

Clear answers for real benefits.







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

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

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

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

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

UniCredit group - Key Figures

| | H1 2013 | Q1 2013 | H1 2012 | Q1 2012 |
|---|---------|---------|---------|---------|
| Income Statement (€ million) | | | | |
| Operating income | 12,497 | 6,080 | 13,357 | 7,064 |
| Operating costs | (7,434) | (3,760) | (7,571) | (3,831) |
| Operating profit (loss) | 5,064 | 2,320 | 5,786 | 3,233 |
| Profit (Loss) before tax | 1,859 | 997 | 2,477 | 1,876 |
| Profit (Loss) for the period | 1,194 | 631 | 1,475 | 1,129 |
| Net profit (loss) attributable to the Group | 810 | 449 | 1,083 | 914 |

Balance Sheet (€ million)

| | | | | |
|--|---------|---------|---------|---------|
| Total assets | 889,632 | 912,921 | 938,581 | 919,743 |
| Loans and receivables with customers | 532,771 | 537,462 | 553,427 | 550,345 |
| Deposits from customers and debt securities in issue | 564,749 | 569,498 | 576,620 | 566,585 |
| Shareholders' Equity | 61,322 | 62,382 | 60,930 | 61,764 |

Profitability Ratios (%)

| | | | | |
|--------------------------------------|------|------|------|------|
| Operating profit (loss)/Total assets | 0.57 | 0.25 | 0.62 | 0.35 |
| Cost/Income ratio | 59.5 | 61.8 | 56.7 | 54.2 |

Share Information H1 2013

| | SHARE PRICE (€) |
|---------------|-----------------|
| Maximum | 4.796 |
| Minimum | 3.238 |
| Average | 4.001 |
| End of period | 3.598 |

| | NUMBER OF OUTSTANDING SHARES (million) |
|---------------------|--|
| At period end | 5,792 |
| Shares cum dividend | 5,695 |
| Average | 5,791 |



2:15 AM

H1 2013

Q1 2013

H1 2012

Q1 2012

Figures by business segment (€ million)

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| Operating income | 12,497 | 6,080 | 13,357 | 7,064 |
| Commercial Banking Italy | 4,468 | 2,205 | 4,490 | 2,242 |
| Commercial Banking Germany | 1,536 | 846 | 1,540 | 770 |
| Commercial Banking Austria | 777 | 377 | 912 | 559 |
| Poland | 921 | 450 | 920 | 456 |
| Central Eastern Europe | 2,624 | 1,282 | 2,343 | 1,126 |
| Corporate & Investment Banking | 2,237 | 1,080 | 2,326 | 1,315 |
| Asset Management | 353 | 175 | 339 | 170 |
| Asset Gathering | 259 | 131 | 289 | 149 |
| Group Corporate Center | (678) | (466) | 198 | 277 |
| Operating costs | (7,434) | (3,760) | (7,571) | (3,831) |
| Commercial Banking Italy | (2,408) | (1,223) | (2,631) | (1,321) |
| Commercial Banking Germany | (1,074) | (542) | (1,092) | (536) |
| Commercial Banking Austria | (731) | (361) | (705) | (349) |
| Poland | (428) | (212) | (436) | (216) |
| Central Eastern Europe | (1,189) | (605) | (1,124) | (548) |
| Corporate & Investment Banking | (839) | (430) | (883) | (461) |
| Asset Management | (239) | (116) | (222) | (109) |
| Asset Gathering | (155) | (78) | (152) | (78) |
| Group Corporate Center | (370) | (192) | (324) | (211) |
| Operating profit (loss) | 5,064 | 2,320 | 5,786 | 3,233 |
| Commercial Banking Italy | 2,061 | 982 | 1,859 | 921 |
| Commercial Banking Germany | 462 | 303 | 448 | 234 |
| Commercial Banking Austria | 46 | 16 | 206 | 209 |
| Poland | 493 | 238 | 484 | 240 |
| Central Eastern Europe | 1,435 | 678 | 1,219 | 577 |
| Corporate & Investment Banking | 1,398 | 649 | 1,443 | 854 |
| Asset Management | 114 | 58 | 117 | 61 |
| Asset Gathering | 104 | 53 | 137 | 71 |
| Group Corporate Center | (1,049) | (658) | (126) | 65 |
| Profit (Loss) before tax | 1,859 | 997 | 2,477 | 1,876 |
| Commercial Banking Italy | 108 | 182 | (348) | (13) |
| Commercial Banking Germany | 572 | 279 | 608 | 239 |
| Commercial Banking Austria | (146) | (93) | (2) | 103 |
| Poland | 419 | 199 | 413 | 208 |
| Central Eastern Europe | 808 | 414 | 783 | 385 |
| Corporate & Investment Banking | 1,087 | 540 | 971 | 781 |
| Asset Management | 111 | 57 | 111 | 57 |
| Asset Gathering | 102 | 49 | 128 | 65 |
| Group Corporate Center | (1,202) | (629) | (186) | 52 |



PEACE OF MIND

How to save a Customer's holiday

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

Yurov Valeriy Anatolievich,
customer of UniCredit Bank in Ukraine



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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.

UTILITY

Helping artisans recraft their business

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

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



Introduction

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Board of Directors, Board of Statutory Auditors and External Auditors

Board of Directors

Giuseppe Vita

Chairman

Candido Fois

Deputy Vice Chairman

Vincenzo Calandra Buonauro
Luca Cordero di Montezemolo
Fabrizio Palenzona

Vice Chairmen

Federico Ghizzoni

CEO

Mohamed Ali Al Fahim
Manfred Bischoff
Henryka Bochniarz
Alessandro Caltagirone
Francesco Giacomini
Helga Jung
Marianna Li Calzi
Luigi Maramotti
Giovanni Quaglia
Lucrezia Reichlin
Lorenzo Sassoli de Bianchi
Alexander Wolfgring (*)
Anthony Wyand

Directors

Lorenzo Lampiano

Company Secretary

Board of Statutory Auditors appointed by the Shareholders' Meeting on May 11, 2013 (**)

Maurizio Lauri

Chairman

Giovanni Battista Alberti
Cesare Bioni
Enrico Laghi
Maria Enrica Spinardi

Standing Auditors

Federica Bonato
Paolo Domenico Sfameni
Beatrice Lombardini

Alternate Auditors

Roberto Nicastro

General Manager

Marina Natale

**Manager charged with preparing
the financial reports**

Deloitte & Touche S.p.A. (***)

External Auditors

UniCredit S.p.A.

A joint stock company

Registered Office in Rome: Via Alessandro Specchi, 16

Head Office in Milan: Piazza Cordusio

Share capital Euro €19,654,856,199.43 fully paid in, Fiscal Code,
VAT number and Registration number with the Company Register of
Rome: 00348170101

Registered in the Register of Banking Groups and Parent Company
of the Unicredit Banking Group, with cod. 02008.1;
Cod. ABI 02008.1

Member of the National Interbank Deposit Guarantee Fund and of
the National Compensation Fund

(*) Director Friedrich Kadrnoska handed in his resignation with effect from the end of the Shareholders' Meeting of May 11, 2013 and was replaced by Mr. Alexander Wolfgring, appointed by the Shareholders' Meeting of May 11, 2013.

(**) The Shareholders' Meeting of May 11, 2013 also appointed Prof. Marco Lacchini as Alternate Auditor; the latter handed in his resignation on June 7, 2013.

(***) Deloitte & Touche S.p.A. replaced KPMG S.p.A. starting from the limited scope audit of the Consolidated First Half Financial Report as at June 30, 2013.

Prefatory Note to the Consolidated First Half Financial Report

General aspects

This Consolidated First Half Financial Report was compiled under Article 154-ter, paragraph 2 of Legislative Decree No. 58 of February 24, 1998, according to IAS/IFRS international accounting standards, in compliance with the requirements of IAS 34 Interim Financial Reporting, in the summary version provided for in paragraph 10, instead of the full reporting provided for annual accounts.

Press releases on significant events during the period, the market presentation on second quarter results, and the public disclosure under Pillar 3 of Basel 2 are also available on UniCredit's website.

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

Preparation criteria

The Consolidated First Half Financial Report includes:

- the **Interim Report on Operations** using reclassified financial statement formats, including not only comments on the results for the period and on other main events, but also the additional financial information required by the CONSOB;
- the **Condensed Interim Consolidated Accounts**, stated in comparison with those for 2012; specifically, as provided for by IAS 34, the balance sheet has been compared with the figures as at December 31, 2012, while the Income Statement, the Statement of Comprehensive Income, the Change in Shareholders' Equity and the Cash Flow Statement are compared with the corresponding figures for the first half of the previous year;
- the **Explanatory Notes**, which include not only the detailed information required by IAS 34, stated according to the formats adopted in the financial statements, but also the additional information required by the CONSOB and the information deemed useful for providing a true picture of the consolidated corporate standing;
- the **Certification of the Condensed Interim Consolidated Financial Statements** pursuant to Article 81-ter of CONSOB Regulation No. 11971 of May 14, 1999 and subsequent amendments and addenda.
- the **Auditor's Report** by Deloitte & Touche S.p.A., as a limited review.

Scope of consolidation

In the first six months of 2013 there were the following changes in the scope of consolidation:

- fully consolidated subsidiaries decreased from 737 as at December 31, 2012 to 718 as at June 30, 2013, with a decrease of 19 companies;
- the number of proportionately consolidated entities, which were 30 as at December 31, 2012, was unchanged;
- companies consolidated at equity increased from 54 as at December 31, 2012 to 57 as at June 30, 2013, with an increase of 3 companies.

For further details see Explanatory Notes Part A - Accounting Policies - Section 3 - Consolidation Procedures and Scope.

Non-current assets and disposal groups held for sale

The main assets reclassified on the basis of IFRS 5 under non-current assets and disposal groups held for sale on the balance sheet as at June 30, 2013 are mainly those related to Business Oil attributable to Italtipetroli group, to three companies YAPI group (YAPI Kredi Sigorta AS, YAPI Kredi Emeklilik AS e YAPI Kredi B Tipi Yatirim Ortakligi A.S.), to Mezzanin Finanzierungs AG, to Paylife Bank GMBH, and to property owned by some Group companies.

For further details see "Part B - Consolidated Balance Sheet - Assets - Section 15" in Condensed Interim Consolidated Financial Statements - Explanatory Notes.

Segment Reporting (Summary)

Segment reporting is presented and commented on the basis of the organizational structure currently used 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).



PROTECTION

Supporting communities in critical times

“After one of our town’s largest employers closed its doors, our local communities went through a very tough time. UniCredit worked closely with government officials on an innovative initiative that helped those who had lost their jobs, like me, gain prompt access to unemployment benefits. The bank quickly facilitated funding for entitlements, protecting families from collapse.”

Franco F., customer of UniCredit in Italy



Interim Report on Operations

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

Highlights

Income Statement

(€ million)

| | H1 | | CHANGE |
|--|------------|--------------|----------------|
| | 2013 | 2012 | |
| Operating income | 12,497 | 13,357 | - 6.4% |
| of which: - net interest | 6,617 | 7,303 | - 9.4% |
| - dividends and other income from equity investments | 170 | 223 | - 23.8% |
| - net fees and commissions | 3,969 | 3,918 | + 1.3% |
| Operating costs | (7,434) | (7,571) | - 1.8% |
| Operating profit | 5,064 | 5,786 | - 12.5% |
| Profit (loss) before tax | 1,859 | 2,477 | - 25.0% |
| Net profit (loss) attributable to the Group | 810 | 1,083 | - 25.2% |

The figures in these tables refer to reclassified income statement.

Balance Sheet

(€ million)

| | AMOUNTS AS AT | | CHANGE |
|--|---------------|---------------|---------------|
| | 06.30.2013 | 12.31.2012 | |
| Total assets | 889,632 | 926,838 | - 4.0% |
| Financial assets held for trading | 93,772 | 107,119 | - 12.5% |
| Loans and receivables with customers | 532,771 | 547,144 | - 2.6% |
| of which: - impaired loans | 46,215 | 44,058 | + 4.9% |
| Financial liabilities held for trading | 77,216 | 99,123 | - 22.1% |
| Deposits from customers and debt securities in issue | 564,749 | 579,965 | - 2.6% |
| of which: - deposits from customers | 405,221 | 409,514 | - 1.0% |
| - securities in issue | 159,529 | 170,451 | - 6.4% |
| Shareholders' Equity | 61,322 | 61,579 | - 0.4% |

The figures in these tables refer to reclassified balance sheet.

See § "Net Impairment Losses on Loans and Provision for Guarantees and Commitments" in these Consolidated Interim Report for more details.

Please note that on January 1, 2013 the amendments to IAS 19 ("IAS 19R") came into force, as described in paragraph "Additional information on fair value" (Part A - Explanatory Notes) (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 | | CHANGE |
|---|------------|------------|---------|
| | 06.30.2013 | 12.31.2012 | |
| Employees ¹ | 150,787 | 156,354 | - 5,567 |
| Employees (subsidiaries are consolidated proportionately) | 140,369 | 146,110 | - 5,741 |
| Branches ² | 9,079 | 9,322 | - 243 |
| of which: - Italy | 4,235 | 4,298 | - 63 |
| - Other countries | 4,844 | 5,024 | - 180 |

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

| | H1 | | CHANGE |
|------------------------------|---------|---------|--------|
| | 2013 | 2012 | |
| EPS ¹ (€) | 0.14 | 0.21 | - 0.07 |
| Cost/income ratio | 59.5% | 56.7% | 280bp |
| EVA ² (€ million) | (1.680) | (1.638) | - 42 |

1. Annualized figure. The H1 2013 EPS calculation €35 million has been deducted net profit attributable to the Group of €810 million due to disbursements charged to equity made in connection with the contract of usufruct on treasury shares agreed under the 'cashes' transaction (€46 million 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 | |
|--|------------|------------|
| | 06.30.2013 | 12.31.2012 |
| Net non-performing loans to customers/Loans to customers | 3.90% | 3.54% |
| Net impaired loans to customers/Loans to customers | 8.67% | 8.05% |

Capital Ratios

| | AS AT | |
|--|---------------|---------------|
| | 06.30.2013 | 12.31.2012 |
| Capital for regulatory purposes (€ million) | 62,134 | 62,018 |
| Total risk-weighted assets (€ million) | 410,871 | 427,127 |
| Core Tier 1 Ratio¹ | 11.41% | 10.84% |
| Total regulatory capital/Total risk-weighted assets | 15.12% | 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 | NEGATIVE | D+ |
| Standard & Poor's | A-2 | BBB | NEGATIVE | bbb |

Data as at August 1, 2013.

Condensed Accounts

Consolidated Balance Sheet

(€ million)

| ASSETS | AMOUNTS AS AT | | CHANGE | |
|--|----------------|----------------|-----------------|---------------|
| | 06.30.2013 | 12.31.2012 | AMOUNT | PERCENT |
| Cash and cash balances | 7,185 | 7,570 | - 385 | - 5.1% |
| Financial assets held for trading | 93,772 | 107,119 | - 13,347 | - 12.5% |
| Loans and receivables with banks | 66,907 | 74,475 | - 7,568 | - 10.2% |
| Loans and receivables with customers | 532,771 | 547,144 | - 14,373 | - 2.6% |
| Financial investments | 117,457 | 108,686 | + 8,771 | + 8.1% |
| Hedging instruments | 16,014 | 20,847 | - 4,833 | - 23.2% |
| Property, plant and equipment | 11,645 | 11,833 | - 187 | - 1.6% |
| Goodwill | 11,567 | 11,678 | - 111 | - 0.9% |
| Other intangible assets | 3,880 | 3,980 | - 100 | - 2.5% |
| Tax assets | 17,480 | 18,070 | - 591 | - 3.3% |
| Non-current assets and disposal groups classified as held for sale | 526 | 3,968 | - 3,441 | - 86.7% |
| Other assets | 10,428 | 11,468 | - 1,041 | - 9.1% |
| Total assets | 889,632 | 926,838 | - 37,206 | - 4.0% |

(€ million)

| LIABILITIES AND SHAREHOLDERS' EQUITY | AMOUNTS AS AT | | CHANGE | |
|---|----------------|----------------|-----------------|---------------|
| | 06.30.2013 | 12.31.2012 | AMOUNT | PERCENT |
| Deposits from banks | 129,249 | 117,445 | + 11,803 | + 10.1% |
| Deposits from customers | 405,221 | 409,514 | - 4,293 | - 1.0% |
| Debt securities in issue | 159,529 | 170,451 | - 10,922 | - 6.4% |
| Financial liabilities held for trading | 77,216 | 99,123 | - 21,907 | - 22.1% |
| Financial liabilities designated at fair value | 675 | 852 | - 177 | - 20.8% |
| Hedging instruments | 16,218 | 21,309 | - 5,091 | - 23.9% |
| Provisions for risks and charges | 8,912 | 9,091 | - 179 | - 2.0% |
| Tax liabilities | 5,020 | 7,889 | - 2,868 | - 36.4% |
| Liabilities included in disposal groups classified as held for sale | 298 | 3,560 | - 3,262 | - 91.6% |
| Other liabilities | 22,141 | 22,356 | - 215 | - 1.0% |
| Minorities | 3,831 | 3,669 | + 162 | + 4.4% |
| Group Shareholders' Equity: | 61,322 | 61,579 | - 257 | - 0.4% |
| - Capital and reserves | 61,365 | 61,100 | + 265 | + 0.4% |
| - AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve | (853) | (386) | - 467 | + 121.0% |
| - Net profit (loss) | 810 | 865 | - 55 | - 6.4% |
| Total liabilities and Shareholders' Equity | 889,632 | 926,838 | - 37,206 | - 4.0% |

Notes:

Comparative figures as at December 31, 2012 were restated following the introduction of the revised IAS 19 ("IAS 19R").

Consolidated Income Statement

(€ million)

| | H1 | | CHANGE | | |
|--|----------------|----------------|--------------|----------------|-----------------------|
| | 2013 | 2012 | €M | PERCENT | ADJUSTED ¹ |
| Net interest | 6,617 | 7,303 | - 685 | - 9.4% | - 8.4% |
| Dividends and other income from equity investments | 170 | 223 | - 53 | - 23.8% | - 23.9% |
| Net fees and commissions | 3,969 | 3,918 | 51 | + 1.3% | + 2.0% |
| Net trading income | 1,603 | 1,816 | - 214 | - 11.8% | - 11.5% |
| Net other expenses/income | 139 | 97 | 41 | + 42.4% | + 41.6% |
| OPERATING INCOME | 12,497 | 13,357 | - 860 | - 6.4% | - 5.7% |
| Payroll costs | (4,429) | (4,560) | 131 | - 2.9% | - 2.4% |
| Other administrative expenses | (2,789) | (2,738) | - 51 | + 1.9% | + 2.6% |
| Recovery of expenses | 329 | 245 | 84 | + 34.4% | + 34.5% |
| Amortisation, depreciation and impairment losses on intangible and tangible assets | (545) | (518) | - 27 | + 5.2% | + 6.4% |
| Operating costs | (7,434) | (7,571) | 137 | - 1.8% | - 1.2% |
| OPERATING PROFIT (LOSS) | 5,064 | 5,786 | - 723 | - 12.5% | - 11.6% |
| Net write-downs on loans and provisions for guarantees and commitments | (2,897) | (3,138) | 241 | - 7.7% | - 5.2% |
| NET OPERATING PROFIT (LOSS) | 2,167 | 2,649 | - 482 | - 18.2% | - 19.1% |
| Provisions for risks and charges | (300) | (76) | - 224 | + 293.9% | + 298.0% |
| Integration costs | (12) | (20) | 8 | - 40.7% | - 40.3% |
| Net income from investments | 4 | (75) | 79 | n.s. | n.s. |
| PROFIT (LOSS) BEFORE TAX | 1,859 | 2,477 | - 619 | - 25.0% | - 25.9% |
| Income tax for the period | (680) | (993) | 313 | - 31.5% | - 31.4% |
| NET PROFIT (LOSS) | 1,179 | 1,485 | - 306 | - 20.6% | - 22.2% |
| Profit (Loss) from non-current assets held for sale, after tax | 14 | (10) | 24 | n.s. | n.s. |
| PROFIT (LOSS) FOR THE PERIOD | 1,194 | 1,475 | - 282 | - 19.1% | - 21.1% |
| Minorities | (186) | (166) | - 20 | + 12.0% | + 10.1% |
| NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA | 1,007 | 1,309 | - 301 | - 23.0% | - 25.0% |
| Purchase Price Allocation effect | (197) | (223) | 26 | - 11.6% | - 11.6% |
| Goodwill impairment | - | (2) | 2 | - 100.0% | - 100.0% |
| NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP | 810 | 1,083 | - 273 | - 25.2% | - 27.7% |

Notes:

1. Changes at constant foreign exchange rates and perimeter.

Comparative figures as at June 30, 2012 are different from those disclosed in the 2012 first half financial report 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 half 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". The comparative period was restated accordingly.

Quarterly Figures

Consolidated Balance Sheet

(€ million)

| ASSETS | AMOUNTS AS AT | | AMOUNTS AS AT | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | 06.30.2013 | 03.31.2013 | 12.31.2012 | 09.30.2012 | 06.30.2012 | 03.31.2012 |
| Cash and cash balances | 7,185 | 7,193 | 7,570 | 5,914 | 31,307 | 19,427 |
| Financial assets held for trading | 93,772 | 98,593 | 107,119 | 112,902 | 112,702 | 108,290 |
| Loans and receivables with banks | 66,907 | 78,904 | 74,475 | 91,122 | 65,232 | 64,810 |
| Loans and receivables with customers | 532,771 | 537,462 | 547,144 | 558,709 | 553,427 | 550,345 |
| Financial investments | 117,457 | 111,824 | 108,686 | 102,230 | 99,530 | 103,327 |
| Hedging instruments | 16,014 | 17,988 | 20,847 | 21,076 | 19,044 | 17,029 |
| Property, plant and equipment | 11,645 | 11,729 | 11,833 | 11,747 | 11,843 | 12,113 |
| Goodwill | 11,567 | 11,678 | 11,678 | 11,691 | 11,665 | 11,664 |
| Other intangible assets | 3,880 | 3,931 | 3,980 | 3,932 | 3,950 | 3,929 |
| Tax assets | 17,480 | 17,845 | 18,070 | 13,319 | 13,638 | 13,661 |
| Non-current assets and disposal groups classified as held for sale | 526 | 4,211 | 3,968 | 4,384 | 4,445 | 4,430 |
| Other assets | 10,428 | 11,562 | 11,468 | 12,745 | 11,797 | 10,718 |
| Total assets | 889,632 | 912,921 | 926,838 | 949,769 | 938,581 | 919,743 |

(€ million)

| LIABILITIES AND SHAREHOLDERS' EQUITY | AMOUNTS AS AT | | AMOUNTS AS AT | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| | 06.30.2013 | 03.31.2013 | 12.31.2012 | 09.30.2012 | 06.30.2012 | 03.31.2012 |
| Deposits from banks | 129,249 | 120,833 | 117,445 | 131,659 | 126,920 | 124,674 |
| Deposits from customers | 405,221 | 407,769 | 409,514 | 417,048 | 414,446 | 403,155 |
| Debt securities in issue | 159,529 | 161,729 | 170,451 | 164,694 | 162,174 | 163,430 |
| Financial liabilities held for trading | 77,216 | 92,361 | 99,123 | 107,807 | 107,913 | 105,000 |
| Financial liabilities designated at fair value | 675 | 749 | 852 | 842 | 787 | 857 |
| Hedging instruments | 16,218 | 20,187 | 21,309 | 20,912 | 19,119 | 17,029 |
| Provisions for risks and charges | 8,912 | 9,011 | 9,091 | 8,284 | 8,345 | 8,474 |
| Tax liabilities | 5,020 | 7,677 | 7,889 | 6,215 | 6,207 | 6,456 |
| Liabilities included in disposal groups classified as held for sale | 298 | 4,098 | 3,560 | 4,234 | 4,154 | 4,242 |
| Other liabilities | 22,141 | 21,937 | 22,356 | 22,010 | 24,140 | 21,120 |
| Minorities | 3,831 | 4,186 | 3,669 | 3,608 | 3,445 | 3,542 |
| Group Shareholders' Equity: | 61,322 | 62,382 | 61,579 | 62,456 | 60,930 | 61,764 |
| - Capital and reserves | 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 | (853) | (468) | (386) | (140) | (1,135) | (265) |
| - Net profit (loss) | 810 | 449 | 865 | 1,418 | 1,083 | 914 |
| Total liabilities and Shareholders' Equity | 889,632 | 912,921 | 926,838 | 949,769 | 938,581 | 919,743 |

Notes:

Comparative figures as at December 31, 2012 were restated following the introduction of the revised IAS 19 ("IAS 19R").

Consolidated Income Statement

(€ million)

| | 2013 | | 2012 | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Net interest | 3,303 | 3,314 | 3,301 | 3,516 | 3,605 | 3,698 |
| Dividends and other income from equity investments | 124 | 46 | 106 | 68 | 169 | 54 |
| Net fees and commissions | 1,969 | 2,000 | 1,958 | 1,918 | 1,932 | 1,985 |
| Net trading income | 953 | 650 | 327 | 665 | 533 | 1,283 |
| Net other expenses/income | 69 | 70 | 72 | 91 | 55 | 43 |
| OPERATING INCOME | 6,417 | 6,080 | 5,765 | 6,257 | 6,293 | 7,064 |
| Payroll costs | (2,198) | (2,231) | (2,114) | (2,242) | (2,260) | (2,300) |
| Other administrative expenses | (1,389) | (1,400) | (1,477) | (1,326) | (1,358) | (1,380) |
| Recovery of expenses | 187 | 142 | 179 | 109 | 135 | 109 |
| Amortisation, depreciation and impairment losses on intangible and tangible assets | (273) | (272) | (272) | (264) | (258) | (260) |
| Operating costs | (3,673) | (3,760) | (3,685) | (3,724) | (3,740) | (3,831) |
| OPERATING PROFIT (LOSS) | 2,744 | 2,320 | 2,080 | 2,534 | 2,553 | 3,233 |
| Net write-downs on loans and provisions for guarantees and commitments | (1,666) | (1,231) | (4,574) | (1,736) | (1,827) | (1,311) |
| NET OPERATING PROFIT (LOSS) | 1,078 | 1,089 | (2,495) | 798 | 726 | 1,922 |
| Provisions for risks and charges | (190) | (110) | (44) | (46) | (61) | (16) |
| Integration costs | (9) | (3) | (253) | (4) | (15) | (5) |
| Net income from investments | (17) | 21 | (129) | 12 | (50) | (25) |
| PROFIT (LOSS) BEFORE TAX | 862 | 997 | (2,921) | 760 | 601 | 1,876 |
| Income tax for the period | (306) | (374) | 2,721 | (189) | (249) | (744) |
| NET PROFIT (LOSS) | 556 | 623 | (200) | 571 | 352 | 1,133 |
| Profit (Loss) from non-current assets held for sale, after tax | 6 | 8 | (154) | (5) | (6) | (4) |
| PROFIT (LOSS) FOR THE PERIOD | 563 | 631 | (354) | 567 | 346 | 1,129 |
| Minorities | (102) | (84) | (72) | (119) | (68) | (98) |
| NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA | 461 | 547 | (426) | 447 | 278 | 1,031 |
| Purchase Price Allocation effect | (99) | (98) | (105) | (107) | (106) | (117) |
| Goodwill impairment | - | - | (22) | (6) | (2) | - |
| NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP | 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 half 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".

The comparative periods were restated accordingly.

Comparison of Q2 2013/Q2 2012

Condensed Income Statement

(€ million)

| | Q2 | | CHANGE | | |
|--|----------------|----------------|------------|-----------------|-----------------------|
| | 2013 | 2012 | €M | PERCENT | ADJUSTED ¹ |
| Net interest | 3,303 | 3,605 | - 302 | - 8.4% | - 6.9% |
| Dividends and other income from equity investments | 124 | 169 | - 45 | - 26.7% | - 26.8% |
| Net fees and commissions | 1,969 | 1,932 | 36 | + 1.9% | + 2.7% |
| Net trading income | 953 | 533 | 420 | + 78.7% | + 80.8% |
| Net other expenses/income | 69 | 55 | 14 | + 25.9% | + 28.0% |
| OPERATING INCOME | 6,417 | 6,293 | 124 | + 2.0% | + 3.2% |
| Payroll costs | (2,198) | (2,260) | 62 | - 2.7% | - 2.1% |
| Other administrative expenses | (1,389) | (1,358) | - 31 | + 2.3% | + 3.3% |
| Recovery of expenses | 187 | 135 | 51 | + 38.0% | + 38.0% |
| Amortisation, depreciation and impairment losses on intangible and tangible assets | (273) | (258) | - 15 | + 5.8% | + 7.2% |
| Operating costs | (3,673) | (3,740) | 67 | - 1.8% | - 1.0% |
| OPERATING PROFIT (LOSS) | 2,744 | 2,553 | 191 | + 7.5% | + 9.6% |
| Net write-downs on loans and provisions for guarantees and commitments | (1,666) | (1,827) | 161 | - 8.8% | - 6.4% |
| NET OPERATING PROFIT (LOSS) | 1,078 | 726 | 351 | + 48.4% | + 49.5% |
| Provisions for risks and charges | (190) | (61) | - 130 | + 214.0% | + 216.8% |
| Integration costs | (9) | (15) | 6 | - 41.3% | - 40.9% |
| Net income from investments | (17) | (50) | 33 | - 66.6% | -66.3% |
| PROFIT (LOSS) BEFORE TAX | 862 | 601 | 261 | + 43.4% | + 45.0% |
| Income tax for the period | (306) | (249) | - 57 | + 22.8% | + 24.9% |
| NET PROFIT (LOSS) | 556 | 352 | 204 | + 57.9% | + 59.3% |
| Profit (Loss) from non-current assets held for sale, after tax | 6 | (6) | 12 | n.s. | n.s. |
| PROFIT (LOSS) FOR THE PERIOD | 563 | 346 | 217 | + 62.6% | + 64.6% |
| Minorities | (102) | (68) | - 34 | + 49.2% | + 49.3% |
| NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA | 461 | 278 | 183 | + 65.9% | + 68.4% |
| Purchase Price Allocation effect | (99) | (106) | 7 | - 6.6% | - 6.5% |
| Goodwill impairment | - | (2) | 2 | - 100.0% | - 100.0% |
| NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP | 361 | 169 | 192 | + 113.8% | + 117.1% |

Notes:

1. Changes at constant exchange rates and perimeter.

Comparative figures of Q2 2012 are different from those disclosed in the 2012 first half financial report 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 half 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".

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 | | | | | | | | | | |
| H1 2013 | 4,468 | 1,536 | 777 | 921 | 2,624 | 2,237 | 353 | 259 | (678) | 12,497 |
| H1 2012 | 4,490 | 1,540 | 912 | 920 | 2,343 | 2,326 | 339 | 289 | 198 | 13,357 |
| Operating costs | | | | | | | | | | |
| H1 2013 | (2,408) | (1,074) | (731) | (428) | (1,189) | (839) | (239) | (155) | (370) | (7,434) |
| H1 2012 | (2,631) | (1,092) | (705) | (436) | (1,124) | (883) | (222) | (152) | (324) | (7,571) |
| OPERATING PROFIT | | | | | | | | | | |
| H1 2013 | 2,061 | 462 | 46 | 493 | 1,435 | 1,398 | 114 | 104 | (1,049) | 5,064 |
| H1 2012 | 1,859 | 448 | 206 | 484 | 1,219 | 1,443 | 117 | 137 | (126) | 5,786 |
| PROFIT BEFORE TAX | | | | | | | | | | |
| H1 2013 | 108 | 572 | (146) | 419 | 808 | 1,087 | 111 | 102 | (1,202) | 1,859 |
| H1 2012 | (348) | 608 | (2) | 413 | 783 | 971 | 111 | 128 | (186) | 2,477 |
| Balance Sheet | | | | | | | | | | |
| LOANS TO CUSTOMERS | | | | | | | | | | |
| as at June 30, 2013 | 194,993 | 82,312 | 49,405 | 23,243 | 76,170 | 103,891 | - | 854 | 1,902 | 532,771 |
| as at December 31, 2012 | 202,918 | 84,163 | 49,922 | 24,297 | 73,866 | 108,860 | - | 845 | 2,274 | 547,144 |
| DEPOSITS FROM CUSTOMERS AND DEBT SECURITIES IN ISSUE | | | | | | | | | | |
| as at June 30, 2013 | 153,015 | 106,689 | 59,151 | 26,247 | 61,576 | 82,694 | - | 17,792 | 57,584 | 564,749 |
| as at December 31, 2012 | 159,281 | 112,692 | 60,672 | 27,837 | 63,776 | 84,278 | - | 16,883 | 54,546 | 579,965 |
| TOTAL RISK WEIGHTED ASSETS | | | | | | | | | | |
| as at June 30, 2013 | 115,874 | 36,919 | 25,317 | 23,872 | 87,454 | 84,087 | 1,994 | 2,783 | 32,571 | 410,871 |
| as at December 31, 2012 | 117,765 | 38,011 | 25,728 | 25,185 | 87,127 | 92,747 | 1,986 | 3,009 | 35,570 | 427,127 |
| EVA | | | | | | | | | | |
| H1 2013 | (803) | 222 | (284) | 101 | 138 | 190 | 66 | 49 | (1,360) | (1,680) |
| H1 2012 | (1,155) | 206 | (127) | 119 | 118 | (41) | 62 | 67 | (888) | (1,638) |
| Cost/income ratio | | | | | | | | | | |
| H1 2013 | 53.9% | 69.9% | 94.1% | 46.5% | 45.3% | 37.5% | 67.8% | 59.8% | -54.6% | 59.5% |
| H1 2012 | 58.6% | 70.9% | 77.4% | 47.4% | 48.0% | 38.0% | 65.6% | 52.6% | 163.9% | 56.7% |
| Employees² | | | | | | | | | | |
| as at June 30, 2013 | 38,950 | 14,207 | 7,010 | 18,908 | 48,404 | 3,476 | 1,962 | 1,466 | 16,404 | 150,787 |
| as at December 31, 2012 | 39,713 | 14,669 | 7,062 | 19,167 | 48,555 | 3,597 | 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 Centre 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.

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:

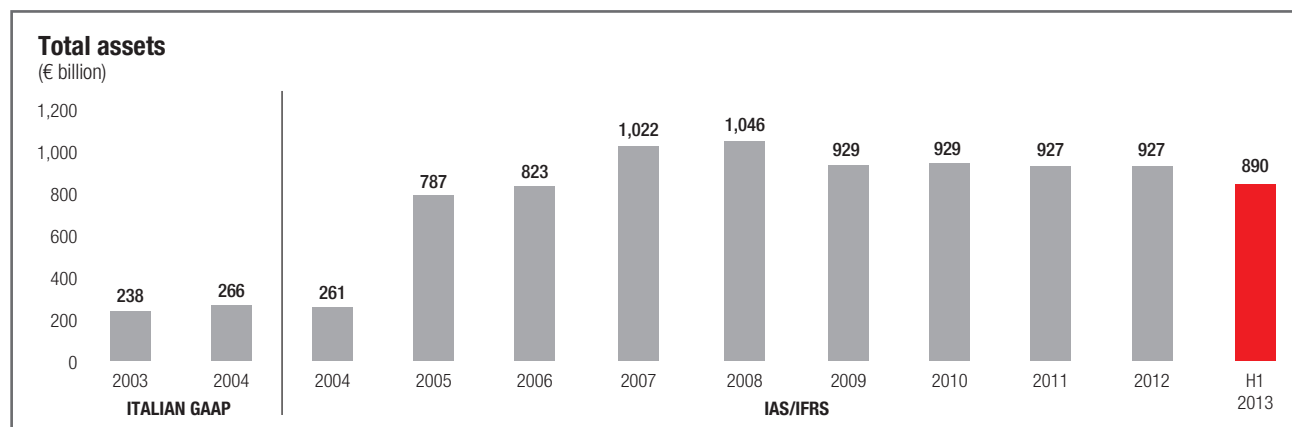
- by the merger with the HVB Group, achieved by means of a public exchange offer furthered by UniCredit on August 26, 2005 so as to take over control of HVB and the companies it headed up. Following this offer, finalized during 2005, UniCredit in fact acquired a holding of 93.93% in HVB's share capital (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 | |
|--|----------|----------|----------|----------|----------|-----------|-----------|----------|---------|---------|--------------|---------|
| | H1 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2004 | 2003 |
| Income Statement (€ million) | | | | | | | | | | | | |
| Operating income | 12,497 | 25,049 | 25,200 | 26,347 | 27,572 | 26,866 | 25,893 | 23,464 | 11,024 | 10,203 | 10,375 | 10,465 |
| Operating costs | (7,434) | (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) | 5,064 | 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 | 1,859 | 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 | 1,194 | 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 | 810 | 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 | 889,632 | 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 to customers | 532,771 | 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 | 20,766 | 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 | 564,749 | 579,965 | 561,370 | 583,239 | 596,396 | 591,290 | 630,533 | 495,255 | 462,226 | 155,079 | 156,923 | 135,274 |
| Shareholders' Equity | 61,322 | 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 | 0.57 | 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 | 59.5 | 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.



UniCredit Share

Share Information

| | H1 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|---------------|---------------|---------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|
| Share price (€) (*) | | | | | | | | | | | |
| - maximum | 4.796 | 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 | 4.001 | 3.292 | 8.549 | 12.701 | 11.946 | 21.009 | 36.489 | 34.397 | 25.649 | 22.779 | 22.085 |
| - end of period | 3.598 | 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 of which: savings shares | 5,695 2.42 | 5,693 2.42 | 1,833 2.42 | 18,330.5 24.2 | 18,329.5 24.2 | 13,372.7 21.7 | 13,195.3 21.7 | 10,357.9 21.7 | 10,342.3 21.7 | 6,338.0 21.7 | 6,316.3 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) | | 512 | (***) | 550 | 550 | (**) | 3,431 | 2,486 | 2,276 | 1,282 | 1,080 |
| - dividend per ordinary share | | 0.090 | (***) | 0.030 | 0.030 | (**) | 0.260 | 0.240 | 0.220 | 0.205 | 0.171 |
| - dividend per savings share | | 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 n. 96.76 million of shares held under a contract of usufruct.

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

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

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

In 2011 the following operations were carried:

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

In the first quarter of 2012 the capital increase of €7.5 billion equal to a number of shares issued of 3,859,602,938 was fully subscribed for.

Earnings Ratios

| | IAS/IFRS | | | | | | | | | | ITALIAN GAAP | |
|--|----------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------------|--------|
| | H1 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2004 | 2003 |
| Shareholders' Equity (€ million) | 61,322 | 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) | 810 | 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 (€) | 10.59 | 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 | 0.34 | 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 (€) | 0.14 | 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 the 2010 of €1,323 million was changed to €1,167 million; net losses for 2011 of €9,206 million was changed to €9,378 million; net profit for 2012 of €865 million was deducted of €46 million. The H1 2013 EPS calculation €35 million has been deducted net profit attributable to the Group of €810 million due to disbursements charged to equity made in connection with the contract of usufruct on treasury shares agreed under the 'cashes' transaction (€46 million was deducted from 2012 net profits).



Group Results

Macroeconomic situation, banking and financial markets

International situation

USA/Eurozone

The world economy showed modest signs of recovery in the first half of 2013 after the slowdown in 2012. In many developed countries there were indications of stabilization in economic activity, while in emerging countries there were signs of a slowdown in growth, particularly in the second quarter. As regards financial markets, the improvement in sentiment begun in the summer of 2012 as a result of the measures taken by the European Central Bank (ECB) to eliminate the risk of extreme scenarios for the euro area continued in much of the first half of 2013, albeit with moments of tension due to the political stalemate in Italy and the bailout of Cyprus. At the end of May there was a marked increase in volatility after the Fed announced its intention to reduce the amount of monthly purchases of securities starting from this fall. The European Central Bank responded to the consequent increase in market interest rates by signaling its intention to keep rates on hold at the current or at a lower level for an extended period of time.

In the United States, growth in the first quarter of 2013 was lower than expected. The main reason for this was the downward revision of consumer spending. This led to a revision of the gross domestic product for the first quarter from 2.4% to 1.8% (annualized rate) and a lower trajectory for consumption in the second quarter. Despite this downward revision, the resilience of consumer spending (up 2.6% year on year in the first quarter) was relatively surprising, considering the reduction in disposable income due to the payroll tax increase that took place at the end of 2012. The improvement in the labor market and the recovery in loans to the private sector seem to have been the factors that enabled families to cope with this reduction. In addition to consumer spending, the growth in the U.S. economy was driven by the sustained recovery in the real estate market, with key indicators pointing to continued improvement in the rest of the year.

The Federal Reserve took a significant step towards a reduction in the amount of monthly purchases of securities ("tapering") during its meeting of June 18 and 19. Chairman Bernanke announced that the Fed might reduce the amount of securities purchased monthly already this year and end the bond-buying program towards mid-2014. The prospect of higher Fed funds rates, however, remains remote, since the still low rate of inflation - the Fed's preferred inflation gauge fell to its lowest level in fifty years - allows the Fed to maintain an accommodating policy stance.

In the euro area, the economy contracted by 0.2% in the first quarter of 2013, due to weak domestic demand and a deterioration in the foreign channel. With regard to the second quarter, some of the leading indicators hint at the beginning of a phase of

stabilization of economic activity. Inflation was in a downward trend, decelerating from 2.2% in December to 1.6% in June.

With regard to the strengthening of the EU institutions, major steps were taken during the first half of the year towards the banking union, even though the process has yet to be completed and remains subject to further negotiations.

The European Central Bank cut the refinancing rate from 0.75% to 0.50% in May, in the light of signs of a weakening of growth prospects. At the meeting held in early July, it announced a "forward guidance", signaling its intention to keep rates on hold at the current or at a lower level for an extended period of time, which will depend on the outlook for inflation, growth and credit.

This "forward guidance" is designed to counter the tighter monetary conditions that resulted from the Fed's announcement of a plan to reduce the monthly amount of securities purchased (the so-called "tapering") and that could hinder the economic recovery.

Banking and financial markets

The downtrend in bank lending to the private sector in the euro area continued in the first half of 2013, with a 1.1% year-on-year contraction in May (latest figure available). Loans to businesses contracted further (-3.1% y/y), against a backdrop of marginally positive growth in loans to households. Lending activity was still penalized by the continuing weakness in the demand for loans to households and businesses, against a backdrop of still tight credit conditions, although to a lesser extent compared to the end of 2012. Lending to the private sector (households and businesses) was weak in all the Group's three key countries. The downtrend remained particularly marked in Italy, in an economic environment characterized by a deep recession, and mainly due to loans to businesses, which contracted by 4.4% y/y in May.

In Germany, loans to the private sector (according to the ECB's monthly statistics) were still expanding in the first half of the year, albeit at a still slow pace. It should be noted that the growth rate of loans to households stabilized (at around 1.0% y/y) - this stabilization was characterized by a sharp contraction in consumer credit and a solid recovery of lending for house purchase (+2.4% y/y in May) - and loans to businesses decreased. In Austria, there was a slight decrease in lending to the private sector in the second part of the period, due to a reduction in loans to households (other than housing loans) and modest growth in loans to businesses. As for the banking sector's deposit base in the Group's three key countries, in Italy bank deposits were, by contrast, in a clear upward trend during the first half of the year, while the pace of growth in Austria and Germany slowed down - against a backdrop of significant expansion of sight deposits. Bank rates decreased in all the Group's three key countries in the first half of the year.

The decrease in interest rates on deposits was more marked than the decrease in interest rates on loans, with a consequent increase in the bank spread (the difference between the average interest rate on loans and the average interest rate on deposits). As for stock markets, the general improvement in market confidence was accompanied by renewed uncertainty towards the end of the first half of the year following the announcements of the Federal Reserve, which fueled a diverging trend in the stock market performances of the Group's three key countries. In more detail, the German stock exchange reported positive growth in the first quarter of just under 5.0% compared to the end of 2012, while the Austrian market ended the first half of 2013 with a 7.0% decrease and the Italian stock market experienced a contraction of just over 6.0%, compared to the end of 2012.

CEE Countries

The first half of 2013 has produced evidence of a gradual recovery in activity in a number of CEE economies. The region is enjoying an improvement in external demand, following a particularly weak finish to 2012, with some countries receiving an impressive boost from new production facilities which have come on line (e.g. Hungary, Romania). We expect this to continue through the second half of this year, albeit with some downside risks due to a slowdown in China. There is also evidence that credit is recovering from the EMU crisis-induced shock and proving more supportive of domestic demand in many countries. Other positives include a decline in inflation, which has contributed to easier monetary conditions and a boost to real purchasing power. Poland is the most obvious example on this front. Finally much of the required fiscal consolidation has already been executed and poses less of a risk to activity. Turkey is an example of an economy which has drawn off its strong fiscal position to support activity in the face of uncertainty elsewhere. Russia is an outlier to the extent that GDP growth has slowed, capturing in part beneficial structural reforms such as the government's new fiscal rule. However this also captures the absence of a positive terms of trade gain from oil prices, to which Russia has become accustomed.

Looking forward a decline in foreign capital flows to emerging markets, triggered to a large extent by expectations of Fed tapering, represents the primary risk to the region, though differentiation across countries is important. Foreign capital flows to emerging markets have been unprecedented in size, capturing in part a search for yield which looks set to ease as monetary policy across the developed world materializes. In some countries across CEE, the combination of strong C/A positions and large foreign reserves means that vulnerabilities are small. Czech, Russia and Bulgaria are good examples of such countries. Others, such as Poland, are more at risk but have bought protection in the form of

a USD33 billion Flexible Credit Line from the IMF. Romania is likely to sign another IMF agreement, a move which not only provides a financial buffer but should also accelerate structural reforms in the public sector and benefit potential growth. Croatia's entry into the EU not only helps to boost confidence but also increases fiscal discipline as the European Commission exerts more control. Turkey's wide C/A deficit and the accumulation of a large amount of short term foreign capital relative to foreign reserves is more of a concern as are large twin deficits in Ukraine and Serbia.

Group Results (CONTINUED)

Main results and performance for the period

Introduction

In first half 2013, despite a persistently challenging macroeconomic environment, **net profit attributable to the Group** amounted to €810 million, down by €273 million (down by 25.2%, or 25.6% at constant exchange rates and perimeter) compared to the first half 2012, but growing by 5.7% net of positive contribution stemming out from the repurchase offer of bonds issued by the Group carried out both in first half 2012 and in current half.

Gross operating profit came at €5,064 million (down by 12.5% over first half 2012 or down by 5.5% net of bond buy-backs), supported by a continuing Management effort to reduce costs (down by 1.8% versus first half 2012) but unfavorably affected by a weak loan demand in Western Europe and further decrease in interest rates, weighing on Group Net Interest (down by 9.4% compared to the same period 2012).

Revenues in first half 2013 were equal to €12,497 million (down by 6.4% versus first half 2012 or down by 3.3% net of bond buy-backs) with the decline in Net interest (down by 9.4% versus first half 2012) counterbalanced by enhanced contribution from Fees and Commissions (up by 1.3% versus first half 2012) and Trading Income (down 11.8% versus first half 2012 or up by 20.5% net of bond buy-backs).

Operating costs amounted to €7,434 million in first half 2013 (-1.8% versus first half 2012), showing first results of new cost optimization projects and supporting operating results (confirmed also by a 6,854 reduction in FTEs). Both Staff expenses and Other expenses contributed to the reduction in first half 2013 and in the quarter.

Operating income

Operating income amounted to €12,497 million, 3.3% below first half 2012 excluding bond buybacks (down by 6.4% on stated numbers), as fees progression (up by 1.3% over first half 2012) and good trading results ex buybacks did not manage to fully counterbalance the decrease in net interest income (down by 9.4% versus first half 2012) stemming from lower assets and compressing margins. Conversely, revenues showed a positive performance in the quarter (up by 5.5% versus previous quarter) reaching €6,417 million, of which €254 million related to buy-back of senior notes in April.

Net interest was equal to €6,617 million, down by 9.4% over first half 2012 due to weak loan demand in Western Europe with

commercial loans down by 8.4% and very low interest rates (average Euribor in H1 2013 was equal to 0.21% versus 0.85% in first half 2012) despite continuous re-pricing actions to re-price assets and lower the cost of liabilities. In second quarter 2013, Net Interest stabilized at €3,303 million (down by 0.3% versus previous) also thanks to continuing re-pricing actions on liabilities, especially in CIB, mostly in Germany and Italy.

Customer Loans were €532.8 billion as of June 30, 2013, slightly down by 0.9% versus previous quarter and by 3.7% over last year. Both the quarterly and the yearly decreases are due to lower commercial loans, while institutional and market counterparties - the most volatile part - increased by 10.9% versus previous quarter and by 25.3% over last year. On a geographic basis, CEE & Poland decreased by 1.2% versus previous quarter, but it would be up by 1.7% at constant exchange rates, confirming that the region is still experiencing good growth. In Western Europe, commercial loans in Italy and Germany drive the decreases (down by 2.3% and 2.7% versus previous quarter respectively).

Customer Deposits totaled €405.2 billion, virtually flat on a quarterly basis (-0.6% versus previous quarter) and decreasing by 2.2% over last year. The quarterly evolution is the result of strong growth in deposits from institutional and market counterparties (up by 11.9% versus previous quarter) and lower commercial deposits across the board in Western Europe, as lower funding needs allowed for more selective deposit acquisition policies, in particular in CIB mostly in Germany and in Italy. Deposits in CEE & Poland were down by 1.8% versus previous quarter but up by 1.3% at constant exchange rates.

Dividends and other income from equity investments were at €170 million, decreasing by €53 million over the last year.

Net fees and commissions totaled €3,969 million, up by 1.3% versus first half 2012, with Investment service fees (up by 14.7% over first half 2012) offsetting the decrease of Financing services fees (down by 10.3% versus first half 2012, mainly due to loans' commissions drop, as a consequence of the new discipline of credit lines and overdrafts remuneration, enforced in Italy since July 2012) and Transaction banking services fees (down by 2.0% versus first half 2012). In second quarter 2013 Fees were down by 1.6% versus previous quarter, to €1,969 million, due to Financing and Transaction Services (both down by 3.6% versus previous quarter) and despite the positive contribution of Investment Services (up by 1.7% versus previous quarter).

Net trading income amounted to €1,603 million, down by €214 million (down by 11.8%) compared to previous year. The trend was influenced by the success recorded on tender offers for bond buy-back which generated a gross gain of €697 million in first half of 2012 and €254 million in first half of this year. Excluding these components, the net trading income would have increased by €230 million (up by a sound 20.5%), mainly thanks to client driven activities. In second quarter 2013 net trading income totaled €953 million, up by 46.7% versus previous quarter (up by 7.7% net of buy-back).

Finally, **net other expenses/income**, positive by €139 million, showed a growth of €41 million compared to first half 2012. It is worth to notice last year the same item was negatively affected by an amount of €29 million, due to the charges suffered by the Hungarian Subsidiary for the Early Repayment Program (ERP), a government program consisting in cut-rates anticipated refund of loans in foreign currency.

Operating income

(€ million)

| | 2012 H1 | 2013 H1 | % CHANGE | 2013 Q2 | % CHANGE ON Q2 2012 | % CHANGE ON Q1 2013 |
|--|---------------|---------------|---------------|--------------|------------------------|------------------------|
| Net interest | 7,303 | 6,617 | - 9.4% | 3,303 | - 8.4% | - 0.3% |
| Dividends and other income from equity investments | 223 | 170 | - 23.8% | 124 | - 26.7% | + 166.9% |
| Net fees and commissions | 3,918 | 3,969 | + 1.3% | 1,969 | + 1.9% | - 1.6% |
| Net trading, hedging and fair value income | 1,816 | 1,603 | - 11.8% | 953 | + 78.7% | + 46.7% |
| Net other expenses/income | 97 | 139 | + 42.4% | 69 | + 25.9% | - 1.5% |
| Operating income | 13,357 | 12,497 | - 6.4% | 6,417 | + 2.0% | + 5.5% |

Group Results (CONTINUED)

Main results and performance for the period (CONTINUED)

Operating costs

The overall trend of **operating costs** shows the first positive effects of new cost reduction projects, with reductions visible in most cost lines. Operating costs amounted to €7,434 million in first half 2013 (down by 1.8% versus first half 2012) and to €3,673 million in second quarter 2013, down by 2.3% versus previous quarter. On a geographical basis trends diverge in first half 2013, with Western Europe down by 3.2% versus first half 2012 and CEE & Poland up by 3.7% to support the growth of emerging markets.

Payroll costs equaled €4,429 million decreasing by a sound 2.9% over the first half 2012, also supported by a reduction of almost 6,900 FTEs on a yearly basis, of which 3,350 related to the sale of ATF, the Kazakhstan subsidiary. Staff Expenses in second quarter 2013 amounted to €2,198 million down by 1.5% versus previous quarter. The quarterly decrease comes from some bonus releases and FTEs reduction in Italy more than compensating for the salary drift.

Other administrative expenses totaled €2,460 million (net of expenses recovery), decreasing by 1.3% versus the previous year with cost discipline driven by IT costs, expenses related to personnel and Real Estate. Other Administrative expenses in second quarter 2013 were equal to €1,202 million (net of expenses recovery), down by 4.4% versus previous quarter.

Write downs of tangible and intangible assets amounted to €545 million, increasing compared to the same period last year (up by 5.2%).

In first half 2013 **cost/income ratio** was equal to 59.5% (up by 2.8 p.p. versus first half 2012, up by 0.9 p.p. net of buy-backs).

Operating costs

(€ million)

| | 2012 H1 | 2013 H1 | % CHANGE | 2013 Q2 | % CHANGE ON Q2 2012 | % CHANGE ON Q1 2013 |
|--|----------------|----------------|---------------|----------------|------------------------|------------------------|
| Payroll costs | (4,560) | (4,429) | - 2.9% | (2,198) | - 2.7% | - 1.5% |
| Other administrative expenses | (2,738) | (2,789) | + 1.9% | (1,389) | + 2.3% | - 0.8% |
| Recovery of expenses | 245 | 329 | + 34.4% | 187 | + 38.0% | + 31.8% |
| Amortisation, depreciation and impairment losses on intangible and tangible assets | (518) | (545) | + 5.2% | (273) | + 5.8% | + 0.4% |
| Operating costs | (7,571) | (7,434) | - 1.8% | (3,673) | - 1.8% | - 2.3% |

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

Net write-downs on loans and provisions for guarantees and commitments amounted to €2,897 million, down by 7.7% compared to the same period of the previous year. Net write-downs on loans (LLP) were equal to €1,666 million in second quarter 2013, up by 35.4% versus previous quarter.

The cost of risk of first half 2013 was equal to 108 bps, compared to 114 bps in first half 2012. With regard to the quarterly evolution, in second quarter 2013 the CoR amounted to 125 bps, 34 bps above the previous quarter, mostly due to Commercial Bank Italy. The cost of risk in CEE was up by 48 bps, mostly due to a deteriorated macro environment in Croatia and coverage enhancement in Ukraine.

In the first half 2013 the gross impaired loans increased by €2,841 million (up by 3.6%) over December 2012, with an incidence of 14.45% on total customer loans (13.62% as of December 2012) and a coverage ratio equal to 44.1% (44.8% as of December 2012). In first quarter 2013 net impaired loans showed an incidence of 8.67% on total customer loans (8.05% as of December 2012).

Loans to customers - asset quality

(€ million)

| | NON-PERFORMING LOANS | DOUBTFUL LOANS | RESTRUCTURED LOANS | PAST-DUE LOANS | IMPAIRED LOANS | PERFORMING LOANS | TOTAL CUSTOMER LOANS |
|---------------------------------------|----------------------|----------------|--------------------|----------------|----------------------|------------------|----------------------|
| As at 06.30.2013 | | | | | | | |
| Face value | 46,489 | 23,082 | 7,996 | 5,061 | 82,628 | 489,244 | 571,872 |
| <i>as a percentage of total loans</i> | <i>8.13%</i> | <i>4.04%</i> | <i>1.40%</i> | <i>0.88%</i> | <i>14.45%</i> | <i>85.55%</i> | |
| Writedowns | 25,723 | 7,295 | 2,579 | 816 | 36,413 | 2,688 | 39,101 |
| <i>as a percentage of face value</i> | <i>55.3%</i> | <i>31.6%</i> | <i>32.3%</i> | <i>16.1%</i> | <i>44.1%</i> | <i>0.5%</i> | |
| Carrying value | 20,766 | 15,787 | 5,417 | 4,245 | 46,215 | 486,556 | 532,771 |
| <i>as a percentage of total loans</i> | <i>3.90%</i> | <i>2.96%</i> | <i>1.02%</i> | <i>0.80%</i> | <i>8.67%</i> | <i>91.33%</i> | |
| As at 12.31.2012 | | | | | | | |
| Face value | 44,377 | 22,516 | 8,036 | 4,858 | 79,787 | 505,921 | 585,708 |
| <i>as a percentage of total loans</i> | <i>7.58%</i> | <i>3.84%</i> | <i>1.37%</i> | <i>0.83%</i> | <i>13.62%</i> | <i>86.38%</i> | |
| Writedowns | 25,017 | 7,374 | 2,532 | 806 | 35,729 | 2,835 | 38,564 |
| <i>as a percentage of face value</i> | <i>56.4%</i> | <i>32.8%</i> | <i>31.5%</i> | <i>16.6%</i> | <i>44.8%</i> | <i>0.6%</i> | |
| Carrying value | 19,360 | 15,142 | 5,504 | 4,052 | 44,058 | 503,086 | 547,144 |
| <i>as a percentage of total loans</i> | <i>3.54%</i> | <i>2.77%</i> | <i>1.01%</i> | <i>0.74%</i> | <i>8.05%</i> | <i>91.95%</i> | |

Group Results (CONTINUED)

Main results and performance for the period (CONTINUED)

From net operating profit to profit before tax

Net operating profit of first half of 2013 at €2,167 million declining by 18.2% compared to the same period of previous year.

Provision for risk and charges amounted to €300 million, growing in comparison to €76 million registered in the same period of 2012. On this item mainly burdened the definitive decision taken by the Supreme Swiss Court on the case with BvS,

other provisions relating to legal proceedings and other potential liabilities.

Integration costs in first half 2012 amounted to €12 million.

Finally, **net income from investments** were positive for €4 million, in comparison to the loss of €75 million registered in first half 2012.

Thus, **profit before tax** amounted to €1,859 million in the first half of 2013, declining by 25.0% compared to the same period of previous year.

Profit before tax by business segment

(€ million)

| | OPERATING INCOME | OPERATING EXPENSES | PROFIT (LOSS) AND NET WRITE DOWNS ON LOANS | NET OPERATING PROFIT | PROFIT BEFORE TAX | |
|--------------------------------|---------------------|-----------------------|--|-------------------------|-------------------|--------------|
| | | | | | 2012 H1 | 2013 H1 |
| Commercial Banking Italy | 4,468 | (2,408) | (1,892) | 168 | (348) | 108 |
| Commercial Banking Germany | 1,536 | (1,074) | 98 | 560 | 608 | 572 |
| Commercial Banking Austria | 777 | (731) | (98) | (52) | (2) | (146) |
| Poland | 921 | (428) | (78) | 415 | 413 | 419 |
| Central Eastern Europe | 2,624 | (1,189) | (596) | 838 | 783 | 808 |
| Corporate & Investment Banking | 2,237 | (839) | (263) | 1,135 | 971 | 1,087 |
| Asset Management | 353 | (239) | - | 114 | 111 | 111 |
| Asset Gathering | 259 | (155) | (1) | 102 | 128 | 102 |
| Group Corporate Center | (678) | (370) | (66) | (1,115) | (186) | (1,202) |
| Group Total | 12,497 | (7,434) | (2,897) | 2,167 | 2,477 | 1,859 |

Profit (loss) attributable to the Group

Profit (loss) for the period totaled €1,194 million (down by 19.1% compared to the same period of 2012) affected by **income taxes** of €680 million. Tax rate at 36.6%, showed a decrease compared to first half of 2012 (at 40.1%).

Minority interests amounted to €186 million, up by 12% compared to first half 2012.

Purchase Price Allocation amounted to €197 million, down by €26 million compared to first half 2012.

As a result of all these elements, the **Group** obtained **net profit** at €810 million, with a decrease of €273 million (down by 25.2%) compared to first half of 2012. Net of the effects caused by the repurchase offers of some bonds issued by the Group, promoted both in last and current year, the Group net profit would be up by 5.7%.

Profit (loss) attributable to the Group

(€ million)

| | 2012 H1 | 2013 H1 | % CHANGE | 2013 Q2 | % CHANGE ON Q2 2012 | % CHANGE ON Q1 2013 |
|--|---------------|---------------|----------------|--------------|------------------------|------------------------|
| Operating income | 13,357 | 12,497 | - 6.4% | 6,417 | + 2.0% | + 5.5% |
| Operating cost | (7,571) | (7,434) | - 1.8% | (3,673) | - 1.8% | - 2.3% |
| Operating profit (loss) | 5,786 | 5,064 | - 12.5% | 2,744 | 7.5% | 18.3% |
| Net write-downs of loans and provisions for guarantees and commitments | (3,138) | (2,897) | - 7.7% | (1,666) | - 8.8% | 35.4% |
| Net operating profit (loss) | 2,649 | 2,167 | - 18.2% | 1,078 | 48.4% | - 1.0% |
| Provision for risk and charges | (76) | (300) | + 293.9% | (190) | 214.0% | 73.7% |
| Integration costs | (20) | (12) | - 40.7% | (9) | - 41.3% | 187.7% |
| Net income from investment | (75) | 4 | - 105.6% | (17) | - 66.6% | - 179.9% |
| Profit (loss) before tax | 2,477 | 1,859 | - 25.0% | 862 | 43.4% | - 13.5% |
| Income tax for the period | (993) | (680) | - 31.5% | (306) | 22.8% | - 18.3% |
| Profit (loss) for the period | 1,475 | 1,194 | - 19.1% | 563 | 62.5% | - 10.8% |
| Minorities | (166) | (186) | + 12.0% | (102) | 49.2% | 20.9% |
| Net profit (loss) attributable to the Group before PPA | 1,309 | 1,007 | - 23.0% | 461 | 65.8% | - 15.7% |
| Purchase Price Allocation effects | (223) | (197) | - 11.6% | (99) | - 6.6% | 1.3% |
| Goodwill impairment | (2) | - | n.s. | - | n.s. | n.s. |
| Net profit (loss) attributable to the Group | 1,083 | 810 | - 25.2% | 361 | 113.6% | - 19.4% |

Group Results (CONTINUED)

Capital and Value Management

Principles of value creation and disciplined capital allocation

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

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

Capital Ratios

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

The Core Tier 1 Ratio¹ (Basel 2) at June 2013 was 11.41%.

The Tier 1 Ratio and Total Capital Ratio, respectively, were 11.93% and 15.12%.

Capital Ratios

(€ million)

| | AS AT | |
|----------------------------|---------------|---------------|
| | 06.30.2013 | 12.31.2012 |
| Total Capital | 62,134 | 62,018 |
| Tier 1 Capital | 49,034 | 48,868 |
| Core Tier 1 Capital | 46,885 | 46,314 |
| Total RWA | 410,871 | 427,127 |
| Total Capital Ratio | 15.12% | 14.52% |
| Tier 1 Ratio | 11.93% | 11.44% |
| Core Tier 1 Ratio | 11.41% | 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 (i.e. phased-in), in order to allow the banking system to comply with the new requirements and contain the impact on the real economy. The Basel 3 framework has been translated into law by means of two separate legislative instruments: a Directive (CRD 4) and a Regulation (CRR), which will include the majority of the measures relating to capital requirements, the provisions of which will be directly binding and applicable within each European Union Member State. The first proposal of the new regulation has been published by the European Commission in July 2011. On June 27 the CRR was published in the Official Journal of the European Union and will be implemented starting from January 1, 2014.

1. Core Tier 1 Capital is calculated following an internal managerial methodology, not currently being part of official regulatory reporting ("Schemi Obbligatorii di Vigilanza").

Shareholders' Equity attributable to the Group

The **Shareholders' Equity attributable to the Group**, including the **net profit for the period** (€810 million), amounted to €61,322 million at June 30, 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") (**) | (35) |
| Dividend payment | (513) |
| Forex translation reserve | (565) |
| Change in afs/cash-flow hedge reserve | (207) |
| Others (***) | 253 |
| Net profit (loss) for the period | 810 |
| Shareholders' Equity as at June 30, 2013 | 61,322 |

(*) 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).

(**) The future disbursements related to Cashes transaction ("canoni di usufrutto") will be paid at contractual maturities (August and November 2013, February 2014) if the usufruct agreement is still valid.

(***) 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.

Results by Business Segment

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 over 4,000 branches and multichannel services provided by new technologies.

In relation to corporate customers, Commercial Banking, with about 900 Managers divided in 152 Corporate branches, operate 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 | 2012 H1 | 2013 H1 | % CHANGE | 2013 Q2 | % CHANGE ON Q2 2012 | % CHANGE ON Q1 2013 |
|---|------------|------------|-------------|------------|------------------------|------------------------|
| Operating income | 4,490 | 4,468 | - 0.5% | 2,244 | - 0.3% | + 0.9% |
| Operating costs | (2,631) | (2,408) | - 8.5% | (1,193) | - 8.8% | - 1.8% |
| Net write-downs on loans | (2,159) | (1,892) | - 12.4% | (1,121) | - 8.3% | + 45.4% |
| Net operating profit | (300) | 168 | - 156.2% | (70) | - 75.0% | - 129.4% |
| Profit before tax | (348) | 108 | - 131.0% | (104) | - 68.4% | - 149.1% |
| Loans to customers (eop) | 211,509 | 194,993 | - 7.8% | 194,993 | - 7.8% | - 2.0% |
| Customer deposits (incl. Securities in issue - eop) | 154,655 | 153,015 | - 1.1% | 153,015 | - 1.1% | - 3.2% |
| Total RWA Eop | 127,479 | 115,874 | - 9.1% | 115,874 | - 9.1% | + 1.9% |
| EVA (€ million) | (1,155) | (803) | - 30.5% | (496) | - 24.9% | + 61.6% |
| Absorbed Capital (€ million) | 13,740 | 12,170 | - 11.4% | 12,257 | - 10.9% | + 1.4% |
| RARORAC | - 16.81% | - 13.19% | 362bp | - 16.18% | 301bp | n.s. |
| Cost/Income | + 58.6% | + 53.9% | - 471bp | + 53.2% | - 494bp | - 144bp |
| Cost of Risk | 2.02% | 1.90% | - 12bp | 2.28% | -2bp | 74bp |
| Full Time Equivalent (eop) | 40,800 | 38,950 | - 4.5% | 38,950 | - 4.5% | - 1.3% |

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 | 2012 H1 | 2013 H1 | % CHANGE | 2013 Q2 | % CHANGE ON Q2 2012 | % CHANGE ON Q1 2013 |
|---|------------|------------|-------------|------------|------------------------|------------------------|
| Operating income | 1,540 | 1,536 | - 0.2% | 707 | - 10.5% | - 14.8% |
| Operating costs | (1,092) | (1,074) | - 1.6% | (537) | - 2.4% | - 0.0% |
| Net write-downs on loans | 137 | 98 | - 28.8% | 122 | - 13.5% | n.s. |
| Net operating profit | 585 | 560 | - 4.4% | 291 | - 23.4% | + 8.5% |
| Profit before tax | 608 | 572 | - 6.0% | 304 | - 18.4% | + 13.7% |
| Loans to customers (eop) | 85,357 | 82,312 | - 3.6% | 82,312 | - 3.6% | - 1.4% |
| Customer deposits (incl. Securities in issue - eop) | 115,662 | 106,689 | - 7.8% | 106,689 | - 7.8% | - 3.5% |
| Total RWA Eop | 38,314 | 36,919 | - 3.6% | 36,919 | - 3.6% | - 1.4% |
| EVA (€ million) | 206 | 222 | + 7.8% | 114 | - 33.4% | + 4.9% |
| Absorbed Capital (€ million) | 3,339 | 3,076 | - 7.9% | 3,152 | - 3.1% | + 5.0% |
| RARORAC | + 12.36% | + 14.46% | 211bp | + 14.45% | n.s. | - 2bp |
| Cost/Income | + 70.9% | + 69.9% | - 98bp | + 76.0% | n.s. | n.s. |
| Cost of Risk | 0.32% | 0.23% | 8bp | 0.59% | 7bp | - 70bp |
| Full Time Equivalent (eop) | 14,393 | 14,207 | - 1.3% | 14,207 | - 1.3% | - 1.5% |

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 | 2012 H1 | 2013 H1 | % CHANGE | 2013 Q2 | % CHANGE ON Q2 2012 | % CHANGE ON Q1 2013 |
|---|------------|------------|-------------|------------|------------------------|------------------------|
| Operating income | 912 | 777 | - 14.8% | 399 | + 11.9% | + 5.5% |
| Operating costs | (705) | (731) | + 3.6% | (369) | + 3.7% | + 1.8% |
| Net write-downs on loans | (109) | (98) | - 10.0% | (51) | + 27.8% | + 7.3% |
| Net operating profit | 98 | (52) | - 153.1% | (21) | - 46.8% | - 34.4% |
| Profit before tax | (2) | (146) | n.s. | (53) | - 48.1% | - 43.4% |
| Loans to customers (eop) | 50,930 | 49,405 | - 3.0% | 49,405 | - 3.0% | + 0.9% |
| Customer deposits (incl. Securities in issue - eop) | 59,475 | 59,151 | - 0.5% | 59,151 | - 0.5% | - 1.6% |
| Total RWA Eop | 26,151 | 25,317 | - 3.2% | 25,317 | - 3.2% | - 2.0% |
| EVA (€ million) | (127) | (284) | + 123.2% | (149) | - 7.4% | + 10.0% |
| Absorbed Capital (€ million) | 2,426 | 2,306 | - 4.9% | 2,236 | - 12.6% | - 5.9% |
| RARORAC | - 10.48% | - 24.59% | n.s. | - 26.57% | - 149bp | - 384bp |
| Cost/Income | + 77.4% | + 94.1% | n.s. | + 92.5% | n.s. | - 335bp |
| Cost of Risk | 0.44% | 0.40% | - 4bp | 0.41% | 10bp | 3bp |
| Full Time Equivalent (eop) | 7,080 | 7,010 | - 1.0% | 7,010 | - 1.0% | + 0.1% |

Poland

In Poland, Bank Pekao represents one of the main banks in terms of total assets (market share equal to 10.7% as of December 2012), loans to customers and Assets under Management. Bank Pekao has a nationwide network of 1,002 branches, a strong presence in all the major cities and Poland's biggest ATM network (together with Euronet) consisting of over 5,600 ATM's (of which 1,845 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 | 2012 H1 | 2013 H1 | % CHANGE | 2013 Q2 | % CHANGE ON Q2 2012 | % CHANGE ON Q1 2013 |
|---|------------|------------|-------------|------------|------------------------|------------------------|
| Operating income | 920 | 921 | + 0.2% | 471 | + 1.6% | + 4.8% |
| Operating costs | (436) | (428) | - 1.8% | (216) | - 1.6% | + 1.8% |
| Net write-downs on loans | (71) | (78) | + 9.0% | (39) | - 1.9% | - 1.4% |
| Net operating profit | 412 | 415 | + 0.7% | 217 | + 5.7% | + 9.2% |
| Profit before tax | 413 | 419 | + 1.5% | 220 | + 7.4% | + 11.1% |
| Loans to customers (eop) | 23,205 | 23,243 | + 0.2% | 23,243 | + 0.2% | - 1.4% |
| Customer deposits (incl. Securities in issue - eop) | 26,041 | 26,247 | + 0.8% | 26,247 | + 0.8% | - 1.9% |
| Total RWA Eop | 24,276 | 23,872 | - 1.7% | 23,872 | - 1.7% | - 1.3% |
| EVA (€ million) | 119 | 101 | - 15.4% | 55 | - 6.1% | + 20.8% |
| Absorbed Capital (€ million) | 1,283 | 1,103 | - 14.1% | 1,088 | - 16.1% | - 2.7% |
| RARORAC | + 18.61% | + 18.32% | - 29bp | + 20.32% | 218bp | 395bp |
| Cost/Income | + 47.4% | + 46.5% | - 93bp | + 45.8% | - 148bp | - 134bp |
| Cost of Risk | 0.62% | 0.66% | 4bp | 0.66% | - 2bp | 1bp |
| Full Time Equivalent (eop) | 19,386 | 18,908 | - 2.5% | 18,908 | - 2.5% | - 1.0% |

Results by Business Segment (CONTINUED)

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 | 2012 H1 | 2013 H1 | % CHANGE | 2013 Q2 | % CHANGE ON Q2 2012 | % CHANGE ON Q1 2013 |
|---|------------|------------|-------------|------------|------------------------|------------------------|
| Operating income | 2,343 | 2,624 | + 12.0% | 1,342 | + 10.5% | + 4.6% |
| Operating costs | (1,124) | (1,189) | + 5.8% | (584) | + 1.5% | - 3.5% |
| Net write-downs on loans | (423) | (596) | + 41.1% | (346) | + 46.7% | + 37.8% |
| Net operating profit | 796 | 838 | + 5.3% | 412 | + 2.3% | - 3.5% |
| Profit before tax | 783 | 808 | + 3.3% | 395 | + 0.1% | - 4.5% |
| Loans to customers (eop) | 73,127 | 76,170 | + 4.2% | 76,170 | + 4.2% | - 1.1% |
| Customer deposits (incl. Securities in issue - eop) | 58,656 | 61,576 | + 5.0% | 61,576 | + 5.0% | - 1.2% |
| Total RWA Eop | 88,341 | 87,454 | - 1.0% | 87,454 | - 1.0% | - 2.0% |
| EVA (€ million) | 118 | 138 | + 16.6% | 77 | + 27.3% | + 26.7% |
| Absorbed Capital (€ million) | 7,577 | 7,887 | + 4.1% | 7,883 | + 3.0% | - 0.1% |
| RARORAC | + 3.12% | + 3.49% | 37bp | + 3.90% | 75bp | 83bp |
| Cost/Income | + 48.0% | + 45.3% | - 266bp | + 43.5% | - 388bp | - 364bp |
| Cost of Risk | 1.17% | 1.57% | 39bp | 1.81% | 50bp | 48bp |
| Full Time Equivalent (eop) | 48,918 | 48,404 | - 1.1% | 48,404 | - 1.1% | + 0.1% |

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 | 2012 H1 | 2013 H1 | % CHANGE | 2013 Q2 | % CHANGE ON Q2 2012 | % CHANGE ON Q1 2013 |
|---|------------|------------|-------------|------------|------------------------|------------------------|
| Operating income | 2,326 | 2,237 | - 3.8% | 1,144 | + 15.2% | + 4.7% |
| Operating costs | (883) | (839) | - 5.0% | (407) | - 4.1% | - 5.5% |
| Net write-downs on loans | (461) | (263) | - 43.0% | (178) | - 54.8% | + 108.3% |
| Net operating profit | 982 | 1,135 | + 15.6% | 559 | + 219.4% | - 2.9% |
| Profit before tax | 971 | 1,087 | + 11.9% | 537 | + 182.2% | - 2.4% |
| Loans to customers (eop) | 108,615 | 103,891 | - 4.3% | 103,891 | - 4.3% | + 0.9% |
| Customer deposits (incl. Securities in issue - eop) | 97,947 | 82,694 | - 15.6% | 82,694 | - 15.6% | + 1.6% |
| Total RWA Eop | 101,378 | 84,087 | - 17.1% | 84,087 | - 17.1% | - 6.7% |
| EVA (€ million) | (41) | 190 | n.s. | 107 | - 147.2% | + 28.1% |
| ROAC | 10.6% | + 17.9% | n.s. | 18.8% | n.s. | 175bp |
| (Rev-LLP)/RWA | + 3.48% | + 4.42% | 94bp | + 2.22% | 107bp | 2bp |
| Cost/Income | + 38.0% | + 37.5% | - 48bp | + 35.6% | n.s. | - 386bp |
| Cost of Risk | 0.88% | 0.50% | - 38bp | 0.69% | - 81bp | 36bp |
| Full Time Equivalent (eop) | 3,745 | 3,476 | - 7.2% | 3,476 | - 7.2% | - 1.2% |

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 | 2012 H1 | 2013 H1 | % CHANGE | 2013 Q2 | % CHANGE ON Q2 2012 | % CHANGE ON Q1 2013 |
|---------------------------------|------------|------------|-------------|------------|------------------------|------------------------|
| Operating income | 339 | 353 | + 4.0% | 179 | + 5.4% | + 2.3% |
| Operating costs | (222) | (239) | + 7.6% | (124) | + 8.3% | + 7.0% |
| Net write-downs on loans | - | - | n.s. | - | n.s. | n.s. |
| Net operating profit | 117 | 114 | - 2.6% | 55 | - 0.7% | - 6.9% |
| Profit before tax | 111 | 111 | - 0.1% | 54 | + 1.2% | - 6.4% |
| TfAs (eop) | 161,846 | 173,090 | + 6.9% | 173,090 | + 6.9% | - 0.0% |
| RoA (Operating Income/avg TfAs) | 0.42% | 0.41% | - 0.33bp | 0.41% | - 0.34bp | 0.06bp |
| EVA (€ million) | 62 | 66 | + 5.3% | 30 | + 0.9% | - 13.8% |
| Absorbed Capital (€ million) | 301 | 255 | - 15.4% | 259 | - 14.0% | + 3.0% |
| RARORAC | 41.4% | 51.5% | n.s. | 47.0% | n.s. | n.s. |
| Cost/Income | + 65.6% | + 67.8% | 222bp | + 69.3% | 188bp | 303bp |
| Full Time Equivalent (eop) | 1,928 | 1,962 | + 1.8% | 1,962 | + 1.8% | - 1.7% |

Results by Business Segment (CONTINUED)

Asset Gathering

Asset Gathering is a division specialized in wealth management through the direct channel and the financial advisors network.

It operates in Italy through FinecoBank, a direct bank that 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.

The Asset Gathering division operates also in Germany through DAB Bank, market leader in Germany as broker and main operator in offering products, services and support to the activity of independent financial advisors (IFA).

Finally, the division is present also in Austria with Dat Bank, that is leader of the Austrian direct banks.

Income Statement, Key Ratios and Indicators

(€ million)

| ASSETS GATHERING | 2012 H1 | 2013 H1 | % CHANGE | 2013 Q2 | % CHANGE ON Q2 2012 | % CHANGE ON Q1 2013 |
|---|------------|------------|-------------|------------|------------------------|------------------------|
| Operating income | 289 | 259 | - 10.5% | 127 | - 8.8% | - 2.9% |
| Operating costs | (152) | (155) | + 1.7% | (76) | + 3.3% | - 2.6% |
| Net write-downs on loans | (1) | (1) | + 26.3% | (1) | + 187.2% | - 20.9% |
| Net operating profit | 136 | 102 | - 24.5% | 50 | - 23.1% | - 2.9% |
| Profit before tax | 128 | 102 | - 20.7% | 53 | - 17.2% | + 7.5% |
| Loans to customers Eop | 838 | 854 | + 2.0% | 854 | + 2.0% | + 2.2% |
| Customer deposits (incl. Securities in issue) Eop | 15,507 | 17,792 | + 14.7% | 17,792 | + 14.7% | + 2.9% |
| Total RWA Eop | 2,288 | 2,783 | + 21.6% | 2,783 | + 21.6% | - 6.5% |
| TFAs Outstanding Stock (eop) | 62,597 | 70,552 | + 12.7% | 70,552 | + 12.7% | - 0.7% |
| TFAs Net Sales | 2,647 | 3,447 | + 30.2% | 1,380 | + 18.4% | - 33.2% |
| EVA (€ million) | 67 | 49 | - 26.7% | 67 | + 98.7% | + 36.4% |
| Absorbed Capital (€ million) | 182 | 248 | + 36.3% | 182 | + 1.1% | - 26.7% |
| RARORAC | 74.0% | 39.8% | n.s. | 74.0% | - 127bp | n.s. |
| Cost/Income | + 52.6% | + 59.8% | n.s. | + 52.6% | 24bp | n.s. |
| Full Time Equivalent (eop) | 1,423 | 1,466 | + 3.0% | 1,423 | + 0.3% | - 2.9% |

Other information

Rationalization of Group operations and other corporate transactions

In accordance with its organizational and business model, during the first half of 2013 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.

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

Please note that in 2012 the subsidiary UniCredit Business Integrated Solutions S.C.p.A. (UBIS) assumed the role of operating sub-holding company to provide the Group's support services both in Italy and abroad.

In this role, the subsidiary ensures a global vision for external and domestic customers' requests in terms of priorities and opportunities and maximizes the effectiveness of investments by combining the technologies and the tools used. The executive plan to qualify UBIS as the sole company providing support services also calls for maintaining a strategic focus on extra captive market segments, which can be achieved 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 recently 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 between UBIS and another major player in the industry, IBM Italia S.p.A. (IBM), is being negotiated for the provision of services to UBIS related to the management and maintenance of the technological infrastructure (hardware, data center, etc.), currently provided internally by UBIS.

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, last April the subsidiary Localmind S.p.A. was put into voluntary liquidation, on July 1 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 corporate activities were initiated to complete, by the end of this year, the absorption of Fineco Leasing S.p.A. (specializing in real estate leasing) into UniCredit Leasing S.p.A.

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 calls for the absorption of the subsidiary UniCredit Bank Slovakia a.s. (Slovak Republic) into the Czech Republic's subsidiary (UniCredit Bank Czech Republic a.s.). The merger has already been approved by local authorities and should become effective on December 1, 2013. It is expected to create synergies in terms of efficiency, capital structure and liquidity management.

In Ukraine, the project envisages the rationalization of the activities of the two banks that operate in the same market through the absorption of UniCredit Bank Ukraine (UniCredit finalized its acquisition from Bank Pekao on July 16, 2013) into Ukrsootsbank (subsidiary of UniCredit Bank Austria AG). The project - subject to approval by the competent authorities and to the satisfaction of certain conditions - will enable the Group to benefit from the synergies that the merger is expected to create. Provided that all formalities will occur in line with current estimates, the project should be completed by the first quarter of 2014.

Other information (CONTINUED)

Rationalization of Group operations and other corporate transactions (CONTINUED)

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.

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 will become the Group's 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 (which is expected to take place by H1 2014).

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 (at the date of establishment controlled by Nuove Partecipazioni – a company linked to Marco Tronchetti Provera - and in which Clessidra SGR also has a stake) 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; the takeover bid is aimed at delisting Camfin shares and, if possible, shortening the corporate chain by merging Lauro Sessantuno and Camfin.

UniCredit acquired a 10.7% stake in Lauro Sessantuno with an investment of €41 million, which could reach a maximum of €115 million (corresponding to a shareholding of 18.9%) in the event that the aforementioned takeover bid is fully accepted.

Through the investment in Lauro Sessantuno UniCredit will benefit, in terms of an increase in the value of its shareholding, 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. Renault-Nissan will hold 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. The joint venture is expected to become operational as from the end of 2013.

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

In January 2013, UniCredit S.p.A. reduced its stake in Bank Pekao S.A. from 59.2% to 50.1% by selling 9.1% via an accelerated bookbuild open to institutional investors only.

Upon the sale, which yielded approximately €890 million, a gross capital gain of about €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.

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.

Certifications and other communications

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

- a) according to the "Procedures for transactions with related parties", adopted by UniCredit S.p.A.'s Board of Directors on November 9, 2010 and published on the website www.unicreditgroup.eu, in H1 2012 the Bank's Presidio Unico received 4 reports of transactions of greater significance;
- b) during the first half of 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 materially 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 H1 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 see the Consolidated Financial Statements - Notes to the consolidated accounts - Part H.

Capital Strengthening

No capital strengthening measures were adopted during the 2013 first half.

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

In July UniCredit S.p.A. acquired 100% of Bank Pekao's shareholding in UniCredit Bank Ukraine. See Explanatory Notes (Part H) for more details.

Please note that on August 1, 2013 UniCredit S.p.A. sold 9% of Neep Roma Holding S.p.A.'s share capital to Raptor HoldCo LLC, reducing its shareholding from 40% to 31%. At the same time, some credit exposures to AS Roma S.p.A. were sold to ASR TD SPV LLC.

Outlook

After 2012 slowdown, world economy showed weak recovery signals in the first half of 2013. Many advanced countries showed economic activity's stabilization indications, whilst emerging countries highlighted some signals of growth dynamics' set-back, particularly in the second quarter. The trust climate improvement on financial markets, started in 2012 summer as a consequence of the European Central Bank (ECB) actions finalized to eliminate the risk of extreme scenarios for the Euro Area, continued in most of the first half 2013, even though with moments of tension due to the Italian political stalemate and to Cyprus rescue. At the end of May a new volatility increase was registered as a consequence of the Federal Reserve (Fed) announcement of the intention of slowing down the amount of monthly purchases of securities, starting from next autumn.

In the Euro Area, economy shrank by 0.2% in first quarter 2013, as an effect of the domestic demand weakness and the foreign channel deterioration. Regarding the second quarter, main indicators evidenced the start of economic activity's stabilization phase. It is likely that Italy still remains in recession in the second half of this year, albeit with an attenuation of GDP rate decline in comparison to the previous quarter (when there was a reduction of 0.6% q/q). In the second half of 2013, a progressively less severe fiscal consolidation, the expected foreign demand recovery and an initial positive support, in terms of increased liquidity for businesses, resulting from the decree for the payment of arrears of Public Administrations, should bring about a stabilization of the economic activity and the beginning of a phase of gradual recovery also in Italy. In this context, credit dynamics are expected to remain particularly weak throughout the year.

In May, the European Central Bank cut the reference rate, from 0.75% to 0.50%, in the light of indications of weakening growth outlook. During the early July meeting, the ECB introduced a new communication strategy, indicating interest rates unchanged at the current level or lower for an extended period of time, which

will depend on the outlook for inflation, growth and dynamics of credit aggregates. This new communication is designed to oppose the tightening monetary conditions that have taken place in response to the Fed's recommendations about the willingness to slow down the plan for the purchase of securities.

Although the persisting risk of new tensions on financial markets, the continued ECB support, together with the positive outcome of the European banks capital strengthening measures, should support the whole system, fostering a gradual normalization in the activity of credit intermediation.

The continued weakness in global economic conditions, and in particular the Italian one, and the low level of interest rates determined a negative impact on net interest income of the UniCredit group, decreasing in comparison with the first half of last year. The substantial stability of net commissions and trading profit (also thanks to the buy-back of securities issued by the Group) and cost reduction helped to limit the drop in gross operating profit. Asset quality is still negatively impacted by the weak macroeconomic environment, especially in Italy. Consequently, loans loss provisions level remains high, though recording in first half of the year a value much lower than the last year. Financial and liquidity positions were further strengthened, in line with targets.

In the second half of the year the Group's results will continue to be affected by the evolution of the macroeconomic environment, in particular in Italy.

Moreover the geographical and sectorial diversification will remain a relevant mitigation factor. Revenues will be affected by the still weak credit demand and by interest rates which will continue to remain at minimum levels, in addition to the ending of the positive contribution of the buy-back operations carried out in first half of the year. In a such a context, the cost discipline will continue to remain high, as well as the attention to the financial and liquidity position.

Milan - August 6, 2013

Chairman
GIUSEPPE VITA



THE BOARD OF DIRECTORS

CEO
FEDERICO GHIZZONI





PLANNING

Customer care that crosses national boundaries



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

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

Condensed Interim Consolidated Financial Statements

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Notes:

The following conventional symbols have been used in the tables:

- a dash (-) indicates that the item/figures is inexistent;
- two stops (..) or "n.s." when the figures do not reach the minimum considered significant or are not in any case considered significant;
- "n.a." indicates that the figure is not available;
- "X" indicates an item not be completed under Banca d'Italia instructions.

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

Consolidated Accounts

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Consolidated Balance Sheet

Consolidated Balance Sheet

(€ '000)

| BALANCE SHEET - ASSETS | AMOUNTS AS AT | |
|---|--------------------|--------------------|
| | 06.30.2013 | 12.31.2012 |
| 10. Cash and cash balances | 7,185,422 | 7,569,998 |
| 20. Financial assets held for trading | 93,771,944 | 107,118,564 |
| 30. Financial assets at fair value through profit or loss | 27,933,910 | 25,025,015 |
| 40. Available-for-sale financial assets | 80,167,511 | 73,594,948 |
| 50. Held-to-maturity investments | 5,425,472 | 6,207,867 |
| 60. Loans and receivables with banks | 66,906,669 | 74,474,975 |
| 70. Loans and receivables with customers | 532,770,593 | 547,144,057 |
| 80. Hedging derivatives | 12,774,497 | 17,691,334 |
| 90. Changes in fair value of portfolio hedged items (+/-) | 3,239,378 | 3,155,541 |
| 100. Investments in associates and joint ventures | 3,930,518 | 3,858,440 |
| 110. Insurance reserves attributable to reinsures | - | 792 |
| 120. Property, plant and equipment | 11,645,438 | 11,832,785 |
| 130. Intangible assets | 15,446,870 | 15,658,004 |
| <i>of which: - goodwill</i> | <i>11,566,846</i> | <i>11,677,608</i> |
| 140. Tax assets | 17,479,585 | 18,070,218 |
| <i>a) current tax assets</i> | <i>907,158</i> | <i>1,070,531</i> |
| <i>b) deferred tax assets</i> | <i>16,572,427</i> | <i>16,999,687</i> |
| <i>out of which for purposes of L. 214/2011</i> | <i>9,045,603</i> | <i>9,444,621</i> |
| 150. Non-current assets and disposal groups classified as held for sale | 526,199 | 3,967,553 |
| 160. Other assets | 10,427,837 | 11,467,636 |
| Total assets | 889,631,843 | 926,837,727 |

| BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY | AMOUNTS AS AT | |
|---|--------------------|--------------------|
| | 06.30.2013 | 12.31.2012 |
| 10. Deposits from banks | 129,248,557 | 117,445,187 |
| 20. Deposits from customers | 405,220,583 | 409,513,673 |
| 30. Debt securities in issue | 159,528,729 | 170,451,195 |
| 40. Financial liabilities held for trading | 77,216,127 | 99,123,193 |
| 50. Financial liabilities at fair value through profit or loss | 674,912 | 851,754 |
| 60. Hedging derivatives | 11,506,576 | 14,539,525 |
| 70. Changes in fair value of portfolio hedged items (+/-) | 4,711,367 | 6,769,264 |
| 80. Tax liabilities | 5,020,329 | 7,888,547 |
| <i>a) current tax liabilities</i> | <i>988,326</i> | <i>3,258,842</i> |
| <i>b) deferred tax liabilities</i> | <i>4,032,003</i> | <i>4,629,705</i> |
| 90. Liabilities included in disposal groups classified as held for sale | 298,308 | 3,559,812 |
| 100. Other liabilities | 20,966,639 | 20,951,805 |
| 110. Provision for employee severance pay | 1,148,525 | 1,176,953 |
| 120. Provisions for risks and charges | 8,912,447 | 9,091,431 |
| <i>a) post retirement benefit obligations</i> | <i>5,826,484</i> | <i>5,577,630</i> |
| <i>b) other reserves</i> | <i>3,085,963</i> | <i>3,513,801</i> |
| 130. Insurance reserves | 26,237 | 227,737 |
| 140. Revaluation reserves | (2,766,696) | (1,808,870) |
| 170. Reserves | 19,748,208 | 10,001,793 |
| 180. Share premium | 23,879,202 | 32,877,938 |
| 190. Issued capital | 19,654,856 | 19,647,949 |
| 200. Treasury shares (-) | (3,686) | (5,049) |
| 210. Minorities (+/-) | 3,830,714 | 3,668,999 |
| 220. Net Profit (Loss) for the year (+/-) | 809,909 | 864,891 |
| Total liabilities and Shareholders' Equity | 889,631,843 | 926,837,727 |

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 €227,737 to -€977,692 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 | AS AT | |
|--|--------------------|--------------------|
| | 06.30.2013 | 06.30.2012 |
| 10. Interest income and similar revenues | 12,647,535 | 14,415,340 |
| 20. Interest expenses and similar charges | (6,222,570) | (7,321,012) |
| 30. Net interest margin | 6,424,965 | 7,094,328 |
| 40. Fee and commission income | 4,737,763 | 4,724,374 |
| 50. Fee and commission expense | (841,506) | (806,720) |
| 60. Net fees and commissions | 3,896,257 | 3,917,654 |
| 70. Dividend income and similar revenue | 160,572 | 126,077 |
| 80. Gains and losses on financial assets and liabilities held for trading | 745,796 | 834,070 |
| 90. Fair value adjustments in hedge accounting | (2,909) | (53,018) |
| 100. Gains and losses on disposal of: | 661,016 | 1,070,489 |
| <i>a) loans</i> | <i>(9,973)</i> | <i>(1,325)</i> |
| <i>b) available-for-sale financial assets</i> | <i>243,012</i> | <i>190,728</i> |
| <i>c) held-to-maturity investments</i> | <i>3,352</i> | <i>(5,307)</i> |
| <i>d) financial liabilities</i> | <i>424,625</i> | <i>886,393</i> |
| 110. Gains and losses on financial assets/liabilities at fair value through profit or loss | 126,657 | (58,362) |
| 120. Operating income | 12,012,354 | 12,931,238 |
| 130. Impairment losses on: | (2,947,478) | (3,207,677) |
| <i>a) loans</i> | <i>(2,866,175)</i> | <i>(3,070,781)</i> |
| <i>b) available-for-sale financial assets</i> | <i>(52,570)</i> | <i>(62,023)</i> |
| <i>c) held-to-maturity investments</i> | <i>(8)</i> | <i>(15,830)</i> |
| <i>d) other financial assets</i> | <i>(28,725)</i> | <i>(59,043)</i> |
| 140. Net profit from financial activities | 9,064,876 | 9,723,561 |
| 150. Premiums earned (net) | 88,804 | 76,725 |
| 160. Other income (net) from insurance activities | (70,580) | (62,476) |
| 170. Net profit from financial and insurance activities | 9,083,100 | 9,737,810 |
| 180. Administrative costs: | (7,197,814) | (7,276,158) |
| <i>a) staff expense</i> | <i>(4,435,870)</i> | <i>(4,567,656)</i> |
| <i>b) other administrative expense</i> | <i>(2,761,944)</i> | <i>(2,708,502)</i> |
| 190. Net provision for risks and charges | (179,064) | (83,741) |
| 200. Impairment/write-backs on property, plant and equipment | (368,479) | (391,798) |
| 210. Impairment/write-backs on intangible assets | (321,213) | (294,515) |
| 220. Other net operating income | 549,153 | 343,847 |
| 230. Operating costs | (7,517,417) | (7,702,365) |
| 240. Profit (loss) of associates | 75,676 | 69,752 |
| 250. Gains and losses on tangible and intangible assets measured at fair value | (942) | 4 |
| 260. Impairment of goodwill | - | (2,416) |
| 270. Gains and losses on disposal of investments | 55,373 | 60,117 |
| 280. Total profit or loss before tax from continuing operations | 1,695,790 | 2,162,902 |
| 290. Tax expense (income) related to profit or loss from continuing operations | (592,058) | (900,694) |
| 300. Total profit or loss after tax from continuing operations | 1,103,732 | 1,262,208 |
| 310. Profit (loss) after tax from discontinued operations | (107,499) | (12,879) |
| 320. Net Profit or Loss for the year | 996,233 | 1,249,329 |
| 330. Minorities | (186,324) | (166,424) |
| 340. Holdings Income (Loss) of the year | 809,909 | 1,082,905 |

| | | |
|--------------------------------|------|------|
| Earnings per share (€) | 0.14 | 0.21 |
| Diluted earnings per share (€) | 0.14 | 0.20 |

Notes:

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

Comparative figures as at June 30, 2012 are different from those disclosed in the 2012 first half financial report as a result of the restatement, for comparative purposes, of:

- the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD.) that in accordance with IFRS5 are now shown under item "310. Profit (loss) after tax from discontinued operations";
- interest income from impaired assets whose book value was written down and reversals connected with the passing of time from item "10. Interest income and similar revenues" to item "130. Impairment losses on loans" as a result of the reclassification carried out by three Group companies in the first half of 2013.

Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income

(€ '000)

| ITEMS | AS AT | |
|--|--------------------|------------------|
| | 06.30.2013 | 06.30.2012 |
| 10. Net Profit (Loss) for the year | 996,233 | 1,249,329 |
| Other comprehensive income after tax not to be recycled to income statement | | |
| 20. Property plant and equipment | - | - |
| 30. Intangible assets | - | - |
| 40. Actuarial gains (losses) on defined benefits plans | (259,955) | - |
| 50. Non current assets classified as held for sale | 502 | 190 |
| 60. Valuation reserves from investments accounted for using the equity method | - | - |
| Other comprehensive income after tax to be recycled to P&L | | |
| 70. Hedges of foreign investments | - | - |
| 80. Exchange differences | (707,172) | 552,929 |
| 90. Cash flow hedges | (191,532) | 29,582 |
| 100. Available-for-sale financial assets | (53,855) | 693,643 |
| 110. Non current assets classified as held for sale | - | - |
| 120. Valuation reserves from investments accounted for using the equity method | 75,338 | 163,543 |
| 130. Total of other comprehensive income after tax | (1,136,674) | 1,439,887 |
| 140. Comprehensive income after tax (item 10+130) | (140,441) | 2,689,216 |
| 150. Consolidated comprehensive income attributable to minorities | 7,401 | (312,548) |
| 160. Consolidated comprehensive income attributable to Parent Company | (133,040) | 2,376,668 |

Figures as at June 30, 2012 were restated following the classification - carried out in 2012 - of the following companies as discontinued operations:

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

Statement of changes in Shareholders' Equity

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

Statement of changes in Shareholders' Equity as at June 30, 2013

(€ '000)

| | BALANCE AS AT 12.31.2012 | CHANGE IN OPENING BALANCE | BALANCE AS AT 01.01.2013 | ALLOCATION OF PROFIT FROM PREVIOUS YEAR | | CHANGES DURING THE PERIOD | | | | | | | TOTAL SHAREHOLDERS' EQUITY AS AT 06.30.2013 | SHAREHOLDERS' EQUITY GROUP AS AT 06.30.2013 | SHAREHOLDERS' EQUITY MINORITIES AS AT 06.30.2013 | |
|-----------------------------------|--------------------------|---------------------------|--------------------------|---|-----------|---------------------------|-----------------------------------|--------------------------------|---|------------------------------|-----------------------|---------------|---|---|--|--------------------------------|
| | | | | RESERVES | DIVIDENDS | CHANGES IN RESERVES | SHAREHOLDERS' EQUITY TRANSACTIONS | | | | | | | | | |
| | | | | | | | ISSUE OF NEW SHARES | ACQUISITION OF TREASURY SHARES | DISTRIBUTION OF EXTRAORDINARY DIVIDENDS (*) | CHANGE IN EQUITY INSTRUMENTS | OWN SHARE DERIVATIVES | STOCK OPTIONS | | | | COMPREHENSIVE INCOME (H1 2013) |
| Issued capital: | | | | | | | | | | | | | | | | |
| a) ordinary shares | 20,052,977 | | 20,052,977 | | | 38,066 | 6,907 | | | | | | 20,097,950 | 19,646,630 | 451,320 | |
| b) other shares | 8,226 | | 8,226 | | | | | | | | | | 8,226 | 8,226 | - | |
| Share premiums | 34,649,500 | | 34,649,500 | (219,783) | | (8,560,774) | | | | | | | 25,868,943 | 23,879,202 | 1,989,741 | |
| Reserves: | | | | | | | | | | | | | | | | |
| a) from profits | 11,002,058 | | 11,002,058 | 1,157,104 | | 2,974,023 | (6,907) | | (512,535) | | | | 14,613,743 | 13,386,433 | 1,227,310 | |
| b) other | 84,882 | | 84,882 | | | 6,347,660 | | | | | 47,974 | | 6,480,516 | 6,361,775 | 118,741 | |
| Revaluation reserves | (1,767,269) | | (1,767,269) | | | (5,272) | | | | | | (1,136,674) | (2,909,215) | (2,766,696) | (142,519) | |
| Treasury shares | (5,255) | | (5,255) | | | 1,366 | | | | | | | (3,889) | (3,686) | (203) | |
| Net profit or Loss for the period | 1,222,532 | | 1,222,532 | (937,321) | (285,211) | | | | | | | 996,233 | 996,233 | 809,909 | 186,324 | |
| Total Shareholders' Equity | 65,247,651 | - | 65,247,651 | - | (285,211) | 795,069 | - | - | (512,535) | - | - | 47,974 | (140,441) | 65,152,507 | 61,321,793 | 3,830,714 |
| Shareholders' Equity Group | 61,578,652 | - | 61,578,652 | - | (3,200) | 343,942 | - | - | (512,535) | - | - | 47,974 | (133,040) | 61,321,793 | | |
| Shareholders' Equity minorities | 3,668,999 | | 3,668,999 | | (282,011) | 451,127 | | | | | | | (7,401) | 3,830,714 | | |

(*) As resolved by GM on May 11, 2013.

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 amounts disclosed in column "Stock options" 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 Group and minorities Equity reserves other than revaluation reserves principally relate to the effects of the sale of 9.1% of Pekao S.A., in which UniCredit still has a controlling interest, for an amount of €893 million.

Statement of changes in Shareholders' Equity as at June 30, 2012

(€ '000)

| | BALANCE AS AT 12.31.2011 | CHANGE IN OPENING BALANCE | BALANCE AS AT 01.01.2012 | ALLOCATION OF PROFIT FROM PREVIOUS YEAR | | CHANGES DURING THE PERIOD | | | | | | | TOTAL SHAREHOLDERS' EQUITY AS AT 06.30.2012 | SHAREHOLDERS' EQUITY GROUP AS AT 06.30.2012 | SHAREHOLDERS' EQUITY MINORITIES AS AT 06.30.2012 | |
|-----------------------------------|--------------------------|---------------------------|--------------------------|---|-----------|---------------------------|-----------------------------------|--------------------------------|---|------------------------------|-----------------------|--------------------------------|---|---|--|---------------|
| | | | | RESERVES | DIVIDENDS | CHANGES IN RESERVES | SHAREHOLDERS' EQUITY TRANSACTIONS | | | | | COMPREHENSIVE INCOME (H1 2012) | | | | |
| | | | | | | | ISSUE OF NEW SHARES | ACQUISITION OF TREASURY SHARES | DISTRIBUTION OF EXTRAORDINARY DIVIDENDS | CHANGE IN EQUITY INSTRUMENTS | OWN SHARE DERIVATIVES | | | | | STOCK OPTIONS |
| Issued capital: | | | | | | | | | | | | | | | | |
| a) ordinary shares | 12,600,516 | | 12,600,516 | | | 846 | 7,506,519 | | | | | | 20,107,881 | 19,639,723 | 468,158 | |
| b) other shares | 15,259 | | 15,259 | | | | (7,033) | | | | | | 8,226 | 8,226 | - | |
| Share premiums | 38,591,316 | | 38,591,316 | (3,945,277) | | 2,288 | | | | | | | 34,648,327 | 32,877,938 | 1,770,389 | |
| Reserves: | | | | | | | | | | | | | | | | |
| a) from profits | 16,267,044 | | 16,267,044 | (5,070,063) | | (166,801) | (277) | | | | | | 11,029,903 | 10,054,343 | 975,560 | |
| b) other | 216,420 | | 216,420 | (12,771) | | (46,550) | (144,978) | | | | 30,350 | | 42,471 | (76,270) | 118,741 | |
| Revaluation reserves | (4,043,335) | (100,847) | (4,144,182) | | | 1,571 | | | | | | 1,439,887 | (2,702,724) | (2,648,932) | (53,792) | |
| Treasury shares | (7,960) | | (7,960) | | | (252) | | | | | | | (8,212) | (7,872) | (340) | |
| Net profit or Loss for the period | (8,841,682) | | (8,841,682) | 9,028,111 | (186,429) | | | | | | | 1,249,329 | 1,249,329 | 1,082,905 | 166,424 | |
| Total Shareholders' Equity | 54,797,578 | (100,847) | 54,696,731 | - | (186,429) | (208,898) | 7,354,231 | - | - | - | - | 30,350 | 2,689,216 | 64,375,201 | 60,930,061 | 3,445,140 |
| Shareholders' Equity Group | 51,479,333 | (100,847) | 51,378,486 | - | (2,100) | (207,574) | 7,354,231 | - | - | - | - | 30,350 | 2,376,668 | 60,930,061 | | |
| Shareholders' Equity minorities | 3,318,245 | | 3,318,245 | | (184,329) | (1,324) | | | | | | 312,548 | 3,445,140 | | | |

Balances as at December 31, 2011 differ by €3,275.8 million 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. The impact of this review on a consolidated basis is different from the impact on UniCredit S.p.A. as a result of the reserves from business combinations that have no impacts on a consolidated basis.

The amount of -€101 million disclosed in column "Change in opening balance" 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.

The amounts disclosed in column "Stock options" 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).

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

Consolidated Cash Flow Statement (indirect method)

Consolidated Cash Flow Statement (indirect method)

(€ '000)

| | AS AT | |
|--|---------------------|--------------------|
| | 06.30.2013 | 06.30.2012 |
| A. OPERATING ACTIVITIES | - | - |
| 1. Operations | 6,819,500 | 7,607,201 |
| - profit and loss of the period (+/-) | 809,909 | 1,082,905 |
| - capital gains/losses on financial assets/liabilities held for trading and on assets/liabilities designated at fair value through profit and loss (+/-) | 105,259 | 268,708 |
| - capital gains/losses on hedging operations (+/-) | 2,909 | 53,018 |
| - net write-offs/write-backs due to impairment (+/-) | 4,120,152 | 4,197,491 |
| - net write-offs/write-backs on tangible and intangible assets (+/-) | 690,634 | 686,309 |
| - provisions and other incomes/expenses (+/-) | 408,479 | 303,590 |
| - not cashed net premiums (-) | - | - |
| - other not collected incomes and expenses from insurance activities | - | - |
| - not paid tax (+) | 360,363 | 681,609 |
| - Impairment/write-backs on discontinued operations | 132,777 | 110,890 |
| - other adjustments (+) | 189,018 | 222,681 |
| 2. Liquidity generated/absorbed by financial assets | 17,528,988 | (3,730,466) |
| - financial assets held for trading | 13,034,748 | 7,593,590 |
| - financial assets at fair value | (2,806,572) | 6,826,161 |
| - available-for-sale financial assets | (7,450,429) | (7,688,124) |
| - loans and receivables with banks | 7,046,333 | (8,734,108) |
| - loans and receivables with customers | 6,722,281 | 895,781 |
| - other assets | 982,627 | (2,623,766) |
| 3. Liquidity generated/absorbed by financial liabilities | (24,473,904) | 9,195,265 |
| - deposits from banks | 12,092,485 | (5,044,247) |
| - deposits from customers | (1,071,430) | 16,834,143 |
| - debt certificates including bonds | (10,616,967) | (129,158) |
| - financial liabilities held for trading | (21,854,271) | (3,502,919) |
| - financial liabilities designated at fair value | (176,842) | 790 |
| - other liabilities | (2,846,879) | 1,036,656 |
| Net liquidity generated/absorbed by operating activities | (125,416) | 13,072,000 |
| B. INVESTMENT ACTIVITIES | - | - |
| 1. Liquidity generated/absorbed by: | | |
| - equity investments | (94,571) | - |
| - collected dividends on equity investments | 171,791 | 59,700 |
| - financial assets held to maturity | 745,734 | 1,758,027 |
| - tangible assets | (275,655) | (258,480) |
| - intangible assets | (247,601) | (235,197) |
| - sales/purchases of subsidiaries and divisions | 355,338 | 1,934 |
| Net liquidity generated/absorbed by investment activities | 655,036 | 1,325,984 |
| C. FUNDING ACTIVITIES | | |
| - issue/purchase of treasury shares | - | 7,354,231 |
| - issue/purchase of equity instruments | - | - |
| - distribution of dividends and other scopes | (838,438) | (226,735) |
| Net liquidity generated/absorbed by funding activities | (838,438) | 7,127,496 |
| NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD | (308,818) | 21,525,480 |

Key:

(+) generated;

(-) absorbed.

Continued: Consolidated Cash Flow Statement (indirect method)

Reconciliation

(€ '000)

| | AS AT | |
|---|------------------|-------------------|
| | 06.30.2013 | 06.30.2012 |
| Cash and cash equivalents at the beginning of the period | 7,569,998 | 9,728,137 |
| Net liquidity generated/absorbed during the period | (308,818) | 21,525,480 |
| Cash and cash equivalents: effect of exchange rate variations | (75,758) | 53,253 |
| Cash and cash equivalents at the end of the period | 7,185,422 | 31,306,870 |

Figures relating to June 30, 2012 were restated following the classification (in accordance with IFRS5) - carried out in 2012 - as "discontinued operations" of the following companies:

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

For this reason, Net liquidity absorbed as at June 30, 2012 does not include the portion relating to the group of Kazakh companies amounting to -€170,624 thousand.

Explanatory Notes

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Part A - Accounting Policies

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Part A - Accounting Policies

A.1 - General

Section 1 - Statement of Compliance with IFRSs

This Consolidated First Half Financial Report has 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 June 30, 2013, pursuant to EU Regulation 1606/2002 which was incorporated into Italy's legislation through the Legislative Decree no. 38 dated February 28, 2005 and as required by art. 154-ter 3 of the Single Finance Act (TUF, Leg. Decree no. 58 dated. 2/24/1998).

As required by art. 154-ter 2 TUF, this Consolidated First Half Financial Report includes the Condensed Interim Consolidated Financial Statements, the Interim Report on Operations and the attestation required by art. 154-bis 5 TUF.

The contents of this Condensed Interim Consolidated Financial Statements are in line with IAS 34 on interim reporting. In accordance with § 10 IAS 34, UniCredit has opted to provide Condensed First Half Consolidated Accounts.

This Condensed Interim Consolidated Financial Statements are subject to a limited audit of the accounts by Deloitte & Touche S.p.A. pursuant to LD 39/2010 and the resolution passed by the Shareholders' Meeting on May 11, 2012.

Section 2 - Preparation Criteria

As mentioned above, these Consolidated Accounts have been prepared in accordance with the IFRS endorsed by the European Commission. The following documents have been used to interpret and support the application of IFRS, even though they have not all been endorsed by the European Commission:

- Framework for the Preparation and Presentation of Financial Statements issued by the IASB in 2010;
- Implementation Guidance, Basis for Conclusions, IFRICs and any other documents prepared by the IASB or International Financial Reporting Interpretations Committee (IFRIC) supplementing the IFRS;
- Interpretative documents on the application of IFRS in Italy prepared by the Organismo Italiano di Contabilità (OIC) and Associazione Bancaria Italiana (ABI);
- ESMA (European Securities and Markets Authority) and Consob documents on the application of specific IFRS provisions.

This Condensed Interim Consolidated First Half Financial Statements comprises 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), the Notes to the Accounts and Annexes.

These are in line with Banca d'Italia schedules as prescribed by Circular 262 dated December 22, 2005 (first amendment dated November 18, 2009 and further amendments issued through subsequent circular letters), in that they give comparative figures, as at December 31, 2012 for the balance sheet and as at June 30, 2012 for the profit and loss account, the comprehensive income statement, the statement of changes in equity and the cash-flow statement.

Figures in the schedules and explanatory notes are given in **thousands of euros**, if not 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 First Half Financial Report as at June 30, 2013 has been prepared on a going concern basis.

The measurement criteria adopted are therefore consistent with this assumption and with the principles of accrual based accounting, the relevance and materiality of accounting information, and the prevalence of economic substance over legal form. These criteria have not changed with respect to the previous year, except for the modifications described in section A.2 "The Main Items of the Accounts" relating to the introduction of new standards and interpretations.

Risk and uncertainty due to use of estimated figures

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 June 30, 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 June 30, 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;
- loans and receivables, investments and, in general, any other financial assets/liabilities;
- severance pay (Italy) and other employee benefits;
- provisions for risks and charges and contingent assets;
- goodwill and other intangible assets;
- assets and liabilities related to insurance contracts;
- deferred tax assets.

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

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

Section 3 - Consolidation Procedures and Scope

Consolidation criteria and principles used to prepare the consolidated First Half Financial Report as at June 30, 2013 are as follows.

Accounts used for consolidation

For the preparation of the Consolidated First Half Financial Report as at June 30, 2013, the following sources have been used:

- Parent company UniCredit S.p.A first-half accounts;
- the first-half accounts of other fully consolidated subsidiaries duly reclassified and adjusted in order to take account of consolidation needs and, where necessary, to align them to the Group accounting principles;
- the sub-consolidated first-half Accounts of Compagnia Italtipetroli Group including Compagnia Italtipetroli S.p.A. and its direct and indirect subsidiaries.

Balance Sheet items in foreign currencies are converted at closing exchange rates; the average exchange rate for the year is used for the profit and loss account, which is considered a valid approximation of the rate of exchange at the date of the transaction.

The income statements and the balance sheets of the main fully consolidated subsidiaries prepared under IFRS are subject to audit by leading audit companies.

Subsidiaries

Subsidiaries are entities of which:

- the Parent 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 owns half or less of the voting power and has:
 - power over more than half of the voting rights by virtue of an agreement with other investors;
 - power to govern the financial and operating policies of the entity under a statute or an agreement;
 - power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
 - power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

Part A - Accounting Policies (CONTINUED)

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.

SIC 12 requires UniCredit to consolidate special purpose entities, provided that, 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 interest.

The carrying amount of an investment in a fully or proportionately consolidated entity held by the Parent or another Group company is eliminated against the recognition of the subsidiary's assets and liabilities as well as the Group's portion of equity of the subsidiary.

Intragroup balances, off-balance sheet transactions, income and expenses and gain/losses between consolidated companies are eliminated in full or proportionately, in accordance with the consolidation procedures adopted.

A subsidiary's income and expenses are included in 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., when 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 is recognized in item 270. "Gains (Losses) on disposal of investments" in profit and loss.

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 of the consolidated profit and loss account.

On first-time consolidation, subsidiaries are measured at fair value as at the acquisition date, i.e. at the cost of obtaining control of the subsidiary inclusive of ancillary costs.

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 is neither a subsidiary nor an interest in a joint venture.

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, or
- is able, also through shareholders' agreements, 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 profit or loss. 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, companies recognized under proportionate consolidation and valued at equity

| | | OWNERSHIP RELATIONSHIP | | | |
|-------------------------|---|-------------------------------------|---------|---|------------------------------|
| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | HELD BY | HOLDING % | VOTING RIGHTS ⁽²⁾ |
| A. COMPANY | | | | | |
| A.1 LINE BY LINE METHOD | | | | | |
| 1 | UNICREDIT SPA | ROME | | HOLDING | |
| 2 | A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG | MUNICH | 1 | GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND) | 100.00 |
| 3 | ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. OBERBAUM CITY KG | GRUNWALD | 1 | SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | 100.00 98.11 |
| 4 | ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. PARKKOLONNADEN KG | GRUNWALD | 1 | A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG | 100.00 98.11 |
| | | | | ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | .. 1.89 |
| 5 | ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. STUTTGART KRONPRINZSTRASSE KG | GRUNWALD | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 100.00 98.11 |
| 6 | ACTIVE ASSET MANAGEMENT GMBH | GRUNWALD | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100.00 |
| 7 | AGROB IMMOBILIEN AG | ISMANING | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 52.72 75.02 |
| 8 | AI BETEILIGUNGS GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 |
| 9 | ALINT 458 GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | BAD HOMBURG | 1 | UNICREDIT LEASING S.P.A. | 100.00 |
| 10 | ALLEGRO LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 ⁽⁷⁾ |
| 11 | ALLIB LEASING S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100.00 |
| 12 | ALLIB NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA | ZAGREB | 1 | UNICREDIT LEASING S.P.A. | 100.00 |
| 13 | ALLIB ROM S.R.L. | BUCHAREST | 1 | UNICREDIT LEASING S.P.A. | 100.00 |
| 14 | ALMS LEASING GMBH. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100.00 |
| 15 | ALPINE CAYMAN ISLANDS LTD. | GEORGE TOWN | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 |
| 16 | ALTUS ALPHA PLC | DUBLIN | 4 | UNICREDIT BANK AG | .. ⁽³⁾ |
| 17 | ALV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 ⁽⁷⁾ |
| 18 | AMBASSADOR PARC DEDINJE D.O.O. BEOGRAD | BELGRADE | 1 | UCTAM D.O.O. BEOGRAD | 100.00 |
| 19 | ANI LEASING IFN S.A. | BUCHAREST | 1 | UNICREDIT GLOBAL LEASING EXPORT GMBH | 10.01 |
| | | | | UNICREDIT LEASING S.P.A. | 89.99 |
| 20 | ANTARES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 ⁽⁷⁾ |
| 21 | ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 90.00 |
| 22 | ARABELLA FINANCE LTD. | DUBLIN | 4 | UNICREDIT BANK AG | .. ^{(3) (4)} |
| 23 | ARANY PENZUEGYI LIZING ZRT. | BUDAPEST | 1 | UNICREDIT BANK HUNGARY ZRT. | 100.00 |
| 24 | ARGENTAUROS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH | 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 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 ⁽⁷⁾ |
| 26 | ARRONDA IMMOBILIENVERWALTUNGS GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 100.00 |
| 27 | ARTIST MARKETING ENTERTAINMENT GMBH | VIENNA | 1 | MY BETEILIGUNGS GMBH | 100.00 |
| 28 | AS UNICREDIT BANK, LATVIA | RIGA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 |
| 29 | ATLANTERRA IMMOBILIENVERWALTUNGS GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 90.00 |
| 30 | AUFBAU DRESDEN GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 100.00 |

Part A - Accounting Policies (CONTINUED)

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|--|-------------|-------------------------------------|---|-----------|------------------------------|
| | | | HELD BY | HOLDING % | |
| 31 AUSTRIA LEASING GMBH | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 0.40 | |
| | | | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99.40 | 99.60 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 32 AWT HANDELS GESELLSCHAFT M.B.H. | VIENNA | 1 | AWT INTERNATIONAL TRADE GMBH | 100.00 | |
| 33 AWT INTERNATIONAL TRADE GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 34 B.I. INTERNATIONAL LIMITED | GEORGE TOWN | 1 | TRINITRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG | 100.00 | |
| 35 BA ALPINE HOLDINGS, INC. | WILMINGTON | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 36 BA BETRIEBSOBJEKTE GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 37 BA BETRIEBSOBJEKTE GMBH & CO BETA VERMIETUNGS OG | VIENNA | 1 | BA BETRIEBSOBJEKTE GMBH | 99.90 | |
| | | | MY DREI HANDELS GMBH | 0.10 | |
| 38 BA BETRIEBSOBJEKTE PRAHA, SPOL.S.R.O. | 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 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 5.10 | ⁽⁷⁾ |
| 40 BA CA SECUND LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 41 BA CREDITANSTALT BULUS EOOD | SOFIA | 1 | HVB LEASING OOD | 100.00 | |
| 42 BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100.00 | |
| 43 BA GEBAEUDEVERMIETUNGSGMBH | VIENNA | 1 | BA GVG-HOLDING GMBH | 70.00 | |
| 44 BA GVG-HOLDING GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 45 BA IMMO GEWINNSCHEIN FONDS1 | VIENNA | 4 | UNICREDIT BANK AUSTRIA AG | .. | ⁽⁸⁾ |
| 46 BA PRIVATE EQUITY GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 47 BA-CA ANDANTE LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100.00 | |
| 48 BA-CA FINANCE (CAYMAN) II LIMITED | GEORGE TOWN | 1 | ALPINE CAYMAN ISLANDS LTD. | 100.00 | |
| 49 BA-CA FINANCE (CAYMAN) LIMITED | GEORGE TOWN | 1 | ALPINE CAYMAN ISLANDS LTD. | 100.00 | |
| 50 BA-CA INFRASTRUCTURE FINANCE ADVISORY GMBH | VIENNA | 1 | ZETA FUENF HANDELS GMBH | 100.00 | |
| 51 BA-CA LEASING DREI GARAGEN GMBH | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 52 BA-CA LEASING MAR IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 53 BA-CA LEASING MODERATO D.O.O. | LJUBLJANA | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 54 BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H. | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 55 BA-CA PRESTO LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 56 BA-CA WIEN MITTE HOLDING GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 57 BA/CA-LEASING BETEILIGUNGEN GMBH | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 58 BACA CENA IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 59 BACA CHEOPS LEASING GMBH | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 60 BACA HYDRA LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 61 BACA KOMMUNALLEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100.00 | |
| 62 BACA LEASING ALFA S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 63 BACA LEASING CARMEN GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 64 BACA LEASING GAMA S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 65 BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 98.80 | 99.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 1.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 66 BACA NEKRETNINE DOO | SARAJEVO | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|--|-------------|--|--|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 67 BACA-LEASING AQUILA INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 68 BACA-LEASING GEMINI INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 69 BACA-LEASING OMIKRON INGATLANHASZNOSTO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 70 BACAL ALPHA DOO ZA POSLOVANJE NEKRETNINAMA | ZAGREB | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 71 BACAL BETA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA | ZAGREB | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 72 BAL CARINA IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 73 BAL DEMETER IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 74 BAL HESTIA IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 75 BAL HORUS IMMOBILIEN LEASING GMBH | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 76 BAL HYPNOS IMMOBILIEN LEASING GMBH | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 77 BAL LETO IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 78 BAL OSIRIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 79 BAL PAN IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 80 BAL SOBEK IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 81 BALEA SOFT GMBH & CO. KG | HAMBURG | 1 | UNICREDIT LEASING GMBH | 100.00 | |
| 82 BALEA SOFT VERWALTUNGSGESELLSCHAFT MBH | HAMBURG | 1 | UNICREDIT LEASING GMBH | 100.00 | |
| 83 BANDON LEASING LTD. | DUBLIN | 4 | UNICREDIT BANK AG | .. | ⁽⁸⁾ |
| 84 BANK AUSTRIA CREDITANSTALT LEASING IMMOBILIENANLAGEN GMBH | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 85 BANK AUSTRIA FINANZSERVICE GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 86 BANK AUSTRIA HUNGARIA BETA LEASING KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 87 BANK AUSTRIA IMMOBILIENSERVICE GMBH | VIENNA | 1 | PLANETHOME AG | 100.00 | |
| 88 BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH | VIENNA | 1 | RONDO LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 89 BANK AUSTRIA LEASING HERA IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 90 BANK AUSTRIA LEASING IKARUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 91 BANK AUSTRIA LEASING MEDEA IMMOBILIEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 92 BANK AUSTRIA REAL INVEST CLIENT INVESTMENT GMBH | VIENNA | 1 | BANK AUSTRIA REAL INVEST GMBH | 100.00 | |
| 93 BANK AUSTRIA REAL INVEST GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 94.95 | |
| 94 BANK AUSTRIA REAL INVEST IMMOBILIEN-KAPITALANLAGE GMBH | VIENNA | 1 | BANK AUSTRIA REAL INVEST GMBH | 100.00 | |
| 95 BANK AUSTRIA WOHNBAUBANK AG | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 96 BANK PEKAO SA | WARSAW | 1 | UNICREDIT SPA | 50.10 | |
| 97 BANKHAUS NEELMEYER AG | BREMA | 1 | UNICREDIT BANK AG | 100.00 | |
| 98 BARODA PIONEER ASSET MANAGEMENT COMPANY LTD | MUMBAI | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 51.00 | |

Part A - Accounting Policies (CONTINUED)

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|---|-----------------|--|---|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 99 BARODA PIONEER TRUSTEE COMPANY PVT LTD | MUMBAI | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 51.00 | |
| 100 BAULANDENTWICKLUNG GDST 1682/8 GMBH & CO OEG | VIENNA | 1 | CALG ANLAGEN LEASING GMBH | 1.00 | |
| | | | CALG IMMOBILIEN LEASING GMBH | 99.00 | |
| 101 BDK CONSULTING | LUCK | 1 | PUBLIC JOINT STOCK COMPANY UNICREDIT BANK | 100.00 | |
| 102 BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100.00 | |
| 103 BIL IMMOBILIEN FONDS GMBH & CO OBJEKT PERLACH KG | MUNICH | 1 | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | 94.78 | 93.87 |
| | | | WEALTHCAP LEASING GMBH | 5.22 | 5.14 |
| 104 BIL LEASING-FONDS GMBH & CO VELUM KG | MUNICH | 1 | BIL LEASING-FONDS VERWALTUNGS-GMBH | .. | 33.33 |
| | | | UNICREDIT BANK AG | 100.00 | 33.33 |
| 105 BIL LEASING-FONDS VERWALTUNGS-GMBH | MUNICH | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100.00 | |
| 106 BLUE CAPITAL EUROPA IMMOBILIEN GMBH & CO. ACHE OBJEKTE GROSSBRITANNIEN KG | HAMBURG | 1 | WEALTHCAP FONDS GMBH | 90.91 | |
| | | | WEALTHCAP INVESTORENBETREUUNG GMBH | 9.09 | |
| 107 BORGO DI PEROLLA SRL | MASSA MARITTIMA | 1 | FONDIARIA LASA SPA | 100.00 | |
| 108 BREWO GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 109 BULBANK LEASING EAD | SOFIA | 1 | UNICREDIT LEASING AD | 100.00 | |
| 110 BV GRUNDSTUCKSENTWICKLUNGS-GMBH | MUNICH | 1 | HVB IMMOBILIEN AG | 100.00 | |
| 111 BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 112 CA-LEASING ALPHA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 113 CA-LEASING DELTA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 114 CA-LEASING EPSILON INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 115 CA-LEASING EURO, S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 116 CA-LEASING KAPPA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 117 CA-LEASING OMEGA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 118 CA-LEASING OVUS S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 119 CA-LEASING PRAHA S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 120 CA-LEASING SENIOREN PARK GMBH | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 121 CA-LEASING TERRA POSLOVANJE Z NEPREMICININAMI D.O.O. | LJUBLJANA | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 122 CA-LEASING YPSILON INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 123 CA-LEASING ZETA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 124 CABET-HOLDING GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 125 CABO BETEILIGUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | CABET-HOLDING GMBH | 100.00 | |
| 126 CAC REAL ESTATE, S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 127 CAC-IMMO SRO | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 128 CAFU VERMOEGENSVERWALTUNG GMBH & CO OG | VIENNA | 1 | SCHOELLERBANK AKTIENGESELLSCHAFT | 100.00 | |
| 129 CAL-PAPIER INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 130 CALG 307 MOBILIEN LEASING GMBH | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 98.80 | 99.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 1.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 131 CALG 443 GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 98.80 | 99.00 |
| | | | CALG IMMOBILIEN LEASING GMBH | 1.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|---|-------------|--|--|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 132 CALG 445 GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 133 CALG 451 GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 134 CALG ALPHA GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 135 CALG ANLAGEN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 136 CALG ANLAGEN LEASING GMBH & CO GRUNDSTUCKVERMIETUNG UND -VERWALTUNG KG | MUNICH | 1 | CALG ANLAGEN LEASING GMBH | 99.90 | |
| 137 CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG ANLAGEN LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 138 CALG GAMMA GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 139 CALG GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 74.80 | 75.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 140 CALG IMMOBILIEN LEASING GMBH | VIENNA | 1 | CALG ANLAGEN LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 141 CALG IMMOBILIEN LEASING GMBH & CO 1050 WIEN, SIEBENBRUNNENGASSE 10-21 OG | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 142 CALG IMMOBILIEN LEASING GMBH & CO 1120 WIEN, SCHONBRUNNER SCHLOSS-STRASSE 38-42 OG | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 143 CALG IMMOBILIEN LEASING GMBH & CO PROJEKT ACHT OG | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 144 CALG IMMOBILIEN LEASING GMBH & CO PROJEKT VIER OG | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 145 CALG MINAL GRUNDSTUCKVERWALTUNG GMBH | VIENNA | 1 | CALG ANLAGEN LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 146 CAMPO DI FIORI SAS | ROME | 1 | IMMOBILIARE PATETTA SRL | 96.67 | |
| | | | SOCIETÀ COLLE AURELIA IMMOBILIARE S.C.A.I. SRL | 3.33 | |
| 147 CARD COMPLETE SERVICE BANK AG | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 50.10 | |
| 148 CARDS & SYSTEMS EDV-DIENSTLEISTUNGS GMBH | VIENNA | 1 | CARD COMPLETE SERVICE BANK AG | 5.00 | |
| | | | DC BANK AG | 1.00 | |
| | | | UNICREDIT BANK AUSTRIA AG | 52.00 | |
| 149 CDM CENTRALNY DOM MAKLEPSKI PEKAO SA | WARSAW | 1 | BANK PEKAO SA | 100.00 | |
| 150 CEAKSCH VERWALTUNGS G.M.B.H. | VIENNA | 1 | BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H. | 100.00 | |
| 151 CENTAR KAPTOL DOO | ZAGREB | 1 | ZAGREBACKA BANKA D.D. | 100.00 | |
| 152 CENTER HEINRICH-COLLIN-STRASSE1 VERMIETUNGS GMBH U.CO KG | VIENNA | 4 | BA IMMO GEWINNSCHEIN FONDS1 | .. | ⁽⁸⁾ |
| 153 CENTRUM BANKOWOSCI BEZPOSREDNIEJ SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSC | KRAKOW | 1 | BANK PEKAO SA | 100.00 | |
| 154 CENTRUM KART SA | WARSAW | 1 | BANK PEKAO SA | 100.00 | |
| 155 CHARADE LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74.80 | 75.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 156 CHEFREN LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100.00 | |
| 157 CHIYODA FUDOSAN GK | TOKYO | 4 | UNICREDIT BANK AG | .. | ⁽⁸⁾ |
| 158 CHRISTOPH REISEGGER GESELLSCHAFT M.B.H. | VIENNA | 1 | LASSALLESTRASSE BAU-, PLANUNGS-, ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H. | 100.00 | |
| 159 CIVITAS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 160 CJSC BANK SIBIR | OMSK CITY | 1 | ZAO UNICREDIT BANK | 100.00 | |

Part A - Accounting Policies (CONTINUED)

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| | | | OWNERSHIP RELATIONSHIP | | | VOTING RIGHTS ⁽²⁾ |
|------|---|-------------------------------------|------------------------|---|-----------|------------------------------|
| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | HELD BY | | HOLDING % | |
| 161 | CLOSED JOINT-STOCK COMPANY UNICREDIT SECURITIES IN LIQ | MOSCOW | 1 | AI BETEILIGUNGS GMBH | 99.50 | |
| | | | | BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H. | 0.50 | |
| 162 | COFIRI S.P.A. IN LIQUIDAZIONE | ROME | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 100.00 | |
| 163 | COMMUNA - LEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | REAL-LEASE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 164 | COMPAGNIA FONDIARIA ROMANA (C.FR.) SRL | ROME | 1 | IMMOBILIARE PATETTA SRL | 72.50 | |
| | | | | INFISER SRL | 15.00 | |
| | | | | SOCIETÀ VERONESE GESTIONE COMPRABENDITA IMMOBILI A R.L. | 12.50 | |
| 165 | COMPAGNIA ITALPETROLI S.P.A. | ROME | 1 | UNICREDIT SPA | 100.00 | |
| 166 | CONSORZIO QUENIT | VERONA | 1 | UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI | 55.00 | |
| 167 | CONTRA LEASING-GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74.80 | 75.00 |
| | | | | JAUSERN-LEASING GESELLSCHAFT M.B.H. | 25.00 | |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 168 | CORDUSIO SIM - ADVISORY & FAMILY OFFICE SPA | MILAN | 1 | CORDUSIO SOCIETÀ FIDUCIARIA PER AZIONI | 100.00 | |
| 169 | CORDUSIO SOCIETÀ FIDUCIARIA PER AZIONI | MILAN | 1 | UNICREDIT SPA | 100.00 | |
| 170 | CORIT - CONCESSIONARIA RISCOSSIONE TRIBUTI S.P.A. IN LIQUIDAZIONE | ROME | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 60.00 | |
| 171 | CRIVELLI SRL | MILAN | 1 | UNICREDIT SPA | 100.00 | |
| 172 | CUMTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | 1 | HVB IMMOBILIEN AG | 93.85 | |
| | | | | UNICREDIT BANK AG | 6.15 | |
| 173 | DAB BANK AG | MUNICH | 1 | UNICREDIT BANK AG | 81.39 | |
| 174 | DBC SPZ O.O. | WARSAW | 1 | UNIVERSALE INTERNATIONAL REALITAETEN GMBH | 100.00 | |
| 175 | DC BANK AG | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99.94 | |
| 176 | DC ELEKTRONISCHE ZAHLUNGSSYSTEME GMBH | VIENNA | 1 | KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H. | 100.00 | |
| 177 | DEBO LEASING IFN S.A. | BUCHAREST | 1 | UNICREDIT GLOBAL LEASING EXPORT GMBH | 10.01 | |
| | | | | UNICREDIT LEASING S.P.A. | 89.99 | |
| 178 | DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT ALPHA MANAGEMENT KG | MUNICH | 1 | HVB PROJEKT GMBH | 100.00 | |
| 179 | DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT BETA MANAGEMENT KG | MUNICH | 1 | HVB PROJEKT GMBH | 100.00 | |
| 180 | DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT GAMMA MANAGEMENT KG | MUNICH | 1 | HVB PROJEKT GMBH | 100.00 | |
| 181 | DINERS CLUB CS S.R.O. | BRATISLAVA | 1 | DC BANK AG | 100.00 | |
| 182 | DINERS CLUB POLSKA SP.Z.O.O. | WARSAW | 1 | DC BANK AG | 100.00 | |
| 183 | DIRANA LIEGENSCHAFTSVERWERTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | UNIVERSALE INTERNATIONAL REALITAETEN GMBH | 100.00 | |
| 184 | DIREKTANLAGE.AT AG | SALZBURG | 1 | DAB BANK AG | 100.00 | |
| 185 | DLV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 186 | DOM INWESTYCYN XELION SP. Z O.O. | WARSAW | 1 | BANK PEKAO SA | 50.00 | |
| | | | | UNICREDIT SPA | 50.00 | |
| 187 | DOMUS CLEAN REINIGUNGS GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 188 | DUODEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 189 | DV ALPHA GMBH | VIENNA | 1 | PIRTA VERWALTUNGS GMBH | 100.00 | |
| 190 | DV BETEILIGUNGSVERWALTUNGS GMBH | VIENNA | 1 | PIRTA VERWALTUNGS GMBH | 100.00 | |
| 191 | ENDERLEIN & CO. GMBH | BIELEFELD | 1 | PLANETHOME AG | 100.00 | |
| 192 | ENTASI SRL | ROME | 1 | UNICREDIT SPA | 100.00 | |

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| | | | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ | |
|------|---|-------------------------------------|------------------------|---|------------------------------|----------------|
| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | HELD BY | HOLDING % | | |
| 193 | ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK GREFRATH KG | OLDENBURG | 1 | WEALTHCAP INVESTORENBETREUUNG GMBH | 0.07 | |
| | | | | WEALTHCAP PEIA MANAGEMENT GMBH | 68.45 | 68.20 |
| 194 | ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK KRAHENBERG KG | OLDENBURG | 1 | WEALTHCAP INVESTORENBETREUUNG GMBH | 0.05 | |
| | | | | WEALTHCAP PEIA MANAGEMENT GMBH | 68.49 | 68.24 |
| 195 | ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK MOSE KG | OLDENBURG | 1 | WEALTHCAP INVESTORENBETREUUNG GMBH | 0.05 | 0.06 |
| | | | | WEALTHCAP PEIA MANAGEMENT GMBH | 68.48 | 68.23 |
| 196 | ESPERTI IN MEDIAZIONE SRL | VERONA | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 100.00 | |
| 197 | EUROFINANCE 2000 SRL (IN LIQUIDAZIONE) | ROME | 1 | UNICREDIT SPA | 100.00 | |
| 198 | EUROLEASE AMUN IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 199 | EUROLEASE ANUBIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 200 | EUROLEASE ISIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 201 | EUROLEASE MARDUK IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 202 | EUROLEASE RA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 203 | EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 204 | EUROPA BEFEKTETESI ALAPKEZELOE ZRT (EUROPA INVESTMENT FUND MANAGEMENT LTD.) | BUDAPEST | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 100.00 | |
| 205 | EUROPE REAL-ESTATE INVESTMENT FUND | BUDAPEST | 4 | UNICREDIT BANK HUNGARY ZRT. | .. | ⁽⁸⁾ |
| 206 | EUROPEAN-OFFICE-FONDS | MUNICH | 4 | UNICREDIT BANK AG | .. | ⁽⁸⁾ |
| 207 | EUROPEYE SRL | ROME | 1 | UNICREDIT SPA | 90.00 | |
| 208 | EUROVENTURES-AUSTRIA-CA-MANAGEMENT GESMBH | VIENNA | 1 | CABET-HOLDING GMBH | 100.00 | |
| 209 | EXPANDA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 210 | FACTORBANK AKTIENGESELLSCHAFT | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 211 | FCT UCG TIKEHAU | PARIGI | 4 | UNICREDIT SPA | .. | ⁽⁸⁾ |
| 212 | FINECO LEASING S.P.A. | BRESCIA | 1 | UNICREDIT SPA | 100.00 | |
| 213 | FINECO VERWALTUNG AG (IN LIQUIDAZIONE) | MUNICH | 1 | UNICREDIT SPA | 100.00 | |
| 214 | FINECOBANK SPA | MILAN | 1 | UNICREDIT SPA | 100.00 | |
| 215 | FMC LEASING INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 216 | FMZ SAVARIA SZOLGALTATO KFT | BUDAPEST | 1 | UNICREDIT LEASING KFT | 75.00 | |
| 217 | FMZ SIGMA PROJEKTENTWICKLUNGS GMBH | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 218 | FOLIA LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 219 | FONDIARIA LASA SPA | ROME | 1 | IMMOBILIARE PATETTA SRL | 100.00 | |
| 220 | FONDO SIGMA | ROME | 4 | UNICREDIT SPA | .. | ⁽⁸⁾ |
| 221 | FOOD & MORE GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 222 | FORUM POLSKIEGO BIZNESU MEDIA SP.Z O.O. | WARSAW | 1 | PROPERTY SP. Z.O.O. (IN LIQUIDAZIONE) | 100.00 | |
| 223 | FUGATO LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 100.00 | |
| 224 | G.N.E. GLOBAL GRUNDSTUCKSVERWERTUNG GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 225 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | |

Part A - Accounting Policies (CONTINUED)

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| | | | OWNERSHIP RELATIONSHIP | | | |
|------|--|-------------------------------------|------------------------|---|------------------------------|----------------|
| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | HELD BY | HOLDING % | VOTING RIGHTS ⁽²⁾ | |
| 226 | GBS GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | CALG ANLAGEN LEASING GMBH | 99.00 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 1.00 | ⁽⁷⁾ |
| 227 | GEBAUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 98.80 | 99.00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 1.00 | |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 228 | GELDILUX-PP-2011 S.A. | LUXEMBOURG | 4 | UNICREDIT LUXEMBOURG S.A. | .. | ⁽³⁾ |
| 229 | GELDILUX-TS-2010 S.A. | LUXEMBOURG | 4 | UNICREDIT LUXEMBOURG S.A. | .. | ⁽³⁾ |
| 230 | GELDILUX-TS-2011 S.A. | LUXEMBOURG | 4 | UNICREDIT LUXEMBOURG S.A. | .. | ⁽³⁾ |
| 231 | GELDILUX-TS-2013 S.A. | LUXEMBOURG | 4 | UNICREDIT LUXEMBOURG S.A. | .. | ⁽³⁾ |
| 232 | GEMEINDELEASING GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 37.30 | 37.50 |
| | | | | CALG IMMOBILIEN LEASING GMBH | 37.50 | |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 233 | GEMMA VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG | PULLACH | 4 | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | 6.11 | ⁽³⁾ |
| 234 | GENERAL LOGISTIC SOLUTIONS LLC | MOSCOW | 1 | UCTAM RU LIMITED LIABILITY COMPANY | 100.00 | |
| 235 | GIMMO IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH | MUNICH | 1 | TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | 100.00 | |
| 236 | GOLF- UND COUNTRY CLUB SEDDINER SEE IMMOBILIEN GMBH | MUNICH | 1 | ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | 6.00 | |
| | | | | HVB PROJEKT GMBH | 94.00 | |
| 237 | GRAND CENTRAL FUNDING CORPORATION | NEW YORK | 4 | UNICREDIT BANK AG | .. | ⁽³⁾ |
| 238 | GRAND CENTRAL RE LIMITED | HAMILTON | 1 | UNICREDIT BANK AG | 92.50 | |
| 239 | GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND) | MUNICH | 1 | TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | 98.24 | |
| 240 | GRUNDSTUCKSGESELLSCHAFT SIMON BESCHRANKT HAFTENDE KOMMANDITGESELLSCHAFT | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 100.00 | |
| 241 | GRUNDSTUCKSVERWALTUNG LINZ-MITTE GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 242 | GUS CONSULTING GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 243 | H & B IMMOBILIEN GMBH & CO. OBJEKTE KG | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 100.00 | |
| 244 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | MUNICH | 1 | UNICREDIT BANK AG | 10.00 | |
| | | | | WEALTH MANAGEMENT CAPITAL HOLDING GMBH | 90.00 | |
| 245 | H.F.S. IMMOBILIENFONDS GMBH | EBERSBERG | 1 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | 100.00 | |
| 246 | H.F.S. LEASINGFONDS DEUTSCHLAND 1 GMBH & CO. KG (IMMOBILIENLEASING) | MUNICH | 4 | HVB IMMOBILIEN AG | .. | ⁽³⁾ |
| | | | | WEALTHCAP REAL ESTATE MANAGEMENT GMBH | 0.08 | |
| 247 | H.F.S. LEASINGFONDS DEUTSCHLAND 7 GMBH & CO. KG | MUNICH | 4 | HVB PROJEKT GMBH | 0.02 | ⁽³⁾ |
| | | | | WEALTHCAP REAL ESTATE MANAGEMENT GMBH | 0.08 | |
| 248 | HAWA GRUNDSTUCKS GMBH & CO. OHG HOTELVERWALTUNG | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 99.50 | |
| | | | | TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT | 0.50 | |
| 249 | HAWA GRUNDSTUCKS GMBH & CO. OHG IMMOBILIENVERWALTUNG | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 99.50 | |
| | | | | TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT | 0.50 | |
| 250 | HERKU LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74.80 | 75.00 |
| | | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 251 | HJS 12 BETEILIGUNGSGESELLSCHAFT MBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 252 | HOKA LEASING-GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | | WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 74.80 | 75.00 |
| | | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | |

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|--|-------------|--|--|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 253 HONEU LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74.80 | 75.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 254 HUMAN RESOURCES SERVICE AND DEVELOPMENT GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 255 HVB ALTERNATIVE ADVISORS LLC | WILMINGTON | 1 | UNICREDIT BANK AG | 100.00 | |
| 256 HVB ASIA LIMITED | SINGAPORE | 1 | UNICREDIT BANK AG | 100.00 | |
| 257 HVB ASSET LEASING LIMITED | LONDON | 1 | HVB LONDON INVESTMENTS (CAM) LIMITED | 100.00 | |
| 258 HVB ASSET MANAGEMENT HOLDING GMBH | MUNICH | 1 | HVB VERWA 4 GMBH | 100.00 | |
| 259 HVB AUTO LEASING EOOD | SOFIA | 1 | HVB LEASING OOD | 100.00 | |
| 260 HVB CAPITAL LLC | WILMINGTON | 1 | UNICREDIT BANK AG | 100.00 | |
| 261 HVB CAPITAL LLC II | WILMINGTON | 1 | UNICREDIT BANK AG | 100.00 | |
| 262 HVB CAPITAL LLC III | WILMINGTON | 1 | UNICREDIT BANK AG | 100.00 | |
| 263 HVB CAPITAL LLC VI | WILMINGTON | 1 | UNICREDIT BANK AG | 100.00 | |
| 264 HVB CAPITAL PARTNERS AG | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 265 HVB EXPERTISE GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 266 HVB EXPORT LEASING GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 267 HVB FINANCE LONDON LIMITED | LONDON | 1 | UNICREDIT BANK AG | 100.00 | |
| 268 HVB FUNDING TRUST | WILMINGTON | 4 | UNICREDIT BANK AG | .. | ⁽⁸⁾ |
| 269 HVB FUNDING TRUST II | WILMINGTON | 1 | UNICREDIT BANK AG | 100.00 | |
| 270 HVB FUNDING TRUST III | WILMINGTON | 4 | UNICREDIT BANK AG | .. | ⁽⁸⁾ |
| 271 HVB GESELLSCHAFT FUR GEBAUDE BETEILIGUNGS GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 272 HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 273 HVB GLOBAL ASSETS COMPANY (GP), LLC | DOVER | 1 | UNICREDIT BANK AG | 100.00 | |
| 274 HVB GLOBAL ASSETS COMPANY L.P. | DOVER | 1 | HVB GLOBAL ASSETS COMPANY (GP), LLC | 0.01 | |
| | | | UNICREDIT BANK AG | 4.99 | |
| 275 HVB HONG KONG LIMITED | HONG KONG | 1 | UNICREDIT BANK AG | 100.00 | |
| 276 HVB IMMOBILIEN AG | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 277 HVB INVESTMENTS (UK) LIMITED | GEORGE TOWN | 1 | UNICREDIT BANK AG | 100.00 | |
| 278 HVB LEASING CZECH REPUBLIC S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 279 HVB LEASING MAX INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 280 HVB LEASING OOD | SOFIA | 1 | UNICREDIT BULBANK AD | 2.39 | |
| | | | UNICREDIT LEASING S.P.A. | 97.61 | |
| 281 HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 282 HVB LONDON INVESTMENTS (AVON) LIMITED | LONDON | 1 | UNICREDIT BANK AG | 100.00 | |
| 283 HVB LONDON INVESTMENTS (CAM) LIMITED | LONDON | 1 | UNICREDIT BANK AG | 100.00 | |
| 284 HVB PRINCIPAL EQUITY GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 285 HVB PROFIL GESELLSCHAFT FUR PERSONALMANAGEMENT MBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 286 HVB PROJEKT GMBH | MUNICH | 1 | HVB IMMOBILIEN AG | 94.00 | |
| | | | UNICREDIT BANK AG | 6.00 | |
| 287 HVB REALTY CAPITAL INC. | NEW YORK | 1 | UNICREDIT U.S. FINANCE LLC | 100.00 | |
| 288 HVB SECUR GMBH | MUNICH | 1 | UNICREDIT GLOBAL BUSINESS SERVICES GMBH | 100.00 | |
| 289 HVB TECTA GMBH | MUNICH | 1 | HVB IMMOBILIEN AG | 94.00 | |
| | | | UNICREDIT BANK AG | 6.00 | |

Part A - Accounting Policies (CONTINUED)

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|---|-----------------|--|---|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 290 HVB VERWA 1 GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 291 HVB VERWA 4 GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 292 HVB VERWA 4.4 GMBH | MUNICH | 1 | HVB VERWA 4 GMBH | 100.00 | |
| 293 HVB-LEASING AIDA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 294 HVB-LEASING ATLANTIS INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 295 HVB-LEASING FIDELIO INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 296 HVB-LEASING FORTE INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 297 HVB-LEASING GARO KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 298 HVB-LEASING HAMLET INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 299 HVB-LEASING JUPITER KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 300 HVB-LEASING LAMOND INGATLANHASZNOSITO KFT. | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 301 HVB-LEASING MAESTOSO INGATLANHASZNOSITO KFT. | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 302 HVB-LEASING NANO KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 303 HVB-LEASING OTHELLO INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 304 HVB-LEASING ROCCA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 305 HVB-LEASING RUBIN KFT. | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 306 HVB-LEASING SMARAGD KFT. | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 307 HVB-LEASING SPORT INGATLANHASZNOSITO KOLATPOT FEEOASSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100.00 | |
| 308 HVBFF INTERNATIONAL GREECE GMBH | MUNICH | 1 | HVBFF INTERNATIONALE LEASING GMBH | 100.00 | |
| 309 HVBFF INTERNATIONALE LEASING GMBH | MUNICH | 1 | HVBFF OBJEKT BETEILIGUNGS GMBH | 10.00 | |
| | | | WEALTHCAP PEIA MANAGEMENT GMBH | 90.00 | |
| 310 HVBFF OBJEKT BETEILIGUNGS GMBH | MUNICH | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100.00 | |
| 311 HVBFF PRODUKTIONSHALLE GMBH I.L. | MUNICH | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100.00 | |
| 312 HVZ GMBH & CO. OBJEKT KG | MUNICH | 1 | PORTIA GRUNDSTUCKS- VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | 100.00 | |
| 313 HYPO-BANK VERWALTUNGSZENTRUM GMBH | MUNICH | 1 | PORTIA GRUNDSTUCKS- VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | 100.00 | |
| 314 HYPO-BANK VERWALTUNGSZENTRUM GMBH & CO. KG OBJEKT ARABELLA STRASSE | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 100.00 | |
| 315 HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH & CO. IMMOBILIEN-VERMIETUNGS KG | MUNICH | 1 | HVB PROJEKT GMBH | 80.00 | |
| 316 HYPOVEREINS IMMOBILIEN EOOD | SOFIA | 1 | UNICREDIT BULBANK AD | 100.00 | |
| 317 HYPOVEREINSFINANCE N.V. | AMSTERDAM | 1 | UNICREDIT BANK AG | 100.00 | |
| 318 I-FABER SPA | MILAN | 1 | UNICREDIT SPA | 65.32 | |
| 319 IMMOBILIARE PATETTA SRL | ROME | 1 | COMPAGNIA ITALPETROLI S.P.A. | 100.00 | |
| 320 IMMOBILIARE TABACCAIA SRL | MASSA MARITTIMA | 1 | BORGIO DI PEROLLA SRL | 100.00 | |
| 321 IMMOBILIEN RATING GMBH | VIENNA | 1 | BANK AUSTRIA REAL INVEST GMBH | 61.00 | |
| | | | UNICREDIT BANK AUSTRIA AG | 19.00 | |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 19.00 | |
| 322 IMMOBILIENLEASING GRUNDSTUCKSVERWALTUNGS- GESELLSCHAFT M.B.H. | VIENNA | 1 | ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H. | 74.80 | 75.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽³⁾ |

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|--|-------------|--|---|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 323 INFISSE SRL | ROME | 1 | IMMOBILIARE PATETTA SRL | 100.00 | |
| 324 INPROX CHOMUTOV, S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 325 INPROX Kladno, S.R.O. | PRAGUE | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 326 INPROX POPRAD, SPOL. S.R.O. | BRATISLAVA | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 327 INPROX SR I., SPOL. S.R.O. | BRATISLAVA | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 328 INTERKONZUM DOO SARAJEVO | SARAJEVO | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 329 INTERNATIONALES IMMOBILIEN-INSTITUT GMBH | MUNICH | 1 | UNICREDIT BANK AG | 94.00 | |
| 330 INTERRA GESELLSCHAFT FÜR IMMOBILIENVERWALTUNG MBH | MUNICH | 1 | HVB IMMOBILIEN AG | 93.85 | |
| | | | UNICREDIT BANK AG | 6.15 | |
| 331 INTRO LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | PROJEKT-LEASE GRUNDSTÜCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 100.00 | |
| 332 IPSE 2000 S.P.A. (IN LIQUIDAZIONE) | ROME | 1 | UNICREDIT SPA | 50.00 | |
| 333 ISB UNIVERSALE BAU GMBH | BRANDEBURG | 1 | UNIVERSALE INTERNATIONAL REALTÄTEN GMBH | 100.00 | |
| 334 ISTRAD.M.C. DOO | UMAG | 1 | ISTRATURIST UMAG, HOTELIJERSTVO TURIZAM I TURISTICKA AGENCIJA DD | 100.00 | |
| 335 ISTRATURIST UMAG, HOTELIJERSTVO TURIZAM I TURISTICKA AGENCIJA DD | UMAG | 1 | ZAGREBACKA BANKA D.D. | 93.04 | |
| 336 IVONA BETEILIGUNGSVERWALTUNG GMBH | VIENNA | 1 | BA IMMO GEWINNSCHEIN FONDS1 | 100.00 | |
| 337 JAUSERN-LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100.00 | |
| 338 JOHA GEBÄUDE- ERRICHTUNGS- UND VERMIETUNGS-GESELLSCHAFT M.B.H. | LEONDING | 1 | TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. | 99.03 | |
| 339 KAISERWASSER BAU- UND ERRICHTUNGS GMBH UND CO OG | VIENNA | 1 | RAMSES-IMMOBILIENHOLDING GMBH | 0.00 | 100.00 |
| | | | UNICREDIT BANK AUSTRIA AG | 99.80 | 0.00 |
| 340 KELLER CROSSING L.P. | WILMINGTON | 1 | US PROPERTY INVESTMENTS INC. | 100.00 | |
| 341 KINABALU FINANCIAL PRODUCTS LLP | LONDON | 1 | UNICREDIT BANK AG | 100.00 | 99.90 |
| | | | VERBA VERWALTUNGSGESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | 0.00 | 0.10 |
| 342 KINABALU FINANCIAL SOLUTIONS LTD | LONDON | 1 | UNICREDIT BANK AG | 100.00 | |
| 343 KLEA ZS-IMMOBILIENVERMIETUNG G.M.B.H. | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99.80 | 100.00 |
| 344 KLEA ZS-LIEGENSCHAFTSVERMIETUNG G.M.B.H. | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99.80 | 100.00 |
| 345 KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H. | VIENNA | 1 | CARD COMPLETE SERVICE BANK AG | 100.00 | |
| 346 KUNSTHAUS LEASING GMBH | VIENNA | 1 | KUTRA GRUNDSTÜCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 5.00 | |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 95.00 | |
| 347 KUTRA GRUNDSTÜCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | CALG DELTA GRUNDSTÜCKVERWALTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 348 LAGERMAX LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 349 LAGEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 350 LARGO LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 1.00 | |
| | | | VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H. | 98.80 | 99.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 351 LASSALLESTRASSE BAU-, PLANUNGS-, ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99.00 | 100.00 |
| 352 LEASFINANZ BANK GMBH | VIENNA | 1 | BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH | 100.00 | |
| 353 LEASFINANZ GMBH | VIENNA | 1 | BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH | 100.00 | |
| 354 LEGATO LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74.80 | 75.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 355 LELEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTÜCKVERWALTUNG GESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |

Part A - Accounting Policies (CONTINUED)

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|---|----------------------|--|--|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 356 LIFE MANAGEMENT ERSTE GMBH | MUNICH | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100.00 | |
| 357 LIFE MANAGEMENT ZWEITE GMBH | GRUNWALD | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100.00 | |
| 358 LIFE SCIENCE I BETEILIGUNGS GMBH | MUNICH | 1 | HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG | 100.00 | |
| 359 LINO HOTEL-LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 360 LIPARK LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74.80 | 75.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 361 LIVA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 362 LLC UKROTSBUD | KIEV | 1 | PUBLIC JOINT STOCK COMPANY UKROTSBANK | 99.00 | |
| 363 LOCALMIND SPA IN LIQUIDAZIONE | MILAN | 1 | UNICREDIT SPA | 95.76 | |
| 364 LOCAT CROATIA DOO | ZAGREB | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 365 LTD SI&C AMC UKROTS REAL ESTATE | KIEV | 1 | PUBLIC JOINT STOCK COMPANY UKROTSBANK | 100.00 | |
| 366 M. A. V. 7., BANK AUSTRIA LEASING BAUTRAGER GMBH & CO.OHG | VIENNA | 1 | UNICREDIT LUNA LEASING GMBH | 98.03 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 1.97 | ⁽⁷⁾ |
| 367 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 | |
| 368 M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | VIENNA | 1 | BANK AUSTRIA REAL INVEST GMBH | 99.95 | |
| | | | TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. | 0.05 | |
| 369 MARTIANEZ COMERCIAL, SOCIEDAD ANONIMA | PUERTO DE LA CRUZ | 1 | UNICREDIT PEGASUS LEASING GMBH | 99.96 | |
| 370 MBC IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 371 MC MARKETING GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 372 MC RETAIL GMBH | VIENNA | 1 | MC MARKETING GMBH | 100.00 | |
| 373 MENUETT GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 374 MERIDIONALE PETROLI SRL | VIBO VALENTIA | 1 | SOCIETÀ DEPOSITI COSTIERI - SO.DE.CO. SRL | 98.66 | |
| 375 MERKURHOF GRUNDSTUCKSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 376 MEZZANIN FINANZIERUNGS AG | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 56.67 | |
| 377 MIK 2012 KARLATOLT FELELOSSEGU TARSAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 378 MILLETERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | 1 | HVB IMMOBILIEN AG | 100.00 | |
| 379 MM OMEGA PROJEKTENTWICKLUNGS GMBH | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 380 MOBILITY CONCEPT GMBH | OBERHACHING | 1 | UNICREDIT LEASING GMBH | 60.00 | |
| 381 MOC VERWALTUNGS GMBH & CO. IMMOBILIEN KG | MUNICH | 4 | HVB PROJEKT GMBH | 23.00 | ⁽⁸⁾ |
| 382 MOGRA LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74.80 | 75.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 383 MOVIE MARKET BETEILIGUNGS GMBH | MUNICH | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100.00 | |
| 384 MY BETEILIGUNGS GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 385 NAGE LOKALVERMIETUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 386 NATA IMMOBILIEN-LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 51.50 | |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 6.00 | |

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|--|-------------|--|--|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 387 NF OBJEKT FFM GMBH | MUNICH | 1 | HVB IMMOBILIEN AG | 100.00 | |
| 388 NF OBJEKT MUNCHEN GMBH | MUNICH | 1 | HVB IMMOBILIEN AG | 100.00 | |
| 389 NF OBJEKTE BERLIN GMBH | MUNICH | 1 | HVB IMMOBILIEN AG | 100.00 | |
| 390 NO. HYPO LEASING ASTRICTA GRUNDSTUCKVERMIETUNGS GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 95.00 | |
| 391 NXP CO-INVESTMENT PARTNERS VIII L.P. | LONDON | 1 | HVB CAPITAL PARTNERS AG | 85.00 | |
| 392 OCEAN BREEZE ASSET GMBH & CO. KG | MUNICH | 1 | OCEAN BREEZE ENERGY GMBH & CO. KG | 100.00 | |
| 393 OCEAN BREEZE ENERGY GMBH & CO. KG | MUNICH | 1 | HJS 12 BETEILIGUNGSGESELLSCHAFT MBH | 100.00 | |
| 394 OCEAN BREEZE FINANCE S.A. - COMPARTMENT 1 | LUXEMBOURG | 4 | UNICREDIT BANK AG | .. | ⁽³⁾ |
| 395 OCEAN BREEZE GMBH | MUNICH | 1 | OCEAN BREEZE ENERGY GMBH & CO. KG | 100.00 | |
| 396 OCT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 397 OLG HANDELS- UND BETEILIGUNGSVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 100.00 | |
| 398 OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT EGGENFELDENER STRASSE KG | MUNICH | 1 | HVB IMMOBILIEN AG | 94.00 | |
| | | | UNICREDIT BANK AG | 6.00 | |
| 399 OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT HAIDENAUPLATZ KG | MUNICH | 1 | HVB IMMOBILIEN AG | 94.00 | |
| | | | UNICREDIT BANK AG | 6.00 | |
| 400 OOO UNICREDIT LEASING | MOSCOW | 1 | UNICREDIT LEASING S.P.A. | 60.00 | |
| | | | ZAO UNICREDIT BANK | 40.00 | |
| 401 ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 100.00 | |
| 402 OTHIMARSCHEN PARK HAMBURG GMBH & CO. CENTERPARK KG | MUNICH | 1 | HVB PROJEKT GMBH | 10.00 | |
| | | | T & P FRANKFURT DEVELOPMENT B.V. | 30.00 | |
| | | | T & P VASTGOED STUTTGART B.V. | 60.00 | |
| 403 OTHIMARSCHEN PARK HAMBURG GMBH & CO. GEWERBEPARK KG | MUNICH | 1 | HVB PROJEKT GMBH | 10.00 | |
| | | | T & P FRANKFURT DEVELOPMENT B.V. | 30.00 | |
| | | | T & P VASTGOED STUTTGART B.V. | 60.00 | |
| 404 PALAIS ROTHSCHILD VERMIETUNGS GMBH & CO OG | VIENNA | 1 | SCHOELLERBANK AKTIENGESELLSCHAFT | 100.00 | |
| 405 PARZHOF-ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 99.60 | 99.80 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 0.20 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 406 PAZONYI'98 INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 407 PEKAO BANK HIPOTECZNY S.A. | WARSAW | 1 | BANK PEKAO SA | 100.00 | |
| 408 PEKAO FAKTORING SP. ZOO | LUBLIN | 1 | BANK PEKAO SA | 100.00 | |
| 409 PEKAO FINANCIAL SERVICES SP. ZOO | WARSAW | 1 | BANK PEKAO SA | 100.00 | |
| 410 PEKAO FUNDUSZ KAPITALOWY SP. ZOO | WARSAW | 1 | BANK PEKAO SA | 100.00 | |
| | | | BANK PEKAO SA | 80.10 | |
| 411 PEKAO LEASING HOLDING S.A. | WARSAW | 1 | UNICREDIT LEASING S.P.A. | 19.90 | |
| | | | BANK PEKAO SA | 36.49 | |
| | | | PEKAO LEASING HOLDING S.A. | 63.51 | |
| 412 PEKAO LEASING SP ZO.O. | WARSAW | 1 | BANK PEKAO SA | 65.00 | |
| | | | PIONEER GLOBAL ASSET MANAGEMENT SPA | 35.00 | |
| 413 PEKAO PIONEER P.T.E. SA | WARSAW | 1 | BANK PEKAO SA | 100.00 | |
| 414 PEKAO PROPERTY SA | WARSAW | 1 | BANK PEKAO SA | 100.00 | |
| 415 PEKAO TELECENTRUM SP. ZOO | WARSAW | 1 | BANK PEKAO SA | 100.00 | |
| 416 PELOPS LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |

Part A - Accounting Policies (CONTINUED)

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|--|---------------|--|---|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 417 PENSIONSKASSE DER HYPO VEREINSBANK WAG | MUNICH | 4 | UNICREDIT BANK AG | .. | ⁽³⁾ |
| 418 PERIKLES 20092 VERMOGENSVERWALTUNG GMBH | MUNICH | 1 | HJS 12 BETEILIGUNGSGESELLSCHAFT MBH | 100.00 | |
| 419 PESTSZENTIMREI SZAKORVOSI RENDELO KFT. | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 420 PETROLI INVESTIMENTI SPA | CIVITAVECCHIA | 1 | SOCIETÀ DEPOSITI COSTIERI - SO.DE.CO. SRL | 100.00 | |
| 421 PIANA LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 422 PIONEER ALTERNATIVE INVESTMENT MANAGEMENT (BERMUDA) LIMITED | HAMILTON | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 423 PIONEER ALTERNATIVE INVESTMENT MANAGEMENT LTD | DUBLIN | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 424 PIONEER ALTERNATIVE INVESTMENTS (ISRAEL) LTD | RAMAT GAN. | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 425 PIONEER ALTERNATIVE INVESTMENTS (NEW YORK) LTD | DOVER | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 426 PIONEER ASSET MANAGEMENT AS | PRAGUE | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 427 PIONEER ASSET MANAGEMENT S.A.I. S.A. | BUCHAREST | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 97.42 | |
| | | | UNICREDIT TIRIAC BANK S.A. | 2.58 | |
| 428 PIONEER ASSET MANAGEMENT SA | LUXEMBOURG | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 429 PIONEER FUNDS DISTRIBUTOR INC | BOSTON | 1 | PIONEER INVESTMENT MANAGEMENT INC | 100.00 | |
| 430 PIONEER GLOBAL ASSET MANAGEMENT SPA | MILAN | 1 | UNICREDIT SPA | 100.00 | |
| 431 PIONEER GLOBAL FUNDS DISTRIBUTOR LTD | HAMILTON | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 432 PIONEER GLOBAL INVESTMENTS (AUSTRALIA) PTY LIMITED | SYDNEY | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 433 PIONEER GLOBAL INVESTMENTS (TAIWAN) LTD. | TAIPEI | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 434 PIONEER GLOBAL INVESTMENTS LIMITED | DUBLIN | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 435 PIONEER INSTITUTIONAL ASSET MANAGEMENT INC | WILMINGTON | 1 | PIONEER INVESTMENT MANAGEMENT USA INC. | 100.00 | |
| 436 PIONEER INVESTMENT COMPANY AS | PRAGUE | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 437 PIONEER INVESTMENT FUND MANAGEMENT LIMITED | BUDAPEST | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 438 PIONEER INVESTMENT MANAGEMENT INC | WILMINGTON | 1 | PIONEER INVESTMENT MANAGEMENT USA INC. | 100.00 | |
| 439 PIONEER INVESTMENT MANAGEMENT LIMITED | DUBLIN | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 440 PIONEER INVESTMENT MANAGEMENT LLC - UNDER LIQUIDATION | MOSCOW | 1 | PIONEER ASSET MANAGEMENT AS | 1.00 | |
| | | | PIONEER GLOBAL ASSET MANAGEMENT SPA | 99.00 | |
| 441 PIONEER INVESTMENT MANAGEMENT SHAREHOLDER SERVICES INC. | BOSTON | 1 | PIONEER INVESTMENT MANAGEMENT USA INC. | 100.00 | |
| 442 PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ | MILAN | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 443 PIONEER INVESTMENT MANAGEMENT USA INC. | WILMINGTON | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 444 PIONEER INVESTMENTS AUSTRIA GMBH | VIENNA | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 445 PIONEER INVESTMENTS KAPITALANLAGEGESELLSCHAFT MBH | MUNICH | 1 | PIONEER GLOBAL ASSET MANAGEMENT SPA | 100.00 | |
| 446 PIONEER PEKAO INVESTMENT FUND COMPANY SA (POLISH NAME: PIONEER PEKAO TFI SA) | WARSAW | 1 | PIONEER PEKAO INVESTMENT MANAGEMENT SA | 100.00 | |
| 447 PIONEER PEKAO INVESTMENT MANAGEMENT SA | WARSAW | 1 | BANK PEKAO SA | 49.00 | |
| | | | PIONEER GLOBAL ASSET MANAGEMENT SPA | 51.00 | |
| 448 PIRTA VERWALTUNGS GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 449 PLANETHOME AG | UNTERFOHRING | 1 | UNICREDIT BANK AG | 100.00 | |
| 450 PLANETHOME GMBH | MANNHEIM | 1 | PLANETHOME AG | 100.00 | |
| 451 POLLUX IMMOBILIEN GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99.80 | |
| 452 POMINVEST DD | SPLIT | 1 | ZAGREBACKA BANKA D.D. | 88.66 | 88.95 |
| 453 PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 100.00 | |
| 454 PORTIA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG | MUNICH | 1 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | 100.00 | |
| 455 POSATO LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74.80 | 75.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|--|--------------|-------------------------------------|---|-----------|------------------------------|
| | | | HELD BY | HOLDING % | |
| 456 PRELUDE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 98.80 | 99.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 1.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 457 PRIM Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 458 PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL | KIEV | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 459 PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H. | 74.80 | 75.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 460 PROPERTY SP. Z.O.O. (IN LIQUIDAZIONE) | WARSAW | 1 | BANK PEKAO SA | 100.00 | |
| 461 PRVA STAMBENA STEDIONICA DD ZAGREB | ZAGREB | 1 | ZAGREBACKA BANKA D.D. | 100.00 | |
| 462 PUBLIC JOINT STOCK COMPANY UKRSOTSBANK | KIEV | 1 | PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL | 48.40 | |
| | | | UNICREDIT BANK AUSTRIA AG | 49.91 | 49.92 |
| 463 PUBLIC JOINT STOCK COMPANY UNICREDIT BANK | KIEV | 1 | BANK PEKAO SA | 100.00 | |
| 464 QUADREC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 465 QUART Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | CALG ANLAGEN LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 466 QUINT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 467 RAMSES IMMOBILIEN GESELLSCHAFT M.B.H. & CO OG | VIENNA | 1 | RAMSES-IMMOBILIENHOLDING GMBH | 0.20 | |
| | | | UNICREDIT BANK AUSTRIA AG | 99.30 | |
| 468 RANA-LIEGENSCHAFTSVERWERTUNG GMBH | VIENNA | 1 | UNIVERSALE INTERNATIONAL REALTÄTEN GMBH | 99.90 | |
| 469 REAL ESTATE MANAGEMENT POLAND SP. Z O.O. | WARSAW | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 470 REAL INVEST IMMOBILIEN GMBH | VIENNA | 1 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | 100.00 | |
| 471 REAL-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 472 REAL-RENT LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 473 REDSTONE MORTGAGES LIMITED | LONDON | 1 | UNICREDIT BANK AG | 100.00 | |
| 474 REGEV REALITÄTENVERWERTUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 475 RHOTERRA GESELLSCHAFT FÜR IMMOBILIENVERWALTUNG MBH | MUNICH | 1 | HVB IMMOBILIEN AG | 93.85 | |
| | | | UNICREDIT BANK AG | 6.15 | |
| 476 RIGEL IMMOBILIEN GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 99.80 | |
| 477 ROMA 2000 SRL | ROME | 1 | COMPAGNIA ITALPETROLI S.P.A. | 100.00 | |
| 478 RONCASA IMMOBILIEN-VERWALTUNGS GMBH | MUNICH | 1 | HVB PROJEKT GMBH | 90.00 | |
| 479 RONDO LEASING GMBH | VIENNA | 1 | WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 100.00 | |
| 480 ROSENKAVALIER 2008 GMBH | FRANKFURT | 4 | UNICREDIT BANK AG | .. | ⁽⁸⁾ |
| 481 ROYSTON LEASING LIMITED | GRAND CAYMAN | 4 | UNICREDIT BANK AG | .. | ⁽⁸⁾ |
| 482 RSB ANLAGENVERMIETUNG GESELLSCHAFT M.B.H. | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 483 S.I.P.I.C. - SOCIETÀ INDUSTRIALE PETROLIFERA ITALIA CENTRALE SRL | ROME | 1 | SOCIETÀ DEPOSITI COSTIERI - SO.DE.CO. SRL | 100.00 | |
| 484 SALOME FUNDING PLC | DUBLIN | 4 | UNICREDIT BANK AG | .. | ⁽⁸⁾ |
| 485 SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH | MUNICH | 1 | PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | 100.00 | |
| 486 SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. OHG SAARLAND | MUNICH | 1 | HVB GESELLSCHAFT FÜR GEBÄUDE MBH & CO KG | 100.00 | |

Part A - Accounting Policies (CONTINUED)

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|------|--|-------------------------------------|--|-----------|------------------------------|
| | | | HELD BY | HOLDING % | |
| 487 | SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. MUNICH OHG VERWALTUNGSZENTRUM | 1 | PORTIA GRUNDSTUCKS- VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | 97.78 | |
| | | | TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT | 2.22 | |
| 488 | SANITÀ - S.R.L. IN LIQUIDAZIONE | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 99.60 | |
| 489 | SANTA ROSA SAS | 1 | IMMOBILIARE PATETTA SRL | 99.42 | |
| | | | SOCIETÀ COLLE AURELIA IMMOBILIARE S.C.A.I. SRL | 0.58 | |
| 490 | SAS-REAL INGATLANUEZEMELTETO ES KEZELO KFT (ENGL. ISH :SAS-REAL KFT) | 1 | UNICREDIT BANK HUNGARY ZRT. | 100.00 | |
| 491 | SCHOELLERBANK AKTIENGESELLSCHAFT | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 492 | SCHOELLERBANK INVEST AG | 1 | SCHOELLERBANK AKTIENGESELLSCHAFT | 100.00 | |
| 493 | SECA-LEASING GESELLSCHAFT M.B.H. | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 74.80 | 75.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 494 | SEDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 495 | SELFOSS BETEILIGUNGSGESELLSCHAFT MBH | 1 | HVB PROJEKT GMBH | 100.00 | |
| 496 | SEXT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 497 | SHS LEASING GMBH | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 98.80 | 99.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 1.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 498 | SIA UNICREDIT INSURANCE BROKER | 1 | SIA UNICREDIT LEASING | 100.00 | |
| 499 | SIA UNICREDIT LEASING | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 500 | SIGMA LEASING GMBH | 1 | CALG ANLAGEN LEASING GMBH | 99.40 | 99.60 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 0.40 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 501 | SIMON VERWALTUNGS-AKTIENGESELLSCHAFT I.L. | 1 | UNICREDIT BANK AG | 99.98 | |
| 502 | SIRIUS IMMOBILIEN GMBH | 1 | UNICREDIT BANK AUSTRIA AG | 99.80 | |
| 503 | SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | 1 | HVB PROJEKT GMBH | 5.00 | |
| | | | SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG | 95.00 | |
| 504 | SOCIETÀ SPORTIVA TORREVECCHIA SRL | 1 | COMPAGNIA FONDIARIA ROMANA (C.F.R.) SRL | 100.00 | |
| 505 | SOCIETÀ DEPOSITI COSTIERI - SO.DE.CO. SRL | 1 | COMPAGNIA ITALPETROLI S.P.A. | 100.00 | |
| 506 | SOCIETÀ DI GESTIONI ESATTORIALI IN SICILIA SO.G.E.SI. S.P.A. IN LIQ. | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 80.00 | |
| 507 | SOCIETÀ ITALIANA GESTIONE ED INCASSO CREDITI S.P.A. IN LIQUIDAZIONE | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 100.00 | |
| 508 | SOCIETÀ PETROLIFERA GIOIA TAURO SRL | 1 | MERIDIONALE PETROLI SRL | 49.00 | |
| | | | SOCIETÀ DEPOSITI COSTIERI - SO.DE.CO. SRL | 51.00 | |
| 509 | SOCIETÀ VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L. | 1 | IMMOBILIARE PATETTA SRL | 100.00 | |
| 510 | SOFIGERE SOCIETE PAR ACTIONS SIMPLIFIEE | 1 | UNICREDIT SPA | 100.00 | |
| 511 | SOLARIS VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG | 1 | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | 94.90 | |
| 512 | SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG | 1 | HVB PROJEKT GMBH | 100.00 | |
| 513 | SONATA LEASING-GESELLSCHAFT M.B.H. | 1 | ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H. | 1.00 | |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 98.80 | 99.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 514 | SPECTRUM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 1 | WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 100.00 | |
| 515 | SPREE GALERIE HOTELBETRIEBSGESELLSCHAFT MBH | 1 | ARGENTARIUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH | 100.00 | |
| 516 | STATUS VERMOGENSVERWALTUNG GMBH | 1 | UNICREDIT BANK AG | 100.00 | |

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|---|----------------------|-------------------------------------|---|-----------|------------------------------|
| | | | HELD BY | HOLDING % | |
| 517 STEWE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | VIENNA | 1 | PROJEKT-LEASE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 24.00 | 76.00 |
| | | | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 75.80 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | |
| 518 STRUCTURED INVEST SOCIETE ANONYME | LUXEMBOURG | 1 | UNICREDIT BANK AG | 100.00 | |
| 519 STRUCTURED LEASE GMBH | HAMBURG | 1 | UNICREDIT LEASING GMBH | 100.00 | |
| 520 SUVREMENE POSILOVNE KOMUNIKACIJE D.O.O | ZAGREB | 1 | ZAGREBACKA BANKA D.D. | 100.00 | |
| 521 SVIF UKRSOTSUD | KIEV | 4 | PUBLIC JOINT STOCK COMPANY UKRSOTSBANK | .. | ⁽³⁾ |
| 522 T & P FRANKFURT DEVELOPMENT B.V. | AMSTERDAM | 1 | HVB PROJEKT GMBH | 100.00 | |
| 523 T & P VASTGOED STUTTGART B.V. | AMSTERDAM | 1 | HVB PROJEKT GMBH | 87.50 | |
| 524 TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | MUNICH | 1 | HVB TECTA GMBH | 75.00 | |
| 525 TERRONDA DEVELOPMENT B.V. | AMSTERDAM | 1 | HVB PROJEKT GMBH | 100.00 | |
| 526 TERZ Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | |
| | | | | | |
| 527 TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT | MUNICH | 1 | PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | 99.67 | |
| 528 TRANSERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | 1 | HVB IMMOBILIEN AG | 93.85 | |
| | | | UNICREDIT BANK AG | 6.15 | |
| 529 TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | |
| | | | | | |
| 530 TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. | VIENNA | 1 | BANK AUSTRIA REAL INVEST GMBH | 100.00 | |
| 531 TREVI FINANCE N. 2 S.P.A. | CONEGLIANO (TREVISO) | 1 | UNICREDIT SPA | 60.00 | |
| 532 TREVI FINANCE N. 3 S.R.L. | CONEGLIANO (TREVISO) | 1 | UNICREDIT SPA | 60.00 | |
| 533 TREVI FINANCE S.P.A. | CONEGLIANO (TREVISO) | 1 | UNICREDIT SPA | 60.00 | |
| 534 TRICASA GRUNDBESITZ GESELLSCHAFT MBH & CO. 1. VERMIETUNGS KG | MUNICH | 1 | HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH | 0.00 | .. |
| | | | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | 100.00 | |
| 535 TRICASA GRUNDBESITZGESELLSCHAFT DES BURGERLICHEN RECHTS NR. 1 | MUNICH | 1 | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | 100.00 | |
| 536 TRIESTE ADRIATIC MARITIME INITIATIVES SRL | TRIESTE | 3 | UNICREDIT SPA | 34.10 | |
| 537 TRINTRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 538 UCL NEKRETNINE D.O.O. | SARAJEVO | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 30.00 | |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 70.00 | |
| 539 UCTAM BALTICS SIA | RIGA | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 100.00 | |
| 540 UCTAM BULGARIA EOOD | SOFIA | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 100.00 | |
| 541 UCTAM CZECH REPUBLIC SRO | PRAGUE 1 | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 99.96 | |
| | | | UNICREDIT TURN-AROUND MANAGEMENT GMBH | 0.04 | |
| 542 UCTAM D.O.O. BEOGRAD | BELGRADE | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 100.00 | |
| 543 UCTAM RK LIMITED LIABILITY COMPANY | ALMATY CITY | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 100.00 | |
| 544 UCTAM RO S.R.L. | BUCHAREST | 1 | UCTAM BALTICS SIA | 0.02 | |
| | | | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 99.98 | |
| 545 UCTAM RU LIMITED LIABILITY COMPANY | MOSCOW | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 100.00 | |
| | | | ZAO UNICREDIT BANK | .. | |
| 546 UCTAM UKRAINE LLC | KIEV | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 99.99 | |
| 547 UCTAM UPRAVLJANJE D.O.O. | LJUBLJANA | 1 | UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | 100.00 | |
| 548 UFFICIUM IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | KUTRA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. | 5.00 | |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 95.00 | |

Part A - Accounting Policies (CONTINUED)

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|---|-------------|--|---|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 549 UNI IT SRL | TRENTO | 1 | UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI | 51.00 | |
| 550 UNICOM IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 ⁽⁷⁾ |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | |
| 551 UNICREDIT (CHINA) ADVISORY LIMITED | PECHINO | 1 | UNICREDIT BANK AG | 100.00 | |
| 552 UNICREDIT AURORA LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100.00 | |
| 553 UNICREDIT AUTO LEASING E.O.O.D. | SOFIA | 1 | UNICREDIT LEASING AD | 100.00 | |
| 554 UNICREDIT BANK A.D. BANJA LUKA | BANJA LUKA | 1 | UNICREDIT BANK AUSTRIA AG | 98.37 | |
| 555 UNICREDIT BANK AG | MUNICH | 1 | UNICREDIT SPA | 100.00 | |
| 556 UNICREDIT BANK AUSTRIA AG | VIENNA | 1 | UNICREDIT SPA | 99.99 | |
| 557 UNICREDIT BANK CZECH REPUBLIC A.S. | PRAGUE | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 558 UNICREDIT BANK D.D. | MOSTAR | 1 | UNICREDIT BANK AUSTRIA AG | 30.14 | 24.29 ⁽⁶⁾ |
| | | | UNICREDIT SPA | 3.27 | |
| | | | ZAGREBACKA BANKA D.D. | 65.59 | |
| 559 UNICREDIT BANK HUNGARY ZRT. | BUDAPEST | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 560 UNICREDIT BANK IRELAND PLC | DUBLIN | 1 | UNICREDIT SPA | 100.00 | |
| 561 UNICREDIT BANK SERBIA JSC | BELGRADE | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 562 UNICREDIT BANK SLOVAKIA A.S. | BRATISLAVA | 1 | UNICREDIT BANK AUSTRIA AG | 99.03 | |
| 563 UNICREDIT BANKA SLOVENIJA D.D. | LJUBLJANA | 1 | UNICREDIT BANK AUSTRIA AG | 99.99 | |
| 564 UNICREDIT BETEILIGUNGS GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 565 UNICREDIT BPC MORTGAGE S.R.L. | VERONA | 1 | UNICREDIT SPA | 60.00 | |
| 566 UNICREDIT BROKER DOO SARAJEVO ZA BROKERSKE POSLOVE U OSIGURANJU | SARAJEVO | 1 | UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH | 100.00 | |
| 567 UNICREDIT BROKER S.R.O. | BRATISLAVA | 1 | UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH | 19.68 | |
| | | | UNICREDIT LEASING SLOVAKIA A.S. | 80.32 | |
| | | | | | |
| 568 UNICREDIT BULBANK AD | SOFIA | 1 | UNICREDIT BANK AUSTRIA AG | 99.44 | |
| | | | UNICREDIT SPA | .. | |
| 569 UNICREDIT BUSINESS INTEGRATED SOLUTIONS AUSTRIA GMBH | VIENNA | 1 | UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI | 100.00 | |
| 570 UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI | MILAN | 1 | CORDUSIO SOCIETÀ FIDUCIARIA PER AZIONI | .. | |
| | | | FINECOBANK SPA | .. | |
| | | | PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ. | .. | |
| | | | UNICREDIT BANK AG | .. | |
| | | | UNICREDIT FACTORING SPA | .. | |
| | | | UNICREDIT SPA | 100.00 | |
| 571 UNICREDIT BUSINESS PARTNER S.R.O. | PRAGUE | 1 | UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI | 100.00 | |
| 572 UNICREDIT CAIB HUNGARY PRIVATE LTD UNDER VOLUNTARY LIQUIDATION | BUDAPEST | 1 | UNICREDIT BANK HUNGARY ZRT. | 100.00 | |
| 573 UNICREDIT CAIB POLAND S.A. | WARSAW | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 574 UNICREDIT CAIB ROMANIA SRL (IN LIQUIDAZIONE) | BUCHAREST | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 575 UNICREDIT CAIB SECURITIES ROMANIA SA | BUCHAREST | 1 | BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H. | 80.02 | |
| | | | UNICREDIT TIRIAC BANK S.A. | 19.98 | |
| 576 UNICREDIT CAIB SECURITIES UK LTD. | LONDON | 1 | UNICREDIT BANK AG | 100.00 | |
| 577 UNICREDIT CAIB SERBIA LTD. BELGRADE IN LIQUIDAZIONE | BELGRADE | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 578 UNICREDIT CAIB SLOVENIJA, D.O.O. | LJUBLJANA | 1 | UNICREDIT BANKA SLOVENIJA D.D. | 100.00 | |
| 579 UNICREDIT CAPITAL MARKETS LLC | NEW YORK | 1 | UNICREDIT U.S. FINANCE LLC | 100.00 | |
| 580 UNICREDIT CENTER AM. KAISERWASSER GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 581 UNICREDIT CONSUMER FINANCING AD | SOFIA | 1 | UNICREDIT BULBANK AD | 100.00 | |
| | | | UNICREDIT SPA | 49.90 | |
| | | | UNICREDIT TIRIAC BANK S.A. | 50.10 | |
| 582 UNICREDIT CONSUMER FINANCING IFN S.A. | BUCHAREST | 1 | UNICREDIT SPA | 49.90 | |
| 583 UNICREDIT CREDIT MANAGEMENT BANK SPA | VERONA | 1 | UNICREDIT SPA | 100.00 | |
| 584 UNICREDIT CREDIT MANAGEMENT IMMOBILIARE S.P.A. | VERONA | 1 | UNICREDIT CREDIT MANAGEMENT BANK SPA | 100.00 | |

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|--|--------------|--|---|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 585 UNICREDIT DELAWARE INC | DOVER | 1 | UNICREDIT SPA | 100.00 | |
| 586 UNICREDIT DIRECT SERVICES GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 587 UNICREDIT FACTORING EAD | SOFIA | 1 | UNICREDIT BULBANK AD | 100.00 | |
| 588 UNICREDIT FACTORING SPA | MILAN | 1 | UNICREDIT SPA | 100.00 | |
| 589 UNICREDIT FLEET MANAGEMENT S.R.O. | PRAGUE | 1 | UNICREDIT LEASING CZ, A.S. | 100.00 | |
| 590 UNICREDIT FLEET MANAGEMENT S.R.O. | BRATISLAVA | 1 | UNICREDIT LEASING SLOVAKIA A.S. | 100.00 | |
| 591 UNICREDIT FUGGETLEN BIZTOSITASKOZVETITO KFT | BUDAPEST | 1 | UNICREDIT BANK HUNGARY ZRT. | 25.20 | |
| | | | UNICREDIT LEASING KFT | 74.80 | |
| 592 UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | VIENNA | 1 | EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 593 UNICREDIT GLOBAL BUSINESS SERVICES GMBH | UNTERFOHRING | 1 | UNICREDIT BANK AG | 100.00 | |
| 594 UNICREDIT GLOBAL LEASING EXPORT GMBH | VIENNA | 1 | UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH | 100.00 | |
| 595 UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH | VIENNA | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 596 UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH | VIENNA | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 597 UNICREDIT INGATLANLIZING ZRT | BUDAPEST | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100.00 | |
| 598 UNICREDIT INSURANCE BROKER EOOD | SOFIA | 1 | UNICREDIT LEASING AD | 100.00 | |
| 599 UNICREDIT INSURANCE BROKER SRL | BUCHAREST | 1 | ALLEGRO LEASING GESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 600 UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA | LUXEMBOURG | 1 | UNICREDIT SPA | 100.00 | |
| 601 UNICREDIT JELZALOGBANK ZRT. | BUDAPEST | 1 | UNICREDIT BANK HUNGARY ZRT. | 100.00 | |
| 602 UNICREDIT KFZ LEASING GMBH | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 100.00 | |
| 603 UNICREDIT LEASING (AUSTRIA) GMBH | VIENNA | 1 | UNICREDIT LEASING S.P.A. | 99.98 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.02 | ⁽⁷⁾ |
| 604 UNICREDIT LEASING AD | SOFIA | 1 | UNICREDIT BULBANK AD | 24.37 | |
| | | | UNICREDIT LEASING S.P.A. | 75.63 | |
| 605 UNICREDIT LEASING AVIATION GMBH | HAMBURG | 1 | UNICREDIT LEASING GMBH | 100.00 | |
| 606 UNICREDIT LEASING CORPORATION IFN S.A. | BUCHAREST | 1 | UNICREDIT LEASING S.P.A. | 80.00 | |
| | | | UNICREDIT TRIAC BANK S.A. | 20.00 | |
| 607 UNICREDIT LEASING CROATIA D.O.O. ZA LEASING | ZAGREB | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 608 UNICREDIT LEASING CZ, A.S. | PRAGUE 4 | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 609 UNICREDIT LEASING D.O.O. | SARAJEVO | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 610 UNICREDIT LEASING FINANCE GMBH | HAMBURG | 1 | UNICREDIT LEASING GMBH | 100.00 | |
| 611 UNICREDIT LEASING FLEET MANAGEMENT S.R.L. | BUCHAREST | 1 | UNICREDIT GLOBAL LEASING EXPORT GMBH | 10.00 | |
| | | | UNICREDIT LEASING S.P.A. | 90.00 | |
| 612 UNICREDIT LEASING FUHRPARKMANAGEMENT GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100.00 | |
| 613 UNICREDIT LEASING GMBH | HAMBURG | 1 | UNICREDIT BANK AG | 100.00 | |
| 614 UNICREDIT LEASING HUNGARY ZRT | BUDAPEST | 1 | BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. | 5.00 | |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 95.00 | |
| 615 UNICREDIT LEASING IMOTRUCK ZRT. | BUDAPEST | 1 | BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. | 28.56 | |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 71.44 | |
| 616 UNICREDIT LEASING KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 617 UNICREDIT LEASING LUNA KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 80.00 | |
| 618 UNICREDIT LEASING MARS KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 80.00 | |
| 619 UNICREDIT LEASING REAL ESTATE S.R.O. | BRATISLAVA | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 620 UNICREDIT LEASING ROMANIA S.A. | BUCHAREST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| | | | UNICREDIT TRIAC BANK S.A. | .. | |
| 621 UNICREDIT LEASING S.P.A. | BOLOGNA | 1 | UNICREDIT BANK AUSTRIA AG | 31.01 | |
| | | | UNICREDIT SPA | 68.99 | |
| 622 UNICREDIT LEASING SLOVAKIA A.S. | BRATISLAVA | 1 | UNICREDIT BANK SLOVAKIA A.S. | 19.90 | |
| | | | UNICREDIT LEASING CZ, A.S. | 8.80 | |
| | | | UNICREDIT LEASING S.P.A. | 71.30 | |

Part A - Accounting Policies (CONTINUED)

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|---|---------------------|--|--|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 623 UNICREDIT LEASING SRBIJA D.O.O. BEOGRAD | BELGRADE | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 624 UNICREDIT LEASING TECHNIKUM GMBH | VIENNA | 1 | LEASFINANZ GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | |
| 625 UNICREDIT LEASING TOB | KIEV | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 626 UNICREDIT LEASING URANUS KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 80.00 | |
| 627 UNICREDIT LEASING VERSICHERUNGSSERVICE GMBH & CO KG | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100.00 | |
| 628 UNICREDIT LEASING, LEASING, D.O.O. | LJUBLJANA | 1 | UNICREDIT BANKA SLOVENIJA D.D. | 1.79 | |
| | | | UNICREDIT LEASING S.P.A. | 98.21 | |
| 629 UNICREDIT LONDON INVESTMENTS LIMITED | LONDON | 1 | UNICREDIT BANK AG | 100.00 | |
| 630 UNICREDIT LUNA LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | |
| 631 UNICREDIT LUXEMBOURG FINANCE SA | LUXEMBOURG | 1 | UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA | 100.00 | |
| 632 UNICREDIT LUXEMBOURG S.A. | LUXEMBOURG | 1 | UNICREDIT BANK AG | 100.00 | |
| 633 UNICREDIT MERCHANT PARTNERS GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 634 UNICREDIT OBG S.R.L. | VERONA | 1 | UNICREDIT SPA | 60.00 | |
| 635 UNICREDIT PARTNER D.O.O | ZAGREB | 1 | UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH | 20.00 | |
| | | | UNICREDIT LEASING CROATIA D.O.O. ZA LEASING | 80.00 | |
| 636 UNICREDIT PARTNER D.O.O BEOGRAD | BELGRADE | 1 | ALLEGRO LEASING GESELLSCHAFT M.B.H. | 100.00 | |
| 637 UNICREDIT PARTNER LLC | KIEV | 1 | UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH | 100.00 | |
| | | | | | |
| 638 UNICREDIT PEGASUS LEASING GMBH | VIENNA | 1 | CALG IMMOBILIEN LEASING GMBH | 74.80 | 75.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | |
| 639 UNICREDIT POJIST'OVACI MAKLERSKA SPOL. S R.O. | PRAGUE | 1 | UNICREDIT LEASING CZ, A.S. | 100.00 | |
| 640 UNICREDIT POLARIS LEASING GMBH | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | |
| 641 UNICREDIT RENT D.O.O. BEOGRAD | BELGRADE | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 100.00 | |
| 642 UNICREDIT SECURITIES INTERNATIONAL LIMITED IN LIQUIDAZIONE | NICOSIA | 1 | AI BETEILIGUNGS GMBH | 100.00 | |
| 643 UNICREDIT TECHRENT LEASING GMBH | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 99.00 | |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 1.00 | |
| 644 UNICREDIT TIRIAC BANK S.A. | BUCHAREST | 1 | ARNO GRUNDSTUCKSVERWALTUNGS GESELLSCHAFT M.B.H. | 0.01 | 50.56 ⁽³⁾ |
| | | | BANK AUSTRIA-CEE BETEILIGUNGSGMBH | 0.01 | |
| | | | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 0.01 | |
| | | | UNICREDIT BANK AUSTRIA AG | 95.52 | |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 0.01 | |
| | | | UNICREDIT LEASING ROMANIA S.A. | .. | |
| 645 UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH | VIENNA | 1 | UNICREDIT TURN-AROUND MANAGEMENT GMBH | 100.00 | |
| 646 UNICREDIT TURN-AROUND MANAGEMENT GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 647 UNICREDIT U.S. FINANCE LLC | WILMINGTON | 1 | UNICREDIT BANK AG | 100.00 | |
| 648 UNICREDIT ZAVAROVALNO ZASTOPINSKA DRUZBA DOO | LJUBLJANA | 1 | UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH | 100.00 | |
| 649 UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | |
| 650 UNICREDIT-LEASING HOSPES KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 651 UNICREDIT-LEASING NEPTUNUS KFT | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 96.35 | |
| 652 UNICREDIT-LEASING ORION INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG | BUDAPEST | 1 | UNICREDIT LEASING S.P.A. | 100.00 | |
| 653 UNICREDITO ITALIANO CAPITAL TRUST III | NEWARK, DELAWARE | 1 | UNICREDITO ITALIANO FUNDING LLC III | 100.00 | |

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|---|-------------------------|--|--|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 654 UNICREDITO ITALIANO CAPITAL TRUST IV | NEWARK, DELAWARE | 1 | UNICREDITO ITALIANO FUNDING LLC IV | 100.00 | |
| 655 UNICREDITO ITALIANO FUNDING LLC III | WILMINGTON, DELAWARE | 1 | UNICREDIT SPA | 100.00 | |
| 656 UNICREDITO ITALIANO FUNDING LLC IV | WILMINGTON, DELAWARE | 1 | UNICREDIT SPA | 100.00 | |
| 657 UNIVERSALE INTERNATIONAL REALTAEEN GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 658 US PROPERTY INVESTMENTS INC. | DALLAS | 1 | UNICREDIT BANK AG | 100.00 | |
| 659 V.M.G. VERMIETUNGSGESELLSCHAFT MBH | MUNICH | 1 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | 100.00 | |
| 660 VANDERBILT CAPITAL ADVISORS LLC | WILMINGTON | 1 | PIONEER INSTITUTIONAL ASSET MANAGEMENT INC | 100.00 | |
| 661 VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H. | VIENNA | 1 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 74.80 | 75.00 |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 25.00 | |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 662 VERBA VERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 663 VERMIETUNGSGESELLSCHAFT MBH & CO OBJEKT MOC KG | MONACO | 1 | HVB IMMOBILIEN AG | 87.88 | 87.78 |
| | | | LANDOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | 0.00 | 0.06 |
| 664 VERWALTUNGSGESELLSCHAFT KATHARINENHOF MBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 665 VIENNA DC BAUTRAEGER GMBH | VIENNA | 1 | WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESSELLSCHAFT | 100.00 | |
| 666 VIENNA DC TOWER 1 LIEGENSCHAFTSBESITZ GMBH | VIENNA | 1 | WED DONAU-CITY GESELLSCHAFT M.B.H. | 100.00 | |
| 667 VIENNA DC TOWER 2 LIEGENSCHAFTSBESITZ GMBH | VIENNA | 1 | WED DONAU-CITY GESELLSCHAFT M.B.H. | 100.00 | |
| 668 VILLINO PACELLI SRL | ROME | 1 | IMMOBILIARE PATETTA SRL | 100.00 | |
| 669 VISCONTI SRL | MILAN | 1 | UNICREDIT SPA | 90.63 | |
| 670 VUWB INVESTMENTS INC. | ATLANTA | 1 | WEALTHCAP FONDS GMBH | 100.00 | |
| 671 WEALTH CAPITAL INVESTMENT INC. | WILMINGTON | 1 | WEALTHCAP FONDS GMBH | 100.00 | |
| 672 WEALTH MANAGEMENT CAPITAL HOLDING GMBH | MUNICH | 1 | UNICREDIT BANK AG | 100.00 | |
| 673 WEALTHCAP EQUITY GMBH | MUNICH | 1 | WEALTHCAP INITIATOREN GMBH | 100.00 | |
| 674 WEALTHCAP EQUITY MANAGEMENT GMBH | MUNICH | 1 | WEALTHCAP EQUITY GMBH | 100.00 | |
| 675 WEALTHCAP FONDS GMBH | MUNICH | 1 | WEALTHCAP INITIATOREN GMBH | 100.00 | |
| 676 WEALTHCAP INITIATOREN GMBH | MUNICH | 1 | WEALTH MANAGEMENT CAPITAL HOLDING GMBH | 100.00 | |
| 677 WEALTHCAP INVESTORENBETREUUNG GMBH | MUNICH | 1 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | 100.00 | |
| 678 WEALTHCAP LEASING GMBH | GRUNWALD | 1 | WEALTH MANAGEMENT CAPITAL HOLDING GMBH | 100.00 | |
| 679 WEALTHCAP PEIA KOMPLEMENTAR GMBH | GRUNWALD | 1 | WEALTHCAP PEIA MANAGEMENT GMBH | 100.00 | |
| 680 WEALTHCAP PEIA MANAGEMENT GMBH | MUNICH | 1 | UNICREDIT BANK AG | 6.00 | |
| | | | WEALTH MANAGEMENT CAPITAL HOLDING GMBH | 94.00 | |
| 681 WEALTHCAP REAL ESTATE MANAGEMENT GMBH | MUNICH | 1 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | 100.00 | |
| 682 WEALTHCAP STIFTUNGSTREUHAND GMBH | MUNICH | 1 | WEALTHCAP FONDS GMBH | 100.00 | |
| 683 WEALTHCAP USA IMMOBILIEN VERWALTUNGS GMBH | MUNICH | 1 | WEALTHCAP FONDS GMBH | 100.00 | |
| 684 WED DONAU-CITY GESELLSCHAFT M.B.H. | VIENNA | 1 | WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESSELLSCHAFT | 100.00 | |
| 685 WED HOLDING GESELLSCHAFT M.B.H. | VIENNA | 3 | UNICREDIT BANK AUSTRIA AG | 48.06 | |
| 686 WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESSELLSCHAFT | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 38.00 | |
| | | | WED HOLDING GESELLSCHAFT M.B.H. | 62.00 | |
| 687 WOM GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. VIENNA | | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |

Part A - Accounting Policies (CONTINUED)

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|---|-------------|--|--|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 688 Z LEASING ALFA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 689 Z LEASING ARKTUR IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 690 Z LEASING AURIGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 691 Z LEASING CORVUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 692 Z LEASING DORADO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | CALG GRUNDSTUCKVERWALTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 693 Z LEASING DRACO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 694 Z LEASING GAMA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 695 Z LEASING GEMINI IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 696 Z LEASING HEBE IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GEBAUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 697 Z LEASING HERCULES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 698 Z LEASING IPSILON IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 699 Z LEASING ITA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 700 Z LEASING JANUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 701 Z LEASING KALLISTO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 702 Z LEASING KAPA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 703 Z LEASING LYRA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | GALA GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 704 Z LEASING NEREIDE IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 705 Z LEASING OMEGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | CALG DELTA GRUNDSTUCKVERWALTUNG GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 706 Z LEASING PERSEUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH | 100.00 | |
| 707 Z LEASING SCORPIUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 708 Z LEASING TAURUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 709 Z LEASING VENUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |
| 710 Z LEASING VOLANS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | 1 | UNICREDIT LEASING (AUSTRIA) GMBH | 99.80 | 100.00 |
| | | | VIA A TRUST COMPANY OUTSIDE THE GROUP | 0.20 | ⁽⁷⁾ |

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|---|-------------|--|---|-----------|---------------------------------|
| | | | HELD BY | HOLDING % | |
| 711 ZAGREB NEKRETNINE DOO | ZAGREB | 1 | ZAGREBACKA BANKA D.D. | 100.00 | |
| 712 ZAGREBACKA BANKA D.D. | ZAGREB | 1 | UNICREDIT BANK AUSTRIA AG | 84.48 | |
| 713 ZANE BH DOO | SARAJEVO | 1 | ZAGREB NEKRETNINE DOO | 100.00 | |
| 714 ZAO LOCAT LEASING RUSSIA | MOSCOW | 1 | OOO UNICREDIT LEASING | 100.00 | |
| 715 ZAO UNICREDIT BANK | MOSCOW | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| 716 ZAPADNI TRGOVACKI CENTAR D.O.O. | RIJEKA | 1 | UNIVERSALE INTERNATIONAL REALITAETEN GMBH | 100.00 | |
| 717 ZB INVEST DOO | ZAGREB | 1 | ZAGREBACKA BANKA D.D. | 100.00 | |
| 718 ZETA FUENF HANDELS GMBH | VIENNA | 1 | UNICREDIT BANK AUSTRIA AG | 100.00 | |
| A.2 Companies recognised using proportionate consolidation | | | | | |
| 1 BA HYPO FINANCIRANJE D.O.O. ZA POSLOVANJE NEKRETNINAMA | ZAGREB | 7 | HYPO-BA LEASING SUD GMBH | 50.00 | |
| 2 EUROLEASE FINANCE, D.O.O. | LJUBLJANA | 7 | HYPO-BA LEASING SUD GMBH | 50.00 | |
| 3 FIDES LEASING GMBH | VIENNA | 7 | CALG ANLAGEN LEASING GMBH | 50.00 | |
| 4 HYBA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA | ZAGREB | 7 | HYPO-BA LEASING SUD GMBH | 50.00 | |
| 5 HYPO-BA LEASING SUD GMBH | KLAGENFURT | 7 | UNICREDIT LEASING S.P.A. | 50.00 | |
| 6 HYPO-BA PROJEKT, FINANCIRANJE D.O.O. | LJUBLJANA | 7 | HYPO-BA LEASING SUD GMBH | 50.00 | |
| 7 HYPO-BA ZAGREB D.O.O. ZA POSLOVANJE NEKRETNINAMA | ZAGREB | 7 | HYPO-BA LEASING SUD GMBH | 50.00 | |
| 8 INPROX LEASING, NEPREMICNINE, D.O.O. | LJUBLJANA | 7 | HYPO-BA LEASING SUD GMBH | 50.00 | |
| 9 INPROX OSIJEK D.O.O. | ZAGREB | 7 | HYPO-BA LEASING SUD GMBH | 50.00 | |
| 10 KOC FINANSAL HIZMETLER AS | ISTANBUL | 7 | UNICREDIT BANK AUSTRIA AG | 50.00 | |
| 11 MONTREAL NEKRETNINE D.O.O. | ZAGREB | 7 | HYPO-BA LEASING SUD GMBH | 50.00 | |
| 12 ORBIT ASSET MANAGEMENT LIMITED | HAMILTON | 7 | PIONEER ALTERNATIVE INVESTMENT MANAGEMENT (BERMUDA) LIMITED | 50.00 | |
| 13 RCI FINANCIAL SERVICES S.R.O. | PRAGUE | 7 | UNICREDIT LEASING CZ, A.S. | 50.00 | |
| 14 STICHTING CUSTODY SERVICES YKB | AMSTERDAM | 7 | YAPI KREDI BANK NEDERLAND N.V. | 40.90 | |
| 15 SYNERGA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA | ZAGREB | 7 | HYPO-BA LEASING SUD GMBH | 50.00 | |
| 16 UNICREDIT MENKUL DEGERLER AS | ISTANBUL | 7 | KOC FINANSAL HIZMETLER AS | 50.00 | |
| | | | YAPI KREDI FINANSAL KIRALAMA AO | .. | |
| 17 YAPI KREDI B TIPI YATIRIM ORTAKLIGI A.S. | ISTANBUL | 7 | YAPI KREDI YATIRIM MENKUL DEGERLER AS | 18.39 | |
| | | | YAPI VE KREDI BANKASI AS | 4.54 | |
| 18 YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY | BAKU | 7 | YAPI KREDI FINANSAL KIRALAMA AO | 0.04 | |
| | | | YAPI KREDI YATIRIM MENKUL DEGERLER AS | 0.04 | |
| | | | YAPI VE KREDI BANKASI AS | 40.82 | |
| 19 YAPI KREDI BANK MOSCOW | MOSCOW | 7 | YAPI KREDI FINANSAL KIRALAMA AO | 0.07 | |
| | | | YAPI VE KREDI BANKASI AS | 40.83 | |
| 20 YAPI KREDI BANK NEDERLAND N.V. | AMSTERDAM | 7 | YAPI KREDI HOLDING BV | 13.40 | |
| | | | YAPI VE KREDI BANKASI AS | 27.50 | |
| 21 YAPI KREDI DIVERSIFIED PAYMENT RIGHTS FINANCE COMPANY | GEORGE TOWN | 7 | YAPI VE KREDI BANKASI AS | 40.90 | (9) |
| 22 YAPI KREDI EMEKLILIK AS | ISTANBUL | 7 | YAPI KREDI FAKTORING AS | 0.02 | |
| | | | YAPI KREDI SIGORTA AS | 38.39 | |
| | | | YAPI KREDI YATIRIM MENKUL DEGERLER AS | 0.02 | |
| | | | YAPI VE KREDI BANKASI AS | .. | |
| 23 YAPI KREDI FAKTORING AS | ISTANBUL | 7 | YAPI KREDI FINANSAL KIRALAMA AO | .. | |
| | | | YAPI VE KREDI BANKASI AS | 40.88 | |
| 24 YAPI KREDI FINANSAL KIRALAMA AO | ISTANBUL | 7 | YAPI VE KREDI BANKASI AS | 40.90 | |
| 25 YAPI KREDI HOLDING BV | AMSTERDAM | 7 | YAPI VE KREDI BANKASI AS | 40.90 | |
| 26 YAPI KREDI INVEST LIMITED LIABILITY COMPANY | BAKU | 7 | YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY | 40.90 | |
| 27 YAPI KREDI PORTFOEY YOENETIMI AS | ISTANBUL | 7 | YAPI KREDI YATIRIM MENKUL DEGERLER AS | 35.71 | 87.32 |
| | | | YAPI VE KREDI BANKASI AS | 5.17 | 12.65 |
| 28 YAPI KREDI SIGORTA AS | ISTANBUL | 7 | YAPI KREDI FAKTORING AS | 3.25 | |
| | | | YAPI KREDI YATIRIM MENKUL DEGERLER AS | 4.90 | |
| | | | YAPI VE KREDI BANKASI AS | 30.27 | |

Part A - Accounting Policies (CONTINUED)

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|--|-----------------------|-------------------------------------|---|-----------|------------------------------|
| | | | HELD BY | HOLDING % | |
| 29 YAPI KREDI YATIRIM MENKUL DEGERLER AS | ISTANBUL | 7 | YAPI KREDI FINANSAL KIRALAMA AO | .. | |
| | | | YAPI VE KREDI BANKASI AS | 40.89 | |
| 30 YAPI VE KREDI BANKASI AS | ISTANBUL | 7 | KOC FINANSAL HIZMETLER AS | 40.90 | |
| A.3 Valued at equity method | | | | | |
| 1 ADLER FUNDING LLC | DOVER | 8 | UNICREDIT BANK AG | 32.81 | |
| 2 ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJE DOBROVOLJNIM MIROVINSKIM FONDOM | ZAGREB | 8 | ZAGREBACKA BANKA D.D. | 49.00 | |
| 3 ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJE OBVEZNIM MIROVINSKIM FONDOM | ZAGREB | 8 | ZAGREBACKA BANKA D.D. | 49.00 | |
| 4 ASSET BANCARI II | MILAN | 8 | UNICREDIT CREDIT MANAGEMENT IMMOBILIARE S.P.A. | 46.30 | |
| 5 AVIVA SPA | MILAN | 8 | UNICREDIT SPA | 49.00 | |
| 6 BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT | INNSBRUCK | 8 | CABO BETEILIGUNGSGESELLSCHAFT M.B.H. | 37.53 | 41.70 |
| | | | UNICREDIT BANK AUSTRIA AG | 9.85 | 4.93 |
| 7 BANQUE DE COMMERCE ET DE PLACEMENTS SA | GINEVRA | 8 | YAPI VE KREDI BANKASI AS | 30.67 | |
| 8 BKS BANK AG | KLAGENFURT | 8 | CABO BETEILIGUNGSGESELLSCHAFT M.B.H. | 28.01 | 29.64 |
| | | | UNICREDIT BANK AUSTRIA AG | 8.02 | 7.46 |
| 9 BLUVACANZE SPA | MILAN | 8 | UNICREDIT SPA | 42.85 | |
| 10 BULKMAX HOLDING LTD | LA VALLETTA | 8 | HVB CAPITAL PARTNERS AG | 45.00 | |
| 11 CA IMMOBILIEN ANLAGEN AKTIENGESELLSCHAFT | VIENNA | 8 | UNICREDIT BANK AUSTRIA AG | 18.16 | |
| 12 CASH SERVICE COMPANY AD | SOFIA | 8 | UNICREDIT BULBANK AD | 20.00 | |
| 13 CBD INTERNATIONAL SP.ZO.O. | WARSAW | 8 | ISB UNIVERSALE BAU GMBH | 49.75 | |
| 14 CNP UNICREDIT VITA S.P.A. | MILAN | 8 | UNICREDIT SPA | 38.80 | |
| 15 COMTRADE GROUP B.V. | AMSTERDAM | 8 | HVB CAPITAL PARTNERS AG | 21.05 | |
| 16 CONSORZIO SE.TEL. SERVIZI TELEMATICI IN LIQUIDAZIONE | NAPOLI | 8 | UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI | 33.33 | |
| 17 CREDITRAS ASSICURAZIONI SPA | MILAN | 8 | UNICREDIT SPA | 50.00 | |
| 18 CREDITRAS VITA SPA | MILAN | 8 | UNICREDIT SPA | 50.00 | |
| 19 DA VINCI S.R.L. | ROME | 8 | FONDO SIGMA (3) | 25.00 | |
| 20 ES SHARED SERVICE CENTER SOCIETA PER AZIONI | CERNUSCO SUL NAVIGLIO | 8 | UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI | 49.00 | |
| 21 EUROPROGETTI & FINANZA S.P.A. IN LIQUIDAZIONE | ROME | 8 | UNICREDIT SPA | 39.79 | |
| 22 FENICE HOLDING S.P.A. | CALENZANO | 8 | UNICREDIT SPA | 25.91 | |
| 23 FIDIA SPA IN LIQUIDAZIONE | MILAN | 8 | UNICREDIT SPA | 50.00 | |
| 24 G.B.S. - GENERAL BROKER SERVICE S.P.A. | ROME | 8 | UNICREDIT SPA | 20.00 | |
| 25 INCONTRA ASSICURAZIONI S.P.A. | MILAN | 8 | UNICREDIT SPA | 49.00 | |
| 26 KRAJOWA IZBA ROZLICZENIOWA SA | WARSAW | 8 | BANK PEKAO SA | 34.44 | |
| 27 MARINA CITY ENTWICKLUNGS GMBH | VIENNA | 8 | CABET-HOLDING GMBH | 25.00 | |
| 28 MARINA TOWER HOLDING GMBH | VIENNA | 8 | CABET-HOLDING GMBH | 25.00 | |
| 29 MARTUR SUNGER VE KOLTUK TESISLERI TICARET VE SANAYI A. S. | ISTANBUL | 8 | HVB CAPITAL PARTNERS AG | 20.00 | |
| 30 MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA | MILAN | 8 | UNICREDIT SPA | 8.66 | |
| 31 MEGAPARK OOD | SOFIA | 8 | BANK AUSTRIA REAL INVEST GMBH | 43.50 | |
| 32 MULTIPLUS CARD D.O.O. ZA PROMIDZBU I USLUGE | ZAGREB | 8 | SUVREMENE POSIOVNE KOMUNIKACIJE D.O.O | 75.00 | 25.00 |
| 33 NAUTILUS TANKERS LIMITED | LA VALLETTA | 8 | HVB CAPITAL PARTNERS AG | 45.00 | |
| 34 NEEP ROMA HOLDING SPA | ROME | 8 | UNICREDIT SPA | 40.00 | |
| 35 NOTARTREUHANDBANK AG | VIENNA | 8 | UNICREDIT BANK AUSTRIA AG | 25.00 | |
| 36 OAK RIDGE INVESTMENT LLC | WILMINGTON | 8 | PIONEER INSTITUTIONAL ASSET MANAGEMENT INC | 49.00 | |
| 37 OBERBANK AG | LINZ | 8 | CABO BETEILIGUNGSGESELLSCHAFT M.B.H. | 29.14 | 32.54 |
| | | | UNICREDIT BANK AUSTRIA AG | 4.19 | 1.65 |
| 38 OBJEKT-LEASE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | 8 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 49.23 | |
| | | | UNICREDIT LEASING (AUSTRIA) GMBH | 0.77 | |
| 39 OESTERREICHISCHE HOTEL- UND TOURISMUSBANK GESELLSCHAFT M.B.H. | VIENNA | 8 | UNICREDIT BANK AUSTRIA AG | 50.00 | |

Continued: Investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP ⁽¹⁾ | OWNERSHIP RELATIONSHIP | | VOTING RIGHTS ⁽²⁾ |
|------|---|-------------------------------------|---|-----------|------------------------------|
| | | | HELD BY | HOLDING % | |
| 40 | OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT VIENNA | 8 | CABET-HOLDING GMBH | 24.75 | |
| | | | SCHOELLERBANK AKTIENGESELLSCHAFT | 8.26 | |
| | | | UNICREDIT BANK AUSTRIA AG | 16.14 | |
| 41 | OESTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH VIENNA | 8 | UNICREDIT BANK AUSTRIA AG | 29.30 | |
| 42 | PALATIN GRUNDSTUCKVERWALTUNGS GESELLSCHAFT M.B.H. STOCKERAU | 8 | UNICREDIT LEASING (AUSTRIA) GMBH | 50.00 | |
| 43 | 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 | |
| 44 | PURGE GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT M.B.H. VIENNA | 8 | BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH | 50.00 | |
| 45 | REMBRA LEASING GESELLSCHAFT M.B.H. VIENNA | 8 | UNICREDIT LEASING (AUSTRIA) GMBH | 50.00 | |
| 46 | SCHUL- UND AMTSGEBAUDE GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. GRAZ | 8 | UNICREDIT LEASING (AUSTRIA) GMBH | 33.33 | |
| 47 | SCHULERRICHTUNGSGESELLSCHAFT M.B.H. VIENNA | 8 | UNICREDIT LEASING (AUSTRIA) GMBH | 50.00 | |
| 48 | SIA SPA MILAN | 8 | UNICREDIT SPA | 24.07 | |
| 49 | SMIA SPA ROME | 8 | UNICREDIT SPA | 26.38 | |
| 50 | SP PROJEKTENTWICKLUNG SCHOENEFELD GMBH & CO.KG STUTTGART | 8 | UNICREDIT BANK AUSTRIA AG | 50.00 | |
| 51 | SVILUPPO GLOBALE GEIE ROME | 8 | UNICREDIT SPA | 33.33 | |
| 52 | SW HOLDING SPA ROME | 8 | UNICREDIT SPA | 28.57 | 13.79 |
| 53 | TORRE SGR S.P.A. ROME | 8 | PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ. | 37.50 | |
| 54 | UNI GEBAEUEMANAGEMENT GMBH LINZ | 8 | BA GVG-HOLDING GMBH | 50.00 | |
| 55 | WIEN MITTE IMMOBILIEN GMBH VIENNA | 8 | BA-CA WIEN MITTE HOLDING GMBH | 50.00 | |
| 56 | WKBG WIENER KREDITBURGSCHAFTS- UND BETEILIGUNGSBANK AG VIENNA | 8 | UNICREDIT BANK AUSTRIA AG | 23.38 | |
| 57 | YAPI KREDI KORAY GAYRIMENKUL YATIRIM ORTAKLIGI AS ISTANBUL | 8 | YAPI VE KREDI BANKASI AS | 30.45 | |

Notes to the table showing the investments in subsidiaries, companies recognized under proportionate consolidation and valued at equity within the scope of consolidation:

(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= centralised management pursuant to paragraph 1 of art. 26 of "Legislative decree 87/92";
- 6= centralised management pursuant to paragraph 2 of art. 26 of "Legislative decree 87/92";
- 7= joint control;
- 8= associate companies.

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

(3) Companies fully consolidated pursuant to SIC 12.

(4) Breakdown of second-level SPEs consolidated by Arabella Finance Ltd under SIC12: Elektra Purchase No. 17 S.A., Elektra Purchase No. 23 LTD, Elektra Purchase No. 24 LTD, Elektra Purchase No. 28 LTD, Elektra Purchase No. 911 Ltd.

(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.

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

Changes in the scope of consolidation

Fully consolidated entities, including the Parent Company, decreased from 737 as at December 31, 2012 to 718 as at June 30, 2013 (-19 entities).

The number of proportionately consolidated entities, totaling 30 as at December 31, 2012, was unchanged as at June 30, 2013.

Companies consolidated at equity method, totaling 54 as at December 31, 2012, were 57 as at June 30, 2013 (+ 3 entities).

Part A - Accounting Policies (CONTINUED)

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 | 6 |
| B.1 Newly established companies | - |
| B.2 Change of the consolidation method | 1 |
| B.3 Entities consolidated for the first time in 2013 | 5 |
| C. Reduced by | 25 |
| C.1 Disposal | 16 |
| C.2 Change of the consolidation method | 1 |
| C.3 Absorption by other Group entities | 8 |
| D. Closing balance | 718 |

Details of increases and reductions in the first half of 2013 are presented below:

Increases**Change of the consolidation method**

| COMPANY NAME | MAIN OFFICE |
|---------------------------------------|-------------|
| UNICREDIT CENTER AM KAISERWASSER GMBH | VIENNA |

The above company, belonging to the sub-group Bank Austria, was 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 |
|--|-------------|
| VISCONTI SRL | MILAN |
| AMBASSADOR PARC DEDINJE D.O.O. BEOGRAD | BELGRADE |
| EUROPEYE SRL | ROME |

| COMPANY NAME | MAIN OFFICE |
|--|-------------|
| GELDILUX-TS-2013 S.A. | LUXEMBOURG |
| VERMIETUNGSGESELLSCHAFT MBH & CO OBJEKT MOC KG | MUNICH |

As at June 30, 2013 entities consolidated for the first time mainly related to new companies acquired/which became operational during the first half of 2013. Entities consolidated for the first time also include an SPV, Geldilux-TS-2013 SA, consolidated in accordance with SIC 12.

Reductions**Disposal**

| COMPANY NAME | MAIN OFFICE |
|---|-------------|
| LOWES LIMITED IN LIQUIDAZIONE | 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 |

| 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 |

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 |

The change in the method of consolidation of the company CBD INTERNATIONAL SP.ZO.O. from Investments in fully consolidated subsidiaries to item 100. Investments in entities subject to significant influence valued at Net Equity is attributable to the capital increase that was not underwritten, with consequent loss of control.

Absorption by other Group entities

| COMPANY NAME OF THE MERGERED ENTITY | MAIN OFFICE | | COMPANY NAME OF THE TAKING IN ENTITY | MAIN OFFICE |
|--|-------------|-----|--|-------------|
| UNICREDIT MERCHANT S.P.A. | ROME | >>> | UNICREDIT S.P.A. | ROME |
| UNICREDIT AUDIT SOCIETA' CONSORTILE PER AZIONI | MILAN | >>> | UNICREDIT S.P.A. | ROME |
| UNIMANAGEMENT SCRL | TURIN | >>> | UNICREDIT S.P.A. | ROME |
| UNICREDIT LOGISTICS SRL | VERONA | >>> | UNICREDIT S.P.A. | 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 |

The following table shows the Entities which changed their company name during the first half of 2013.

Entities line by line which changed the company name during 2013

| COMPANY NAME | MAIN OFFICE | COMPANY NAME | MAIN OFFICE |
|---|-------------|---|-------------|
| PIONEER INVESTMENT MANAGEMENT LLC - UNDER LIQUIDATION (ex. PIONEER INVESTMENT MANAGEMENT LLC) | MOSCOW | UNICREDIT CAIB ROMANIA SRL (IN LIQUIDAZIONE) (ex. UNICREDIT CAIB ROMANIA SRL) | BUCAREST |
| GENERAL LOGISTIC SOLUTIONS (ex. INTEREUROPA-EAST LTD) | MOSCOW | EUROFINANCE 2000 SRL (IN LIQUIDAZIONE) (ex. EUROFINANCE 2000 SRL) | ROME |
| LOCALMIND SPA IN LIQUIDAZIONE (ex. LOCALMIND S.P.A.) | MILAN | CORIT - CONCESSIONARIA RISCOSSIONE TRIBUTI S.P.A. IN LIQUIDAZIONE (ex. CO.RI.T. S.P.A. IN LIQUIDAZIONE) | ROME |

Proportionately consolidated companies

The number of proportionately consolidated entities, totaling 30 as at December 31, 2012, was unchanged as at June 30, 2013.

Companies consolidated at equity method

The following table shows the changes in equity investments in companies subject to significant influence (consolidated at equity method).

Equity investments in companies under significant influence: annual changes

| | NUMBER OF COMPANIES |
|--|---------------------|
| A. Opening balance | 54 |
| B. Increased by | 4 |
| B.1 Newly established companies | - |
| B.2 Change of the consolidation method | 2 |
| B.3 Entities consolidated for the first time in 2013 | 2 |
| C. Reduced by | 1 |
| C.1 Disposal | 1 |
| C.2 Change of the consolidation method | - |
| C.3 Absorption by other entities | - |
| D. Closing balance | 57 |

Increases

Change of the consolidation method

| COMPANY NAME | MAIN OFFICE | COMPANY NAME | MAIN OFFICE |
|----------------------------|-------------|---|-----------------------|
| CBD INTERNATIONAL SP.ZO.O. | WARSAW | ES SHARED SERVICE CENTER SOCIETÀ PER AZIONI | CERNUSCO SUL NAVIGLIO |

Entities consolidated for the first time in 2013

| COMPANY NAME | MAIN OFFICE | COMPANY NAME | MAIN OFFICE |
|-----------------------|-------------|------------------|-------------|
| FENICE HOLDING S.P.A. | CALENZANO | ASSET BANCARI II | MILAN |

Reductions

Disposal

| COMPANY NAME | MAIN OFFICE |
|--|-------------|
| ALTOS-IMMOBILIENT IMMOBILIENLEASING GMBH | VIENNA |

The above table refers to disposal realized in the period.

Entities at equity which changed the company name during 2013

| COMPANY NAME | MAIN OFFICE |
|---|-------------|
| FIDIA SPA IN LIQUIDAZIONE (Ex. FIDIA SGR SPA IN LIQUIDAZIONE) | MILAN |

Part A - Accounting Policies (CONTINUED)

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 First Half Financial Report as at June 30, 2013. Please refer to the specific paragraph of the Report on Operations for a description of the significant events after half year end.

Section 5 - Other Matters

Since 2013 the following principles or accounting interpretations have become effective:

- Amendment to IAS 1 - Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income (EU Regulation 475/2012);
- Amendments to IAS 12 - Deferred tax: Recovery of Underlying Assets (EU Regulation 1255/2012);
- Amendments to IAS 19 - Employee Benefits (EU Regulation 475/2012);
- Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities (EU Regulation 1256/2012);
- Amendments to IFRS 1 - Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters (EU Regulation 1255/2012);
- Amendments to IFRS 1 - 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);
- Annual Improvements to IFRSs 2009-2011 Cycle (EU Regulation 301/2013).

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

- Amendments to IFRS 10, IFRS 11 and IFRS 12 - Transition Guidance (EU Regulation 313/2013).

At June 30, 2013 the IASB issued the following standards, amendments, interpretations or revisions:

- IFRS 9 - Financial Instruments (November 2009) and subsequent amendments (amendments to IFRS 9 - Mandatory Effective Date and Transition - December 2011);
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (October 2012);
- Amendments to IAS 36 - Recoverable Amounts Disclosures for Non-Financial Assets (May 2013);
- Amendments to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting (June 2013);
- IFRIC 21 Levies (May 2013).

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

The Consolidated First Half Financial Report was approved by the Board of Directors of August 6, 2013, which authorized its disclosure to the public, also pursuant to IAS 10.

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

A.2 - The Main Items of the Accounts

With regard to the classification and valuation of the main items, please refer to Part A.2 of the Notes to the Consolidated Accounts as at December 31, 2012.

In addition to the information provided in the above-mentioned part A.2, the following should be noted:

- the introduction, with effect from January 1, 2013, of the revised IAS19 prescribing the accounting for "post-employment benefits" (including severance pay) resulted in:
 - the elimination of the "corridor method", with (i) disclosure of the Defined Benefit Obligations in the Balance Sheet according to their actuarial valuation and (ii) recognition of the actuarial gains/losses relating to them as a contra item to Revaluation reserve (€1,205 million after tax as at January 1, 2013; €101 million as at January 1, 2012);
 - the need to disclose the change in the Revaluation reserve occurred during the period in the "Statement of Comprehensive Income";
 - the replacement of the concepts of "interest expenses" and "expected return on plan assets" with the concept of "net interest";
 - the disclosure of information regarding the methods and assumptions used to assess the obligations; in addition, a sensitivity analysis of the Defined Benefit Obligations shall be provided every time key actuarial assumptions change;
- since January 1, 2013 as part of the periodic assessment of the useful life of tangible and intangible assets, UniCredit S.p.A. has increased the useful lives used for the amortization of some plant and equipment recognized as tangible assets for a total residual amount of about €61 million as at December 31, 2012. Such review is based on the historical experience in the use of these assets, which shows longer time horizons than those

previously used. As required by IAS 8, the review of the useful life was applied prospectively and resulted in the recognition of lower depreciation in the first half year for an amount of €8 million;

- IFRS13 Fair value measurement, which came into effect for reporting periods beginning on or after January 1, 2013, brings together in a single document the regulations governing the measurement of fair value previously contained in various accounting standards. IFRS 13, whose application is required prospectively, keeps the concept of fair value substantially unchanged, introduces new practical guidelines for which we refer to section A.3 - information on fair value, and makes financial reporting more accurate. For more details please see part A.3 - Information on fair value - Additional information on fair value.

A.3 - Information on fair value

This section presents a disclosure of reclassified financial instruments according to IAS 39 and information 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 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 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 for the identical item held by another party as an asset, or other observable inputs, such as the quoted price in a market that is not active for the identical item held by another party as an asset are not available, the Group should use another valuation technique, such as:

- a market approach (eg using quoted prices for similar liabilities or equity instruments held by other parties as assets);
- cost approach (the current replacement cost that would be required currently to replace the service capacity of an asset);
- 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 reliability 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.

Part A - Accounting Policies (CONTINUED)

This verification calls for comparing and adjusting the daily price in line with valuations obtained from independent market participants.

For instruments not quoted in active markets, the above verification process uses prices contributed by infoproviders as a reference, and assigns a greater weighting to those prices that are considered representative of the instrument being valued.

This valuation includes the “executability” of the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices from different sources, and the process followed by the infoprovider to obtain the information.

Independent price verification is supplemented by the calculation of further regulatory fair-value adjustments, which are also recognized for accounting purposes, to take into account risks mainly associated with both the limited liquidity of the positions, the valuation models used and the counterparty risk.

A.3.1 Transfers between Portfolios

The amendments to IAS 39 and to IFRS 7 “Reclassification of financial assets” approved by the IASB in 2008 make it possible to reclassify certain financial assets, after their initial recognition, out of the HfT and AfS portfolios.

In particular, the following may be reclassified:

- those HfT or AfS financial assets that would have satisfied the definition specified by 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 fair value as at June 30, 2013 (broken down by type of underlying asset and portfolio) of assets which were reclassified in H2 2008, H1 2009 and H1 2012. 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 June 30, 2013, if these assets had not been reclassified, would have been a gain of €293,943 thousand, while the impact actually recognized was a gain of €84,509 thousand.

A.3.1.1 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) | CARRYING AMOUNT AS AT 06.30.2013 (4) | FAIR VALUE AS AT 06.30.2013 (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 | | | 5,920,370 | 5,743,887 | 189,447 | 102,312 | (3,927) | 79,224 |
| | Held for trading | Available for sale | 12,045 | 12,045 | 145 | 359 | 139 | 387 |
| | Held for trading | Held to maturity | 176,892 | 180,512 | (7,873) | 4,167 | - | 3,938 |
| | Held for trading | Loans to Banks | 1,815,695 | 1,885,724 | (889) | 21,632 | - | 24,952 |
| | Held for trading | Loans to Customers | 3,774,566 | 3,534,499 | 179,721 | 74,170 | (4,066) | 47,976 |
| | Available for sale | Loans to Banks | - | - | - | - | - | - |
| | Available for sale | Loans to Customers | 141,172 | 131,107 | 18,343 | 1,984 | - | 1,971 |
| B. Equity instruments | | | - | - | - | - | - | - |
| | Held for trading | Available for sale | - | - | - | - | - | - |
| C. Loans | | | 332,092 | 356,012 | (6,760) | 8,944 | - | 9,212 |
| | Held for trading | Available for sale | - | - | - | - | - | - |
| | Held for trading | Held to maturity | - | - | - | - | - | - |
| | Held for trading | Loans to Banks | 99,291 | 104,286 | (34) | 2,001 | - | 2,230 |
| | Held for trading | Loans to Customers | 232,801 | 251,726 | (6,726) | 6,943 | - | 6,982 |
| | Available for sale | Loans to Banks | - | - | - | - | - | - |
| | Available for sale | Loans to Customers | - | - | - | - | - | - |
| D. Units in investment funds | | | - | - | - | - | - | - |
| | Held for trading | Available for sale | - | - | - | - | - | - |
| Total | | | 6,252,462 | 6,099,899 | 182,687 | 111,256 | (3,927) | 88,436 |

Debt securities reclassified in the loan with customers portfolio include structured credit products (other than derivative contracts and financial instruments with incorporated derivatives) for an amount of €3,135,841 thousand at June 30, 2013.

Part A - Accounting Policies (CONTINUED)

A.3.2 Fair Value Hierarchy

IFRS 13 establishes a fair value hierarchy as a function of the ability to observe the inputs used for pricing.

To be specific, three levels are specified:

- Level 1: the fair value of instruments classified in this level is determined based on quotation prices observed in active markets;
- Level 2: the fair value of instruments classified in this level is determined based on valuation models that use inputs that can be observed in active markets;
- Level 3: the fair value of instruments classified in this level is determined based on valuation models that primarily use inputs that cannot be observed in active markets.

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

A.3.2.1 Accounting portfolios - breakdown by fair value levels

(€ '000)

| FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE | AMOUNTS AS AT 06.30.2013 | | | AMOUNTS AS AT 12.31.2012 | | |
|---|--------------------------|--------------------|------------------|--------------------------|--------------------|-------------------|
| | LEVEL 1 | LEVEL 2 | LEVEL 3 | LEVEL 1 | LEVEL 2 | LEVEL 3 |
| 1. Financial assets held for trading | 19,339,998 | 72,343,048 | 2,088,898 | 15,849,091 | 89,065,863 | 2,203,610 |
| 2. Financial assets at fair value through P&L | 14,087,100 | 11,807,995 | 2,038,815 | 10,036,999 | 11,652,568 | 3,335,448 |
| 3. Available for sale financial assets | 63,131,177 | 12,960,103 | 4,076,231 | 55,141,467 | 13,403,478 | 5,050,003 |
| 4. Hedging derivative assets | - | 12,774,496 | 1 | - | 17,635,111 | 56,223 |
| Total | 96,558,275 | 109,885,642 | 8,203,945 | 81,027,557 | 131,757,020 | 10,645,284 |
| 1. Financial liabilities held for Trading | 5,712,141 | 69,104,531 | 2,399,455 | 5,837,169 | 91,737,453 | 1,548,571 |
| 2. Financial liabilities at fair value through P&L | - | 674,912 | - | - | 851,754 | - |
| 3. Hedging derivative Liabilities | - | 11,506,575 | 1 | 345 | 14,494,700 | 44,480 |
| Total | 5,712,141 | 81,286,018 | 2,399,456 | 5,837,514 | 107,083,907 | 1,593,051 |

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

(€ '000)

| | CHANGES IN 2013 | | | |
|---------------------------------|------------------|---------------------------|--------------------|---------------------|
| | FINANCIAL ASSETS | | | |
| | HELD FOR TRADING | AT FAIR VALUE THROUGH P&L | AVAILABLE FOR SALE | HEDGING DERIVATIVES |
| 1. Opening balances | 2,203,610 | 3,335,448 | 5,050,003 | 56,223 |
| 2. Increases | 4,226,009 | 102,572 | 678,759 | - |
| 2.1 Purchases | 3,041,503 | 90,253 | 377,987 | - |
| 2.2 Profits recognized in: | 101,366 | 6,030 | 47,436 | - |
| 2.2.1 Income Statement | 101,366 | 6,030 | 9,854 | - |
| - of which Unrealized gains | 92,357 | 6,030 | 7,951 | - |
| 2.2.2 Equity | - | - | 37,582 | - |
| 2.3 Transfers from other levels | 865,391 | - | 202,836 | - |
| 2.4 Other increases | 217,749 | 6,289 | 50,500 | - |
| 3. Decreases | 4,340,721 | 1,399,205 | 1,652,531 | 56,222 |
| 3.1 Sales | 3,708,623 | 986,370 | 361,690 | - |
| 3.2 Redemptions | 181,663 | 6,721 | 66,114 | - |
| 3.3 Losses recognized in: | 144,012 | 45,794 | 80,985 | - |
| 3.3.1 Income Statement | 144,012 | 45,794 | 59,182 | - |
| - of which Unrealized losses | 142,352 | 45,792 | 30,030 | - |
| 3.3.2 Equity | - | - | 21,803 | - |
| 3.4 Transfers to other levels | 261,500 | 336,463 | 1,006,163 | 56,222 |
| 3.5 Other decreases | 44,923 | 23,857 | 137,579 | - |
| 4. Closing balances | 2,088,898 | 2,038,815 | 4,076,231 | 1 |

Items 2. Increases and 3. Decreases in financial assets are recognized in the income statement in the following items:

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

Items 2.2 Profits or 3.3 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".

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

(€ '000)

| | CHANGES IN FIRST HALF 2013 | | |
|---------------------------------|----------------------------|---------------------------|---------------------|
| | FINANCIAL LIABILITIES | | |
| | HELD FOR TRADING | AT FAIR VALUE THROUGH P&L | HEDGING DERIVATIVES |
| 1. Opening balances | 1,548,571 | - | 44,480 |
| 2. Increases | 1,464,553 | 27 | 5 |
| 2.1 Issuance | 335,696 | - | - |
| 2.2 Losses recognized in: | 894,441 | - | - |
| 2.2.1 Income Statement | 894,441 | - | - |
| - of which Unrealized losses | 33,116 | - | 1 |
| 2.2.2 Equity | - | - | - |
| 2.3 Transfers from other levels | 182,042 | - | - |
| 2.4 Other increases | 52,374 | 27 | 5 |
| 3. Decreases | 613,669 | 27 | 44,484 |
| 3.1 Redemptions | 125,076 | - | - |
| 3.2 Purchases | 114,772 | - | - |
| 3.3 Profits recognized in: | 172,799 | - | - |
| 3.3.1 Income Statement | 172,799 | - | - |
| - of which Unrealized gains | 146,038 | - | - |
| 3.3.2 Equity | - | - | - |
| 3.4 Transfers to other levels | 200,444 | - | 44,479 |
| 3.5 Other decreases | 578 | 27 | 5 |
| 4. Closing balances | 2,399,455 | - | 1 |

Items 2. Increases and 3. Decreases in financial assets are recognized in the income statement in the following items:

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

Items 2.2 Losses or 3.3 Profits 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".

Part A - Accounting Policies (CONTINUED)

Accounting portfolios at FV - transfers of FV between levels (level 1 and 2)

(€ '000)

| | AMOUNTS AS AT 06.30.2013 | |
|--|--------------------------|-----------|
| | LEVEL 1 | LEVEL 2 |
| Financial assets | | |
| Financial assets held for trading | | |
| reclassified from level 1 | X | 2,136,470 |
| reclassified from level 2 | 700,208 | X |
| Financial assets at FV | | |
| reclassified from level 1 | X | 1,284,914 |
| reclassified from level 2 | 1,554,424 | X |
| Available for sale financial assets | | |
| reclassified from level 1 | X | 767,939 |
| reclassified from level 2 | 2,779,231 | X |
| Hedging derivatives | | |
| reclassified from level 1 | X | - |
| reclassified from level 2 | - | X |
| Financial liabilities | | |
| Financial liabilities held for trading | | |
| reclassified from level 1 | X | 259,547 |
| reclassified from level 2 | 56,931 | X |
| Financial liabilities at FV | | |
| reclassified from level 1 | X | - |
| reclassified from level 2 | - | X |
| Hedging derivatives | | |
| reclassified from level 1 | X | - |
| reclassified from level 2 | - | X |

The migrations between Level 1 and Level 2 for available for sale securities reflect mainly the enhancement of the process for Fair Value Hierarchy Levels for some subsidiaries, as part of the process of *Independent Price Verification (IPV)*.

The migrations between Level 1 and Level 2 in other categories reflect mainly markets evolution during the period.

A.3.3 Day One Profit/Loss

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

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

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

The constant revision of valuation models and input parameters, as well as value adjustments to reflect model risk are aimed at reducing as much as possible the possibility that the amount recognized in the income statement is derived from the use of unobservable valuation parameters.

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 unobservable parameters is not recognized in the profit and loss account, but recorded as a subsequent adjustment to the balance sheet value of these instruments.

Recognition of this portion in the profit and loss account is then made only when objective parameters are applied and therefore the adjustments are derecognized.

The balance of value adjustments to reflect model risk changed from €110,507 thousand at December 31, 2011 to €117,385 thousand at December 31, 2012.

Additional information on fair value

Assets and Liabilities measured at fair value on a recurring basis

Hereby we provide IFRS13 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, UniCredit group approved the "Structured Credit Bonds Valuation Group Policy" centred on two pillars:

- extension and implementation across all the Group's Legal Entities of the new Independent Price Verification (IPV) process suited to the changed market conditions for Structured Credit Bonds;
- integration of current Fair Value Adjustments Policy.

The 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.

Part A - Accounting Policies (CONTINUED)

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 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.

- **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/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.

Description of the valuation processes for fair value measurements categorized within Level 3 of the fair value hierarchy

UniCredit ensures that the value applied appropriately reflects the current fair value. Fair value measurements of assets and liabilities are determined using various techniques, including, but not limited to, discounted cash flows and internal models. Based on the observability of inputs used, all the financial instruments are classified as Level 1, Level 2 or Level 3 of the fair value hierarchy. When a position involves one or more significant inputs that are not directly observable, additional price verification procedures are applied. These procedures may include reviewing relevant historical data, analyzing profit and loss, valuing each component of a structured trade individually, and benchmarking, among others. 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.

According to Group Market Risk Governance Guidelines, in order to ensure the adequate separation between functions in charge of development activities and functions in charge of validation, all pricing models developed by Legal Entities front – office functions are centrally and independently tested and validated by the Holding Company Internal Validation functions. The purpose of this independent control framework is to assess model risk arising from models' theoretical soundness, calibration techniques where needed, and the appropriateness of the model for a specific product in a defined market.

In addition to daily marking to market or marking to model, Independent Price Verification (IPV) is performed with the aim to supply a Market Risk independent fair value (FV) to any illiquid instrument.

Accounting portfolios measured at fair value: unobservable inputs details for L3 assets and liabilities

(€ million)

| PRODUCT CATEGORIES | | FAIR VALUE ASSETS | FAIR VALUE LIABILITIES | VALUATION TECHNIQUES | UNOBSERVABLE PARAMETERS | | RANGE | | |
|---------------------------|--------------------------------|-------------------|------------------------|---|---------------------------------------|--------|----------------------|----------------------|---------------------------------|
| Derivatives | | | | | | | | | |
| Financial | Commodities | 2.21 | 16.20 | Option Pricing Model | Volatility | 35% | 120% | | |
| | | | | | Correlations | -100% | 100% | | |
| | | | | Discounted Cash Flow | Swap Rate (% of used value) | 70% | 130% | | |
| | | | | Equity | 228.32 | 938.54 | Option Pricing Model | Volatility | 25% |
| | Correlation | -100% | 100% | | | | | | |
| | | | | Option Pricing Model/ Discounted Cash Flow | Dividends Yield | 0% | 10% | | |
| | | | | Foreign Exchange | 143.01 | 182.19 | Option Pricing Model | Volatility | 1% |
| | Interest Rate | 835.90 | 930.71 | Discounted Cash Flow | Swap Rate (bps) | 0.30% | 10.00% | | |
| | | | | | Inflation Swap Rate | 1.2% | 2.3% | | |
| | | | | Option Pricing Model | Inflation Volatility | 1% | 10% | | |
| | | | | | Interest Rate Volatility | 5% | 100% | | |
| | | | | Correlation | 20% | 100% | | | |
| | | | | Hybrid | 0.57 | 7.05 | Option Pricing Model | Volatility | 25% |
| | Correlation | -100% | 100% | | | | | | |
| Credit | | 84.37 | 104.39 | Hazard Rate Model | Credit Spread | 0.10% | 150% | | |
| | | | | | LGD | 5% | 95% | | |
| | | | | | | | Correlation | 20% | 80% |
| | | | | | | | Option Pricing Model | Volatility | 35% |
| Debt Securities and Loans | Corporate/ Government/Other | 3.392.86 | 251.53 | Market Approach | Price (% of used value) | 94% | 110% | | |
| | | | | | Mortgage & Asset Backed Securities | 211.85 | 0.40 | Discounted Cash Flow | Credit Spread (% of used value) |
| | LGD | 20% | 100% | | | | | | |
| | Default Rate | 0% | 25% | | | | | | |
| | | | | | Prepayment Rate | 0% | 30% | | |
| Equity Securities | | | | | Unlisted Equity & Holdings | 515.30 | | Market Approach | Price (% of used value) |
| | Gordon Growth Model | Ke | 3% | 12% | | | | | |
| | | Growth Rate | 0% | 2% | | | | | |
| | EBITDA (multiple) | 5 | 5 | | | | | | |
| Units in investment funds | Real Estate & Other Funds | 279.61 | | Adjusted NAV | PD Recovery Rate | 1% | 30% | | |
| | | | | | | 30% | 40% | | |

Part A - Accounting Policies (CONTINUED)

Description of the Valuation Technique used to measure the fair value of items categorized in Level 2 or Level 3

Valuation techniques are used to value positions for which a market price is not available 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 gain or loss from a CDS position cannot be computed by taking the difference between current market quoted price plus the coupons received and the purchase price. To value a CDS we need to use a term structure of default swap spreads, a recovery rate assumption and a model.

Market Approach

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

Gordon Growth Model

A model for determining the intrinsic value of a stock, based on a future series of dividends that grow at a constant rate. Given a dividend per share that is payable in one year, and the assumption that the dividend grows at a constant rate in perpetuity, the model solves for the present value of the infinite series of 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.

Description of the Unobservable Inputs used to measure the fair value of items categorized in Level 3 and of the Sensitivity of the FV measurement to changes in those inputs

The directional sensitivity of the firm's Level 3 fair value measurements to changes in significant unobservable inputs is provided below. For fair value measurement where significant unobservable inputs are used (Level 3) sensitivity analysis is performed in order to generate a range of reasonably possible alternative valuations. The Group considers that the impact of an unobservable inputs on the Level 3 fair value measurements depends on the correlation between various inputs used in the valuation process. Furthermore, the effect of a change in an unobservable inputs impacts the amount and the direction of the fair value measurement depending also on the nature of the instrument and on whether the instrument is hold as an asset or as a liability.

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 (assets) benefit from increases in volatility, whereas short option positions (liabilities) 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/underlying prices.

Correlation

Correlation is a measure of the relationship between the movements of two variables. When parameters are positively correlated, an increase in correlation generally results in a fair value increase. 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

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.

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 (i.e. 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.

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 financial assets.

In general as prepayment speeds change, the weighted average life of the instrument 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 probability provide an estimate of the possibility that the convertible debt will be early converted in equity.

EBITDA

The EBITDA gives an indication of the current operational profitability of the business, i.e. how much profit does it make with its present assets and its operations on the products it produces and sells.

Ke

The Ke (cost of capital) represents the minimum rate of return that a company must offer to its shareholders in order to pay the funds received.

Growth Rate

It's the constant growth rate in perpetuity expected for the dividends.

Part A - Accounting Policies (CONTINUED)

Breakdown of the sensitivity analysis by type of instrument

(€ million)

| PRODUCT CATEGORIES | | FAIR VALUE MOVEMENTS GIVEN REASONABLE POSSIBLE ALTERNATIVES | |
|---------------------------|------------------------------------|---|-------|
| Derivatives | | | |
| Financial | Commodities | +/- | 0.57 |
| | Equity | +/- | 40.27 |
| | Foreign Exchange | +/- | 2.10 |
| | Interest Rate | +/- | 18.81 |
| | Hybrid | +/- | 0.13 |
| Credit | | +/- | 4.00 |
| Debt Securities and Loans | Corporate/Government/Other | +/- | 62.97 |
| | Mortgage & Asset Backed Securities | +/- | 6.82 |
| Equity Securities | Unlisted Equity & Holdings | +/- | 6.36 |
| Units in investment funds | Real Estate & Other Funds | +/- | 9.02 |

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

Hereby we provide IFRS13 disclosure requirements about accounting financial instruments portfolios not measured at fair value.

Accounting portfolios not measured at FV

(€ '000)

| | AMOUNTS AS AT 06.30.2013 | |
|---|--------------------------|--------------------|
| | FAIR VALUE | BOOK VALUE |
| 1. Cash and cash balances | 7,185,422 | 7,185,422 |
| 2. Held-to-maturity investments | 5,497,357 | 5,425,472 |
| 3. Loans and receivables with banks | 67,610,982 | 66,906,669 |
| 4. Loans and receivables with customers | 543,603,771 | 532,770,593 |
| Total | 623,897,532 | 612,288,156 |
| 1. Deposits from banks | 129,750,432 | 129,248,557 |
| 2. Deposits from customers | 400,505,073 | 405,220,583 |
| 3. Debt securities in issue | 163,500,162 | 159,528,729 |
| Total | 693,755,667 | 693,997,869 |

The difference in the ratio between fair value and carrying value of *Assets and Liabilities not measured at fair value on a recurring basis* occurred between December 31, 2012 and June 30, 2013 reflects the refinements of the assumptions and parameters used for measuring fair value for disclosure purposes.

Financial instruments not carried at fair value (FV), including loans due from and due to customers and banks, are not managed on a fair value basis. For these instruments fair values are calculated solely in order to comply with disclosure requirements and do not impact balance sheet or profit or loss. Additionally, since the instruments generally are not traded, FV measurement is based on internal parameters considered not observable inputs according to IFRS 13.

Cash and cash balances

Due to their short term nature and generally negligible credit risk, carrying value of cash and cash balances approximates fair value.

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 the Part A - Additional information on fair value - Fixed Income Securities.

Loans and Receivables

Fair value for performing Loans and Receivables from customers and banks, measured on balance sheet at amortized cost, is mainly determined using a risk adjusted net present value approach. For some portfolios other simplified approaches are applied, however taking into proper consideration their financial features.

Debt securities in issue

Fair value for debt securities in issue, recorded at amortized cost, is determined using a risk adjusted discounted cash flow model. The Credit Spread is determined using UCG's subordinated and non-subordinated risk curves.

Other financial liabilities

Fair value for liabilities, recorded at amortized cost, is determined using a risk adjusted discounted cash flow model to consider the UniCredit's issuer risk. Credit Spread Curve is derived from UCI's senior and subordinated liquid bond prices.

Part B - Consolidated Balance Sheet

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Part B - Consolidated Balance Sheet

Assets

Section 2 - Financial assets held for trading - Item 20

2.1 Financial assets held for trading: product breakdown

(€ '000)

| ITEM/VALUES | AMOUNTS AS AT 06.30.2013 | | | 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 | 12,118,177 | 4,432,394 | 601,144 | 9,049,710 | 3,929,559 | 1,149,614 |
| 1.1 Structured securities | 29,127 | 1,075,019 | 154,666 | 78,137 | 1,032,258 | 319,339 |
| 1.2 Other debt securities | 12,089,050 | 3,357,375 | 446,478 | 8,971,573 | 2,897,301 | 830,275 |
| 2. Equity instruments | 3,870,860 | 1,437,445 | 902 | 3,793,653 | 3,763 | 63,561 |
| 3. Units in investment funds | 1,095,657 | 427,028 | 2,113 | 1,069,239 | 341,035 | 66,363 |
| 4. Loans | 19 | 9,890,871 | 148,445 | 1 | 5,712,558 | 125,019 |
| 4.1 Reverse Repos | - | 9,885,484 | - | - | 5,615,603 | - |
| 4.2 Other | 19 | 5,387 | 148,445 | 1 | 96,955 | 125,019 |
| Total (A) | 17,084,713 | 16,187,738 | 752,604 | 13,912,603 | 9,986,915 | 1,404,557 |
| B) Derivative instruments | | | | | | |
| 1. Financial derivatives | 1,873,783 | 55,433,017 | 1,251,920 | 1,696,931 | 78,108,751 | 688,162 |
| 1.1 Trading | 1,873,377 | 54,321,799 | 1,251,754 | 1,693,994 | 76,818,760 | 687,734 |
| 1.2 Related to fair value option | - | 80,751 | - | - | 98,824 | - |
| 1.3 Other | 406 | 1,030,467 | 166 | 2,937 | 1,191,167 | 428 |
| 2. Credit derivatives | 381,502 | 722,293 | 84,374 | 239,557 | 970,197 | 110,891 |
| 2.1 Trading | 381,502 | 718,246 | 84,374 | 239,557 | 965,405 | 110,891 |
| 2.2 Related to fair value option | - | - | - | - | - | - |
| 2.3 Other | - | 4,047 | - | - | 4,792 | - |
| Total (B) | 2,255,285 | 56,155,310 | 1,336,294 | 1,936,488 | 79,078,948 | 799,053 |
| Total (A+B) | 19,339,998 | 72,343,048 | 2,088,898 | 15,849,091 | 89,065,863 | 2,203,610 |
| Total Level 1, Level 2 and Level 3 | 93,771,944 | | | 107,118,564 | | |

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information see Part A - Accounting Policies - A.3 Information on fair value.

The financial assets and liabilities relating to OTC Derivatives managed through Central Counterparty Clearing Houses (CCPs) are offset when (i) the clearing systems of CCPs guarantee the elimination or reduce to immaterial the credit and liquidity risks of these contracts and (ii) the entity intends to settle these contracts on a net basis, in accordance with IAS 32 - Offsetting, in order to improve the presentation of the liquidity profile and counterparty risk connected with them.

The effect as at June 30, 2013, already included in the net presentation of these transactions, totaled €12,757,879 (€16,363,717 million as at December 31, 2012).

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

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

(€ '000)

| ITEM/VALUES | AMOUNTS AS AT 06.30.2013 | | | AMOUNTS AS AT 12.31.2012 | | |
|---|--------------------------|-------------------|------------------|--------------------------|-------------------|------------------|
| | LEVEL 1 | LEVEL 2 | LEVEL 3 | LEVEL 1 | LEVEL 2 | LEVEL 3 |
| 1. Debt securities | 14,017,843 | 10,786,975 | 1,269,716 | 9,972,613 | 10,920,258 | 2,235,572 |
| 1.1 Structured securities | 1,033 | - | - | 1,306 | 32,019 | 18,195 |
| 1.2 Other debt securities | 14,016,810 | 10,786,975 | 1,269,716 | 9,971,307 | 10,888,239 | 2,217,377 |
| 2. Equity instruments | 224 | 11 | 35,443 | 437 | 11 | 35,443 |
| 3. Units in investment funds | 69,033 | 349,827 | 92,303 | 63,949 | - | 431,374 |
| 4. Loans | - | 671,182 | 641,353 | - | 732,299 | 633,059 |
| 4.1 Structured | - | - | - | - | - | - |
| 4.2 Other | - | 671,182 | 641,353 | - | 732,299 | 633,059 |
| Total | 14,087,100 | 11,807,995 | 2,038,815 | 10,036,999 | 11,652,568 | 3,335,448 |
| Total Level 1, Level 2 and Level 3 | 27,933,910 | | | 25,025,015 | | |

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information see Part A - Accounting Policies - A.3 Information on fair value.

Section 4 - Available for sale financial assets - Item 40

4.1 Available for sale financial assets: product breakdown

(€ '000)

| | AMOUNTS AS AT 06.30.2013 | | | AMOUNTS AS AT 12.31.2012 | | |
|---|--------------------------|-------------------|------------------|--------------------------|-------------------|------------------|
| | LEVEL 1 | LEVEL 2 | LEVEL 3 | LEVEL 1 | LEVEL 2 | LEVEL 3 |
| 1. Debt securities | 62,561,935 | 12,754,577 | 1,055,088 | 54,484,088 | 13,185,750 | 2,078,758 |
| 1.1 Structured securities | 72 | 155,774 | 18,609 | 83,199 | 136,517 | 18,885 |
| 1.2 Other | 62,561,863 | 12,598,803 | 1,036,479 | 54,400,889 | 13,049,233 | 2,059,873 |
| 2. Equity instruments | 374,305 | 7 | 1,939,503 | 434,424 | 30,744 | 1,889,574 |
| 2.1 Measured at fair value | 374,305 | 7 | 478,971 | 434,424 | 30,744 | 725,296 |
| 2.2 Carried at cost | - | - | 1,460,532 | - | - | 1,164,278 |
| 3. Units in investment funds | 194,937 | 205,519 | 1,081,640 | 222,955 | 186,984 | 1,081,671 |
| 4. Loans | - | - | - | - | - | - |
| Total | 63,131,177 | 12,960,103 | 4,076,231 | 55,141,467 | 13,403,478 | 5,050,003 |
| Total Level 1, Level 2 and Level 3 | 80,167,511 | | | 73,594,948 | | |

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information see Part A - Accounting Policies - A.3 Information on fair value.

The increase in value of Equity instruments carried at cost is mainly due to a different presentation of non-listed investments for which there are no available information to allow for a reliable measurement of fair value. Such investments have been reclassified from item 2.1 'Investments measured at fair value' to item 2.2 'Investments carried at cost', within the same balance sheet item of 'Available for sale financial assets', due to the application from January 1, 2013 of new guidance of IFRS 13 Fair Value Measurement.

Structured credit securities represented by Asset Backed Securities (ABS - see also Definition of Terms and Acronyms), which were €323,187 as at December 31, 2012, were reclassified from sub-item 1.1 Structured securities to sub-item 1.2 Other.

These ABS were €272,444 as at June 30, 2013.

As at December 31, 2012 the inclusion of ABS in sub-item 1.1 Structured securities was disclosed in an appropriate note under the same table of the Notes to the Consolidated Accounts.

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

Held-to-maturity investments: product breakdown

(€ '000)

| | BOOK VALUE AMOUNTS AS AT | |
|---------------------------|-----------------------------|------------------|
| | 06.30.2013 | 12.31.2012 |
| 1. Debt securities | 5,425,472 | 6,207,867 |
| - Structured securities | - | - |
| - Other securities | 5,425,472 | 6,207,867 |
| 2. Loans | - | - |

Structured credit securities represented by Asset Backed Securities (ABS - see also Definition of Terms and Acronyms), which were €79,017 as at December 31, 2012, were reclassified from sub-item 1. Debt securities - structured securities to sub-item 1. Debt securities - Other securities. These ABS were €79,037 as at June 30, 2013.

As at December 31, 2012 the inclusion of ABS in sub-item 1. Debt securities - structured securities was disclosed in an appropriate note under the same table of the Notes to the Consolidated Accounts.

Part B - Consolidated Balance Sheet - Assets (CONTINUED)

Section 6 - Loans and receivables with banks - Item 60

6.1 Loans and receivables with banks: product breakdown

(€ '000)

| TYPE OF TRANSACTIONS/VALUES | AMOUNTS AS AT | |
|---|-------------------|-------------------|
| | 06.30.2013 | 12.31.2012 |
| A. Loans to Central Banks | 16,563,363 | 28,340,963 |
| 1. Time deposits | 39,604 | 1,308,196 |
| 2. Compulsory reserves | 15,540,589 | 26,590,475 |
| 3. Reverse repos | 837,534 | 424,649 |
| 4. Other | 145,636 | 17,643 |
| B. Loans to banks | 50,343,306 | 46,134,012 |
| 1. Current accounts and demand deposits | 20,542,014 | 20,736,875 |
| 2. Time deposits | 3,926,267 | 4,857,437 |
| 3. Other loans | 19,438,569 | 13,543,876 |
| 3.1 Reverse repos | 15,511,389 | 9,427,872 |
| 3.2 Finance leases | 4,625 | 4,566 |
| 3.3 Other | 3,922,555 | 4,111,438 |
| 4. Debt securities | 6,436,456 | 6,995,824 |
| 4.1 Structured | 10 | 10 |
| 4.2 Other | 6,436,446 | 6,995,814 |
| Total carrying amount | 66,906,669 | 74,474,975 |
| Total impaired assets | 149,442 | 160,689 |

Structured credit securities represented by Asset Backed Securities (ABS - see also Definition of Terms and Acronyms), which were €69,993 as at December 31, 2012, were reclassified from sub-item 4.1 Structured to sub-item 4.2 Other.

As at December 31, 2012 the inclusion of ABS in sub-item 4.1 Structured was disclosed in an appropriate note under the same table of the Notes to the Consolidated Accounts.

Section 7 - Loans and receivables with customers - Item 70

7.1 Loans and receivables with customers: product breakdown

(€ '000)

| TYPE OF TRANSACTIONS/VALUES | AMOUNTS AS AT | | | | | |
|---|--------------------|----------------|-------------------|--------------------|----------------|-------------------|
| | 06.30.2013 | | | 12.31.2012 | | |
| | PERFORMING | IMPAIRED | | PERFORMING | IMPAIRED | |
| | | PURCHASED | OTHERS | | PURCHASED | OTHERS |
| 1. Current accounts | 51,094,269 | 35,346 | 9,435,380 | 50,341,841 | 29,144 | 8,998,289 |
| 2. Reverse repos | 32,571,939 | - | 44 | 32,202,407 | - | 97 |
| 3. Mortgages | 157,657,649 | 9,475 | 18,003,381 | 162,155,036 | 9,991 | 17,234,117 |
| 4. Credit cards and personal loans, including wage assignment loans | 18,897,238 | 45 | 675,622 | 19,727,921 | 1,766 | 719,777 |
| 5. Finance leases | 26,969,192 | - | 4,673,528 | 27,883,413 | - | 4,384,173 |
| 6. Factoring | 9,079,583 | - | 436,475 | 10,935,116 | - | 340,749 |
| 7. Other loans | 179,313,993 | 64,778 | 12,812,155 | 187,922,814 | 84,032 | 12,183,122 |
| 8. Debt securities | 10,971,456 | - | 69,045 | 11,917,986 | - | 72,266 |
| 8.1 Structured securities | - | - | - | - | - | - |
| 8.2 Other debt securities | 10,971,456 | - | 69,045 | 11,917,986 | - | 72,266 |
| Total carrying amount | 486,555,319 | 109,644 | 46,105,630 | 503,086,534 | 124,933 | 43,932,590 |
| Total carrying amount Performing and Impaired | 532,770,593 | | | 547,144,057 | | |

The sub-item "7. Other loans" includes:

- €27,563 million for pooled transactions (€29,215 million as at December 31, 2012);
- €13,928 million advances to customers for import/export (€14,173 million as at December 31, 2012);
- €11,412 million for advances to ordinary customers (€11,204 million as at December 31, 2012);
- €8,647 million "hot money" transactions (€9,935 million as at December 31, 2012);
- €57,416 million for other non-current account loans (€61,264 million as at December 31, 2012).

Sub-items 7. "Other loans" and 8.2 "Other Debt Securities" include €328 million and €345 million respectively arising from the "Trevi Finance", "Trevi Finance 2" and "Trevi Finance 3" securitization transactions, in respect of which the underlying assets were not re-recognized in the accounts, since the transactions were performed before January 1, 2002.

An Italian Government bond partly guarantees the securities of item 8.2 for a fair value of €233 million as at June 30, 2013.

The assets underlying these securitization transactions are non-performing loans, whose carrying amount was €462 million at June 30, 2013, as against a face value of €3,060 million.

The sub-items 2 "Reverse repos" and 7. "Other loans" did not include the type of securities lending transactions collateralized by securities or not collateralized. See also the section "Other Information" of Part B.

Structured credit securities represented by Asset Backed Securities (ABS - see also Definition of Terms and Acronyms), which were €4,324,430 as at December 31, 2012, were reclassified from sub-item 8.1 Structured securities to sub-item 8.2 Other debt securities.

These ABS were €3,706,244 as at June 30, 2013.

As at December 31, 2012 the inclusion of ABS in sub-item 8.1 Structured securities was disclosed in an appropriate note under the same table of the Notes to the Consolidated Accounts.

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.

As at June 30, 2013 intangible assets amounted to €15,447 million, reduced in comparison to €15,658 million as at December 31, 2012.

The decrease is related to the depreciation for the period and negative exchange differences which were partly offset by the increase in intangible assets generated internally and other purchase.

13.1 Intangible assets: breakdown

(€ '000)

| ASSETS/VALUES | AMOUNTS AS AT 06.30.2013 | | AMOUNTS AS AT 12.31.2012 | |
|--|--------------------------|-------------------|--------------------------|-------------------|
| | FINITE LIFE | INDEFINITE LIFE | FINITE LIFE | INDEFINITE LIFE |
| A.1 Goodwill | X | 11,566,846 | X | 11,677,608 |
| A.1.1 attributable to the Group | X | 11,566,846 | X | 11,677,608 |
| A.1.2 attributable to minorities | X | - | X | - |
| A.2 Other intangible assets | 3,787,067 | 92,957 | 3,887,439 | 92,957 |
| A.2.1 Assets carried at cost: | 3,787,067 | 92,957 | 3,887,439 | 92,957 |
| a) <i>Intangible assets generated internally</i> | 842,160 | - | 822,741 | - |
| b) <i>Other assets</i> | 2,944,907 | 92,957 | 3,064,698 | 92,957 |
| A.2.2 Assets valued at fair value: | - | - | - | - |
| a) <i>Intangible assets generated internally</i> | - | - | - | - |
| b) <i>Other assets</i> | - | - | - | - |
| Total | 3,787,067 | 11,659,803 | 3,887,439 | 11,770,565 |
| Total finite and indefinite life | | 15,446,870 | | 15,658,004 |

The Group does not use the revaluation model (fair value) to measure intangible assets.

Intangible Assets - Other - Indefinite life include trademarks (brands).

Intangible Assets - Other - Definite life include:

- Customer Relationships and Core Deposits of €2,122 million;
- Software of €588 million;
- Licenses, patents and similar rights of €138 million.

Part B - Consolidated Balance Sheet - Assets (CONTINUED)

13.2 Intangible assets: annual changes

(€ '000)

| | CHANGES IN FIRST HALF 2013 OTHER INTANGIBLE ASSETS | | | | | TOTAL |
|---|---|-------------|-----------------|-------------|-----------------|--------------|
| | GENERATED INTERNALLY | | | OTHER | | |
| | GOODWILL | FINITE LIFE | INDEFINITE LIFE | FINITE LIFE | INDEFINITE LIFE | |
| 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 | 56,122 | 126,383 | - | 148,877 | - | 331,382 |
| B.1 Purchases | - | 18,519 | - | 124,984 | - | 143,503 |
| B.2 Increases in intangible assets generated internally | X | 106,505 | - | 135 | - | 106,640 |
| B.3 Write-backs | X | - | - | - | - | - |
| B.4 Increases in fair value | - | - | - | - | - | - |
| - in equity | X | - | - | - | - | - |
| - through profit or loss | X | - | - | - | - | - |
| B.5 Positive exchange differences | 56,122 | 56 | - | 919 | - | 57,097 |
| B.6 Other changes | - | 1,303 | - | 22,839 | - | 24,142 |
| C. Reduction | 166,884 | 106,964 | - | 268,668 | - | 542,516 |
| C.1 Disposals | - | - | - | 2,542 | - | 2,542 |
| C.2 Write-downs | - | 98,939 | - | 222,274 | - | 321,213 |
| - amortization | X | 98,937 | - | 221,524 | - | 320,461 |
| - write-downs | - | 2 | - | 750 | - | 752 |
| + in equity | X | - | - | - | - | - |
| + through profit or loss | - | 2 | - | 750 | - | 752 |
| C.3 Reduction in fair value | - | - | - | - | - | - |
| - in equity | X | - | - | - | - | - |
| - through profit or loss | X | - | - | - | - | - |
| C.4 Transfer to non-current assets held for sale | - | - | - | 3,071 | - | 3,071 |
| C.5 Negative exchange differences | 117,620 | 211 | - | 23,672 | - | 141,503 |
| C.6 Other changes | 49,264 | 7,814 | - | 17,109 | - | 74,187 |
| D. Net Closing Balance | 11,566,846 | 842,160 | - | 2,944,907 | 92,957 | 15,446,870 |
| D.1 Total net write-down | (10,057,882) | (771,077) | - | (4,509,972) | (929,513) | (16,268,444) |
| E. Gross closing balance | 21,624,728 | 1,613,237 | - | 7,454,879 | 1,022,470 | 31,715,314 |
| F. Carried at cost | - | - | - | - | - | - |

The Goodwill book value as at June 2013 (€11,567 million) has negative exchange differences for €118 million related to the appreciation of the original currency in which the Goodwill was recognized. The variations mainly refer to the companies operating in Poland in amount of €75 million, Russia in amount of €27 million and Turkey in amount of €15 million respectively.

The positive exchange differences, totaling €56 million during the period, mainly relate to the release of the negative exchange rate reserve (€49 million) relating to goodwill, which had already been subject to full impairment following the sale of the companies operating in Kazakhstan.

The transfer of intangible assets to non-current assets held for sale according to the application of IFRS 5 in full amount is related to three companies of the YAPI group (YAPI Kredi Sigorta AS, YAPI Kredi Emeklilik AS and YAPI Kredi B Tipi Yatirim Ortakligi A.S.) which were reclassified as Assets held for sale and measured at the lower of their carrying amount and fair value less costs to sell.

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 06.30.2013 |
|--|---------------------|--------------|------------|----------------------|---------------------|
| Trademarks | 93 | - | - | - | 93 |
| Core deposits and customer relationships | 2,221 | (92) | - | (7) | 2,122 |
| Goodwill | 11,678 | - | - | (111) | 11,567 |
| TOTAL | 13,992 | (92) | - | (118) | 13,782 |

(*) mostly due to exchange rate effect

Any discrepancies in this table and between data given in the above table and other information in Explanatory Notes are 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 (adjusted operating income of the items not associated with the trademarks themselves).

In summary, the method may be broken down into three stages:

- determination of the royalty rate (based on a comparison with similar cases or calculated analytically);
- application of the royalty rate to income flows;
- determination of the present value of royalties after tax, calculated by applying a discount rate that takes into account the risk context of the trademark being valued.

Since 2007, the Group's trademark policy has been characterized by initiatives designed to strengthen the value of the UniCredit trademark, meanwhile preserving the local trademarks of the Group's banks. These initiatives include:

- the introduction of the UniCredit trademark in all countries where the Group operates, so that it is present alongside the local trademarks of the Group's banks;
- starting from 2009, the sponsorship of the UEFA Champions League;
- the recent launch of advertising campaigns focused on the UniCredit trademark in the major countries where the Group operates.

These initiatives have produced very positive results with respect to the perception of the UniCredit trademark in the markets where the Group is present.

In particular, the coexistence of the UniCredit trademark and the local trademarks represented a first step towards the use of a single UniCredit trademark. As part of this strategy aimed at creating a trademark architecture based on a single trademark, in line with the above-mentioned commercial initiatives and in light of their success, the Group resolved to implement a re-branding strategy, which in the short term will lead to the termination of the use of some trademarks, in order to focus on the use of the single trademark.

The residual value of indefinite-useful-life intangible assets (trademarks) refers to Fineco Bank in amount of €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.

The average residual useful life of Core Deposits is 19 years.

Customer Relationships

Asset under Management (AuM)

The value of this intangible asset comes mainly from the ability of the company to obtain a profit from the placement of products that are related to the assets managed with its own customers.

The income flows used to value this asset when first posted are:

- for the placement banks, the fees granted by the producers;
- for the producers, the fees received from the customers, net of fees paid, mainly to the placement banks.

These fees are considered recurring, because they are tied to managed assets held by customers.

The average residual useful life of these intangible assets is 18 years.

Part B - Consolidated Balance Sheet - Assets (CONTINUED)

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. The average residual useful life of these intangible assets is 8 years.

Life Insurance

The value of this intangible asset comes mainly from the ability of the company to obtain a profit from the placement of products related to the "bancassurance" business with its own customers. The income flows used to value this asset when first posted consist of the fees received for the work associated with the bancassurance business. These fees are considered recurrent because, from the point of view of the investor, they are similar to the products of managed/administered deposits. The average residual useful life of these intangible assets is 23 years.

Products

This intangible asset relates to the profitability generated by trading on behalf of the asset management companies of the Group. The income flows used to evaluate this asset when first posted consist of the fees received for the brokerage work on behalf of the asset management companies themselves. These fees are considered recurring, because they are generated by the normal activity of the funds in which customers' deposits have been invested.

Furthermore, in some cases, the value of the asset is related to fees received for the disbursement of regional incentives. The average residual useful life of these intangible assets is 2 years.

Other

This intangible asset includes all other types of so-called customer relationships, including by way of example those deriving from the ability of the company to obtain placement fees on third-party bonds and from securities auctions. The average residual useful life of these intangible assets is 17 years.

The Group does not hold intangible assets acquired through public grants or intangible assets pledged against liabilities.

Impairment testing of intangible assets during business combinations

For the June 2013 Impairment Test, a trigger analysis has been performed with reference to the key assumptions underlying the latest projections used for December 2012 impairment test.

For all the CGUs except for Commercial Banking Italy, following the results of the trigger analysis, the result of the impairment test as of December 31, 2012 has been confirmed also for the impairment test as of June 30, 2013. A summary of the assumptions used as of December 31, 2012 and a description of the trigger analysis performed as of June 30, 2013 is presented below.

Based on the result of the trigger analysis, for Commercial Banking Italy, which had at the latest reporting date (December 31, 2012) a recoverable amount in line with the carrying value, a quantification of the recoverable amount has been produced as of June 30, 2013, updating the projections and the underlying key assumptions.

Projections used for the calculation of the recoverable amount as of December 31, 2012

For Western Europe and Italy the effect of financial crisis has significantly changed the macroeconomic scenario compared to the time when the Strategic Plan was approved, thereby making it impossible to use for this area the data of the Plan for the projection of expected cash flows. The latter were determined centrally by applying to the budget 2013 the growth rates of the volumes and of the income statement items of the Italian, German and Austrian banking systems (on the basis of an updated macro-scenario produced by UniCredit Research and consistent with external sources of information).

As a result, 2013 budget data for the goodwill impairment test were projected in the period 2014-2017 using the expected variations on the main items of the income statement and balance sheet on the banking systems of the countries in which the Group operates, determined on the basis of an updated macroeconomic scenario as against the underlying scenario of the Strategic Plan, preserving however the strategic pillars envisaged in the Plan.

The projections of future results were extended to 2022, with the aim of assessing the profitability of the Group and its ability to create value over time, which is independent from the current macroeconomic situation. These projections were developed by extrapolation for all CGUs and for all CEE countries at growth rates decreasing to the terminal value as required by IAS 36.33. Expected cash flow for 2022 represents the basis for calculating the Terminal Value, which represents the ability of the CGUs to generate future cash flows beyond that year.

The value in use was determined by discounting the financial flows at a rate that took into account actual market rates and the specific risks of the asset. Taking into consideration the different risk levels of their respective operating environments, we used different risk premiums for each CGU which were specific to the individual entity or operating sector. The discount rates include a component related to country risk.

The Board of Directors approved the valuation procedure (impairment test) based on the financial flow estimates and additional assumptions, developed by the Management.

For more details please refer to December 2012 Financial Reporting.

Qualitative trigger analysis for June 2013 test

With the aim of assessing potential changes in the assumptions underlying the latest projections used for December 2012 test and approved by Board on March 15, 2013, a **qualitative trigger analysis** has been carried out as part of the goodwill impairment test exercise as at June 30, 2013.

For all the CGUs except for Commercial Banking Italy, this analysis, updated to June 2013, confirms the validity of December 2012 Goodwill Impairment test results. Consequently, for all the CGUs, apart from Commercial Banking Italy, December 2012 impairment test results are confirmed for June 2013.

The qualitative trigger analysis carried out to test the projections applied for December 2012 test highlighted that, as of June 2013, there are no substantial changes for all of the CGUs, except for Commercial Banking Italy:

- net profit actual results are higher or in line with Budget for the Group and most CGUs;
- at both Group level and for all CGUs there is a sharp decline of RWA vs. December 2012;
- cost of equity updated as of June 30, 2013 is 12.52%, broadly in line with BDG figures (+4bps at Group level) and slightly lower for most CGUs. On the other side, Commercial Banking Italy cost of equity increased at 12.47%, +18bps vs. December 2012. Nevertheless, the cost of equity used remains much more conservative than brokers' estimate;
- the macro and banking scenario has deteriorated significantly for 2013 (especially in Italy) but remains resilient in the medium to long term horizon and, to a certain degree, shows a rosier outlook in some countries. Indeed, the forecast for Euribor rates remains at low levels in 2014 and 2015 but shows a significant pick-up from 2016 onwards.

| June '13 Forecast | 2014F | 2015F | 2016F | 2017F |
|-------------------|-------|-------|-------|-------|
| Euribor Avg. % | 0.47% | 0.93% | 1.80% | 2.80% |

Also with regard to intangible assets other than goodwill, the trigger analysis performed revealed no signs that their recoverable amount is lower than the amount recorded in the consolidated financial statements, taking into account the related deferred tax effect and the write-downs already recorded. These intangible assets, the majority of which has a finite life and is therefore subject to periodic amortization, derive mainly from the acquisition of Capitalia Group in 2007 and, in accordance with the monitoring criteria used by the Management, are tested as part of the recoverable amount of the Group as a whole.

Given that performing an analytical test of the positive fair value adjustments recorded according to the purchase method provided for by IFRS 3 with reference to loans to customers (included in the carrying value of the Group) would be excessively burdensome, their periodic sustainability was assessed within the overall carrying value of the Group as part of the impairment test of the intangible assets, deducting their share of amortized cost for the period from the Group's income flows.

For the impairment testing of goodwill and intangible assets, the value in use of the Cash Generating Units (CGU) is calculated taking into account the cash flows for all assets and liabilities included in the CGU and not only those for which goodwill and/or the intangible asset were recorded when applying IFRS 3.

Focus on Commercial Banking Italy

With reference to Commercial Banking Italy, due to the result of the trigger analysis described above, including the negative short term scenario, and to the low impairment buffer in December 2012 impairment test, the recoverable amount has been updated as of June 30, 2013. Consequently, the key assumptions underlying the financial projections have been updated in order to reflect the changes highlighted by the trigger analysis described above.

The main elements incorporated in the trigger analysis are:

- downward revision of the Euribor according to the new macro scenario;
- new cost cutting strategies endorsed by the Group;
- downward revision of the loan volumes both in terms of RWA and on the respective estimated impact on future profitability;
- update of the discount rate of the financial cash flows as of June 2013.

The new projections, derived applying these impacts to previous financial estimates, have been used to update the recoverable amount used for the impairment test on Commercial Banking Italy.

Part B - Consolidated Balance Sheet - Assets (CONTINUED)

Results of the impairment test

The impairment test confirmed the carrying value of goodwill in the consolidated financial statements as at June 30, 2013 for all CGUs and for the Group as a whole.

It should also be noted that the parameters and information used to verify the recoverability of goodwill (in particular the expected cash flows for the various CGUs, as well as the discount rates used) are significantly influenced by the macroeconomic and market situation, which may be subject to currently unpredictable shifts.

The effect that these shifts - and changes in the corporate strategies - may have on the estimated cash flows of the different CGUs and on the main assumptions made could therefore lead, in the coming reporting periods, to different results from those reported in these consolidated financial statements.

The risk of a future impairment increases with respect to the CGU Commercial Banking in Italy, whose recoverable amount as at June 2013 is in line with the carrying value. Thus, also minor negative changes in macroeconomic variables (i.e. EURIBOR less than expected) or business variables (i.e. Cost of risk higher than expected) underlying the financial projections could result in the need to carry out an impairment of goodwill allocated to this CGU.

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 in the previous paragraphs, 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 standard occur. Indeed, 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.

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 groups of associated assets and liabilities (i.e. groups of units generating financial cash flows) 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 June 30, 2013, compared to December 31, 2012, include the sale of a building owned by UniCredit Bank AG, the sale of a building owned by Bank Pekao SA and the sale of the company EK Mittelstandsfinanzierungs AG and its subsidiaries (V.A. Holding GMBH, Anger Machining GMBH, Forstinger International GMBH, Papcel A.S.).

At the same date, three companies of the YAPI group (YAPI Kredi Sigorta AS, YAPI Kredi Emeklilik AS and YAPI Kredi B Tipi Yatirim Ortakligi A.S.) were also classified as discontinued operations.

Disposal groups classified as held for sale include the sale of the companies controlled by JSC ATF BANK (Unicredit Bank OJSC, ATF Capital B.V., ATF Finance JSC and ATF Inkassatsiya LTD).

With respect to the individual assets and liabilities held for sale, data as at June 30, 2013 refer primarily to: the Business Oil of the Italtroli group, three companies of the YAPI group (YAPI Kredi Sigorta AS, YAPI Kredi Emeklilik AS and YAPI Kredi B Tipi Yatirim Ortakligi A.S.), the company Mezzanin Finanzierungs AG, the company Paylife Bank GMBH, the buildings owned by UniCredit Bank Austria AG and Ivona Beteiligungsverwaltung GMBH, and the land owned by Terreno Grundstücksverwaltung GMBH & CO. Entwicklungs-und Finanzierungsvermittlungs-KG.

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

(€ '000)

| | AMOUNTS AS AT | |
|---|----------------|------------------|
| | 06.30.2013 | 12.31.2012 |
| A. Individual assets | | |
| A.1 Financial assets | 255,995 | 26,791 |
| A.2 Equity investments | 17,216 | 26,765 |
| A.3 Property, Plant and Equipment | 202,911 | 334,066 |
| A.4 Intangible assets | 3,151 | 105 |
| A.5 Other non-current assets | 46,926 | 25,855 |
| Total A | 526,199 | 413,582 |
| B. Assets groups classified as held for sale | | |
| B.1 Financial assets held for trading | - | - |
| B.2 Financial assets at fair value through profit or loss | - | 1,397 |
| B.3 Available for sale financial assets | - | 61,922 |
| B.4 Held to maturity investments | - | - |
| B.5 Loans and receivables with banks | - | 107,707 |
| B.6 Loans and receivables with customers | - | 2,947,679 |
| B.7 Equity investments | - | - |
| B.8 Property, Plant and Equipment | - | 95,158 |
| B.9 Intangible assets | - | 8,217 |
| B.10 Other assets | - | 331,891 |
| Total B | - | 3,553,971 |
| Total A+B | 526,199 | 3,967,553 |
| C. Liabilities associated with assets classified as held for sale | | |
| C.1 Deposits | 23,773 | 7,462 |
| C.2 Securities | - | - |
| C.3 Other liabilities | 274,535 | 51,893 |
| Total C | 298,308 | 59,355 |
| D. Liabilities included in disposal groups classified as held for sale | | |
| D.1 Deposits from banks | - | 158,274 |
| D.2 Deposits from customers | - | 2,681,118 |
| D.3 Debt securities in issue | - | 620,185 |
| D.4 Financial liabilities held for trading | - | 37 |
| D.5 Financial liabilities at fair value through profit or loss | - | - |
| D.6 Provisions | - | - |
| D.7 Other liabilities | - | 40,843 |
| Total D | - | 3,500,457 |
| Total C+D | 298,308 | 3,559,812 |

Part B - Consolidated Balance Sheet

Liabilities

Section 1 - Deposits from banks - Item 10

1.1 Deposits from banks: product breakdown

(€ '000)

| TYPE OF TRANSACTIONS/VALUES | AMOUNTS AS AT | |
|---|--------------------|--------------------|
| | 06.30.2013 | 12.31.2012 |
| 1. Deposits from central banks | 35,535,548 | 36,349,193 |
| 2. Deposits from banks | 93,713,009 | 81,095,994 |
| 2.1 Current accounts and demand deposits | 15,263,442 | 15,811,170 |
| 2.2 Time deposits | 15,448,159 | 17,465,991 |
| 2.3 Loans | 56,017,601 | 41,116,364 |
| 2.3.1 repos | 35,128,994 | 21,378,960 |
| 2.3.2 other | 20,888,607 | 19,737,404 |
| 2.4 Liabilities in respect of commitments to repurchase treasury shares | - | - |
| 2.5 Other liabilities | 6,983,807 | 6,702,469 |
| Total | 129,248,557 | 117,445,187 |

The sub-item 2.3 Loans includes repos executed using proprietary securities issued by Group companies, which were eliminated from assets on consolidation.

The same sub-item does not include the type of securities lending transactions collateralized by securities or not collateralized. See also section "Other information" of Part B.

Section 2 - Deposits from customers - Item 20

2.1 Deposits from customers: product breakdown

(€ '000)

| TYPE OF TRANSACTIONS/VALUES | AMOUNTS AS AT | |
|--|--------------------|--------------------|
| | 06.30.2013 | 12.31.2012 |
| 1. Current accounts and demand deposits | 241,172,339 | 240,475,968 |
| 2. Time deposits | 98,872,086 | 106,590,604 |
| 3. Loans | 54,782,581 | 50,886,549 |
| 3.1 repos | 46,065,651 | 41,035,071 |
| 3.2 other | 8,716,930 | 9,851,478 |
| 4. Liabilities in respect of commitments to repurchase treasury shares | 671,540 | 648,900 |
| 5. Other liabilities | 9,722,037 | 10,911,652 |
| Total | 405,220,583 | 409,513,673 |

Loans also include liabilities relating to repos executed using proprietary securities issued by Group companies, which were eliminated from assets on consolidation.

The same item does not include the type of securities lending transactions collateralized by securities or not collateralized. See also the section "Other information" of Part B.

Section 3 - Debt securities in issue - Item 30

Debt securities in issue: product breakdown

(€ '000)

| TYPE OF SECURITIES/VALUES | BOOK VALUE AMOUNTS AS AT | |
|-----------------------------|-----------------------------|--------------------|
| | 06.30.2013 | 12.31.2012 |
| A. Listed securities | | |
| 1. Bonds | 136,669,685 | 145,409,232 |
| 1.1 structured | 1,775,296 | 3,440,661 |
| 1.2 other | 134,894,389 | 141,968,571 |
| 2. Other securities | 22,859,044 | 25,041,963 |
| 2.1 structured | 576,373 | 652,024 |
| 2.2 other | 22,282,671 | 24,389,939 |
| Total | 159,528,729 | 170,451,195 |

The sum of the sub-items 1.1 "Structured bonds" and 2.1 "Other structured securities" was equal to €2,352 million and accounted for 1.5% of total debt securities. They mainly refer to equity-linked and interest-rate linked instruments.

UniCredit S.p.A. is nearly the sole contributor to such instruments.

The fair value of derivatives embedded in structured securities, presented in Line 20 of Assets and Line 40 of Liabilities and included in Trading derivatives - Others, amounted to a net balance of €105 million negative.

Section 4 - Financial liabilities held for trading - Item 40

Financial liabilities held for trading: product breakdown

(€ '000)

| TYPE OF TRANSACTIONS/GROUP COMPONENTS | AMOUNTS AS AT | | | | | |
|---|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| | 06.30.2013 | | | 12.31.2012 | | |
| | FAIR VALUE | | | FAIR VALUE | | |
| | LEVEL 1 | LEVEL 2 | LEVEL 3 | LEVEL 1 | LEVEL 2 | LEVEL 3 |
| A. Financial liabilities | | | | | | |
| 1. Deposits from banks | 210,433 | 442,654 | 13,881 | 239,578 | 392,451 | 22,406 |
| 2. Deposits from customers | 2,949,359 | 5,160,165 | 54,481 | 3,609,114 | 3,260,138 | 57,295 |
| 3. Debt securities | 96,638 | 6,499,419 | 772,433 | 63,286 | 8,075,290 | 386,661 |
| 3.1 Bonds | 96,638 | 5,110,488 | 752,681 | 63,286 | 6,621,021 | 354,149 |
| 3.1.1 Structured | - | 4,385,300 | 620,285 | - | 5,880,470 | 219,833 |
| 3.1.2 Other | 96,638 | 725,188 | 132,396 | 63,286 | 740,551 | 134,316 |
| 3.2 Other securities | - | 1,388,931 | 19,752 | - | 1,454,269 | 32,512 |
| 3.2.1 Structured | - | 1,388,931 | 19,752 | - | 1,454,269 | 32,512 |
| 3.2.2 Other | - | - | - | - | - | - |
| Total A | 3,256,430 | 12,102,238 | 840,795 | 3,911,978 | 11,727,879 | 466,362 |
| B. Derivative instruments | | | | | | |
| 1. Financial derivatives | 2,090,785 | 56,209,619 | 1,454,267 | 1,696,258 | 78,961,932 | 974,530 |
| 1.1 Trading | 2,085,259 | 54,606,251 | 1,382,829 | 1,694,384 | 77,097,793 | 894,480 |
| 1.2 Related to fair value option | - | 388,162 | - | - | 500,893 | - |
| 1.3 Other | 5,526 | 1,215,206 | 71,438 | 1,874 | 1,363,246 | 80,050 |
| 2. Credit derivatives | 364,926 | 792,674 | 104,393 | 228,933 | 1,047,642 | 107,679 |
| 2.1 Trading derivatives | 364,926 | 786,918 | 104,364 | 228,933 | 1,039,328 | 106,808 |
| 2.2 Related to fair value option | - | - | - | - | - | - |
| 2.3 Other | - | 5,756 | 29 | - | 8,314 | 871 |
| Total B | 2,455,711 | 57,002,293 | 1,558,660 | 1,925,191 | 80,009,574 | 1,082,209 |
| Total A+B | 5,712,141 | 69,104,531 | 2,399,455 | 5,837,169 | 91,737,453 | 1,548,571 |
| Total Level 1, Level 2 and Level 3 | 77,216,127 | | | 99,123,193 | | |

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information see Part A - Accounting Policies - A.3 Information on fair value.

The financial assets and liabilities relating to OTC Derivatives managed through Central Counterparty Clearing Houses (CCPs) are offset when (i) the clearing systems of CCPs guarantee the elimination or reduce to immaterial the credit and liquidity risks of these contracts and (ii) the entity intends to settle these contracts on a net basis, in accordance with IAS 32 - Offsetting, in order to better present the liquidity profile and counterparty risk connected with them.

The effect as at June 30, 2013, already included in the net presentation of these transactions, totaled €14,751,908 (€18,477,355 million as at December 31, 2012).

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

Financial liabilities at fair value through profit or loss: product breakdown

(€ '000)

| TYPE OF TRANSACTIONS/GROUP COMPONENTS | AMOUNTS AS AT | | | | | |
|---|----------------|----------------|----------|----------------|----------------|----------|
| | 06.30.2013 | | | 12.31.2012 | | |
| | FAIR VALUE | | | FAIR VALUE | | |
| | LEVEL 1 | LEVEL 2 | LEVEL 3 | LEVEL 1 | LEVEL 2 | LEVEL 3 |
| 1. Deposits from banks | - | - | - | - | - | - |
| 1.1 Structured | - | - | - | - | - | - |
| 1.2 Other | - | - | - | - | - | - |
| 2. Deposits from customers | - | - | - | - | - | - |
| 2.1 Structured | - | - | - | - | - | - |
| 2.2 Other | - | - | - | - | - | - |
| 3. Debt securities | - | 674,912 | - | - | 851,754 | - |
| 3.1 Structured | - | 674,912 | - | - | 851,754 | - |
| 3.2 Other | - | - | - | - | - | - |
| Total | - | 674,912 | - | - | 851,754 | - |
| Total Level 1, Level 2 and Level 3 | 674,912 | | | 851,754 | | |

Valuations at fair value were classified according to a hierarchy of levels reflecting the observability of the valuations input. For further information see Part A - Accounting Policies - A.3 Information on fair value.

Part B - Consolidated Balance Sheet - Liabilities (CONTINUED)

Section 12 - Provisions for risks and charges - Item 120

As at June 30, 2013 **provision for risks and charges** amounted to €8,912 million, a decrease over end 2012 (€9,091 million).

The sub-item 2. "Other provisions for risks and charges", which amounted to €3,086 million as at June 30, 2013, consists of:

- legal disputes: provisions for legal disputes, cases in which the Group is a defendant, and post-insolvency clawback petitions. (See Part E - Section 4 "Operational Risk" - item B - "Legal risk" for further information concerning legal disputes);
- staff expenses: sundry HR costs;
- other: provisions for risks and charges not attributable to the above items. See the table 12.4 below for details.

12.1 Provisions for risk and charges: breakdown

(€ '000)

| ITEM/COMPONENTS | AMOUNTS AS AT | |
|--|------------------|------------------|
| | 06.30.2013 | 12.31.2012 |
| 1. Pensions and other post retirement benefit obligations (*) | 5,826,484 | 5,577,630 |
| 2. Other provisions for risk and charges | 3,085,963 | 3,513,801 |
| 2.1 Legal disputes | 1,126,192 | 1,324,347 |
| 2.2 Staff expenses | 347,241 | 401,129 |
| 2.3 Other | 1,612,530 | 1,788,325 |
| Total | 8,912,447 | 9,091,431 |

(*) INTRODUCTION TO THE FUNDS

There are several defined-benefits plans within the Group, i.e., plans whose benefit is linked to salary and employee length of service both in Italy and abroad. The Austrian, German and Italian plans account for over 90% of the Group's pension obligations.

Most of the Group's plans are not financed. The most notable exceptions, with respect to the defined-benefits plans in Germany, are the "Direct Pension Plan" (an external fund managed by independent trustees), the "HVB Trust Pensionfonds AG" and the Pensionskasse der "HypoVereinsbank WaG", all set up by UCB AG, and by UniCredit S.p.A. with respect to the UK defined-benefit plans.

The Group's defined-benefit plans are mainly closed to new recruits (for example in Austria, Germany and Italy, where most new recruits join defined-contribution plans and the related contributions are charged to the income statement).

The obligations arising from defined-benefit plans are determined using the "projected unit credit method". The assets of financed plans are valued at their fair value at the balance sheet date. The balance sheet is the result of the deficit or surplus (i.e., the difference between defined benefit obligations and assets).

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. Discount rate as of June 30, 2013 is reduced by 20bps, on average, compared to December 31, 2012 reflecting the yields evolution of the basket of selected securities. The remeasurement at June 30, 2013 of such commitments (including employee severance pay for so called "trattamento di fine rapporto del personale") leads to an increase in the negative balance of the revaluation reserve referred to actuarial gains/losses on defined benefit plans of 260 million, net of tax (balance moves from €1,205 million at December 31, 2012 to €1,465 million at June 30, 2013).

12.4 Provisions for risks and charges - other provisions

(€ '000)

| | AMOUNTS AS AT | |
|--|------------------|------------------|
| | 06.30.2013 | 12.31.2012 |
| 2.3 Other provisions for risks and charges - other | | |
| - Real estate risks and costs | 274,605 | 266,936 |
| - Restructuring costs | 65,169 | 74,182 |
| - Out-of-court settlements and legal costs | 34,149 | 37,011 |
| - Allowances payable to agents | 122,480 | 130,158 |
| - Disputes regarding financial instruments and derivatives | 318,901 | 388,815 |
| - Tax disputes | 184,373 | 200,818 |
| - Costs for liabilities arising from equity investment disposals | 27,054 | 29,578 |
| - Other | 585,799 | 660,827 |
| Total | 1,612,530 | 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.

Section 15 - Group Shareholders' Equity- Items 140, 170, 180, 190, 200 and 220

At June 30, 2013 **Group Shareholders' Equity**, including profit for the period of €810 million, amounted to €61,322 million, 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 | |
|--------------------------|-------------------|-------------------|-----------------|--------------|
| | 06.30.2013 | 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 | 19,748,208 | 10,001,793 | 9,746,415 | 97.4% |
| 4. Treasury shares | (3,686) | (5,049) | 1,363 | 27.0% |
| a. Parent Company | (2,440) | (2,440) | - | 0.0% |
| b. Subsidiaries | (1,246) | (2,609) | 1,363 | 52.2% |
| 5. Revaluation reserve | (2,766,696) | (1,808,870) | -957,826 | -53.0% |
| 6. Equity instruments | - | - | - | 0.0% |
| 7. Net profit (loss) | 809,909 | 864,891 | -54,982 | -6.4% |
| Total | 61,321,793 | 61,578,652 | -256,859 | -0.4% |

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 Group 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 €257 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 |
| An increase 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 of the reserve for disbursements related to Cashes transaction ("canoni di usufrutto"); | -€35 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; | €48 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. | €387 million |
| A change in the revaluation reserve due to: | |
| • a decrease in exchange-rate differences; | -€565 million |
| • a decrease in available-for-sale financial assets; | -€17 million |
| • a decrease in cash-flow hedge and an increase in disposal groups classified as held for sale; | -€192 million |
| • a decrease in the reserve for actuarial gains (losses) on employee defined-benefit plans; | -€260 million |
| • an increase in the reserve for the valuation of equity investments valued at equity method. | €75 million |
| Result of the period lower than in 2012. | -€55 million |

During the first half of 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. The Capital, as a result of this increase, 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 June 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 period under review.

The Group Equity as at June 30, 2013 also reflects the changes resulting from the resolutions of the ordinary Meeting of May 11, 2013.

More specifically, the approval of UniCredit's financial statements as at December 31, 2012, as presented by the Board of Directors (including the reclassification of the positive reserves and the restatement of the so-called negative equity reserves) that 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.

Part B - Consolidated Balance Sheet - Liabilities (CONTINUED)

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.

15.4 Reserves from allocation of profit from previous year: other information

(€ '000)

| | AMOUNTS AS AT | |
|-------------------|-------------------|-------------------|
| | 06.30.2013 | 12.31.2012 |
| Legal Reserve | 3,930,971 | 1,517,514 |
| Statutory Reserve | - | - |
| Other Reserves | 9,455,462 | 8,518,138 |
| Total | 13,386,433 | 10,035,652 |

15.5 Other Information**Revaluation reserves: breakdown**

(€ '000)

| ITEM/TYPES | AMOUNTS AS AT | |
|---|--------------------|--------------------|
| | 06.30.2013 | 12.31.2012 |
| 1. Available-for-sale financial assets | 48,198 | 65,045 |
| 2. Property, plant and equipment | - | - |
| 3. Intangible assets | - | - |
| 4. Hedges of foreign investments | - | - |
| 5. Cash-flow hedges | 564,251 | 754,523 |
| 6. Exchange differences | (2,289,195) | (1,724,525) |
| 7. Non-current assets classified as held for sale | (1,791) | (96) |
| 8. Actuarial gains (losses) on defined benefit plans | (1,465,109) | (1,205,429) |
| 9. Revaluation reserves of investments valued at net equity | 99,930 | 24,592 |
| 10. Special revaluation laws | 277,020 | 277,020 |
| Total | (2,766,696) | (1,808,870) |

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 June 30, 2013 mainly refer to the following currencies:

- Turkish Lira: 658 million (negative);
- UAH (Ukraine): 566 million (negative);
- Ruble: 470 million (negative);
- PLN (Poland): 287 million (negative).

Other information

2. Assets used to guarantee own liabilities and commitments

(€ '000)

| PORTFOLIOS | AMOUNTS AS AT | |
|--|---------------|------------|
| | 06.30.2013 | 12.31.2012 |
| 1. Financial assets held for trading | 18,059,486 | 14,596,512 |
| 2. Financial assets designated at fair value | 11,897,988 | 10,963,132 |
| 3. Financial assets available for sale | 35,975,158 | 29,831,562 |
| 4. Financial assets held to maturity | 4,283,653 | 4,242,429 |
| 5. Loans and receivables with banks | 2,350,747 | 1,827,327 |
| 6. Loans and receivables with customers | 69,215,535 | 72,448,891 |
| 7. Property, plant and equipment | 3,458 | 75,918 |

Deposits from banks include €32,605 million related to Central Banks' refinancing operations collateralized by securities nominal worth €55,057 million. Of these, the securities not recognized on balance-sheet - since they represent repurchased or retained Group's financial liabilities - amount to nominal €46,390 million.

Following some analyses, assets worth €7,760 million as at June 30, 2013 that were given as collateral to the Bank of Italy using the ABACO procedure (Collateralized Banking Assets) were recorded in item "6. Loans and receivables with customers". Accordingly, the figure as at December 31, 2012 was restated by €7,811 million.

In addition to assets used to guarantee own liabilities and commitments shown in the table above, the table below summarizes all financial assets pledged as collateral (encumbrance) of own business activity at the end of H1.

(€ '000)

| ASSETS BREAKDOWN | AMOUNTS AS AT 06.30.2013 |
|---|-----------------------------|
| Assets used to guarantee own liabilities and commitments | 134,022,323 |
| Assets underlying repurchased Italian Covered Bonds (Obbligazioni Bancarie Garantite) | 23,640,250 |
| Assets underlying Foreign Covered Bonds (Pfandbriefe) | 30,321,565 |
| Assets sold not derecognized (traditional securitizations) | 9,356,879 |
| Assets underlying reverse repos used to guarantee repos | 24,198,318 |
| Total on-balance sheet assets pledged as collateral (encumbered) | 221,539,335 |

Security borrowing transactions collateralized by securities or not collateralized

(€ '000)

| LENDER BREAKDOWN | AMOUNTS AS AT 06.30.2013 | | | |
|----------------------------|--|----------------|------------------------------|-------------------|
| | AMOUNTS OF THE SECURITIES BORROWED/TRANSACTION PURPOSE | | | |
| | GIVEN AS COLLATERAL IN OWN FUNDING TRANSACTIONS | SOLD | SOLD IN REPO TRANSACTIONS | OTHER PURPOSES |
| A. Banks | 264,340 | 376,601 | 10,025,781 | 3,210,521 |
| B. Financial companies | - | 101,500 | 1,491,748 | 171,528 |
| C. Insurance companies | - | 13,872 | 178,597 | 54,215 |
| D. Non Financial companies | - | - | 51,932 | - |
| E. Others | 337,352 | 1,312 | 1,874,438 | 16 |
| Total | 601,692 | 493,285 | 13,622,496 | 3,436,280 |

Part C - Consolidated Income Statement

| | |
|---|-----|
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Part C - Consolidated Income Statement

Section 1 - Interest income and expense - Items 10 and 20

1.1 Interest income and similar revenues: breakdown

(€ '000)

| ITEMS/TYPE | AS AT 06.30.2013 | | | | AS AT 06.30.2012 TOTAL |
|--|--------------------|------------------|-----------------------|-------------------|------------------------------|
| | DEBT SECURITIES | LOANS | OTHER TRANSACTIONS | TOTAL | |
| 1. Financial assets held for trading | 168,737 | 7,055 | 55,715 | 231,507 | 340,276 |
| 2. Financial assets at fair value through profit or loss | 226,744 | 23,035 | - | 249,779 | 327,583 |
| 3. Available-for-sale financial assets | 1,189,427 | - | - | 1,189,427 | 1,128,092 |
| 4. Held-to-maturity investments | 83,682 | - | - | 83,682 | 200,215 |
| 5. Loans and receivables with banks | 74,832 | 229,089 | - | 303,921 | 420,698 |
| 6. Loans and receivables with customers | 193,013 | 9,291,307 | - | 9,484,320 | 11,094,648 |
| 7. Hedging derivatives | X | X | 1,033,121 | 1,033,121 | 781,407 |
| 8. Other assets | X | X | 71,778 | 71,778 | 122,421 |
| Total | 1,936,435 | 9,550,486 | 1,160,614 | 12,647,535 | 14,415,340 |

The columns "Debt Securities" and "Loans" include interest income from impaired positions, other than income recognized under "write-backs", amounting to €4,937 thousand and €573,683 thousand respectively.

1.4 Interest expense and similar charges: breakdown

(€ '000)

| ITEMS/TYPE | AS AT 06.30.2013 | | | | AS AT 06.30.2012 TOTAL |
|---|--------------------|--------------------|-----------------------|--------------------|------------------------------|
| | DEBTS | SECURITIES | OTHER TRANSACTIONS | TOTAL | |
| 1. Deposits from Central banks | (127,598) | X | - | (127,598) | (177,844) |
| 2. Deposits from banks | (428,490) | X | - | (428,490) | (597,423) |
| 3. Deposits from customers | (2,136,159) | X | - | (2,136,159) | (2,859,661) |
| 4. Debt securities in issue | X | (3,004,071) | - | (3,004,071) | (3,106,905) |
| 5. Financial liabilities held for trading | (6,371) | (88,702) | (345,807) | (440,880) | (376,324) |
| 6. Financial liabilities at fair value through profit or loss | - | (3,986) | - | (3,986) | (5,451) |
| 7. Other liabilities and funds | X | X | (81,386) | (81,386) | (197,404) |
| 8. Hedging derivatives | X | X | - | - | - |
| TOTAL | (2,698,618) | (3,096,759) | (427,193) | (6,222,570) | (7,321,012) |

With reference to tables 1.1 and 1.4 it should be noted that the figures as at June 30, 2012 differ from those disclosed in the "Consolidated First Half Financial Report as at June 30, 2012" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.) that, in accordance with IFRS5, are now shown under item "310. Profit (Loss) after tax from discontinued operations".

With reference to interest income, it should be noted that comparative figures as at June 30, 2012 differ from those disclosed in the "Consolidated First Half Financial Report as at June 30, 2012" 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".

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

2.1 Fee and commission income: breakdown

(€ '000)

| TYPE OF SERVICES/VALUES | AS AT 06.30.2013 | AS AT 06.30.2012 |
|--|------------------|------------------|
| a) guarantees given | 299,149 | 312,362 |
| b) credit derivatives | - | 74 |
| c) management, brokerage and consultancy services: | 2,045,892 | 1,851,389 |
| 1. securities trading | 131,809 | 166,699 |
| 2. currency trading | 93,304 | 107,947 |
| 3. portfolio management | 801,141 | 733,656 |
| 3.1 individual | 102,062 | 105,603 |
| 3.2 collective | 699,079 | 628,053 |
| 4. custody and administration of securities | 85,733 | 80,324 |
| 5. custodian bank | 19,168 | 20,326 |
| 6. placement of securities | 303,856 | 221,778 |
| 7. reception and transmission of orders | 113,739 | 69,236 |
| 8. advisory services | 41,763 | 39,513 |
| 8.1 related to investments | 18,568 | 15,181 |
| 8.2 related to financial structure | 23,195 | 24,332 |
| 9. distribution of third party services | 455,379 | 411,910 |
| 9.1 portfolio management | 138,715 | 103,568 |
| 9.1.1 individual | 969 | 1,361 |
| 9.1.2 collective | 137,746 | 102,207 |
| 9.2 insurance products | 281,738 | 278,973 |
| 9.3 Other products | 34,926 | 29,369 |
| d) collection and payment services | 988,744 | 935,940 |
| e) securitization servicing | 32,724 | 36,006 |
| f) factoring | 47,492 | 47,454 |
| g) tax collection services | - | - |
| h) management of multilateral trading facilities | - | - |
| i) management of current accounts | 678,480 | 945,133 |
| j) other services | 645,282 | 596,016 |
| Total | 4,737,763 | 4,724,374 |

Item "j) other services" mainly comprises:

- fees on loans granted: €404 million in 2013, €365 million in 2012 (+11%);
- fees for foreign transactions and services of €42 million in 2013, €44 million in 2012 (-3%);
- fees for various services provided to customers (e.g. treasury, merchant banking, etc.) of €61 million in 2013, €64 million in 2012 (-6%);
- fees for ATM and credit card services not included in collection and payment services, amounting to €47 million in 2013, €51 million in 2012 (-7%).

2.2 Fee and commission expense: breakdown

(€ '000)

| TYPE OF SERVICES/VALUES | AS AT 06.30.2013 | AS AT 06.30.2012 |
|--|------------------|------------------|
| a) guarantees received | (51,681) | (57,467) |
| b) credit derivatives | (7,617) | (9,230) |
| c) management, brokerage and consultancy services: | (390,725) | (371,186) |
| 1. trading financial instruments | (33,733) | (33,491) |
| 2. currency trading | (8,605) | (7,527) |
| 3. portfolio management | (75,951) | (74,528) |
| 3.1 own portfolio | (60,985) | (53,726) |
| 3.2 third party portfolio | (14,966) | (20,802) |
| 4. custody and administration of securities | (91,487) | (85,092) |
| 5. placement of financial instruments | (36,817) | (47,506) |
| 6. off-site distribution of financial instruments, products and services | (144,132) | (123,042) |
| d) collection and payment services | (263,498) | (261,125) |
| e) other services | (127,985) | (107,712) |
| Total | (841,506) | (806,720) |

With reference to tables 2.1 and 2.2 it should be noted that the figures as at June 30, 2012 differ from those disclosed in the "Consolidated First Half Financial Report as at June 30, 2012" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.) that, in accordance with IFRS5, are now shown under item "310. Profit (Loss) after tax from discontinued operations".

Part C - Consolidated Income Statement (CONTINUED)

Section 3 - Dividend income and similar revenue - Item 70

3.1 Dividend income and similar revenue: breakdown

(€ '000)

| ITEMS/REVENUES | AS AT 06.30.2013 | | AS AT 06.30.2012 | |
|--|------------------|--|------------------|--|
| | DIVIDENDS | INCOME FROM UNITS IN INVESTMENT FUNDS | DIVIDENDS | INCOME FROM UNITS IN INVESTMENT FUNDS |
| A. Financial assets held for trading | 57,907 | 4,161 | 16,338 | 5,558 |
| B. Available for sale financial assets | 44,561 | 47,870 | 49,515 | 48,196 |
| C. Financial assets at fair value through profit or loss | 128 | 615 | 21 | 558 |
| D. Investments | 5,330 | X | 5,891 | X |
| Total | 107,926 | 52,646 | 71,765 | 54,312 |

| | | |
|--|----------------|----------------|
| Total dividends and income from units in investment funds | 160,572 | 126,077 |
|--|----------------|----------------|

It should be noted that the figures as at June 30, 2012 differ from those disclosed in the "Consolidated First Half Financial Report as at June 30, 2012" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.) that, in accordance with IFRS5, are now 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

The table below shows a breakdown of item 80.

Gains and losses on financial assets and liabilities held for trading

(€ million)

| TRANSACTIONS/P&L ITEMS | AS AT 06.30.2013 | AS AT 06.30.2012 | CHANGE |
|--|------------------|------------------|------------|
| Financial assets held for trading | 213 | 516 | -303 |
| Financial liabilities held for trading | (47) | (276) | 229 |
| Financial assets and liabilities in currency: exchange differences | 559 | (38) | 597 |
| Financial and credit derivatives | 21 | 633 | -612 |
| Total | 746 | 834 | -88 |

It should be noted that the figures as at June 30, 2012 differ from those disclosed in the "Consolidated First Half Financial Report as at June 30, 2012" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.) that, in accordance with IFRS5, are now 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 | AS AT 06.30.2013 | | | | NET PROFIT |
|--|--------------------|-------------------|---------------------|---------------------|-----------------|
| | UNREALIZED PROFITS | REALIZED PROFITS | UNREALIZED LOSSES | REALIZED LOSSES | |
| 1. Financial assets held for trading | 627,193 | 1,035,260 | (660,246) | (788,870) | 213,337 |
| 1.1 Debt securities | 160,950 | 303,409 | (260,790) | (187,781) | 15,788 |
| 1.2 Equity instruments | 437,371 | 640,533 | (357,314) | (547,165) | 173,425 |
| 1.3 Units in investment funds | 26,886 | 40,748 | (35,053) | (16,816) | 15,765 |
| 1.4 Loans | 88 | 5,872 | (5,266) | (3,666) | (2,972) |
| 1.5 Other | 1,898 | 44,698 | (1,823) | (33,442) | 11,331 |
| 2. Financial liabilities held for trading | 704,962 | 360,518 | (649,112) | (463,834) | (47,466) |
| 2.1 Debt securities | 448,624 | 297,636 | (558,717) | (143,338) | 44,205 |
| 2.2 Deposits | - | - | - | - | - |
| 2.3 Other | 256,338 | 62,882 | (90,395) | (320,496) | (91,671) |
| 3. Other financial assets and liabilities: exchange differences | X | X | X | X | 558,649 |
| 4. Derivatives | 20,030,346 | 47,905,926 | (20,268,026) | (47,678,219) | 21,276 |
| 4.1 Financial derivatives: | 19,994,995 | 46,024,192 | (20,221,142) | (45,794,755) | 34,539 |
| - on debt securities and interest rates | 19,753,880 | 39,627,332 | (19,629,004) | (39,413,939) | 338,269 |
| - on equity securities and share indices | 192,527 | 6,255,971 | (569,944) | (6,265,555) | (387,001) |
| - on currency and gold | X | X | X | X | 31,249 |
| - other | 48,588 | 140,889 | (22,194) | (115,261) | 52,022 |
| 4.2 Credit derivatives | 35,351 | 1,881,734 | (46,884) | (1,883,464) | (13,263) |
| Total | 21,362,501 | 49,301,704 | (21,577,384) | (48,930,923) | 745,796 |

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

5.1 Fair value adjustments in hedge accounting: breakdown

(€ '000)

| P&L COMPONENT/VALUES | AS AT 06.30.2013 | AS AT 06.30.2012 |
|---|--------------------|---------------------|
| A. Gains on: | | |
| A.1 Fair value hedging instruments | 4,371,645 | 8,795,592 |
| A.2 Hedged asset items (in fair value hedge relationship) | 180,161 | 1,875,044 |
| A.3 Hedged liability items (in fair value hedge relationship) | 2,020,850 | 1,582 |
| A.4 Cash-flow hedging derivatives | 12,346 | 5,882 |
| A.5 Assets and liabilities denominated in currency | 4,239 | 2,496 |
| Total gains on hedging activities | 6,589,241 | 10,680,596 |
| B. Losses on: | | |
| B.1 Fair value hedging instruments | (5,640,224) | (7,936,698) |
| B.2 Hedged asset items (in fair value hedge relationship) | (781,374) | (1,181,583) |
| B.3 Hedged liability items (in fair value hedge relationship) | (158,728) | (1,608,639) |
| B.4 Cash-flow hedging derivatives | (7,140) | (4,489) |
| B.5 Assets and liabilities denominated in currency | (4,684) | (2,205) |
| Total losses on hedging activities | (6,592,150) | (10,733,614) |
| C. Net hedging result | (2,909) | (53,018) |

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

As at June 30, 2013 net gains on disposal/repurchase of financial assets/liabilities amounted to €661 million (€1,070 million in 2012).

In the first half of 2013 the net profit recognized under sub-item "3. Available-for-sale financial assets - 3.1 Debt securities" was €172 million, principally relating to gains on disposal of Polish Government securities (€50 million), Russian Government securities (€18 million) and Italian Government securities (around €39 million), as well as to gains on disposal of Available-for-sale securities (around €53 million).

The net profit recognized under sub-item "3. Available-for-sale financial assets - 3.2 Equity instruments" was €67 million and comprised gains on disposals mainly attributable to Private equity (of which €41 million relating to Alliance Boots).

The net profit on repurchase of financial liabilities (€425 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.

In 2012 the profit on repurchase of financial liabilities (€886 million) related to the Tender Offer, launched in the first quarter of 2012, concerning some own hybrid capital instruments (€697 million), to repurchases of own bonds traded on the secondary market (€139 million) and to the extinction of other liabilities (€50 million).

6.1 Gains and losses on disposals/repurchases: breakdown

(€ '000)

| ITEMS/P&L ITEMS | AS AT 06.30.2013 | | | AS AT 06.30.2012 | | |
|---|------------------|-----------------|----------------|------------------|------------------|------------------|
| | GAINS | LOSSES | NET PROFIT | GAINS | LOSSES | NET PROFIT |
| Financial assets | | | | | | |
| 1. Loans and receivables with banks | 1,625 | (1,328) | 297 | 10,643 | (1,495) | 9,148 |
| 2. Loans and receivables with customers | 19,694 | (29,964) | (10,270) | 50,122 | (60,595) | (10,473) |
| 3. Available-for-sale financial assets | 305,023 | (62,011) | 243,012 | 253,228 | (62,500) | 190,728 |
| 3.1 Debt securities | 231,420 | (59,418) | 172,002 | 121,287 | (53,625) | 67,662 |
| 3.2 Equity instruments | 68,649 | (1,351) | 67,298 | 125,245 | (541) | 124,704 |
| 3.3 Units in Investment funds | 4,954 | (1,091) | 3,863 | 6,696 | (3,194) | 3,502 |
| 3.4 Loans | - | (151) | (151) | - | (5,140) | (5,140) |
| 4. Held-to-maturity investments | 3,403 | (51) | 3,352 | 4,962 | (10,269) | (5,307) |
| Total assets | 329,745 | (93,354) | 236,391 | 318,955 | (134,859) | 184,096 |
| Financial liabilities | | | | | | |
| 1. Deposits with banks | 54 | (42) | 12 | 52,408 | (2,571) | 49,837 |
| 2. Deposits with customers | 17 | (9,303) | (9,286) | - | (6,679) | (6,679) |
| 3. Debt securities in issue | 463,752 | (29,853) | 433,899 | 851,042 | (7,807) | 843,235 |
| Total liabilities | 463,823 | (39,198) | 424,625 | 903,450 | (17,057) | 886,393 |
| Total financial assets and liabilities | | | 661,016 | | | 1,070,489 |

It should be noted that the figures as at June 30, 2012 differ from those disclosed in the "Consolidated First Half Financial Report as at June 30, 2012" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.) that, in accordance with IFRS5, are now shown under item "310. Profit (Loss) after tax from discontinued operations".

Part C - Consolidated Income Statement (CONTINUED)

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

Gains and losses on financial assets/liabilities at fair value comprise net gains arising from the valuation of financial assets and liabilities recognized in the accounts, as well as credit and financial derivatives economically associated with them and already recognized under Financial assets/liabilities held for trading (Sub-Items: "1. Financial derivatives - 1.1 Associated with the fair value option" e "2. Credit derivatives - 2.1 Associated with the fair value option").

This table summarizes the net result of assets and liabilities valued at fair value for H1 2013 and H1 2012, as well as the related changes.

Gains and losses on financial assets and liabilities at fair value through profit or loss: breakdown

(€ million)

| TRANSACTIONS/P&L ITEMS | AS AT 06.30.2013 | AS AT 06.30.2012 | CHANGE |
|--|------------------|------------------|------------|
| Financial assets | (239) | 27 | -266 |
| Financial liabilities | 21 | (37) | 58 |
| Financial assets and liabilities in currency: exchange differences | - | - | - |
| Financial and credit derivatives | 344 | (48) | 392 |
| Total | 127 | (58) | 185 |

7.1 Net change in financial assets and liabilities at fair value through profit or loss: breakdown

(€ '000)

| TRANSACTIONS/P&L ITEMS | AS AT 06.30.2013 | | | | NET PROFIT |
|--|--------------------|------------------|-------------------|-----------------|------------------|
| | UNREALIZED PROFITS | REALIZED PROFITS | UNREALIZED LOSSES | REALIZED LOSSES | |
| 1. Financial assets | 99,119 | 85,767 | (355,369) | (68,345) | (238,828) |
| 1.1 Debt securities | 80,887 | 76,130 | (308,002) | (66,294) | (217,279) |
| 1.2 Equity securities | - | - | (34) | - | (34) |
| 1.3 Units in investment funds | 16,792 | 8,418 | (1,842) | (32) | 23,336 |
| 1.4 Loans | 1,440 | 1,219 | (45,491) | (2,019) | (44,851) |
| 2. Financial liabilities | 27,628 | 3 | (6,056) | (229) | 21,346 |
| 2.1 Debt securities | 27,628 | 3 | (6,056) | (229) | 21,346 |
| 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 | 366,698 | 19 | (22,396) | (182) | 344,139 |
| Total | 493,445 | 85,789 | (383,821) | (68,756) | 126,657 |

Section 8 - Impairment losses - Item 130

8.1 Impairment losses on loans and receivables: breakdown

(€ '000)

| TRANSACTIONS/P&L ITEMS | AS AT 06.30.2013 | | | | | | | | AS AT 06.30.2012 TOTAL |
|--|------------------|-------------|-----------|-------------|-----------|-----------|---------|-------------|------------------------------|
| | WRITE-DOWNS | | | WRITE-BACKS | | | | | |
| | SPECIFIC | | PORTFOLIO | SPECIFIC | | PORTFOLIO | | | |
| | WRITE-OFFS | OTHER | | INTEREST | OTHER | INTEREST | OTHER | | |
| A. Loans and receivables with banks | - | (9,337) | (1,738) | 383 | 7,731 | - | 3,961 | 1,000 | 527 |
| - Loans | - | (9,337) | (1,738) | 383 | 7,731 | - | 3,789 | 828 | 1,499 |
| - Debt securities | - | - | - | - | - | - | 172 | 172 | (972) |
| B. Loans and receivables with customers | (546,446) | (4,155,706) | (591,270) | 328,632 | 1,621,170 | 388 | 476,057 | (2,867,175) | (3,071,308) |
| Impaired related to purchase agreements | (1,483) | (16,797) | - | 3,287 | 3,880 | - | - | (11,113) | - |
| - Loans | (1,483) | (16,797) | X | 3,287 | 3,235 | X | X | (11,758) | - |
| - Debt securities | - | - | X | - | 645 | X | X | 645 | - |
| Other loans | (544,963) | (4,138,909) | (591,270) | 325,345 | 1,617,290 | 388 | 476,057 | (2,856,062) | (3,071,308) |
| - Loans | (544,963) | (4,134,253) | (590,287) | 325,345 | 1,617,232 | 388 | 468,619 | (2,857,919) | (3,062,851) |
| - Debt securities | - | (4,656) | (983) | - | 58 | - | 7,438 | 1,857 | (8,457) |
| C. Total | (546,446) | (4,165,043) | (593,008) | 329,015 | 1,628,901 | 388 | 480,018 | (2,866,175) | (3,070,781) |

It should be noted that the figures as at June 30, 2012 differ from those disclosed in the "Consolidated First Half Financial Report as at June 30, 2012" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.) that, in accordance with IFRS5, are now shown under item "310. Profit (Loss) after tax from discontinued operations".

It should be noted that comparative figures as at June 30, 2012 differ from those disclosed in the "Consolidated First Half Financial Report as at June 30, 2012" 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".

Section 11 - Administrative costs - Item 180

11.1 Payroll: breakdown

(€ '000)

| TYPE OF EXPENSES/SECTORS | AS AT 06.30.2013 | AS AT 06.30.2012 |
|--|--------------------|--------------------|
| 1) Employees | (4,384,681) | (4,519,022) |
| a) wages and salaries | (3,077,900) | (3,142,695) |
| b) social charges | (693,341) | (714,363) |
| c) severance pay | (70,018) | (83,536) |
| d) social security costs | - | - |
| e) allocation to employee severance pay provision | (19,343) | (26,690) |
| f) provision for retirements and similar provisions: | (174,981) | (174,008) |
| - defined contribution | (1,785) | (2,423) |
| - defined benefit | (173,196) | (171,585) |
| g) payments to external pension funds: | (99,036) | (125,940) |
| - defined contribution | (97,919) | (123,095) |
| - defined benefit | (1,117) | (2,845) |
| h) costs related to share-based payments | (55,631) | (33,882) |
| i) other employee benefits | (201,846) | (228,848) |
| l) recovery payments seconded employees | 7,415 | 10,940 |
| 2) Other staff | (43,996) | (41,750) |
| 3) Directors and Statutory Auditors | (7,193) | (6,884) |
| 4) Early retirement costs | - | - |
| Total | (4,435,870) | (4,567,656) |

See Part I for details of sub-item h) costs related to share-based payments.

11.5 Other administrative expenses: breakdown

(€ '000)

| TYPE OF EXPENSES/SECTORS | AS AT 06.30.2013 | AS AT 06.30.2012 |
|--|--------------------|--------------------|
| 1) Indirect taxes and duties | (395,071) | (301,462) |
| 1a. settled | (393,013) | (300,620) |
| 1b. Unsettled | (2,058) | (842) |
| 2) Miscellaneous costs and expenses | (2,366,873) | (2,407,040) |
| a) advertising marketing and communication | (185,637) | (195,831) |
| b) expenses related to credit risk | (148,763) | (142,561) |
| c) expenses related to personnel | (124,297) | (138,394) |
| d) Information & Communication Technology expenses | (542,143) | (563,559) |
| Lease of ICT equipment and software | (101,251) | (120,175) |
| Software expenses: lease and maintenance | (163,974) | (172,995) |
| ICT communication systems | (78,130) | (81,096) |
| ICT services: external personnel/outsourced services | (129,815) | (112,321) |
| Financial information providers | (68,973) | (76,972) |
| e) consulting and professionals services | (223,195) | (219,354) |
| Consulting | (128,882) | (153,438) |
| Legal expenses | (94,313) | (65,916) |
| f) real estate expenses | (612,735) | (627,310) |
| Premises rentals | (360,954) | (379,316) |
| Utilities | (119,880) | (109,256) |
| Other real estate expenses | (131,901) | (138,738) |
| g) operative costs | (530,103) | (520,031) |
| Surveillance and security services | (32,201) | (34,436) |
| Money counting services and transport | (41,664) | (44,683) |
| Insurance | (43,613) | (41,712) |
| Postage and transport of documents | (75,985) | (80,778) |
| Printing and stationery | (33,954) | (40,004) |
| Administrative and logistic services | (133,952) | (121,347) |
| Association dues and fees | (128,285) | (115,334) |
| Other administrative expenses - Other | (40,449) | (41,737) |
| Total (1+2) | (2,761,944) | (2,708,502) |

Expenses related to personnel include the expenses that do not represent remuneration of the working activity of an employee in compliance with IAS 19.

With reference to tables 11.1 and 11.5 it should be noted that the figures as at June 30, 2012 differ from those disclosed in the "Consolidated First Half Financial Report as at June 30, 2012" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.) that, in accordance with IFRS5, are now shown under item "310. Profit (Loss) after tax from discontinued operations".

Part C - Consolidated Income Statement (CONTINUED)

Section 12 - Net provisions for risks and charges - Item 190

Provisions for risks and charges are 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.

12.1 Net provisions for risks and charges: breakdown

(€ '000)

| ASSETS/P&L ITEMS | AS AT 06.30.2013 | | AS AT 06.30.2012 |
|----------------------------|------------------|----------------------|------------------|
| | PROVISIONS | REALLOCATION SURPLUS | TOTAL |
| 1. Other provisions | | | |
| 1.1 legal disputes | (228,180) | 52,347 | (175,833) |
| 1.2 staff costs | (54) | - | (54) |
| 1.3 other | (167,418) | 164,241 | (3,177) |
| Total | (395,652) | 216,588 | (179,064) |

As at June 30, 2013 the reallocation of surplus in sub-item "1.3 other" included €122 million recognized in December 2012 as a provision for the exchange rate loss on the equity of the former Kazakh subsidiary which, on completion of the transaction, was definitively recorded in item "310. Loss after tax from discontinued operations".

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 | AS AT 06.30.2013 | AS AT 06.30.2012 |
|-----------------------------------|------------------|------------------|
| Total other operating expenses | (318,250) | (345,338) |
| Total other operating revenues | 867,403 | 689,185 |
| Other operating net income | 549,153 | 343,847 |

15.1 Other operating expenses: breakdown

(€ '000)

| TYPE OF EXPENSE/VALUE | AS AT 06.30.2013 | AS AT 06.30.2012 |
|--|------------------|------------------|
| Costs for operating leases | (2,283) | (133) |
| Non-deductible tax and other fiscal charges | (2,357) | (2,214) |
| Write-downs on leasehold improvements | (29,383) | (32,838) |
| Costs related to the specific service of financial leasing | (71,959) | (73,773) |
| Other | (212,268) | (236,380) |
| Total other operating expenses | (318,250) | (345,338) |

The sub-item "Other" includes:

- various settlements and indemnities of €31 million, €40 million in 2012;
- additional costs for the leasing business of €29 million, €22 million in 2012;
- non-banking business costs €14 million, €11 million in 2012;
- charges relating to Group property of €7 million, €8 million in 2012;
- various payments relating to prior years of €8 million, €9 million in 2012;
- additional costs relating to customer accounts of €7 million, €8 million in 2012;
- new bank levy of €43 million, €66 million in 2012.

15.2 Other operating revenues: breakdown

(€ '000)

| TYPE OF REVENUE/VALUES | AS AT 06.30.2013 | AS AT 06.30.2012 |
|---|------------------|------------------|
| A) Recovery of costs | 401,117 | 244,563 |
| B) Other Revenues | 466,286 | 444,622 |
| Revenues from administrative services | 39,494 | 32,237 |
| Revenues on rentals Real Estate investments (net of operating direct costs) | 70,066 | 64,418 |
| Revenues from operating leases | 70,605 | 75,898 |
| Recovery of miscellaneous costs paid in previous years | 6,418 | 9,544 |
| Revenues on Financial Leases activities | 82,359 | 78,906 |
| Others | 197,344 | 183,619 |
| Total operating revenues (A+B) | 867,403 | 689,185 |

The sub-item "Other" includes:

- additional income received from leasing business of €30 million, €29 million in 2012;
- income from non-banking business of €66 million, €36 million in 2012;
- various income from Group property of €7 million, €8 million in 2012;
- payments of indemnities and compensation of €15 million, €27 million in 2012;
- additional income relating to customer accounts of €7 million, €17 million in 2012.

With reference to tables 15.1 and 15.2 it should be noted that the figures as at June 30, 2012 differ from those disclosed in the "Consolidated First Half Financial Report as at June 30, 2012" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC e ATF INKASSATSIYA LTD.) that, in accordance with IFRS5, are now shown under item "310. Profit (Loss) after tax from discontinued operations".

Section 24 - Earnings per share

24.1 e 24.2 Average number of diluted shares and other information

| | FIRST HALF 2013 | FIRST HALF 2012 |
|--|-----------------|-----------------|
| Net profit for the period attributable to the Group (thousands of euros) | 774,420 | 1,037,110 |
| Average number of outstanding shares | 5,693,983,623 | 5,056,186,008 |
| Average number of potential dilutive shares | 21,324,162 | 3,291,258 |
| Average number of diluted shares | 5,715,307,785 | 5,059,477,267 |
| Earnings per share (€) | 0.14 | 0.21 |
| Diluted earnings per share (€) | 0.14 | 0.20 |

€35,489 thousand has been deducted from 2013 net profit of €809,909 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 thousand was deducted from 2012 net profits).

Net of the average number of treasury shares and of further 96,756,406 shares held under a contract of usufruct.

Part E - Information on risks and related risk management policies

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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.unicreditgroup.eu).

Part E - Information on risks and related risk management policies

Part E - Risks and related risk management policies only refers to the banking group.

Since insurance companies and other companies don't represent a significant business - if compared to banking group - there is no specific section of this document on their risks and related risk management policies.

Risk Management in UniCredit group

UniCredit group monitors and manages its risks through rigorous methodologies and procedures proving to be effective through all phases of the economic cycle.

The control and steering of the Group's risks are exerted by the Parent Company's Risk Management function which pursues its own steering, coordination and control role in particular through the "Portfolio Risk Managers" which are responsible for the relevant risks, from a Group and cross-divisional perspective. Furthermore the model considers a specific point of reference for Italy through the "CRO Italy" function, to which has been assigned 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 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 Assessment Process (ICAAP), consistently with Basel 2, Pillar 2 requirements;
- defining - in compliance with Basel 2 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, 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 between 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.

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.

In the first months of 2013, the UniCredit Board of Directors approved the "2013 Credit Risk Strategies" in coherence with Risk Appetite and Budget Targets. Furthermore, stress tests on the credit portfolio have been performed based on two different assumptions of a further worsening of the macro-economic scenario in compliance with the regulation defined in Pillar 2 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 (Corporate, 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 Tiriak 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 January 2013, the Group obtained the authorization to use the Group wide rating system for the Global Project Finance exposures in UniCredit Bank Austria. During the first half of 2013 the extension of additional rating systems in the subsidiary UniCredit Luxembourg SA was also authorized, as well as the adoption of the IRB advanced approach for the Banks, Corporate and Small Business segments in UniCredit Leasing GmbH, a subsidiary of UniCredit Bank AG, and its sub-subsidiaries Structured Lease GmbH, UniCredit Leasing Aviation GmbH and UniCredit Leasing Finance GmbH; in both cases, the use for regulatory purposes will be introduced in the second half of 2013.

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 the first half of 2013 a series of organizational changes was launched 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 in the first half of 2013 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 were 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 was improved (also in agreement with Sace).

2. Credit Risk Management Policy

2.1 Organization

The new organizational structure, operative on January 14, 2013, is described below for what regards credit risks, with a specific focus on structures and responsibilities.

The credit risk organization in Parent Company breaks down into two levels:

- functions with responsibilities at Group level;
- functions with responsibilities at Country level.

Part E - Information on risks and related risk management policies (CONTINUED)

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 S.p.A. 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 S.p.A. 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 others - 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 others - for the following activities:
 - responsible for coordinating, heading and managing the monitoring activities for all customers within all of UniCredit S.p.A.;
 - manage and recover past due and unpaid;

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.

Part E - Information on risks and related risk management policies (CONTINUED)

Furthermore, with respect to credit risk specific committees are active:

- the "Group Credit Committee", in charge of discussing and approving competent credit proposals, including "restructuring" and "workout" files, relevant strategies and corrective actions to be taken (including classification of status when applicable) for "watchlist" files, specific limits for transactions related to debt capital markets on Trading Book, single issuer exposure limits on Trading Book;
- the "Group Credit and Cross-Border Risks Committee", responsible for monitoring credit and cross-border risks at Group level, for submitting to the "Group Risk Committee" - for either approval or information - credit and cross-border risk strategies, policies, methodologies and limits as well as regular reporting on credit and cross-border risk portfolio and profile;
- the "Group Transactional Credit Committee", with approval function, within the delegated powers (decision-making and/or issuing of non-binding opinions to the Group Legal Entities) and/or consulting function for files to be approved by upper Bodies regarding credit proposals, excluding "restructuring" and "workout" files, strategies and relevant corrective actions to be taken for "watchlist" files, specific limits for transactions related to debt capital markets, single issuer exposure limits on Trading book;
- the "Italian Transactional Credit Committee", in charge of approving, within the delegated powers, and/or consulting function for files to be approved by upper Bodies, regarding UniCredit S.p.A. counterparts (excluding FIBS counterparts) credit proposals (excluding restructuring and workout files), status classification of files, strategies and measures for "watchlist" files, pledge based credit transactions and for issuing non-binding opinion regarding Italian Legal Entities of the Group proposals;
- the "Group Rating Committee", responsible for taking decisions and/or issuing non-binding opinions to the Group Legal Entities on rating override proposals;
- the "Italian Special & Transactional Credit Committee", in charge, within the delegated powers, of evaluation and approval (or issuing of consultative opinions for files to be approved by upper Bodies) of restructuring and workout positions as well as of the client's positions managed by the "Special Credit Italy" department.

2.2 Factors that generate Credit Risk

In the course of its credit business activities the Group is exposed to the risk that its loans may, due to the deterioration of the debtor's financial condition, not be repaid at maturity, and thus resulting in a partial or full write-off. This risk is always inherent in traditional lending operations regardless of the form of the credit facility (whether cash or credit commitments, secured or unsecured, etc.).

The main reasons for default lie in the borrower's lacking the autonomous ability to service and repay the debt (due to a lack of liquidity, insolvency, etc.), as well as the occurrence of events that are unrelated to the debtor's operating and financial condition, such as Country risk or the impact of operational risk. Other banking operations, in addition to traditional lending and deposit activities, can expose the Group to other credit risks. For example, 'non-traditional' credit risk may arise from:

- entering into derivative contracts;
- purchasing and selling securities, futures, currencies or commodities;
- holding third-party securities.

The counterparties in these transactions or issuers of securities held by Group Legal Entities could default as a result of insolvency, political and economic events, lack of liquidity, operating problems or other reasons. Defaults in relation to a large number of transactions, or one or more large transactions, could have a material adverse impact on the Group's operations, financial condition and operating results.

The Group monitors and manages the specific risk of each counterparty and the overall risk of loan portfolios through procedures, structures and rules, that steer, govern and standardize the assessment and management of credit risk, in line with the Group principles and best practice, and which are capable of extending their effectiveness to all phases of the economic cycle.

2.2.1 Country risk

Country risk is defined as the risk of losses of exposures caused by events in a specific Country which may be under the control of the government but not under the control of a private enterprise or individuals. This may imply that the repayment of assets within a specific Country will be ultimately prevented by actions of the Country's government (e.g. transfer risk, expropriation risk, legal risk, tax risk, security risk, delivery risk) or by a deterioration of the economic and/or political environment (e.g. a sharp recession, currency and/or banking crisis, disaster, war, civil war, social unrest) of a Country. Country risk is managed by determining the appropriate maximum risk levels (country limits), that can be assumed by the various Legal Entities belonging to the Group vis-à-vis all counterparties (sovereigns, government entities, banks, financial institutions, corporate customers, small businesses, individuals, project finance, etc.) residing in or related to the Country, for cross-border transactions (from the standpoint of the Entity providing the loan) in foreign currency (from the standpoint of the borrower).

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

The fundamental objective of the reporting and monitoring activities performed by the Group Risk Management function is the analysis of the main drivers and parameters of credit risk (exposure at default ("EAD"), expected loss ("EL"), migration, cost of risk, etc.) in order to promptly initiate any counter-measures on portfolios, sub-portfolios or individual counterparties.

Group Risk Management function performs credit risk reporting at portfolio level, producing reports at Group level, both recurring and specific (on demand of Senior 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 the "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 Group Risk Management and is responsible for the Group credit risk reporting, with specific detail on industries and single portfolios.

Part E - Information on risks and related risk management policies (CONTINUED)

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.

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 Entities. 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); and
- 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 $PD \times LGD \times EAD$, 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 $1-\alpha$ confidence level). Economic Capital is derived from Value at Risk subtracting the expected loss and it is an input for determining Internal Capital set up to cover potential unexpected losses from all risk factors.

VaR is a widely used measure of portfolio risk but it does not provide information on potential losses in case the VaR limit has been exceeded. Such information is provided by the Expected Shortfall (ES) that represents the expected value of losses that exceed the VaR threshold. Portfolio Credit VaR and ES strongly depend on default correlation and can be reduced by proper portfolio diversification.

The credit portfolio models produce also measures of economic capital reallocated by individual borrowers within each portfolio and are the basis for risk-adjusted performance measures.

The measures of economic capital (Credit VaR based) are also a fundamental input for the design and application of credit strategies, the analysis of credit limits and risk concentration. The economic capital calculation engine is also used for the analysis of stress tests of the credit portfolio, starting from 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 2 validation.

Part E - Information on risks and related risk management policies (CONTINUED)

Credit economic capital estimation is available on a unique technological platform and a common methodology for holding functions and several legal entities of UniCredit group.

2.3.4 Credit Risk Strategies

Group Credit Risk Strategies (GCRS) are one of the advanced instruments for managing credit risk. Consistent both with the budget process and the industry expert views, GCRS provide a set of guidelines and operative targets on the credit portfolio evolution (new business), aiming at improving the overall risk-return profile of the portfolio. The analysis is developed at Country, Divisional and Industry level.

Credit risk strategies aim to obtain a double goal:

- to define the credit portfolio evolution that minimizes the overall credit risk impact given the expected remuneration, in line with the Group's capital allocation and value creation criteria;
- to provide support to the competent Functions and Divisions at Parent Company and Legal Entity level.

Credit risk strategies are defined by synthesizing the top-down risk analysis with the portfolio view of the business functions, through a strict cooperation among the Parent Company and local Risk Management Functions.

Credit risk strategies are defined by using all available credit risk measures in order to correctly and prudentially manage credit portfolio risk. In parallel a set of qualitative information, taking into account the specific managerial actions or industry evolution expectation of different geographies and divisions, are incorporated and transformed in input variables for the credit portfolio models.

Portfolio risk management pays special attention to credit risk concentration in light of its importance within total assets.

Such concentration risk, according to the Basel 2 definition, consists of a single exposure or of a group of correlated exposures with the potential to generate losses of such magnitude as to prejudice the Group's ability to carry on its normal business.

In order to identify, manage, measure and monitor concentration risk, the Parent Company's competent Functions define and monitor credit limits to cover two different types of concentration risk:

- significant amount credit exposures to a single counterparty or to a set of counterparties economically connected ("bulk risk" for Multinationals, Financial Institutions and Banks);
- credit exposures to counterparties belonging to the same economic sector ("sectorial concentration risk").

More generally, as part of credit risk strategy, vulnerability and Capital Adequacy support analysis are performed through the credit risk stress test (Pillar 1 and Pillar 2).

Stress test simulations are a comprehensive part of credit risk strategies definition. With stress test procedure it is possible to re-estimate some risk parameters like PD, Expected Loss, economic capital and RWA under the assumption of "extreme but plausible" macroeconomic and financial stressed scenario. Stressed parameters are used not only for regulatory purposes (Pillar 1 and Pillar 2 requirements), but also as managerial indicators about the portfolio vulnerability of single Legal Entities, business lines, industries/regional areas, customer groups and other relevant clusters, conditioned to a downturn of economic cycle.

In compliance with regulatory requirements, stress tests are performed on an on-going basis on updated stressed scenarios and are communicated to the senior management as well as to the Supervisory Authority. In addition to the regular stress test, ad hoc stress test simulations are performed on specific request by the Supervisory Authority.

2.4 Credit Risk Mitigation Techniques

UniCredit group uses various credit risk mitigation techniques to reduce potential credit losses in case of the obligor default. Consistently with the "International Convergence of Capital Measurement and Capital Standards - A Revised Framework" (Basel 2), the Group is firmly committed to satisfy the requirements for recognition of Credit Risk Mitigation techniques for regulatory capital purposes, according to the different approaches adopted (Standardized, Foundation IRB or Advanced IRB) both for internal use in operations and for the purposes of calculating the credit risk capital requirement.

With specific reference to Credit Risk Mitigation, general guidelines are in force, issued by the Parent Company, to lay down Group-wide rules and principles that should guide, govern and 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 the 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 has been 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 have been 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 (CONTINUED)

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

Information contained in Part A.1 does not include equity instruments and units in investment funds.

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

(€ '000)

| PORTFOLIO/QUALITY | BANKING GROUP | | | | | OTHER COMPANIES | | |
|--|----------------------|-------------------|------------------------|------------------|--------------------|-----------------|------------------|--------------------|
| | NON-PERFORMING LOANS | DOUBTFUL ASSETS | RESTRUCTURED EXPOSURES | PAST-DUE | OTHER ASSETS | IMPAIRED | OTHERS | TOTAL |
| 1. Financial assets held for trading | 25,137 | 159,072 | 10,283 | 53,207 | 86,690,240 | - | - | 86,937,939 |
| 2. Available-for-sale financial assets | 25,274 | 49,461 | 18 | - | 76,296,395 | - | 452 | 76,371,600 |
| 3. Held-to-maturity financial instruments | 17 | 1,492 | 4,803 | 4 | 5,419,156 | - | - | 5,425,472 |
| 4. Loans and receivables with banks | 130,008 | 7,560 | - | 11,874 | 66,697,904 | - | 59,323 | 66,906,669 |
| 5. Loans and receivables with customers | 20,765,769 | 15,787,377 | 5,417,121 | 4,241,257 | 484,843,121 | 3,750 | 1,712,198 | 532,770,593 |
| 6. Financial assets at fair value through profit or loss | - | - | - | - | 27,387,069 | - | - | 27,387,069 |
| 7. Financial instruments classified as held for sale | - | 3,744 | - | 400 | 19,712 | - | 230,092 | 253,948 |
| 8. Hedging instruments | - | - | - | - | 12,774,497 | - | - | 12,774,497 |
| Total 06.30.2013 | 20,946,205 | 16,008,706 | 5,432,225 | 4,306,742 | 760,128,094 | 3,750 | 2,002,065 | 808,827,787 |
| Total 12.31.2012 | 20,293,615 | 15,642,066 | 5,615,425 | 4,161,942 | 796,705,822 | 7,324 | 2,258,433 | 844,684,627 |

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 Interim 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.

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 | 348,770 | 101,071 | 247,699 | X | X | 86,690,240 | 86,937,939 |
| 2. Available-for-sale financial assets | 132,062 | 57,309 | 74,753 | 76,297,337 | 942 | 76,296,395 | 76,371,148 |
| 3. Held-to-maturity financial instruments | 23,813 | 17,497 | 6,316 | 5,419,255 | 99 | 5,419,156 | 5,425,472 |
| 4. Loans and receivables with banks | 316,052 | 166,610 | 149,442 | 66,707,746 | 9,842 | 66,697,904 | 66,847,346 |
| 5. Loans and receivables with customers | 82,596,714 | 36,385,190 | 46,211,524 | 487,531,449 | 2,688,328 | 484,843,121 | 531,054,645 |
| 6. Financial assets at fair value through profit or loss | - | - | - | X | X | 27,387,069 | 27,387,069 |
| 7. Financial instruments classified as held for sale | 14,545 | 10,401 | 4,144 | 19,712 | - | 19,712 | 23,856 |
| 8. Hedging instruments | - | - | - | - | - | 12,774,497 | 12,774,497 |
| Total A | 83,431,956 | 36,738,078 | 46,693,878 | 635,975,499 | 2,699,211 | 760,128,094 | 806,821,972 |
| 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 receivables with banks | - | - | - | 59,323 | - | 59,323 | 59,323 |
| 5. Loans and receivables with customers | 31,182 | 27,432 | 3,750 | 1,712,809 | 611 | 1,712,198 | 1,715,948 |
| 6. Financial assets at fair value through profit or loss | - | - | - | X | X | - | - |
| 7. Financial instruments classified as held for sale | - | - | - | 230,092 | - | 230,092 | 230,092 |
| 8. Hedging instruments | - | - | - | X | X | - | - |
| Total B | 31,182 | 27,432 | 3,750 | 2,002,676 | 611 | 2,002,065 | 2,005,815 |
| Total 06.30.2013 | 83,463,138 | 36,765,510 | 46,697,628 | 637,978,175 | 2,699,822 | 762,130,159 | 808,827,787 |
| 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 intragroup positions, including those with other entities included in the scope of consolidation.

The table below provides a breakdown of credit exposures being renegotiated, i.e. whose installment payment (both principal and interest) has been temporarily suspended in compliance with the general agreements entered by Banking Associations/Unions or with regulations prevailing in the countries where the Group operates.

As at June 30, 2013 there are no such positions in the portfolios of financial assets other than loans to customers.

Customer Loans - Exposures renegotiated under collective agreements

(€ '000)

| PORTFOLIO/QUALITY | PERFORMING | | | | | | | | | TOTAL (NET EXPOSURE) 06.30.2013 |
|---|-------------------|--------------------------|-----------------|--------------------|--------------------------|-----------------|----------------------|--------------------------|-----------------|---------------------------------------|
| BANKING GROUP AND OTHER CONSOLIDATED COMPANIES | OTHER PERFORMING | | | PAST-DUE 1/90 DAYS | | | PAST-DUE 91/180 DAYS | | | |
| | GROSS EXPOSURE | PORTFOLIO ADJUSTMENTS | NET EXPOSURE | GROSS EXPOSURE | PORTFOLIO ADJUSTMENTS | NET EXPOSURE | GROSS EXPOSURE | PORTFOLIO ADJUSTMENTS | NET EXPOSURE | |
| 5. Loans and receivables with customers | 452,611,590 | 2,218,690 | 450,392,900 | 31,803,202 | 355,304 | 31,447,898 | 4,829,466 | 114,945 | 4,714,521 | 486,555,319 |
| - Exposures renegotiated in application of collective agreements | 3,452,368 | 8,762 | 3,443,606 | 211,835 | 2,843 | 208,992 | 214,377 | 3,793 | 210,584 | 3,863,182 |
| - Other exposures | 449,159,222 | 2,209,928 | 446,949,294 | 31,591,367 | 352,461 | 31,238,906 | 4,615,089 | 111,152 | 4,503,937 | 482,692,137 |

On-balance sheet credit exposure to banks: gross and net values

(€ '000)

| EXPOSURE TYPES/AMOUNTS | AMOUNTS AS AT 06.30.2013 | | | |
|---------------------------|--------------------------|---------------------|-----------------------|-------------------|
| | GROSS EXPOSURE | SPECIFIC WRITEDOWNS | PORTFOLIO ADJUSTMENTS | NET EXPOSURE |
| a) Non-performing loans | 282,334 | 152,326 | - | 130,008 |
| b) Doubtful loans | 10,240 | 2,680 | - | 7,560 |
| c) Restructured exposures | 11,635 | 11,635 | - | - |
| d) Past due | 12,708 | 834 | - | 11,874 |
| e) Other assets | 91,918,455 | - | 10,784 | 91,907,671 |
| Total | 92,235,372 | 167,475 | 10,784 | 92,057,113 |

This table includes also exposures to banks classified in financial assets portfolios other than Loans and Receivables.

Part E - Information on risks and related risk management policies (CONTINUED)

On-balance sheet credit exposure to customers: gross and net values

(€ '000)

| EXPOSURE TYPES/AMOUNTS | AMOUNTS AS AT 06.30.2013 | | | |
|---------------------------|--------------------------|---------------------|-----------------------|--------------------|
| | GROSS EXPOSURE | SPECIFIC WRITEDOWNS | PORTFOLIO ADJUSTMENTS | NET EXPOSURE |
| a) Non-performing loans | 46,789,800 | 25,904,048 | - | 20,885,752 |
| b) Doubtful loans | 23,171,736 | 7,329,662 | - | 15,842,074 |
| c) Restructured exposures | 8,132,899 | 2,585,100 | - | 5,547,799 |
| d) Past due | 5,030,775 | 789,114 | - | 4,241,661 |
| e) Other assets | 605,861,729 | - | 2,688,421 | 603,173,308 |
| Total | 688,986,939 | 36,607,924 | 2,688,421 | 649,690,594 |

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.

Information on forboren exposures

With reference to forboren exposures² it should be noted that with reference to the non-performing portfolio, the Group's activities are mainly focused on the following:

- prompt action. With a solid and effective monitoring and reporting process, the early identification of possible credit quality deterioration allows the Group to promptly undertake any necessary forbearance practices as well as restrictive management measures aimed at risk reduction in the early phases prior to the potential default; all forbearance measures aim at the timely identification and proper management of exposures with increased risk at a stage where the Bank has not yet initiated expropriation or similar enforcing proceedings and the borrower is still able to service the debt;
- proper assessment of the impaired loans, in order to define the strategies/actions to be taken and the applicable default classification;
- initiating recovery procedures on the basis of the type and amount of the exposure and the specific borrower involved;
- appropriate provisioning through profit and loss in line with the relevant recovery strategies and plans as well as the type of exposure. Provisioning is carried out in line with the principles of IAS 39 and Basel 2 rules;
- accurate and regular reporting in order to monitor aggregate portfolio risk over time.

Each Legal Entity shall classify positions into the various default categories in compliance with legal and regulatory provisions issued by local regulators.

As a result, and since UniCredit, in its role as Parent Company, is required to obey the instructions issued by the Italian regulator, suitable measures are taken with respect to the Group's foreign Legal Entities to homogenize and align classifications which otherwise would not be consistent with the appropriate default categories.

Exposures subject to modifications as a result of forbearance practices are classified as impaired loans when the conditions for their classification into the various impaired loans categories are met.

The accounting policies on assessment and credit risk provisioning of loans subject to modifications as a result of forbearance practices conform with the general rule, i.e. whether there is objective evidence that an impairment loss on loans or held-to-maturity investments (measured at amortized cost) has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate.

The amount of the loss is recognized in item 130. of the income statement under "Impairment losses" and the carrying amount of the asset is reduced.

In more detail, if the terms of a loan, receivable or held-to-maturity investment are renegotiated or otherwise modified because of the borrower's financial difficulties, this is considered to be objective evidence of impairment in accordance with IAS 39.

With specific reference to forbearance practices, a position is classified as "restructured loan" according to the Bank of Italy's instructions on impaired loans classification when a rescheduling agreement has been entered into including renegotiated pricing at interest rates below market, the conversion of part of a loan into shares and/or reduction of principal. Measurement of restructured loans is on a loan-by-loan basis, including also discounted cost due to renegotiation of the interest rate at a lower rate than the original contractual rate.

Restructured exposures may be reclassified to "performing loans" when at least two years have elapsed from the closing of the restructuring agreement and a resolution has been passed by the competent corporate bodies stating that the borrower is again able to service the debt and all outstanding exposures have been paid.

2. According to the ESMA document no. 2012/853 of December 20, 2012, "forbearance measures occur in situations in which the borrower is considered to be unable to meet the terms and conditions of the contract due to financial difficulties. Based on these difficulties, the issuer decides to modify the terms and conditions of the contract to allow the borrower sufficient ability to service the debt or refinance the contract, either totally or partially.

Please note that the accounting and regulatory classification policies regarding Restructured Loans have not changed with respect to the previous years.

The tables below show respectively:

- **impaired loans to customers classified as “restructured loans”** according to Bank of Italy rules, broken down by country of residence;
- **loans to customers subject to forbearance measures under collective agreements** entered into by Banking Associations/Federations or in compliance with the rules and regulations of the countries where the Group operates, which provide for the temporary suspension of the payment of installments (for principal and/or interest).

Customer loans - restructured positions

(€ '000)

| COUNTRY | AMOUNTS AS AT 06.30.2013 NET EXPOSURE | % ON TOTAL |
|--------------------------|---|---------------|
| Italy | 2,943,392 | 54.3% |
| Germany | 1,004,544 | 18.5% |
| Austria | 430,775 | 8.0% |
| Poland | 403,732 | 7.5% |
| CEE Division | 634,678 | 11.7% |
| Total | 5,417,121 | 100.0% |
| Total write-downs | 2,578,818 | |
| Coverage ratio | 32.3% | |

Restructured loans are concentrated in Italy and Germany, which account for about 73% of the total.

In general, there is rough proportionality between the geographical distribution of restructured customer loans and the volumes of impaired loans.

Customer Loans - Exposures renegotiated under collective agreements

(€ '000)

| PORTAFOLIO/QUALITY | PERFORMING | | | | | | | | | TOTAL (NET EXPOSURE) 06.30.2013 |
|--|------------------|-----------------------|--------------|----------------------|-----------------------|--------------|------------------------|-----------------------|--------------|---------------------------------|
| | OTHER PERFORMING | | | PAST DUE 1 - 90 DAYS | | | PAST DUE 91 - 180 DAYS | | | |
| | GROSS EXPOSURE | PORTFOLIO ADJUSTMENTS | NET EXPOSURE | GROSS EXPOSURE | PORTFOLIO ADJUSTMENTS | NET EXPOSURE | GROSS EXPOSURE | PORTFOLIO ADJUSTMENTS | NET EXPOSURE | |
| BANKING GROUP AND OTHER CONSOLIDATED COMPANIES | | | | | | | | | | |
| Loans and receivables with customers (item 70 BS) | | | | | | | | | | |
| - Exposures renegotiated in application of collective agreements | 3.452.368 | 8.762 | 3.443.606 | 211.835 | 2.843 | 208.992 | 214.377 | 3.793 | 210.584 | 3.863.182 |

The table above sets out details of exposures that provide for the temporary suspension of payments (both principal and/or interest), renegotiated under collective agreements entered into by the Banking Associations/Federations or in compliance with the regulations in force in the countries where the Group is present. Forborn exposures whose payments (both principal and/or interest) have been regularly made for more than two years are also detailed.

Customer loans renegotiated under collective agreements are mainly concentrated in Italy.

For more information see also previous chapter A. Credit Quality.

Part E - Information on risks and related risk management policies (CONTINUED)

Information on Sovereign Exposures

With reference to the Group's sovereign exposures³, the book value of sovereign debt securities as at June 30, 2013 amounted to €106,052 million, of which about 90% concentrated in eight countries; Italy, with €49,272 million, represents over 46% 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 June 30, 2013.

Breakdown of Sovereign Debt Securities by Country and Portfolio

(€ '000)

| COUNTRY/PORTFOLIO | AMOUNTS AS AT 06.30.2013 | | |
|--|--------------------------|-------------------|-------------------|
| | NOMINAL VALUE | BOOK VALUE | FAIR VALUE |
| - Italy | 47,283,166 | 49,271,765 | 49,170,938 |
| financial assets/liabilities held for trading (net exposures*) | 6,165,211 | 6,552,090 | 6,552,090 |
| financial assets at fair value through profit or loss | 121,096 | 123,393 | 123,393 |
| available for sale financial assets | 37,734,685 | 39,350,735 | 39,350,735 |
| loans and receivables | 216,415 | 218,925 | 184,122 |
| held to maturity investments | 3,045,758 | 3,026,622 | 2,960,598 |
| - Germany | 22,775,617 | 23,258,080 | 23,265,265 |
| financial assets/liabilities held for trading (net exposures*) | 1,393,349 | 1,412,681 | 1,412,681 |
| financial assets at fair value through profit or loss | 19,365,668 | 19,807,459 | 19,807,459 |
| available for sale financial assets | 250,600 | 253,692 | 253,692 |
| loans and receivables | 1,766,000 | 1,784,249 | 1,791,433 |
| held to maturity investments | - | - | - |
| - Poland | 8,019,642 | 8,350,526 | 8,350,760 |
| financial assets/liabilities held for trading (net exposures*) | (3,246) | 13,796 | 13,796 |
| financial assets at fair value through profit or loss | - | - | - |
| available for sale financial assets | 6,658,929 | 6,962,697 | 6,962,697 |
| loans and receivables | 847,971 | 854,661 | 854,661 |
| held to maturity investments | 515,988 | 519,373 | 519,606 |
| - Austria | 5,113,213 | 6,184,018 | 6,186,117 |
| financial assets/liabilities held for trading (net exposures*) | (113,005) | 177,190 | 177,190 |
| financial assets at fair value through profit or loss | 21,827 | 28,183 | 28,183 |
| available for sale financial assets | 5,067,501 | 5,838,599 | 5,838,599 |
| loans and receivables | - | - | - |
| held to maturity investments | 136,890 | 140,047 | 142,146 |
| - Turkey (**) | 2,563,844 | 2,961,888 | 2,915,375 |
| financial assets/liabilities held for trading (net exposures*) | (36,780) | 31,687 | 31,687 |
| financial assets at fair value through profit or loss | - | - | - |
| available for sale financial assets | 1,777,004 | 1,969,855 | 1,969,855 |
| loans and receivables | - | - | - |
| held to maturity investments | 823,620 | 960,345 | 913,832 |
| - Czech Republic | 2,928,066 | 2,373,923 | 2,373,979 |
| financial assets/liabilities held for trading (net exposures*) | 549,118 | 84,157 | 84,157 |
| financial assets at fair value through profit or loss | 482,993 | 250,047 | 250,047 |
| available for sale financial assets | 1,895,547 | 2,039,306 | 2,039,306 |
| loans and receivables | - | - | - |
| held to maturity investments | 409 | 413 | 469 |
| - Hungary | 1,757,846 | 1,759,001 | 1,759,175 |
| financial assets/liabilities held for trading (net exposures*) | 30,810 | 6,447 | 6,447 |
| financial assets at fair value through profit or loss | - | - | - |
| available for sale financial assets | 1,711,403 | 1,736,811 | 1,736,811 |
| loans and receivables | 7,085 | 7,052 | 7,052 |
| held to maturity investments | 8,549 | 8,692 | 8,865 |
| - Romania | 1,056,632 | 1,115,952 | 1,115,952 |
| financial assets/liabilities held for trading (net exposures*) | 42,136 | 71,138 | 71,138 |
| financial assets at fair value through profit or loss | - | - | - |
| available for sale financial assets | 1,014,496 | 1,044,814 | 1,044,814 |
| loans and receivables | - | - | - |
| held to maturity investments | - | - | - |
| Total on-balance sheet exposures | 91,498,027 | 95,275,154 | 95,137,561 |

* including exposures in Credit Derivatives.

** amounts recognized using proportionate consolidation with reference to the ownership percentage for exposures held by joint ventures.

3. Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies. ABSs are not included.

The weighted duration of the sovereign bonds shown in the table above, divided by the banking⁴ and trading book, is the following:

| Weighted duration | | (years) |
|--------------------------|---------------------|---------------------|
| | BANKING BOOK | TRADING BOOK |
| - Italy | 2.87 | 0.85 |
| - Germany | 2.36 | 5.28 |
| - Poland | 4.13 | -0.53 |
| - Austria | 5.84 | 7.58 |
| - Turkey | 5.29 | 4.46 |
| - Czech Republic | 3.75 | 1.31 |
| - Hungary | 1.68 | -3.74 |
| - Romania | 2.09 | 1.49 |

The remaining 10% of the total of sovereign debt securities, amounting to €10,777 million with reference to the book values as at June 30, 2013, is divided into 45 countries, including Spain (€379 million), Slovenia (€191 million), the US (€142 million), Ireland (€52 million), and Portugal (€30 million). The sovereign exposure to Greece is immaterial.

With respect to these exposures, as at June 30, 2013 there were no indications that impairment may have occurred.

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 06.30.2013 | | | | TOTAL |
|-------------|--------------------------------|-------------------------------------|-----------|------------------------------|------------|
| | FINANCIAL ASSETS AT FAIR VALUE | AVAILABLE FOR SALE FINANCIAL ASSETS | LOANS | HELD TO MATURITY INVESTMENTS | |
| Book value | 25,233,346 | 63,096,155 | 3,453,676 | 4,764,409 | 96,547,586 |
| % Portfolio | 90.33% | 78.71% | 0.58% | 87.82% | 13.54% |

In addition to the exposures to sovereign debt securities, loans⁵ given to central and local governments and governmental bodies must be taken into account.

The table below shows the total amount as at June 30, 2013 of loans given to countries towards which the overall exposure exceeds €150 million, representing more than 96% of the total.

Breakdown of Sovereign Loans by Country

(€ '000)

| COUNTRY | AMOUNTS AS AT 06.30.2013 BOOK VALUE |
|---|--|
| - Germany* | 8,329,648 |
| - Italy | 7,501,942 |
| - Austria** | 5,725,205 |
| - Croatia | 2,665,380 |
| - Poland | 1,505,150 |
| - Indonesia | 507,569 |
| - Hungary | 200,654 |
| - Bosnia-Herzegovina | 200,272 |
| - Brazil | 189,364 |
| - Serbia | 174,315 |
| - Slovenia | 155,995 |
| Total on-balance sheet exposures | 27,155,493 |

* of which 975,644 in financial assets held for trading and those at fair value through profit or loss.

** of which 227,009 in financial assets held for trading and those at fair value through profit or loss.

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 collateral or low-risk eligible securities.

4. The banking book includes assets at fair value through profit or loss, available-for-sale assets, held to maturity assets and loans.

5. Tax items are not included.

Part E - Information on risks and related risk management policies (CONTINUED)

For more details on the sensitivity analysis of credit spreads and on the results of stress tests see the Greece Exit, the Widespread Contagion, the Sovereign Debt Tension and the Emerging Markets Slowdown scenarios in chapters 2.7 and 2.8. of the Section 2 - Market risk below, and for liquidity management policies see Section 3 - Liquidity risk below.

Other transactions

In accordance with the Bank of Italy/Consob/IVASS document no. 6 of March 8, 2013 - Booking of "long-term structured repos", the available-for-sale financial assets portfolio includes investments in Italian and Spanish government bonds held by the Irish subsidiary UniCredit Bank Ireland Plc and financed with repos with the same maturity (so-called term structured repos) amounting to €4,819 (nominal value of €4,653 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 €1 billion matured;
- neither early termination has been performed nor new transactions has been completed.

The aggregate market value of the transactions described above, if considered collectively as a synthetic derivative, would have been positive for approximately €50 million (before tax) at June 30, 2013 (€46 million at December 31, 2012). The cumulated valuation reserve (before tax) for the above mentioned investments totaled about €5 million positive at June 30, 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 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 initial placement for a nominal amount of €750 million and with a book value of €733 million including accrued interest at June 30, 2013 (reclassified from available for sale into the held-to-maturity portfolio in accordance with the economic purpose during 2007), a term repo (conducted in two stages) for a total nominal amount of €750 million, with a book value of liabilities of €756 million at June 30, 2013, was completed in June 2012.

At the same time, a 4.25% BTP maturing in September 2019 was purchased in a term reverse repo (conducted in 2 stages) for a total nominal value of €750 million and a book value of €756 million at June 30, 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 and Trading Derivatives with customers

The deterioration of US subprime loans was one of the main causes of the financial markets crisis, which started in the second half of 2007.

This deterioration caused a general widening of credit spreads and a gradual transformation of the securitized credits market into an illiquid market characterized by forced sales.

Given this situation, the market's need for information on the exposures held by banks increased with structured credit products being traded directly or through SPVs.

This need was also advocated by several international and Italian organizations and regulators (the Financial Stability Board, the EBA – formerly CEBS – the Bank of Italy and CONSOB) which asked banks to increase their disclosure based on a proposal deriving from the analysis of the best practices on disclosure and reporting.

Starting from the 2008 Consolidated First Half Financial Report, the Group provides the following disclosure on consolidated SPEs (Special Purpose Entities), structured credit products, trading derivatives with customers and fair value measurement policies, whereas information on liquidity risk, sensitivity analysis and stress testing of the trading book, is given in Sections 2 and 3 below.

A glossary of terms and acronyms is included in the annexes hereto.

1. Structured Credit Products

A detailed description of the Group's business in structured credit products is provided below. We firstly analyze the Group's activity as "originator" (through SPVs) of the assets underlying securitization transactions and then the activity of other consolidated and non-consolidated SPVs, which have different underlying financial assets.

Information on the exposures to monoline insurers and leveraged finance, as well as details on the methods to calculate the fair value of structured credit products are also given below.

1.1 The Group as Originator

The Group's origination consists in the sale of on-balance sheet receivables portfolios to vehicles set up as securitization companies under Law 130/99 or similar non-Italian legislation.

The buyer finances the purchase of the receivables portfolios by issuing bonds of varying seniority and transfers its issue proceeds to the Group. The yield and maturity of the bonds issued by the buyer therefore mainly depend on the cash flow expected from the assets being sold.

As a further form of security to bondholders, these transactions may include special types of credit enhancement, e.g., subordinated loans, financial guarantees, standby letters of credit or over-collateralization.

The Group's objectives when carrying out these transactions are usually the following:

- to originate securities that can be used to secure repos with the Bank of Italy and the ECB (i.e. counterbalancing capacity);
- to reduce funding costs given the opportunity to issue higher-rated bonds with lower interest rates than ordinary senior bonds; and
- to free up economic and regulatory capital by carrying out transactions that reduce capital requirements under current rules by reducing credit risk.

The Group carries out both traditional securitizations whereby the receivables portfolio is sold to the SPV and synthetic securitizations which use credit default swaps to purchase protection over all or part of the underlying risk of the portfolio.

The Group makes limited use of this type of transactions. The amount of securitized loans⁶, net of the transactions in which the Group has acquired all the liabilities issued by the SPVs (the so-called self-securitizations), accounts for 2.13% of the Group's credit portfolio.

Self-securitizations in turn account for 3.43% of the loan portfolio.

A Covered Bond (OBG - Obbligazioni Bancarie Garantite) Program was launched in 2008 under the provisions of Italian Law 130/99.

The underlying residential mortgage loans were transferred to an SPE set up for this purpose and included in the Banking Group. 19 tranches of OBG totaling €13,731 million were issued, of which €1,500 million retained in the Group.

6. We refer to loans sold, also synthetically, but not derecognized from balance sheet.

Part E - Information on risks and related risk management policies (CONTINUED)

Moreover, in order to create counterbalancing capacity, in 2012 UniCredit S.p.A. initiated a new Covered Bonds (*OBG* or *Obbligazioni Bancarie Garantite*) program ("New OBG Program"), without specific ratings and having residential mortgage loans, commercial mortgage loans and loans to or guaranteed by public administrations as underlyings. The contractual and supervisory structure and the counterparties of this program are modeled on the pre-existing program, with the exception of references to Ratings Agencies and the use of a new Special Purpose Vehicle, UniCredit OBG S.r.l.

Under this new OBG Program, sales of residential mortgages to private individuals and 19 related issue of covered bonds for a total of €19,490 million took place, totally retained in the Group.

As at June 30, 2013 similar covered bonds under German law (Pfandbriefe) amounted to €30,321,565 thousand, of which €19,633,569 thousand were backed by mortgage loans and €10,687,995 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

(€ '000)

| | BALANCE SHEET EXPOSURE AS AT | | |
|------------------------------------|------------------------------|-------------------|-------------------|
| | 06.30.2013 | | 12.31.2012 |
| | GROSS EXPOSURE (*) | NET EXPOSURE (**) | NET EXPOSURE (**) |
| - Assets sold totally derecognized | 3,080,189 | 840,548 | 886,547 |
| - Assets sold but not derecognized | 4,563,714 | 2,682,912 | 3,100,783 |
| - Synthetic transactions | 3,114,288 | 3,104,001 | 3,491,509 |
| Total | 10,758,191 | 6,627,461 | 7,478,839 |

(*) The gross exposure correspond to "risk retained", which is measured as the difference between 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 placed at third counterparties.

Retained tranches break down according to **the level of subordination** as follows:

Exposures deriving from the securitization of own assets broken down by subordination (degree)

(€ '000)

| | AMOUNTS AS AT | | | | |
|------------------------------------|---------------|-----------|-----------|-----------|---------------------|
| | 06.30.2013 | | | | 12.31.2012 TOTAL |
| | SENIOR | MEZZANINE | JUNIOR | TOTAL | |
| Balance sheet exposure | 3,917,880 | 1,499,218 | 1,210,363 | 6,627,461 | 7,478,839 |
| - Assets sold totally derecognized | 118,358 | 435,996 | 286,194 | 840,548 | 886,547 |
| - Assets sold but not derecognized | 1,303,194 | 456,223 | 923,495 | 2,682,912 | 3,100,783 |
| - Synthetic transactions | 2,496,328 | 606,999 | 674 | 3,104,001 | 3,491,509 |
| Guarantees given | - | - | - | - | - |
| - Assets sold totally derecognized | - | - | - | - | - |
| - Assets sold but not derecognized | - | - | - | - | - |
| - Synthetic transactions | - | - | - | - | - |
| Credit facilities | - | - | - | - | - |
| - Assets sold totally derecognized | - | - | - | - | - |
| - Assets sold but not derecognized | - | - | - | - | - |
| - Synthetic transactions | - | - | - | - | - |

The transactions included under "Assets sold and derecognized" are those in which the Group, while retaining most of the risk and return of the underlying receivables, nevertheless derecognized them because the transaction was prior to January 1, 2002. On first adoption of IFRS the option permitted by IFRS 1 that allows assets sold before January 1, 2004 not to be re-recognized, regardless of the amount of risk and return retained, was taken.

It should be noted that the decrease in balance-sheet exposures relating to transactions not derecognized to €2,683 million as at June 2013 from €3,101 million as at December 2012 was due to the completion of the Locat Securitisation Vehicle 2 and F-E Green transactions in addition to the changes in portfolio holdings.

Moreover, the decrease in cash exposures concerning synthetic transactions from €3,492 million in December 2012 to €3,104 million in June 2013 was due to the development of the transactions, partially offset by two new tranche covered called Federascom and Federconfidi respectively.

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 €20,588,850 thousand.

However, assessment and monitoring of risk underlying securitizations are performed with regard not to exposure to the SPV but rather to the sold receivables, which are monitored continuously by means of Interim reports showing status of the receivables and repayment performance.

The following tables give a breakdown of the Group's retained (i.e., non-derecognized) receivables by **region** and **asset quality**, and by **traditional** (excluding self-securitizations), and **synthetic** securitizations.

Securitized assets broken down by geographical area

(€ '000)

| ASSETS SOLD BUT NOT DERECOGNIZED | AMOUNTS AS AT 06.30.2013 | | | | | | | | TOTAL |
|----------------------------------|--------------------------|------------------|----------|--------------------|------------------------------------|----------|----------|-------------------|------------------|
| | ITALY | GERMANY | AUSTRIA | OTHER EU COUNTRIES | OTHERS EUROPEAN COUNTRIES (NON EU) | AMERICA | ASIA | REST OF THE WORLD | |
| - Residential mortgage loans | 6,132,541 | - | - | - | - | - | - | - | 6,132,541 |
| - Leasing | 1,008,645 | - | - | - | - | - | - | - | 1,008,645 |
| - SME loans | - | - | - | - | - | - | - | - | - |
| - Corporate loans | 1,000 | 2,211,704 | - | 2,989 | - | - | - | - | 2,215,693 |
| - Others | - | - | - | - | - | - | - | - | - |
| Total | 7,142,186 | 2,211,704 | - | 2,989 | - | - | - | - | 9,356,879 |

Securitized assets broken down by geographical area

(€ '000)

| SYNTHETIC TRANSACTIONS | AMOUNTS AS AT 06.30.2013 | | | | | | | | TOTAL |
|------------------------------|--------------------------|------------------|----------------|--------------------|------------------------------------|----------|----------|-------------------|------------------|
| | ITALY | GERMANY | AUSTRIA | OTHER EU COUNTRIES | OTHERS EUROPEAN COUNTRIES (NON EU) | AMERICA | ASIA | REST OF THE WORLD | |
| - Residential mortgage loans | - | 1,356,191 | - | - | - | - | - | - | 1,356,191 |
| - Commercial mortgage loans | - | 410,226 | 147 | 88 | - | - | - | - | 410,461 |
| - SME loans | 146,281 | 873,711 | 436,207 | 40,031 | - | - | - | - | 1,496,230 |
| - Corporate loans | - | 8,544 | 128,370 | - | - | - | - | - | 136,914 |
| - Others | - | - | - | - | - | - | - | - | - |
| Total | 146,281 | 2,648,672 | 564,724 | 40,119 | - | - | - | - | 3,399,796 |

Part E - Information on risks and related risk management policies (CONTINUED)

Securitized assets broken down by asset quality

(€ '000)

| ASSETS SOLD BUT NOT DERECOGNIZED | AMOUNTS AS AT 06.30.2013 | | |
|----------------------------------|------------------------------|--------------------|------------------|
| | OTHER ASSETS (PERFORMING) | IMPAIRED ASSETS | TOTAL |
| - Residential mortgage loans | 5,778,545 | 353,996 | 6,132,541 |
| - Leasing | 772,201 | 236,444 | 1,008,645 |
| - SME loans | - | - | - |
| - Corporate loans | 2,211,808 | 3,885 | 2,215,693 |
| - Others | - | - | - |
| Total | 8,762,554 | 594,325 | 9,356,879 |

Securitized assets broken down by asset quality

(€ '000)

| SYNTHETIC TRANSACTIONS | AMOUNTS AS AT 06.30.2013 | | |
|------------------------------|------------------------------|--------------------|------------------|
| | OTHER ASSETS (PERFORMING) | IMPAIRED ASSETS | TOTAL |
| - Residential mortgage loans | 1,336,475 | 19,716 | 1,356,191 |
| - Commercial mortgage loans | 398,383 | 12,078 | 410,461 |
| - SME loans | 1,370,083 | 126,147 | 1,496,230 |
| - Corporate loans | 133,630 | 3,284 | 136,914 |
| - Others | - | - | - |
| Total | 3,238,571 | 161,225 | 3,399,796 |

Funded securitization structures originated by the Group have residential mortgages originated in Italy, corporate loans originated in Germany and leasing granted to Italian counterparties as underlyings.

Synthetic securitization structures have mainly residential mortgages granted to German counterparties, loans to Small Medium Enterprises originated in Germany and Austria and commercial mortgage loans originated in Germany as underlyings.

Performing assets account for about 94% of the traditional securitizations portfolio and over 95% 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 €270 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.

It should be remind 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, it should be noted that in first half 2013 Black Forest Funding Corp. has been 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

(€ '000)

| | AMOUNTS AS AT | |
|--------------------------------------|------------------|------------------|
| | 06.30.2013 | 12.31.2012 |
| Asset Backed Commercial Paper | 500,501 | 775,788 |
| - Arabella Finance Ltd | 500,501 | 775,788 |
| - Salome Funding Ltd | - | - |
| Credit facilities | 1,375,004 | 1,406,983 |
| - Arabella Finance Ltd | 1,375,004 | 1,406,983 |
| - Salome Funding Ltd | - | - |

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 (CONTINUED)

The following table shows the amount of exposures towards other consolidated SPVs.

Exposures toward other consolidated SPV

(€ '000)

| | AMOUNTS AS AT | |
|--------------------------------|------------------|------------------|
| | 06.30.2013 | 12.31.2012 |
| Balance sheet exposures | 1,606,971 | 1,757,673 |
| - Altus Alpha Plc | 223,847 | 233,298 |
| - Chiyoda Fudosan GK | 121,176 | 141,694 |
| - Grand Central Funding Corp | 76 | 76 |
| - Redstone Mortgages Plc | 1,261,872 | 1,382,605 |
| Credit facilities | 11,621 | 11,520 |
| - Altus Alpha Plc | - | - |
| - Chiyoda Fudosan GK | - | - |
| - Grand Central Funding Corp | 11,621 | 11,520 |
| - Redstone Mortgages Plc | - | - |

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

(€ '000)

| | AMOUNTS AS AT 06.30.2013 | | | | | | | | TOTAL |
|--|--------------------------|-----------|---------|--------------------|-----------------------------------|---------|---------|-------------------|-----------|
| | CONSOLIDATED SPVS | | | | | | | | |
| | ITALY | GERMANY | AUSTRIA | OTHER UE COUNTRIES | OTHER EUROPEAN COUNTRIES (NON UE) | AMERICA | ASIA | REST OF THE WORLD | |
| - Residential mortgage loans | - | - | - | 1,212,937 | - | - | 99,723 | - | 1,312,660 |
| - Commercial mortgage loans | - | - | - | - | - | - | - | - | - |
| - Leasing | - | 835,788 | - | - | - | - | - | - | 835,788 |
| - Credit cards | - | - | - | - | - | - | - | - | - |
| - Consumer loans | 83,059 | - | - | - | - | - | - | - | 83,059 |
| - SME loans | - | - | - | - | - | - | - | - | - |
| - State related entities | - | - | - | - | - | - | - | - | - |
| - Others | 100,071 | 218,513 | - | 340,793 | - | 99,896 | 45,132 | - | 804,405 |
| - RMBS | - | - | - | - | - | - | - | - | - |
| - CMBS | - | - | - | - | - | - | - | - | - |
| - CDO | - | - | - | - | - | - | - | - | - |
| - CLO/CBO | - | - | - | - | - | - | - | - | - |
| - Corporate and bank bonds | - | - | - | - | - | - | - | - | - |
| - Municipal and local Government bonds | - | - | - | - | - | - | - | - | - |
| - Investment funds | - | - | - | 47,456 | - | - | - | 158,133 | 205,589 |
| Total | 183,130 | 1,054,301 | - | 1,601,186 | - | 99,896 | 144,855 | 158,133 | 3,241,501 |

The item "Others", substantially composed by corporate loans and short-term commercial loans, also includes €45,132 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 June 30, 2013 impaired loans were €303,542 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 under one year or over five years.

Consolidated SPVs' assets broken down by residual life

(€ '000)

| REMAINING AVERAGE LIFE | AMOUNTS AS AT 06.30.2013 | | | TOTAL |
|--|--------------------------|--------------|------------------|------------------|
| | LESS THAN 1 YEAR | 1 TO 5 YEARS | OVER 5 YEARS | |
| - Residential mortgage loans | 303,542 | - | 1,009,118 | 1,312,660 |
| - Commercial mortgage loans | - | - | - | - |
| - Leasing | 835,788 | - | - | 835,788 |
| - Credit cards | - | - | - | - |
| - Consumer loans | 83,059 | - | - | 83,059 |
| - SME loans | - | - | - | - |
| - State related entities | - | - | - | - |
| - Others | 804,405 | - | - | 804,405 |
| - RMBS | - | - | - | - |
| - CMBS | - | - | - | - |
| - CDO | - | - | - | - |
| - CLO/CBO | - | - | - | - |
| - Corporate and bank bonds | - | - | - | - |
| - Municipal and local Government bonds | - | - | - | - |
| - Investment funds | 205,589 | - | - | 205,589 |
| Total | 2,232,383 | - | 1,009,118 | 3,241,501 |

Assets recognized in financial statements, due to consolidation of vehicles, are a marginal portion of the Group's assets.

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

(€ '000)

| | AMOUNTS AS AT 06.30.2013 | | | | | TOTAL |
|----------------------|-----------------------------------|---|-----------------------|-----------------------------------|-------------------------------------|-----------|
| | FINANCIAL ASSETS HELD FOR TRADING | FINANCIAL ASSETS MEASURED AT FAIR VALUE | LOANS AND RECEIVABLES | FINANCIAL ASSETS HELD TO MATURITY | FINANCIAL ASSETS AVAILABLE FOR SALE | |
| Balance sheet amount | 205,589 | - | 2,990,780 | - | - | 3,196,369 |
| % IAS portfolio | 0.22% | 0.00% | 0.50% | 0.00% | 0.00% | 0.40% |

As noted above, the assets of these SPVs include "Other assets" worth €45,132 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. In 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.

Part E - Information on risks and related risk management policies (CONTINUED)

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 82% of the positions is classified as "investment grade");
- mainly concentrated in EU Countries.

Main features of structured credit portfolio

(€ '000)

| 06.30.2013 | | | | 12.31.2012 | | | | | |
|--------------|-------------|-----------|---------------------|---|--|-----------|----------------|--------------------|---------------------|
| Measurement | FV/P&L | FV/EQUITY | AMORTISED COST | Total 5,393,627 | FV/P&L | FV/EQUITY | AMORTISED COST | Total 6,095,209 | |
| Net exposure | 323,009 | 169,927 | 4,900,691 | | | 414,054 | 242,803 | | 5,438,352 |
| Seniority | SENIOR | MEZZANINE | JUNIOR | | <th>SENIOR</th> <th>MEZZANINE</th> <th>JUNIOR</th> | SENIOR | MEZZANINE | | JUNIOR |
| Net exposure | 3,994,255 | 1,319,687 | 79,685 | | | 4,552,894 | 1,451,164 | | 91,151 |
| Asset class | RMBS/CMBS | CDO/CLO | OTHER ABS AND LOANS | | <th>RMBS/CMBS</th> <th>CDO/CLO</th> <th>OTHER ABS AND LOANS</th> | RMBS/CMBS | CDO/CLO | | OTHER ABS AND LOANS |
| Net exposure | 3,807,130 | 1,077,046 | 509,451 | | 4,122,988 | 1,275,517 | 696,704 | | |
| Underlying | US SUBPRIME | US ALT-A | OTHER | <th>US SUBPRIME</th> <th>US ALT-A</th> <th>OTHER</th> | US SUBPRIME | US ALT-A | OTHER | | |
| Net exposure | 1,370 | 4,307 | 5,387,950 | | 3,488 | 4,856 | 6,086,865 | | |

| Rating % | AAA | OTHER INVESTMENT GRADE | NON INVESTMENT GRADE | 100% | AAA | OTHER INVESTMENT GRADE | NON INVESTMENT GRADE | 100% | |
|-------------------|--------|------------------------|----------------------|------|--|------------------------|----------------------|------|--------|
| % on net exposure | 30.79% | 51.83% | 17.38% | | | 29.58% | 55.06% | | 15.36% |
| Country % | US | EUROPEAN | OTHER | | <th>US</th> <th>EUROPEAN</th> <th>OTHER</th> | US | EUROPEAN | | OTHER |
| % on net exposure | 11.17% | 84.03% | 4.80% | | 12.75% | 82.58% | 4.66% | | |

The following table shows the Group's **exposure** to these instruments, which is in any case limited, at 0.67% of **total financial instruments**.

Structured credit product exposures broken down by type of financial assets portfolio

(€ '000)

| BALANCE SHEET EXPOSURE AS AT | | | | | | | |
|------------------------------|-----------------------------------|---|-----------------------|-----------------------------------|-------------------------------------|-----------|------------------|
| 06.30.2013 | | | | | | | |
| | 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 | TOTAL 12.31.2012 |
| Balance sheet amount | 280,457 | 42,552 | 4,785,622 | 115,069 | 169,927 | 5,393,627 | 6,095,209 |
| % IAS portfolio | 0.30% | 0.15% | 0.80% | 2.12% | 0.21% | 0.67% | 0.73% |

The table below shows the Group's **gross and net exposure** to these instruments.

Structured credit product exposures

(€ '000)

| AMOUNTS AS AT 06.30.2013 | | |
|--------------------------|---------------------------------|--------------------------------|
| EXPOSURE TYPE | GROSS EXPOSURE (NOMINAL AMOUNT) | NET EXPOSURE (CARRYING AMOUNT) |
| RMBS | 2,784,051 | 2,715,265 |
| CMBS | 1,130,570 | 1,091,865 |
| CDO | 178,454 | 81,431 |
| CLO/CBO | 1,091,875 | 995,615 |
| ABS others | 583,510 | 444,486 |
| Loans | 64,965 | 64,965 |
| Total | 5,833,425 | 5,393,627 |

Cash exposure, as mentioned, consists almost entirely of asset backed securities amounting to €5,328,662 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)

| EXPOSURE TYPE | AMOUNTS AS AT 06.30.2013 | | | |
|--------------------------------------|--------------------------|------------------|---------------|------------------|
| | SENIOR | MEZZANINE | JUNIOR | TOTAL |
| - RMBS | 2,308,662 | 406,603 | - | 2,715,265 |
| - Prime | 2,129,985 | 293,085 | - | 2,423,070 |
| - Subprime | 1,370 | - | - | 1,370 |
| - Nonconforming | 177,307 | 113,518 | - | 290,825 |
| - CMBS | 841,033 | 250,832 | - | 1,091,865 |
| - CDO | 23,516 | 57,894 | 21 | 81,431 |
| - CDO of ABS/CDO of CDO | - | 17,605 | - | 17,605 |
| - CDO Balance Sheet | 18,194 | - | - | 18,194 |
| - CDO Market Value | - | - | - | - |
| - CDO Preferred Stock | - | 40,257 | - | 40,257 |
| - CDO Synthetic Arbitrage | - | - | 1 | 1 |
| - CRE CDO | 1,639 | 17 | - | 1,656 |
| - CDO others | 3,683 | 15 | 20 | 3,718 |
| - CLO/CBO | 483,495 | 493,866 | 18,254 | 995,615 |
| - CLO SME | 44,677 | 26,895 | - | 71,572 |
| - CLO arbitrage/balance sheet | 165,406 | 107,733 | - | 273,139 |
| - CLO/CBO others | 273,412 | 359,238 | 18,254 | 650,904 |
| - Consumer loans | 224,445 | 23,973 | - | 248,418 |
| - Credit cards | - | - | - | - |
| - Student loans | 65,367 | 54,641 | 2,247 | 122,255 |
| - Leasing | 35,393 | 18,352 | - | 53,745 |
| - Other | 4,487 | 13,526 | 2,055 | 20,068 |
| Total balance sheet exposures | 3,986,398 | 1,319,687 | 22,577 | 5,328,662 |

Loans and guarantees

(€ '000)

| EXPOSURE TYPE | AMOUNTS AS AT 06.30.2013 | | | | | | | |
|--------------------------|----------------------------|-----------|---------------|---------------|-----------------------------|---------------|----------|---------------|
| | ON BALANCE SHEET EXPOSURES | | | | OFF BALANCE SHEET EXPOSURES | | | |
| | SENIOR | MEZZANINE | JUNIOR | TOTAL | SENIOR | MEZZANINE | JUNIOR | TOTAL |
| Loans | 7,857 | - | 57,108 | 64,965 | - | - | - | - |
| - Residential mortgages | 1,045 | - | - | 1,045 | - | - | - | - |
| - Commercial mortgages | - | - | - | - | - | - | - | - |
| - CDO | - | - | - | - | - | - | - | - |
| - CLO | - | - | - | - | - | - | - | - |
| - Credit Cards | - | - | - | - | - | - | - | - |
| - Consumer loans | - | - | - | - | - | - | - | - |
| - Student Loans | - | - | 56,134 | 56,134 | - | - | - | - |
| - Other | 6,812 | - | 974 | 7,786 | - | - | - | - |
| Guarantees given | - | - | - | - | - | - | - | - |
| Credit facilities | - | - | - | - | 23,052 | 14,582 | - | 37,635 |

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 June 30, 2013 the Group's exposure in structured credit products was €5,393,627 thousand, a reduction of over 11% 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 €5,328,662 thousand.

Exposure in the form of loans to vehicles was €64,965 thousand at June 30, 2013. The unutilized portion of credit lines and guarantees given amounted to €37,635 thousand.

Part E - Information on risks and related risk management policies (CONTINUED)

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 €19,788 thousand and a notional amount of €74,771 thousand.

The good credit quality of this portfolio is borne out by the fact that over 67% of these instruments are rated A or better and over 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 84% of the exposure was toward countries belonging to European Union.

Exposure to Greece, Ireland, Portugal and Spain accounted for 19.54%, most of which concerns exposures to Spanish underlying assets (12.04%).

The following tables give a breakdown of the **net exposure** at June 30, 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 | 26.06% | 8.89% | 25.75% | 17.28% | 16.13% | 4.77% | 1.12% | 0.00% | 0.00% | 0.00% |
| CMBS | 34.03% | 9.68% | 21.40% | 19.88% | 11.07% | 3.67% | 0.27% | 0.00% | 0.00% | 0.00% |
| CDO | 0.00% | 2.01% | 22.34% | 21.62% | 49.44% | 0.00% | 4.53% | 0.00% | 0.02% | 0.04% |
| CLO/CBO | 41.29% | 28.91% | 21.72% | 4.91% | 0.90% | 0.10% | 0.33% | 0.00% | 0.00% | 1.84% |
| Other ABS | 33.80% | 14.03% | 21.21% | 10.84% | 5.51% | 8.04% | 1.38% | 3.73% | 0.00% | 1.46% |
| Total | 30.79% | 13.12% | 23.68% | 15.03% | 11.87% | 3.87% | 0.87% | 0.31% | 0.00% | 0.46% |

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 | 11.88% | 81.41% | 0.00% | 1.01% | 0.22% | 5.48% |
| CMBS | 4.22% | 83.44% | 0.00% | 0.00% | 12.34% | 0.00% |
| CDO | 0.00% | 26.19% | 0.00% | 0.00% | 51.47% | 22.34% |
| CLO/CBO | 0.00% | 61.92% | 0.00% | 0.00% | 31.85% | 6.23% |
| Other ABS | 30.10% | 48.48% | 0.00% | 0.00% | 21.42% | 0.00% |
| Total | 9.43% | 74.60% | 0.00% | 0.52% | 11.17% | 4.28% |

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 June 30, 2013 and December 31, 2012.

RMBS

| | 06.30.2013 | 12.31.2012 |
|------------------------|------------|------------|
| Gross Exposure | 2,784,051 | 2,941,353 |
| Net Exposure | 2,715,265 | 2,863,174 |
| % AAA | 26.06% | 26.10% |
| % Investment grade | 51.92% | 52.33% |
| % Sub Investment grade | 22.02% | 21.57% |
| % USA | 0.22% | 0.26% |
| % Europe | 93.29% | 92.65% |
| % Rest of the world | 6.49% | 7.09% |
| thereof US Subprime | 1,370 | 2,302 |
| thereof US Alt-A | 4,307 | 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 June 30, 2013 and December 31, 2012.

CMBS

| | 06.30.2013 | 12.31.2012 |
|------------------------|------------|------------|
| Gross Exposure | 1,130,570 | 1,305,456 |
| Net Exposure | 1,091,865 | 1,259,814 |
| % AAA | 34.03% | 31.38% |
| % Investment grade | 50.96% | 61.01% |
| % Sub Investment grade | 15.01% | 7.61% |
| % USA | 12.34% | 11.86% |
| % Europe | 87.66% | 88.06% |
| % Rest of the world | 0.00% | 0.08% |
| thereof US Subprime | - | - |
| thereof US Alt-A | - | - |

CDOs: Collateralized debt obligations are notes with varying seniority issued by SPVs in respect of debt instruments, including structured credit instruments (CDOs of ABS).

As with all asset-backed securities, redemption of these notes depends on the performance of the underlying assets and any additional security. The purpose of these instruments is to benefit from the spread between the notes' yield and that of the assets.

An insignificant portion of these instruments has US Subprime or Alt-A mortgages as underlyings.

The following table shows the main characteristics of these instruments as at June 30, 2013 and December 31, 2012.

CDO

| | 06.30.2013 | 12.31.2012 |
|------------------------|------------|------------|
| Gross Exposure | 178,454 | 317,242 |
| Net Exposure | 81,431 | 172,439 |
| % AAA | 0.00% | 0.00% |
| % Investment grade | 45.97% | 72.37% |
| % Sub Investment grade | 54.03% | 27.63% |
| % USA | 51.47% | 86.16% |
| % Europe | 26.19% | 13.83% |
| % Rest of the world | 22.34% | 0.01% |
| thereof US Subprime | - | 1,186 |
| thereof 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 June 30, 2013 and December 31, 2012.

CLO/CBO

| | 06.30.2013 | 12.31.2012 |
|------------------------|------------|------------|
| Gross Exposure | 1,091,875 | 1,236,219 |
| Net Exposure | 995,615 | 1,103,078 |
| % AAA | 41.29% | 46.07% |
| % Investment grade | 55.54% | 50.22% |
| % Sub Investment grade | 3.17% | 3.71% |
| % USA | 31.85% | 30.72% |
| % Europe | 61.92% | 62.98% |
| % Rest of the world | 6.23% | 6.30% |
| thereof US Subprime | - | - |
| thereof US Alt-A | - | - |

Part E - Information on risks and related risk management policies (CONTINUED)

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 June 30, 2013 and December 31, 2012.

Other ABS

| | 06.30.2013 | 12.31.2012 |
|------------------------|------------|------------|
| Gross Exposure | 583,510 | 599,570 |
| Net Exposure | 444,486 | 457,198 |
| % AAA | 33.80% | 17.74% |
| % Investment grade | 46.08% | 60.93% |
| % Sub Investment grade | 20.12% | 21.33% |
| % USA | 21.42% | 22.41% |
| % Europe | 78.58% | 77.59% |
| % Rest of the world | 0.00% | 0.00% |
| thereof US Subprime | - | - |
| thereof US Alt-A | - | - |

Exposure to US Subprime and Alt-A Mortgages

The Group's exposure to US Subprime and Alt-A mortgages was restricted to the above RMBSs and CDOs with these underlyings.

The Group has no mortgages classified as sub-prime in its loan book nor guarantees of such exposure.

The following table summarizes **exposure** to US Subprime and Alt-A mortgages, which was €5,677 thousand at June 30, 2013, i.e. a reduction from December 31, 2012 when this figure was €8,344 thousand.

US Subprime and Alt-A exposures

(€ '000)

| UNDERLYING/EXPOSURE TYPE | AMOUNTS AS AT 06.30.2013 | | |
|--------------------------|--------------------------|--------------|--------------|
| | CDO OF ABS | RMBS | TOTAL |
| US Alt-A | - | 4,307 | 4,307 |
| US Subprime | - | 1,370 | 1,370 |
| Total | - | 5,677 | 5,677 |

Instruments with US subprime underlyings have a coverage ratio of 92.49%. Instruments with Alt-A mortgages underlyings have a coverage ratio of 8.23%

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 | 12.70% | 87.30% | 0.00% |
| US Subprime | 100.00% | 0.00% | 0.00% |
| Total | 33.77% | 66.23% | 0.00% |

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 06.30.2013 | FAIR VALUE AS AT 06.30.2013 | INCOME/EXPENSES ABSENT RECLASSIFICATION (BEFORE TAX) | | INCOME/EXPENSE RECOGNIZED DURING THE PERIOD (BEFORE TAX) | |
|--|---|--|-----------------------------------|---|---------------|---|---------------|
| | | | | FROM MEASUREMENT | OTHER | FROM MEASUREMENT | OTHER |
| Available for sale | Loans to customers | 109,274 | 100,382 | 18,230 | 602 | - | 703 |
| Held for Trading | Loans to customers | 3,026,567 | 2,778,829 | 140,388 | 59,633 | (4,066) | 28,179 |
| Total | | 3,135,841 | 2,879,211 | 158,618 | 60,235 | (4,066) | 28,882 |

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.3, in order to react to this new market environment, the Group has resorted to *Independent 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.3.2. Fair Value Hierarchy).

Absent this type of prices for the instrument being valued, its fair value is determined by using cash-flow discounting models.

These models discount the instrument's estimated cash flows at a rate that considers an adequate risk spread, whose determination is therefore fundamental for the valuation process. In particular, the spread used is the average spread applied to instruments which are similar to that being valued in terms of asset class, rating, underlying geography.

Where it is impossible to identify similar instruments, the spread is anyway determined by considering instruments which are similar to that being valued, adjusted (through interpolation and extrapolation processes) to take into account the differences noted.

The value resulting from the described valuation models is based on inputs and prices which are not necessarily executable on the market.

The value is therefore subject to further fair value adjustments to consider the risks associated to the use of non-executable inputs and prices.

This adjustment, which is proportionate to the observability of prices/inputs used in the valuation, is determined according to the economic effects of a one notch downgrade of the instrument being valued, i.e. the use of a spread which is appropriate to a level of rating immediately lower than that used.

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.

90.18% of the portfolio is priced using level 2 methods and the remaining 9.82% according to level 3 methods.

Part E - Information on risks and related risk management policies (CONTINUED)

Structured credit product exposures: fair value hierarchy

| EXPOSURE TYPE | LEVEL 2 | LEVEL 3 |
|---------------|---------------|--------------|
| RMBS | 83.77% | 16.23% |
| CMBS | 97.60% | 2.40% |
| CDO | 0.00% | 100.00% |
| CLO | 91.60% | 8.40% |
| Other ABS | 87.32% | 12.68% |
| Total | 90.18% | 9.82% |

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)

| COUNTERPARTY | AMOUNTS AS AT | |
|----------------------------|---------------|------------|
| | 06.30.2013 | 12.31.2012 |
| MBIA Insurance Corporation | 3,666 | - |
| The PMI Group Inc. | 344 | 340 |
| Total | 4,010 | 340 |

The Group's portfolio includes asset-backed securities amounting to €215,959 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 June 2013, the net book value of these transactions, mainly carried out by Corporate and Investment Banking (CIB), amounted to €3,659 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.

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.

The balance of item 20. "Financial assets held for trading" of the consolidated accounts with regard to derivative contracts totaled €59,747 million (with a notional value of €1,690,957 million) including €27,774 million with customers. The notional value of derivatives with customers amounted to €893,132 million including €879,714 million in plain vanilla (with a fair value of €27,178 million) and €13,418 million in structured derivatives (with a fair value of €596 million). The notional value of derivatives with banking counterparties totaled €797,825 million (fair value of €31,973 million) including €84,047 million related to structured derivatives (fair value of €1,633 million).

Customers entered into a total of 1,188 structured derivative contracts with the Group that are reported in balance-sheet asset item 20. "Financial assets held for trading".

The balance of item 40. "Financial liabilities held for trading" of the Consolidated Accounts with regard to derivative contracts totaled €61,016 million (with a notional value of €1,390,945 million) including €29,496 million with customers. The notional value of derivatives with customers amounted to €708,782 million including €698,326 million in plain vanilla (with a fair value of €29,214 million) and €10,456 million in structured derivatives (with a fair value of €282 million). The notional value of derivatives with banking counterparties totaled €682,163 million (fair value of €31,520 million) including €68,390 million related to structured derivatives (fair value of €1,163 million).

Part E - Information on risks and related risk management policies (CONTINUED)

Section 2 - Market Risk

Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Group's portfolio, including the assets held both in the trading book, as well as those posted in the banking book, both on the operations characteristically involved in commercial banking and in the choice of strategic investments. Market risk management within the UniCredit group accordingly includes all activities related to cash transactions and capital structure management, both for the Parent company, as well as for the individual companies making up the Group.

The current organizational model guarantees the ability to steer, to coordinate and to control the activities of some aggregated risks (so-called Portfolio Risks), through dedicated responsibility centers (Portfolio Risk Managers), completely focused and specialized on such risks, under a Group and interdivisional perspective.

According to this organization, the 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.

The Group Risk Committee meets with consulting and suggestion functions for the definition of the CEO's proposal for the Board of Directors, mainly for the following topics:

- Group risk appetite, including capitalization objectives, capital allocation criteria, risk-taking capacity, cost of equity and dividends policy, as well as internal capital limits;
- general strategies for the optimization of risks, general guidelines and general policies for Group risk management;
- fundamental modifications of risk control and measurement systems (for credit, market, operational and other risks) including possible action plans, processes, IT and data quality requirements;
- structure of limits by type of risk;
- strategic policies and funding plans;
- overall Loan Loss Provisions estimates;
- definition and periodic review of the "ICAAP General Framework", relevant perimeter of application, as well as yearly Regulatory Report.

Furthermore, it decides on the following topics:

- the definition of guidelines relative to Group financial policies (asset and liability management strategies, including the duration profile at Group level);
- the risk allocation across Business Units and Legal Entities, specific risk guidelines and strategies and consequent limit setting for achieving the targets in terms of risk appetite and limits by type of risk;
- methodologies for the measurement and control of Internal Capital;
- guidelines, policies and strategies for real estate risk, financial investment risk and business risk;
- approval of action plans in case of critical level findings on the risk control and measurement systems derived from internal initial and ongoing validation reports;
- approval of business actions/initiatives also having strategic nature in order to safeguard the Group in the "alarm phase" of a liquidity crisis.

The Group Risk Committee also receives on regular basis information from the competent Committees/functions on the following topics:

- reorganization projects affecting risk processes and/or organization structures involved in risk management and control activities;
- periodic risk reports (portfolio, large exposures, loan loss provisions, etc.), including those intended for the Regulators (before they have been disseminated);
- reports on breaches of limits;
- corrective action to balance Group risk positions;
- regular reports on loan loss provisions development;
- status update of relevant Basel Accords project activities and processes.

In addition to 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 for liquidity purposes. The market risk of the bond portfolio is restricted based on notional, sensitivity measures and Value at Risk. The main credit spread exposure is related to Italian sovereign risk in the Italian perimeter.

Part E - Information on risks and related risk management policies (CONTINUED)

The second risk type, interest rate risk, is managed with the objective to stabilize Net Interest Income. The exposure is measured in terms of economic value sensitivity and the net interest income sensitivity. On a daily basis the treasury functions 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 functions. 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 Committee. Also for the investments of sight items the strategy is to stabilize net interest income by investing at 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. As the strategy takes into account local specificities the maturity profile for sight items varies per regional centres. The interest rate management strategy takes into account the main impact from prepayments. This aspect 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; therefore no prepayment hedging strategy is applied. The overall exposure is monitored by Group Risk Management and periodically reported 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 the Group ALCO sets the guidelines and Risk Framework for the Regional Centres. Their ALCOs fill in the process for their perimeter, while the 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 the 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 Parent Company 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 was 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 credit⁷ 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 "GMGR⁸" 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.

7. i.e. Pre-settlement, Settlement, Money Market and Issuer Risk.

8. Group Managerial Golden Rules.

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.
- "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 2 Pillar 3 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, CRM, 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;

Part E - Information on risks and related risk management policies (CONTINUED)

- 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;
 - verify the correct implementation of balance sheet risks management processes in the Regional Centers;
 - define and coordinate scenario analysis for interest rate risk;
 - produce relevant reporting at Group level to competent Bodies and to Regulators when required, in accordance to the standards and requirements set by the "Group Financial Risk Standard & Practice" unit.

Risk measurement and reporting systems**Trading Book**

During 2013, 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.

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 1bp rate shock. This measure is reported to the relevant committees to assess the economic value impact of various changes in the yield curve. In addition the economic value sensitivity for a 200bp 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 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 as 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.

Part E - Information on risks and related risk management policies (CONTINUED)

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 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 Financial Risk 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 incorporating 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 IRC is evaluated through the standardized approach. The additional stressed VaR requirement is expected to help reduce the pro-cyclicality of the minimum capital requirements for market risk.

UniCredit group calculates both VaR and sVaR for market risk on trading positions using the historical simulation method.

The historical simulation method reevaluates 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 second quarter of 2013 the so-called "Lehman crisis" period (from September 15, 2008 to August 31, 2009) has been the stressed observation period for UniCredit group. A slightly different period (from April 15, 2008 to March 30, 2009) has been used by UCBA AG and UCI S.p.A. for the first quarter, while UCB AG used the period from January 17, 2011 to December 31, 2011 (sovereign debt crisis).

For regulatory capital calculation the 1-day VaR and sVaR are properly scaled to a 10-days' time horizon while the 1-day measures are actively used for market risk management.

UniCredit group calculates IRC over a one-year capital horizon at 99.9% confidence level using a multivariate version of a Merton-type model (i.e. 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 the first half of 2013 a conservative liquidity horizon of one year has been applied to all positions.

IRC needs to meet a 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. $IRC = 1.2 \cdot IRB$).

Group Internal Validation performed its analyses in order to evaluate the conceptual soundness of the IRC and CRM models, to supplement the available analyses on that topic and to ensure the compliance of the resulting risk management environment with all the relevant regulatory requirements and internal standards.

As already remarked by the regulation, traditional back testing procedures, regarding the 99.9% one-year soundness standard for IRC, are simply not applicable. Consequently, while validation of the IRC and CRM model relied heavily on indirect methods (including stress tests, sensitivity analysis and scenario analysis) in order to assess the qualitative and quantitative reasonableness of the model, special focus has indeed been given to the specific situation of the UniCredit portfolios.

Group Internal Validation kept the scope of their analysis as wide as possible in order to comprise the many diverse issues that are acting concurrently in such a model (general model design, regulatory compliance, numerical implementation, outcomes explanation).

In particular, among the topics Group Internal Validation addressed, we should mention model parameterization (such as credit migration matrices and their regularization to liquidity horizon shorter than one year, dependence structure, sensitivities analysis with regard to the most relevant model parameters, stability analysis with regard to potentially hard-to-estimate model inputs), model design, model replication, portfolio structure, processes and model outputs.

Bank of Italy authorized UniCredit group to the use of internal models for the calculation of capital requirements for market risk. In details both UCB AG and UCBA AG are then allowed to calculate their regulatory capital by means of internal models for VaR, stressed VaR and IRC. As of today UCI, UCI Ireland and Bank Pekao are still using the standardized approach for calculating capital requirements related to trading positions. As part of the progressive extension of the internal models approach to all Group companies, however, the VaR is already used for the management of market risk in these latter companies.

The standardized measurement method is also applied to the calculation of capital covering the risk of holding banking book exposure in foreign currencies for the subsidiaries that do not perform trading activities.

In order to validate the coherence of VaR internal models used in calculating capital requirements on market risks, backtesting is performed by comparing the internal model risk estimates with the hypothetical portfolio profit and loss, in order to check if the 99% of the trading outcomes is covered by the 99th 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 a 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 the UCB AG internal model.

As for internal scenario analysis policies and procedures (i.e. "stress testing"), these procedures have been entrusted to the individual legal entities. Overall, however, a set of scenarios common to the Group as a whole, is applied to all positions in order to check on a monthly basis the potential impact that their occurrence could have on the global trading portfolio. A Global Policy "Market Risk Stress Test" was approved by GMRC in April 2012.

Procedures and methodologies for Valuation of Trading Book positions

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 needs to be validated by a dedicated function independent from business units.

According to Group Market Risk Governance Guidelines, in order to ensure the adequate separation between functions in charge of development activities and functions in charge of validation, all pricing models developed by Legal Entities front - office functions are centrally and independently tested and validated by the Parent Company Market Risk functions. Model validation is also carried out centrally for any novel system or analysis framework whose utilization has a potential impact on the bank's economic results.

In addition to daily marking to market or marking to model, Independent Price Verification (IPV) shall be performed. This is the process by which market prices or model inputs are regularly verified for accuracy and independence. While daily marking to market may be performed by dealers, verification of market prices and model inputs has to be performed by a function independent of the trading floor, at least monthly (or more frequently, depending on the nature of the market/trading activity). Where independent pricing sources are not available or pricing sources are too subjective, appropriate prudent measures such as fair valuation adjustments are set (FVA).

Part E - Information on risks and related risk management policies (CONTINUED)

Information on pricing models used for fair value calculation

Please refer to Section A.3. Information on Fair Value.

Risk measures**VaR data**

Shown below are the VaR data on the overall market risk for the trading book. VaR, being a single metric, thus quantifies overall market risk, which means that breaking it down into interest rate risk, price risk and exchange rate risk components is unnecessary.

In aggregating the various risk profiles of the different risk taking units of the Group, the diversification arising from positions taken by different group companies has conservatively been disregarded when calculating the overall risk.

Risk on trading book - June 28, 2013**Daily VaR on Trading Book**

(€ million)

| | 06.28.2013 | 2013 | | | 2012 AVERAGE |
|--|-------------|-------------|-------------|-------------|-----------------|
| | | AVERAGE | MAX | MIN | |
| *UniCredit S.p.A. | 8.2 | 5.8 | 12.1 | 2.4 | 4.3 |
| *Bank Pekao SA | 0.5 | 0.3 | 0.7 | 0.2 | 0.3 |
| UCBA AG | 2.3 | 2.2 | 3.7 | 1.4 | 3.6 |
| UCB AG | 16.1 | 20.2 | 27.6 | 13.2 | 20.4 |
| UniCredit group Total¹ | 27.1 | 28.5 | 33.3 | 18.6 | 28.6 |

1. Total Var is computed as simply the sum of the different components, without taking into account differentiation effect among the various Entities.

* 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 from April 2013. UCI Ireland VaR figure is not disclosed as, at the end of June 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 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 - June 27, 2013**SVaR on Trading Book**

(€ million)

| | 06.27.2013 | 2013 | | | 2012 MEDIA |
|--|-------------|-------------|-------------|-------------|---------------|
| | | AVERAGE | MAX | MIN | |
| UCBA AG | 14.0 | 10.2 | 14.0 | 6.7 | 16.1 |
| UCB AG | 26.5 | 26.3 | 36.5 | 17.0 | 24.7 |
| UniCredit group Total¹ | 40.5 | 36.5 | 48.4 | 26.8 | 40.8 |

1. Total SVaR is computed as simply the sum of the different components, without taking into account differentiation effect among the various Entities.

IRC data

Shown below are the IRC data on the overall market risk for the trading book within the Internal Model perimeter.

In aggregating the various risk profiles of the different risk taking units of the Group, the diversification arising from positions taken by different group companies has conservatively been disregarded when calculating the overall risk.

UCB AG IRC figure drastically decreased with respect to 2012 due to several CDO, CDS and Credit Index positions expired in December 2012.

Risk on trading book - June 27, 2013

IRC on Trading Book

(€ million)

| | 06.27.2013 | 2013 | | | 2012 AVERAGE |
|------------------------------------|------------|---------|-------|-------|-----------------|
| | | AVERAGE | MAX | MIN | |
| UCBA AG | 42.6 | 52.2 | 65.8 | 38.3 | 53.4 |
| UCB AG | 267.3 | 258.3 | 317.1 | 181.0 | 503.9 |
| UniCredit group Total ¹ | 309.9 | 310.4 | 365.0 | 233.6 | 557.3 |

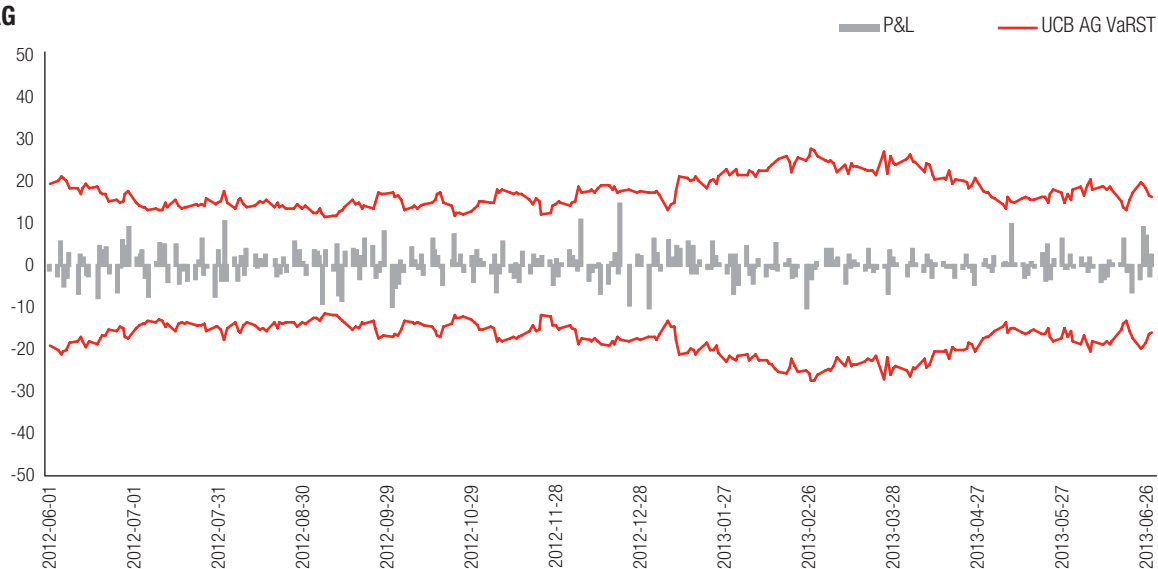
1. Total IRC is computed as simply the sum of the different components, without taking into account differentiation effect among the various Entities.

VaR backtesting

In the first half of 2013, UniCredit group's market risk remained basically stable notwithstanding a general context of market uncertainty in the first quarter of the year. In addition, the strategy of gradual reduction of exposure to non-core businesses proceeded in line with set targets.

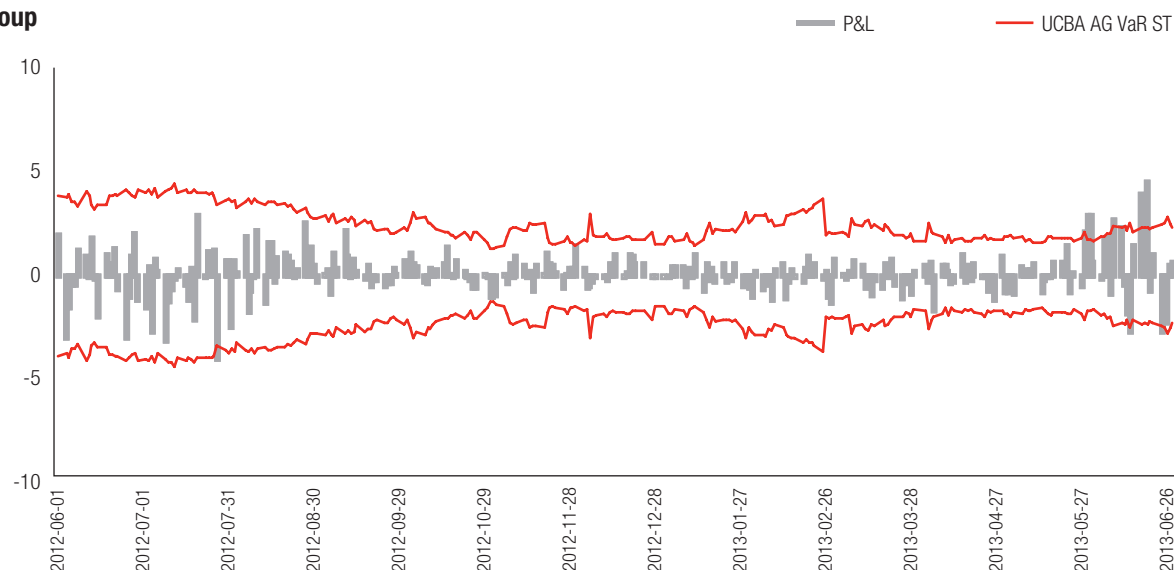
The following graphs analyze the back-testing results referred to the market risk on the trading book, in which VaR results for the last twelve months are compared to the hypothetical profit and loss results for each main risk taker unit:

UCB AG



In UCB AG no negative overdrafts were recorded in the first half of 2013.

BA Group



Part E - Information on risks and related risk management policies (CONTINUED)

In UCBA AG one negative overdraft was recorded in the second half of 2012. A hypothetical loss of €3.6 million was reported on July 27 in FX hedges books in ALM portfolio, due to the TRY appreciation against the EUR. In addition, two negative overdrafts were recorded in the first six months of 2013. On June 13, a hypothetical loss of €2.7 million was reported due to the FX options positions and the simultaneous appreciation of the main CEE currencies against EUR. A hypothetical loss of €1.5 million in the FX hedge books in ALM portfolio determined an overall €2.7 million hypothetical loss on June 24.

2.1 Interest Rate Risk - Regulatory trading book**QUALITATIVE INFORMATION****A. General Information**

Interest rate risk arises from financial positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion. Apart from use of internal models in calculating capital requirements on market risks, risk positions in the Group are monitored and subject to limits assigned to the portfolios on the base of managerial responsibilities and not purely on regulatory criteria.

B. Risk Management Processes and Measurement Methods

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer also to introduction on internal models.

The Group conducts sensitivity analysis weekly to determine the effect on the income statement of changes in the value of individual risk factors or several risk factors of the same type. The analysis covers the CIB division's entire portfolio (both trading and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time. Results are reported to top management on a weekly basis. In addition to the sensitivity of financial instruments to changes in the underlying risk factor, the Group also calculates sensitivity to the volatility of interest rates assuming a positive of 50% or negative change of 30% in volatility curves or matrixes.

QUANTITATIVE INFORMATION

Sensitivity to changes in interest rates is determined using both parallel shifts of interest-rate curves, and changes in the curve itself. The curves are analyzed using parallel shifts of +1 basis point, ± 10 bps and ± 100 bps. For each 1bp shift, sensitivity is calculated for a series of time-buckets. Sensitivity for changes in the steepness of the rate curve is analyzed by clockwise turning (Turn CW), i.e. an increase in short-term rates and a simultaneous fall in long-term rates, and by counter-clockwise turning (Turn CCW), whereby short-term rates fall and long-term rates rise. Currently, clockwise and counter-clockwise turning use the following increases/decreases:

- +50bps/-50bps for the one-day bucket;
- 0 bps for the one-year bucket;
- -50bps/+50bps for the 30-year plus bucket;
- for each of the above buckets, the change to be set is found by linear interpolation.

The tables below show CIB trading book sensitivities, including the new area Rates Italy Bond in UniCredit S.p.A.

(€ million)

| INTEREST RATES | +1BP LESS THAN 3 MONTHS | +1BP 3 MONTHS TO 1 YEAR | +1BP 1 YEAR TO 2 YEARS | +1BP 2 YEARS TO 5 YEARS | +1BP 5 YEARS TO 10 YEARS | +1BP OVER 10 YEARS | +1 BP TOTAL | -100 BPS | -10 BPS | +10 BPS | +100 BPS | CW | CCW |
|----------------|-------------------------|-------------------------|------------------------|-------------------------|--------------------------|--------------------|-------------|-------------|------------|-------------|-------------|------------|-------------|
| Total | 0.2 | 0.1 | -0.4 | -0.2 | -0.0 | 0.1 | -0.2 | 62.7 | 3.7 | -2.9 | -1.5 | 5.5 | -5.3 |
| of which: EUR | 0.3 | 0.2 | -0.5 | -0.2 | -0.1 | 0.1 | -0.2 | 53.2 | 2.9 | -2.1 | 6.2 | 15.0 | -12.2 |
| USD | 0.0 | -0.1 | -0.1 | 0.0 | 0.0 | -0.0 | -0.1 | 14.1 | 1.1 | -0.9 | -8.0 | -0.5 | 1.5 |
| GBP | -0.1 | -0.1 | 0.1 | -0.0 | -0.0 | -0.0 | -0.1 | 5.1 | 0.8 | -0.7 | -6.2 | -0.4 | 0.5 |
| CHF | -0.0 | 0.0 | -0.1 | 0.0 | 0.0 | 0.0 | -0.1 | 0.7 | 0.2 | -0.5 | -6.1 | -1.8 | -0.2 |
| JPY | 0.0 | 0.0 | 0.1 | -0.0 | 0.0 | -0.0 | 0.1 | -7.5 | -1.1 | 1.1 | 10.7 | 0.3 | -0.2 |

(€ million)

| | - 30% | + 50% |
|-----------------------|--------------|---------------|
| Interest Rates | 5.186 | 17.517 |
| of which: EUR | 4.565 | 18.248 |
| USD | 0.207 | 0.133 |
| GBP | 0.007 | -0.034 |
| CHF | 0.368 | -0.773 |
| JPY | 0.041 | -0.065 |

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 June 28, 2013, the sensitivity of interest income to an immediate and parallel shift of +100bps was +€239 million (and -€432 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 +200 bp was -€1,160 million at June 28, 2013⁹.

The main sources of interest rate risk can be classified as follows:

- repricing risk - the risk resulting from timing mismatches in maturities and the repricing of the bank's assets and liabilities;
- yield curve risk - risk resulting from exposure of the bank's positions to changes in the slope and shape of the yield curve;
- basis risk - risk resulting from the imperfect correlation in lending and borrowing interest rate changes for different instruments that may also show similar repricing characteristics;
- optionality risk - risk resulting from implicit or explicit options in the Group's banking book positions.

Some limits have been set out, in the above described organization, to reflect a risk propensity consistent with strategic guidelines issued by the Board of Directors. These limits are defined in terms of VaR (calculated using the methodology described above in relation to the trading portfolio), Sensitivity or Gap Repricing for each Group bank or company, depending on the level of sophistication of its operations. Each of the Group's banks or companies assumes responsibility for managing exposure to interest rate risk within its specified limits. Both micro- and macro-hedging transactions are carried out for this purpose.

At the consolidated level, Group HQ's Asset Liability Management Unit takes the following measures:

- it performs operating sensitivity analysis in order to measure any changes in the value of shareholders' equity based on parallel shocks to rate levels for all time buckets along the curve;
- using static gap analysis (i.e., assuming that positions remain constant during the period), it performs an impact simulation on interest income for the current period by taking into account different elasticity assumptions for demand items;
- it analyses interest income using dynamic simulation of shocks to market interest rates;
- it develops methods and models for better reporting of the interest rate risk of items with no contractual maturity date (i.e., demand items).

Group Risk Management performs second-level controls on the above mentioned analyses.

The Market and Balance Sheet Risks Portfolio Management Area sets interest rate risk limits using VaR methodologies and verifies compliance with these limits on a daily basis.

B. Fair Value Hedging Operations

Hedging strategies aimed at complying with interest rate risk limits for the banking portfolio are carried out with listed or unlisted derivative contracts, and the latter, which are commonly interest rate swaps, are the type of contracts used the most.

Macro-hedging is generally used, meaning hedges related to the amounts of cash contained in asset or liability portfolios. Under certain circumstances, the impact of micro-hedges related to securities issued or individual financial assets are recognized (especially when they are classified in the available-for-sale portfolio).

C. Cash Flow Hedging Operations

In certain instances, cash flow hedging strategies are also used as an alternative to fair value hedging strategies in order to stabilize income statement profits in the current and future years. Macro-hedging strategies are mainly used and they may also refer to the interest rate risk of the core portion of financial assets "on demand".

9. 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.

Part E - Information on risks and related risk management policies (CONTINUED)

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.

The Group also calculates sensitivity to the volatility of equities assuming a positive shift of 30% or negative change of 30% in volatility curves or matrixes. 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, including the new area Rates Italy Bond in UniCredit S.p.A.

(€ million)

| | DELTA CASH-EQUIVALENT | - 20% | - 10% | - 5% | - 1% | + 1% | + 5% | + 10% | + 20% |
|--------------------|-----------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Equities | | | | | | | | | |
| All markets | -15.6 | -17.8 | -0.7 | 0.7 | 0.1 | -0.2 | -0.3 | -2.1 | -12.3 |
| Europe | -17.6 | | | | | -0.2 | | | |
| US | 6.2 | | | | | 0.1 | | | |
| Japan | -0.1 | | | | | -0.0 | | | |
| United Kingdom | 4.9 | | | | | 0.0 | | | |
| Switzerland | -3.6 | | | | | -0.0 | | | |
| CEE | 4.1 | | | | | 0.0 | | | |
| Others | 2.6 | | | | | 0.0 | | | |
| Commodities | | | | | | | | | |
| All markets | 0.3 | -0.1 | -0.0 | -0.0 | -0.0 | 0.0 | 0.0 | 0.0 | 0.1 |

(€ million)

| | - 30% | + 30% |
|-----------------|---------------|---------------|
| Equities | -2.822 | -7.648 |

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.

2.5 Exchange Rate Risk - Regulatory trading book

QUALITATIVE INFORMATION

A. General Information, Risk Management Processes and Measurement Methods

As described above, risk relating to exchange rates and related derivative products included in the trading book, originates from positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion.

Risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTC. Volatility trading strategies are implemented using options.

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer to introduction on internal models. The sensitivity analysis covers the CIB division's entire portfolio (both trading and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time.

QUANTITATIVE INFORMATION

Exchange-Rate Sensitivity assesses the economic impact of the appreciation or depreciation by 1%, 5% and 10% of each currency against all the others. Exposure to the various currencies is indicated as the "Delta cash equivalent" in euros: this is the euro equivalent of the currency amount which would expose the bank to the same exchange-rate risk arising in its actual portfolio.

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, including the new area Rates Italy Bond in UniCredit S.p.A.

(€ million)

| EXCHANGE RATES | DELTA CASH-EQUIVALENT | - 10% | - 5% | - 1% | +1% | +5% | +10% |
|----------------|-----------------------|-------|------|------|------|------|-------|
| EUR | | 53.8 | 24.0 | 3.7 | -2.7 | -9.1 | -12.5 |
| USD | 86.8 | 0.8 | -0.3 | -0.5 | 0.9 | 6.9 | 12.4 |
| GBP | -3.0 | 6.5 | 4.2 | 0.7 | -0.0 | 0.4 | 0.6 |
| CHF | -26.0 | 15.9 | 4.2 | 0.3 | -0.3 | -1.4 | -2.6 |
| JPY | -2.5 | 1.5 | 0.6 | 0.1 | -0.0 | 0.6 | 2.3 |

(€ million)

| | - 30% | + 50% |
|-------------------|--------|--------|
| Exchange Rates | 3.018 | -5.478 |
| of which: EUR_GBP | 0.652 | -1.124 |
| EUR_JPY | -0.306 | 1.016 |
| JPY_USD | 0.338 | -0.866 |
| EUR_USD | 0.191 | -0.591 |
| EUR_SEK | 0.227 | -0.372 |
| GBP_USD | 0.192 | -0.320 |
| AUD_EUR | -0.135 | 0.239 |
| PLN_USD | 0.294 | 0.023 |

Part E - Information on risks and related risk management policies (CONTINUED)

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 euro zone. The hedging strategies takes into account market circumstances.

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 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, including the new area Rates Italy Bond in UniCredit S.p.A.

(€ 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 | -0.1 | -0.5 | -0.4 | -0.2 | -1.1 | -11.3 | -109.7 | 80.1 | -65.4 |
| Rating | | | | | | | | | |
| AAA | 0.0 | -0.1 | -0.3 | -0.2 | -0.6 | -6.4 | -61.8 | 12.8 | -11.8 |
| AA | -0.0 | -0.0 | -0.0 | 0.0 | -0.1 | -0.7 | -7.0 | 2.6 | -2.5 |
| A | 0.0 | -0.2 | -0.2 | -0.0 | -0.3 | -3.8 | -37.7 | 24.6 | -22.6 |
| BBB | -0.0 | -0.1 | 0.2 | -0.0 | 0.1 | 1.0 | 8.9 | -8.2 | 6.7 |
| BB | -0.0 | -0.0 | -0.0 | -0.0 | -0.1 | -0.8 | -7.9 | 40.9 | -29.1 |
| B | -0.0 | 0.0 | -0.0 | -0.0 | -0.0 | -0.2 | -1.8 | 8.7 | -5.9 |
| 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 | -0.3 | | | 8.4 | -6.8 |
| ABS and MBS | -0.0 | -0.0 | -0.0 | -0.0 | -0.0 | | | 4.4 | -3.6 |
| Jumbo and Pfandbriefe | -0.0 | -0.1 | -0.2 | -0.1 | -0.4 | | | 4.7 | -4.6 |
| Financial Services | -0.0 | -0.3 | -0.3 | -0.0 | -0.6 | | | 42.2 | -38.0 |
| All Corporates | -0.0 | -0.0 | 0.3 | -0.1 | 0.2 | | | 21.2 | -12.8 |
| -Automotive | -0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | 1.8 | -1.4 |
| -Consumer Goods | -0.0 | -0.0 | 0.1 | -0.0 | 0.1 | | | 3.1 | -0.8 |
| -Pharmaceutical | 0.0 | -0.0 | 0.0 | -0.0 | 0.0 | | | 0.5 | -0.5 |
| -Industries | -0.0 | -0.0 | 0.0 | -0.0 | -0.0 | | | 8.2 | -6.3 |
| -Telecommunications | -0.0 | 0.0 | 0.0 | -0.0 | 0.0 | | | 1.7 | -1.1 |
| -Utilities and Energy Sources | 0.0 | -0.0 | 0.0 | -0.0 | -0.0 | | | 1.7 | -0.7 |
| -All other Corporates | -0.0 | -0.0 | 0.1 | -0.0 | 0.1 | | | 4.2 | -2.0 |
| Total Developed Sovereigns | | | | | -0.7 | -7.4 | | | |

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, introduced in June 2012 and updated in December 2012, assumes that Greece would exit from the EMU without however bringing the Eurozone to a collapse. The exit of Greece from the EMU would negatively affect GDP growth in the Eurozone through several channels, mainly related to financial markets. Rising volatility and the generalized increase in risk premia would make it harder for businesses to plan investment decisions. Credit for the real economy would be more expensive as a consequence of the severe intensification of funding difficulties in the banking system (including via renewed deposit outflows and tensions in the inter-bank market):

- on the fixed income side, a flight-to-quality demand would be observed, with the focus on German and US bonds whose swap spreads would be close to an all-time record;
- as for peripheral countries, spreads would come under pressure. The Italian swap spread would widen 400bp, reaching the 650bp area, while Spain would widen 300bp;
- equity markets would plunge and, at the same time, a 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.

Part E - Information on risks and related risk management policies (CONTINUED)

Widespread Contagion

In this risk scenario, updated in December 2012, we assume that debt crisis escalates, with high pressures hitting Spain and Italy. The recent step-up in government commitment towards building a credible firewall against contagion and the ECB's introduction of the OMT (Outright Monetary Transactions) should provide some cushion against spread widening. However, market volatility and the ensuing financial market disruption would still lead to a severe tightening in financial conditions euro-wide. Due to the important trade links between eurozone countries, the financial shock would be amplified and cause a deeper recession. Such an escalation in tensions would lead Spain to tap EFSF/ESM. Tensions in Italy would call for a more radical and systemic response from European authorities. This should avert a sovereign default or an EMU break-up in the following two years.

The shock originated in financial markets would have a severe impact on GDP growth in EU periphery:

- US and German bonds would enjoy strong demand due to risk aversion and their safe-haven status; all other government bonds would come under pressure due to credit risk repricing, even at the top-rated level. Spread widening is expected also for corporate bonds; the shift in credit risk preference would lead to strong pressure on high-yield bonds;
- given the low level of German and US yields at the short end, the strong demand for safe-haven assets would flatten the curves, with the extra-long end outperforming the shorter maturities. Japan would not be affected by the crisis;
- equity markets would experience a moderate downturn, coupled with an increase in volatility;
- EUR-USD would be hit hard by the loss of confidence in the EMU and the CHF would gain vs. most currencies as, in times of risk aversion, the Swiss currency is always a popular asset. JPY would similarly appreciate given the repricing in risk preferences. In CEE the contagion would lead to significantly weakening of currencies as capital flows would turn around (leaving the countries).

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 Stabilization Fund and the liquidity injection by the ECB seem to have ruled out the possibility of an outright default, market tensions still persist. Such tensions may create a challenging environment at a time in which many European countries are consolidating their public finances. In such a scenario, the EMU sovereign debt crisis would have spillover effects on the US economy as well and the flight-to-quality would lead to a further bond rally on both sides of the Atlantic. In terms of financial market variables, this scenario assumes:

- credit spreads: higher risk aversion would imply a tightening of core issuers versus swap. Periphery would be under pressure: Italy spreads would widen further while Spanish bonds would be less under pressure; all credit spreads, in the corporate bond universe, would come under pressure;
- world stock markets to plunge (fall); this would combine with an increase in equity volatilities;
- USD and EUR interest rate curve are expected to flatten. In this scenario, an increase in interest rate volatilities is also assumed;
- USD is expected to appreciate, mostly against EUR; depreciation of CEE currencies against EUR.

Emerging Markets Slowdown

This scenario, introduced in June 2011, covers the period 2011, 2012 and 2013. It assumes a shock coming from the real economy, namely a sharp slowdown in the growth rate of emerging economies starting in 2011 and intensifying during 2012. This would negatively affect 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 deterioration is not severe compared to the Sovereign Tensions scenario because the shock would affect credit-risk premium only indirectly. The shock would reflect more on oil 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 flatten as the time bucket increases. This reflects the worsening growth outlook and the resulting more positive 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 Franc (because of the demand for safe-havens) and to appreciate versus the other European currencies and Turkish Lira.

Stress Test on trading book - June 27, 2013

Scenario

(€ million)

| | 2013 | | | |
|------------------------------|--------------------|--------------------------|-------------|----------------------|
| | SOVEREIGN TENSIONS | EMERGING MARKET SLOWDOWN | GREXIT | WIDESPREAD CONTAGION |
| UniCredit S.p.A. | -22 | -18 | -76 | -46 |
| Pekao | -7 | -5 | -1 | -1 |
| UCBA AG | -25 | -3 | 130 | 66 |
| UCB AG | -344 | -479 | -264 | -231 |
| UniCredit group Total | -397 | -505 | -211 | -212 |

Theoretical losses in UniCredit S.p.A. increased for the new trading activities in Rates Italy Bond business line starting from April. The theoretical profit in UCBA AG for Grexit and Widespread Contagion scenarios stems from the CEE area and is mainly driven by FX exposure.

Section 3 - Liquidity Risk

QUALITATIVE INFORMATION

1. General Aspects, Operational Processes and Methods for Measuring Liquidity Risk

Liquidity risk is defined as the risk that the Group may find itself unable to fulfill its expected or unexpected payment obligations (by cash or delivery), current and future, without jeopardizing its day-to-day operations or its financial condition.

The key principles

The Liquidity Centres

The Group aims to maintain liquidity at the level enabling to conduct safe operations, to fund its operations at the best rate conditions under normal operating circumstances, and to remain always in a position to meet payment obligations.

To this end, the Group complies accurately with the legal and regulatory provisions imposed by the national Central Banks and by the national authorities of each country where it operates.

In addition to local legal and regulatory requirements the Group, through the Parent Company and under the responsibility of its Group Risk Management, defines policies and metrics to be applied at the Group-wide level, to ensure that liquidity position of any Entity meets the requirements of the Group.

For these reasons, the Group is organized on a managerial perspective, according to the concept of the Liquidity Centres.

The Liquidity Centres are Legal Entities that act in their responsibility as liquidity hub. They are in charge:

- of the liquidity management and concentration process of liquidity flows of the Legal Entities falling within their perimeter of responsibility;
- of the funding optimization carried out on the relevant local markets and are responsible to coordinate the access to short term and medium long term markets of the legal entities belonging to their perimeter;
- finally, of the implementation of the Group's liquidity rules at local level in line with Group's Governance Guideline and Policy and with local regulations.

A particularly important role is played by the Parent Company, as a "supervisory and overarching liquidity centre" with its role of steering, coordinating, and controlling all the aspects regarding liquidity for the whole Group. The Parent Company, moreover, acts as the Liquidity Centre Italy.

The principle of "self-sufficiency"

This organization model 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 surpluses should be up-streamed to the Holding Company, unless legal requirements prevent it. The liquidity available at country level could be subject to restrictions due to legal, regulatory and political constraints. 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 Group¹⁰.

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.

¹⁰ Also the Bank of Italy Rules, Circolare 263, foresees that the liquidity reserves are placed in each Legal Entity in order to minimize the transfers of cash reserves (Titolo V, capitolo 2, Sezione III. 7 before last paragraph).

Part E - Information on risks and related risk management policies (CONTINUED)

However, there are significant differences in the way in which this EU regulation has been implemented in the various countries. In many CEE countries the limit of 25% of free funds is valid, with some countries showing even stricter rules (e.g. Serbia); in Austria, according to the National law, the "25% of own funds limit" is not applied to exposures towards the parent company, if located in the European Economic Area; finally, in Germany the national Regulator has set up a process to apply for a waiver, exempting intra-group exposures from the large exposure limitation.

In the absence of official limits valid at National level, Austrian and German Regulators reserve the right to judge the exposure level on a case-by-case basis. In the current economic environment, in many of the territories in which the Group operates, Banking Regulatory Authorities are adopting measures aimed at reducing the exposure of their National banking system towards foreign jurisdictions with potential negative impacts on the ability of the Group to finance its activities.

For these reasons, the Group Liquidity Policy provides for a further principle in order to enhance a sound liquidity risk management; that is, each Legal Entity (in particular those located in a country different from the one of its Liquidity Centre of reference), has to increase its liquidity self-sufficiency in an on-going basis and under stressed conditions, fostering each Legal Entity to exploit its strengths, in order to optimize the cost of funds of the Group.

This type of organization allows the Group that the Legal Entities are self-sufficient by accessing the local and global markets for liquidity in a controlled and coordinated way, whilst optimizing: i) the liquidity surpluses and deficits within the Group's legal entities ii) the overall costs of funding across the Group.

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 intra-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.

Optimization 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 indicators: e.g. loan to deposit gap, leverage ratio). 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 Group's liquidity framework

The Group's Liquidity Framework is based upon the Liquidity Risk Mismatch Model which is characterized by the following fundamental principles:

- **Short-term liquidity risk management (operational liquidity)**, which considers the events that will impact upon the Group's liquidity position from 1 day up to one year. The primary objective is to maintain the Group's capacity to fulfill its ordinary and extraordinary payment obligations while minimizing the relevant costs;
- **Structural liquidity risk management (structural risk)**, which considers the events that will impact upon the Group's liquidity position over one year. The primary objective is to maintain an adequate ratio between medium/long term liabilities and medium to long-term assets, with a view to avoiding pressures on short-term funding sources (both current and future), while in the meantime optimizing the cost of funding.
- **Stress tests**: Liquidity risk is a low probability, high impact event. Therefore stress testing is an excellent tool to reveal potential vulnerabilities in the Balance Sheet. The Bank uses several scenarios ranging from general market crisis to idiosyncratic crisis, and combinations hereof.

Moreover, the liquidity framework is also integrated by complementary measures, included in the Group's Risk Appetite framework. One of these is the Core Banking Book Funding Gap (an improved loan-to-depo gap), which is calculated on a quarterly basis and which measures to what extent the commercial loan portfolio is financed through commercial liabilities.

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

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, a sensitivity analysis is performed aimed to verify the impact of 1 and 2 billion inflows or outflows on the Cash Horizon.

Structural liquidity management

The Group's structural liquidity management aims to limit refinancing exposures with respect to maturities exceeding one year and thus reducing refinancing needs in the shorter term. The structural Liquidity Ratio over 1 year is one of the liquidity metrics included in the Group's Risk Appetite Framework. The maintenance of an adequate ratio between medium to long-term liabilities and assets aims to avoid pressures on short-term sources, whether present or future.

The standard measures taken for such purposes are the following:

- the spreading of the maturity of funding operations in order to reduce the usage of less stable funding sources, while in the meantime optimizing the cost of funding (integrated management of strategic liquidity and tactical liquidity);
- the financing of growth through strategic funding activities, setting the most appropriate maturities (Yearly Funding Plan);
- the balancing of medium to long-term wholesale funding requirements with the need to minimize costs, by diversifying sources, national markets, currencies of issuance and instruments used (realization of the Yearly Funding Plan).

Liquidity Stress Test

Stress testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/or movement in a set of financial variables. As a forward looking tool, liquidity stress testing diagnostics the institution's liquidity risk. In particular the results of the Stress tests are used to:

- assess the adequacy of liquidity limits both in quantitative and qualitative terms;
- plan and carry out alternative sourcing transactions for purposes of off-setting liquidity outflows;
- structure/modify the liquidity profile of the Group's assets;
- provide support to the development of the liquidity contingency plan.

In order to execute Stress tests that are consistent across the Liquidity Centres, the Group has a centralised approach to stress testing, requiring each local Liquidity Centre to run the same scenario set under the coordination of the Group Risk Management. At the Liquidity Centre level the use of statistical/quantitative behavioural models are accepted, provided they are validated by the local Risk Management or equivalent structure with same responsibilities.

The Group runs liquidity scenarios and sensitivity analyses on a regular basis, the latter by assessing the impact on an institution's financial condition of a move in one particular risk factor, the source of the shock not being identified, whereas scenario tests tend to consider the impact of simultaneous moves in a number of risk factors, based on a hypothetical, well defined and consistent stress scenario.

Part E - Information on risks and related risk management policies (CONTINUED)

Liquidity scenarios

At macro level the Group identifies three basic different classes of potential liquidity crisis:

- market (systemic, global or 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.

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.

Group Contingency Liquidity Policy

A liquidity crisis is a high impact, low probability event. Therefore, a crisis-mode operating model, that can be activated effectively in case of crisis according to an approved procedure, has been defined. In order to be able to proceed timely, a set of mitigating actions have been pre-defined. Depending on the situation some of these actions can then be approved for execution.

The ability to act in time is essential to minimize the potentially disruptive consequences of a liquidity crisis. The analytics of the Stress tests will form a valuable tool to identify the expected consequences and to define up front the most suitable actions in a certain crisis scenario. In combination with Early Warning Indicators (EWI) the organization may even be able to reduce the liquidity effects in the initial stages of a crisis.

Liquidity crises usually develop quickly and the relevant signals may be either difficult to interpret or may even be lacking; it is, therefore, important to identify clearly players, powers, responsibilities, communication and reporting criteria, in order to increase significantly the probability of overcoming the state of emergency successfully. A liquidity crisis could be classified as systemic (e.g. overall capital and money market disruption) or specific (e.g. specific within the sphere of the bank), or a combination of both.

The Group Contingency Liquidity Policy (CLP) has the objective of ensuring effective interventions starting from the very outset (initial hours) of the liquidity crisis, through the clear identification of individuals, powers, responsibilities, communication, and reporting criteria, with a view of increasing significantly the probability of successfully overcoming the state of emergency. This is achieved through:

- activation of extraordinary liquidity governance and operating model;
- consistent internal and external communication;
- a set of available standby mitigating liquidity actions;
- a set of early warning indicators that may point towards a developing crisis.

A fundamental part of the Contingency Liquidity Policy is the Contingency Funding Plan. Such a plan consists of a set of potential but concrete management actions. Such actions should be described in terms of a menu of actions together with sizes, instruments, and timing of execution aimed at improving the bank's liquidity position mainly during times of crisis. The Contingency Funding Plan has to be developed on the basis of the annual Funding Plan. Group Risk Committee (GRC) gives the final approval and decides whether the Board of Directors has to be informed.

Early Warning Indicators

A system of Liquidity Early Warning Indicators is necessary in order to continuously monitor situations of stress, which may, among others, be originated by market, sector or name specific events. That is, they could be based either on macroeconomic or microeconomic variables, internal or external, depending on the prevailing macroeconomic context, and by taking into account the monetary policy of the Central Banks. The system of Liquidity Early Warning Indicators should support the management decisions in case of deteriorating of Liquidity position or stressed situations. The associated reports should communicate in an efficient manner the main results of the indicators.

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 losses due to errors, infringements, interruptions, damages caused by internal processes or personnel or systems or caused by external events. This definition includes legal and compliance risks, but excludes strategic and reputational risk.

For example, losses arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, client claims, products distribution, fines and penalties due to regulation breaches, damage to the company's physical assets, business disruption and system failures, process management.

Group operational risk framework

UniCredit group sets the operational risk management framework as a combination of policies and procedures for controlling, measuring and mitigating the operational risk of the Group and controlled entities.

The operational risk policies, applying to all Group entities, are common principles defining the roles of the company bodies, the operational risk management function as well as the relationship with other functions involved in operational risk monitoring and management.

The Parent company coordinates the Group entities according to the internal regulation and the Group operational risk control rulebook. Specific risk committees (Group Risk Committee, Group ALCO, Group Operational and Reputational Risk Committee) are set up to monitor risk exposure, mitigating actions and measurement and control methods.

The methodology for data classification and completeness verification, scenario analysis, risk indicators, reporting and capital at risk measurement is set by the Parent company Group Operational & Reputational Risks department and applies to all Group entities. A pivot element of the risk control framework is the operational risk management application, allowing the collection of the data required for operational risk control and capital measurement.

The compliance of the Group Operational risk control and measurement system with external regulations and Group standards is assessed through an internal validation process under the responsibility of the Group Internal Validation department of the Holding company and independent from the Group Operational & Reputational Risks department.

In March 2008, UniCredit group received authorization to use the AMA model (Advanced Measurement Approach) for calculating operational risk capital. The use of this method has in time been rolled out to the main entities of the Group.

Part E - Information on risks and related risk management policies (CONTINUED)

Organizational structure

Senior Management is responsible for approving all aspects relating to the Group operational risk framework and verifying the adequacy of the measurement and control system and is regularly updated on changes to the risk profile and operational risk exposure, with support from the appropriate risk committees if required.

The Group Operational & Reputational Risk Committee, chaired by the Parent company's head of Group Operational & Reputational Risks department is made up of permanent and guest members. The list of participants of the Committee was updated in 2012, also in the light of the changes in the organizational structure of the Group.

The Group Operational & Reputational Risks Committee meets with consulting and suggestion functions for submission to the Group Risk Committee for the following topics:

- Group risk appetite including capitalization targets and capital allocation criteria for Group operational risks;
- structure and definition of limits for Group operational risk for achieving risk allocation targets across Business Functions, Legal Entities and portfolios;
- initial approval and fundamental modifications of risk control and measurement systems for operational risk, including possible action plans, processes, IT and data quality requirements, supported by the related internal validations;
- overall strategies for operational risk optimization, "Governance Guidelines" and general "Policies" for the management of Group operational risk;
- action plans to address possible critical findings related to risk control and measurement systems resulting from Group Internal Validation and Internal Audit activities, with regard to the internal control system and risk measurement;
- status update of relevant Basel 2 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:

- special operational and reputational risk policies;
- corrective actions for balancing Group operational risk positions, including mitigation actions;
- Group insurance strategies, including renewals, limits and franchises;
- methodologies for the measurement and control of operational risk;
- single transaction evaluation, 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 transaction evaluation, on an exceptional basis, i.e. in case of reputational risk policies' grey areas, submitted by the relevant competent Committee.

The Group Operational & Reputational Risks Committee will receive from the relevant competent Committees:

- regular report on all transactions for which transaction inherent reputational risks, based on current reputational risk "Governance Guidelines" and "Policies" have been evaluated.

Following the adoption of the new organizational structure of the Group (January 2013), in the Parent company, the Group Operational & Reputational Risks department reports to Group Risk Management department and supervises and manages the overall profile of the operational and reputational risks in the Group by defining the strategies, methodologies and limits.

The department has three organizational units:

- the Operational and Reputational Risk Oversight unit is responsible for defining the principles and rules for identification, assessment and control of operational risk and reputational risk (including operational risks bordering on credit risk and market risk), and monitoring their correct application by the Legal Entities;
- the Operational and Reputational Risk Strategies unit is responsible for defining operational risk strategies, defining and controlling limits, as well as proposing mitigation actions and monitoring their effectiveness;
- the Operational and Reputational Risk Analytics unit is responsible for defining risk capital measurement approaches, calculating operational risk capital and the corresponding economic capital, as well as conducting quantitative analysis of the Group's exposure to operational risk and reputational risk, and providing suitable reporting to the functions concerned.

The Operational Risk Management functions of the controlled entities provide specific operational risk training to staff, also with the use of intranet training programs, and are responsible for the correct implementation of the Group framework elements.

Internal validation process

In compliance with external regulations, the UniCredit group operational risk control, management and measurement system is subject to the internal validation process in order to verify its compliance with minimum requirements and Group standards. This process owned by the Pillar II Risks and Operational Risk Validation unit, inside the Group Internal Validation department, includes the centralized validation of the Group methodologies and IT system for measuring and allocating the capital at risk as well as of the operational risk management and control standards. The validation of the implementation of the operational risk control and management system within the authorized Legal Entities is instead carried out by each local Operational Risk Management functions through a self-assessment process ruled by specific instructions and guidelines issued by the Group Internal Validation (GIV). The results of such self-assessment are subject to review by GIV which expresses a Non-Binding Opinion for each Legal Entity with regard to the adequacy and compliance of local systems with the regulatory minimum requirements and Group standards, also on the basis of independent controls of data and documentation. The self-assessments results, the NBO and internal audit outcomes are then submitted to the Board of Directors of relevant Legal Entities to resolve on the local system compliance with minimum regulatory requirements.

Results of the validation activity on the Group methodology for capital at risk measurement and on the control and management systems of each Legal Entity are annually consolidated in a document, that along with the annual Internal Audit report, is submitted to the UniCredit Board of Directors. Eventually, the Board of Directors resolves on the Group system compliance with minimum regulatory requirements, also taking into consideration the related decisions taken by individual Governing Bodies of the controlled Legal Entities.

Reporting

A reporting system has been developed to inform senior management and relevant control bodies on the Group operational risk exposure and the risk mitigation actions.

In particular, quarterly updates are provided on operational losses, capital-at-risk estimates, the main initiatives undertaken to mitigate operational risk in the various business areas, operational losses suffered in the credit linked processes ("cross-credit" losses). A summary of the trend of the most important risk indicators is distributed each month.

The results of the main scenario analyses carried out at Group level and the relevant mitigation actions, as well as the validation results, are submitted to the attention of the Group Operational & Reputational Risk Committee.

Operational risk management

Operational risk management exploits process reengineering to reduce the risk exposure and insurance policies management, defining proper deductibles and policies limits. Regularly tested business continuity plans assure sound operational risk management in case of interruption of main business services.

In the Legal entities, the Risk Committee (or other bodies in accordance to local regulations) reviews risks tracked by the Operational Risk functions with the support of functions involved in daily operational risk control, and monitors the risk mitigation initiatives.

Risk capital measurement and allocation mechanism

UniCredit developed an internal model for measuring the capital requirements. The system for measuring operational risk is based on internal loss data, external loss data (consortium and public data) scenario loss data and risk indicators.

Capital at risk is calculated per event type class. For each risk class, severity and frequency of loss data are separately estimated to obtain the annual loss distribution through simulation, considering also insurance coverage. The severity distribution is estimated on internal, external and scenario loss data, while the frequency distribution is determined using only the internal data. An adjustment for key operational risk indicators is applied to each risk class. Annual loss distributions of each risk class are aggregated through a copula functions based method. Capital at risk is calculated at a confidence level of 99.9% on the overall loss distribution for regulatory purposes and at a confidence level of 99.93% for economic capital purposes.

Through an allocation mechanism, the individual Legal Entities' capital requirements are identified, reflecting the Entities' risk exposure.

Part E - Information on risks and related risk management policies (CONTINUED)

B. Legal Risks

UniCredit S.p.A. and other UniCredit group companies are involved in legal proceedings. From time to time, past and present directors, officers and employees may be involved in civil or criminal proceedings the details of which the UniCredit group may not lawfully know about or communicate. The Group is also required to deal appropriately with various legal and regulatory requirements in relation to issues such as conflicts of interest, ethical issues, anti-money laundering laws, US and international sanctions, privacy and information security rules and others. Failure to do so may lead to additional litigation and investigations and subject the Group to damages claims, regulatory fines, other penalties or reputational damage. In addition, one or more Group companies is subject to investigations by the relevant supervisory authority in a number of countries in which it operates. These include investigations relating to aspects of systems and controls and instances of actual and potential regulatory infringement by the relevant Group companies or its clients.

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

To protect against possible liabilities that may result from pending lawsuits (excluding labour law, tax cases or credit recovery actions), the UniCredit group has set aside a provision for risks and charges of €1,126 million as at June 30, 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 lawsuits 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.

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"), a broker-dealer registered with the Securities Exchange Commission (the "SEC") and the Financial Industry Regulatory Authority ("FINRA"), pled guilty to crimes, for which he was sentenced to 150 years in prison, that included securities fraud, investment adviser fraud, and providing false information to the SEC in connection with his operation of what has been described as a Ponzi scheme. In December of 2008, shortly after Madoff's arrest, a bankruptcy administrator (the "SIPA Trustee") for the liquidation of BLMIS was appointed in accordance with the U.S. Securities Investor Protection Act of 1970.

Following Madoff's arrest, several criminal and civil suits were filed in various countries against financial institutions and investment advisers by, or on behalf of, investors, intermediaries acting as brokers for investors and public entities in relation to losses incurred.

As at the date of Madoff's arrest, and since mid-2007, the Alternative Investments division of Pioneer ("PAI"), an indirect subsidiary of UniCredit S.p.A. acted as investment manager and/or investment adviser for the Primeo funds (including the Primeo Fund Ltd (now in Official Liquidation), "Primeo") and various funds-of-funds ("FoFs"), which were non-U.S. funds that had invested in other non-U.S. funds with accounts at BLMIS. PAI also owned the founder shares of Primeo since 2007. Previously, the investment advisory functions had been performed by BA Worldwide Fund Management Ltd ("BAWFM"), an indirect subsidiary of UniCredit Bank Austria AG ("BA"). For a period of time, BAWFM had previously performed investment advisory functions for Thema International Fund plc, a non-U.S. fund that had an account at BLMIS.

UniCredit Bank AG (then HypoVereinsbank) issued tranches of notes whose potential yield was linked to the yield of a hypothetical investment in Primeo. 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 three putative class action lawsuits filed in the United States District Court for the Southern District of New York (the "Southern District") between January and March 2009, purporting to represent investors in three investment fund groups (the "Herald" funds, "Primeo" and the "Thema" funds) which were invested, either directly or indirectly, in BLMIS.

The three cases were later consolidated for pre-trial purposes and in February 2010 amended complaints were filed in each case. In April 2011, permission was sought from the Southern District to amend further each of the three complaints, principally to withdraw certain claims under the United States federal securities laws, and, in one case, to add a claim under the United States Racketeer Influenced and Corrupt Organizations Act (“RICO”), as further described below.

The amended “Herald” complaint claimed on behalf of investors in Herald Fund SPC-Herald USA Segregated Portfolio One and/or Herald (Lux) on December 10, 2008, or who invested in those funds from January 12, 2004 to December 10, 2008. It was principally alleged that defendants, including UniCredit S.p.A., BA and Bank Medici breached common law duties by failing to safeguard the claimants’ investment in the face of “red flags” that, it is claimed, should have alerted them to Madoff’s fraud. The plaintiffs also requested the Court’s permission to add claims that defendants, including UniCredit S.p.A., violated RICO by allegedly participating in a plan to enrich themselves by feeding investors’ money into Madoff’s Ponzi scheme.

The plaintiffs alleged that the proposed class lost approximately \$2.0 billion in the Madoff Ponzi scheme, which they sought to recover trebled under RICO.

The amended “Primeo” complaint claimed on behalf of investors in Primeo Select Fund and/or Primeo Executive Fund on December 10, 2008, or who invested in those funds from January 12, 2004 to December 12, 2008. It was principally alleged that the defendants, including UniCredit S.p.A., BA, Bank Medici, BAWFM, PAI and PGAM breached common law duties misrepresenting the monitoring that would be done of Madoff and claimants’ investments and disregarding “red flags” of Madoff’s fraud.

The amended “Thema” complaint claimed on behalf of investors in Thema International Fund plc and/or Thema Fund on December 10, 2008, or who invested in those funds from January 12, 2004 to December 14, 2008. It was principally alleged that defendants including UniCredit S.p.A., BAWFM and Bank Medici committed common law torts by, inter alia, recklessly or knowingly making or failing to prevent untrue statements of material fact and/or failing to exercise due care in connection with the claimants’ investments in the Thema fund.

In the Herald, Primeo and Thema cases, the plaintiffs sought damages in unspecified amounts (other than under RICO in the case of the Herald complaint, as noted above), interest or lost profits punitive damages, costs and attorneys’ fees, as well as an injunction preventing defendants from using fund assets to defend the action or otherwise seeking indemnification from the funds.

On November 29, 2011, the Southern District dismissed, at the request of UniCredit S.p.A., PGAM, PAI, BA and other defendants, all three purported class action complaints on grounds, with respect to UniCredit S.p.A., PGAM, PAI and BA, that the United States is not the most convenient forum for resolution of plaintiffs’ claims.

On or about January 11, 2012, all three groups of plaintiffs appealed the judgment of the Southern District to the United States Court of Appeals for the Second Circuit (the “**Second Circuit**”). The appeals are now in progress.

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 in the Southern District at the request of UniCredit S.p.A., PAI and certain other defendants.

In the HSBC case, the SIPA Trustee sought to recover from some 60 defendants, including UniCredit S.p.A., BA, BAWFM, PAI, and Bank Medici 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 (in the form of alleged management, performance, advisory, administrative and marketing fees, among other such payments, said to exceed \$400 million in aggregate for all defendants), and compensatory and punitive damages against certain defendants on a joint and several basis, including the five abovementioned, alleged to be in excess of \$2 billion. In addition to avoidable transfers, the SIPA Trustee sought to recover in the HSBC action unspecified amounts (said to exceed several billion dollars) for common law claims of money had and received, unjust enrichment, aiding and abetting BLMIS’s breach of fiduciary duty and BLMIS’s fraud and contribution. However, on July 28, 2011, the Southern District Court dismissed, at the request of UniCredit S.p.A., PAI, BA and certain other defendants the common law claims. On June 20, 2013, the Second Circuit affirmed the Southern District’s dismissal of the common law claims. Certain claims brought by the SIPA Trustee which were not addressed in the motion to dismiss remain pending in the Bankruptcy Court.

On March 22, 2012 UniCredit S.p.A., BA and PAI requested that the Southern District withdraw the reference from the Bankruptcy Court in respect of the claims that the Southern District had returned to the Bankruptcy Court following the decision by the Southern District Court on July 28, 2011 to dismiss the common law claims.

In the “KOHN” case, the SIPA Trustee seeks to recover from more than 70 defendants, including UniCredit S.p.A., BA, PGAM, BAWFM, Bank Medici, Bank Austria Cayman Islands, and several persons affiliated with UniCredit S.p.A. and BA, unspecified avoidable transfers from BA as an initial transferee from BLMIS and as from UniCredit S.p.A, BA and other UniCredit S.p.A. affiliated defendants as subsequent transferees of funds likewise originating from BLMIS. The complaint further asserts common law claims, including unjust enrichment and conversion, as well as violations of the RICO statute as the alleged result of the defendants’ directing investors’ money into Madoff’s Ponzi scheme. The SIPA Trustee seeks treble damages under RICO (three times the reported net \$19.6 billion losses allegedly suffered by all BLMIS investors), alleged retrocession fees, management fees, custodial fees, compensatory, exemplary and punitive damages, and costs of suit as against the defendants on a joint and several basis.

Part E - Information on risks and related risk management policies (CONTINUED)

On July 25, 2011, UniCredit S.p.A., BA, PGAM and Alessandro Profumo (former CEO of UniCredit S.p.A.) moved to dismiss the common law and RICO claims.

On February 21, 2012, the Southern District dismissed the RICO and common law claims asserted in the Kohn action, and returned to the Bankruptcy Court the remaining avoidance claims. On March 21, 2012, the SIPA Trustee filed a notice of appeal to the Second Circuit of the decision. He procedurally withdrew that appeal on April 10, 2012, subject to potential reinstatement at any party's request by April 2014.

On March 22, 2012 UniCredit S.p.A., BA and PGAM requested that the Southern District withdraw the reference from the Bankruptcy Court in respect of the claims that the Southern District had returned to the Bankruptcy Court following the decision by the Southern District to dismiss the RICO and common law claims, as noted above. UniCredit S.p.A. and its affiliated defendants intend to continue defending these proceedings vigorously.

Proceedings Outside the United States

On July 22, 2011, the Joint Official Liquidators of Primeo (the "**Primeo Liquidators**") issued a writ of summons against PAI in the Grand Court of the Cayman Islands, Financial Services Division. In that claim the Primeo Liquidators allege that PAI is liable under the terms of an investment advisory agreement between Primeo and PAI as a result of alleged breaches of duties by PAI and also as a result of alleged acts and omissions by BLMIS for which PAI is alleged to be vicariously liable. The Primeo Liquidators also allege that fees paid to PAI were paid under a mistake of fact and claim restitution from PAI of those fees. In aggregate, the Primeo Liquidators claim approximately \$262 million plus additional unquantified damages, as well as interest and costs.

Numerous civil proceedings (with a claimed amount totalling about Euro 130 million) have been initiated in Austria by numerous investors related to Madoff's fraud in which BA, among others, has been named as defendant. The plaintiffs invested in funds that, in turn, invested directly or indirectly with BLMIS. 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 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.

Bank Austria has been named as a defendant in criminal proceedings in Austria which concern the Madoff case. These proceedings were initiated by a complaint filed by the FMA (the Austrian Financial Market Authority) to the Austrian prosecutor. Subsequently complaints were filed by purported investors in funds which were invested, either directly or indirectly, in BLMIS and Bernard L. Madoff Securities LLC. These complaints allege, amongst other things, that BA breached provisions of the Austrian Investment Fund Act as prospectus controller of the Primeo Fund. These criminal proceedings are still at the pre-trial stage. In addition the fee structure and the prospectuses themselves have been examined by an expert appointed by the prosecution.

Legal proceedings were brought in Germany against UniCredit Bank AG regarding index-linked notes issued by UniCredit Bank AG referencing Primeo. One of these lawsuits has since been abandoned by the plaintiff, the second lawsuit was rejected in its entirety by the Munich Regional Court.

The plaintiff's appeal was also rejected by the Higher Regional Court of Munich, and the Higher Regional Court also denied the plaintiff a right of appeal to the Federal Court of Justice. The plaintiff made a special motion to the Federal Court of Justice so as to be granted a right of appeal; that motion is currently pending. Prior to the appellate decision being handed down a further lawsuit in relation to the same notes was brought against UniCredit Bank AG. This lawsuit has also been rejected in its entirety by the Munich Regional Court; the plaintiffs have lodged an appeal against this decision with the Higher Regional Court of Munich.

A Chilean investor in notes index-linked to Primeo has filed a complaint with the Chilean prosecutor. There was an investigative phase only where testimony had been taken from employees or former employees of UniCredit S.p.A. or its affiliates. The investigation was then closed. An application has since been made to dismiss the complaint with prejudice. This application was granted by the court on June 25, 2012 and the case has been closed.

Subpoenas and Investigations

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

Similar such subpoenas, orders and requests may be received in the future by UniCredit S.p.A. its affiliates, and some of their employees or former employees, in the foregoing markets or in places where proceedings related to Madoff investments are pending.

Certain Potential Consequences

In addition to the foregoing proceedings stemming from the Madoff case against UniCredit S.p.A., its subsidiaries and some of their respective employees and former employees, additional Madoff-related actions have been threatened and are in the process of being and may be filed in the future in said countries or in other countries by private investors or local authorities. The pending or future actions may have negative consequences for the UniCredit group.

UniCredit S.p.A. and its subsidiaries intend to defend themselves vigorously against the Madoff-related claims and charges.

Save as described above, for the time being it is not possible to estimate reliably the timing and results of the various actions, nor determine the level of responsibility, if any responsibility exists. Presently, and save as described above, in compliance with international accounting standards, no provisions have been made for specific risks associated with Madoff disputes.

Cirio

In April 2004, the extraordinary administration of Cirio Finanziaria S.p.A. (formerly Cirio S.p.A.) ("**Cirio**") served notice on Sergio Cagnotti 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 Cagnotti to pay €223.3 million plus currency appreciation and interest from 1999. UniCredit S.p.A. appealed the decision. It also requested a stay of execution of the lower court's judgment which was successfully obtained in January 2009. The next hearing is scheduled on November 11, 2014.

Provisions have been made for an amount considered appropriate to the current risk of the proceedings.

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

Damages were quantified as follows:

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

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

In the ruling of November 3, 2009, the judge denied the claimants' claim that the companies of the Cirio group in extraordinary administration be held jointly liable for reimbursement of legal expenses, in favour of the defendant banks. The extraordinary administration has appealed against the ruling and the hearing for the conclusions is set for January 27, 2016.

UniCredit S.p.A. believes the action to be groundless. Accordingly, no provisions have been made.

Merckle

In February 2012 two customers belonging to the same group of companies filed claims against UCB AG with a total amount in dispute of €491.4 million (plus interest). The dispute results from the termination of their repo-transactions with UCB AG. The claimants assert that the compensation paid by UCB AG to the clients following the clients' default was insufficient. UCB AG is defending itself against said claims.

New Mexico CDO-Related Litigations

In August 2006, the New Mexico Educational Retirement Board (ERB) and the New Mexico State Investment Council (SIC), both state funds, invested \$90 million in Vanderbilt Financial, LLC (VF), a vehicle sponsored by Vanderbilt Capital Advisors, LLC (VCA). The purpose of VF was to invest in the equity tranche of various collateralized debt obligations (CDOs) managed primarily by VCA. The equity investments in VF, including those by the ERB and SIC, became worthless. VF was later liquidated.

Several lawsuits were filed or threatened relating to the losses suffered by the ERB and SIC on their VF investments and additional losses suffered by SIC on its earlier investments in other VCA-managed CDOs. As described below, VCA has now reached an agreement in principle with the ERB, SIC and State of New Mexico to settle all claims brought or threatened by or on behalf of the state or any of its agencies or funds.

Foy Litigation

In January 2009, a lawsuit entitled Frank Foy v. Vanderbilt Capital Advisors, LLC, et al., was filed in New Mexico state court. Foy is a former employee of the ERB, and brings his suit under the New Mexico Fraud Against Taxpayers Act (FATA), a statute that allows private citizens to sue in a representative capacity on behalf of the state, and to collect a share of any recovery. The statute also provides for treble damages, penalties and other remedies.

Foy asserts that the ERB and SIC investments were procured by fraud in that false or misleading statements about the nature and risk of the VF investment were allegedly made to induce the state funds to invest in VF. Foy also alleges that the investment was induced by political favoritism, and that political contributions to the then Governor of New Mexico, Bill Richardson, and/or other payments made by or on behalf of Vanderbilt inappropriately influenced the boards of the ERB and SIC to authorize the investment in VF.

The Foy lawsuit seeks in excess of \$365 million, comprising the lost investment of USD 90 million and claimed lost profits of \$30 million, which when trebled comes to USD 360 million, plus attorneys fees, interest and other costs and penalties.

Part E - Information on risks and related risk management policies (CONTINUED)

The complaint names as defendants VCA; its parent company, Pioneer Investment Management USA Inc. (PIM US); PIM US's parent company, Pioneer Global Asset Management S.p.A. ("PGAM"); UniCredit S.p.A.; various officers and directors of VCA, VF and/or PIM US; law firms, external auditors, investment banks and State of New Mexico officials.

The defendants filed motions to dismiss the lawsuit on various substantive and procedural grounds, including their contention that FATA may not be applied retroactively to conduct that had already occurred before the statute was enacted, as the challenged investments here had occurred before FATA became effective. In a parallel action brought by Foy against other defendants, the New Mexico Court of Appeals ruled in December 2012 that that statute may not be applied retroactively. Foy has appealed that ruling to the New Mexico Supreme Court.

The court has ruled that Foy may proceed with the lawsuit to the extent that it challenges conduct occurring after FATA's effective date, and that the complaint adequately alleges conduct after that date.

Foy sought to amend his complaint to add over 50 additional legal theories of wrongdoing and to put in issue other VCA-managed CDO transactions in which the SIC had previously invested, and thereby to increase the claimed damages (after trebling) to \$864 million. He has thus far been unsuccessful in expanding the case.

In January 2012, the defendants' other motions to dismiss were denied or deferred by the court to a later stage of the case, and as a result, the parties have begun initial discussions aimed at clarifying the scope and timing of permitted discovery. The defendants also filed an answer denying the material allegations of the complaint.

Class and Derivative Actions

In January and February 2010, two purported class or derivative actions entitled *Donna J. Hill v. Vanderbilt Capital Advisors, LLC, et al.*, and *Michael J. Hammes v. Vanderbilt Capital Advisors, LLC, et al.*, were filed in New Mexico state court, in which the plaintiffs seek to recover, on behalf of ERB or its retirement plan participants, the \$40 million that ERB lost on its investment in VF. The Hill and Hammes cases make factual allegations similar to those in Foy, but they bring their claims under different legal theories, primarily involving common law claims of fraud, breach of fiduciary duty (against the ERB board members), aiding and abetting breaches of duty by the ERB board members, and violations of the securities laws.

As amended, the Hill and Hammes cases name as defendants VCA, a former officer of VCA, and several current or former ERB board members.

In February 2010, the Hill case was removed to the United States District Court for the District of New Mexico. The defendants moved to dismiss the Hill complaint, and in September 2011, the federal court ruled that it lacked subject matter jurisdiction and remanded the case to state court.

In December 2012, the United States Court of Appeals for the Tenth Circuit determined that it lacked jurisdiction to review that ruling. Hill has since been transferred to a New Mexico state court judge.

Deadlines in the Hammes case have been extended several times. The defendants are not yet due to answer or move against the Hammes complaint.

SIC Claim Letter

In July 2012, VCA received a letter from the SIC's attorneys asserting that the SIC is prepared to file its own lawsuit against VCA concerning both the \$50 million investment it lost in VF and concerning earlier investments it made in other VCA-managed CDOs. The letter claims that the SIC's aggregate damages are in excess of \$100 million, and requests a meeting to discuss the threatened claims before a lawsuit is filed. Because no complaint has been filed, the precise nature of the claims the SIC may assert, and what defenses may be available to VCA, are not yet known.

Settlement

In December 2012, VCA reached an agreement in principle with the SIC, ERB and State of New Mexico to settle all claims brought or threatened by or on behalf of the state or any of its agencies or funds relating to any investments made in VF or other VCA-managed CDO products. Settlement papers were signed in February 2013. The settlement must be approved by the courts, but, if approved and implemented in accordance with its terms, will result in the dismissal of the Foy, Hill and Hammes cases, as well as resolving the SIC's threatened claim. As part of the settlement, releases will be issued in favor of VCA, PIM US, PGAM, UniCredit, and all of their affiliated personnel who were named as defendants in any of the cases. On July 12, 2013, the Foy court issued an order deferring considering of the settlement until after the New Mexico Supreme Court decides in Foy's parallel case, which is against a different set of defendants, whether the FATA statute may be applied retroactively, and it stayed further proceedings in VCA's Foy case pending that appeal. It is expected that the Court will now review the proposed settlement in 2014.

Malott Litigation

In November 2011, Bruce Malott, the former chairman of the ERB, brought suit in New Mexico state court against a number of persons and entities allegedly involved with improper "pay to play" or kickback practices at the ERB. Among the defendants are VCA, VF, PIM US and two former officers of VCA. The factual allegations against VCA are similar to those asserted in Foy, Hill, and Hammes except that Malott seeks to recover for alleged damages that he claims to have suffered personally when the challenged transactions and practices were publicly reported in the New Mexico press, leading Malott to resign from the ERB and allegedly to lose his investment in his accounting firm.

The complaint alleges that the defendants' actions violated the New Mexico Racketeering Act and the New Mexico Unfair Practices Act and constitute fraud, breach of fiduciary duty, negligent misrepresentation, and other torts. No damages amount is specified, but the plaintiff seeks treble damages and punitive damages (as applicable) on top of whatever actual damages he can prove.

The defendants moved to dismiss the complaint in March 2012. In June 2013 Malott's claims were dismissed without prejudice, and Malott has until the end of September 2013 to file an amended Complaint.

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.

Acquisition of Cerruti Holding Company S.p.A. by Fin.Part S.p.A.

At the beginning of August 2008, the Trustee in Bankruptcy of Fin.Part S.p.A. ("Fin.Part") brought a civil action against UniCredit S.p.A., UniCredit Banca S.p.A. (now UniCredit S.p.A.), UniCredit Corporate Banking S.p.A. (now UniCredit S.p.A.) and one other bank not belonging to the UniCredit group for contractual and tortious liability. Fin.Part's claim against each of the defendant banks, jointly and severally or alternatively, each to the extent applicable, is for damage allegedly suffered by Fin.Part and its creditors as a result of the acquisition of Cerruti Holding Company S.p.A. (Cerruti) by Fin.Part.

The claimant alleges that the financial obligations arising out of the Cerruti acquisition financing brought about Fin.Part's bankruptcy and that the banks therefore acted unlawfully.

The claim is for €211 million plus all fees, commissions and interest earned in connection with the allegedly unlawful activities.

On December 23, 2008 the Trustee in Bankruptcy of C Finance S.A. ("C Finance") intervened in the case. It maintains that C Finance S.A. was insolvent at the time of its establishment because of the transfer of bond loan income to Fin.Part obtaining in exchange valueless assets and that it was the banks and their executives, in devising and executing the transaction, who contributed in causing C Finance S.A. to become insolvent.

Accordingly, it seeks damages as follows: a) the total bankruptcy liabilities (€308.1 million); or, alternatively, b) the amounts disbursed by C Finance S.A. to Fin.Part and Fin.Part International (€193 million); or, alternatively, c) the amount collected by UniCredit S.p.A. (€123.4 million).

The banks are also requested to pay damages for the amounts collected (equivalent to €123.4 million, plus €1.1 million in fees and commissions) for the alleged invalidity and illegality of the transaction in question and the payment of Fin.Part's debts to UniCredit S.p.A. using the proceeds from the C Finance S.A. bond issue. In addition, the claimant alleges that the transaction was a means for evading Italian law regarding limits and procedures for bond issues.

In January 2009, the judge rejected a writ of attachment against the defendant not belonging to UniCredit group.

In addition, on October 2, 2009, the receivership of Fin.Part subpoenaed in the Court of Milan UniCredit Corporate Banking S.p.A. (now UniCredit S.p.A.), in order that (i) the invalidity of the "payment" of €46 million made in September 2001 by Fin.Part to the former Credito Italiano be recognized and consequently, (ii) the defendant be sentenced to return such amount in that it relates to an exposure granted by the bank as part of the complex financial transaction under dispute in the prior proceedings.

At the hearing held on February 21, 2012 the two lawsuits were joined and in April 2013 these were settled.

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.

Part E - Information on risks and related risk management policies (CONTINUED)

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.

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.

On July 8, 2010, the Court granted a stay of execution in respect of amounts exceeding €10 million. UniCredit S.p.A. paid such amount in favour of GBS S.p.A., pending the outcome of the appeal. The next hearing is scheduled for November 5, 2013.

A provision has been made for an amount consistent with what currently appears to be the risk resulting from the award issued.

ADDITIONAL RELEVANT INFORMATION

The following section sets out further pending proceedings against UniCredit S.p.A. and other companies of the UniCredit group that UniCredit considers relevant and which, at present, are not characterised by known economic demand or for which the economic request cannot be quantified.

Proceedings arising out of the purchase of HVB by UniCredit S.p.A. and the group reorganization***Voidance action challenging the transfer of shares of Bank Austria Creditanstalt AG (BA) held by HVB to UniCredit S.p.A. (Shareholders' Resolution of October 25, 2006)***

Numerous minority shareholders of HVB have filed petitions challenging the resolutions adopted by HVB's Extraordinary Shareholders' Meeting of October 25, 2006 approving various Sale and Purchase Agreements ("SPA") transferring the shares held by HVB in BA and in HVB Bank Ukraine to UniCredit S.p.A. and the shares held by HVB in International Moscow Bank and AS UniCredit Bank Riga to BA and the transfer of the Vilnius and Tallin branches to AS UniCredit Bank Riga, asking the Court to declare these resolutions null and void. The actions are based on purported defects in the formalities relating to the calling for and conduct of the Extraordinary Shareholders' Meeting held on October 25, 2006, and on the allegation that the sale price for the shares was too low.

In the course of this proceeding, certain shareholders asked the Regional Court of Munich to state that the **BCA**, entered into between HVB and UniCredit S.p.A., should be regarded as a de facto domination agreement.

In the judgment of January 31, 2008, the Court declared the resolutions passed at the Extraordinary Shareholders' Meeting of October 25, 2006 to be null and void for formal reasons. The Court did not express an opinion on the issue of the alleged inadequacy of the purchase price but expressed the opinion that the BCA entered into between UniCredit S.p.A. and HVB in June 2005 should have been submitted to HVB's Shareholders' Meeting as it represented a "concealed" domination agreement.

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

The HVB shareholder resolution can only become null and void if and when the Court's decision becomes final.

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

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

In the judgment of December 10, 2009, the Court rejected the avoidance action against the first Confirmatory Resolutions adopted on July 29 and 30, 2008. Appeals filed by several former shareholders against this judgment were rejected by Higher Regional Court (Oberlandesgericht) of Munich on December 22, 2010.

In a decision taken on June 26, 2012 the German Federal Supreme Court (Bundesgerichtshof) set aside the judgment of the Higher Regional Court and referred the case back to the Higher Regional Court for reassessment. In June 2013, the Higher Regional Court set directions for the future conduct of the matter. A judgment is not expected this year.

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

Squeeze-out of HVB minority shareholders (Appraisal Proceedings)

Approximately 300 former minority shareholders of HVB filed a request to have a review of the price obtained in the squeeze-out (Appraisal Proceedings). The dispute mainly concerns the valuation of HVB.

The first hearing took place on April 15, 2010. The proceedings are still pending and are expected to last for a number of years.

Squeeze-out of Bank Austria's minority shareholders

After a settlement was reached on all legal challenges to the squeeze-out in Austria, the resolution passed by the BA shareholders' meeting approving the squeeze-out of the ordinary shares held by minority shareholders (with the exception of the so-called "golden shareholders" holding the registered shares in BA) was recorded in the Vienna Commercial Register on 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, considering the nature of the valuation methods employed, still believes that the amount paid to the minority shareholders was adequate. Nevertheless, it is not possible to predict how the Gremium will decide upon concluding its investigation.

Should the parties fail to reach an agreement, the Commercial Court will issue a decision (which is appealable), which could result in UniCredit S.p.A. having to pay a greater cash compensation.

Cirio and Parmalat criminal proceedings

Between the end of 2003 and the beginning of 2004, criminal investigations of some former Capitalia group (now UniCredit group) officers and managers were conducted in relation to the insolvency of the Cirio group. This resulted in certain executives and officers of the former Capitalia S.p.A. (now UniCredit S.p.A.) being committed to trial.

Cirio S.p.A.'s extraordinary administration and several bondholders/shareholders joined the criminal proceedings as civil complainants without quantifying the damages claimed. UniCredit S.p.A., also as the universal successor of UniCredit Banca di Roma S.p.A., was cited as "legally liable".

On December 23, 2010, UniCredit S.p.A. - without any admission of responsibility - proposed a settlement to approximately 2,000 bondholders.

In March 2011, Cirio S.p.A.'s extraordinary administration filed its conclusions against all defendants and against UniCredit S.p.A. as "legally liable" - all the defendants jointly and severally - requesting damages in an amount of €1.9 billion. UniCredit S.p.A. believes the request is groundless both in fact and law and the officers involved in the proceedings in question maintain that they performed their duties in a legal and proper manner.

On July 4, 2011 the Court of Rome ordered UniCredit, together with the individuals involved, to pay CIRIO S.p.A.'s extraordinary administration €200 million as provisional payment and to pay the bondholders and the shareholders - civil complainants in the criminal proceedings - an amount equal to 5% of the nominal value of the securities owned.

Taking into account the transaction with bondholders occurred in 2010, this decision applies only to a limited number of investors.

UniCredit, as "legally liable", and the other defendants appealed the decision and requested a stay of execution.

Negotiations with Cirio S.p.A.'s extraordinary administration aimed at settling the whole Cirio matter are ongoing.

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

Companies of the Parmalat group in extraordinary administration and numerous Parmalat bondholders are the claimants in the civil suits in the aforementioned proceedings. All of the civil claimants' lawyers have reserved the right to quantify damages at the conclusion of the first instance trials. In the "Ciappazzi" and "Parmatour" proceedings, several companies of the UniCredit group have been cited as legally liable.

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

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

On June 11, 2010, UniCredit S.p.A. reached an agreement with the Association of Parmalat Bondholders of the Sanpaolo IMI group (the "Association") aimed at settling, without any admission of responsibility, the civil claims brought against certain banks of the UniCredit group by the approximately 32,000 Parmalat bondholders who are members of the Association. In October 2010, that agreement was extended to the other bondholders who had joined the criminal proceedings as civil complainants (approximately 5,000).

Part E - Information on risks and related risk management policies (CONTINUED)

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 bondholders and shareholders 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 above mentioned transactions with bondholders in 2010, these decisions apply only to a limited number of investors.

On June 7, 2013 the Court of Appeal of Bologna confirmed the decision of the Court of Parma of November 29, 2011 (Ciappazzi).

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.

Medienfonds/closed end funds

Various customers bought shares in VIP Medienfonds 4 GmbH & Co. KG ("Medienfonds").

HVB did not sell shares in the fund, but granted loans to all private investors for a part of the amount invested in the fund; moreover, to collateralize the fund, HVB assumed specific payment obligations of certain film distributors with respect to the fund.

When certain expected tax benefits associated with this type of investment were revoked, many investors brought various kinds of legal proceedings against HVB and others. The investors argue that HVB did not disclose to them the risks of the tax treatment being revoked and assert HVB, together with other parties, including the promoter of the fund, is responsible for the alleged errors in the prospectus used to market the fund. Additionally some plaintiffs invoke also rights under German consumer protection laws.

The courts of first and second instance have passed various sentences, of which several were unfavorable for HVB.

On December 30, 2011 The District Higher Court of Munich decided the issue relating to prospectus liability through a specific procedure pursuant to the Capital Markets Test Case Act (*Kapitalanleger-Musterverfahrensgesetz*). The Court stated that the prospectus was incorrect concerning the description of tax risks, loss risk and the fund's forecast; the Court further holds HVB liable along with the promoter of Medienfonds for such errors. HVB filed an appeal to the Federal Court. HVB's appeal against the first instance decision pursuant to the German Capital Markets Model Case Act (*Kapitalanleger-Musterverfahrensgesetz*) 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 the fiscal proceeding of the fund which is pending beside the civil proceedings and 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.

Furthermore, HVB is defending lawsuits concerning other closed-end funds. The economic background of these lawsuits is often linked to a modified view of the tax authorities with regard to tax benefits originally envisaged. Plaintiffs claim from HVB recovery of their capital investment and offer transfer of the respective shares in the fund in return.

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.

Derivatives

In Germany and Italy, there is a tendency for derivative contracts to be challenged most notably by non-institutional investors where those contracts are out of the money. This is affecting the financial sector generally and is not specific to UniCredit and its group companies. Due to the current uncertainty, it is impossible to assess the full impact of such challenges on the Group.

Other significant events

There has been increasing scrutiny of the financial institutions sector, especially by US authorities, with respect to combating money laundering and terrorist financing and enforcing compliance with economic sanctions. In March 2011, UCB AG received a subpoena from the New York District Attorney's Office ("NYDA") relating to historic transactions involving certain Iranian entities. UCB AG has provided data in response to NYDA and the US Treasury Department Office of Foreign Assets Control ("OFAC") and continues to cooperate with those authorities, inter alia, by conducting an ongoing review of accounts and transactions subject to the investigation. In June 2012, the US Department of Justice ("DOJ") opened an investigation of OFAC compliance by UCB AG generally, with which UCB AG is also cooperating. Although we cannot at this time determine the form, extent or the timing of any resolution with the US authorities, the investigation costs, remediation required and/or payment or other legal liability incurred could have a material adverse effect on the net assets, operating results and/or cash flows of UCB AG and/or UCI in any particular period. In recent years, alleged violations of US sanctions have resulted in financial institutions paying substantial fines, penalties or settlements to the US authorities, depending on the individual circumstances of each case.

Proceedings related to German Tax Credits

During the years 2006 to 2008, a client of UniCredit Bank AG ("UCB AG") entered into various transactions based on the expectation of receiving withholding tax credits on dividends from German equities which were traded around dividend dates. UCB AG issued tax certificates in respect of the withholding tax.

In the context of a tax audit of the client, the German tax authorities demanded payment from the client, of withholding tax credits that were previously granted. The demand, together with interest, amounted to circa €124 million. The client and its tax advisor are challenging the tax authorities' position. The client has also made a claim against UCB AG and has claimed a full indemnity from UCB AG.

While the client has the primary liability to pay, the tax authorities also served upon UCB AG a secondary liability notice demanding payment of the circa €124 million sum on the basis of alleged issuer liability for tax certificates. UCB AG has challenged the notice. UCB AG has also claimed a full indemnification from the client.

In order to avoid accruing further potential interest and/or potential late payment penalties UCB AG and the client made preliminary payments to the competent tax authorities on a without prejudice basis. Up to now, an amount of around €120 million has been paid with respect to the liability notice. The dispute remains pending.

In November 2012 the General Public Prosecutor (*Generalstaatsanwaltschaft*) Frankfurt am Main searched the Munich premises of UCB AG and its IT-provider, among other locations, in a Preliminary Investigation (*Ermittlungsverfahren*) against the client and others (including former and current employees of UCB AG). UCB AG is fully cooperating with the prosecutor and the tax-police (*Steuerfahndung*). There is a risk that UCB AG could be held liable for damages to the client in the civil proceeding or for payments to the tax authorities with respect to the outstanding claims of the tax authorities (especially on the basis of the liability notice and further interest and/late payment penalties). In addition, UCB AG could be subject to other penalties, fines and profit claw backs, and/or criminal exposure.

In addition, UCB AG has notified the competent tax authorities (and in the course of the Preliminary Investigation also the public prosecutor) of the possibility of certain proprietary trading of UCB AG undertaken close to dividend dates and related withholding tax credits claimed or applications for refund of related taxes by UCB AG.

In this context, the Supervisory Board of UCB AG has commissioned external advisors to conduct an audit of such matters which is fully supported by UniCredit. An interim report by the external advisors carrying out the audit suggests there is evidence of trading patterns in parts of the proprietary trading of UCB AG that are similar to the client case described above. The audit the external advisors have been commissioned to perform is under way and the findings are expected to be available by the end of the year. In addition the Management Board of UCB AG has been and will be working with the external advisors on all relevant aspects of the matter which includes a full review of the matters described above to the extent this does not compromise the independence or integrity of the Supervisory Board investigation.

In the context of open tax audits of UCB AG for the past fiscal years, the Munich tax authorities and the German Central Federal Tax Authority (*Bundeszentralamt für Steuern*) are currently especially examining above mentioned proprietary transactions close to dividend dates in which withholding tax credits were claimed or applications for refunds of related taxes have been made. Also in this respect UCB AG with the support of external advisors is actively reviewing its tax filings as well as supporting the tax audit and has an ongoing dialogue and exchange of information with the relevant authorities. In light of the findings of the ongoing Supervisory Board audit and Management Board review UCB AG has written off a portion of withholding taxes previously booked in respect of its own book trading and, albeit to a lesser extent, paid part of them. Additional adjustments may be arranged given that German tax authorities denied withholding tax credits or refund of taxes in certain types of trades undertaken near dividend dates. The related questions on the tax treatment of such transactions have not been ruled out in higher German tax courts so far. The impact of any review by the competent tax authorities regarding above mentioned proprietary tradings is currently open. In relation to the above-described securities transactions, UCB AG could be subject to substantial tax, damages and interest claims in relation to these matters, 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.

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. There is a now growing trend for customers - or consumer associations acting on their behalf - to seek 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.

Part E - Information on risks and related risk management policies (CONTINUED)

Brontos - criminal proceeding

With regard to the transactions known as "Brontos" there is a criminal proceeding pending before the Procura della Repubblica of Bologna also in respect of present and former officers/employees of UniCredit.

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

The Consolidated Reports and Accounts of the previous years contain disclosures about various notices of assessment served for IRES (Corporate Income Tax) and IRAP (Regional Tax on Productive Activities) purposes on UniCredit S.p.A. - both on its own behalf and in its capacity as the holding company of Capitalia S.p.A., UniCredit Banca S.p.A., UniCredit Banca di Roma S.p.A., and Banco di Sicilia S.p.A. - by the Italian Revenue Agency (Regional Directorates of Liguria, Emilia Romagna, Lazio, and Sicily) in respect of structured finance transactions entered into by some companies of the UniCredit group in fiscal year 2005. The tax liabilities shown in these notices have already been settled.

By contrast, the ruling on the notices of assessment served for IRES and IRAP purposes on UniCredit Banca, relating to structured finance transactions for the tax year 2004, amounting to original €136.3 million and largely attributable to DB Vantage transactions, is still pending. The dispute is pending before the competent Provincial Tax Commission of Bologna, where the first part of the hearing was held on July 8, 2013.

The notifications are based on the concept of "abuse of rights" for the purpose of requalifying, for tax purposes only, these transactions.

As for the so-called "Brontos" structured finance transactions, about which detailed information was disclosed in previous consolidated reports and accounts, all tax liabilities notified were settled for less than the full amount at the time and in the manner that have already been disclosed. Therefore, there are no longer any potential liabilities relating to these proceedings.

Other pending tax cases

No notices of assessment showing significant tax liabilities were served during the period. For the sake of completeness, it should be noted that UniCredit S.p.A., in its capacity as the holding company of UniCredit Corporate Banking, was served with some notices of assessment related to alleged tax liabilities and related penalties totaling about €60 thousand, based essentially on issues related to the transfer pricing, already the subject of litigations involving other Group companies.

These notices were challenged before the competent Provincial Tax Commissions.

The Company considers that the above-mentioned potential liabilities represent a remote risk and therefore decided not to make any provisions for them. It should be noted that the notice of assessment that was served at the end of 2012 on UniCredit S.p.A. as the consolidating entity of Pioneer Investment Management SGR, showing a tax debt of approximately €30.5 million for IRES purposes relating to the tax year 2007, based essentially on issues related to the transfer pricing, about which disclosures were provided in the previous Consolidated Reports and Accounts, was challenged before the Provincial Tax Commission of Milan, before which - as already disclosed in the previous Consolidated Reports and Accounts - the case relating to a notice of assessment of about €33 million for IRES purposes relating to tax year 2006, based on the same issues, is also pending.

In the Consolidated Reports and Accounts of the previous year information was given regarding the conclusion, on December 28, 2012, of the tax audit performed by the tax authorities of Genoa involving the former UniCredit Real Estate (URE) for the financial year 2009 and the notification of the tax audit report.

According to the findings of the audit, of a general nature but with main focus on the assessment of real estate contributions to real estate funds, which took place precisely in 2009, (substitute) tax estimated at €2.5 million (plus penalties) could now be paid on an alleged amount of €12.8 million. Pending subsequent formal acts that might be undertaken by the tax authorities, UniCredit S.p.A. made a provision of €5.1 million. In addition there were further previous provisions of €9.8 million for risk related to pending disputes of tax nature and tax-related operational risks.

With respect to the proceedings of particular importance that ended during the period, it should be noted that the dispute relating to former Banco di Sicilia tax credits of €24.3 million, plus interests of about €34 million, was settled.

As for this case, the Court of Cassation ruled in favor of the Bank. Actions are under way for the recovery of the amounts due.

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.

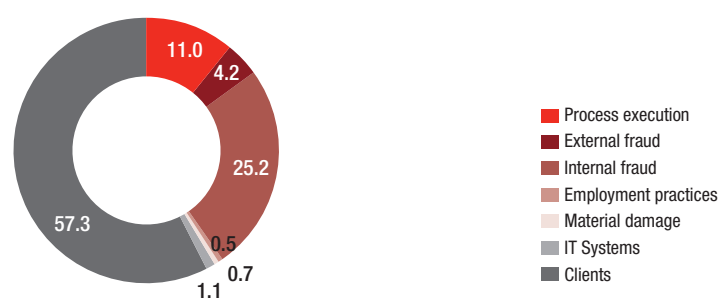
QUANTITATIVE INFORMATION

Detailed below is the percentage composition, by type of event, of operational risk sources as defined by the New Basel Capital Accord and acknowledged by the New Regulations for the Prudential Supervision of Banks issued by the Bank of Italy in December 2006 (Circular No. 263) and in successive updates.

The major categories are as follows:

- internal fraud: losses owing to unauthorized activity, fraud, embezzlement or violation of laws, regulations or business directives that involve at least one internal member of the bank;
- external fraud: losses owing to fraud, embezzlement or violation of laws by subjects external to the bank;
- employment practices and workplace safety: losses arising from actions in breach of employment, health and workplace safety laws or agreements, from personal injury compensation payments or from cases of discrimination or failure to apply equal treatment;
- clients, products and professional practices: losses arising from non-fulfillment of professional obligations towards clients or from the nature or characteristics of the products or services provided;
- damage from external events: losses arising from external events, including natural disasters, acts of terrorism and vandalism;
- business disruption and system failures: losses owing to business disruption and system failures or interruptions;
- process management, execution and delivery: losses owing to operational or process management shortfalls, as well as losses arising from transactions with commercial counterparties, sellers and suppliers.

Operational losses H1 2013 divided by risk category (%)



In the first half of 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 tax regulations. The second largest contribution to losses came from internal fraud events. There were also, in decreasing order, losses stemming from fraud "process management, execution and delivery" due to operational or process management shortfalls, external fraud, IT systems related problems. The residual risk categories were damage to physical assets from external events and employment practices.

Part E - Information on risks and related risk management policies (CONTINUED)

Section 5 - Other Risks

The types of risk described above are the primary risks, but there are others the Group considers to be significant:

- business risk;
- real-estate risk;
- financial investment risk;
- strategic risk;
- reputational risk.

These risks are defined as follows:

- **Business risk** is defined as adverse, unexpected changes in business volume and/or margins that are not due to credit, market and operational risks. Business risk can result, above all, from a serious deterioration in the market environment, changes in the competitive situation or customer behavior, but may also result from changes in the legal framework;
- **Real estate risk** is defined as the potential losses resulting from market value fluctuations of the Group's real estate portfolios, 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, which negative impacts on the risk profile and consequently on capital, earnings as well as the overall direction and scope of a bank on the long run;
- **Reputational risk** is the current or future risk of a decline in profits as a result of a negative perception of the Bank's image by customers, counterparties, bank shareholders, investors or the regulator.

Within the Internal Capital Adequacy Assessment Process (ICAAP), in line with the proportionality principle defined in Pillar 2 of Basel 2, the risk profile of the Group and of main Legal Entities is calculated analytically, while for small ones is used a synthetic approach (top down approach).

Credit, market, operational, business, real estate and financial investment risks are measured quantitatively, by:

- economic capital and aggregation as an input for internal capital; and
- stress tests.

Internal Capital is the capital needed to face the potential losses inherent in the Group's business activities and it takes into consideration all risk types identified by the Group as quantifiable in terms of Economic Capital in line with Pillar II requirements (credit, market, operational, business, financial investment and real estate risks including the effects of diversification between risk types ('interdiversification') and within each portfolio type ('intradiversification') and a prudential cushion for the model risk and the variability of the economic cycle).

Internal Capital is calculated using the Bayesian Copula approach for aggregation with a one-year time horizon and a confidence level in line with the Group rating target. The distribution of correlation matrixes that represents the dependence structure between risks is achieved combining expert opinions with empirical correlation coefficient calculated relying on the time series of specific risk factors.

For control purposes, Internal Capital is calculated quarterly or ad hoc if needed; it is also projected for budgeting purposes.

The multi-dimensional nature of risk makes it necessary to supplement the measurement of economic capital with stress testing, not only in order to estimate losses in certain scenarios, but also to ascertain the impact of their determinants.

Stress testing is a key risk management tool for the management of the relevant risks in order to assess the bank's vulnerability with respect to exceptional but plausible events, providing additional information to the monitoring activities.

Stress testing activities, consistently with regulatory requirements, are performed on the basis of a set of internally defined stress scenarios, including the main regions where the Group is present, and are carried out at least twice a year.

As part of the risk measurement activities performed for Pillar 2 purposes, firm-wide stress test considers the various impacts of a given macro-economic scenario on all relevant risks, in order to deliver a complete and holistic picture of the institution's reaction to stressed conditions. The firm-wide stress scenario is drawn 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 Group Risk Management is responsible for the Group Economic and Internal Capital methodology development and their measurement, moreover the Parent is responsible to set and implement the Group related processes. The "Group Rules", after the approval, are sent to relevant LEs for approval and implementation.

Internal Capital Adequacy Assessment Process (ICAAP)

Measuring the risk profile is a fundamental element of the Internal Capital Adequacy Assessment Process under Basel 2 Pillar 2.

The Group's approach to ICAAP relies on the definition of the "Risk Governance", as a preliminary requirement, while the process consists of following phases:

- perimeter definition and risk identification;
- risk profile measurement;
- risk appetite setting and capital allocation; and
- monitoring and reporting.

Capital adequacy is assessed considering the balance between the assumed risk, both Pillar 1 and Pillar 2, and the available capital.

With respect to Pillar 2, the relevant metric is the Risk Taking Capacity, which is the ratio between available capital (Available Financial Resources, AFR) and Internal Capital.

As a milestone of ICAAP, the Group defines the risk appetite¹¹ as the variability in terms of results, both short and long term, that Senior Management is willing to accept to support a defined strategy.

The risk appetite framework is based on three dimensions:

- Capital adequacy;
- Profitability and risks; and
- Liquidity and funding;

it is approved by Board of Directors and is regularly monitored and reported, at least quarterly, to the relevant Committees.

In addition, a yearly consolidated report on capital adequacy in accordance with Banca d'Italia guidelines and including an overview of the main Group companies is prepared and sent to Regulator.

Reputational Risk

Reputational risk is identified as the current or future risk of a decline in profits as a result of a negative perception of the Group's image by customers, counterparties, bank shareholders, investors or the Regulator.

In 2010 the UniCredit S.p.A. Board of Directors approved the Group Reputational Risk Governance Guidelines, which aim at defining a general set of principles and rules for measuring and controlling reputational risk.

The role of Group Operational and Reputational Risks department is:

- developing methodologies for the measurement and control of reputational risk (RRM), and facilitating the task of identifying, valuing and measuring such risk;
- monitoring the implementation - in the Legal Entities - of methodologies of reputational risk (general guidelines for the management and control of reputational risk), defining the tasks to be carried out on a regular basis;
- proposing mitigation actions to the competent functions and bodies;
- defining the methodology for evaluating the reputational risk of products.

Moreover, the set up of the Group Operational and Reputational Risk Committee ensures consistency in reputational risk policies, methodologies and practices across Divisions, Business Units and Legal Entities, controlling and monitoring the Group Reputational Risk portfolio.

The Transactional Credit Committees are in charge of evaluating possible reputational risks inherent transactions, on the basis of the current reputational risk guidelines and policies.

The current policies mitigating specific Reputational risk topics regard "Defense/Weapons Industry", "Nuclear Energy", "Mining", "Water Infrastructure (dam)" and "Non Co-operative Jurisdictions".

Eventually the Human Rights Commitment aims to identify and manage human rights risks and reduce potential human rights violations.

11. The main purpose is to ensure that the business develops within the risk tolerance set by the BoD in respect of national and international regulations. The aim is not to prevent risk taking, but to pursue the execution of UCG's strategy consistently with the risk tolerance set by the BoD.

Part F - Consolidated Shareholders' Equity

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Part F - Consolidated Shareholders' Equity

Section 1 - Consolidated Shareholders' Equity

A. QUALITATIVE INFORMATION

The UniCredit group has made a priority of capital management and allocation on the basis of the risk assumed in order to expand the Group's operations and create value. These activities are part of the Group planning and monitoring process and comprise:

- planning and budgeting processes:
 - proposals as to risk propensity and capitalization objectives;
 - analysis of risk associated with value drivers and allocation of capital to business areas and units;
 - assignment of risk-adjusted performance objectives;
 - analysis of the impact on the Group's value and the creation of value for shareholders;
 - preparation and proposal of the financial plan and dividend policy;
- monitoring processes:
 - analysis of performance achieved at Group and business unit level and preparation of management reports for internal and external use;
 - analysis and monitoring of limits;
 - analysis and performance monitoring of the capital ratios of the Group and individual companies.

The Group has set itself the goal of generating income in excess of that necessary to remunerate risk (cost of equity), and thus of creating value for its shareholders by allocating capital to the various business areas and business units on the basis of specific risk profiles. In support of planning and monitoring processes, the Group has adopted a methodology based on risk-adjusted performance measurement (RAPM) which provides a number of indicators that combine and summarize the operating, financial and risk variables to be considered.

Capital and its allocation are therefore extremely important in defining strategies, since on the one hand it represents the shareholders' investment in the Group which must be adequately remunerated, on the other hand it is a scarce resource on which there are external limitations imposed by regulatory provisions.

The definitions of capital used in the allocation process are as follows:

- Risk or employed capital: This is the equity component provided by shareholders (employed capital) for which a return that is greater than or equal to expectations (cost of equity) must be provided;
- Capital at risk: This is the portion of capital and reserves that is used (the budgeted amount or allocated capital) or was used to cover (at period-end - absorbed capital) risks assumed to pursue the objective of creating value.

If capital at risk is measured using risk management methods, it is defined as economic capital, if it is measured using regulatory provisions, it is defined as regulatory capital.

Economic capital 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 (with specific reference to the so-called CRD4 Package implementing the Basel 3 Framework for EU banks and the prudential treatment for the Global Systemically Important Financial Institutions).

The purpose of the capital management function performed by the Capital Management unit of Planning, Strategy and Capital Management is to define the target level of capitalization for the Group and its companies in line with regulatory restrictions and the propensity for risk.

Capital is managed dynamically: the Capital Management unit prepares the financial plan, monitors capital ratios for regulatory purposes and anticipates the appropriate steps required to achieve its goals.

On the one hand, monitoring is carried out in relation to both shareholders' equity and the composition of capital for regulatory purposes (Core Tier 1, Tier 1, and Tier 2), and on the other hand, in relation to the planning and performance of risk-weighted assets (RWA).

The dynamic management approach aims to identify the investment and capital-raising instruments and hybrid capital instruments that are most suitable for achieving the Group's goals. If there is a capital shortfall, the gaps to be filled and capital generation measures are indicated, and their cost and efficiency are measured using RAPM. In this context, value analysis is enhanced by the joint role played by the Capital Management unit in the areas of regulatory, accounting, financial, tax-related, risk management and other aspects and the changing regulations¹ affecting these aspects so that an assessment and all necessary instructions can be given to other Group HQ areas or the companies asked to perform these tasks.

1. E.g. Basel 2/3, IAS/IFRS etc.

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 no. 263 - December 27, 2006 and no. 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 CAPITAL (€ '000) | STEP-UP | OPTION TO SUSPEND INTEREST PAYMENT | ISSUED THROUGH A SPV SUBSIDIARY | |
|--------------------------------|-----------|--|---|--|-----------|--|------------------------------------|-----|
| 9.3750% | 31-Dec-50 | Jul-20 | EUR | 500 | 325,054 | yes | yes | no |
| 4.0280% | perpetual | Oct-15 | EUR | 750 | 222,462 | yes | yes | yes |
| 5.3960% | perpetual | Oct-15 | GBP | 300 | 23,194 | yes | yes | yes |
| 8.5925% | 31-Dec-50 | Jun-18 | GBP | 350 | 165,430 | yes | yes | no |
| 8.1250% | 31-Dec-50 | Dec-19 | EUR | 750 | 565,961 | yes | yes | no |
| 8.7410% | 30-Jun-31 | Jun-29 | USD | 300 | 16,012 | no | yes | yes |
| 7.7600% | 13-Oct-36 | Oct-34 | GBP | 100 | 16,352 | no | yes | yes |
| 9.0000% | 22-Oct-31 | Oct-29 | USD | 200 | 15,688 | no | yes | yes |
| 10y CMS (°) +0.10%, cap 8.00 % | perpetual | Oct-11 | EUR | 250 | 94,617 | no | yes | no |
| 10y CMS (°) +0.15%, cap 8.00 % | perpetual | Mar-12 | EUR | 150 | 50,182 | no | yes | no |
| TOTAL | | | | | 1,494,952 | | | |

(°) 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 CAPITAL (€ '000) | STEP-UP | OPTION TO SUSPEND INTEREST PAYMENT |
|---------------|----------|------------------------------------|-----------------------------------|-------|--|----------------|------------------------------------|
| 3.9500% | 1-Feb-16 | not applicable | EUR | 900 | 759,964 | not applicable | yes (°) |
| 5.0000% | 1-Feb-16 | not applicable | GBP | 450 | 262,389 | not applicable | yes (°) |
| 6.7000% | 5-Jun-18 | not applicable | EUR | 1,000 | 699,151 | not applicable | yes (°) |

(°) - if dividend is not paid, payment of interest 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 and interests are proportionally reduced.

3. Tier 3

There are no values to be disclosed.

Part F - Consolidated Shareholders' Equity (CONTINUED)

B. QUANTITATIVE INFORMATION

Regulatory Capital Breakdown

(€ '000)

| REGULATORY CAPITAL | 06.30.2013 | 12.31.2012 |
|--|-------------------|-------------------|
| A. Tier 1 before prudential filters | 51,668,710 | 51,988,215 |
| A.1 Tier 1 positive items: | 68,911,875 | 67,844,797 |
| A.1.1 - Capital ^{(1) (2) (3)} | 19,434,023 | 19,381,894 |
| A.1.2 - Share premium account ⁽⁴⁾ | 25,847,660 | 34,625,414 |
| A.1.3 - Reserves | 20,881,915 | 10,860,704 |
| A.1.4 - Innovative capital instruments and non-innovative capital instruments with maturity date | 325,054 | 331,540 |
| A.1.5 - Non-innovative capital instruments computable up to the limit of 50% ⁽²⁾ | 609,085 | 609,085 |
| A.1.6 - Instruments subject to transitional provisions (grandfathering) ^{(3) (4)} | 1,215,469 | 1,613,252 |
| A.1.7 - Net income of the year/Interim profit | 598,669 | 422,908 |
| A.2 Tier 1 negative items: | (17,243,165) | (15,856,582) |
| A.2.1 - Treasury stocks | (3,889) | (5,255) |
| A.2.2 - Goodwill | (12,598,625) | (12,599,831) |
| A.2.3 - Other intangible assets | (3,173,298) | (3,251,496) |
| A.2.4 - Loss of the year/Interim loss | - | - |
| A.2.5 - Other negative items: | (1,467,353) | - |
| * Value adjustments calculated on the supervisory trading book | - | - |
| * Others | (1,467,353) | - |
| B. Tier 1 prudential filters | 1,095,755 | (141,218) |
| B.1 Positive IAS/IFRS prudential filters (+) ⁽⁵⁾ | 1,431,221 | 19,973 |
| B.2 Negative IAS/IFRS prudential filters (-) ^{(6) (7)} | (335,466) | (161,190) |
| C. Tier 1 capital gross of items to be deducted (A+B) | 52,764,465 | 51,846,997 |
| D. Items to be deducted | 3,730,259 | 2,978,723 |
| E. Total TIER 1 (C-D) | 49,034,206 | 48,868,274 |
| F. Tier 2 before prudential filters | 16,979,729 | 17,432,518 |
| F.1 Tier 2 positive items: | 18,629,909 | 18,350,866 |
| F.1.1 - Valuation reserves of tangible assets | - | - |
| F.1.2 - Valuation reserves of available-for-sale securities | 298,422 | 222,383 |
| F.1.3 - Non-innovative capital instruments not eligible for inclusion in Tier 1 capital | - | - |
| F.1.4 - Innovative capital instruments not eligible for inclusion in Tier 1 capital | - | - |
| F.1.5 - Hybrid capital instruments | 1,881,204 | 2,031,977 |
| F.1.6 - Tier 2 subordinated liabilities | 14,816,133 | 14,573,454 |
| F.1.7 - Surplus of the overall value adjustments compared to the expected losses | 1,356,585 | 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 | (1,650,180) | (918,348) |
| F.2.1 - Net capital losses on participating interests | (55,739) | (43,751) |
| F.2.2 - Loans | - | - |
| F.2.3 - Other negative items | (1,594,441) | (874,597) |
| G. Tier 2 prudential filters: | (149,211) | (111,192) |
| G.1 Positive IAS/IFRS prudential filters (+) | - | - |
| G.2 Negative IAS/IFRS prudential filters (-) | (149,211) | (111,192) |
| H. Tier 2 capital gross of items to be deducted (F+G) | 16,830,518 | 17,321,326 |
| I. Items to be deducted | 3,730,259 | 2,978,723 |
| L. Total TIER 2 (H-I) | 13,100,260 | 14,342,603 |
| M. Deductions from Tier 1 and Tier 2 | - | 1,192,483 |
| N. Capital for regulatory purposes (E+L-M) | 62,134,466 | 62,018,395 |
| O. Tier 3 Capital | - | - |
| P. Capital for regulatory purposes included Tier 3 (N+O) | 62,134,466 | 62,018,395 |

Notes:

- (1) The ordinary shares underlying to the "CASHES" transaction are accounted under "Share capital" for a total amount of €2,373,915 thousand, and under "Non-innovative capital instruments computable up to the limit of 50%" for a total amount of €609,085 thousand, after the capital increase for no consideration for a nominal amount of €2,499,217,96 thousand 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) Besides the amount related to Cashes above mentioned (1) included in the item A.1.5, further €31,167 thousand related to saving shares have been reclassified (in the item A.1.6), of which €22,941 thousand related to minorities.
- (3) €14,404 thousand have been reclassified in the item A.1.6 because referred to "Share premium account" related to saving shares.
- (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 €1,467 million - is classified as a negative element of Tier 1 Capital; moreover, a prudential positive filter for €1,418 million is applied according to Bank of Italy Communication issued on May 9, 2013.
- (6) 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 June 30, 2013, the net minus amount neutralized is equal to €137 million.
- (7) Includes €166 million related to the negative prudential filter for multiple goodwill redemption ("affrancamenti multipli"), according to Bank of Italy Communication issued on May 9, 2013; specifically, with reference to the amount of the prudential filter related to the year 2013, this item also includes the proportional amount for the first half 2013 equal to €55 million (other than €111 million referred to the year closed on December 31, 2012).

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)

| ITEM/VALUES | UNWEIGHTED ASSETS | | WEIGHTED ASSETS/REQUIREMENTS | |
|--|----------------------|--------------------|---------------------------------|--------------------|
| | 06.30.2013 | 12.31.2012 | 06.30.2013 | 12.31.2012 |
| A. RISK ASSETS | | | | |
| A.1 Credit and counterparty risk | 854,418,667 | 890,761,953 | 343,091,434 | 358,553,195 |
| 1. Standardized approach | 381,750,034 | 402,533,037 | 176,044,197 | 185,005,929 |
| 2. IRB approaches | 463,954,003 | 477,607,179 | 162,760,588 | 168,518,056 |
| 2.1 Foundation | 23,855,628 | 32,063,028 | 14,589,260 | 15,046,328 |
| 2.2 Advanced | 440,098,375 | 445,544,151 | 148,171,328 | 153,471,728 |
| 3. Securitizations | 8,714,630 | 10,621,737 | 4,286,649 | 5,029,210 |
| B. CAPITAL REQUIREMENTS | | | | |
| B.1 Credit and counterparty risk | | | 27,447,315 | 28,684,256 |
| B.2 Market risk | | | 1,283,846 | 1,390,947 |
| 1. Standardized approach | | | 236,120 | 270,864 |
| 2. Internal models | | | 1,047,726 | 1,120,083 |
| 3. Concentration risk | | | - | - |
| B.3 Operational risk | | | 4,138,502 | 4,094,938 |
| 1. Basic indicator approach (BIA) | | | 281,283 | 290,034 |
| 2. Traditional standardized approach (TSA) | | | 312,414 | 306,497 |
| 3. Advanced measurement approach (AMA) | | | 3,544,805 | 3,498,407 |
| B.4 Other capital requirements | | | - | - |
| B.5 Other calculation elements | | | - | - |
| B.6 Total capital requirements | | | 32,869,663 | 34,170,141 |
| C. RISK ASSETS AND CAPITAL RATIOS | | | | |
| C.1 Risk-weighted assets | | | 410,870,783 | 427,126,757 |
| C.2 TIER 1 capital/Risk-weighted assets (TIER 1 capital ratio) | | | 11.93% | 11.44% |
| C.3 Capital for regulatory purposes (included TIER 3)/ Risk-weighted assets (Total capital ratio) | | | 15.12% | 14.52% |

Part H - Related-Party Transactions

Related-Party Transactions

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Part H - Related-Party Transactions

In order to ensure full compliance with legislative and regulatory provisions currently in effect as regards disclosure of transactions with related parties, UniCredit adopted some procedures for identifying related-party transactions designed to ensure appropriate information is provided to enable compliance with the obligations of the Directors of UniCredit, as a listed company and the Parent Company of the Group.

In November 2010 UniCredit's Board of Directors approved new regulations concerning related-party transactions (the "Related-party transactions procedures"), in compliance with the CONSOB Regulation approved by Resolution No. 17221 of March 12, 2010, as subsequently updated, which sets out the principles to be complied by Italian companies whose shares are listed on regulated Italian or other EU countries and with shares widely distributed among the public, in order to ensure transparency and substantial and procedural fairness of related party transactions. Specific guidelines have been distributed to the company's functions and Group Entities in order to systematically abide to the above-mentioned reporting requirements starting from January 1, 2011.

It must be pointed out that during the period under consideration no related-party transactions that would qualify as major according to the "Related-party transactions procedures" referred to earlier were carried out.

It should be noted that in the first half of 2013 the transactions carried out within the Group and/or generally with Italian and foreign related parties were executed, as a rule, on the same terms and conditions as those applied to transactions entered into with independent third parties. Intra-group transactions were carried out based on assessments of a mutual economic advantage, and the determination of applicable terms and conditions took place in compliance with substantial correctness, keeping in mind the common goal of creating value for the entire Group. The same principle was also applied to the provision of services, combined with the principle of charging for such services at minimal rate solely to recover related production costs.

As required by the Commission Regulation (EU) No. 632/2010 of July 19, 2010, the revised IAS 24 - which simplifies and clarifies the definition of related party and the criteria aimed at identifying correctly the nature of the relationship with the reporting entity - is applied to financial reporting for annual periods beginning on or after January 1, 2011. Pursuant to IAS 24, UniCredit S.p.A.'s related parties include:

- companies belonging to the UniCredit group and companies controlled by UniCredit but not consolidated;
- associates and joint ventures;
- UniCredit's "key management personnel";
- close family members of key management personnel and companies controlled (or jointly controlled) by key management personnel or their close family members;
- Group employee post-employment benefit plans.

Moreover, as approved by the Board of Directors with effect from March 1, 2012, for the purposes of the disclosure of information pursuant to IAS 24 and to CONSOB regulations but included in the process of self-regulation, Unicredito S.p.A. has expanded the scope of related parties including individuals who:

- directly or indirectly, also through controlled entities, trustees or nominees, hold a stake in UniCredit exceeding 2% of the share capital represented by shares with voting right, as well as all entities directly or indirectly controlled by them;
- have (among them) signed an agreement, in whatever form and made public by law, for the joint exercise of the voting right at UniCredit Shareholders' Meeting exceeding 2% of the share capital, as well as the entities that directly or indirectly control them and all those that are directly or indirectly controlled by them.

Not all related-parties falling into the definition provided by IAS 24 are subject to disclosure requirements pursuant to Consob "Regulations containing provisions relating to transactions with related parties" (adopted with Resolution No. 17221, later amended by Resolution No. 17389 of 2010, which are based on the definition of related party contained in the old IAS 24, in force when the above-mentioned Regulation became effective).

The following table sets out the assets, liabilities, guarantees and commitments as at June 30, 2013, for each group of related parties, pursuant to IAS 24.

Related party transactions

(€ '000)

| | AMOUNT AS AT 06.30.2013 | | | | | | | SHAREHOLDERS (*) | % ON CONSOLIDATED |
|--|--------------------------------------|--|-------------------|--------------------------------|-----------------------------|-------------------|----------------------|---------------------|----------------------|
| | NON- CONSOLIDATED SUBSIDIARIES | NON- CONSOLIDATED JOINT VENTURES | ASSOCIATES | KEY MANAGEMENT PERSONNEL | OTHER RELATED PARTIES | TOTAL | % ON CONSOLIDATED | | |
| Financial asset held for trading | - | - | 206,275 | 33 | 4,477 | 210,785 | 0.22% | 7,407 | 0.01% |
| Financial asset designated at fair value | - | - | - | - | - | - | 0.00% | - | 0.00% |
| Available for sale financial asset | 71 | - | 32,149 | - | - | 32,220 | 0.04% | 3,814 | 0.00% |
| Held to maturity investments | - | - | - | - | - | - | 0.00% | - | 0.00% |
| Loans and receivables with banks | - | 45 | 1,931,476 | - | 35 | 1,931,556 | 2.89% | 18,502 | 0.03% |
| Loans and receivables with customers | 39,933 | 6,964 | 1,700,896 | 2,588 | 36,351 | 1,786,732 | 0.34% | 1,740,120 | 0.33% |
| Other assets | 2,141 | 9 | 31,665 | - | 1,665 | 35,480 | 0.34% | 1,893 | 0.02% |
| Total Assets | 42,145 | 7,018 | 3,902,461 | 2,621 | 42,528 | 3,996,773 | 0.49% | 1,771,736 | 0.22% |
| Deposits from banks | 15 | 9,685 | 9,504,927 | - | 248 | 9,514,875 | 7.36% | 291,058 | 0.23% |
| Deposits from customers | 44,380 | 10,199 | 436,388 | 8,032 | 162,091 | 661,090 | 0.16% | 497,364 | 0.12% |
| Debt securities in issue | - | - | 273,103 | 199 | 10,707 | 284,009 | 0.12% | 110,545 | 0.05% |
| Other liabilities | 72 | 59 | 14,848 | 2 | 28,445 | 43,426 | 0.21% | 6,425 | 0.03% |
| Total Liabilities | 44,467 | 19,943 | 10,229,266 | 8,233 | 201,491 | 10,503,400 | 1.32% | 905,392 | 0.11% |
| Guarantees given and commitments | 349 | 500 | 326,100 | - | 2,592 | 329,541 | 0.18% | 708,535 | 0.38% |

(*) Shareholders and related companies holding a stake with voting right in the Bank's share capital exceeding 2%.

The following table sets out, for each group of related parties, the impact of transactions with related parties on the main Income Statement items.

Related party transactions: Profit and Loss items

(€ '000)

| | AMOUNT AS AT 06.30.2013 | | | | | | | SHAREHOLDERS (*) | % ON CONSOLIDATED |
|--------------------------------------|--------------------------------------|--|------------|--------------------------------|-----------------------------|----------|----------------------|---------------------|----------------------|
| | NON- CONSOLIDATED SUBSIDIARIES | NON- CONSOLIDATED JOINT VENTURES | ASSOCIATES | KEY MANAGEMENT PERSONNEL | OTHER RELATED PARTIES | TOTAL | % ON CONSOLIDATED | | |
| Interest income and similar revenues | 70 | 247 | 21,956 | 14 | 3,880 | 26,167 | 0.21% | 7,769 | 0.06% |
| Interest expense and similar charges | (40) | (120) | (68,178) | (38) | (1,015) | (69,391) | 1.12% | (6,277) | 0.10% |
| Fee and commission income | 9 | 3 | 256,855 | 2 | 1,488 | 258,357 | 5.45% | 5,583 | 0.12% |
| Fee and commission expense | (163) | (288) | (21,613) | - | (3) | (22,067) | 2.62% | (82) | 0.01% |
| Impairment losses on: | 28 | - | (25,785) | (1) | (44) | (25,802) | 0.88% | 57 | 0.00% |
| a) loans | 28 | - | (25,741) | (1) | (42) | (25,756) | 0.90% | 71 | 0.00% |
| d) other financial assets | - | - | (44) | - | (2) | (46) | 0.16% | (14) | 0.05% |
| Operating costs | 560 | (329) | (11,362) | - | (3,583) | (14,714) | 0.20% | (306) | 0.00% |

(*) Shareholders and related companies holding a stake with voting right in the Bank's share capital exceeding 2%.

Note that the "key management personnel" are persons having authority and responsibility for planning, directing, and controlling UniCredit's activities, directly or indirectly (i.e. members of the Board of Directors, including the Chief Executive Officer, the Standing Auditors, members of the Executive Management Committee and the Head of Internal Audit in office during the period under consideration).

The "other related parties" category includes:

- close family members of key management personnel (i.e. those family members who, as is expected, may influence - or be influenced by - the person in question);
- companies controlled (or jointly controlled) by key management personnel or their close family members;
- Group employee post-employment benefit plans.

Part H - Related-Party Transactions (CONTINUED)

Specifically, below are some observations on major related-party transactions:

In 2012 the subsidiary UniCredit Business Integrated Solutions S.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, a new corporate partnership was recently developed with Accenture Insurance Services (Accenture) 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 the controlling shareholder).

In addition, a new partnership between UBIS and another major player in the industry, IBM Italia S.p.A. (IBM), is being negotiated for the provision of services to UBIS related to the management and maintenance of the technological infrastructure (hardware, data center, etc.), currently provided internally by UBIS.

It should also be noted that a corporate partnership was developed in May 2012 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").

Please note that in the first months of 2012 collateral agreements (Credit Support Annexes) were entered into in respect of the derivative transactions between UniCredit S.p.A. and its German subsidiary UniCredit Bank AG and those between the subsidiaries UniCredit Bank Ireland PLC and UniCredit Leasing S.p.A., on one side, and UniCredit Bank AG, on the other. The terms and conditions of these agreements are based on market conditions, without payment of fees and with exchange of collateral.

In order to ensure compliance with the commitments undertaken by UniCredit S.p.A. during the "squeeze-out" process, under the "ReboRa Agreement", in 2010, following the sale of UniCredit CAIB AG by Bank Austria to UniCredit Bank AG, UniCredit S.p.A. and Bank Austria entered into a "Compensation Agreement", a derivative contract valid 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. Upon expiry of the agreement, UniCredit S.p.A. has made a commitment to pay any increase attributable to the 14.5% of the CIB Markets perimeter with respect to the value established at the time of sale, up to a maximum of €384 million. This agreement has been recognized in the balance sheet under trading derivatives and valued using a valuation model which takes account of all the flows described.

Relationships with Mediobanca S.p.A. ("Mediobanca") - In addition to transactions falling within the ordinary course of business and financial activity, UniCredit S.p.A. has entered into a thirty-year usufruct agreement on UniCredit shares with Mediobanca, under which Mediobanca gives back to UniCredit, in return for a consideration (recorded as a reduction in Shareholders' Equity), the right to vote and receive dividends on the UniCredit shares subscribed for by Mediobanca in January 2009, as part of the capital increase approved by UniCredit in November 2008. These shares were concomitantly used in support of the issuance of convertible securities denominated "CASHES".

Following the resolutions of UniCredit S.p.A.'s Extraordinary Meeting of December 2011, the number of shares underlying the usufruct agreement and the formula for calculating the remuneration fees in favor of Mediobanca have been adjusted to reflect (i) the reverse split of UniCredit shares and (ii) the free capital increase of December 2011 carried out through the allocation to capital of an equivalent amount transferred from the issue-premium reserve recorded in January 2009. Since the conditions of the contract were fulfilled, the first part of the usufruct fee (€35 million) was paid during the period.

As part of the "CASHES" transaction Mediobanca also acts as a custodian of the shares issued by UniCredit.

At June 30, 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, 2012 the Group's exposure to Italtipetroli 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 UniCredit, 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. This contribution was recognized as an increase in the carrying value of UniCredit S.p.A.'s investment in "Italtipetroli S.p.A.".

NEEP ROMA HOLDING S.p.A. ("NEEP") - NEEP, in which as at June 30, 2013 UniCredit held a 40% stake, acquired control of the companies already belonging to the division "Media" of Italtipetroli Group (A.S. Roma S.p.A., ASR Real Estate S.r.l. and Brand Management S.r.l.).

It should be noted that NEEP and some of its subsidiaries were granted credit lines and loans. Specifically, the loans granted to NEEP (€64 million) were classified as "loans with Shareholders" and can be converted by NEEP into equity instruments. The return on these loans is linked to the company's profitability. It should be noted that on August 1, 2013 UniCredit S.p.A. sold 9% of Neep Roma Holding S.p.A.'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.

In June 2013 UniCredit S.p.A., together with Intesa Sanpaolo, became involved as a financial partner in the establishment of Lauro Sessantuno S.p.A., an SPV (at the date of establishment controlled by Nuove Partecipazioni - a company linked to Marco Tronchetti Provera - and in which Clessidra SGR also has a stake) 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; the takeover bid is aimed at delisting Camfin shares and, if possible, shortening the corporate chain by merging Lauro Sessantuno and Camfin. In this regard, it should be noted that UniCredit S.p.A. and Intesa Sanpaolo committed to irrevocably and unconditionally issuing a guarantee (cash Confirmation), with respect to this takeover bid, pursuant to art. 37 of the Issuers' Regulations, up to a maximum of €245 million. The stake acquired in Lauro Sessantuno is 10.7% and is worth €41 million, which could reach a maximum of €115 million (corresponding to a shareholding of 18.9%) in the event that the aforementioned takeover bid is fully accepted. Through the investment in Lauro Sessantuno UniCredit will benefit, in terms of an increase in the value of its shareholding, from any increases in the value of the Pirelli Group (an example of manufacturing excellence in Italy and in the world).

In addition, capital contributions of €300 million and €25 million were made to the subsidiaries UniCredit Factoring and UniCredit Leasing, respectively. 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 pension funds, external since they have separate legal personality. These transactions were conducted on the same terms and conditions as those applied to transactions with independent third parties and are almost entirely represented by the relationships included in Deposits from customers and reported in the tables concerning the Related-party Transactions.

It should be noted that on February 19, 2013 UniCredit S.p.A.'s Board of Directors:

- approved the acquisition by UniCredit of 100% of the shares held by Bank Pekao in UniCredit Bank Ukraine (this transaction was carried out in July with the payment of €127 million); and
- gave its assent to the subsequent absorption of UniCredit Bank Ukraine into Ukrsofsbank, a 98.31%-owned subsidiary of Bank Austria.

Part I - Share-Based Payment

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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 Payments¹.**

The first category includes the following:

- **Stock Options** allocated to selected Top & Senior Managers and Key Talents of the Group;
- **Performance Stock Options & Performance Shares** allocated to selected Top & Senior Managers and Key Talents of the Group and represented respectively by Options and free UniCredit ordinary shares that the Parent Company undertakes to grant, conditional upon achieving performance targets approved by the Parent Company's Board;
- **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;**
- **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;
- **Employee Share Ownership Plan (ESOP)** that offers to eligible Group employees the possibility to buy UniCredit ordinary shares with the following advantages: granting of free ordinary shares ("Discount Shares" and "Matching Shares" or, for the second category, rights to receive them) measured on the basis of the shares purchased by each Participant ("Investment Shares") during the "Enrolment Period". The granting of free ordinary shares is subordinated to vesting conditions (other than market conditions) stated in the Plan Rules.

The second category includes synthetic "Share Appreciation Rights" linked to the share-value and performance results of some Group-Companies².

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.

No new Stock Options' Plans were granted during H1 2013.

1.2.2 Other equity instruments (Performance Shares/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 during the performance period. Parameters are estimated by applying the same model used for Stock Options measurement.

No new Performance Shares' Plans were granted during H1 2013.

1.2.3 Group Executive Incentive System

The amount of the incentive will be determined on a basis of the achievement of quantitative and qualitative goals stated by the plan. In particular, the overall evaluation of the Employee's relevant Manager shall be expressed as a percentage, from a minimum of 0% to a maximum of 150% (non market vesting conditions).

This percentage, adjusted by the application of a risk/opportunity factor - Group Gate - at first payment, multiplied by the Bonus Opportunity will determine the effective amount that will be paid to the beneficiary.

The Economic and Equity effects will be receipt on a basis of instrument vesting period.

1. Linked to the economic value of instruments representing a subsidiary's Shareholders' Equity.

2. Pioneer Global Asset Management at the end of 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.

| | SHARES GRANTED GROUP EXECUTIVE INCENTIVE SYSTEM 2012 | | |
|--|---|------------------------------------|---|
| | 1 ST INSTALLMENT (2015) | 2 ND INSTALLMENT (2016) | 3 RD INSTALLMENT ¹ (2017) |
| Date of granting Board resolution (Grant Date) | 27-Mar-2012 | 27-Mar-2012 | 27-Mar-2012 |
| Date of Board resolution | 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. Only for Executive Vice Presidents' Plans.

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 Bank of Italy provisions requiring a share retention period of 2 years for upfront shares and of 1 year for deferred shares;
- application of an overall risk/sustainability factor, related to annual Group profitability, solidity and liquidity results ("Group Gate") as well as a Zero Factor related to future Group profitability, solidity and liquidity results.

All Profit and Loss and Net Equity effects related to the plan will be booked during the vesting period.

1.2.4 Employee Share Ownership Plan (Let's Share 2012)

The following tables show the measurements and parameters used in relation to Discount Shares and Matching Shares (or rights to receive them) connected to the "Employee Share Ownership Plan" approved in 2012.

Measurement of Free Shares ESOP 2012

| | FREE SHARES 1 ST INSTALLMENT | FREE SHARES 2 ND INSTALLMENT |
|---|--|--|
| Date of Free Shares delivery to Group employees | 5-Feb-2013 | To be defined |
| Vesting Period Start-Date | 1-Jan-2013 | 1-Jul-2013 |
| Vesting Period End-Date | 31-Dec-2013 | 31-Jul-2014 |
| Discount Shares' Fair Value per unit [€] | 4.351 | To be defined |

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).

B. QUANTITATIVE INFORMATION

Effects on Profit and Loss

All Share-Based Payment granted after November 7, 2002 which vesting period ends after January 1, 2005 are included within the scope of the IFRS2.

Financial statement presentation related to share based payments

(€ '000)

| | FIRST HALF 2013 | | FIRST HALF 2012 | |
|--|-----------------|--------------|-----------------|--------------|
| | TOTAL | VESTED PLANS | TOTAL | VESTED PLANS |
| Costs | 56,090 | | 34,257 | |
| - connected to Equity Settled Plans ¹ | 48,283 | | 31,736 | |
| - connected to Cash Settled Plans ² | 7,807 | | 2,521 | |
| Debts for Cash Settled Plans² | 12,054 | - | 2,353 | - |
| - of which Intrinsic Value | | - | | - |

1. Costs increase is principally due to the new plans Group Executive Incentive System

2. Costs and debts increase is mainly due to the new plans issued by Pioneer Global Asset Management.

Part L - Segment Reporting

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| A - Primary Segment | 225 |

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, Asset Management, Central and Eastern Europe ("CEE"), Asset Gathering and Group Corporate Center.

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) 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's goal is to offer a full range of products and services to fulfill transactional, investments and credit needs, relying on over 4,000 branches and multichannel services provided by new technologies.

In relation to corporate customers, Commercial Banking operate 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 1,000 Managers divided in 195 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 over 900 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 by: 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 performs tasks in connection with Bank Austria's subholding company 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 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.

Poland

The Segment Poland manages the UniCredit group's operations within the Bank Pekao S.A. Group in the countries where the latter is present, mainly 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 branches 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, 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 strong points of the Bank's mortgage loans offer are above all timely credit decision, attractive interest rates and competent advisers supporting customers in the process of loan granting.

In relation to corporate 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 model of corporate client service is based on the superior role of a dedicated banking adviser who is responsible for the identification the client's needs and selection - in cooperation with product's specialists - appropriate banking products and services.

The corporate clients of the Bank benefit from a full range of standard credit and deposit products as well as from transactional services. The Bank's product offer also includes financial services and financial services provided through leasing and factoring subsidiaries, investment project financing, mergers and acquisitions and debt securities issues. 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.

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 in the 19 countries in which the Group operates, 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 dedicated 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 for all financial markets activities across the UniCredit group's businesses 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.

Pioneer Investments is focusing on the organic growth plan designed to further enhance the quality of product offering while maintaining focus on delivering an outstanding level of client service. The key initiatives of the plan include: expansion in new regions with interesting business opportunities; restructuring investment centers; establishing a new hub in London specializing on Emerging Markets; widening the product offering in core regions i.e. USA.

Part L - Segment Reporting (CONTINUED)

Central and Eastern Europe (“CEE”)

The Group operates, through the CEE business segment, in 16 Central and Eastern Europe countries, including Azerbaijan, Bosnia & Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine. 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. BA 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 division specialized in customer deposits through direct channel and a network of financial advisors, focalized to retail customers segment. It includes Fineco Bank in Italy, DAB Bank in Germany and DAT Bank in Austria offering banking and investment services of traditional banks, differentiating themselves by specializing in online trading and a pronounced bent towards technological innovation.

Fineco Bank is a multi-channel direct bank (web and financial advisers), focused almost exclusively on retail customer segment and with a leadership position on domestic and European trading segment. The bank offers products, services and supports to its customers mainly through a solid Personal Financial Adviser Network.

DAB Bank is 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).

DAT Bank is the Austrian's direct bank leader; 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. It falls within the scope of the 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

Reporting by Business Segment - 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 06.30.2013 |
|--|--------------------------------|----------------------------------|----------------------------------|------------------|------------------------------|--------------------------------------|---------------------|--------------------|------------------------------|---|
| Net interest | 2,694,940 | 906,593 | 390,176 | 530,823 | 1,734,928 | 1,155,366 | 1,948 | 112,850 | (910,149) | 6,617,475 |
| Dividends and other income from equity investments | 89 | 4,977 | 58,987 | 8,211 | 11,869 | 59,114 | 2,026 | 25 | 24,595 | 169,893 |
| Net fees and commissions | 1,766,168 | 450,006 | 275,745 | 271,806 | 552,050 | 292,305 | 348,009 | 124,448 | (111,914) | 3,968,623 |
| Net trading, hedging and fair value income | 6,938 | 126,080 | 68,225 | 102,284 | 271,796 | 725,416 | 184 | 20,455 | 281,221 | 1,602,599 |
| Net other expenses/income | 339 | 48,653 | (16,438) | 8,363 | 53,383 | 4,679 | 931 | 758 | 37,851 | 138,519 |
| OPERATING INCOME | 4,468,474 | 1,536,309 | 776,695 | 921,487 | 2,624,026 | 2,236,880 | 353,098 | 258,536 | (678,396) | 12,497,109 |
| Payroll costs | (1,438,916) | (603,546) | (428,937) | (230,919) | (549,997) | (307,574) | (147,907) | (51,182) | (669,910) | (4,428,888) |
| Other administrative expenses | (1,180,701) | (454,997) | (283,826) | (155,934) | (538,033) | (529,684) | (84,926) | (122,437) | 561,782 | (2,788,756) |
| Recovery of expenses | 249,226 | 8,390 | 826 | 502 | 1,084 | 3,250 | 4,321 | 28,054 | 33,098 | 328,751 |
| Amortisation, depreciation and impairment losses on tangible and intangible assets | (37,506) | (24,187) | (18,870) | (42,044) | (102,271) | (4,513) | (10,818) | (9,059) | (295,432) | (544,700) |
| Operating expenses | (2,407,897) | (1,074,340) | (730,807) | (428,395) | (1,189,217) | (838,521) | (239,330) | (154,624) | (370,462) | (7,433,593) |
| OPERATING PROFIT | 2,060,577 | 461,969 | 45,888 | 493,092 | 1,434,809 | 1,398,359 | 113,768 | 103,912 | (1,048,858) | 5,063,516 |
| Net writedowns of loans and provisions for guarantees and commitments | (1,892,094) | 97,891 | (97,727) | (77,814) | (596,487) | (262,957) | - | (1,476) | (66,158) | (2,896,822) |
| OPERATING NET PROFIT | 168,483 | 559,860 | (51,839) | 415,278 | 838,322 | 1,135,402 | 113,768 | 102,436 | (1,115,016) | 2,166,694 |
| Provision for risks and charges | (55,429) | 14,733 | (92,302) | (555) | (28,412) | (18,170) | 149 | (653) | (119,486) | (300,125) |
| Integration costs | (2,378) | (1,957) | (87) | - | (5,874) | - | (2,856) | (4) | 1,229 | (11,927) |
| Net income from investments | (2,685) | (852) | (1,355) | 4,072 | 4,118 | (30,674) | (25) | (6) | 31,563 | 4,156 |
| PROFIT BEFORE TAX | 107,991 | 571,784 | (145,583) | 418,795 | 808,154 | 1,086,558 | 111,036 | 101,773 | (1,201,710) | 1,858,798 |

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 06.30.2013 |
|---|--------------------------------|----------------------------------|----------------------------------|------------|------------------------------|--------------------------------------|---------------------|--------------------|------------------------------|---|
| Balance Sheet Amounts | | | | | | | | | | |
| LOANS AND RECEIVABLES WITH CUSTOMERS | 194,993,119 | 82,312,343 | 49,405,326 | 23,242,550 | 76,169,839 | 103,891,049 | 42 | 854,491 | 1,901,834 | 532,770,593 |
| DEPOSITS FROM CUSTOMERS | 103,912,251 | 76,417,585 | 43,806,058 | 25,254,665 | 56,596,978 | 75,587,696 | - | 17,293,577 | 6,351,773 | 405,220,583 |
| DEBT CERTIFICATES | 49,103,210 | 30,271,883 | 15,344,483 | 992,426 | 4,979,504 | 7,106,387 | - | 498,700 | 51,232,136 | 159,528,729 |
| TOTAL RISK WEIGHTED ASSETS (BASEL 2) | 115,873,503 | 36,918,703 | 25,317,490 | 23,872,280 | 87,454,305 | 84,087,289 | 1,993,880 | 2,782,786 | 32,570,548 | 410,870,783 |

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 06.30.2013 |
|--|--------------------------------|----------------------------------|----------------------------------|--------|------------------------------|--------------------------------------|---------------------|--------------------|------------------------------|---|
| STAFF (KFS group on a proportional basis) | | | | | | | | | | |
| Employees (FTE) | 39,393 | 14,433 | 7,021 | 19,069 | 38,100 | 3,527 | 1,980 | 1,463 | 19,222 | 144,208 |
| STAFF (KFS group fully considered) | | | | | | | | | | |
| Employees (FTE) | 38,950 | 14,207 | 7,010 | 18,908 | 48,404 | 3,476 | 1,962 | 1,466 | 16,404 | 150,787 |

Part L - Segment Reporting (CONTINUED)

Reporting by Business Segment - 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 06.30.2012 |
|--|--------------------------------|----------------------------------|----------------------------------|------------------|------------------------------|--------------------------------------|---------------------|--------------------|------------------------------|---|
| Net interest | 2,718,240 | 898,895 | 421,987 | 560,069 | 1,622,279 | 1,532,273 | 5,071 | 157,365 | (613,337) | 7,302,842 |
| Dividends and other income from equity investments | 452 | 7,119 | 75,096 | 8,744 | 7,889 | 66,112 | 1,866 | 8 | 55,664 | 222,950 |
| Net fees and commissions | 1,762,394 | 468,854 | 260,930 | 267,913 | 484,048 | 260,652 | 326,054 | 108,028 | (21,219) | 3,917,654 |
| Net trading, hedging and fair value income | 13,025 | 122,586 | 146,147 | 74,154 | 208,984 | 476,771 | 2,725 | 22,422 | 749,573 | 1,816,387 |
| Net other expenses/income | (4,029) | 42,686 | 7,471 | 8,933 | 19,959 | (9,739) | 3,639 | 1,064 | 27,294 | 97,278 |
| OPERATING INCOME | 4,490,082 | 1,540,140 | 911,631 | 919,813 | 2,343,159 | 2,326,069 | 339,355 | 288,887 | 197,975 | 13,357,111 |
| Payroll costs | (1,554,509) | (595,966) | (417,697) | (229,947) | (534,332) | (353,549) | (132,681) | (49,326) | (691,606) | (4,559,613) |
| Other administrative expenses | (1,204,542) | (479,559) | (270,754) | (163,340) | (486,602) | (527,924) | (81,139) | (109,231) | 585,031 | (2,738,060) |
| Recovery of expenses | 173,673 | 8,344 | 836 | 795 | 685 | 3,887 | 5,008 | 16,118 | 35,217 | 244,563 |
| Amortisation, depreciation and impairment losses on tangible and intangible assets | (45,533) | (24,961) | (17,749) | (43,658) | (104,101) | (5,475) | (13,682) | (9,556) | (253,072) | (517,787) |
| Operating expenses | (2,630,911) | (1,092,142) | (705,364) | (436,150) | (1,124,350) | (883,061) | (222,494) | (151,995) | (324,430) | (7,570,897) |
| OPERATING PROFIT | 1,859,171 | 447,998 | 206,267 | 483,663 | 1,218,809 | 1,443,008 | 116,861 | 136,892 | (126,455) | 5,786,214 |
| Net writedowns of loans and provisions for guarantees and commitments | (2,159,131) | 137,499 | (108,630) | (71,417) | (422,602) | (460,995) | - | (1,169) | (51,232) | (3,137,677) |
| OPERATING NET PROFIT | (299,960) | 585,497 | 97,637 | 412,246 | 796,207 | 982,013 | 116,861 | 135,723 | (177,687) | 2,648,537 |
| Provision for risks and charges | (30,277) | 21,477 | (47,173) | (242) | (19,916) | 54,396 | (155) | (7,261) | (47,043) | (76,194) |
| Integration costs | (11,257) | 120 | - | - | - | (3,956) | (5,562) | (16) | 571 | (20,100) |
| Net income from investments | (6,880) | 1,353 | (52,465) | 561 | 6,382 | (61,489) | (34) | (121) | 37,893 | (74,800) |
| PROFIT BEFORE TAX | (348,374) | 608,447 | (2,001) | 412,565 | 782,673 | 970,964 | 111,110 | 128,325 | (186,266) | 2,477,443 |

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 | 84,162,870 | 49,921,545 | 24,296,824 | 73,866,427 | 108,859,886 | 42 | 844,998 | 2,273,738 | 547,144,057 |
| DEPOSITS FROM CUSTOMERS | 105,017,059 | 80,640,533 | 44,083,429 | 26,669,063 | 59,797,614 | 74,532,008 | - | 16,242,151 | 2,531,816 | 409,513,673 |
| DEBT CERTIFICATES | 54,263,611 | 32,051,480 | 16,588,638 | 1,168,075 | 3,978,822 | 9,745,991 | - | 640,651 | 52,013,927 | 170,451,195 |
| TOTAL RISK WEIGHTED ASSETS (BASEL 2) | 117,765,378 | 38,010,612 | 25,727,609 | 25,185,458 | 87,126,818 | 92,746,713 | 1,985,822 | 3,008,852 | 35,569,500 | 427,126,759 |

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) | 40,053 | 14,703 | 7,071 | 19,199 | 38,439 | 3,617 | 1,948 | 1,459 | 19,971 | 146,460 |
| STAFF (KFS group fully considered) | | | | | | | | | | |
| Employees (FTE) | 39,713 | 14,669 | 7,062 | 19,167 | 48,555 | 3,597 | 1,968 | 1,464 | 20,159 | 156,354 |

Annexes

| | |
|--|-----|
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Annex 1 - Reconciliation of Condensed Accounts to Mandatory Reporting Schedule

Consolidated Balance Sheet

(€ million)

| ASSETS | AMOUNTS AS AT | | SEE THE NOTES PART B - ASSETS |
|---|----------------|----------------|----------------------------------|
| | 06.30.2013 | 12.31.2012 | |
| Cash and cash balances = item 10 | 7.185 | 7.570 | Section 1 |
| Financial assets held for trading = item 20 | 93.772 | 107.119 | Section 2 |
| Loans and receivables with banks = item 60 | 66.907 | 74.475 | Section 6 |
| Loans and receivables with customers = item 70 | 532.771 | 547.144 | Section 7 |
| Financial investments | 117.457 | 108.686 | |
| Item 30. Financial assets at fair value through profit or loss | 27.934 | 25.025 | Section 3 |
| Item 40. Available-for-sale financial assets | 80.168 | 73.595 | Section 4 |
| Item 50. Held-to-maturity investments | 5.425 | 6.208 | Section 5 |
| Item 100. Investments in associates and joint ventures | 3.931 | 3.858 | Section 10 |
| Hedging instruments | 16.014 | 20.847 | |
| Item 80. Hedging derivatives | 12.774 | 17.691 | Section 8 |
| Item 90. Hedging derivatives | 3.239 | 3.156 | Section 9 |
| Property, plant and equipment = item 120 | 11.645 | 11.833 | Section 12 |
| Goodwill = item 130 - Intangible assets of which: goodwill | 11.567 | 11.678 | Section 13 |
| Other intangible assets = item 130 - Intangible assets net of goodwill | 3.880 | 3.980 | Section 13 |
| Tax assets = item 140 | 17.480 | 18.070 | Section 14 |
| Non-current assets and disposal groups classified as held for sale = item 150 | 526 | 3.968 | Section 15 |
| Other assets | 10.428 | 11.468 | |
| Item 110. Insurance reserves attributable to reinsurers | - | 1 | Section 11 |
| Item 160. Other assets | 10.428 | 11.468 | Section 16 |
| Total assets | 889.632 | 926.838 | |

| LIABILITIES AND SHAREHOLDERS' EQUITY | AMOUNTS AS AT | | SEE THE NOTES PART B - ASSETS |
|--|----------------|----------------|----------------------------------|
| | 06.30.2013 | 12.31.2012 | |
| Deposits from banks = item 10 | 129,249 | 117,445 | Section 1 |
| Deposits from customers = item 20 | 405,221 | 409,514 | Section 2 |
| Debt securities in issue = item 30 | 159,529 | 170,451 | Section 3 |
| Financial liabilities held for trading = item 40 | 77,216 | 99,123 | Section 4 |
| Financial liabilities at fair value through profit or loss = item 50 | 675 | 852 | Section 5 |
| Hedging instruments | 16,218 | 21,309 | |
| Item 60. Hedging derivatives | 11,507 | 14,540 | Section 6 |
| Item 70. Changes in fair value of portfolio hedged items | 4,711 | 6,769 | Section 7 |
| Provisions for risks and charges = item 120 | 8,912 | 9,091 | Section 12 |
| Tax liabilities = item 80 | 5,020 | 7,889 | Section 8 |
| Liabilities included in disposal groups classified as held for sale = item 90 | 298 | 3,560 | Section 9 |
| Other liabilities | 22,141 | 22,356 | |
| Item 100. Other liabilities | 20,967 | 21,088 | Section 10 |
| Item 110. Provision for employee severance pay | 1,149 | 1,041 | Section 11 |
| Item 130. Insurance reserves | 26 | 228 | Section 13 |
| Minorities = item 210 | 3,831 | 3,669 | Section 16 |
| Shareholders' Equity, of which: | 61,322 | 61,579 | |
| - Capital and reserves | 61,365 | 61,100 | |
| Item 140. Revaluation reserves, of which: Special revaluation laws | 277 | 277 | Section 15 |
| Item 140. Revaluation reserves, of which: Exchange differences | (2,289) | (1,725) | Section 15 |
| Item 140. Revaluation reserves, of which: equity investments valued at equity method | 100 | 25 | Section 15 |
| Item 140. Revaluation reserves, of which: equity investments valued at equity method | (2) | - | Section 15 |
| Item 170. Reserves | 19,748 | 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 |
| - Available-for-sale assets fair value reserve and cash-flow hedging reserve | (853) | (386) | |
| Item 140. Revaluation reserves, of which: Available-for-sale financial assets | 48 | 65 | Section 15 |
| Item 140. Revaluation reserves: actuarial gains (losses) on defined benefits plans | (1,465) | (1,205) | Section 15 |
| Item 140. Revaluation reserves, of which: Cash-flow hedges | 564 | 755 | Section 15 |
| - Net profit (loss) = item 220 | 810 | 865 | Section 15 |
| Total liabilities and Shareholders' Equity | 889,632 | 926,838 | |

Note:

An explanation for the restatement of comparative figures is provided in the previous sections.

Annex 1 - Reconciliation of Condensed Accounts to Mandatory Reporting Schedule (CONTINUED)

Consolidated Income Statement

(€ million)

| | H1 | | SEE THE NOTES PART C |
|---|----------------|----------------|-------------------------|
| | 2013 | 2012 | |
| Net interest | 6,617 | 7,303 | Section 1 |
| Item 30. Net interest margin | 6,425 | 7,094 | |
| less: Purchase Price Allocation effect | 193 | 208 | |
| Dividends and other income from equity investments | 170 | 223 | |
| Item 70. Dividend income and similar revenue | 161 | 126 | Section 3 |
| less: dividends from held for trading equity instruments included in item 70 | (62) | (22) | |
| Item 240. Profit (loss) of associates - of which: Profit (loss) of associates valued at equity | 71 | 119 | Section 16 |
| Net fees and commissions = item 60 | 3,969 | 3,918 | Section 2 |
| Item 60. Net fees and commissions | 3,896 | 3,918 | |
| + Other operating income - of which: recovery of costs - commissioni istruttoria veloce (CIV) | 72 | - | |
| Net trading income | 1,603 | 1,816 | |
| Item 80. Gains (losses) on financial assets and liabilities held for trading | 746 | 834 | Section 4 |
| + dividends from held for trading equity instruments (from item 70) | 62 | 22 | |
| Item 90. Fair value adjustments in hedge accounting | (3) | (53) | Section 5 |
| Item 100. Gains (losses) on disposal or repurchase of : d) financial liabilities | 425 | 886 | Section 6 |
| + Gains (losses) on disposal or repurchase of : b) available-for-sale financial assets (from item 100) | 243 | 191 | Section 6 |
| + Gains (losses) on disposal or repurchase of : c) held-to-maturity investments (from item 100) | 3 | (5) | Section 6 |
| Item 110. Gains (losses) on financial assets and liabilities designated at fair value through profit and loss | 127 | (58) | Section 7 |
| Net other expenses/income | 139 | 97 | |
| Gains (losses) on disposals/repurchases on loans and receivables - not impaired position (from item 100 a) | (8) | 6 | |
| Item 150. Premiums earned (net) | 89 | 77 | Section 9 |
| Item 160. Other income (net) from insurance activities | (71) | (62) | Section 10 |
| Item 220. Other net operating income | 549 | 376 | Section 15 |
| less: Other operating income - of which: recovery of costs | (329) | (245) | |
| less: Other operating income - of which: recovery of costs - commissioni istruttoria veloce (CIV) | (72) | - | |
| Net write-downs/-backs of tangible operating lease assets (from item 200) | (49) | (57) | |
| less: Write-downs on leasehold improvements (on non-separable assets) - No Group | 29 | - | |
| Gains (losses) on disposals of investments - assets leasing operation (from item 270) | - | 2 | |
| OPERATING INCOME | 12,497 | 13,357 | |
| Payroll costs | (4,429) | (4,560) | |
| Item 180. Administrative costs - a) staff expenses | (4,436) | (4,568) | Section 11 |
| less: integration costs | 7 | 8 | |
| Other administrative expenses | (2,789) | (2,738) | |
| Item 180. Administrative costs - b) other administrative expenses | (2,762) | (2,708) | Section 11 |
| Write-downs on leasehold improvements (on non-separable assets) - No Group | (29) | (33) | |
| less: integration costs | 3 | 3 | |
| Recovery of expenses = item 220. Other net operating income - of which: Operating income - recovery of costs | 329 | 245 | Section 15 |
| Amortization, depreciation and impairment losses on intangible and tangible assets | (545) | (518) | |
| Item 200. Impairment/Write-backs on property, plant and equipment | (368) | (396) | Section 13 |
| less: Impairment losses/write backs on property owned for investment | 2 | 6 | |
| less: Net write-downs/-backs of tangible operating lease assets (from item 200) | 49 | 57 | |
| Item 210. Impairment/Write-backs on intangible assets | (321) | (294) | Section 14 |
| less: integration costs | 1 | 1 | |
| less: Purchase Price Allocation effect | 92 | 108 | |
| Operating costs | (7,434) | (7,571) | |
| OPERATING PROFIT (LOSS) | 5,064 | 5,786 | |

Continued: Consolidated Income Statement.

(€ million)

| | H1 | | SEE THE NOTES PART C |
|---|--------------|--------------|-------------------------|
| | 2013 | 2012 | |
| OPERATING PROFIT (LOSS) | 5,064 | 5,786 | |
| Net impairment losses on loans and provisions for guarantees and commitments | (2,897) | (3,138) | |
| Item 100. Gains (losses) on disposal and repurchase of a) loans | (10) | (1) | Section 6 |
| less: Gains (losses) on disposals/repurchases on loans and receivables - not impaired position (from item 100 a) | 8 | (6) | |
| Item 130. Impairment losses on a) loans | (2,866) | (3,071) | Section 8 |
| Item 130. Impairment losses on d) other financial assets | (29) | (59) | Section 8 |
| NET OPERATING PROFIT (LOSS) | 2,167 | 2,649 | |
| Provisions for risks and charges | (300) | (76) | |
| Item 190. Provisions for risks and charges | (179) | (84) | 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 | 1 | 8 | |
| Surplus on release of integration provision | (12) | (20) | |
| Net income from investments | 4 | (75) | |
| Item 130. Impairment losses on: b) available-for-sale financial assets | (53) | (62) | Section 8 |
| Item 130. Impairment losses on: c) held-to-maturity investments | - | (16) | Section 8 |
| Impairment losses/write backs on property owned for investment (from item 200) | (2) | (6) | |
| Item 240. Profit (loss) of associates -of which: write-backs/impairment losses and gains/ losses on disposal of associates valued at equity | 4 | (49) | 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 | 55 | 60 | Section 19 |
| less: Gains (losses) on disposals of investments - assets leasing operation (from item 270) | - | (2) | |
| PROFIT (LOSS) BEFORE TAX | 1,859 | 2,477 | |
| Income tax for the period | (680) | (993) | |
| Item 290. Tax expense related to profit from continuing operations | (592) | (900) | Section 20 |
| less: Purchase Price Allocation effect | (88) | (93) | |
| NET PROFIT (LOSS) | 1,179 | 1,485 | |
| Profit (loss) after tax from discontinued operations = item 310 | 14 | (10) | |
| + Provision for risks arising from exchange rate losses on the equity of the Kazakh subsidiary | 122 | - | |
| Voce 310. Profit (loss) after tax from discontinued operations | (107) | (10) | Section 21 |
| PROFIT (LOSS) FOR THE PERIOD | 1,194 | 1,475 | |
| Minorities | (186) | (166) | |
| Item 330. Minorities | (186) | (166) | Section 22 |
| NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA | 1,007 | 1,309 | |
| Purchase Price Allocation effect | (197) | (223) | |
| Impairment of goodwill | - | (2) | |
| Item 260. Impairment of goodwill | - | (2) | Section 18 |
| NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP | 810 | 1,083 | |

Note:

An explanation for the restatement of comparative figures is provided in the previous sections.

Annex 2 - Definition of Terms and Acronyms

ABCP Conduits - Asset Backed Commercial Paper Conduits

Asset Backed Commercial Paper Conduits are a type of “SPV - Special Purpose Vehicle” (q.v.) set up to securitize various types of assets and financed by Commercial Paper (q.v.).

Commercial Paper generally matures in 270 days, with payment of principal and interest depending on the cash flow generated by the underlying assets.

ABCP Conduits may be single-sellers or multi-sellers according to the number of issues they make. Conduits generally require several SPVs.

The first-level vehicles issue the Commercial Paper and finance one or more second-level vehicles or Purchase Companies (q.v.) which purchase the assets to be securitized.

An ABCP Conduit will have the following:

- issues of short-term paper creating a maturity mismatch between the assets held and the paper issued;
- liquidity lines covering the maturity mismatch; and
- security covering default risk in respect of both specific assets and the entire program.

ABS - Asset Backed Securities

Debt securities, generally issued by an “SPV - Special Purpose Vehicle” (q.v.) guaranteed by assets of various types such as mortgage loans, consumer credits, credit card receivables, etc. Principal and interest payments are subject to the performance of the securitized assets and the existence of any further security guaranteeing the bond. ABSs are divided into tranches (senior, mezzanine and junior) according to the priority with which principal and interest will be paid.

Absorbed capital

Absorbed capital is the capital required to cover business risks. It is the higher between the regulatory capital (which is obtained by multiplying risk-weighted assets by the target core tier 1 ratio) and the internal capital, which represents the total amount of capital the entire Group sets aside as a buffer against potential losses and needs to support its business activities and all positions held. Internal capital is the sum of the aggregated economic capital and a cushion that considers the effects of the cycle and model risk.

Acquisition Finance

Finance for business acquisition operations. The most common form of Acquisition Finance is the leveraged buy-out (see Leveraged Finance).

Affluent

Banking customer segment whose available assets for investment are regarded as moderate to high.

ALM - Asset & Liability Management

Integrated management of assets and liabilities, designed to allocate resources in such a manner as to optimize the risk/return ratio.

ALT-A (residential mortgages)

Mortgages whose borrowers, while not subject to the significant repayment problems of those described as Subprime (q.v.), have a risk profile with high loan-to-value and installment-to-income ratios or incomplete documentation of the debtor's income.

Alternative investment

Alternative investments cover a wide range of forms of investment, including investments in Private Equity (q.v.) and Hedge Funds (q.v.).

Asset allocation

Decisions to invest in markets, geographical areas, sectors or products.

Asset management

Activities of management of the financial investments of third parties.

ATM - Automated Teller Machine

Automated machine that allows customers to carry out operations such as withdrawing cash, paying in cash or checks, requesting account information, paying utility bills, topping up mobile phone credits, etc.

The customer activates the terminal by inserting a smart card and entering his/her Personal Identification Number.

Audit

Process of controlling a company's activities and accounting, carried out either by an internal body (internal audit) or by an external firm of auditors (external audit).

Banking book

Used in relation to financial instruments, particularly securities, this term identifies the portion of such portfolios intended for “proprietary” activities.

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.

Annex 2 - Definition of Terms and Acronyms (CONTINUED)

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.

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

Credits are subjected to periodic examination in order to identify those which, following events occurring after their entry in the accounts (at the market value, normally equal to the disbursed amount including the transaction costs and revenues directly attributable to the provision of the credit), show objective signs of a possible loss of value. This category includes credits that have been classed as bad, doubtful, restructured or overdue, in accordance with the Banca d'Italia rules consistent with IAS/IFRS (q.v.).

Impairment

Within the framework of the IAS/IFRS (q.v.), this refers to the loss of value of a balance sheet asset, recorded when the balance sheet value is greater than the recoverable value, i.e. the sum that can be obtained by selling or using the asset.

Annex 2 - Definition of Terms and Acronyms (CONTINUED)

Index linked

Policies whose performance at maturity depends on a benchmark parameter that may be a share index, a basket of securities or another indicator.

Investment banking

Banking segment devoted to the subscription and placement of newly issued securities, as well as the trading of financial instruments.

Investor

Any entity other than the Sponsor (q.v.) or Originator (q.v.) with exposure to a securitization.

IRB - Internal Rating Based

Method for determining the capital needed to cover credit risk within the framework of Pillar 1 of Basel 2 (q.v.). The rules are applied to the exposures of the banking portfolio. Furthermore, in the IRB methods the risk weightings of the assets are determined on the basis of the bank's own internal evaluations of the debtors (or, in some cases, of the transactions). Using systems based on internal ratings, the banks determine the weighted risk exposure. The IRB methods consist of a basic method and an advanced method, which differ in terms of the risk parameters that the bank must estimate: in the basic method, the banks use their own estimates for "PD - Probability of Default" and the regulatory values for the other risk parameters; in the advanced method, the banks use their own estimates for "PD - Probability of Default", "LGD - Loss Given Default", "CCF - Credit Conversion Factors" and, where provided for, "M - Maturity" (q.v.). The use of IRB methods for the calculation of capital requirements is subject to authorization from Banca d'Italia.

IRS - Interest Rate Swap

See "Swap".

Joint venture

Agreement between two or more companies for the conduct of a given economic activity, usually through the constitution of a joint stock company.

Junior, Mezzanine and Senior exposures

In a securitization transaction, the exposures may be classified as follows:

- **junior** exposures are the last to be repaid, and consequently absorb the first loss produced by the securitization transaction;
- **mezzanine** exposures are those with medium repayment priority, between senior and junior;
- **senior** exposures are the first to be repaid.

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.

Annex 2 - Definition of Terms and Acronyms (CONTINUED)

Preference shares

Capital instruments that associate forms of remuneration tied to market rates with particularly pronounced subordination conditions, such as non-recovery in subsequent years of the interest not paid by the bank and bearing a share of its losses in the event that these produce a significant reduction in the capital requirements. The regulatory authorities set the conditions under which preference shares may be counted among the core capital of banks and banking groups.

Private banking

Financial services aimed at so-called “high-end” private customers for the global management of financial needs.

Private equity

Investments in the risk capital of companies, generally unlisted but with high growth potential and the ability to generate constant cash flows. Investments in private equity include a wide range of operations that vary according to both the development phase of the company concerned and the investment techniques used. These techniques include closed-end private equity funds.

Purchase Companies

Vehicle used by “ABCP Conduits - Asset Backed Commercial Paper Conduits” (q.v.) to purchase the assets to be securitized and subsequently financed by the Conduit vehicle by means of commercial paper.

RARORAC - Risk Adjusted Return On Risk Adjusted Capital

This is the ratio between EVA - Economic Value Added” (q.v.) and allocated/absorbed capital and represents the value created per each unit of risk taken.

Rating

Evaluation of the quality of a company or its issues of debt securities on the basis of the company's financial soundness and prospects. This evaluation is made either by specialist agencies or by the bank on the basis of internal models.

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.

RECHARGING

Supporting enterprise with concrete actions
UniCredit International

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



Paolo Balestri, Balestri impianti,
customer of UniCredit in Italy



Certification

Condensed Interim Consolidated Financial Statements
Certification pursuant to Art. 81-ter of Consob Regulation
no. 11971 of May 14, 1999, as amended

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Condensed Interim 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 applicationof the administrative and accounting procedures employed to draw up the 2013 Condensed Interim Consolidated Financial Statements.
2. The adequacy of administrative and accounting procedures employed to draw up the 2013 Condensed Interim Consolidated Financial Statements has been evaluated by applying a model devised by UniCredit S.p.A. in accordance with "Internal Controls – Integrated Framework (CoSO)" and "Control Objective for IT and Related Technologies (Cobit)", which represent generally accepted international standards for internal control system and, specifically, for financial reporting.
3. The undersigned also **certify** that:
 - 3.1 the 2013 Condensed Interim 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) are consistent with accounting books and records;
 - c) are suitable to provide a fair and correct representation of the economic and financial situation of the issuer and the group of companies included in the scope of consolidation;
 - 3.2 the Interim Report on Operations includes a reliable analysis of the most significant events in the first six months of the financial year and their impact on the Condensed Interim Consolidated Financial Statements, together with a description of the main risks and uncertainties concerning the remaining six months of the year. The Consolidated First Half Financial Report also contains a reliable analysis of information on significant related party transactions.

Milan - August 6, 2013

Federico GHIZZONI



Marina NATALE



LISTENING



Making a difference from anywhere, even in a taxi

“ One day while driving my taxi, I struck up conversation with my passengers and found out they worked at UniCredit. I told them that I was one of their customers and that I owned a fleet of taxis. I also explained that I was trying to expand my business and had asked for a loan, but had yet to learn if my request was successful. The next day one of them called me to follow up with the information I needed. She cared about helping me solve my problem, and I could not have been more satisfied with her support. I thanked her and said that if she ever needed a taxi in Vienna - even to Milan - I would be there for her, as she was for me. **”**

Taxi driver, customer of UniCredit Bank in Vienna



Report of External Auditors

AUDITORS' REVIEW REPORT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of UNICREDIT S.p.A.

1. We have reviewed the condensed interim consolidated financial statements of UNICREDIT S.p.A. and subsidiaries (hereinafter the "UNICREDIT Group"), which comprise the balance sheet as of June 30, 2013, and the income statement, statement of comprehensive income, statements of changes in equity and cash flow statement for the six-month period then ended, and the related explanatory notes. The parent company's Directors are responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue a report on these condensed interim consolidated financial statements based on our review.
2. We conducted our review in accordance with the standards recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-year interim financial statements under Resolution n° 10867 of July 31, 1997. Our review consisted principally of applying analytical procedures to the underlying financial data, assessing whether accounting policies have been consistently applied and making enquiries of management responsible for financial and accounting matters. The review excluded audit procedures such as tests of controls and substantive procedures of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with established auditing standards. Accordingly, unlike auditors' report on the year-end consolidated financial statements, we do not express an audit opinion on the condensed consolidated interim financial statements.

The condensed interim consolidated financial statements include the corresponding figures of the previous year annual consolidated and condensed interim consolidated financial statements for comparative purposes. As disclosed in the explanatory notes, the parent company's Directors have restated some of the corresponding figures of the previous year annual consolidated and condensed interim consolidated financial statements respectively audited and reviewed by other auditors whose reports were respectively dated April 11, 2013 and August 8, 2012. We have examined the methods used to restate such corresponding figures and related disclosures for the purposes of preparing our report on the condensed interim consolidated financial statements at June 30, 2013.

3. Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of UNICREDIT Group as at and for the six month period ended June 30, 2013 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Riccardo Motta
Partner

Milan, Italy
August 9, 2013

This report has been translated into the English language solely for the convenience of international readers.

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The emissions connected to the printing and distribution of the Consolidated First Half Financial Report as at June 30, 2013, have been compensated with the support of Officinae Verdi, which uses Gold Standard credits gained through the development of a landfill gas capture project in China. The Gold Standard is supported by WWF as it is the most rigorous global certification standard for carbon offset projects.



