links with the Valcamonica area.

The existing collateral (pledge on Intesa Sanpaolo, Eramet and Cattolica Assicurazioni shares) remained in place after the signing of the above-mentioned agreements.

On December 27, 2013, following the fulfillment of the conditions precedent to the effectiveness of the third amendment agreement, the banks subscribed the SFP worth €650 million.

UniCredit subscribed 63,131,974 SFP worth €1.00 (nominal value) each and totaling €63 million, issued by the Company pursuant to the resolution of the Extraordinary Meeting of December 23, 2013 and agreed to contemporaneously pay up these SFP by voluntarily offsetting a portion of its loans (nominal value) to Carlo Tassara totaling €63 million, reducing the Bank's overall exposure to Carlo Tassara.

As a result of the above-mentioned offsetting, part of the Bank's loans to the Company (€63 million) was paid off and the Company's outstanding debts to the Bank decreased, with effect from December 27, 2013, by €63 million.

After the conversion, UniCredit's exposure amounted to €463 million, against which €91 million write-downs were recorded at the same date.

On December 23, 2013, in compliance with the governance provisions, the members of Carlo Tassara S.p.A.'s new Board of Directors were appointed.

Part E – Information on risks and related risk management policies

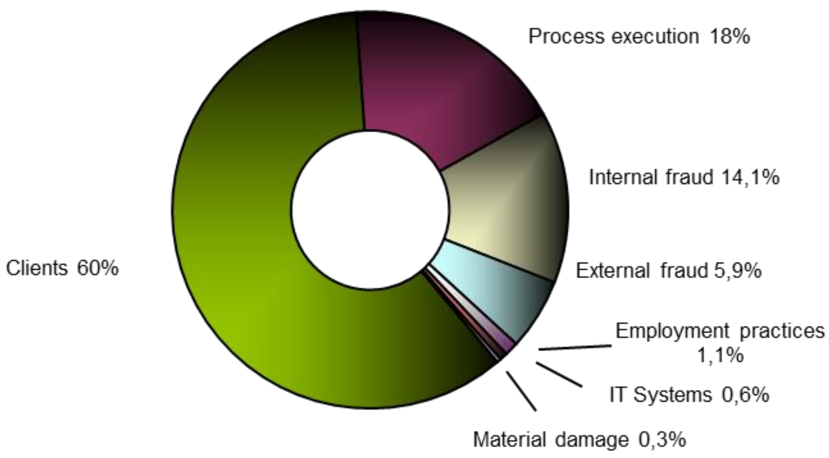
QUANTITATIVE INFORMATION

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.

2013 Operational losses divided by risk category



In 2013, 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 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 internal fraud, external fraud and employment practices. The residual risk categories were IT systems related problems and damage to physical assets from external events .

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 impact 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 loss or decline in profits or share value as a result of a negative perception of the Group'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 2, the risk profile of the Group and of main Legal Entities is calculated analytically, while for small ones a synthetic approach (top down approach) is used.

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 coefficients 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.

Part E – Information on risks and related risk management policies

As part of the risk measurement activities performed for Pillar II 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 analyzing 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 finalized, 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 Company's Group Risk Management is responsible for the Group Economic and Internal Capital methodology development and their measurement, moreover the Parent Company 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 2 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 the following phases:
- perimeter definition and risk identification;
- risk profile measurement;
- risk appetite setting and capital allocation; and
- monitoring and reporting.

Capital adequacy is assessed considering the balance between the assumed risks, 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.

A milestone of the ICAAP is the Risk Appetite which defines the level of risk that the UniCredit group is prepared to accept in pursuit of its strategic objectives and business plan, taking into account the interest of its customers and shareholders as well as capital and other requirements.
The structure of the Group Risk Appetite includes qualitative and quantitative items which are included in the Risk Appetite Statement and in the Risk Appetite KPIs, respectively.

The Risk Appetite Statement defines the positioning of the bank in terms of strategic targets and related risk profiles to address stakeholders expectations and includes:
- a guidance on the overall key boundaries for the Group in terms of focus of activity, which are closely related to the risk ownership;
- a definition of the desired risk-return profile, in coherence with the Group's overall strategy;
- an assessment of the risks the bank accepts taking or should avoid both in normal and in stressed conditions;
- an indication on strategies to manage key risks in the perimeter of the Group;
- qualitative statements for risks that are not easy to measure (e.g. strategic, reputational, compliance) in order to ensure prevention/early intervention on emerging risks;
- a description of the key roles and responsibilities in the approval, cascading to Group Legal Entities, monitoring, reporting and escalation process of Risk Appetite.

The Risk Appetite KPIs section is composed of a set of KPIs based on the analysis of the expectations of the UniCredit group internal and external stakeholders, which leads to the identification of the following risk dimensions relevant for the Group:

- risk ownership and positioning to explicitly indicate main focus activities of the bank and overall risk positioning;
- regulatory requirements to include over time KPIs requested by Regulator;
- profitability and risk to ensure alignment with Group budget;
- control on specific risk types to ensure control on all key risks.

The Risk Appetite is approved by the Board of Directors and is regularly monitored and reported, at least quarterly, to the relevant committees.

Moreover, 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 the Regulator.

Reputational Risk

The UniCredit group defines Reputational Risk as the current or future risk of a loss or decline in profits or share value as a result of a negative perception of the bank's image by customers, counterparties, bank shareholders, investors or regulators. Since 2010 UniCredit has adopted the Group Reputational Risk Governance Guidelines, which aim at defining a general set of principles and rules for measuring and controlling reputational risk.

The reputational risk management is in charge to Group Operational & Reputational Risks Department of UniCredit Spa and to dedicated functions within the Group companies.

Moreover, the setup 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.

Part F – Consolidated Shareholders' Equity

Note:
Please note that the disclosures to be provided by the systemically important banks were published on the UniCredit group's website (www.unicreditgroup.eu).

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 equity 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 99.93% (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 supervisory regulations and the propensity for risk.

Capital is managed dynamically: the Capital Management unit prepares the equity plan and monitors capital ratios for regulatory purposes.

On the one hand, monitoring is carried out in relation to shareholders' equity, for both accounting and 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 (RWAs).

The dynamic management approach is aimed at identifying the investment and capital-raising instruments (ordinary shares and other equity 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[15] 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.

[15] E.g. Basel 2/3, IAS/IFRS etc.

B. QUANTITATIVE INFORMATION

B.1 Consolidated Shareholders' Equity: breakdown by type of company

(€ '000)

	AMOUNTS AS AT 12.31.2013				
NET EQUITY ITEMS	**BANKING GROUP**	**INSURANCE COMPANIES**	**OTHER COMPANIES**	**CONSOLIDATION ADJUSTMENTS AND ELIMINATIONS**	**TOTAL**
Share Capital	**20,026,427**	**67**	**46,554**	**(14,452)**	**20,058,596**
Share premium reserve	**25,144,742**	**1,412**	**6,985**	**27**	**25,153,166**
Reserves	**20,698,063**	**214,381**	**(1,146,115)**	**1,234,119**	**21,000,448**
Equity instruments	**-**	**-**	**-**	**-**	**-**
Treasury shares	**(3,959)**	**-**	**-**	**-**	**(3,959)**
Revaluation reserves	**(2,449,443)**	**-**	**13,387**	**(14,258)**	**(2,450,314)**
- Available for sale financial assets	537,363	-	13,527	(1,403)	549,487
- Property, plant and equipment	-	-	-	-	-
- Intangible assets	-	-	-	-	-
- Hedges of foreing investments	-	-	-	-	-
- Cash-flow hedge	516,736	-	-	-	516,736
- Exchange difference	(2,475,612)	-	-	-	(2,475,612)
- Non current assets classified held for sale	(5,006)	-	-	-	(5,006)
- Actuarial gains (losses) on defined benefits plans	(1,414,756)	-	(140)	127	(1,414,769)
- Valuation reserves from investments accounted for using the equity method	114,267	-	-	(12,982)	101,285
- Special revaluation laws	277,565	-	-	-	277,565
Profit (loss) of the year - Minority interests	**(13,583,784)**	**(3,204)**	**(88,693)**	**92,511**	**(13,583,170)**
Shareholders' Equity	**49,832,046**	**212,656**	**(1,167,882)**	**1,297,947**	**50,174,767**

Part F – Consolidated Shareholders' Equity

B.2 Revaluation reserves for available-for-sale assets: breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2013									
	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	1,116,180	(825,214)	-	-	-	(1)	(63)	2,330	1,116,117	(822,885)
2. Equity securities	390,720	(131,249)	-	-	13,552	(24)	9	(5)	404,281	(131,278)
3. Units in investment fund	36,782	(49,867)	-	-	-	-	(3,681)	(1)	33,101	(49,868)
4. Loans	-	11	-	-	-	-	1	7	1	18
Total 12.31.2013	**1,543,682**	**(1,006,319)**	**-**	**-**	**13,552**	**(25)**	**(3,734)**	**2,331**	**1,553,500**	**(1,004,013)**
Total 12.31.2012	**1,877,568**	**(1,732,675)**	**1,034**	**(4)**	**14,161**	**(29,425)**	**-**	**533**	**1,892,763**	**(1,761,571)**

B.3 Revaluation reserves for available-for-sale assets: annual changes

(€ '000)

	CHANGES IN 2013			
ASSETS/VALUES	DEBT SECURITIES	EQUITY SECURITIES	UNITS IN INVESTMENTS FUNDS	LOANS
1. Opening balance	**(142,342)**	**295,934**	**(22,400)**	**-**
2. Positive changes	**1,336,822**	**158,516**	**25,556**	-
2.1 Fair value increases	1,251,625	138,499	12,466	-
2.2 Reclassification through profit or loss of negative reserves	57,359	18,029	5,092	-
- due to impairment	*2*	*17,410*	*4,168*	-
- following disposal	*57,357*	*619*	*924*	-
2.3 Other changes	27,838	1,988	7,998	-
3. Negative changes	**(901,248)**	**(181,447)**	**(19,923)**	**19**
3.1 Fair value reductions	(709,937)	(34,285)	(10,391)	-
3.2 Impairment losses	(1,076)	(2,853)	(2,545)	-
3.3 Reclassification throught profit or loss of positive reserves: following disposal	(102,326)	(124,791)	(6,895)	-
3.4 Other changes	(87,909)	(19,518)	(92)	19
4. Closing balance	**293,232**	**273,003**	**(16,767)**	**19**

B.4 Revaluation reserves related to defined benefit plans: annual changes

(€'000)

	CHANGES IN 2013			
	BANKING GROUP	INSURANCE COMPANIES	OTHER COMPANIES	TOTAL
1.Opening balance	**(1,205,429)**	**-**	**-**	**(1,205,429)**
2. Increases	**56,851**	**-**	**-**	**56,851**
2.1 Increases in fair value	52,214	-	-	52,214
2.2 Other changes	4,637	-	-	4,637
3. Decreases	**266,322**	**-**	**(131)**	**266,191**
3.1 Decreases in fair value	238,413	-	(131)	238,282
3.2 Other changes	27,909	-	-	27,909
4. Closing balance	**(1,414,638)**	**-**	**(131)**	**(1,414,769)**

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	324,977	yes	yes	no
4.0280%	perpetual	Oct-15	EUR	750	121,174	yes	yes	yes
5.3960%	perpetual	Oct-15	GBP	300	23,848	yes	yes	yes
8.5925%	31-Dec-50	Jun-18	GBP	350	170,094	yes	yes	no
8.1250%	31-Dec-50	Dec-19	EUR	750	567,513	yes	yes	no
8.7410%	30-Jun-31	Jun-29	USD	300	15,187	no	yes	yes
7.7600%	13-Oct-36	Oct-34	GBP	100	16,813	no	yes	yes
9.0000%	22-Oct-31	Oct-29	USD	200	14,879	no	yes	yes
10y CMS (°) +0.10%, cap 8.00 %	perpetual	Oct-11	EUR	250	94,749	no	yes	yes
10y CMS (°) +0.15%, cap 8.00 %	perpetual	Mar-12	EUR	150	50,260	no	yes	yes
TOTAL					**1,399,494**			

(°) 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	734,139	not applicable	yes (°)
5.0000%	1-Feb-16	not applicable	GBP	450	266,255	not applicable	yes (°)
6.7000%	5-Jun-18	not applicable	EUR	1,000	681,522	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.

Part F – Consolidated Shareholders' Equity

B. QUANTITATIVE INFORMATION

Regulatory Capital Breakdown

(€ '000)

REGULATORY CAPITAL	12.31.2013	12.31.2012
A. Tier 1 before prudential filters	**45,341,284**	**51,988,215**
A.1 Tier 1 positive items:	67,268,726	67,844,797
A.1.1 - Capital (1)(2)	19,386,178	19,381,894
A.1.2 - Share premium account (3)(4)	25,130,293	34,625,414
A.1.3 – Reserves (4)	20,698,063	10,860,704
A.1.4 - Innovative capital instruments and non-innovative capital instruments with maturity date	324,977	331,540
A.1.5 - Non-innovative capital instruments computable up to the limit of 50% (1)	609,085	609,085
A.1.6 - Instruments subject to transitional provisions (grandfathering) (2)(3)	1,120,130	1,613,252
A.1.7 - Net income of the year/Interim profit	-	422,908
A.2 Tier 1 negative items:	(21,927,442)	(15,856,582)
A.2.1 - Treasury stocks	(3,959)	(5,255)
A.2.2 - Goodwill	(4,146,113)	(12,599,831)
A.2.3 - Other intangible assets	(1,853,038)	(3,251,496)
A.2.4 - Loss of the year/Interim loss	(14,509,576)	-
A.2.5 - Other negative items:	(1,414,756)	-
* Value adjustments calculated on the supervisory trading book	-	-
* Others (5)	(1,414,756)	-
B. Tier 1 prudential filters	**(184,744)**	**(141,218)**
B.1 Positive IAS/IFRS prudential filters (+) (5)	1,325,559	19,973
B.2 Negative IAS/IFRS prudential filters (-) (6)(7)	(1,510,303)	(161,190)
C. Tier 1 capital gross of items to be deducted (A+B)	**45,156,540**	**51,846,997**
D. Items to be deducted	**2,419,307**	**2,978,723**
E. Total TIER 1 (C-D)	**42,737,233**	**48,868,274**
F. Tier 2 before prudential filters	**17,576,937**	**17,432,518**
F.1 Tier 2 positive items:	19,561,560	18,350,866
F.1.1 - Valuation reserves of tangible assets	-	-
F.1.2 - Valuation reserves of available-for-sale securities (8)	487,409	222,383
F.1.3 - Non-innovative capital instruments not eligible for inclusion in Tier 1	-	-
F.1.4 - Innovative capital instruments not eligible for inclusion in Tier 1 capital	-	-
F.1.5 - Hybrid capital instruments	1,768,431	2,031,977
F.1.6 - Tier 2 subordinated liabilities	15,138,596	14,573,454
F.1.7 - Surplus of the overall value adjustments compared to the expected losses	1,889,559	1,245,189
F.1.8 - Net gains on participating interests	-	-
F.1.9 - Other positive items	277,565	277,863
F.2 Tier 2 negative items	(1,984,623)	(918,348)
F.2.1 - Net capital losses on participating interests	(24,165)	(43,751)
F.2.2 - Loans	-	-
F.2.3 - Other negative items	(1,960,458)	(874,597)
G. Tier 2 prudential filters:	**(243,705)**	**(111,192)**
G.1 Positive IAS/IFRS prudential filters (+)	-	-
G.2 Negative IAS/IFRS prudential filters (-)	(243,705)	(111,192)
H. Tier 2 capital gross of items to be deducted (F+G)	**17,333,233**	**17,321,326**
I. Items to be deducted	**2,419,307**	**2,978,723**
L. Total TIER 2 (H-I)	**14,913,926**	**14,342,603**
M. Deductions from Tier 1 and Tier 2	**-**	**1,192,483**
N. Capital for regulatory purposes (E+L-M)	**57,651,159**	**62,018,395**
O. Tier 3 Capital	**-**	**-**
P. Capital for regulatory purposes included Tier 3 (N+O)	**57,651,159**	**62,018,395**

Notes to previous page table:

(1) The ordinary shares underlying to the “CASHES” transaction are accounted under item A.1.1 Capital for a total amount of €2,373,915 thousands, and under item A.1.5 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.

(2) €31,164 thousand related to Saving Shares have been reclassified in the item A.1.6 Instruments subject to transitional provisions (grandfathering) from the item A.1.1 Capital, of which € 22,938 thousands related to minorities.

(3) €14,404 thousand referred to Share premium account related to Saving Shares have been reclassified in the item A.1.6 Instruments subject to transitional provisions (grandfathering) from item A.1.2 Share premium account.

(4) The UniCredit Shareholders' Meeting held on May 11, 2013 approved:

- the allocation to the Legal Reserve of an amount of €2,413 million out of a corresponding amount from the "Share Premium" reserve;
- the making-up of the "negative reserves" through the use of the "Share Premium" reserve, by an aggregate amount of €3,962 million;
- the reallocation of the loss for the year shown in the Annual Report and Accounts at December 31, 2011 – in substitution of the decision resolved upon by the Shareholders' Meeting of May 11, 2012 – exclusively through the use of the "Share Premium" Reserve for an amount of €6,349 million and the consequent reinstatement of the Statutory Reserve in the amount of €1,196 million of the "Reserve for allocating profits to Shareholders through the issuance of new free shares" in the amount of €1,194 million and of Other reserves in the amount of €14 million.

(5) As of January 1, 2013, following the entry into force of the amendments to IAS 19 (IAS 19R), the elimination of the corridor method – requiring recognition of present value of defined benefit obligations – will result in an impact on the Group's net equity related to the recognition in the revaluation reserves of actuarial net losses not previously recognized in line with such method. Under a regulatory perspective, such revaluation reserve – equal to €1,415 million – is classified as a negative element of Tier 1 Capital (classified in the item A.2.5 – Other negative items: *Others); a correlated prudential positive filter for €1,315 million (classified in the item B.1 Positive IAS/IFRS prudential filters) is applied according to Bank of Italy Communication issued on May 9, 2013.

(6) The amount related to 2013 includes the effects of the prudential negative filter which eliminates the benefits arising from the revaluation of Bank of Italy stake. The amount of the prudential filter, equal to €1,190 million, is net of tax (€184 million).

(7) Includes €226 million related to the negative prudential filter for multiple goodwill redemption (“affrancamenti multipli”), according to Bank of Italy Communication issued on May 9, 2013; the amount refers to the first two years of the filter’s application (2012 and 2013, that is 2/5 of the overall amount subject to deduction).

(8) 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, 2013, the net plus amount neutralized from the Tier 2 Capital is equal to €140 million.

Moreover, with reference to the contents of Bank of Italy’s Bollettino di Vigilanza no. 12 issued on December 2013 related to the transitional provisions on Own Funds for unrealized gain and losses associated to exposures towards Central Administrations classified in the IAS 39 category “Available For Sale – AFS”, UniCredit SpA exercised the option contained in the Bank of Italy Circular 285 (“Disposizioni di vigilanza per le banche”, Part 2, Chapter 14, Section II, Paragraph 2) for the calculation of its Consolidated Supervisory Capital (as well as for the calculation of Individual Supervisory Capitals of all banks belonging to UniCredit Banking Group supervised by the Bank of Italy).
Accordingly, starting from March 31, 2014 reporting period and in coherence with previous periods, UniCredit S.p.A. – for those securities issued by EU Central Administration classified in the portfolio "Available for Sale – AFS"– will exclude, by any element of its Own Funds, unrealized gains and losses related to exposures towards EU Central Administration classified in the IAS 39 category (approved by EU) "Available for Sale – AFS", taking into account the provisions contained in the CRR Article 467.

Part F – Consolidated Shareholders' Equity

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)

	UNWEIGHTED ASSETS		WEIGHTED ASSETS/ REQUIREMENTS	
	12.31.2013	12.31.2012	12.31.2013	12.31.2012
A. RISK ASSETS				
A.1 Credit and counterparty risk	**844,040,506**	**890,761,953**	**314,926,556**	**358,553,195**
1. Standardized approach	384,010,405	402,533,037	161,818,076	185,005,929
2. IRB approaches	450,896,787	477,607,179	149,581,278	168,518,056
2.1 Foundation	24,341,555	32,063,028	14,249,517	15,046,328
2.2 Advanced	426,555,232	445,544,151	135,331,761	153,471,728
3. Securitizations	9,133,314	10,621,737	3,527,202	5,029,210
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			**25,194,124**	**28,684,256**
B.2 Market risk			**1,424,834**	**1,390,947**
1. Standardized approach			55,912	270,864
2. Internal models			1,368,922	1,120,083
3. Concentration risk			-	-
B.3 Operational risk			**4,161,024**	**4,094,938**
1. Basic indicator approach (BIA)			285,937	290,034
2. Traditional standardized approach (TSA)			318,696	306,497
3. Advanced measurement approach (AMA)			3,556,391	3,498,407
B.4 Other capital requirements			**-**	**-**
B.5 Other calculation elements			**3,119,104**	**-**
B.6 Total capital requirements			**33,899,086**	**34,170,141**
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Risk-weighted assets			**423,738,575**	**427,126,757**
C.2 TIER 1 capital/Risk-weighted assets (TIER 1 capital ratio)			**10.09%**	**11.44%**
C.3 Capital for regulatory purposes (included TIER 3)/Risk-weighted assets (Total capital ratio)			**13.61%**	**14.52%**

Part G – Business Combinations

Part G – Business Combinations

Section 1 – Business combinations completed in the period

In 2013 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 level.

The main transactions of this kind carried out in 2013 were:

- Absorption in UniCredit S.p.A. of:
    - UniCredit Audit S.C.p.A;
    - UniManagement S.C.r.l;
    - UniCredit Merchant S.C.r.l.
    - UniCredit Logistics S.r.l.;
- Absorption in I-Faber S.p.A of Joinet S.r.l.;
- Absorption in UniCredit Credit Management Bank S.p.A. of Esperti in Mediazione S.r.l.;
- Absorption in UniCredit Bank Czech Republic a.s. of UniCredit Bank Slovakia a.s.;
- Acquisition by UniCredit Bulbank AD of:
    - UniCredit Leasing AD;
    - HVB Leasing OOD;
- Acquisition by UniCredit Bank Austria AG of SIA UniCredit Leasing;
- Acquisition by UniCredit S.p.A. of PJSC UniCredit Bank and subsequent absorption in PJSC Ukrosotsbank.

Section 2 – Business combinations completed after December 31, 2013

After December 31, 2013 the following transactions were conducted:

- the sale, effective from January 1, 2014, by UBIS S.C.p.A. to UniCredit S.p.A. of the following business units:
    - "Group ICT e Operations", which assists the Parent company UniCredit in managing ICT and Operations support services;
    - "Security Network Services", which carries out specialized security activities in Italy;
- the absorption of Fineco Leasing S.p.A. into UniCredit Leasing S.p.A., effective from April 1, 2014.

Additional Business Combinations involving Group's companies are on-going as reported into "Report on Operations" – "Rationalization of Group operations and other corporate transactions" – "Reorganization of the international leasing activities in the CEE region and in Austria".
These combinations are expected to be finalized in 2014.

Part H – Related-Party Transactions

Part H – Related-Party Transactions

1. Details of Top Managers' Compensation

Details of key management personnel's 2013 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.

Compensation paid to key management personnel

(€ thousand)

	YEAR 2013	YEAR 2012
a) short term benefits	19,193	19,103
b) post retirement benefits	1,809	1,738
of which under defined benefit plans	-	-
of which under defined contribution plans	*1,809*	*1,738*
c) other long term benefits	50	50
d) termination benefits	-	2,515
e) share-based payment	2,473	3,486
Total	**23,525**	**26,892**

In the above reported data are included the compensation paid to Directors (€ 7,310), Statutory Auditors (€ 751), General Manager (€ 1,549) and other Managers with strategic responsibility (€ 7,521), as shown in the Annual compensation report enclosed in the 2014 Group compensation Policy, and € 6,394 relating to other costs borne in 2013 (the company share of social security contributions, allocations to severance pay funds and share-based payments using UniCredit and its subsidiaries' equity instruments).

The decrease year on year of the compensation is linked mainly to the reduction of the value of share based payments for the Chief Executive Officer, General Manager and other Executives with strategic responsibilities, additionally to the absence of severance payments. Furthermore, as already happened in 2011 and 2012, the above mentioned executives did not receive any bonus under the 2013 Group Incentive System.

2. Related-Party Transactions

In order to ensure full compliance with legislative and regulatory provisions in force 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 particular UniCredit, as a listed issuer, has adopted the “Global Policy for the management of transactions with persons in conflict of interest” that is designed to define preliminary and conclusive rules with respect to transactions initiated by UniCredit, including those conducted through subsidiaries, with related parties (CONSOB) and associated persons (Bank of Italy), and the manner in which information is disclosed to corporate bodies and the market. This Policy – which is published on the UniCredit website (www.unicredit.eu) – identifies, inter alia, in compliance with the “Regulations on related-party transactions” issued by Italy's CONSOB resolution 17221 of March 12, 2010 (as amended/supplemented) and Bank of Italy Circular no. 263/2006 (Title V, Chapter 5 – “Procedures for the management of risk activities and conflicts of interest with associated persons”): the independence of UniCredit’s Directors who may be asked to express their opinions on related-party transactions (CONSOB) and transactions with associated persons (Bank of Italy); the scope of related parties (CONSOB) and associated persons (Bank of Italy), together defined as the “Combined Perimeter”.

In 2013, 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 related party relationships – 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;[16]
- 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, UniCredit 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, 2013, for each group of related parties, pursuant to IAS 24:

[16] For the purposes of UniCredit’s consolidated financial statements as at December 31, 2013, transactions and outstanding balances between consolidated companies were written off as described in Part A.

Part H – Related-Party Transactions

Related party transactions: Balance Sheet items

	AMOUNTS AS AT 31.12.2013								(€ '000)
	NON-CONSOLIDATED SUBSIDIARIES	NON-CONSOLIDATED JOINT VENTURES	ASSOCIATES	KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES	TOTAL	% ON CONSOLIDATED	SHAREHOLDERS (*)	% ON CONSOLIDATED
Financial assets held for trading	-	-	256,355	40	259	256,654	0.32%	890	0.00%
Financial assets designated at fair value	-	-	-	-	-	-	0.00%	-	0.00%
Available for sale financial assets	-	-	66,624	-	10,375	76,999	0.09%	16,130	0.02%
Held to maturity investments	-	-	-	-	-	-	0.00%	-	0.00%
Loans and receivables with banks	-	1,545	692,890	-	439,224	1,133,659	1.85%	45,066	0.07%
Loans and receivables with customers	33,437	6,322	1,599,887	3,409	40,743	1,683,798	0.33%	1,647,586	0.33%
Other assets	2,443	54	30,506	1	345	33,349	0.29%	280	0.00%
Total Assets	**35,880**	**7,921**	**2,646,262**	**3,450**	**490,946**	**3,184,459**	**0.41%**	**1,709,952**	**0.22%**
Deposits from banks	-	1,965	9,072,420	-	2,105	9,076,490	8.23%	163,687	0.15%
Deposits from customers	18,048	1,864	619,118	7,513	140,184	786,727	0.19%	490,205	0.12%
Debt securities in issue	-	-	155,378	-	102	155,480	0.07%	127,522	0.06%
Other liabilities	308	7	9,411	3	5,104	14,833	0.07%	1,995	0.01%
Total Liabilities	**18,356**	**3,836**	**9,856,327**	**7,516**	**147,495**	**10,033,530**	**1.31%**	**783,409**	**0.10%**
Guarantees given and commitments	287	500	529,354	800	5,550	536,491	0.31%	532,864	0.31%

(*) Shareholders and related companies holding more than 2% of voting shares in UniCredit.

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: Income Statement items

	2013								(€ '000)
	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	604	461	41,629	24	6,343	49,061	0.20%	22,662	0.09%
Interest expense and similar charges	(290)	(171)	(124,213)	(91)	(2,621)	(127,386)	1.10%	(8,423)	0.07%
Fee and commission income	113	12	521,498	6	2,704	524,333	5.66%	34,066	0.37%
Fee and commission expense	(406)	-	(46,703)	-	(11)	(47,120)	2.82%	(260)	0.02%
Net losses/recoveries on impairment:	(3,882)	-	(59,578)	-	(240)	(63,700)	0.46%	(188)	0.00%
a) loans	*(3,882)*	-	*(59,578)*	-	*(240)*	*(63,700)*	*0.46%*	*(188)*	*0.00%*
Operating costs	219	85	(77,329)	-	(19,407)	(96,432)	0.53%	70	0.00%

(*)Shareholders and related companies holding more than 2% of voting shares in UniCredit.

Please 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 General Manager, the Standing Auditors, members of the Executive Management Committee and the Head of Internal Audit in office during the reporting period).

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 S.C.p.A. (UBIS) assumed the role of operating sub-holding to provide the Group’s support services both in Italy and abroad.
Against this backdrop, on February 15, 2013 the Board of Directors of UBIS approved the executive plan relating to the “Invoice Management” transaction aimed at the formation of a joint venture with the partner Accenture S.p.A. (Accenture) for the provision of back office services with respect to the “active and passive cycle” (issuance, receipt, verification, recording and payment of invoices). In relation to this, UBIS transferred – with effect from April 1, 2013 – its “active and passive cycle” business unit to the company formed by Accenture and called “Accenture Back Office and Administration Services S.p.A.” and sold to Accenture some of the shares resulting from the transfer. Following the transaction, UBIS holds 49% of Accenture Back Office and Administration Services S.p.A.’s share capital; the remaining 51% is held by Accenture (which is the controlling shareholder).
Afterwards, on April 19, 2013, the Board of Directors of UBIS approved the executive plan of the project aimed at the formation of a joint venture with another major player in the industry, IBM Italia S.p.A. (IBM), for the provision of technological infrastructure services (hardware, data center, etc.) to Commercial Banking. The transaction was completed when UBIS transferred – with effect from September 1, 2013 – its “Information Technology” business unit to the company formed and controlled by IBM Italia S.p.A. and called “Value Transformation Services S.p.A.” (V-TServices). Following the transaction, UBIS holds 49% of V-TServices’s share capital; the remaining 51% is held by IBM (which is therefore the controlling shareholder).
Please note that in May 2012 a corporate partnership was entered into with the strategic partner Hewlett Packard (HP) to carry out activities related to the management of administrative support services for the Human Resources processes (“HR administrative services”) through the company “ES Shared Service Center S.p.A.”, whose share capital is held by UBIS (49%) and IBM, which is the controlling shareholder (51%).
The services provided to the UniCredit group by the above-mentioned companies involve an exchange of consideration (administrative costs).

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 UCB AG, UCI S.p.A. and Bank Austria entered into a “Compensation Agreement”, a derivative contract valid from January 1, 2010 to a date between January 1, 2015 and March 31, 2016 (at the discretion of the parties) 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. UCI S.p.A. has made a commitment to paying, upon expiry of the agreement, any increase attributable to 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 was recognized in the balance sheet under trading derivatives and valued using a valuation model which takes account of all the flows described.

With reference to the relationships with Mediobanca S.p.A. (“Mediobanca”), in addition to the transactions falling within the ordinary course of business and financial activity, UCI S.p.A. has entered into a thirty-year usufruct agreement on UniCredit shares with Mediobanca, under which Mediobanca gives back to UCI S.p.A., in return for a consideration (recorded as a reduction in Shareholders’ Equity), the right to vote and receive dividends on the UCI S.p.A. 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 UCI 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 were adjusted to reflect (i) the reverse split of UCI S.p.A. 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. Since the conditions of the contract were fulfilled, the first three instalments of the usufruct fee (€105 million) were paid in the financial year.
As part of the “CASHES” transaction, Mediobanca also acts as a custodian of the shares issued by UCI S.p.A.

Part H – Related-Party Transactions

At December 31, 2013, 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.

At December 31, 2013 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 during the first half of 2013 UCI S.p.A., in order to allow the company to meet the minimum capital requirements provided for by the Civil Code, made a capital contribution of €18 million to fully cover the 2012 loss. A further €10 million was paid during the second half of 2013. These contributions were recognized as an increase in the carrying value of UCI S.p.A.'s investment in "Compagnia Italpetroli S.p.A.".

NEEP ROMA HOLDING S.p.A. ("NEEP") acquired control of the companies already belonging to the "Media" division 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.
It should be noted that on August 1, 2013 UCI S.p.A. sold 9% of NEEP's share capital to Raptor HoldCo LLC, reducing its stake from 40% to 31%. In addition, some credit exposures to A.S. Roma S.p.A. were sold to ASR TD SPV LLC.

Under Articles 311, paragraph 2, and 317 of the German Stock Corporation Act (Aktiengesetz, AktG), applicable to groups including a German company when no domination agreements are in place, which provide for (i) the parent company's obligation to compensate, or commit to compensating, the subsidiary for any damages arising from measures or transactions (or lack thereof) ordered by the parent company and that the subsidiary would not have adopted/conducted had it not belonged to the group and (ii) the subsidiary's obligation to claim a compensation from the parent company and, if no compensation is received, to prepare a report ("dependency report") on the status of all harmful measures and compensation not yet awarded, in 2013 UCI S.p.A. entered into two separate agreements with UCB AG to ensure the fulfillment of these requirements on the part of UCB AG.
In March 2013 UCI S.p.A. signed a "compensation agreement" with UCB AG to pay for services provided to UniCredit Bank Russia, Ukrsotsbank and UniCredit Bank Austria and compensate for the damages caused by the cessation of funding for Russian and Ukrainian companies by UCB AG. UCI S.p.A. acted as guarantor, committing to paying the amount due to UCB AG in case the latter and UniCredit Bank Austria failed to reach a deal. The agreement did not result in any disbursements on the part of UCI S.p.A. since UCB AG and UniCredit Bank Austria later entered into agreements that did not make it necessary to activate the guarantee.
In December 2013 UCI S.p.A. signed another "compensation agreement" with UCB AG to compensate for damages identified in 2013 in relation to specific activities relating to (i) Loan Syndication, (ii) Global Account Management, (iii) guarantees issued and (iv) secondment of human resources carried out by UniCredit Bank AG in favor of UCI S.p.A. and other Group companies (mainly UniCredit Bank Austria, Pekao and other companies in the CEE area). The contract also provides for UniCredit S.p.A.'s guarantee with respect to claims directed to other Group companies if the parties fail to reach a remuneration/compensation agreement by March 31, 2014 and the amounts claimed are not paid by April 15, 2014. With respect to this commitment, as at December 31, 2013 UCI S.p.A. booked €89 million in its separate financial statements.

In April 2013, UCI S.p.A. started to act as "primary dealer" and "market maker" on the Italian, Portuguese, Spanish and Greek government bond markets (these roles were previously played by UCB AG). In light of the fact that the model developed provides for the regular provision by UCB AG of services in support of the activity now carried out by UCI S.p.A., an agreement ("cooperation agreement") on the remuneration for these services was entered into.

In the period 2008/2009 UCI S.p.A. (on its own behalf and as the Parent Company of the former segment banks later absorbed) and Aspra (later merged into UniCredit Credit Management Bank (UCCMB)) concluded deals for the sale to UCCMB of loans incorporating guarantees and indemnities, later extended and partially modified in 2011 by varying the operational conditions for the implementation of these guarantees and indemnities. The original sale contracts signed by each transferring bank include certain statements and guarantees that, if not observed, will result in the return of the loans in question or the activation of indemnities with subsequent claims for damages on the part of UCCMB against UCI S.p.A. based on the original sale prices. In the light of the rights and obligations contained in the current agreements, the best estimate at December 31, 2013 of risks associated with these guarantees and indemnities, obtained on the basis of the information provided by UCCMB (which, it should be noted, is charged with managing the loans sold), resulted in the recognition of a provision for risks and charges in the separate financial statements of UCI S.p.A. This provision was recognized in the separate financial statements of UCI S.p.A. because the claim for damages on the part of the subsidiary UCCMB against UCI S.p.A. (IAS 37) was deemed probable. The item was therefore derecognized from the Group's consolidated financial statements, where the analytical valuation of the loans in question, carried out by UCCMB, prevails over the original purchase price (IAS 39).

On February 19, 2013, the Board of Directors of UCI S.p.A. approved the acquisition by UCI S.p.A. of 100% of the shares (worth €157 million) held by Bank Pekao S.A. (Pekao) in UniCredit Bank Ukraine (Ukraine) and gave its approval to the subsequent merger of UniCredit Bank Ukraine into Ukrsotsbank (Ukrosotsbank), a 98.31%-owned subsidiary of Bank Austria.

In December 2013 the conditions provided for by IFRS 5 were met for the purposes of the classification as asset classified as held for sale of a portion (20.07%) of the stake in the associate SIA S.p.A. Following the sale, UCI S.p.A.'s shareholding will decrease from 24.07% to 4%, resulting in the loss of significant influence over the company. Since the company was recognized at a lower value than the sale price, there were no impacts on UCI S.p.A.'s separate financial statements as at December 31, 2013.

In June 2013 UCI S.p.A., together with Intesa Sanpaolo, became involved as a financial partner in the establishment of Lauro Sessantuno S.p.A., which, after a series of corporate transactions, acquired a shareholding of 60.99% in Camfin (a listed company owning 26.19% of Pirelli). Following the aforesaid acquisition, Lauro Sessantuno was obliged to launch a full takeover bid for the remaining Camfin shares. In this regard, it should be noted that with respect to this takeover bid UniCredit S.p.A. and Intesa Sanpaolo committed to irrevocably and unconditionally issuing a guarantee (Cash Confirmation) pursuant to art. 37 of the Issuers' Regulations, up to a maximum of €245 million; as a consequence, as at December 31, 2013 the stake acquired by UniCredit S.p.A. in Lauro Sessantuno was 18.85% (€115 million).

It should also be noted that capital contributions of €300 million and €25 million were made to the subsidiaries UniCredit Factoring and Fineco Leasing, respectively. In addition, in December 2013 UniCredit Bank AG made a capital contribution of €290 million to its subsidiary UniCredit Leasing GmbH. For further information see the "Report on Operations", section "Rationalization of Group operations and other corporate transactions".

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 relationships with other related parties include the relationships with (UniCredit employee) external pension funds, 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. The relationships with these pension funds are almost entirely represented by the relationships included in Deposits from customers (and related interest).

Part I – Share-Based Payment

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[17].

Group Medium & Long Term Incentive Plans Equity-Settled Share Based Payments for employees include:

- **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 advantage: granting of free ordinary shares ("Free Shares" or 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 within five years. For the first two years the beneficiary will receive the payment by cash and for the next 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 Plan 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[18].

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.

Any new Stock Options' Plans and Performance Stock Options haven't been granted during 2013.

[17] Linked to the economic value of instruments representing a subsidiaries Shareholders' Equity.
18 Pioneer Global Asset Management.

1.2.2 Other equity instruments – Performance Shares

The economic value of Performance Shares is measured considering the share market price at the grant date less the present value of the future dividends, not available to beneficiaries, during the performance period. Parameters are estimated by applying the same model used for Stock Options measurement.
Any new Performance Shares' Plans haven't been granted during 2013.

1.2.3 Other equity instruments – Share Plan for Talent

The 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, not available to beneficiaries, during the performance period. Parameters are estimated by applying the same model used for Stock Options measurement.
During 2013 a new Share for Talent Plan has been assigned. This plan will be defined in 2014 on a basis of performance conditions defined by plan rules (non-market vesting conditions).
Economic and Net Equity effects will be accrued during the instruments' vesting period.

1.2.4 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.
Economic and Net Equity effects will be accrued on a basis of instruments' vesting period.

Group Executive Incentive System 2012 – Shares

The economic value of Performance Shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period.
Parameters are estimated following stock options' measurement model.

	Shares Granted Group Executive Incentive System 2012		
	1st Installment (2015)	**2nd Installment (2016)**	**3rd Installment (2017)[1]**
Date of Bonus Opportunity Economic Value granting (*Grant Date*)	27-Mar-2012	27-Mar-2012	27-Mar-2012
Date of Board resolution (to determine number of shares)	11-Apr-2013	11-Apr-2013	11-Apr-2013
Vesting Period Start-Date	1-Jan-2012	1-Jan-2012	1-Jan-2012
Vesting Period End-Date	31-Dec-2014	31-Dec-2015	31-Dec-2016
UniCredit Share Market Price [€]	3.52	3.52	3.52
Economic Value of Vesting conditions [€]	-0.19	-0.37	-0.63
Performance Shares' Fair Value per unit @ Grant Date [€]	**3.33**	**3.15**	**2.89**

(1) referred only to Executive Vice President assignations

Group Executive Incentive System 2013

Variable incentive related to 2013 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 Regulatory 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 Group and/or concerning every single Business/Country profitability, solidity and liquidity results ("Group Gate") as well as a Zero Factor related to future Group and/or concerning every single Business/Country profitability, solidity and liquidity results as approved in the BoD of UniCredit S.p.A.

All Profit and Loss and Net Equity effects related to the plan will be booked during the vesting period

Part I – Share-Based Payments

1.2.5 Employee Share Ownership Plan (Let's Share 2012)
The following tables show the measurements and parameters used in relation to Free Shares (or rights to receive them) connected to the "Employee Share Ownership Plan" approved in 2012.

Measurement of Free Shares ESOP 2012

	Free Shares 1st Election Window	Free Shares 2nd Election Window
Date of Free Shares delivery to Group employees	5-Feb-2013	5-Aug-2013
Vesting Period Start-Date	1-Jan-2013	1-Jul-2013
Vesting Period End-Date	1-Jan-2014	1-Jul-2014
Discount Shares' Fair Value per unit [€]	**4.35**	**3.78**

All Profit and Loss and Net Equity effects related to free shares will be booked during the vesting period (except adjustments, according to Plan Rules, that will be booked during the next closing after vesting period);
The UniCredit free ordinary shares assigned in plan rules applications had been acquired on the market.

1.2.6 PGAM Shared-Based Incentive Plan 2012
In September 2012, Pioneer Global Asset Management's Board of Directors approved a long term incentive plan to be assigned to Pionner Group key talent resources. In February 2013 each beneficiary has been granted with Restricted Units that gave the right to receive Pioneer Global Asset Management shares having restricted economic and administrative rights (Restricted Shares), or other financial instruments (or the cash-equivalent amount). These shares will vest after the fourth year anniversary starting from the granting.
Restricted Shares' value is evaluated on a basis of Pioneer Group EBITDA.

B. QUANTITATIVE INFORMATION

1. Annual Changes

UniCredit Stock Options and Performance Stock Options:

Items/Number of options and exercise price		Year 2013[1]			Year 2012[1]		
		Number of Options	Average exercise price [€]	Average maturity	Number of Options	Average exercise price [€][(2)]	Average maturity[(2)]
A.	Outstanding at beginning of period	45,544,658	18.971	Dec-2019	37,492.303	22.644	Jun-2019
B.	Increases	-			9,222,891		
B.1	New issues	-	-		9,222,891	4.010	
B.2	Other				-		
C.	Decreases	531,829			1,170,536		
C.1	Forfeited	531,829	18.993		1,170,536	21.518	
C.2	Exercised				-		
C.3	Expired				-		
C.4	Other				-		
D.	Outstanding at end of period	45,012,829	18.971	Dec-2019	45,544,658	18.971	Dec-2019
E.	Vested Options at end of period	36,065,412	22.682	May-2019	24,635,563	27.866	Aug-2018

(1) The information related to Number of options and Average exercise price had been modified following the grouping operation resolved by UniCredit Annual General Meeting on December 15, 2011 and following the application of “adjustment factors” 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 Shareholders’ 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.

(2) Values express the weighted average, consistent with those of 2013.

Part I – Share-Based Payments

Other UniCredit equity instruments: Performance Shares

Items/Number of other equity instruments and exercise price		Year 2013[1]			Year 2012		
		Number of other equity instruments	Average exercise price [€]	Average maturity	Number of other equity instruments	Average exercise price [€][3]	Average maturity[3]
A.	**Outstanding at beginning of period**	**25,139,867**	**-**	**Mar-2014**	**5,540,207**	**-**	**May-2013**
B.	**Increases**	**19,986,661**			**22,888,744**		
B.1	New issues	19,986,661			22,888,744		
B.2	Other	-			-		
C.	**Decreases**	**3,752,063**			**3,289,084**		
C.1	Forfeited	1,654,476			747,417		
C.2	Exercised[1]	2,097,587			84,023		
C.3	Expired				2,457,644		
C.4	Other	-			-		
D.	**Outstanding at end of period**[2]	**41,374,465**	**-**	**Feb-2015**	**25,139,867**	**-**	**Mar-2014**
E.	**Vested instruments at end of period**	**8,547,038**			**8,186,150**		

(1) As far as the 2013 movement is concerned, the average market price at the exercise date is equal to €3.82 (€4.02 was the price observed at exercise dates for 2012 movimentation);
(2) UniCredit undertakes to grant, conditional upon achieving performance targets set in the Strategic Plan, 41,374,465 ordinary shares at the end of 2012 (25,139,867ordinary shares at the end of 2012).
(3) Values express the weighted average, consistent with those of 2013.

According to Let's Share (ESOP) 2012 Plan Rules, 640,128 Free Shares were delivered to Group Participants in January 2013 and 153,413 Free Shares related to services rendered during the period 2012-2015 were assigned in July 2013.

The above-mentioned UniCredit free ordinary shares are not included in above tables because they have been acquired on the market.

2. Other information

Let's Share for 2014 (ex 2013) – Employee Share Ownership Plan for 2014 –
In May 2013 the Ordinary Shareholders' Meeting approved the "UniCredit Group Employee Share Ownership Plan for 2014" ("Let's Share for 2014") that offers to eligible Group employees the opportunity to purchase UniCredit ordinary shares at favourable conditions, starting from January 2014, in order to reinforce employees' sense of belonging and commitment to achieve the corporate goals.

Let's Share for 2014 was launched on November 27, 2013 in 11 countries across the Group (Austria, Bulgaria, Czech Republic, Germany, Hungary, Italy, Poland, Serbia, UK, Slovakia, and Luxemburg) with a participation rate of about 3.4% of the eligible employees.

Let's Share for 2014 is a broad based share plan under which:

- during the "Enrolment Periods" (from January 2014 to December 2014) the Participants can buy UniCredit ordinary shares ("Investment Shares") by means of monthly or one-off contributions (via one installment in January or July 2014) 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 2014/July 2014), 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 2014 to January 2015 or from July 2014 to July 2015), 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 for 2014 will be booked during the holding period.

Let's Share for 2014 has not produced any effects on the 2013 Consolidated Financial Statements.

Effects on Profit and Loss
All Share-Based Payment granted after November 7, 2002 whose vesting period ends after January 1, 2005 are included within the scope of the IFRS2.

Financial statement presentation related to share based payments (€ thousand)

	2013		2012	
	Total	**Vested Plans**	**Total**	**Vested Plans**
Costs	**42,188**		**75,384**	
- connected to Equity Settled Plans(1)	*23,514*		*67,518*	
- connected to Cash Settled Plans(2)	*14,791*		*7,866*	
Debts for Cash Settled Plans(2)	**20,263**	**-**	**5,557**	**-**

(1) The decrease in 2013 figures is due to Performance Stock Option and Performance Share plans' non- assignment occurred during the year; the non-assignment is due to not achievement of performances conditions (non-market vesting conditions).
(2) Costs are borne by Pioneer Group Entities, according to Plan rules.

Part L – Segment Reporting

Part L – Segment Reporting

Organizational Structure

The format for segment information reflects the organizational structure currently used in management reporting for monitoring the Group's results, which is broken down into the following business segments: Commercial Banking Italy, Commercial Banking Germany, Commercial Banking Austria, Poland, Corporate & Investment Banking ("CIB"), Asset Management, Central and Eastern Europe ("CEE"), Asset Gathering and Group Corporate Center.

Commercial Banking Italy

Commercial Banking Italy is composed of UniCredit S.p.A. commercial network (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking division) Leasing and Factoring product factories and local Corporate Center with supporting functions for the Italian business.
In relation to individual clients (Households and clients of specialized network Private Banking), Commercial Banking Italy' s goal is to offer a full range of products and services to fulfill transactional, investments and credit needs, relying on almost 4,000 branches and multichannel services provided by new technologies.
In relation to corporate customers, Commercial Banking Italy operates trying to guarantee both the support to the economic and entrepreneurial system and the profitability and quality of its portfolio. The current Corporate Channel (which include also Medium Enterprises and Real Estate) is organized on the territory with about 1100 Managers divided in 196 Corporate branches.
The territorial organization promotes a Bank closer to customers and faster decision-making processes, while the belonging to UniCredit group allows to support companies in developing International attitudes.

Commercial Banking Germany

Commercial Banking Germany provides all German customers - except CIB clients (Large Corporate and Multinational clients) - with a complete range of banking products and services through a network of around 840 branches.
Commercial Banking Germany holds large market shares and a strategic market position in retail banking, in private banking and especially in business with local corporate customers (including factoring and leasing).
Different service models are applied in line with the needs of its various customer groups: retail customers, private banking customers, business and corporate customers, commercial real estate customers, and Wealth Management customers. In detail the corporates segment employs a different Mittelstand bank model to its competitors in that it serves both business and personal needs across the whole bandwidth of German enterprises and firms operating in Germany. The private clients segment serves retail customers and private banking customers with banking and insurance solutions across all areas of demand. The specific, all-round advisory offering reflects the individual and differentiated needs of these customer groups in terms of relationship model and product offering.
The Segment also includes the local Corporate Center, which performs tasks as sub-holding towards other Subgroup legal entities.

Commercial Banking Austria

Commercial Banking Austria provides all Austrian customers – except CIB clients (Large Corporate and Multinational clients) – with a complete range of banking products and services. It is composed of: Retail, Corporate (excluding CIB clients), Private Banking (with its two well-known brands Bank Austria Private Banking and Schoellerbank AG), the Product factories Factoring and Leasing and the local Corporate Center which also performs tasks in connection with Bank Austria's sub- Holding function.
Retail covers business with private individuals, ranging from mass-market to affluent customers. Corporates covers the entire range of business customers, SMEs and medium-sized and large companies which do not access capital markets (including Real Estate and Public Sector).
A broad coverage of the Retail and Corporate business lines is ensured through a network of about 300 branches.
The goal of Commercial banking Austria is to strengthen regional responsibility, to increase synergies, effectiveness and to improve time-to-market; therefore customer service teams can now adjust more quickly to local market changes.
Commercial Banking Austria holds large market shares and a strategic market position in retail banking, private banking and especially in business with local corporate customers and is one of the leading providers of banking services.
In response to changing customer needs and behaviors, Commercial Banking Austria has launched *SmartBankingSolutions*, an integrated new service model, allowing clients to decide when, where and how they contact Bank Austria. This approach combines classic branches, new formats of advisory service centres and modern self-service branches with internet solutions, Mobile Banking with innovative apps and video-telephony.

Poland

The segment Poland manages the UniCredit group's operations within the Bank Pekao S.A. Group in Poland.
Bank Pekao S.A. Group includes financial institutions operating in banking, asset management, pension funds, brokerage services, leasing and factoring markets providing a full range of banking services to individual and institutional clients.
Bank Pekao S.A. operates for more than 80 years and is one of the largest financial institutions in Central and Eastern Europe. In particular,Bank Pekao is a universal commercial bank providing a full range of banking services to individual and institutional clients.
The Bank offers to its clients a broad distribution network with ATMs and about 1,000 outlets conveniently located throughout Poland. In relation to individual clients, the Bank is focused on the strengthening of the position on consumer goods financing market and mortgage loans market while maintaining a prudent credit risk policy. The Bank actively promotes innovative

solutions and modernity and offers user-friendly solutions in the area of mobile banking, which was top rated for high quality of service and innovativeness by several Polish institutions. The advantages of the Bank's mortgage loans offer are first of all fast credit decision, attractive financing conditions and competent advisers supporting customers in loans granting process.
In relation to institutional customers, Bank Pekao S.A. is the leader in servicing large and medium-sized companies and has one of the widest product offer for corporate clients on the market. The Bank offers a wide range of products of money markets and currency exchange, both within the scope of current operations and long-term hedging structures of client's exposures such as currency risk and interest rate risk. Bank Pekao S.A. is a leading organizer of investment project financing, mergers and acquisitions and debt securities issues. The Bank's product offer for corporate clients also includes financial services such as granting guarantees in national and international turnover and financial services provided through leasing and factoring subsidiaries.
In 2013 Bank's activities focused on the acquiring of new customers and strengthening of relationships with existing customers resulted in significant growth in number of customers.

Corporate & Investment Banking ("CIB")

The CIB division targets multinational and large corporate clients with highly sophisticated financial profile and needs for investment banking services, as well as institutional clients of UniCredit Group. CIB serves UniCredit Group's clients across 50 countries and supports such clients in their growth, internationalization projects and restructuring phases.
The organizational structure of CIB is based on a matrix that distinguishes (i) market coverage (carried out through the Group's country-specific commercial networks (Italy, Germany and Austria)) and (ii) product offering (divided into three Product Lines that consolidate the breadth of the Group's CIB know-how).
The dedicated country-specific commercial networks (CIB Network Italy, CIB Network Germany and CIB Network Austria) are responsible for the relationships with corporate clients, banks and financial institutions as well as the sale of a broad range of financial products and services, ranging from traditional lending and merchant banking operations to more sophisticated services with high added value, such as project finance, acquisition finance and other investment banking services and operations in international financial market.
The three Product Lines supplement and add value to the activities of the commercial networks and the marketing of the relevant products. The Product Lines are broken down as follows:
Financing and Advisory ("F&A")
F&A is the centre for all business operations related to credit and advisory services for corporate and institutional clients. It is responsible for providing a broad variety of services ranging from plain vanilla and standardized products, extending to more sophisticated products such as Capital Markets (Equity and Debt Capital Markets), Corporate Finance and Advisory, Syndications, Leverage Buy-Out, Project and Commodity Finance, Real Estate Finance, Shipping Finance, Structured Trade and Export Finance and Principal Investments.
Markets
Markets is the centre specialized for all financial markets activities and serves as the Group's access point to the capital markets. This results in a highly complementary international platform with a strong presence in emerging European financial markets. As a centralized "product line", it is responsible for the coordination of financial markets-related activities, including the structuring of products such as FX, Rates, Equities and credit related activities.
GTB
GTB is the centre for Cash Management and e-banking products, Supply Chain Finance and Trade Finance products and global securities services.

Asset Management

Asset Management business segment operates through Pioneer Investments, the company within the UniCredit group specializing in the management of customer investments worldwide.
The business segment acts as a centralized product factory and, in addition, directs, supports and supervises the development of local business at a regional level.
Leveraging on different investment partnerships with third-party financial institutions on an international level, Asset Management offers a wide range of financial solutions, including mutual funds, asset administration services and portfolios for institutional investors.

Central and Eastern Europe ("CEE")

The Group operates, through the CEE business segment, in 13 Central and Eastern Europe countries: Azerbaijan, Bosnia & Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine; having, in addition, Leasing activities in Latvia. The CEE business segment operates through approximately 2,500 branches and offers a wide range of products and services to retail, corporate and institutional clients in such countries. Bank Austria manages this segment and acts as sub-holding for the banking operations in the CEE countries.
The UniCredit group is able to offer its retail customers in the CEE countries a broad portfolio of products and services similar to those offered to its Italian, German, Austrian and Polish customers.
With respect to corporate clients, the UniCredit group is constantly engaged in standardizing the customer segments and range of products. The Group shares its business models on an international level in order to ensure access to its network in any country where the Group is present. This approach is vital due to the variety of global products offered, particularly cash management and trade finance solutions, to corporate customers operating in more than one CEE country.

Asset Gathering

Asset gathering is a business segment specialized in wealth management through the direct channel and the financial advisors network, mainly focused on the retail customer segment.
Asset Gathering operates in Italy through FinecoBank, which confirms to be one of the three main distribution networks with a network of over 2,400 personal financial advisors, focused on the offering of investment planning services and advice services. FinecoBank is also recognized in Europe as the first online broker and is the first broker in Italy. The Bank offers all the banking services of a traditional bank and a wide range of trading and investing services through the use of an evolved investment platform that, thanks to its strong commitment to innovation, reaches excellent qualitative levels, granting the client ease of use at the best conditions available in the market. The bank offers to its clients the biggest multimarket and multi-brand investment platform in Italy (over 26 worldwide markets and over 5,000 funds of 58 different investment banks).
Furthermore Asset Gathering operates in Germany through Dab Bank, Germany's direct-bank specialist for investment-related services. As one of the first online broker in the German market, it's oriented both to individual investors (B2C) and financial intermediaries (B2B).
Asset Gathering has also a presence in Austria through direktanlage.at, one of the first Austrian's online broker; it was acquired by DAB Bank in 2002.

Group Corporate Center

The Group Corporate Center includes:
GBS
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. GBS falls within the scope of the Chief Operating Officer ('COO'), whose main areas of responsibility are: ICT, Operations, Workout, Real Estate, Global Sourcing, Security and Organization
Corporate Center
The Corporate Center's objective is to guide, control and support the management of the assets and related risks of the Group as a whole and of the single Group companies in their respective areas of competence.

A – Primary Segment

Segment Reporting by Business Segment - year 2013

A.1 - Breakdown by business segment: income statement (€ '000)

	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	CONSOLIDATED GROUP TOTAL 12.31.2013
Net interest	5,347,238	1,761,557	785,512	1,061,900	3,208,477	2,412,285	3,626	218,875	(1,809,084)	12,990,386
Dividends and other income from equity investments	89	14,792	112,160	15,544	12,564	115,724	3,562	42	49,692	324,169
Net fees and commissions	3,348,975	846,623	560,911	512,053	1,059,256	530,513	719,121	252,407	(101,449)	7,728,410
Net trading, hedging and fair value income	16,599	149,115	164,251	180,362	705,358	1,216,987	1,767	34,663	187,831	2,656,933
Net other expenses/income	(25,538)	103,730	(13,599)	22,683	83,566	51,375	3,652	(2,836)	49,944	272,977
OPERATING INCOME	**8,687,363**	**2,875,817**	**1,609,235**	**1,792,542**	**5,069,221**	**4,326,884**	**731,728**	**503,151**	**(1,623,066)**	**23,972,875**
Payroll costs	(2,852,121)	(1,196,063)	(842,706)	(445,643)	(1,013,293)	(626,377)	(306,948)	(102,831)	(1,263,335)	(8,649,317)
Other administrative expenses	(2,339,698)	(914,865)	(581,136)	(298,547)	(1,010,710)	(1,076,189)	(171,094)	(237,122)	1,069,987	(5,559,374)
Recovery of expenses	505,173	23,115	817	1,285	1,141	5,181	8,260	58,545	111,566	715,083
Amortisation, depreciation and impairment losses on tangible and intangible assets	(86,110)	(48,858)	(37,510)	(81,815)	(200,202)	(32,104)	(58,250)	(19,168)	(743,146)	(1,307,163)
Operating expenses	**(4,772,756)**	**(2,136,671)**	**(1,460,535)**	**(824,720)**	**(2,223,064)**	**(1,729,489)**	**(528,032)**	**(300,576)**	**(824,928)**	**(14,800,771)**
OPERATING PROFIT	**3,914,607**	**739,146**	**148,700**	**967,822**	**2,846,157**	**2,597,395**	**203,696**	**202,575**	**(2,447,994)**	**9,172,104**
Net writedowns of loans and provisions for guarantees and commitments	(9,919,074)	48,860	(207,430)	(158,698)	(1,280,327)	(942,138)	-	(3,643)	(1,195,880)	(13,658,330)
OPERATING NET PROFIT	**(6,004,467)**	**788,006**	**(58,730)**	**809,124**	**1,565,830**	**1,655,257**	**203,696**	**198,932**	**(3,643,874)**	**(4,486,226)**
Provision for risks and charges	(145,006)	(43,773)	(136,550)	3,071	(40,509)	(144,271)	603	(18,015)	(471,873)	(996,323)
Integration costs	(148,662)	(357,115)	(104,351)	-	(33,271)	3,436	(4,814)	(7)	(82,160)	(726,944)
Net income from investments	(30,943)	25,258	(62,111)	5,087	170,675	(45,445)	(6,646)	(6)	1,265,698	1,321,567
PROFIT BEFORE TAX	**(6,329,078)**	**412,376**	**(361,742)**	**817,282**	**1,662,725**	**1,468,977**	**192,839**	**180,904**	**(2,932,209)**	**(4,887,926)**

A.2 - Breakdown by business segment: balance sheet amounts and RWA (€ '000)

	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	CONSOLIDATED GROUP TOTAL 12.31.2013
Balance Sheet Amounts										
LOANS AND RECEIVABLES WITH CUSTOMERS	182,447,601	79,333,366	48,138,790	25,032,692	71,858,323	94,427,943	42	920,449	983,060	**503,142,266**
DEPOSITS FROM CUSTOMERS	105,077,363	78,440,047	42,771,233	28,800,070	58,601,451	71,969,395	-	17,712,426	7,557,985	**410,929,970**
DEBT CERTIFICATES	47,316,094	29,659,072	16,384,359	737,485	4,581,753	5,293,660	-	513,533	55,607,823	**160,093,779**
TOTAL RISK WEIGHTED ASSETS (BASEL 2)	108,403,962	33,822,824	25,467,342	25,089,095	81,704,824	74,460,120	2,046,247	2,912,941	69,831,223	**423,738,575**

"Group Corporate Center" including the Floor impact on RWA.

A.3 - Staff

	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	CONSOLIDATED GROUP TOTAL 12.31.2013
STAFF (KFS group on a proportional basis)										
Employees (FTE)	39,095	14,284	7,010	18,383	38,326	3,490	1,984	1,467	17,579	**141,619**
STAFF (KFS group fully considered)										
Employees (FTE)	38,753	13,902	6,936	18,152	47,271	3,466	1,995	1,486	15,904	**147,864**

Part L – Segment Reporting

Segment Reporting by Business Segment - year 2012

A.1 - Breakdown by business segment: income statement (€ '000)

	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	CONSOLIDATED GROUP TOTAL 12.31.2012
Net interest	5,293,462	1,731,376	812,502	1,149,644	3,158,471	2,961,920	8,040	293,245	(1,531,637)	13,877,023
Dividends and other income from equity investments	97	20,295	113,295	15,131	14,954	139,855	3,437	20	89,613	396,697
Net fees and commissions	3,359,236	891,253	536,247	504,200	972,985	472,673	684,076	217,468	34,676	7,672,814
Net trading, hedging and fair value income	12,190	127,893	247,758	177,607	533,905	796,807	5,452	43,656	848,802	2,794,070
Net other expenses/income	(7,346)	85,835	15,125	20,883	118,010	(16,724)	3,398	(3,336)	40,394	256,239
OPERATING INCOME	**8,657,639**	**2,856,652**	**1,724,927**	**1,867,465**	**4,798,325**	**4,354,531**	**704,403**	**551,053**	**(518,152)**	**24,996,843**
Payroll costs	(2,975,322)	(1,194,917)	(852,005)	(448,273)	(1,017,712)	(659,072)	(293,357)	(101,914)	(1,307,294)	(8,849,866)
Other administrative expenses	(2,358,695)	(961,967)	(572,500)	(318,322)	(946,028)	(1,034,550)	(166,364)	(208,466)	1,095,151	(5,471,741)
Recovery of expenses	383,916	21,528	1,760	1,473	776	5,943	8,993	31,474	83,447	539,310
Amortisation, depreciation and impairment losses on tangible and intangible assets	(92,004)	(49,233)	(41,559)	(86,115)	(182,787)	(11,828)	(26,087)	(21,428)	(522,621)	(1,033,662)
Operating expenses	**(5,042,105)**	**(2,184,589)**	**(1,464,304)**	**(851,237)**	**(2,145,751)**	**(1,699,507)**	**(476,815)**	**(300,334)**	**(651,317)**	**(14,815,959)**
OPERATING PROFIT	**3,615,534**	**672,063**	**260,623**	**1,016,228**	**2,652,574**	**2,655,024**	**227,588**	**250,719**	**(1,169,469)**	**10,180,884**
Net writedowns of loans and provisions for guarantees and commitments	(6,559,186)	347,526	(208,810)	(151,854)	(800,310)	(1,573,234)	-	(2,843)	(354,688)	(9,303,399)
OPERATING NET PROFIT	**(2,943,652)**	**1,019,589**	**51,813**	**864,374**	**1,852,264**	**1,081,790**	**227,588**	**247,876**	**(1,524,157)**	**877,485**
Provision for risks and charges	(89,212)	20,546	(227,846)	(3,661)	(62,634)	310,870	(18,539)	(17,774)	(78,153)	(166,403)
Integration costs	(98,152)	(92,875)	(28,258)	-	(1,253)	(20,395)	(12,394)	(166)	(23,420)	(276,913)
Net income from investments	(20,898)	5,904	(72,647)	5,472	(11,238)	(114,951)	2,058	(121)	14,829	(191,592)
PROFIT BEFORE TAX	**(3,151,914)**	**953,164**	**(276,938)**	**866,185**	**1,777,139**	**1,257,314**	**198,713**	**229,815**	**(1,610,901)**	**242,577**

A.2 - Breakdown by business segment: balance sheet amounts and RWA (€ '000)

	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	CONSOLIDATED GROUP TOTAL 12.31.2012
Balance Sheet Amounts										
LOANS AND RECEIVABLES WITH CUSTOMERS	202,917,727	84,162,869	49,921,545	23,999,068	71,462,661	108,865,516	42	844,998	2,268,109	**544,442,535**
DEPOSITS FROM CUSTOMERS	105,017,059	80,640,533	44,083,429	26,473,320	58,073,112	74,535,233	-	16,242,151	2,550,047	**407,614,884**
DEBT CERTIFICATES	54,263,611	32,051,480	16,588,638	1,168,075	3,978,256	9,121,024	-	640,651	52,638,894	**170,450,629**
TOTAL RISK WEIGHTED ASSETS (BASEL 2)	117,765,378	38,020,921	25,727,609	24,621,624	87,690,653	92,736,404	1,985,822	3,008,852	35,569,498	**427,126,757**

A.3 - Staff

	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	CONSOLIDATED GROUP TOTAL 12.31.2012
STAFF (KFS group on a proportional basis)										
Employees (FTE)	40,674	14,546	7,069	18,872	39,365	3,800	1,934	1,437	20,143	**147,840**
STAFF (KFS group fully considered)										
Employees (FTE)	39,713	14,669	7,072	18,623	49,099	3,586	1,968	1,464	20,159	**156,354**

B – Secondary Segment

(€ '000)

AMOUNTS AS AT 12.31.2013	TOTAL ASSETS	OPERATING INCOME (*)	COST OF INVESTMENT
Italy	363,209,558	10,233,670	393,980
Germany	203,833,744	3,740,495	223,299
Austria	86,914,652	1,985,366	164,577
Total other European countries	180,352,184	8,126,328	391,537
of which: Western Europe	*39,792,330*	*1,196,609*	*14,483*
of which: Central and Eastern Europe	*140,559,854*	*6,929,719*	*377,054*
America	7,865,362	277,784	1,282
Asia	3,661,810	38,501	3,175
Rest of the world	1,134	25	-
Total	**845,838,444**	**24,402,169**	**1,177,850**

(*) Item 120 in Income Statement

(€ '000)

AMOUNT AS AT 12.31.2012	TOTAL ASSETS	OPERATING INCOME (*)	COST OF INVESTMENT
Italy	408,829,528	9,834,312	88,439
Germany	239,482,239	3,535,385	315,329
Austria	90,351,110	2,151,212	190,807
Total other european countries	175,064,193	8,284,769	538,076
of which: Western Europe	*33,238,295*	*1,483,736*	*12,981*
of which: Eastern Europe	*141,825,898*	*6,801,033*	*525,095*
America	6,565,748	259,000	1,773
Asia	6,543,133	57,816	4,704
Rest of the world	1,776	52	-
Total	**926,837,727**	**24,122,546**	**1,139,128**

(*) Item 120 in income statement

It should be noted that comparative figures as at December 31, 2012 differ from those disclosed in the “2012 Consolidated Reports and Accounts” as a result of the restatement, for comparative purposes, of interest income from impaired assets whose book value was written down and reversals connected with the passing of time, carried out by three Group companies (from “Interest income and similar revenues” to “Net losses/recoveries on impairment: a) loans”).

In addition, comparative figures as at December 31, 2012 were restated following the introduction of the revised IAS19. Specifically, with respect to assets: Item 160 – Other assets (which includes the net difference relating to the surplus of “plan assets” over “Present value of defined-benefit obligations”) decreased by €450,517 and Item 140 – Deferred tax assets increased by €460,771.

As at December 31, 2013, in accordance with IFRS5, the following companies were classified as "discontinued operations":

- PUBLIC JOINT STOCK COMPANY UNICREDIT BANK;
- BDK CONSULTING;
- PUBLIC JOINT STOCK COMPANY UKRSOTSBANK;
- PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL;
- LLC UKROTSBUD;
- LTD SI&C AMC UKRSOTS REAL ESTATE;
- SVIF UKRSOTSBUD.

Comparative data were restated accordingly to increase comparability, pursuant to the regulations in force.

Annexes

Annexes

Reconciliation of Condensed Accounts to Mandatory Reporting Schedule

Consolidated Balance Sheet

(€ million)

ASSETS		AMOUNTS AS AT 12.31.2013	12.31.2012	SEE THE NOTES PART B - ASSETS
Cash and cash balances = *item 10*		10,808	7,370	Section 1
Financial assets held for trading = *item 20*		80,910	107,046	Section 2
Loans and receivables with banks = *item 60*		61,119	73,995	Section 6
Loans and receivables with customers = *item 70*		503,142	544,443	Section 7
Financial investments		125,722	108,494	
Item 30.	*Financial assets at fair value through profit or loss*	*30,493*	*25,025*	*Section 3*
Item 40.	*Available-for-sale financial assets*	*85,874*	*73,403*	*Section 4*
Item 50.	*Held-to-maturity investments*	*5,305*	*6,208*	*Section 5*
Item 100.	*Investments in associates and joint ventures*	*4,050*	*3,858*	*Section 10*
Hedging instruments		12,464	20,847	
Item 80.	*Hedging derivatives*	*9,649*	*17,691*	*Section 8*
Item 90.	*Changes in fair value of portfolio hedged items*	*2,815*	*3,156*	*Section 9*
Property, plant and equipment = *item 120*		10,950	11,586	Section 12
Goodwill = *item 130 - Intangible assets of which: goodwill*		3,533	11,678	Section 13
Other intangible assets = *item 130 - Intangible assets net of goodwill*		1,851	3,928	Section 13
Tax assets = *item 140*		19,951	18,063	Section 14
Non-current assets and disposal groups classified as held for sale = *item 150*		3,929	8,117	Section 15
Other assets		11,461	11,273	
Item 110.	*Insurance reserves attributable to reinsurers*	*-*	*1*	*Section 11*
Item 160.	*Other assets*	*11,461*	*11,272*	*Section 16*
Total assets		**845,838**	**926,838**	

Continued: Consolidated Balance Sheet

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 12.31.2013	AMOUNTS AS AT 12.31.2012	SEE THE NOTES PART B - LIABILITIES
Deposits from banks = *item 10*	110,222	117,320	Section 1
Deposits from customers = *item 20*	410,930	407,615	Section 2
Debt securities in issue = *item 30*	160,094	170,451	Section 3
Financial liabilities held for trading = *item 40*	63,169	99,123	Section 4
Financial liabilities at fair value through profit or loss = *item 50*	702	852	Section 5
Hedging instruments	12,799	21,309	
Item 60. Hedging derivatives	*8,682*	*14,540*	*Section 6*
Item 70. Changes in fair value of portfolio hedged items	*4,116*	*6,769*	*Section 7*
Provisions for risks and charges = *item 120*	9,629	9,091	Section 12
Tax liabilities = *item 80*	3,972	7,874	Section 8
Liabilities included in disposal groups classified as held for sale = *item 90*	2,129	5,628	Section 9
Other liabilities	22,019	22,328	
Item 100. Other liabilities	*20,938*	*20,923*	*Section 10*
Item 110. Provision for employee severance pay	*1,081*	*1,177*	*Section 11*
Item 130. Insurance reserves	*-*	*228*	*Section 13*
Minorities = *item 210*	3,334	3,669	Section 16
Shareholders' Equity, of which:	46,841	61,579	
- Capital and reserves	61,168	61,100	
Item 140. Revaluation reserves, of which: Special revaluation laws	*277*	*277*	*Section 15*
Item 140. Revaluation reserves, of which: Exchange differences	*(2,486)*	*(1,725)*	*Section 15*
Item 140. Revaluation reserves, of which: equity investments valued at equity method	*101*	*25*	*Section 15*
Item 140. Revaluation reserves, of which: non current assets classified held for sale	*(5)*	*-*	*Section 15*
Item 170. Reserves	*19,750*	*10,002*	*Section 15*
Item 180. Share premium	*23,879*	*32,878*	*Section 15*
Item 190. Issued capital	*19,655*	*19,648*	*Section 15*
Item 200. Treasury shares	*(4)*	*(5)*	*Section 15*
- AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve	(362)	(386)	
Item 140. Revaluation reserves, of which: Available-for-sale financial assets	*529*	*65*	*Section 15*
Item 140. Revaluation reserves: actuarial gains (losses) on defined benefits plans	*(1,412)*	*(1,205)*	*Section 15*
Item 140. Revaluation reserves, of which: Cash-flow hedges	*520*	*755*	*Section 15*
- Net profit (loss) = *item 220*	(13,965)	865	Section 15
Total liabilities and Shareholders' Equity	**845,838**	**926,838**	

Note:

An explanation for the restatement of comparative figures is provided in the previous sections.

Reconciliation of Condensed Accounts to Mandatory Reporting Schedule

Consolidated Income Statement

(€ million)

		YEAR		SEE THE NOTES
		2013	2012	PART C
Net interest		12,990	13,877	Section 1
Item 30.	*Net interest margin*	*12,605*	*13,469*	
less: Purchase Price Allocation effect		*385*	*408*	
Dividends and other income from equity investments		324	397	
Item 70.	*Dividend income and similar revenue*	*262*	*226*	*Section 3*
	less: dividends from held for trading equity instruments included in item 70	*(84)*	*(24)*	
Item 240.	*Profit (loss) of associates - of which: Profit (loss) of associates valued at equity*	*146*	*194*	*Section 16*
Net fees and commissions		7,728	7,673	Section 2
Item 60.	*Net fees and commissions*	*7,594*	*7,623*	*Section 2*
	+ Other operating income - of which: recovery of costs - commissioni istruttoria veloce (CIV)	*135*	*49*	
Net trading income		2,657	2,794	
Item 80.	*Gains (losses) on financial assets and liabilities held for trading*	*1,305*	*1,313*	*Section 4*
	+ dividends from held for trading equity instruments (from item 70)	*84*	*24*	
Item 90.	*Fair value adjustments in hedge accounting*	*(15)*	*(134)*	*Section 5*
Item 100.	*Gains (losses) on disposal or repurchase of: d) financial liabilities*	*442*	*1,063*	*Section 6*
	+ Gains (losses) on disposal or repurchase of: b) available-for-sale financial assets (from item 100)	*2,000*	*464*	*Section 6*
	less: Income from equity investment in the Bank of Italy	*(1,374)*	*-*	*Section 6*
	+ Gains (losses) on disposal or repurchase of: c) held-to-maturity investments (from item 100)	*4*	*30*	*Section 6*
Item 110.	*Gains (losses) on financial assets and liabilities designated at fair value through profit and loss*	*211*	*33*	*Section 7*
Net other expenses/income		273	256	
	Gains (losses) on disposals/repurchases on loans and receivables - not impaired position (from item 100 a)	*41*	*53*	
Item 150.	*Premiums earned (net)*	*83*	*161*	*Section 9*
Item 160.	*Other income (net) from insurance activities*	*(68)*	*(126)*	*Section 10*
Item 220.	*Other net operating income*	*1,112*	*809*	*Section 15*
	less: Other operating income - of which: recovery of costs	*(667)*	*(532)*	
	less: Other operating income - of which: recovery of costs - commissioni istruttoria veloce (CIV)	*(135)*	*(49)*	
	Net write-downs/-backs of tangible operating lease assets (from item 200)	*(107)*	*(119)*	
	less: Write-downs on leasehold improvements (on non-separable assets) - No Group	*62*	*64*	
	less: Other operating income - Other income from invoicing JVs (only with respect to Ubis)	*(48)*	*(8)*	
	Gains (losses) on disposals of investments - assets leasing operation (from item 270)	*(1)*	*3*	
OPERATING INCOME		**23,973**	**24,997**	
Payroll costs		(8,649)	(8,850)	
Item 180.	*Administrative costs: a) staff expenses*	*(9,273)*	*(9,072)*	*Section 11*
	less: integration costs	*623*	*222*	
Other administrative expenses		(5,559)	(5,472)	
Item 180.	*Administrative costs: b) other administrative expenses*	*(5,573)*	*(5,424)*	*Section 11*
	Write-downs on leasehold improvements (on non-separable assets) - No Group	*(62)*	*(64)*	
	less: integration costs	*76*	*16*	
Recovery of expenses		715	539	Section 15
Item 220.	*Other net operating income - of which: Operating income - recovery of costs*	*667*	*532*	
	+ Other operating income - Other income from invoicing JVs (only with respect to Ubis)	*48*	*8*	
Amortization, depreciation and impairment losses on intangible and tangible assets		(1,307)	(1,034)	
Item 200.	*Impairment/Write-backs on property, plant and equipment*	*(870)*	*(778)*	*Section 13*
	less: Impairment losses/write backs on property owned for investment	*81*	*29*	
	less: Net write-downs/-backs of tangible operating lease assets (from item 200)	*107*	*119*	
	less: integration costs	*26*	*1*	
Item 210.	*Impairment/Write-backs on intangible assets*	*(2,707)*	*(611)*	*Section 14*
	less: integration costs	*3*	*1*	
less: Purchase Price Allocation effect		*2,053*	*206*	
Operating costs		**(14,801)**	**(14,816)**	
OPERATING PROFIT (LOSS)		**9,172**	**10,181**	

Continued: Consolidated Income Statement

(€ million)

	YEAR		SEE THE NOTES
	2013	2012	PART C
OPERATING PROFIT (LOSS)	**9,172**	**10,181**	
Net impairment losses on loans and provisions for guarantees and commitments	(13,658)	(9,303)	
Item 100. Gains (losses) on disposal and repurchase of a) loans	*(6)*	*34*	*Section 6*
less: Gains (losses) on disposals/repurchases on loans and receivables - not impaired position (from item 100 a)	*(41)*	*(53)*	
Item 130. Net losses/recoveries on impairment: a) loans	*(13,795)*	*(8,687)*	*Section 8*
Item 130. Net losses/recoveries on impairment: d) other financial assets	*184*	*(597)*	*Section 8*
NET OPERATING PROFIT (LOSS)	**(4,486)**	**877**	
Provisions for risks and charges	(996)	(166)	
Item 190. Provisions for risks and charges	*(879)*	*(203)*	*Section 12*
less: Provision for risks arising from exchange rate losses on the equity of the Kazakh subsidiary	*(122)*	*-*	
Surplus on release of integration provision	*5*	*37*	
Integration costs	(727)	(277)	
Integration costs before Purchase Price Allocation effect	*(733)*	*(277)*	
less: Purchase Price Allocation effect	*6*	*-*	
Net income from investments	1,322	(192)	
+ Income from equity investment in the Bank of Italy (of which item 100)	*1,374*	*-*	*Section 6*
Item 130. Net losses/recoveries on impairment: b) available-for-sale financial assets	*(147)*	*(158)*	*Section 8*
Item 130. Net losses/recoveries on impairment: c) held-to-maturity investments	*-*	*(16)*	*Section 8*
Impairment losses/write backs on property owned for investment (from item 200)	*(81)*	*(29)*	
Item 240. Profit (loss) of associates -of which: write-backs/impairment losses and gains/losses on disposal of associates valued at equity	*(43)*	*(93)*	*Section 16*
Item 250. Net valuation at fair value of tangible and intangible assets	*(1)*	*-*	*Section 17*
Item 270. Gains (losses) on disposal of investments	*218*	*106*	*Section 19*
less: Gains (losses) on disposals of investments - assets leasing operation (from item 270)	*1*	*(3)*	
less: Purchase Price Allocation effect	*1*	*-*	
PROFIT (LOSS) BEFORE TAX	**(4,888)**	**243**	
Income tax for the period	1,607	1,566	
Item 290. Tax expense related to profit from continuing operations	*2,378*	*1,751*	*Section 20*
less: Purchase Price Allocation effect	*(771)*	*(185)*	
NET PROFIT (LOSS)	**(3,281)**	**1,808**	
Profit (loss) after tax from discontinued operations = *item 310*	*(639)*	*(121)*	
+ Provision for risks arising from exchange rate losses on the equity of the Kazakh subsidiary	*122*	*-*	
Item 310. Profit (loss) after tax from discontinued operations	*(760)*	*(127)*	*Section 21*
less: Purchase Price Allocation effect	*-*	*6*	
PROFIT (LOSS) FOR THE PERIOD	**(3,920)**	**1,687**	
Minorities	(382)	(358)	
Item 330. Minorities	*(382)*	*(358)*	*Section 22*
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**(4,302)**	**1,330**	
Purchase Price Allocation effect	(1,673)	(435)	
Impairment of goodwill	(7,990)	(30)	
Item 260. Impairment of goodwill	*(7,990)*	*(30)*	*Section 18*
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**(13,965)**	**865**	

Note:

An explanation for the restatement of comparative figures is provided in the previous sections.

Fees for annual audits and related services

UniCredit group 2013 – Deloitte NETWORK

As prescribed by art.149-duodecies of the Consob Issuers Regulation, the following table gives fees paid in 2013 for audit services rendered by Deloitte & Touche S.p.A. and firms in its network.

SERVICE TYPE	SERVICE PROVIDER	USER	FEES (€ '000)[1]
Audit[2]	Deloitte & Touche S.p.A.	Parent company – UniCredit S.p.A.	2,393
	Deloitte & Touche S.p.A.	Subsidiaries	1,678
	Deloitte Network	Subsidiaries	17,334
Certification, letters of comfort, etc.	Deloitte & Touche S.p.A	Parent company – UniCredit S.p.A.[3]	570
	Deloitte & Touche S.p.A.	Subsidiaries	82
	Deloitte Network	Parent company – UniCredit S.p.A.	0
	Deloitte Network	Subsidiaries[4]	1,960
Other services	Deloitte & Touche S.p.A	Parent company – UniCredit S.p.A.	35
	Deloitte & Touche S.p.A.	Subsidiaries	87
	Deloitte Network	Parent company – UniCredit S.p.A.[5]	829
	Deloitte Network	Subsidiaries[6]	13,759
Total			**38,727**

1. Excl. VAT and Expenses.
2. Does not include fees for audits of investment funds except Fondo Pensione UniCredit Previdenza and Poland Pioneer Funds.
3. Issuing comfort letters concerning bond issues, limited review 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 and letter adressed to Board of Directors of UniCredit S.p.A., regarding principal issues of accounting of "Gibson project" as requested by Banca d'Italia.
4. Mainly other audit services provided to the subsidiary UniCredit Bank AG for €964 and other German subsidiaries for €325 and assessments required by regulations/local Supervisory Authority (€345 - Austia and CEE countries and €162: USA).
5. Support the activities of collection Transfer Pricing documentation of 2012 transactions, support to the projects GIV, NARI and FTP analysis and assistance in the squeeze out of Bank Austria (previous name of UniCredit Bank Austria AG).
6. In detail: assistance provided to the subsidiary UniCredit Bank AG for "Findings Program - inc. Project Four", and CFO Data Warehouse Project for €5,473, assistance provided to subsidiary UniCredit Bank Austria AG for EuroMIB and Basel III projects for €827, services provided to the subsidiary UniCredit Business Integrated Solutions S.c.p.A. and used by other Legal Entities of UniCredit Group for €4,645, IT services provided to the indirect subsidiary UniCredit Business Integrated Solutions Austria GmbH and used by other Legal Entities of UniCredit Group for €1.840, tax services provided to the subsidiaries for €591.

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.

Definition of Terms and Acronyms

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.

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.

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

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".

Impaired loans
Loans 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 disbursement of the loan), show objective signs of a possible loss of value. This category includes loans that have been classed as bad, doubtful, restructured or overdue, in accordance with the Bank of Italy rules consistent with IAS/IFRS (q.v.).

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 book 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".

Definition of Terms and Acronyms

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.

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.

Definition of Terms and Acronyms

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.

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.

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 2013 Consolidated Financial Statements.

2. The adequacy of the administrative and accounting procedures employed to draw up the 2013 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 2013 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 11, 2014

Federico GHIZZONI　　　　　Marina NATALE

Report of External Auditors

Deloitte.

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AUDITORS' REPORT PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
UNICREDIT S.p.A.

1. We have audited the consolidated financial statements of UniCredit S.p.A. and its subsidiaries (the "UniCredit Group"), which comprise the balance sheet as of December 31, 2013, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and the related explanatory notes. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. 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 audited by other auditors whose report was issued on April 11, 2013. We have examined the methods used to restate the prior year corresponding figures and the related disclosures for the purposes of expressing an opinion on the consolidated financial statements as of December 31, 2013.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of the UniCredit Group as of December 31, 2013, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova
Palermo Parma Roma Torino Treviso Verona

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Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239
Partita IVA: IT 03049560166

Member of Deloitte Touche Tohmatsu Limited

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 proprietary structures, 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 of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) disclosed in the report on the corporate governance and proprietary structures, with the financial statements to which they refer, as required by law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information required by article 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) disclosed in the report on the corporate governance and proprietary structures are consistent with the consolidated financial statements of the UniCredit Group as of December 31, 2013.

DELOITTE & TOUCHE S.p.A.

Signed by
Riccardo Motta
Partner

Milan, Italy

April 7, 2014

This report has been translated into the English language solely for the convenience of international readers.

UniCredit

www.unicreditgroup.eu