UniCredit

The world
is changing.

Let’s change
together.

Consolidated First Half Financial Report as at June 30, 2015

This year's report depicts how innovative UniCredit products and ideas help our customers and businesses respond to the challenges of this changing world.

By spotlighting sophisticated, new multichannel products and services we have developed to meet the modern needs of our customers, we show how our bank is adapting to rapid changes – and how our solutions are helping our customers adapt at the same time.

At UniCredit, we make it easy for the people who bank with us to take full advantage of the technologies and customized services now available to them – so that they can achieve their goals and live their lives on their own terms. As their partner, we have a clear responsibility to provide them the flexibility, the foresight and the tools they need to overcome obstacles and seize new opportunities.

The world is changing. Let's change together.

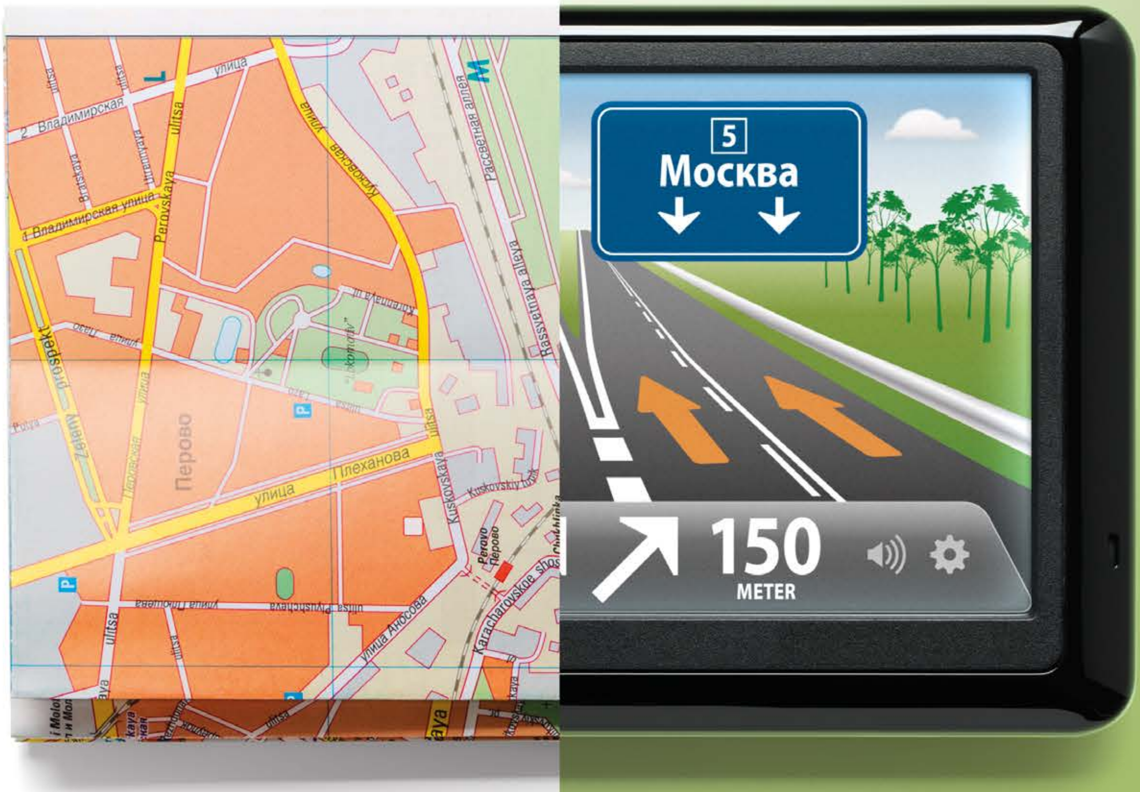
Consolidated First Half Financial Report as at June 30, 2015

There is a whole world to discover.

Better discover it now.

At home when you're abroad.

Together, we can go far.
UniCredit has more than 8,500 branches and over 147,000 employees in roughly 50 markets across the world. That means we have the tools, the knowledge and the manpower to help your business go international. Our **UniCredit International Centers** gather our most experienced cross-border experts into a single, powerful network that can provide your business with the information and services it needs to succeed abroad. From evaluating investments, to identifying optimal financial solutions and, of course, providing basic banking services, UniCredit is always with you, anywhere you choose to be.



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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.

It isn't always easy to see things clearly.

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Goodbye receipts and daily ledgers. Hello online accounting. **UniCredit Family Budget**, a new web-based personal financial management service, sorts expenses into different categories and creates easy-to-understand charts and graphs to help you track transactions and balances. It offers an intuitive, practical approach to online banking, helping you manage savings and monitor accounts. Because the future begins with real answers.

Introduction

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Board of Directors, Board of Statutory Auditors and External Auditors

Board of Directors, Board of Statutory Auditors and External Auditors as at June 30, 2015

	Board of Directors
Giuseppe Vita	**Chairman**
Vincenzo Calandra Buonaura	**Deputy Vice Chairman**
Luca Cordero di Montezemolo Fabrizio Palenzona	**Vice Chairmen**
Federico Ghizzoni	**CEO**
Mohamed Ahmed Badawy Al-Husseiny Manfred Bischoff Cesare Bisoni Henryka Bochniarz Alessandro Caltagirone Helga Jung Lucrezia Reichlin Clara-Christina Streit Paola Vezzani Alexander Wolfgring Anthony Wyand Elena Zambon	**Directors**
Gianpaolo Alessandro	**Company Secretary**
	Board of Statutory Auditors
Maurizio Lauri	**Chairman**
Giovanni Battista Alberti Angelo Rocco Bonissoni Enrico Laghi Maria Enrica Spinardi	**Standing Auditors**
Federica Bonato Paolo Domenico Sfameni Beatrice Lombardini Pierpaolo Singer	**Alternate Auditors**
Roberto Nicastro	**General Manager**
Marina Natale	**Manager in charge with preparing the financial reports**
Deloitte & Touche S.p.A.	**External Auditors**

UniCredit S.p.A.
A joint stock company
Registered Office: Via Alessandro Specchi, 16 - 00186 Rome
Head Office: Piazza Gae Aulenti, 3 - Tower A - 20154 Milan
Share capital €20,257,667,511.62 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

Prefatory Note to the Consolidated First Half Financial Report

General aspects

This Consolidated First Half Financial Report was prepared pursuant to 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 condensed version provided for in paragraph 10, instead of the full reporting provided for annual accounts.

Press releases on significant events occurred during the period, the market presentation on second quarter results, and the Disclosure by Institutions according to Regulation (EU) No. 575/213 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 provisions;
- the **Condensed Interim Consolidated Accounts**, stated in comparison with those for 2014; specifically, as provided for by IAS 34, the balance sheet has been compared with the figures as at December 31, 2014, 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 situation;
- 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

During the first half of 2015 the following overall changes have been recorded in the consolidation perimeter:

- the number of fully consolidated companies changed from 751 at the end of 2014 to 734 at June 2015 (3 incoming and 20 exited), presenting a decrease of 17;
- the number of companies consolidated using the equity method changed from 73 at the end of 2014 to 71 at June 2015 (1 incoming and 3 exited), presenting a decrease of 2.

As of January 1, 2014 IFRS 10 – Consolidated Financial Statements and IFRS 11 – Joint Arrangements were effective and applied for the first time. Please refer to December 2014 Consolidated Financial Statements for related impacts.

For further details see Part A - Accounting Policies; A.1 General, Section 3 - Consolidation Procedures and Scope.

Non-current assets and disposal groups held for sale

In the Balance Sheet at June 30, 2015, the main reclassified assets based on the IFRS 5 accounting principle, as non-current assets and asset disposal groups refer to:

- regarding the individual asset and liabilities held for sale:
  - to the companies UniCredit Credit Management Bank S.p.A. and UniCredit Credit Management Immobiliare S.p.A.,
  - to the real estate properties held by certain companies in the Group, and
  - to the associate Krajowa Izba Rozliczeniowa SA for 28.7%.
- regarding the data relating to groups of assets held for sale and associated liabilities, the following companies that have been already reported in the consolidated accounts at December 31, 2014 based on the accounting standard IFRS 5:
  - to the companies of the Ukrainian Group (PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD);
  - to the companies of the Immobilien Holding Group, which entered into the consolidation scope at September 30, 2014.

For additional information, reference is made to Part B – Information on the consolidated balance sheet – Assets – Section 15 of the condensed consolidated interim 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;
- Non-core;
- Governance/Group Corporate Centre (including Global Banking Services, Corporate Centre Global Function, inter-segment adjustments and consolidation adjustments not attributable to individual segments).

The Non-core segment includes specific assets of Commercial Banking Italy (identified on a single transaction/customer basis), the subsidiary UniCredit Credit Management Bank (UCCMB), currently classified as held for sale (IFRS 5) and some securitization SPVs. With reference to UCCMB the net result is not reported in the line "Net Profit/loss of discontinued operations", but reported in each separate item of the Condensed Consolidated Income Statement.

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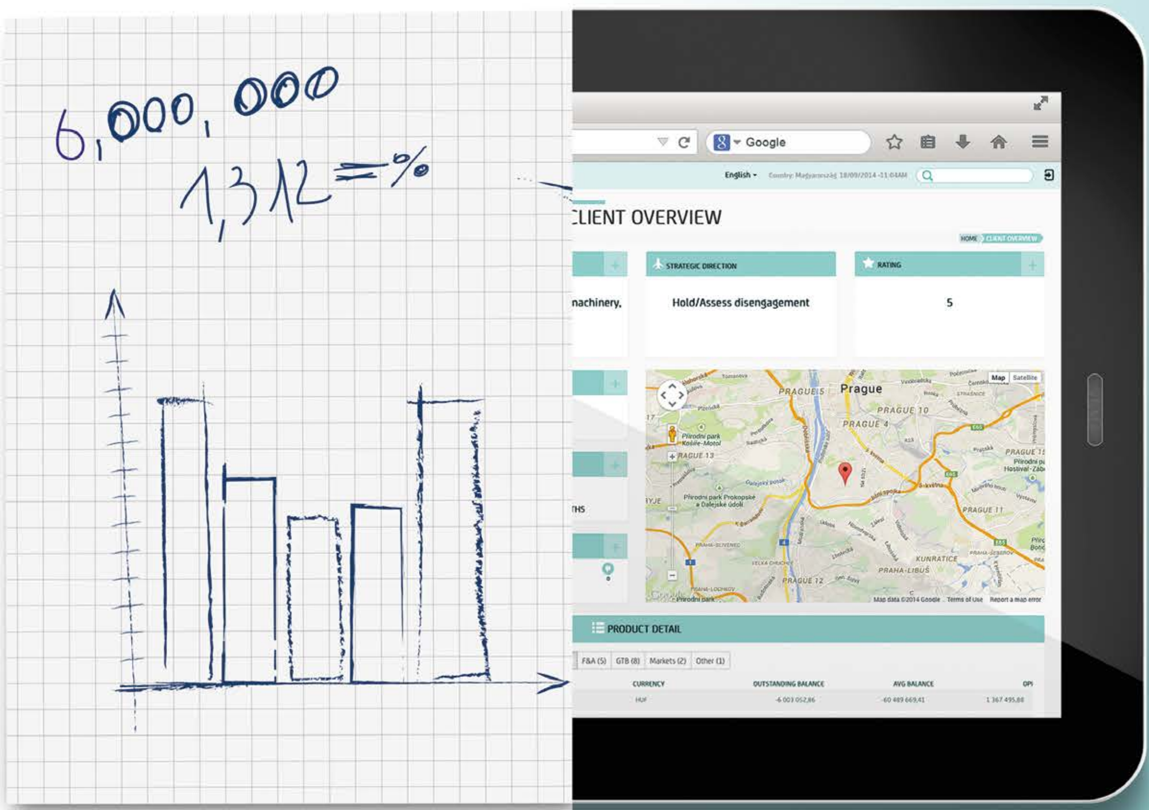

Interim Report on Operations

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

Highlights

Income Statement

(€ million)

	H1 2015	H1 2014	CHANGE
Operating income	11,484	11,387	+ 0.9%
of which: - net interest	*5,962*	*6,256*	*- 4.7%*
- dividends and other income from equity investments	*387*	*425*	*- 8.9%*
- net fees and commissions	*4,011*	*3,853*	*+ 4.1%*
Operating costs	(6,853)	(6,747)	+ 1.6%
Operating profit	4,631	4,640	- 0.2%
Profit (loss) before tax	2,123	2,446	- 13.2%
Net profit (loss) attributable to the Group	**1,034**	**1,116**	**- 7.3%**

The figures in this table refer to reclassified income statement.

Balance Sheet

(€ million)

	AMOUNTS AS AT 06.30.2015	AMOUNTS AS AT 12.31.2014	CHANGE
Total assets	875,126	844,217	+ 3.7%
Financial assets held for trading	97,626	101,226	- 3.6%
Loans and receivables with customers	473,930	470,569	+ 0.7%
of which: - impaired loans	*40,034*	*41,092*	*- 2.6%*
Financial liabilities held for trading	72,501	77,135	- 6.0%
Deposits from customers and debt securities in issue	580,859	560,688	+ 3.6%
of which: - deposits from customers	*435,898*	*410,412*	*+ 6.2%*
- securities in issue	*144,961*	*150,276*	*- 3.5%*
Shareholders' Equity	**50,195**	**49,390**	**+ 1.6%**

The figures in this table refer to reclassified balance sheet.

See § “Net write-downs on loans and provisions for guarantees and commitments” in this Interim Report on Operations for more details.

Staff and Branches

	AS AT 06.30.2015	AS AT 12.31.2014	CHANGE
Employees[1]	127,475	129,021	-1,546
Branches	7,121	7,516	-395
of which: - Italy	3,927	4,009	-82
- Other countries	*3,194*	*3,507*	*-313*

1. “Full time equivalent” data (FTE): number of employees counted for the rate of presence.

Profitability Ratios

	H1 2015	H1 2014	CHANGE
EPS[1] (€)	0.35	0.38	-0.03
Cost/income ratio	59.7%	59.3%	0.42bp
EVA[2] (€ million)	(1,306)	(1,182)	- 124
Return on assets[3]	0.14%	0.15%	-0.01bp

1. Annualized figure. €33,430 thousand was deducted from 2015 first half net profit of €1,034,413 thousand due to disbursements charged to equity made in connection with the contract of usufruct on treasury shares agreed under the 'cashes' transaction (€35,466 thousands was deducted from 2014 first half net profits).

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

3. Return on assets: calculated as the ratio of Net profit or loss to Total assets pursuant to art. 90 of CRD IV.

Risk Ratios

	AS AT 06.30.2015	AS AT 12.31.2014
Net non-performing loans to customers/Loans to customers	4.15%	4.19%
Net impaired loans to customers/Loans to customers	8.45%	8.73%

Transitional Capital Ratios

	AS AT 06.30.2015(*)	AS AT 12.31.2014(*)
Total own funds (€ million)	57,799	54,857
Total risk-weighted assets (€ million)	405,897	409,223
Common Equity Tier 1 Capital Ratio	**10.52%**	**10.26%**
Total own funds/Total risk-weighted assets	**14.24%**	**13.41%**

(*) Transitional own funds and capital ratios (Basel 3), based on the applicable percentages for year 2014 and 2015.

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

Ratings

	SHORT-TERM DEBT	MEDIUM AND LONG-TERM	OUTLOOK	STANDALONE RATING
Fitch Ratings	F2	BBB+	Stable	bbb+
Moody's Investors Service	P-2	Baa1	Stable	ba1
Standard & Poor's	A-3	BBB-	Stable	bbb-

Data as at June 21, 2015.

Condensed Accounts

Consolidated Balance Sheet

(€ million)

ASSETS	AMOUNTS AS AT 06.30.2015	AMOUNTS AS AT 12.31.2014	CHANGE AMOUNT	CHANGE PERCENT
Cash and cash balances	9,962	8,051	+ 1,911	+ 23.7%
Financial assets held for trading	97,626	101,226	- 3,600	- 3.6%
Loans and receivables with banks	86,192	68,730	+ 17,462	+ 25.4%
Loans and receivables with customers	473,930	470,569	+ 3,362	+ 0.7%
Financial investments	153,043	138,503	+ 14,539	+ 10.5%
Hedging instruments	9,282	11,988	- 2,705	- 22.6%
Property, plant and equipment	10,089	10,277	- 188	- 1.8%
Goodwill	3,617	3,562	+ 55	+ 1.6%
Other intangible assets	2,028	2,000	+ 28	+ 1.4%
Tax assets	15,117	15,772	- 655	- 4.2%
Non-current assets and disposal groups classified as held for sale	3,751	3,600	+ 151	+ 4.2%
Other assets	10,490	9,941	+ 549	+ 5.5%
Total assets	**875,126**	**844,217**	**+ 30,909**	**+ 3.7%**

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 06.30.2015	AMOUNTS AS AT 12.31.2014	CHANGE AMOUNT	CHANGE PERCENT
Deposits from banks	121,454	106,037	+ 15,417	+ 14.5%
Deposits from customers	435,898	410,412	+ 25,486	+ 6.2%
Debt securities in issue	144,961	150,276	- 5,315	- 3.5%
Financial liabilities held for trading	72,501	77,135	- 4,633	- 6.0%
Financial liabilities designated at fair value	460	567	- 107	- 18.8%
Hedging instruments	12,543	15,150	- 2,608	- 17.2%
Provisions for risks and charges	10,017	10,623	- 606	- 5.7%
Tax liabilities	1,427	1,750	- 324	- 18.5%
Liabilities included in disposal groups classified as held for sale	1,448	1,650	- 203	- 12.3%
Other liabilities	20,951	17,781	+ 3,170	+ 17.8%
Minorities	3,272	3,446	- 174	- 5.1%
Group Shareholders' Equity:	50,195	49,390	+ 805	+ 1.6%
- Capital and reserves	*50,163*	*48,065*	*+ 2,098*	*+ 4.4%*
- AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve	*(1,003)*	*(683)*	*- 319*	*+ 46.7%*
- Net profit (loss)	*1,034*	*2,008*	*- 973*	*- 48.5%*
Total liabilities and Shareholders' Equity	**875,126**	**844,217**	**+ 30,909**	**+ 3.7%**

Consolidated Income Statement

(€ million)

	H1		CHANGE		
	2015	2014	€M	PERCENT	ADJUSTED[1]
Net interest	5,962	6,256	- 294	- 4.7%	- 1.9%
Dividends and other income from equity investments	387	425	- 38	- 8.9%	- 17.8%
Net fees and commissions	4,011	3,853	+ 158	+ 4.1%	+ 4.4%
Net trading income	1,092	813	+ 279	+ 34.3%	+ 33.6%
Net other expenses/income	31	39	- 8	- 20.8%	- 11.8%
OPERATING INCOME	**11,484**	**11,387**	**+ 97**	**+ 0.9%**	**+ 2.5%**
Payroll costs	(4,220)	(4,089)	- 131	+ 3.2%	+ 4.2%
Other administrative expenses	(2,583)	(2,638)	+ 55	- 2.1%	- 0.6%
Recovery of expenses	401	417	- 16	- 3.9%	- 3.1%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(451)	(437)	- 14	+ 3.2%	+ 6.6%
Operating costs	**(6,853)**	**(6,747)**	**- 106**	**+ 1.6%**	**+ 2.9%**
OPERATING PROFIT (LOSS)	**4,631**	**4,640**	**- 9**	**- 0.2%**	**+ 1.8%**
Net write-downs on loans and provisions for guarantees and commitments	(1,893)	(1,842)	- 52	+ 2.8%	+ 6.2%
NET OPERATING PROFIT (LOSS)	**2,737**	**2,798**	**- 61**	**- 2.2%**	**- 1.4%**
Other charges and provisions	(623)	(356)	- 268	+ 75.3%	+ 74.9%
Integration costs	(4)	(44)	+ 40	- 91.2%	- 88.7%
Net income from investments	13	47	- 34	- 72.6%	- 72.8%
PROFIT (LOSS) BEFORE TAX	**2,123**	**2,446**	**- 323**	**- 13.2%**	**- 14.2%**
Income tax for the period	(581)	(991)	+ 410	- 41.4%	- 41.4%
NET PROFIT (LOSS)	**1,542**	**1,455**	**+ 87**	**+ 6.0%**	**+ 8.0%**
Profit (Loss) from non-current assets held for sale, after tax	(180)	(22)	- 158	n.s.	n.s.
PROFIT (LOSS) FOR THE PERIOD	**1,363**	**1,433**	**- 70**	**- 4.9%**	**- 16.7%**
Minorities	(202)	(172)	- 30	+ 17.2%	+ 16.8%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**1,161**	**1,261**	**- 100**	**- 7.9%**	**- 22.4%**
Purchase Price Allocation effect	(126)	(145)	+ 19	- 12.9%	- 8.7%
Goodwill impairment	-	-	-	n.s.	n.s.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**1,034**	**1,116**	**- 81**	**- 7.3%**	**- 24.6%**

Notes:

1. Changes at constant foreign exchange rates and perimeter.

Income statement for 2014 differs from the figures disclosed in 2014 as the result of:
- the reclassification of the income arising from the placement fees of Debt Capital Markets "best effort" transactions (i.e. placement of financed instruments without underwriting risks) from "Net trading income" to "Net fees and commission";
- the reclassification of the margins arising from currency trading with customers of a subsidiary from "Net fees and commission" to "Net trading income";
- the reclassification of Bank Levy and of contributions to preexisting Deposit Guarantee Schemes and local Resolution Funds from "Other administrative expenses" and "Net other expenses/income" to "Other charges and provisions" (formerly named "Provision for risks and charges").

Quarterly Figures

Consolidated Balance Sheet

(€ million)

ASSETS	AMOUNTS AS AT 06.30.2015	03.31.2015	AMOUNTS AS AT 12.31.2014	09.30.2014	06.30.2014	03.31.2014
Cash and cash balances	9,962	9,870	8,051	8,882	9,975	12,499
Financial assets held for trading	97,626	114,356	101,226	93,026	84,079	79,368
Loans and receivables with banks	86,192	89,014	68,730	83,284	72,308	74,128
Loans and receivables with customers	473,930	482,658	470,569	470,356	474,798	483,782
Financial investments	153,043	148,503	138,503	136,042	135,773	129,451
Hedging instruments	9,282	11,482	11,988	14,435	13,845	12,586
Property, plant and equipment	10,089	10,278	10,277	10,283	10,509	10,690
Goodwill	3,617	3,668	3,562	3,565	3,536	3,528
Other intangible assets	2,028	2,020	2,000	1,882	1,854	1,797
Tax assets	15,117	14,595	15,772	16,174	16,887	17,867
Non-current assets and disposal groups classified as held for sale	3,751	3,915	3,600	8,301	3,325	3,166
Other assets	10,490	10,291	9,941	9,563	9,789	10,994
Total assets	**875,126**	**900,649**	**844,217**	**855,793**	**836,679**	**839,854**

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 06.30.2015	03.31.2015	AMOUNTS AS AT 12.31.2014	09.30.2014	06.30.2014	03.31.2014
Deposits from banks	121,454	130,422	106,037	116,977	109,863	118,328
Deposits from customers	435,898	423,162	410,412	399,695	401,490	397,090
Debt securities in issue	144,961	150,625	150,276	155,213	159,515	163,073
Financial liabilities held for trading	72,501	90,224	77,135	72,237	63,637	62,622
Financial liabilities designated at fair value	460	539	567	627	649	638
Hedging instruments	12,543	16,408	15,150	16,444	15,018	13,521
Provisions for risks and charges	10,017	10,449	10,623	9,721	9,570	9,083
Tax liabilities	1,427	1,892	1,750	1,887	1,779	2,387
Liabilities included in disposal groups classified as held for sale	1,448	1,479	1,650	6,885	1,401	1,447
Other liabilities	20,951	20,408	17,781	21,275	21,585	20,816
Minorities	3,272	3,711	3,446	3,475	3,234	3,391
Group Shareholders' Equity:	50,195	51,331	49,390	51,357	48,937	47,460
- Capital and reserves	*50,163*	*50,655*	*48,065*	*49,139*	*47,640*	*46,595*
- AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve	*(1,003)*	*164*	*(683)*	*380*	*182*	*152*
- Net profit (loss)	*1,034*	*512*	*2,008*	*1,837*	*1,116*	*712*
Total liabilities and Shareholders' Equity	**875,126**	**900,649**	**844,217**	**855,793**	**836,679**	**839,854**

Consolidated Income Statement

(€ million)

	2015		2014			
	Q2	Q1	Q4	Q3	Q2	Q1
Net interest	2,999	2,963	3,064	3,122	3,179	3,077
Dividends and other income from equity investments	269	118	191	178	321	104
Net fees and commissions	1,997	2,014	1,883	1,856	1,963	1,890
Net trading income	473	619	339	383	342	472
Net other expenses/income	(3)	34	128	21	(7)	46
OPERATING INCOME	**5,735**	**5,749**	**5,604**	**5,561**	**5,798**	**5,588**
Payroll costs	(2,127)	(2,093)	(2,082)	(2,030)	(2,002)	(2,087)
Other administrative expenses	(1,294)	(1,289)	(1,325)	(1,281)	(1,339)	(1,299)
Recovery of expenses	213	188	215	202	226	191
Amortisation, depreciation and impairment losses on intangible and tangible assets	(227)	(224)	(239)	(220)	(221)	(216)
Operating costs	**(3,435)**	**(3,418)**	**(3,432)**	**(3,328)**	**(3,336)**	**(3,410)**
OPERATING PROFIT (LOSS)	**2,299**	**2,331**	**2,172**	**2,233**	**2,462**	**2,178**
Net write-downs on loans and provisions for guarantees and commitments	(913)	(980)	(1,697)	(754)	(1,003)	(838)
NET OPERATING PROFIT (LOSS)	**1,386**	**1,351**	**475**	**1,479**	**1,459**	**1,339**
Other charges and provisions	(359)	(264)	(140)	(232)	(232)	(123)
Integration costs	(2)	(1)	29	(5)	(40)	(4)
Net income from investments	18	(5)	(4)	43	(16)	62
PROFIT (LOSS) BEFORE TAX	**1,043**	**1,080**	**360**	**1,285**	**1,171**	**1,275**
Income tax for the period	(238)	(343)	43	(350)	(582)	(408)
NET PROFIT (LOSS)	**805**	**737**	**403**	**936**	**588**	**867**
Profit (Loss) from non-current assets held for sale, after tax	(121)	(58)	(69)	(33)	(26)	3
PROFIT (LOSS) FOR THE PERIOD	**683**	**679**	**334**	**902**	**563**	**870**
Minorities	(100)	(102)	(96)	(112)	(89)	(83)
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**583**	**577**	**238**	**790**	**474**	**787**
Purchase Price Allocation effect	(61)	(65)	(68)	(69)	(71)	(74)
Goodwill impairment	-	-	-	-	-	-
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**522**	**512**	**170**	**722**	**403**	**712**

Notes:

Income statement for 2014 differs from the figures disclosed in 2014 as the result of:

- the reclassification of the income arising from the placement fees of Debt Capital Markets "best effort" transactions (i.e. placement of financed instruments without underwriting risks) from "Net trading income" to "Net fees and commission";
- the reclassification of the margins arising from currency trading with customers of a subsidiary from "Net fees and commission" to "Net trading income";
- the reclassification of Bank Levy and of contributions to preexisting Deposit Guarantee Schemes and local Resolution Funds from "Other administrative expenses" and "Net other expenses/income" to "Other charges and provisions" (formerly named "Provision for risks and charges").

Comparison of Q2 2015/Q2 2014

Condensed Income Statement

(€ million)

	Q2		CHANGE		
	2015	2014	€M	PERCENT	ADJUSTED[1]
Net interest	2,999	3,179	- 180	- 5.7%	- 3.3%
Dividends and other income from equity investments	269	321	- 52	- 16.2%	- 10.4%
Net fees and commissions	1,997	1,963	+ 34	+ 1.7%	+ 1.9%
Net trading income	473	342	+ 131	+ 38.3%	+ 45.8%
Net other expenses/income	(3)	(7)	+ 4	- 52.8%	- 43.7%
OPERATING INCOME	**5,735**	**5,798**	**- 64**	**- 1.1%**	**+ 1.1%**
Payroll costs	(2,127)	(2,002)	- 125	+ 6.2%	+ 7.0%
Other administrative expenses	(1,294)	(1,339)	+ 45	- 3.3%	- 1.9%
Recovery of expenses	213	226	- 13	- 5.8%	- 4.8%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(227)	(221)	- 6	+ 2.7%	+ 5.7%
Operating costs	**(3,435)**	**(3,336)**	**- 99**	**+ 3.0%**	**+ 4.1%**
OPERATING PROFIT (LOSS)	**2,299**	**2,462**	**- 163**	**- 6.6%**	**- 3.1%**
Net write-downs on loans and provisions for guarantees and commitments	(913)	(1,003)	+ 90	- 9.0%	- 2.9%
NET OPERATING PROFIT (LOSS)	**1,386**	**1,459**	**- 72**	**- 5.0%**	**- 3.3%**
Other charges and provisions	(359)	(232)	- 127	+ 54.8%	+ 53.9%
Integration costs	(2)	(40)	+ 38	- 93.9%	- 91.8%
Net income from investments	18	(16)	+ 33	n.s.	n.s.
PROFIT (LOSS) BEFORE TAX	**1,043**	**1,171**	**- 128**	**- 11.0%**	**- 11.4%**
Income tax for the period	(238)	(582)	+ 345	- 59.2%	- 59.7%
NET PROFIT (LOSS)	**805**	**588**	**+ 217**	**+ 36.8%**	**+ 38.9%**
Profit (Loss) from non-current assets held for sale, after tax	(121)	(26)	- 96	n.s.	n.s.
PROFIT (LOSS) FOR THE PERIOD	**683**	**563**	**+ 121**	**+ 21.5%**	**+ 12.9%**
Minorities	(100)	(89)	- 11	+ 12.6%	+ 12.8%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**583**	**474**	**+ 110**	**+ 23.1%**	**+ 12.9%**
Purchase Price Allocation effect	(61)	(71)	+ 10	- 13.6%	- 13.7%
Goodwill impairment	-	-	-	n.s.	n.s.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**522**	**403**	**+ 119**	**+ 29.5%**	**+ 18.0%**

Notes:

1. Changes at constant exchange rates and perimeter.

Income statement for 2014 differs from the figures disclosed in 2014 as the result of:

- the reclassification of the income arising from the placement fees of Debt Capital Markets "best effort" transactions (i.e. placement of financed instruments without underwriting risks) from "Net trading income" to "Net fees and commission";
- the reclassification of the margins arising from currency trading with customers of a subsidiary from "Net fees and commission" to "Net trading income";
- the reclassification of Bank Levy and of contributions to preexisting Deposit Guarantee Schemes and local Resolution Funds from "Other administrative expenses" and "Net other expenses/income" to "Other charges and provisions" (formerly named "Provision for risks and charges").

Segment Reporting (Summary)

Key figures by business segment

(€ million)

	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CEE DIVISION	CIB	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER[1]	NON-CORE	CONSOLIDATED GROUP TOTAL
Income Statement											
OPERATING INCOME											
H1 2015	4,430	1,353	774	868	1,891	2,049	455	268	(710)	106	**11,484**
H1 2014	*4,301*	*1,368*	*881*	*879*	*1,862*	*1,892*	*376*	*226*	*(617)*	*219*	***11,387***
Operating costs											
H1 2015	(2,120)	(1,026)	(678)	(392)	(722)	(900)	(288)	(120)	(306)	(303)	**(6,853)**
H1 2014	*(2,059)*	*(1,010)*	*(688)*	*(404)*	*(738)*	*(845)*	*(242)*	*(107)*	*(325)*	*(328)*	***(6,747)***
OPERATING PROFIT											
H1 2015	2,310	327	96	476	1,168	1,149	167	148	(1,015)	(197)	**4,631**
H1 2014	*2,241*	*358*	*193*	*475*	*1,124*	*1,046*	*134*	*119*	*(941)*	*(109)*	***4,640***
PROFIT BEFORE TAX											
H1 2015	1,696	194	25	372	681	895	158	141	(1,072)	(967)	**2,123**
H1 2014	*1,600*	*325*	*115*	*388*	*685*	*867*	*133*	*115*	*(865)*	*(918)*	***2,446***
Balance Sheet											
LOANS TO CUSTOMERS											
as at June 30, 2015	134,063	79,563	48,785	28,815	58,870	88,203	-	836	(6,561)	41,356	**473,930**
as at December 31, 2014	*130,190*	*78,416*	*47,379*	*26,896*	*57,073*	*89,225*	*-*	*696*	*(6,708)*	*47,402*	***470,569***
DEPOSITS FROM CUSTOMERS AND DEBT SECURITIES IN ISSUE											
as at June 30, 2015	144,222	101,978	63,847	30,784	56,073	101,524	-	15,554	65,042	1,835	**580,859**
as at December 31, 2014	*145,347*	*102,236*	*63,442*	*30,178*	*52,213*	*87,466*	*-*	*14,254*	*63,208*	*2,344*	***560,688***
TOTAL RISK WEIGHTED ASSETS											
as at June 30, 2015	80,464	31,121	24,582	25,618	93,461	67,494	1,875	1,722	44,442	35,119	**405,897**
as at December 31, 2014	*80,591*	*33,608*	*24,047*	*25,894*	*89,278*	*67,510*	*1,693*	*1,742*	*45,315*	*39,545*	***409,223***
EVA											
H1 2015	647	(53)	(52)	69	(189)	203	106	56	(1,240)	(853)	**(1,306)**
H1 2014	*590*	*(8)*	*(31)*	*74*	*52*	*123*	*80*	*66*	*(1,299)*	*(828)*	***(1,182)***
Cost/income ratio											
H1 2015	47.9%	75.8%	87.6%	45.2%	38.2%	43.9%	63.2%	44.7%	-43.1%	285.1%	**59.7%**
H1 2014	*47.9%*	*73.8%*	*78.1%*	*45.9%*	*39.6%*	*44.7%*	*64.5%*	*47.3%*	*-52.7%*	*149.6%*	***59.3%***
Employees											
as at June 30, 2015	37,249	12,326	6,565	17,916	28,834	3,986	2,037	992	15,862	1,707	**127,475**
as at December 31, 2014	*37,264*	*13,422*	*6,701*	*18,160*	*29,040*	*3,955*	*2,021*	*974*	*15,633*	*1,849*	***129,021***

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.

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.

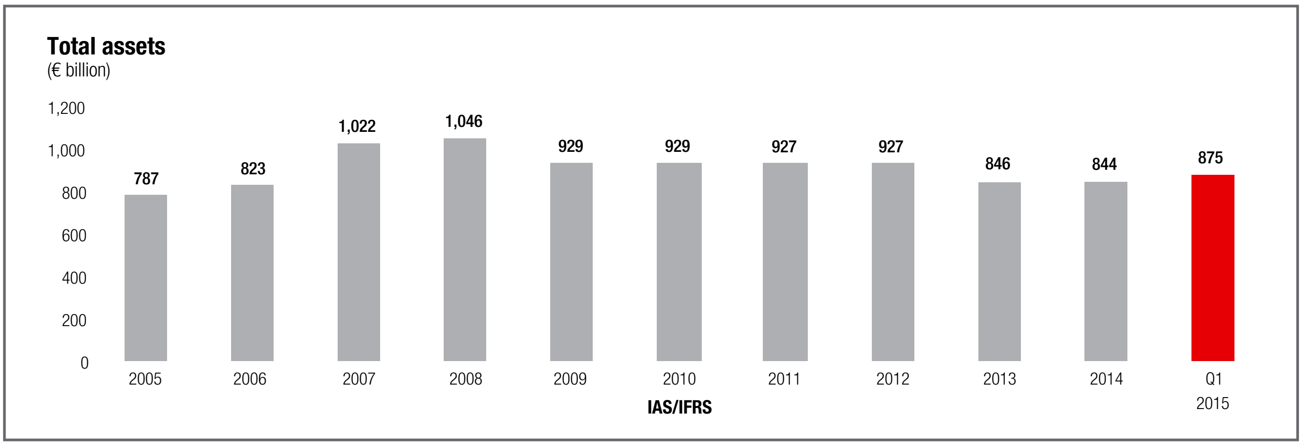
This expansion was characterized, particularly:

- 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 2005 - 2015

	IAS/IFRS										
	H1 2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Income Statement (€ million)											
Operating income	11,484	22,513	23,973	25,049	25,200	26,347	27,572	26,866	25,893	23,464	11,024
Operating costs	(6,853)	(13,838)	(14,801)	(14,979)	(15,460)	(15,483)	(15,324)	(16,692)	(14,081)	(13,258)	(6,045)
Operating profit (loss)	4,631	8,675	9,172	10,070	9,740	10,864	12,248	10,174	11,812	10,206	4,979
Profit (loss) before income tax	2,123	4,091	-4,888	317	2,060	2,517	3,300	5,458	9,355	8,210	4,068
Net profit (loss) for the period	1,363	2,669	-3,920	1,687	644	1,876	2,291	4,831	6,678	6,128	2,731
Net profit (loss) attributable to the Group	1,034	2,008	(13,965)	865	-9,206	1,323	1,702	4,012	5,961	5,448	2,470
Balance Sheet (€ million)											
Total assets	875,126	844,217	845,838	926,827	926,769	929,488	928,760	1,045,612	1,021,758	823,284	787,284
Loans and receivables with customers	473,930	470,569	503,142	547,144	559,553	555,653	564,986	612,480	574,206	441,320	425,277
of which: non-performing loans	*19,651*	*19,701*	*18,058*	*19,360*	*18,118*	*16,344*	*12,692*	*10,464*	*9,932*	*6,812*	*6,861*
Deposits from customers and debt securities in issue	580,859	560,688	571,024	579,965	561,370	583,239	596,396	591,290	630,533	495,255	462,226
Shareholders' Equity	50,195	49,390	46,841	62,784	51,479	64,224	59,689	54,999	57,724	38,468	35,199
Profitability ratios (%)											
Operating profit (loss)/Total assets	0.53	1.03	1.08	1.09	1.05	1.17	1.32	0.97	1.16	1.24	0.63
Cost/income ratio	59.7	61.5	61.7	59.8	61.4	58.8	55.6	62.1	54.4	56.5	54.8

Information in the table are "historical figures". They don't allow comparison because they are not recasted or adjusted following to new accounting principles or perimeter changes.



UniCredit Share

Share Information

	H1 2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Share price (€) (*)											
- maximum	6.550	6.870	5.630	4.478	13.153	15,314	17.403	31.810	42.841	37.540	32.770
- minimum	4.910	5.105	3.238	2.286	4.222	9,820	4.037	8.403	28.484	30.968	22.592
- average	6.018	5.996	4.399	3.292	8.549	12,701	11.946	21.009	36.489	34.397	25.649
- end of period	6.025	5.335	5.380	3.706	4.228	10,196	14.730	9.737	31.687	37.049	32.457
Number of outstanding shares (million)											
- at period end[1]	5,970	5,866	5,792	5,789	1,930.0	19.297,6	16,779.3	13,368.1	13,278.4	10,351.3	10,303.6
- shares cum dividend	5,873	5,769	5,695	5,693	1,833.0	18.330,5	18,329.5	13,372.7	13,195.3	10,357.9	10,342.3
of which: savings shares	*2.48*	*2.45*	*2.42*	*2.42*	*2.4*	*24.2*	*24.2*	*21.7*	*21.7*	*21.7*	*21.7*
- average[1]	5,883	5,837	5,791	5,473	1,930.0	19,101.8	16,637.8	13,204.6	11,071.6	10,345.2	6,730.3
Dividend											
- total dividends (€ million)		697	570	512	(***)	550	550	(**)	3,431	2,486	2,276
- dividend per ordinary share		0.120	0.100	0.090	(***)	0,030	0.030	(**)	0.260	0.240	0.220
- dividend per savings share		1.065	0.100	0.090	(***)	0,045	0.045	(**)	0.275	0.255	0.235

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

(*) Following extraordinary corporate operations, which involve the detachment of rights, stock splitting or grouping, demerger operations and distribution of extraordinary dividends, the price of the shares can fluctuate so much that they are no longer comparable. Thus, the time series hereby published are adjusted accordingly to restore the continuity of historical price series.
(**) 2008 dividend was paid with cash to savings shareholders (€0.025 per share, for a total amount of €0.5 million), and with newly issued shares (so called "scrip dividend").
(***) As per Bank of Italy's paper dated March 2, 2012, in keeping with the decision of UniCredit S.p.A.'s Board of Directors and in line with the intention announced to the Shareholders' Meeting in 2012, UniCredit S.p.A. did not pay any dividends with respect to its 2011 financial results.

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

In the first quarter of 2012 the capital increase of €7.5 billion equal to a number of shares issued of 3,859.602.938 was fully subscribed for.
Figures relating to the 2013 dividend are shown according to the specific Board of Directors' reports on the distribution to Shareholders.

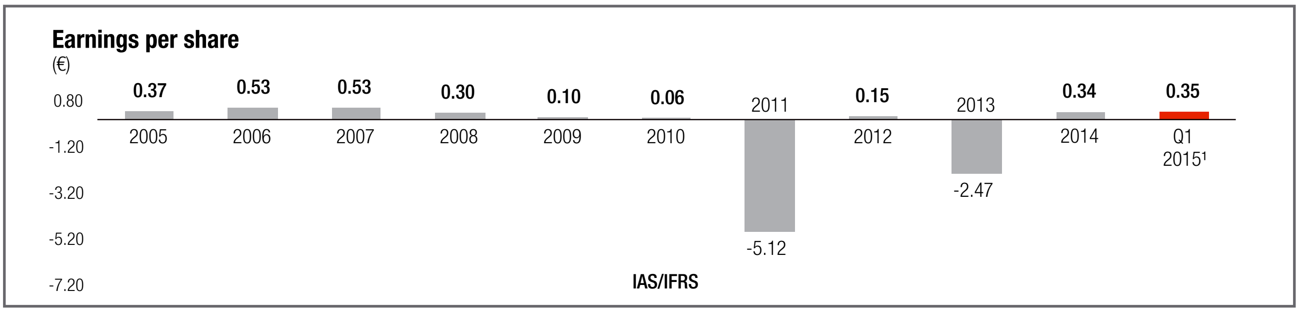
The Shareholders' Meeting of May 13, 2014 approved a scrip dividend scheme under which the holders of ordinary shares and the holders of savings shares will be allocated one new share for every sixty shares held and one new share for every eighty-four shares held, respectively. The new shares were allocated through a free share capital increase, without prejudice to the shareholders' right to opt for a cash payout (€0.10 for each ordinary and savings share) in lieu of the allocation of the new shares.

The Shareholders' Meeting of the May 13, 2015, approved the payment of dividends in the form of a "scrip dividend", with the assignment to shareholders who hold ordinary shares of one new share per fifty shares held, and to holders of savings shares one new share per seventy-two shares held. The assignment of the new shares occurred following a free share-capital increase, without affecting the shareholders' right to request payment of the dividend in cash (€0.12 per ordinary and savings share), in place of assignment of shares.
The Shareholders' Meeting also approved the partial distribution of 2014 and previous years profits, with payment of €0.945 per savings share, as preferred dividend.

Earnings Ratios

	IAS/IFRS										
	H1 2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Shareholders' Equity (€ million)	50,195	49,390	46,841	62,784	51,479	64,224	59,689	54,999	57,724	38,468	35,199
Group portion of net profit (loss) (€ million)	1,034	2,008	(13,965)	865	-9,206	1,323	1,702	4,012	5,961	5,448	2,470
Net worth per share (€)	8.41	8.42	8.09	10.85	26.67	3.33	3.56	4.11	4.35	3.72	3.42
Price/Book value	0.72	0.63	0.67	0.34	0.16	3.06	4.14	2.37	7.28	9.97	9.50
Earnings per share[1] (€)	0.35	0.34	-2.47	0.15	-5.12	0.06	0.10	0.30	0.53	0.53	0.37
Payout ratio (%)		34.7	-4.1	59.2		41.6	32.3	(*)	58.1	45.6	92.1
Dividend yield on average price per ordinary share (%)		2.00	2.27	2.73		1.55	1.58	(*)	3.98	3.90	4.79

Information in the table are "historical figures" and they must be read with reference to each single period.
1. Annualized figures.
(*) 2008 dividend was paid with cash to savings shareholders (€0,025 per share, for a total amount of €0.5 million), and with newly issued shares (so called "scrip dividend").
The 2008 EPS figure published in the consolidated report as at December 31, 2008 was €0.30 and has now been amended to €0.26 due to the increase in the number of shares following the capital increase (IAS 33 § 28).
For the purposes of calculating 2009 EPS, net profit for the period of €1,702 million was changed to €1,571 million due to disbursements made in connection with the foreseen use of treasury shares agreed under the 'cashes' transaction, and charged to equity. For the purposes of calculating EPS, net profit for 2010 of €1,323 million was changed to €1,167 million; net losses for 2011 of €9,206 million was changed to €9,378 million; net profit for 2012 of €865 million was deducted of €46 million. The 2014 EPS calculation €35 million was deducted from 2014 net profit of €2,008 million. €33 million was deducted from 2015 first half net profit of €1,034 million.



1. Annualized figures.

Group Results

Macroeconomic situation, banking and financial markets

International situation

USA/Eurozone

The international economic situation remained favourable during the first six months of 2015, despite the fact that the growth recorded in the first quarter was contained and below expectations. The signs of recovery coming out of the United States increased over the last few months. The industrial sector in Japan seems to be showing moderate growth. Positive signs from the labour market have intensified in the case of the United Kingdom.
The macro-economic scenario for emerging markets, on the other hand, continues to deteriorate. Economic growth in China is still slowing due to the many structural challenges facing Beijing. Other emerging economies like Brazil have felt the impact of the drop in export-derived income from energy products and other raw materials. Finally, Russia is struggling to recover from the impact of the financial crisis that it was swept up in at the end of 2014.

In the Euro area, the recovery remains moderate. On a quarterly basis, GDP grew by 0.4% during the first quarter of 2015, driven mainly by private consumption and, to a lesser extent, by investments. The former benefited from consumers' increased purchasing power as a result of lower oil prices, whereas the latter resulted from improved credit conditions. External demand was, however, influenced by the weakness in global trade, linked to the slowdown in emerging economies. We expect an increase in exports during the second quarter, which will be positively affected by the delayed impact of a weak Euro. This in turn will promote a further recovery in investments. Based on current levels, PMIs (Purchase Manager Index) confirm our forecasts for an additional 0.4% growth in GDP during the second quarter of 2015.
The difficult negotiations as regards extending Greece's rescue package have not impacted significantly on the real economy in the Euro area, or on financial markets.

Inflation trends are starting to slowly normalise. In May, the consumer price index regained positive ground coming in at 0.3%. The continued weakness is due mainly to the price of energy products. The core component (excluding products where prices tend to be more volatile like energy and food) remains contained, at levels below 1%.

At the beginning of the year, the ECB Governing Council announced that the monetary stimulus generated by the measures adopted between June and September last year was insufficient to reach medium-term inflationary targets. On January 22, 2015 the Council therefore decided to extend the bond-buying programme to achieve the monetary policies that were introduced in September last year, adding bonds issued by member countries and certain public agencies in the Euro area and European institutions to the asset-backed securities and covered bonds. The programme that was launched in March foresees the purchase of approximately €60 billion a month; the programme should continue up until the end of September 2016 or until the inflationary trend in the Euro area falls in line with monetary policy objectives.

During the first quarter of the year, the United States experienced a 0.7% drop in GDP on an annual basis, mainly due to temporary factors, such as adverse weather conditions, strikes at its ports and the collapse of the domestic oil sector. The initial months of the second quarter saw a sustained increase in economic activity, due principally to a recovery in private consumer levels. Employment creation remains stable, and salaries have started to increase.
The unemployment rate has fallen to pre-crisis levels, Inflation remains below 2%, but the combined effect of solid domestic demand and a hike in oil prices could result in increased prices. In the light of the weakness at the start of the year and the strengthening of the dollar that had a negative effect on American economic activity, the Fed postponed its increase in interest rates. Current expectations are for this announcement to be made in September.

Banking and financial markets

The trend in lending in the Euro area continued to improve during the first quarter of 2015, with loans to the private sector showing positive growth (+0.5% on an annual basis) for the first time since the beginning of 2012. Loans to households continued to increase at a slightly higher rate, while funding to businesses began to inch out of negative territory.

This improvement involved all three reference countries in the Group, although loans to the private sector in Italy, and more particularly loans to companies are still shrinking, compared to the stabilising of loans to households. With the return to positive economic growth during the first quarter of the year, further improvement is expected in the credit trend for the year. Germany and Austria have experienced further consolidation in the expansion of bank loans to businesses, and especially to households wanting to purchase residential properties.

As far as the trend in deposits is concerned, this remained in the positive for the first quarter of the year in all three of the Group's reference countries, with a net increase in current account deposits.
In terms of bank interest-rate trends, the first quarter of the year saw a progressive improvement in the ECB's transmission mechanism for its economic policy, which was reflected in a greater reaction in bank interest rates in peripheral Euro area countries, including Italy; this was in respect of policy rates and the progressive converging towards interest rates of loans in core countries like Germany. In addition, all three of the Group's countries experienced a gradual drop in the banking spread (the difference between the average rate on loans and on deposits).

Finally, share markets remained positive for the entire first quarter of 2015, subsequent to the introduction of quantitative easing by the ECB, with performance only coming down during the last month on the back of the uncertainty linked to the Greek crisis. Stock markets in all three of the Group's countries closed the quarter with a surplus in cumulative terms, compared with the end of 2014; this referred to 12% in the case of the German and Austrian Stock Exchanges and 18% for the Italian Stock Exchange.

CEE Countries

2015 saw a good start for the CEE region. Buoyed by the rebound in demand in the euro area and ample liquidity thanks to the ECB's QE, growth surprised to the upside – but not everywhere. While it firmed in Central Europe, growth remains lackluster in Turkey and elusive Serbia. Russia and Ukraine, meanwhile, sank deeper into recession as the fallout of the drop in commodity prices has been exacerbated by deeply-rooted structural rigidities, the geopolitical tensions between them and the related sanctions on Russia.

The new EU members in Central Europe (EU-CEE) benefitted the most thanks to their deeper integration with the EA. Moreover, unlike the recent past, this time the rebound in growth has been broad based, with fixed investment picking up on the improved growth outlook and private consumption finally taking off in response to improving labor markets, rising real incomes and the winding down of the multi-year deleveraging process.

Going forward, the pace of economic expansion will remain solid in the EU-CEE, increasingly boosted by domestic demand. The latter will be supported by stimulative economic policies. With budget revenues likely to outperform expectations thanks to robust growth, governments in the EU-CEE can afford to support demand by spending more or cutting taxes. At the same time, low inflation and record-low interest rates in the euro area should help keep monetary policy accommodative through the rest of the year.

In contrast, fiscal policies will remain a drag on growth in both Serbia and Croatia, which are undergoing significant fiscal adjustment under programs agreed with the IMF and the EU, respectively. Both countries stand to benefit less from the rebound in the euro area given lesser integration and less enabling investment climates, but the pickup in foreign demand should still help pull them out of recession. Plagued by political uncertainty, heightened market volatility and sluggish exports due to geopolitical tensions and flagging competitiveness vis-à-vis the euro area, growth in Turkey will languish in 2015.

While in Russia the stabilization of oil prices and the tenuous truce in eastern Ukraine have cushioned slightly the drop in output, the bottom has not been reached yet. The recession is likely to be shallower, but also longer than previously expected, with prospects for recovery postponed till 2017 or beyond by long-standing structural weaknesses and the consequences of sanctions.

Ukraine, on the other hand, is fighting for survival, with the economy in free-fall, financial markets frozen and odds for a disorderly external debt default rising with the debt restructuring talks stalled. While in both countries policies remain largely crisis-driven and therefore counter-cyclical, Russian authorities enjoy more room for maneuver thanks to significant fiscal and FX buffers and a moderation in inflation. The latter, along with fragile ruble stabilization, has opened scope for continued interest rate cuts. Even so, given the lingering geopolitical tensions and uncertain prospects for oil markets, the central bank is likely to opt for only gradual monetary easing.

In the rest of the region, the easing cycle is about to come to an end. With output in the EU-CEE approaching potential, labor markets firming and the impact of the drop in oil and food prices fading later this year, inflation could surprise on the upside. However, rate hikes may well be delayed as long as the ECB's QE keeps interest rates in the euro area low and liquidity ample. Rate hikes seem imminent in Turkey, in contrast, where inflation pressures have intensified, market volatility is high and political uncertainty set to continue.

Group Results (Continued)

Main results and performance for the period

Introduction

In the first half 2015 the Group recorded a **net profit** equal to €1,034 million, decreasing by 7.3% compared with the same period in 2014, which closed at €1,116 million (down by 17.2% at constant exchange rates). The result of the first half of the year has been affected by the systemic charges (including the contributions to: the Deposits Guarantee Scheme -DGS and Single Resolution Fund -SRF, accounted with reference to countries where these have already been actually or substantially transposed into national regulations, and the Bank Levies) for a total amount) for a total amount of €406 million (versus €199 million of first half 2014). However, it has been considered that the first half 2014 was affected by the additional tax on the valuation of the Banca d'Italia stake (€215 million).

"Core" segment (that includes the strategic business segments and in line with the risk strategies determined by the Group) contributed to this result for €1,697 million, decreasing by 3.9% compared with the same period in 2014 (down by 10.1% at constant exchange rates). The drop was mainly attributable to higher operating expenses and net write-downs on loans, as well as to the systemic charges and to the loss of the Ukrainian subsidiary.

In contrast the *"Non-core"* activities (that includes non-strategic segments and/or those with a considered poor fit to the Group's risk-adjusted return framework, to be managed with the aim of reducing the overall exposure) in first half 2015 registered a loss of €663 million as an effect of lower revenues caused by the progressive decrease of loans volumes, by the growing incidence of the non-performing component that do not accrue interests and by the sill high provisions on credit risk.
The first half loss of *"Non-core"* activities was substantially in line with the one of the same period of last year.

Operating income

In the first half 2015 **Group's operating income** amounted to €11,484 million, increasing by 0.9% over the same period 2014 (up by 1.4% at constant exchange rates) mainly due to trading result dynamics and to the good result of the fees and commissions. In particular **net interest** amounted to €5,962 million, falling by 4.7% over last year, **dividends** (which include companies accounted for using the equity method's profit) to €387 million, decreasing by 8.9% over last year, **net fees and commissions** to €4,011 million, increasing by 4.1% over last year, while **net trading, hedging and fair value income** increased by 34,3% to €1,092 million. Finally **net other expenses/income** in first half totalized €31 million, in comparison to €39 million of the same period last year.

Almost the whole **operating income** (€11,377 million) was attributable to the *"core"* segment, increasing compared with the previous year (up by 2.4% at constant exchange rates) mainly attributable to a higher net trading, hedging and fair value income and to the good performance of the fees and commissions, only partially offset by the fall of the net interest (down by 1.7% at constant exchange rates compared to first half 2014) and dividends (down by 10.2% at constant exchange rates compared to first half 2014).

In particular *"core"* segment's **net interest** was equal to €5,927 million, decreasing by 3.5% over the previous year restated (down by 1.7% at constant exchange rates).
Such a negative trend is attributable to the decrease of interests income on lending to customers, only partially offset by the reduction of the average cost of commercial funding. Such a trend was generated by the progressive reduction of credit spreads, initially on govies, later continued in the corporate sector, in a falling interest rates' environment (average 3 months Euribor equal to 0.02% in the first half 2015 compared with 0.30% in the same period 2014).

Net interests decrease has took place in a quite improving loans dynamic. In particular **loans to customers** related to the *"core"* segment (equal to €432.6 billion as of June 30, 2015) were up by 2.0% over the previous year (up by 3.1% at constant exchange rates); also if compared to the previous quarter they continued to show some stabilization signs, with the stock of commercial loans to customers growing by 0.5% (up by 0.7% at constant exchange rates).
The evolution of commercial loans to customers volumes of *"core"* segment shows broad growths at geographical level: compared to first half 2014 both Western Europe registered an increase (up by 2.5%), in particular due to Italy up by 2.7%, Germany up by 1.8% and Austria up by 2.9% and the countries of CEE Region (up by 9.9% at constant exchange rates) driven by Russia (up by 27.7% at constant exchange rates), Czech Republic (up by 8.4% at constant exchange rates) Romania (up by 7.7% at constant exchange rates), Bulgaria (up by 5.4% at constant exchange rates) and Poland (up by 10.1% at constant exchange rates).

Direct funding from customers (deposits and securities) of *"core"* segment was growing by 3.6% (up by 4.6% at constant exchange rates) over the first half 2014. Such a trend was a result of the commercial direct funding from customers (up by 5.6%), while the institutional component was decreasing (down by 0.7%).
Focusing on commercial direct funding from customers, the Western Europe countries were growing, with Italy up by 1.5%, Germany up by 5.0% and Austria up by 9.5%.

The CEE Region continued towards achieving a balance between loans and deposits, growing by 12.1% (up by 18.8% at constant exchange rates) over the previous year, driven by Poland (up by 9.2% at constant exchange rates), Russia (up by 47.2% at constant exchange rates), Czech Republic (up by 19.7% at constant exchange rates), Bulgaria (up by 29.5% at constant exchange rates) and Croatia (up by 9.4% at constant exchange rates).
As a consequence of the above outlined dynamics, in the first half 2015, a commercial funding surplus *"core"* (which excludes institutional component) of €9.6 billion was recorded, compared to first half 2014 funding gap amounting at €0.9 billion.

"Core" segment's **dividends** (which include the profits of the companies accounted for using the equity method) in the first half 2015 amounted at €387 million, decreasing by €38 million compared with the same period 2014.

With regard to **net fees and commissions** related to the *"core"* segment, in the first half 2015 they amounted to €3,933 million, increasing by 5.2% (up by 4.7% at constant exchange rates) over the same period of the previous year.
Growth was mainly attributable to fees from investment services (up by 12.3% compared with the first half 2014) and was driven by assets under management's products, thanks to volumes' growth (up by €42 billion over June 2014). Financing services fees were decreasing (down by 2.3% in comparison with the first half 2014), while transactional services fees were up by 0.9% over the first half 2014.

"Core" segment's **net trading, hedging and fair value income** in the first half 2015 was €1,082 million, growing by 33.3% over the same period 2014 (up by 33.0% at constant exchange rate), with a good performance of treasury and related to the customers activities, that reflected the extraordinary market's conditions following the Quantitative Easing program, while they had only partially suffered the high market's volatility caused by the Greek crisis.

Finally, *"core"* segment's **net other expenses/income** in the first half 2015 amounted to €48 million, down by €4 million over the first half 2014.

Regarding *"Non-core"* segment, in the first half 2015 it registered €106 million of **operating income**, decreasing by 51.5% over the first half last year. Such a dynamic was consistent with the 18.3% reduction of customers loans, coupled with a higher weight of the portion of impaired loans that do not accrue interests.

Operating income

(€ million)

	2014 H1		2015 H1		% CHANGE		2015 Q2		% CHANGE ON Q1 2015	
	GROUP	O/ W CORE	GROUP	O/ W CORE	GROUP	O/ W CORE	GROUP	O/ W CORE	GROUP	O/ W CORE
Net interest	6,256	6,141	5,962	5,927	- 4.7%	- 3.5%	2,999	2,990	+ 1.2%	+ 1.8%
Dividends and other income from equity investments	425	425	387	387	- 8.9%	- 8.9%	269	269	+ 127.3%	+ 127.3%
Net fees and commissions	3,853	3,737	4,011	3,933	+ 4.1%	+ 5.2%	1,997	1,966	- 0.8%	- 0.1%
Net trading, hedging and fair value income	814	812	1,092	1,082	+ 34.3%	+ 33.3%	473	462	- 23.7%	- 25.5%
Net other expenses/ income	39	52	31	48	- 20.8%	- 8.5%	-3	6	- 109.8%	- 84.6%
Operating income	**11,387**	**11,167**	**11,484**	**11,377**	**+ 0.9%**	**+ 1.9%**	**5,735**	**5,693**	**- 0.2%**	**+ 0.1%**

Group Results (Continued)

Main results and performance for the period (Continued)

Operating costs

Group's **operating costs** were equal to €6,853 million in the first half 2015, growing by 1.6% compared with the same period 2014 (up by 1.8% at constant exchange rates). In detail **staff expenses** were equal to €4,220 million, increasing by 3.2% over last year, **other administrative expenses** were equal to €2,583 million, decreasing by 2.1% over last year, **expenses recovery** were equal to €401 million, down by 3.9% over last year. Finally, **write-downs on tangible and intangible assets** were equal to €451 million, increasing by 3.2% over last year.

Such a result on **operating costs** was driven by Group's *"core"* segment, which registered €6,550 million in this half, higher by 2.0% over the same period 2014 (up by 2.3% at constant exchange rates), due to staff expenses component, increasing by 3.4% compared with the first half 2014 (up by 3.6% at constant exchange rates) and to write-downs on tangible and intangible assets, increasing by 3.8% (up by 4.7% at constant exchange rates).

Analyzing more in detail the single components, **staff expenses** related to the *"core"* segment in the first half 2015 were €4,150 million, increased by 3.4% over the same period 2014 (up by 3.6% at constant exchange rates).
Such a trend was influenced by the normal dynamic of wage growth and by the adjustment of the accruals related to the variable component of the compensations.

Concerning "core" segment's **other administrative expenses**, they amounted to €2,288 million in the first half 2015, decreasing by 1.2% in comparison to the same period 2014. Good part of the expenses reduction was driven by lower consulting, legal and real estate expenses, only partially offset by higher IT costs caused by the development component finalized to support the business, however financed also via reduction of the recurrent IT component.

The **expenses recovery** *"core"* item in first half 2015 was €338 million, substantially in line with the €344 million of the same period last year.

Finally, the **write-downs on tangible and intangible assets** of *"core"* segment in the first half 2015 were €450 million, growing by 3.8% (up by 4.7% at constant exchange rates), mainly as a consequence of the IT investments carried out.

Overall total *"core"* segment's total operating costs excluding staff expenses were stable (down by 0.2%) over the same period of 2014.

Operating costs related to the *"non-core"* segment in the first half 2015 were €303 million, down by 7.6% over the same period 2014, mainly as a consequence of lower expenses recoveries.

Operating costs

(€ million)

	2014 H1		2015 H1		% CHANGE		2015 Q2		% CHANGE ON Q1 2015	
	GROUP	O/ W CORE	GROUP	O/ W CORE	GROUP	O/ W CORE	GROUP	O/ W CORE	GROUP	O/ W CORE
Payroll costs	(4,089)	(4,013)	(4,220)	(4,150)	+ 3.2%	+ 3.4%	(2,127)	(2,093)	+ 1.6%	+ 1.8%
Other administrative expenses	(2,638)	(2,315)	(2,583)	(2,288)	- 2.1%	- 1.2%	(1,294)	(1,148)	+ 0.4%	+ 0.7%
Recovery of expenses	417	344	401	338	- 3.9%	- 1.8%	213	166	+ 13.1%	- 3.3%
Write downs of tangible and intangible assets	(437)	(434)	(451)	(450)	+ 3.2%	+ 3.8%	(227)	(226)	+ 1.2%	+ 1.2%
Operating costs	**(6,747)**	**(6,418)**	**(6,853)**	**(6,550)**	**+ 1.6%**	**+ 2.0%**	**(3,435)**	**(3,301)**	**+ 0.5%**	**+ 1.6%**

The growth of the revenues, more than offset by the costs increase, led to €4,631 million Group **gross operating profit** in the first half 2015, essentially stable (down by 0.2%) over the same half 2014 (up by 0.8% at constant exchange rates). It has been better the gross operating profit of *"core"* segment, growing by 1.7% (up by 2.6% at constant exchange rates).

The cost income ratio of *"core"* segment amounted to 57.6% in the first half 2015, substantially stable compared to the first half 2014.

Gross operating profit related to the *"non-core"* segment in the first half 2015 was -€197 million, against -€109 million in the first half 2014 as an effect of lower revenues caused by the progressive decrease of loans volumes and by the growing incidence of the non-performing component that do not accrue interests.

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

Net write-downs on loans and provisions for guarantees and commitments of the Group, in the first half 2015, were €1,893 million, significantly reduced compared to the same period 2014 (up by 2.8%).

In the first half 2015 Group gross impaired loans decreased by €2.6 billion (down by 3.1%) over the beginning of the year figures, with an incidence on gross total loans of 15.78% compared to 16.34% at 2014 year end. Coverage ratio (51.0%) confirmed the level achieved in 2014 year end.

With regard to the *"core"* segment, in first half 2015 net write-downs on loans and provisions for guarantees and commitments amounted to €1,185 million, growing by 5.5% (up by 9.1% at constant exchange rates) over the same period 2014.
Cost of risk was 55 basis points in first half 2015, substantially in line with the previous year (52 basis points), showing however relevant differences on geographical basis, with Italy amounting to 73 basis points, Germany 14 basis points, Austria -1 basis points, Poland 46 basis points and CEE 135 basis points.

The *"core"* segment's gross impaired loans at June the 30, 2015 were increasing by €516 million compared to December 31, 2014 restated (up by 1.9%). Despite this increase over the last quarter 2014, the growth of gross impaired loans on total loans ratio was quite stable, going from 6.27% in December 2014 to 6.25% in June 2015. Gross non-performing loans stock was at €14.9 billion, increasing by €314 million over 2014 year end.

Regarding *"Non-core"* segment, instead, **Net write-downs on loans and provisions for guarantees and commitments** confirm the level of last year moving from €719 million in the first half 2014 to €709 million in the first half 2015.

"Non-core" segment's impaired loans as of June 30, 2015 were €53.7 billion, decreasing by 5.5% in comparison to €56.9 billion as of 2014 year end. Non-performing loans were €36.4 billion, decreasing over 2014 year end figure. These trends benefited also from the UniCredit Credit Management Bank (UCCMB) non-performing portfolio reclassification to the item "Non-current assets and disposal groups classified as held for sale" in accordance to the IFRS 5 criteria, due to the company is being sold. Coverage ratio as of June 30, 2015 was at 51.6% in comparison to 52.9% as of 2014 year end.

Group Results (Continued)

Main results and performance for the period (Continued)

Loans to customers - asset quality

(€ million)

	BAD LOANS	DOUBTFUL	RESTRUCTURED	UNLIKELY TO PAY OTHER THAN BAD	PAST-DUE	TOTAL (*) IMPAIRED	PERFORMING	TOTAL LOANS
As at 12.31.2014								
Gross Exposure	52,143	23,301	6,324		2,591	**84,359**	431,982	**516,341**
as a percentage of total loans	*10.10%*	*4.51%*	*1.22%*		*0.50%*	***16.34%***	*83.66%*	
Writedowns	32,442	8,102	2,119		604	**43,267**	2,505	**45,772**
as a percentage of face value	*62.2%*	*34.8%*	*33.5%*		*23.3%*	***51.3%***	*0.6%*	
Carrying value	19,701	15,199	4,205		1,987	**41,092**	429,477	**470,569**
as a percentage of total loans	*4.19%*	*3.23%*	*0.89%*		*0.42%*	***8.73%***	*91.27%*	
Transfers from old to new classes								
From Doubtful								
Gross Exposure		(23,301)		22,166	1,135			
Writedowns		(8,102)		7,783	319			
Carrying value		(15,199)		14,383	816			
From Restructured								
Gross Exposure			(6,324)	6,324				
Writedowns			(2,119)	2,119				
Carrying value			(4,205)	4,205				
As at 12.31.2014 according to new classes								
Gross Exposure	52,143			28,490	3,726	**84,359**	431,982	**516,341**
as a percentage of total loans	*10.10%*			*5.52%*	*0.72%*	***16.34%***	*83.66%*	
Writedowns	32,442			9,902	923	**43,267**	2,505	**45,772**
as a percentage of face value	*62.2%*			*34.76%*	*24.77%*	***51.3%***	*0.6%*	
Carrying value	19,701			18,588	2,803	**41,092**	429,477	**470,569**
as a percentage of total loans	*4.19%*			*3.95%*	*0.60%*	***8.73%***	*91.27%*	
As at 06.30.2015								
Gross Exposure	51,286			26,904	3,548	**81,738**	436,197	**517,934**
as a percentage of total loans	*9.90%*			*5.19%*	*0.69%*	***15.78%***	*84.22%*	
Writedowns	31,635			9,210	858	**41,704**	2,300	**44,004**
as a percentage of face value	*61.7%*			*34.2%*	*24.2%*	***51.0%***	*0.5%*	
Carrying value	19,651			17,693	2,690	**40,034**	433,896	**473,930**
as a percentage of total loans	*4.15%*			*3.73%*	*0.57%*	***8.45%***	*91.55%*	

(*) The perimeter of Impaired loans is substantially equivalent to the perimeter of EBA NPE exposures.

Starting from the first quarter of 2015 the classification of loans into risk classes was updated in order to reflect the changes provided in Bank of Italy Circular 272 (see also section A.2 Accounting Policies of Explanatory Notes); this update adjusts the previous classification instructions to the definition of "Non-Performing Exposure" (NPE) introduced by the European banking authority (EBA) through the issue of EBA/ITS/2013/03/rev1 24/7/2014. The total volume of loans classified in the previous categories that made up the perimeter of impaired loans as at December 31, 2014 (Bad Loans, Doubtful, Restructured, Past-due) were reallocated to new risk classes (Bad Loans, Unlikely to pay other than bad, Past-due) through:

a. the elimination of the Restructured loans class and the re-attribution of the loans therein in the "Unlikely to pay other than bad" class;

b. for entities operating in Italy, the reallocation of loans previously classified as "Doubtful" in the "Unlikely to pay other than bad" and "Impaired past-due loans". In particular, loans for which the Bank believes that there is a condition of unlikely to pay as at the reporting date, regardless of the existence of days/instalments past-due, were reclassified in the "Unlikely to pay other than bad" class. Conversely, the past due items for which this condition does not apply have been reclassified in the "Impaired past-due loans" class;

c. for other entities, the class of loans previously included in "Doubtful loans" have been allocated in "Unlikely to pay other than bad".

Impaired assets as of December 31, 2014 restated under the new definitions introduced by the EBA are substantially consistent with impaired assets established in accordance with the previously applicable Bank of Italy instructions.

Full implementation of new EBA definitions involves an alignment of credit processes, currently underway. Accordingly, the perimeter of impaired assets as of December 31, 2014 and June 30, 2015 according to the new definitions is based on the use of the best available time-to-time estimates and of appropriate measures aimed at reconciling and aligning results of local risk classes.

From Net operating profit to Profit before Tax

As a consequence of a gross operating profit decreasing by €9 million and net write-downs on loans up by €52 million over the first half 2014, Group's **net operating profit** amounted to €2,737 million in first half 2015, decreasing by €61 million (down by 2.2%) compared to 2014.

The "core" segment contribution to **net operating profit** in first half 2015 was equal to €3,643 million, increasing by 0.5% compared with the same period of 2014.

Group's **provisions for risk and charges** were -€623 million, of which -€564 million related to the *"core"* segment, which includes legal cases and estimated contingent liabilities of various nature totaling -€217 million, in addition to the systemic charges, amounting to -€406 million. These last include the contribution to the new Single Resolution Fund (SRF) and the Deposits Guarantee Scheme (DGS) charges, accounted in those countries where these have already been actually or substantially transposed into national regulations, as well as the Bank Levies.

Integration costs were -€4 million against -€44 million registered in the first half 2014 that were mainly related to the Leasing commercial network restructuring, with the agents channel closure.

Finally, **net income from investments** was €13 million, versus €47 million of first half 2014.

As an effect of the items above mentioned, in the first half 2015 the Group registered **profit before tax** of €2,123 million, compared to €2,446 million achieved in first half 2014 (down by 13.2%), of which €3,090 million related to the "core" segment (down by 8.1% in comparison to the €3,364 million of first half 2014) and -€967 million related to the *"non-core"* segment (in comparison to the -€918 million of the same period 2014).

Profit before tax by business segment

(€ million)

	OPERATING INCOME	OPERATING COSTS	NET WRITE-DOWNS ON LOANS AND PROVISIONS	NET OPERATING PROFIT	PROFIT BEFORE TAX	
					2014 H1	2015 H1
Commercial Banking Italy	4,430	(2,120)	(540)	1,770	1,600	1,696
Commercial Banking Germany	1,353	(1,026)	(66)	262	325	194
Commercial Banking Austria	774	(678)	3	100	115	25
Poland	868	(392)	(65)	411	388	372
Central Eastern Europe	1,891	(722)	(394)	774	685	681
Corporate & Investment Banking	2,049	(900)	(120)	1,029	867	895
Asset Management	455	(288)	-	167	133	158
Asset Gathering	268	(120)	(3)	145	115	141
Group Corporate Center	(710)	(306)	(1)	(1,017)	(865)	(1,072)
Non-core	106	(303)	(709)	(906)	(918)	(967)
Group Total	**11,484**	**(6,853)**	**(1,893)**	**2,737**	**2,446**	**2,123**

Group Results (Continued)

Main results and performance for the period (Continued)

Profit (loss) attributable to the Group

As a consequence of €2,123 million **profit before tax**, in the first half 2015 Group's **income taxes** were €581 million, from which derives a 27.3% tax rate, against the 40.5% of the same period last year.
To be noticed that first half 2014 taxes had been affected by additional taxes on Bank of Italy shareholding revaluation and *"deferred tax assets"* write-off following the reduction of IRAP tax rate.

Profit from discontinued operations net of taxes was -€180 million and mainly referred to the Ukrainian subsidiary Ukrsotsbank, reclassified according to the IFRS 5.

Profit for the period in first half 2015 was €1,363 million, with the contribution of *"core"* segment amounting to +€2,025 million, decreasing by 2.8% (down by 8.1% at constant exchange rates) in comparison to the +€2,084 million achieved in first half 2014.

Minorities were €202 million.

Purchase price allocation was -€126 million, decreasing in comparison to the -€145 million accounted in first half 2014.

Consequently, in first half 2015, a **net profit attributable to the Group** of €1,034 million was registered, decreasing by 7.3% compared to €1,116 million profit recognized in first half 2014.

The *"core"* segment in first half 2015 achieved €1,697 million **profit attributable to the Group**, decreasing by 3.9% (down by 10.1% at constant exchange rates), in comparison to €1,766 million profit of first half 2014.

"Non-core" segment totalled €663 million **net loss attributable to the Group**, in comparison to €650 million loss registered in first half 2014 (up by 1.9%).

Profit (loss) attributable to the Group

(€ million)

	2014 H1		2015 H1		% CHANGE		2015 Q2		% CHANGE ON Q1 2015	
	GROUP	O/ W CORE	GROUP	O/ W CORE	GROUP	O/ W CORE	GROUP	O/ W CORE	GROUP	O/ W CORE
Operating income	**11,387**	**11,167**	**11,484**	**11,377**	**+0.9%**	**+1.9%**	**5,735**	**5,693**	**-0.2%**	**+0.1%**
Operating costs	(6,747)	(6,418)	(6,853)	(6,550)	1.6%	2.0%	(3,435)	(3,301)	0.5%	1.6%
Operating profit (loss)	**4,640**	**4,749**	**4,631**	**4,827**	**-0.2%**	**1.7%**	**2,299**	**2,391**	**-1.4%**	**-1.8%**
Net write-downs on loans and provisions for guarantees and commitments	(1,842)	(1,123)	(1,893)	(1,185)	2.8%	5.5%	(913)	(615)	-6.9%	8.1%
Net operating profit (loss)	**2,798**	**3,626**	**2,737**	**3,643**	**-2.2%**	**0.5%**	**1,386**	**1,776**	**2.6%**	**-4.9%**
Provisions for risks and charges	(356)	(341)	(623)	(564)	75.2%	65.6%	(359)	(313)	36.1%	24.8%
Integration costs	(44)	(27)	(4)	(4)	-91.2%	-85.7%	(2)	(2)	73.4%	73.4%
Net income from investment	47	105	13	15	- 72.6%	- 86.0%	18	20	n.s.	n.s.
Profit (loss) before tax	**2,446**	**3,364**	**2,123**	**3,090**	**-13.2%**	**-8.1%**	**1,043**	**1,480**	**-3.5%**	**-8.0%**
Income tax for the period	(990)	(1,258)	(581)	(885)	-41.4%	-29.7%	(238)	(379)	-30.7%	-25.0%
Net profit (loss) of discontinued operations	(22)	(22)	(180)	(180)	n.s.	n.s.	(121)	(121)	108.2%	108.2%
Profit (loss) for the period	**1,433**	**2,084**	**1,363**	**2,025**	**-4.9%**	**-2.8%**	**684**	**980**	**0.7%**	**-6.3%**
Minorities	(172)	(172)	(202)	(202)	17.2%	17.2%	(100)	(100)	-1.5%	-1.5%
Net profit (loss) attributable to the Group before PPA	**1,261**	**1,911**	**1,161**	**1,824**	**-7.9%**	**-4.6%**	**583**	**879**	**1.0%**	**-6.8%**
Purchase Price Allocation effects	(145)	(145)	(126)	(126)	-12.9%	-12.9%	(61)	(61)	-6.7%	-6.7%
Goodwill impairment	-	-	-	-	n.s.	n.s.	-	-	n.s.	n.s.
Net profit (loss) attributable to the Group	**1,116**	**1,766**	**1,034**	**1,697**	**-7.3%**	**-3.9%**	**522**	**819**	**2.0%**	**-6.9%**

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 sustainable earnings measured as EVA, which is the main performance indicator related to TSR (Total Shareholder Return). The development of Group operations with a view to value creation requires a process for allocating and managing capital governed by different phases in the process of planning and control, articulated as:

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

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

Capital Ratios

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

Transitional Own Funds and Capital Ratios (€ million)

	AS AT	
	06.30.2015 (*)	12.31.2014 (*)
Common Equity Tier 1 Capital	42,699	41,998
Tier 1 Capital	46,286	45,499
Total own funds	57,799	54,857
Total RWA	405,897	409,223
Common Equity Tier 1 Capital Ratio	**10.52%**	**10.26%**
Tier 1 Capital Ratio	**11.40%**	**11.12%**
Total own funds Capital Ratio	**14.24%**	**13.41%**

(*) Transitional own funds and capital ratios (Basel 3), based on the applicable percentages for year 2014 and 2015.

The 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 years, global regulators introduced a series of new regulatory requirements that have contributed greatly to re-shape the financial markets landscape. In particular, in December 2010, the Basel Committee for Banking Supervision (BCBS) published 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 are introduced gradually in order to allow the banking system to comply with the new requirements and contain the impact on the real economy. In Europe, the Basel 3 framework has been translated into law by means of two separate legislative instruments applied from January 1, 2014: the Directive 213/36/EU and the Regulation n. 575/2013. Moreover, in December 2013 the Bank of Italy published the "Circolare 285" which updated and adjusted to the new international regulation framework the rules on Italian banks and banking groups. Italian banks and banking groups are required to comply with a minimum CET1 Capital ratio of 4.5%, Tier 1 Capital ratio of 6% and Total Capital Ratio of 8%. These minimum ratios are complemented on the following capital buffers to be meet with CET1 Capital: Capital Conservation set at 2.5% already in place from January 1, 2014 and, from 2016, Countercyclical in the periods of excessive credit growth and Systemic for Global Systemically Important Institutions (G-SII) or Other Systemically Important Institutions (O-SII). Failure to comply with such combined buffer requirements triggers restrictions on distributions and the need to adopt a capital conservation plan. As part of the transition arrangements, regulatory capital recognition of outstanding non-CET1 capital instruments that no longer meet the minimum criteria will be gradually phased out.

The ECB, within the framework of the joint decision on the capital adequacy of the UniCredit group, has defined last February 2015, the following capital requirements: 9.5% of the CET1 ratio and 13% of the total capital ratio, both calculated in accordance with the transitional requirements. These requirements are subject to periodical review by the Supervisory authority.

This note is provided at the specific request of Consob pursuant to Art. 114, paragraph 5, of Italian Legislative Decree 58/98.

Group Results (Continued)

Capital and Value Management (Continued)

Shareholders' Equity attributable to the Group

The **Shareholders' Equity of the Group**, including the **net profit of the period** (€1,034 million), amounted to €50,195 million at June 30, 2015, compared to €49,390 million at December 31, 2014.

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

The following table shows the main changes that occurred in 2015.

Shareholders' Equity attributable to the Group (€ million)

Shareholders' Equity as at December 31, 2014	**49,390**
Capital increase (net of capitalized costs)	-
Equity instruments	-
Disbursements related to Cashes transaction ("canoni di usufrutto")	(33)
Dividend payment (*)	(171)
Forex translation reserve (**)	466
Change in afs/cash-flow hedge reserve	(569)
Others (***)	78
Net profit (loss) for the period	1,034
Shareholders' Equity as at June 30, 2015	**50,195**

(*) The dividends distributed equal to €171 million mainly refer to the share of dividends paid in cash with respect to a total of approved dividends for Scrip dividend equal to €694 million. For further information, please see Part B – Liabilities, Section 15 of the Explanatory Notes.

(**) This positive effect is mainly due to the impact of the Ruble for 339 million and the Zloty for 101 million.

(***) This includes mainly the positive change in the reserves relating to the actuarial gains/losses on defined benefit plans of €250 million net of taxes, partially net of the negative change in the valuation reserve of the companies accounted for using the equity method for €137 million, mainly due to the revaluation of the items in Turkish Lira.

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 almost 4,000 branches and multichannel services provided by new technologies. In relation to corporate customers, Commercial Banking, with about 1,100 Managers divided in 196 Corporate branches, operates trying to guarantee both the support to the economic and entrepreneurial system and the profitability and quality of its portfolio.

Income Statement, Key Ratios and Indicators

(€ million)

COMMERCIAL BANKING ITALY	2014 H1	2015 H1	% CHANGE	2015 Q2	% CHANGE ON Q1 2015
Operating income	4,301	4,430	+3.0%	2,226	+1.0%
Operating costs	(2,059)	(2,120)	+2.9%	(1,063)	+0.6%
Net write-downs on loans	(574)	(540)	-5.9%	(260)	-6.9%
Net operating profit	1,667	1,770	+6.2%	903	+4.1%
Profit before tax	1,600	1,696	+6.0%	846	-0.5%
Loans to customers (eop)	131,471	134,063	+2.0%	134,063	-0.0%
Customer deposits (incl. Securities in issue - eop)	144,132	144,222	+0.1%	144,222	+0.0%
Total RWA Eop	78,327	80,464	+2.7%	80,464	-3.3%
EVA (€ million)	590	647	+9.6%	327	+2.2%
Absorbed Capital (€ million)	7,333	8,255	+12.6%	8,173	-2.0%
ROAC	+28.23%	+27.52%	-70bp	+27.89%	72bp
Cost/Income	+47.9%	+47.9%	-3bp	+47.7%	-22bp
Cost of Risk	0.87%	0.81%	-6bp	0.78%	-7bp
Full Time Equivalent (eop)	37,579	37,249	-0.9%	37,249	+0.3%

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	2014 H1	2015 H1	% CHANGE	2015 Q2	% CHANGE ON Q1 2015
Operating income	1,368	1,353	-1.1%	707	+9.6%
Operating costs	(1,010)	(1,026)	+1.6%	(507)	-2.3%
Net write-downs on loans	(20)	(66)	+236.0%	(41)	+69.7%
Net operating profit	339	262	-22.6%	159	+55.4%
Profit before tax	325	194	-40.4%	128	+93.4%
Loans to customers (eop)	78,783	79,563	+1.0%	79,563	+0.4%
Customer deposits (incl. Securities in issue - eop)	104,709	101,978	-2.6%	101,978	+0.9%
Total RWA Eop	32,879	31,121	-5.3%	31,121	-6.6%
EVA (€ million)	(8)	(53)	n.s.	(5)	-89.5%
Absorbed Capital (€ million)	2,904	2,708	-6.7%	2,681	-2.0%
ROAC	+10.36%	+6.10%	-425bp	+9.43%	n.s.
Cost/Income	+73.8%	+75.8%	197bp	+71.6%	n.s.
Cost of Risk	0.05%	0.17%	12bp	0.21%	8bp
Full Time Equivalent (eop)	13,505	12,326	-8.7%	12,326	-5.6%

Results by Business Segment (Continued)

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	2014 H1	2015 H1	% CHANGE	2015 Q2	% CHANGE ON Q1 2015
Operating income	881	774	-12.2%	405	+9.8%
Operating costs	(688)	(678)	-1.5%	(338)	-0.3%
Net write-downs on loans	(53)	3	-106.5%	31	-212.4%
Net operating profit	140	100	-28.9%	97	n.s.
Profit before tax	115	25	-78.6%	63	+265.1%
Loans to customers (eop)	48,083	48,785	+1.5%	48,785	+0.1%
Customer deposits (incl. Securities in issue - eop)	59,920	63,847	+6.6%	63,847	-2.0%
Total RWA Eop	23,838	24,582	+3.1%	24,582	-13.1%
EVA (€ million)	(31)	(52)	+65.8%	29	-136.3%
Absorbed Capital (€ million)	2,331	2,317	-0.6%	2,301	-1.4%
ROAC	+10.07%	+5.17%	-490bp	+14.10%	n.s.
Cost/Income	+78.1%	+87.6%	n.s.	+83.5%	n.s.
Cost of Risk	0.22%	0.01%	-23bp	0.25%	-48bp
Full Time Equivalent (eop)	6,634	6,565	-1.0%	6,565	-0.7%

Poland

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

Income Statement, Key Ratios and Indicators

(€ million)

POLAND	2014 H1	2015 H1	% CHANGE	2015 Q2	% CHANGE ON Q1 2015
Operating income	879	868	-1.3%	435	+0.6%
Operating costs	(404)	(392)	-2.9%	(201)	+5.8%
Net write-downs on loans	(69)	(65)	-7.1%	(32)	-2.7%
Net operating profit	406	411	+1.4%	202	-3.6%
Profit before tax	388	372	-4.2%	187	+0.9%
Loans to customers (eop)	26,384	28,815	+9.2%	28,815	+0.1%
Customer deposits (incl. Securities in issue - eop)	28,362	30,784	+8.5%	30,784	+0.4%
Total RWA Eop	24,760	25,618	+3.5%	25,618	-4.6%
EVA (€ million)	74	69	-5.7%	35	+3.9%
Absorbed Capital (€ million)	1,143	1,220	+6.7%	1,217	-0.5%
ROAC	+24.96%	+22.64%	-232bp	+22.88%	49bp
Cost/Income	+45.9%	+45.2%	-79bp	+46.3%	226bp
Cost of Risk	0.54%	0.46%	-9bp	0.44%	-3bp
Full Time Equivalent (eop)	18,134	17,916	-1.2%	17,916	-0.7%

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	2014 H1	2015 H1	% CHANGE	2015 Q2	% CHANGE ON Q1 2015
Operating income	1,862	1,891	+1.5%	982	+8.1%
Operating costs	(738)	(722)	-2.1%	(372)	+6.1%
Net write-downs on loans	(317)	(394)	+24.3%	(220)	+25.9%
Net operating profit	807	774	-4.1%	391	+1.8%
Profit before tax	685	681	-0.7%	357	+10.6%
Loans to customers (eop)	57,846	58,870	+1.8%	58,870	-0.5%
Customer deposits (incl. Securities in issue - eop)	49,071	56,073	+14.3%	56,073	+2.8%
Total RWA Eop	81,786	93,461	+14.3%	93,461	+0.1%
EVA (€ million)	52	(189)	n.s.	(109)	+34.5%
Absorbed Capital (€ million)	7,331	8,419	+14.8%	8,443	+0.6%
ROAC	+14.46%	+7.85%	n.s.	+7.20%	-130bp
Cost/Income	+39.6%	+38.2%	-143bp	+37.9%	-71bp
Cost of Risk	1.12%	1.35%	23bp	1.49%	29bp
Full Time Equivalent (eop)	30,097	28,834	-4.2%	28,834	-0.3%

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	2014 H1	2015 H1	% CHANGE	2015 Q2	% CHANGE ON Q1 2015
Operating income	1,892	2,049	+8.3%	993	-5.9%
Operating costs	(845)	(900)	+6.4%	(457)	+3.3%
Net write-downs on loans	(97)	(120)	+23.0%	(92)	+232.3%
Net operating profit	949	1,029	+8.5%	444	-24.2%
Profit before tax	867	895	+3.2%	381	-25.9%
Loans to customers (eop)	86,754	88,203	+1.7%	88,203	-7.7%
Customer deposits (incl. Securities in issue - eop)	88,062	101,524	+15.3%	101,524	+5.8%
Total RWA Eop	70,421	67,494	-4.2%	67,494	-5.4%
EVA (€ million)	123	203	+65.0%	56	-61.8%
ROAC	16.7%	+18.0%	128bp	15.4%	-502bp
(Rev-LLP)/RWA	+4.91%	+5.74%	83bp	+5.36%	-75bp
Cost/Income	+44.7%	+43.9%	-78bp	+46.0%	413bp
Cost of Risk	0.21%	0.26%	5bp	0.40%	28bp
Full Time Equivalent (eop)	3,958	3,986	+0.7%	3,986	+0.6%

Results by Business Segment (Continued)

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

(€ milion)

ASSET MANAGEMENT	2014 H1	2015 H1	% CHANGE	2015 Q2	% CHANGE ON Q1 2015
Operating income	376	455	+20.9%	228	+0.2%
Operating costs	(242)	(288)	+18.6%	(150)	+8.8%
Net write-downs on loans	-	-	-	-	-
Net operating profit	134	167	+25.1%	78	-13.1%
Profit before tax	133	158	+19.3%	70	-19.8%
TFAs (eop)	193,230	227,483	+17.7%	227,483	-1.9%
RoA (Operating Income/avg TFAs)	+0.40%	+0.40%	0.04bp	+0.40%	-1.61bp
EVA (€ million)	80	106	+32.6%	49	-13.0%
Absorbed Capital (€ million)	266	264	-1.0%	261	-2.1%
ROAC	+70.3%	+88.8%	n.s.	+83.8%	n.s.
Cost/Income	+64.5%	+63.2%	-123bp	+65.8%	522bp
Full Time Equivalent (eop)	2,021	2,037	+0.8%	2,037	+0.1%

Asset Gathering

Asset gathering is a division specialized in wealth management through the direct channel and the financial advisors network, mainly focused on the retail customer segment.
It operates in Italy through Fineco Bank, which, with its direct channel and a network of more than 2,400 financial advisors, offers all the banking and the investment services of traditional banks, with a specific focus on innovation, that emerges mainly from the development of the online trading, with respect to which FinecoBank is leader at a national and European level.

Income Statement, Key Ratios and Indicators

(€ million)

ASSET GATHERING	2014 H1	2015 H1	% CHANGE	2015 Q2	% CHANGE ON Q1 2015
Operating income	226	268	+18.5%	131	-4.1%
Operating costs	(107)	(120)	+11.9%	(60)	-0.1%
Net write-downs on loans	(1)	(3)	+108.6%	(1)	-29.9%
Net operating profit	118	145	+23.4%	70	-6.8%
Profit before tax	115	141	+23.2%	69	-3.9%
Loans to customers Eop	696	836	+20.1%	836	+4.9%
Customer deposits (incl. Securities in issue) Eop	14,344	15,554	+8.4%	15,554	+4.2%
Total RWA Eop	1,635	1,722	+5.3%	1,722	-0.8%
TFAs Outstading Stock (eop)	47,196	53,798	+14.0%	53,798	+0.2%
TFAs Net Sales	2,008	2,831	+40.9%	1,219	-24.4%
EVA (€ million)	66	56	-14.9%	27	-6.9%
Absorbed Capital (€ million)	165	121	-26.8%	142	+34.9%
ROAC	89.3%	101.3%	n.s.	+84.6%	n.s.
Cost/Income	+47.3%	+44.7%	-262bp	+45.6%	183bp
Full Time Equivalent (eop)	944	992	+5.1%	992	+0.2%

Non-core

Non-core segment reports separately assets that the Group considers not strategic and with a poor fit to our risk-adjusted returns framework. These businesses are managed with the final goal of reducing the overall exposure in the course of time. Specifically, the segment includes selected assets of Commercial Banking Italy (identified on a single deal/client basis) to be managed with a risk mitigation approach, the Workout company UniCredit Credit Management Bank and some special vehicles for securitization transactions.

Income Statement, Key Ratios and Indicators

(€ million)

NON-CORE	2014 H1	2015 H1	% CHANGE	2015 Q2	% CHANGE ON Q1 2015
Operating income	219	106	-51.5%	42	-34.7%
Operating costs	(328)	(303)	-7.6%	(134)	-20.9%
Net write-downs on loans	(719)	(709)	-1.4%	(298)	-27.6%
Net operating profit	(828)	(906)	+9.4%	(390)	-24.5%
Profit before tax	(918)	(967)	+5.3%	(438)	-17.3%
Loans to customers (eop)	50,613	41,356	-18.3%	41,356	-3.0%
Net Impaired Loans (percentage of total net loans)	52.70%	62.92%	10.2pp	62.92%	0,9pp
Total RWA Eop	33,587	35,119	+4.6%	35,119	-3.5%
EVA (€ million)	(828)	(853)	+3.0%	(381)	-19.5%
Absorbed Capital (€ million)	3,027	3,222	+6.5%	2,855	-20.5%
ROAC	-42.98%	-41.14%	184bp	-41.49%	-63bp
Cost/Income	+149.6%	+285.1%	n.s.	+318.6%	n.s.
Cost of Risk	2.77%	3.26%	49bp	2.84%	-82bp
Full Time Equivalent (eop)	1,945	1,707	-12.2%	1,707	-3.2%

Other information

Development of Group operations and other corporate transactions

Over the six-month period, UniCredit pursued new initiatives to develop high-growth businesses and to rationalise activities within the Group, while launching partnerships with leading counterparties to implement industrial projects with global ramifications so as to offer a better and more complete range of services to its customers. This included additional transactions on the Group's shareholding portfolio.

Initiatives to develop business, rationalise and establish partnerships

Strengthening the presence in Wealth Management

As part of its growth strategy focusing on businesses with high capital returns, UniCredit decided to strengthen its presence in Wealth Management in Italy by using a dedicated company as a hub. This will offer a full package of investment management and consulting services for customers with over €5 million invested in financial assets. The new company is to have its own brand, distinct from the commercial bank, taking advantage of trust companies in Italy and international structures in the UK and Luxembourg.

Reorganisation and rationalisation of UniCredit Credit Management Bank

In February 2015, UniCredit signed an agreement with affiliates of Fortress Investment Group LLC ("Fortress") that provides for (i) the disposal of the entire shareholding in UniCredit Credit Management Bank ("UCCMB"), including a portfolio of bad loans for €2.4 billion (gross value) and (ii) the main terms and conditions for a long-term strategic contract to manage current and future small and medium-sized loans. UCCMB is the Bank within the Group focusing on the management and recovery of non-performing loans originated in Italy and has an excellent track record, as evidenced by the title of high-quality platform awarded by Standard & Poor's and Fitch Ratings.
This transaction, falling under the reorganisation plan for UniCredit's credit recovery division, has a strong strategic rationale, and allows the Group to benefit, *inter alia* from:
- access to a specialised credit recovery platform, which will be further enhanced by the considerable know-how of certain Fortress and Prelios affiliates (involved as industrial partners) regarding the management of impaired loans;
- the possible improved profitability of the Group in the future, thanks to the expected increase in the recovery performance on small and medium-sized files.

In preparation to sale of UCCMB shareholding, starting from January 1, 2015 a spin-off has become effective in favour of UniCredit S.p.A. of (i) the going concern of UCCMB dedicated to "non-core Business" and (ii) the real estate going concern of UCCMI (subsidiary controlled at 100% by UCCMB) and formerly belonging to Capitalia.

The completion of the transaction is subject to supervisory authorisation and other standard conditions relating to this type of transactions and is expected for the third quarter of 2015. UCCMB shareholding is classified as of June 30, 2015 as asset held for sale (under IFRS 5). The disposal is expected to have substantial neutral impacts on UniCredit capital and net results, also taking into consideration the adjustment of value already recognised on net assets.

Pioneer Investments and Santander Asset Management: creating a global leader in asset management

In April, UniCredit, Santander and affiliate companies of Warburg Pincus and General Atlantic reached a non-binding preliminary and exclusive agreement to integrate Pioneer Investments and Santander Asset Management, bringing into being a leading global company in the field of asset management (€400 billion managed), with a strong global footprint and trade capabilities and relations throughout the world.
Pioneer and Santander Asset Management will pool platforms, their competencies in investments and trade relations that are highly complementary, to provide the new entity with a more complete offering of products and services for its customers.
The preliminary agreement provides for the establishment of a holding company that will control the USA assets of Pioneer and the integrated assets of Pioneer and Santander Asset Management outside the United States. UniCredit, on the one hand, and Warburg Pincus and General Atlantic, on the other, will each hold 50% of the holding company, which in turn will hold 100% of the assets of Pioneer in the USA and 66.7% of the company resulting from the integration of the non-USA assets of Pioneer and Santander Asset Management, while Santander will directly hold the remaining 33.3% of the latter company.
The integrated entity will continue to operate as a single global organisation focused on meeting the investment needs of its customers worldwide.
Following on from the signing of this preliminary agreement, the parties are now working on reaching a final agreement, subject to the necessary corporate approvals and supervisory authorisations, in addition to other conditions that are standard to this type of transactions.

Other transactions and initiatives involving shareholdings

PJSC - Ukrsotsbank

The deteriorating geo-political scenario has impacted the process to dispose of the shareholding in PJSC Ukrsotsbank ("USB"), the Group's Ukrainian subsidiary held by UniCredit Bank Austria A.G. (with a total share of 91.36%) and UniCredit S.p.A. (with a share of 8.44%), which had already been designated as held for sale starting from the Financial Statements at December 31, 2013 (based on IFRS 5). Although the disposal process has suffered delays compared with the initial plans, management remains committed in the sale of Ukrainian subsidiary.
In fact, negotiations with the counterparty interested in the acquisition are continuing and, accordingly, the equity investment has been maintained among assets held for sale (IFRS 5) as of June 30, 2015.

The ongoing developments, with reference to the political crisis in Ukraine and foreign exchange fluctuations vis-à-vis the Euro in the first months of 2015, impacted the economic and financial situation of USB. In February 2015 the Ukrainian National Bank asked to UniCredit Group to assess options that would allow to strengthen USB capital situation. In March 2015 a debt forgiveness has been executed for USD 250 million (with reference to exposures due to UniCredit Bank Austria AG and UniCredit S.p.A.), that resulted, among other effects, in an increase of capital ratios. In addition, on April 24, 2015, the general Assembly of USB approved a capital increase through the conversion into capital of an existing loan from UniCredit Bank Austria AG for an amount of additional USD250 million.
Both the transactions resulted in strengthening the capital position of USB, bringing the capital ratios above the level requested by the national regulator.

Finally, UniCredit group has confirmed to the Ukrainian National Bank its commitment to support USB's going concern up to the completion of the foreseen disposal.

UniCredit Tiriac Bank

In June, UniCredit Bank Austria AG acquired 45% of the share capital held by Tiriac Holdings Ltd in UniCredit Tiriac Bank (a commercial bank with headquarters in Bucharest and over 180 branches in Romania). This implemented the provisions under the agreement that had been signed, whereby the Tiriac Group was guaranteed an option to sell 45% of the share capital held in UniCredit Tiriac Bank.
The possibility of taking over the remaining 4.4% from the market will be assessed.

Shareholding in Coinv S.p.A. (formerly Lauro Sessantuno S.p.A.)

The reorganisation of Camfin S.p.A. was completed at the end of 2014. This had been agreed on among the Italian shareholders (Nuove Partecipazioni, Intesa Sanpaolo and UniCredit) on the one hand, and Long-Term Investments Luxembourg SA (LTI) (a Luxembourg registered SPV, linked to the pension fund of the Russian Group Rosneft - the world's major operator in the oil and gas industry) on the other. The agreement aimed to establish an equal partnership joint venture in Camfin and to allocate the assets other than the shareholding in Pirelli only to Italian shareholders (grouped together in Coinv S.p.A.) (for further information on the transaction, reference is made to the Management Report to the Consolidated Financial Statements at December 31, 2014).
In March 2015, in order to provide further impetus to Pirelli's ongoing growth strategy, by strengthening its presence in the "industrial" tyre industry and its penetration of the Chinese market, an agreement was reached between China National Tire & Rubber Corporation (CNRC), a subsidiary of China National Chemical Corporation, on the one hand and Camfin S.p.A., Long-Term Investments Luxembourg SA (LTI) and Coinv S.p.A. (the latter, an SPV in which UniCredit holds 12%) on the other, which subject to the fulfilment of certain conditions precedent makes provision for:

- the acquisition by a newco (subsidiary of CNRC and partly owned by Camfin and LTI) of the 26.2% of Pirelli held by Camfin;
- the concurrent signing of a shareholders' agreement, containing provisions for corporate governance and the transfer of Pirelli shares;
- the subsequent launch by the newco of a mandatory tender offer on the remaining shares of Pirelli (at a price of €15.00 per share).

The transaction is expected to be completed during the third quarter of this year, subject to approval by anti-trust authorities and other relevant authorities.

Agreement with Intesa SanPaolo and KKR to create a platform for managing loans in restructuring

In June, Intesa Sanpaolo, UniCredit and KKR Credit, a part of KKR & Co. L.P. reached an agreement, based on the fulfilment of certain conditions precedent, whereby they would transfer their exposures in loans and equity relating of a selected number of companies, that are undergoing a process of loan restructuring, into a securitization vehicle and a newco respectively, both managed by the Italian platform launched by KKR Credit.
The objective of the platform is to provide certain medium-large Italian industrial companies with new capital and operational capabilities, while supporting banks in managing their assets. In the future the platform will also be open to other banks and companies that can benefit from new capital and addition operational support.

Other information (Continued)

Development of Group operations and other corporate transactions (Continued)

The purpose of the transaction is to allow companies to regain their financial balance, grow once again and create value for all stakeholders, including the current shareholders of the companies and banks, which will share the positive returns resulting from the recovery in the companies' performance and the value of the relevant assets recorded in the balance sheet.

As certain conditions precedent to the deal have not yet been met, the transfer of exposures that are the target of this transaction has not been executed and the transaction had no impacts on the economic and financial situation of UniCredit S.p.A. as of June 30, 2015.

Spółdzielcza Kasa Oszczędnościowo-Kredytowa im. Mikołaja Kopernika ("SKOK Kopernik")

In December 2014 the Group, through its subsidiary Bank Pekao S.A., took over the assets and liabilities of SKOK Kopernik, following the decision of the Polish Financial Supervision Authority ("KNF") to protect market stability and security of the deposits. The decision by KNF has been taken in accordance with article 74c paragraph 4 of the Act on Credit Unions of November 5, 2009, which allows him to decide on acquisition of a credit union as a whole or its selected property rights or liabilities by a polish bank.

The acquisition of the assets and liabilities of SKOK Kopernik from the Group has been proceeded with the financial support granted by the Bank Guarantee Fund ("BFG") pursuant to article 20g of the Act on Bank Guarantee Fund of December 14, 1994. The amount of the grant received by the BFG, amounting to €23,852 thousand, has been confirmed.
Consequently this operation did not determine the payment of any consideration.

On the basis of the previsions provided for by IFRS 3, during the first half of 2015 the re-measurement of identifiable assets and liabilities of SKOK Kopernik has been completed.
This process has determined an adjustment of the fair value of the net assets initially recognized, which has been recognized against goodwill.
In particular as of June 30, 2015 the goodwill amounts to €225 thousand, at acquisition exchange rate, against the €7,057 thousand, which had been determined at the acquisition date.

Immobilien Holding GmbH ("Immo Holding")

In September 2014 the Group, through its subsidiary UniCredit Bank Austria AG, has acquired the control over Immo Holding, parent company of Immobilien Holding Group, which comprises 57 entities, one of which was sold right after the acquisition, and in which the Group had already been participating in 88% of the results through a profit participation right.

Due to this acquisition, starting from September 2014, 34 entities have been included in the scope of consolidation as fully consolidated entities since September 30, 2014, amongst them Wien Mitte Immobilien GmbH, in which the Group had already had an indirect 50% stake and which had therefore been included in the Group using the equity method until September 30, 2014.
Further 10 entities, one of which was sold right after the acquisition, have been included in the scope of consolidation at equity based on the fact that the Group has significant influence over them; the remaining entities have not been included in the scope of consolidation based on materiality reasons and have been measured at cost.

For strategic reasons, the Group intends to dispose of its real estate participations. As a prerequisite for such a disposal, the remaining 12% economic participation in the Immobilien Holding Group was purchased in this acquisition along with the gain of the control over the group. Simultaneously, the existing profit participation right structure was wound up.

The sale activities of Immo Holding Group already began in 2014 and it was deemed highly probable to complete the sale within a year from the acquisition date.

The assets and liabilities acquired have therefore been classified as "held for sale" since September 30, 2014 and are simultaneously treated as a "discontinued operation".
The sales activities started in 2014 and have been pursued intensively since then.

The acquisition of the Immobilien Holding Group did not result in any goodwill or badwill, based on the preliminary purchase price allocation in accordance with IFRS 3.45, in the Group consolidated financial statements as at December 31, 2014.

The purchase price for the Immobilien Holding Group, composed of the fair value of the PPR derecognised, the fair value of the equity investments held in Immobilien Holding Group entities, as well as the cash consideration transferred, basically equalled the fair value of the net assets less the expected costs to sell according to IFRS 5.

Profit participation right derecognised (fair value)	461
Cash consideration transferred	69
Purchase price for stake in Immobilien Holding GmbH	530
Derecognised investments in associates and AFS investments	55
Total purchase price for the Immobilien Holding Group	**585**

The purchase price allocation has been finalised in the first half of 2015.

The derecognition, in 2014, of the profit participation right resulted in a gain of €31 million (net of tax). The derecognition of the stake in Wien Mitte Immobilien Gmbh, which was previously held at equity, resulted in a gain of €2.9 million.

A contingent consideration was not part of the purchase agreement.

The assets and liabilities recognised in the course of first-time consolidation mainly consisted of real estate assets with related financing liabilities.
The expected costs of disposal in accordance with IFRS 5 had already been deducted.

Fair values of acquired assets less costs of disposal	1,303
Fair values of acquired liabilities	-714
Net asset value less costs of disposal	**589**
Less: non-controlling interests	-2
Own share of net asset value less costs of disposal	**587**
Less: total purchase price	-585
Badwill (gain on bargain purchase)	**2**

The insignificant effect from final badwill, which resulted from the completion of purchase price allocation has been conventionally reported as positive change in consolidated equity for the first half of 2015.

All non-controlling interests were measured at net asset value, the "full goodwill method" was not applied.

All assets and liabilities acquired as part of the purchase of the Immobilien Holding Group are shown in the statement of financial position in the line items 150. "Non-current assets and disposal groups classified as held for sale" and 90. "Liabilities included in disposal groups classified as held for sale", respectively.

Other information (Continued)

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) during the first half of 2015, no transaction of greater importance ("maggiore rilevanza") was conducted;
b) during the first half of 2015, one transactions with related parties as defined by Article 2427, paragraph 22-bis of the Italian Civil Code was conducted, under different conditions from normal market conditions;
c) during the first half of 2015, 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 Explanatory Notes – Part H of this document.

Transactions concerning share capital

Please note that on April 9, 2015 UniCredit's Board of Directors, pursuant to the powers conferred by the Extraordinary Shareholders' Meeting of April 29, 2011, the Extraordinary Shareholders' Meeting of May 11, 2012 and the Extraordinary Shareholders' Meeting of May 11, 2013, resolved to increase the share capital by €54,744,365.80 by issuing 16,313,933 ordinary shares to be granted to the employees of UniCredit and of Group banks and companies.
It should also be noted that, following the scrip dividend scheme approved by the Extraordinary Shareholders' Meeting of May 13, 2015, under which newly-issued ordinary and savings shares of the Company were allocated to the shareholders entitled to receive a dividend who did not opt for a cash payout, the share capital increased by €297,149,403.58, corresponding to 87,534,728 ordinary shares and 31,364 savings shares.
Therefore, the share capital of the Bank is now €20,257,667,511.62, divided in 5,969,658,488 shares with no face value, of which 5,967,177,811 ordinary shares and 2,480,677 savings shares.

Subsequent Events and Outlook

Subsequent Events[1]

On August 5, 2015 the Board of Directors approved the termination, effective September 30, 2015, of the employment of Mr. Roberto Nicastro, General Manager, and - based on the proposal made by the Remuneration Committee - defined the conditions of his exit package for which refer to more detailed disclosure in Part H – Explanatory Notes.

[1] Until the date of authorization for issue of this Consolidated First Half Financial Report by the Board of Directors' Meeting of August 5, 2015.

Outlook

The international economic situation overall appeared slightly improving during the first six months of 2015, despite the fact that the growth recorded in the first quarter was contained and below expectations. The signs of recovery coming out of the United States increased over the last few months. The industrial sector in Japan seems to be showing moderate growth. Positive signs from the labor market have intensified in the case of the United Kingdom. For against, the macro-economic scenario for emerging markets, on the other hand, continues to deteriorate. Economic growth in China is still slowing due to the many structural challenges faced by Beijing. Other emerging economies like Brazil have felt the impact of the drop in export-derived income from energy products and other raw materials. Finally, Russia is struggling to recover from the impact of the financial crisis that it was swept up in at the end of 2014. As far as financial markets are concerned, expectations of a rise in interest rates by the Fed later this year have led to an increase in government bonds yields. In the Euro area, instead the announcement and then implementation of the Quantitative Easing program have led to the compression of sovereign spreads, with the only exception of Greece. Finally, in advanced economies several stock prices have increased, in line with expectations of an improving macroeconomic outlook.

In the Euro area, the recovery remains moderate. On a quarterly basis, GDP grew by 0.4% during the first quarter of 2015, driven mainly by private consumption and, to a lesser extent, by investments. The former benefited from consumers' increased purchasing power as a result of lower oil prices, whereas the latter resulted from improved credit conditions. External demand was, however, influenced by the weakness in global trade, linked to the slowdown in emerging economies. We expect an increase in exports during the second quarter, which will be positively affected by the delayed impact of a weak Euro.
This in turn will promote a further recovery in investments.
Based on current levels, PMIs confirm our forecasts for an additional 0.4% growth in GDP during the second quarter of 2015. In Italy, GDP expanded by 0.3% on a quarterly basis in the first quarter of 2015, marking the strongest pace of growth in four years.
This was due to a pick-up in fixed investment in the wake of the sharp expansion of investment in transport equipment, together with the start of a recovery in construction investment, while exports stabilized and private consumption again recorded a slight decline.
Over the coming quarters, expectations are for a gradual recovery in private consumption and an acceleration in exports, supporting a further recovery in economic activity. There has been an ongoing improvement in credit and demand conditions for companies, with a visible decline in interest rates on new lending to firms. All of these improvements contributed (and will continue to contribute) to an easing of the rate at which corporate loans are contracting.
Inflation trends are starting to slowly normalize.
In May, the consumer price index re-gained positive ground coming in at 0.3%. The continued weakness is due mainly to the prices of energy products. The core component (excluding products where prices tend to be more volatile like energy and food) remains contained, at levels below 1%.

In the second half 2015, the Group's results should benefit from a strengthening economic recovery in Europe, supporting a positive dynamic of the customer loans volumes. The persisting low interest rate environment, should confirm the good momentum of the asset management, with positive outcomes on the income from services. The focus on operating expenses will remain strong, continuing to implement the commercial network efficiency actions deliberated by the business plan.
Finally the Group will continue to work to furtherly improve its capital and liquidity position.

Milan - August 5, 2015

THE BOARD OF DIRECTORS

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GIUSEPPE VITA

CEO
FEDERICO GHIZZONI

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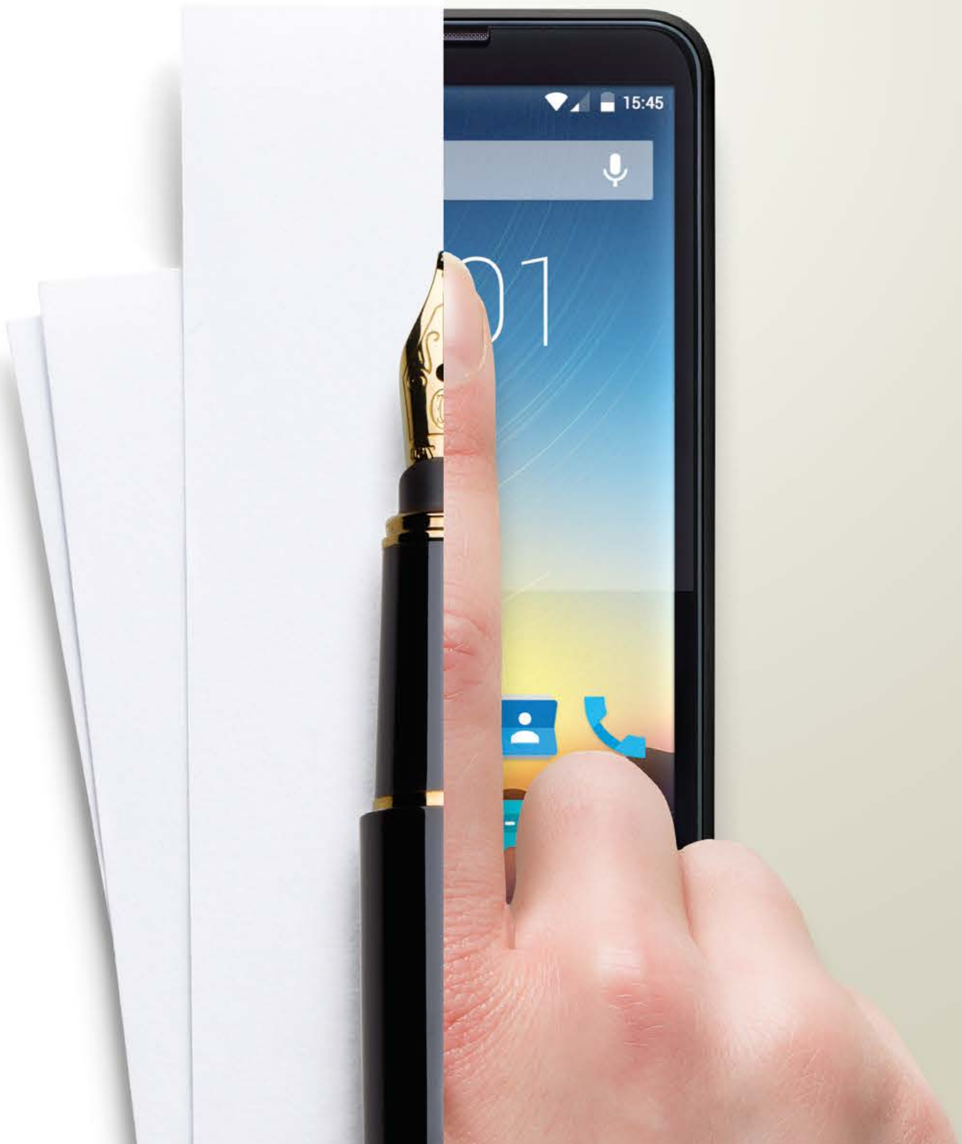

Condensed Interim Consolidated Financial Statements

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Notes:

The following conventional symbols have been used in the tables:

- a dash (-) indicates that the item/figure is inexistent;
- two stops (..) or "n.s." when the figures do not reach the minimum considered significant or are not in any case considered significant;
- "n.a." indicates that the figure is not available;
- "X" indicates an amount that does not have to be disclosed (in compliance with Bank of Italy 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 06.30.2015	12.31.2014
10. Cash and cash balances	9,961,711	8,051,122
20. Financial assets held for trading	97,625,888	101,225,546
30. Financial assets at fair value through profit or loss	33,516,646	31,803,397
40. Available-for-sale financial assets	110,281,046	97,636,497
50. Held-to-maturity investments	2,748,186	2,583,911
60. Loans and receivables with banks	86,192,497	68,730,127
70. Loans and receivables with customers	473,930,383	470,568,766
80. Hedging derivatives	6,531,940	9,114,167
90. Changes in fair value of portfolio hedged items (+/-)	2,750,385	2,873,397
100. Investments in associates and joint ventures	6,496,818	6,479,456
120. Property, plant and equipment	10,088,600	10,276,994
130. Intangible assets	5,644,672	5,561,533
of which: - goodwill	*3,616,889*	*3,561,531*
140. Tax assets	15,116,665	15,771,739
a) current tax assets	*938,356*	*1,472,027*
b) deferred tax assets	*14,178,309*	*14,299,712*
out of which for purposes of L. 214/2011	*11,096,528*	*11,182,084*
150. Non-current assets and disposal groups classified as held for sale	3,750,623	3,599,748
160. Other assets	10,490,021	9,940,990
Total assets	**875,126,081**	**844,217,390**

Continued: Consolidated Balance Sheet (€ ‘000)

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS’ EQUITY	AMOUNTS AS AT 06.30.2015	AMOUNTS AS AT 12.31.2014
10. Deposits from banks	121,454,199	106,036,913
20. Deposits from customers	435,898,312	410,411,985
30. Debt securities in issue	144,960,980	150,275,804
40. Financial liabilities held for trading	72,501,479	77,134,715
50. Financial liabilities at fair value through profit or loss	460,392	566,967
60. Hedging derivatives	7,685,913	8,621,943
70. Changes in fair value of portfolio hedged items (+/-)	4,856,865	6,528,527
80. Tax liabilities	1,426,594	1,750,457
a) current tax liabilities	*885,558*	*1,129,850*
b) deferred tax liabilities	*541,036*	*620,607*
90. Liabilities included in disposal groups classified as held for sale	1,447,557	1,650,458
100. Other liabilities	19,806,218	16,600,851
110. Provision for employee severance pay	1,144,465	1,180,206
120. Provisions for risks and charges	10,016,624	10,623,012
a) post retirement benefit obligations	*6,921,212*	*7,293,416*
b) other reserves	*3,095,412*	*3,329,596*
140. Revaluation reserves	(4,121,367)	(4,134,549)
160. Equity instruments	1,888,463	1,888,463
170. Reserves	15,161,743	13,748,408
180. Share premium	15,976,604	15,976,604
190. Issued capital	20,257,668	19,905,774
200. Treasury shares (-)	(2,632)	(2,795)
210. Minorities (+/-)	3,271,591	3,445,819
220. Net profit (loss) for the year (+/-)	1,034,413	2,007,828
Total liabilities and Shareholders’ Equity	**875,126,081**	**844,217,390**

Consolidated Income Statement

Consolidated Income Statement

(€ '000)

ITEM	AS AT 06.30.2015	AS AT 06.30.2014
10. Interest income and similar revenues	9,962,381	11,118,732
20. Interest expenses and similar charges	(4,173,538)	(5,053,721)
30. Net interest margin	**5,788,843**	**6,065,011**
40. Fee and commission income	4,783,602	4,626,115
50. Fee and commission expense	(802,288)	(821,884)
60. Net fees and commissions	**3,981,314**	**3,804,231**
70. Dividend income and similar revenue	318,274	319,724
80. Gains and losses on financial assets and liabilities held for trading	651,902	219,569
90. Fair value adjustments in hedge accounting	11,412	(25,301)
100. Gains (Losses) on disposal and repurchase of:	169,841	395,624
a) loans	*12,306*	*(9,485)*
b) available-for-sale financial assets	*222,008*	*346,429*
c) held-to-maturity investments	*12*	*3,659*
d) financial liabilities	*(64,485)*	*55,021*
110. Gains and losses on financial assets/liabilities at fair value through profit or loss	58,122	41,328
120. Operating income	**10,979,708**	**10,820,186**
130. Net losses/recoveries on impairment:	(1,892,246)	(1,895,587)
a) loans	*(1,874,950)*	*(1,815,241)*
b) available-for-sale financial assets	*(22,787)*	*(86,332)*
c) held-to-maturity investments	*458*	*(36)*
d) other financial assets	*5,033*	*6,022*
140. Net profit from financial activities	**9,087,462**	**8,924,599**
170. Net profit from financial and insurance activities	**9,087,462**	**8,924,599**
180. Administrative costs:	(7,200,211)	(6,950,898)
a) staff expense	*(4,224,589)*	*(4,113,100)*
b) other administrative expense	*(2,975,622)*	*(2,837,798)*
190. Net provisions for risks and charges	(217,095)	(191,976)
200. Impairment/write-backs on property, plant and equipment	(322,311)	(372,611)
210. Impairment/write-backs on intangible assets	(226,197)	(219,612)
220. Other net operating income	499,269	622,141
230. Operating costs	**(7,466,545)**	**(7,112,956)**
240. Profit (loss) of associates	288,357	338,196
250. Gains and losses on tangible and intangible assets measured at fair value	(662)	(337)
270. Gains and losses on disposal of investments	28,768	81,247
280. Total profit or loss before tax from continuing operations	**1,937,380**	**2,230,749**
290. Tax expense (income) related to profit or loss from continuing operations	(521,363)	(920,664)
300. Total profit or loss after tax from continuing operations	**1,416,017**	**1,310,085**
310. Profit (Loss) after tax from discontinued operations	(179,767)	(22,143)
320. Net profit or loss for the year	**1,236,250**	**1,287,942**
330. Minorities	(201,837)	(172,247)
340. Profit (Loss) for the year attributable to the Parent Company	**1,034,413**	**1,115,695**

Earnings per share (€)	0.17	0.19
Diluted earnings per share (€)	0.17	0.19

Notes:
Income statement for 2014 differs from the figures disclosed in 2014 as the result of:
- the reclassification of the income arising from the placement fees of Debt Capital Markets "best effort" transactions (i.e. placement of financed instruments without underwriting risks) from "Gains and losses on financial assets and liabilities held for trading" to "Fee and commission income";
- the reclassification of the margins arising from currency trading with customers of a subsidiary from "Net Fee and commission income" to "Gains and losses on financial assets and liabilities held for trading";
- the presentation on a gross basis of fees for distribution of funds by a subsidiary previously presented on a net basis;
- the reclassification of the costs for a preexisting local Resolution Funds with reference to a subsidiary from "Other net operating income" to "Other administrative expenses".

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.

Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income

(€ '000)

ITEMS	AS AT 06.30.2015	AS AT 06.30.2014
10. Net profit (loss) for the period	**1,236,250**	**1,287,942**
Other comprehensive income not reclassified to profit or loss:		
20. Property, plant and equipment	-	-
30. Intangible assets	-	-
40. Defined benefit plans	250,093	(501,424)
50. Non-current assets classified as held for sale	-	-
60. Portion of revaluation reserves from investments valued at equity	-	-
Other comprehensive income after tax that may be reclassified to profit or loss:		
70. Hedges of foreign investments	-	-
80. Exchange differences	522,829	(287,236)
90. Cash flow hedges	(95,938)	184,773
100. Available-for-sale financial assets	(534,739)	870,633
110. Non-current assets classified as held for sale	3,214	(3,048)
120. Valuation reserves from investments accounted for using the equity method	(135,984)	169,535
130. Total other comprehensive income after tax	**9,475**	**433,233**
140. Comprehensive income (Item 10+130)	**1,245,725**	**1,721,175**
150. Consolidated comprehensive income attributable to minorities	(197,278)	(220,427)
160. Consolidated comprehensive income attributable to the Parent Company	**1,048,447**	**1,500,748**

Statement of Changes in Shareholders' Equity

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

Statement of changes in Shareholders' Equity as at June 30, 2015

(€ '000)

				ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES DURING THE PERIOD												
							SHAREHOLDERS' EQUITY TRANSACTIONS											
	BALANCE AS AT 12.31.2014	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2015	RESERVES	DIVIDENDS	CHANGES IN RESERVES	ISSUE OF NEW SHARES	ACQUISITION OF TREASURY SHARES	ADVANCED DIVIDENDS	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES	STOCK OPTIONS	CHANGES IN SHAREHOLDINGS	COMPREHENSIVE INCOME OF FIRST HALF 2015	TOTAL SHAREHOLDERS' EQUITY AS AT 06.30.2015	SHAREHOLDERS' EQUITY GROUP AS AT 06.30.2015	SHAREHOLDERS' EQUITY MINORITIES AS AT 06.30.2015
Issued capital:																		
a) ordinary shares	20,433,062	-	20,433,062	-	-	(61,856)	351,788	-	-	-	-	-	-	-	-	20,722,994	20,249,250	473,744
b) other shares	8,312	-	8,312	-	-	-	106	-	-	-	-	-	-	-	-	8,418	8,418	-
Share premiums	17,223,368	-	17,223,368	-	-	(800)	-	-	-	-	-	-	-	-	-	17,222,568	15,976,604	1,245,964
Reserves:		-																
a) from profits	8,523,226		8,523,226	1,978,821	-	74,379	(351,894)	-	-	(168,751)	-	-	-	-	-	10,055,781	8,832,404	1,223,377
b) other	6,503,965	-	6,503,965	-	-	(95,170)	-	-	-	-	-	-	47,415	-	-	6,456,210	6,329,339	126,871
Revaluation reserves	(4,130,026)	-	(4,130,026)	-	-	(998)	-	-	-	-	-	-	-	-	9,475	(4,121,549)	(4,121,367)	(182)
Advanced dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	1,888,463	-	1,888,463	-	-	-	-	-	-	-	-	-	-	-	-	1,888,463	1,888,463	-
Treasury shares	(2,845)	-	(2,845)	-	-	193	-	-	-	-	-	-	-	-	-	(2,652)	(2,632)	(20)
Net profit or Loss for the period	2,388,027	-	2,388,027	(1,978,821)	(409,206)	-	-	-	-	-	-	-	-	-	1,236,250	1,236,250	1,034,413	201,837
Total Shareholders' Equity	**52,835,552**	**-**	**52,835,552**	**-**	**(409,206)**	**(84,252)**	**-**	**-**	**-**	**(168,751)**	**-**	**-**	**47,415**	**-**	**1,245,725**	**53,466,483**	**50,194,892**	**3,271,591**
Shareholders' Equity Group	49,389,733	-	49,389,733	-	(8,315)	(113,637)	-	-	-	(168,751)	-	-	47,415	-	1,048,447	50,194,892		
Shareholders' Equity minorities	3,445,819	-	3,445,819	-	(400,891)	29,385	-	-	-	-	-	-	-	-	197,278	3,271,591		

Notes:

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).

Any discrepancies in this table and between data shown are solely due to the effect of rounding.

Statement of changes in Shareholders' Equity as at June 30, 2014

(€ '000)

	BALANCE AS AT 12.31.2013	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2014	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES DURING THE PERIOD										TOTAL SHAREHOLDERS' EQUITY AS AT 06.30.2014	SHAREHOLDERS' EQUITY GROUP AS AT 06.30.2014	SHAREHOLDERS' EQUITY MINORITIES AS AT 06.30.2014
							SHAREHOLDERS' EQUITY TRANSACTIONS											
				RESERVES	DIVIDENDS	CHANGES IN RESERVES	ISSUE OF NEW SHARES	ADVANCED DIVIDENDS	ACQUISITION OF TREASURY SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES	STOCK OPTIONS	CHANGES IN SHAREHOLDINGS	COMPREHENSIVE INCOME OF FIRST HALF 2014			
Issued capital: a) ordinary shares	20,050,370	-	20,050,370	-	-	85,633	250,832	-	-	-	-	-	-	-	-	20,386,835	19,897,462	489,373
b) other shares	8,226	-	8,226	-	-	-	86	-	-	-	-	-	-	-	-	8,312	8,312	-
Share premiums	25,153,166	-	25,153,166	(7,782,902)	-	(123,960)	-	-	-	-	-	-	-	-	-	17,246,304	15,976,604	1,269,700
Reserves: a) from profits	14,470,061	-	14,470,061	(6,130,971)	-	(36,468)	(6,907)	-	-	(176,392)	-	-	-	-	-	7,875,315	6,761,164	1,114,151
b) other	6,385,609	-	6,385,609	-	-	67,958	-	-	-	-	-	-	22,335	-	-	6,475,902	6,357,161	118,741
Revaluation reserves	(2,424,618)	-	(2,424,618)	-	-	(12,357)	-	-	-	-	-	-	-	-	433,233	(2,003,742)	(2,074,055)	70,313
Advanced dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	898,604	-	-	-	-	898,604	898,604	-
Treasury shares	(3,959)	-	(3,959)	-	-	230	-	-	-	-	-	-	-	-	-	(3,729)	(3,671)	(58)
Net profit or Loss for the period	(13,583,170)	-	(13,583,170)	13,913,873	(330,703)	-	-	-	-	-	-	-	-	-	1,287,942	1,287,942	1,115,695	172,247
Total Shareholders' Equity	**50,055,685**	**-**	**50,055,685**	**-**	**(330,703)**	**(18,962)**	**-**		**-**	**(176,392)**	**898,604**	**-**	**22,335**	-	**1,721,175**	**52,171,742**	**48,937,276**	**3,234,467**
Shareholders' Equity Group	46,721,863	-	46,721,863	-	(4,025)	(25,858)	-	-	-	(176,392)	898,604	-	22,335	-	1,500,748	48,937,276		
Shareholders' Equity minorities	3,333,822	-	3,333,822	-	(326,678)	6,896	-	-	-	-	-	-	-	-	220,427	3,234,467		

Notes:

Balances as at December 31, 2013 differ from the amounts disclosed at that date as a result of the introduction, on January 1, 2014, of the new IFRS 10, IFRS 11 and the revised versions of IAS 27 and IAS 28, applicable retroactively to January 1, 2013, which had a negative impact on the Shareholders' Equity as at December 31, 2013 (restated) amounting to €119 million, as noted in Part A - Accounting Policies - Section 5 - Other Matters.

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 change in equity instruments refers to the issuance of Additional Tier 1 instruments.

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement (indirect method)

(€ '000)

	AS AT	
	06.30.2015	06.30.2014
A. OPERATING ACTIVITIES		
1. Operations	**5,177,608**	**4,179,877**
- profit and loss of the period (+/-)	1,034,413	1,115,695
- capital gains/losses on financial assets/liabilities held for trading and on assets/liabilities designated at fair value through profit and loss (+/-)	(413,062)	(1,692,639)
- capital gains/losses on hedging operations (+/-)	(11,412)	25,301
- net losses/recoveries on impairment (+/-)	3,170,562	3,075,568
- net write-offs/write-backs on tangible and intangible assets (+/-)	549,170	592,560
- provisions and other incomes/expenses (+/-)	259,272	77,922
- uncollected net premiums (-)	-	-
- other uncollected incomes and expenses from insurance activities (+/-)	-	-
- unpaid taxes and tax credits (+/-)	211,258	702,576
- Impairment/write-backs on discontinued operations, net of tax (-/+)	173,738	104,955
- other adjustments (+)	203,669	177,939
2. Liquidity generated/absorbed by financial assets	**(32,155,145)**	**(10,315,023)**
- financial assets held for trading	4,088,472	(1,770,866)
- financial assets at fair value	(1,649,632)	(1,036,485)
- available-for-sale financial assets	(12,839,755)	(8,481,675)
- loans and receivables with banks	(17,958,442)	(5,690,881)
- loans and receivables with customers	(6,243,633)	2,543,081
- other assets	2,447,845	4,121,803
3. Liquidity generated/absorbed by financial liabilities	**29,977,754**	**5,262,050**
- deposits from banks	15,230,216	2,902,538
- deposits from customers	22,641,301	7,606,970
- debt certificates including bonds	(5,156,073)	(4,724,730)
- financial liabilities held for trading	(4,025,227)	(155,680)
- financial liabilities designated at fair value	(106,575)	(87,263)
- other liabilities	1,394,112	(279,785)
Net liquidity generated/absorbed by operating activities	**3,000,217**	**(873,096)**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated/absorbed by:		
- equity investments	21,698	72,183
- collected dividends on equity investments	111,257	178,823
- financial assets held to maturity	(142,499)	81,255
- tangible assets	(233,651)	(222,910)
- intangible assets	(249,132)	(258,529)
- sales/purchases of subsidiaries and divisions	20,210	147,175
Net liquidity generated/absorbed by investment activities	**(472,117)**	**(2,003)**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares	-	-
- issue/purchase of equity instruments	-	898,604
- distribution of dividends and other scopes	(693,893)	(558,831)
Net liquidity generated/absorbed by funding activities	**(693,893)**	**339,773**
NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD	**1,834,207**	**(535,326)**

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

Continued: Consolidated Cash Flow Statement (indirect method)

Reconciliation

(€ '000)

	AS AT	
	06.30.2015	06.30.2014
Cash and cash equivalents at the beginning of the period	**8,051,122**	**10,520,172**
Net liquidity generated/absorbed during the period	1,834,207	(535,326)
Cash and cash equivalents: effect of exchange rate variations	76,382	(9,367)
Cash and cash equivalents at the end of the period	**9,961,711**	**9,975,479**

Notes:

The comparative figures at June 30, 2014 have been restated:

- due to the offsetting of the deferred tax assets, items "Liquidity generated/absorbed by financial assets: other assets" and "Liquidity generated/absorbed by financial liabilities: other liabilities";
- due to the change with one counterparty falling under a different sector items "Liquidity generated/absorbed by financial assets: loans and receivables with banks and loans and receivables with customers" and items "Liquidity generated/absorbed by financial liabilities: deposits from banks and deposits from customers".

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

These Condensed Interim Consolidated Financial Statements have been prepared in accordance with the IFRS issued by the *International Accounting Standards Board* (IASB), including the interpretation documents issued by the SIC and the IFRIC, and endorsed by the European Commission up to June 30, 2014, 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 §. 154-ter 3 of the Single Finance Act (TUF, Leg. Decree no. 58 dated 02/24/1998).

They are an integral part of the Consolidated First Half Financial Report as required by art. 154-ter, paragraph 2, of the Single Finance Act (TUF Legislative Decree no. 58 of February 24, 1998).

As required by § 154-ter 2 TUF, this Consolidated First Half Financial Report includes the Condensed Interim Consolidated Financial Statements, the Interim Report on Operations and the Certification required by § 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, the Group has opted to provide Condensed First Half Consolidated accounts.

The Condensed Interim Consolidated Financial Statements are subject to a limited audit of the accounts by Deloitte & Touche S.p.A. as per the resolution passed by the Shareholders' Meeting on May 11, 2012.

Section 2 - Preparation Criteria

As mentioned above, these Half-YearConsolidated Accounts have been prepared in accordance with the international accounting standards 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:
- The Conceptual Framework for Financial Reporting;
- 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 the IAS/ 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.

These Condensed Interim Consolidated Financial Statements comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement (compiled using the indirect method), the Explanatory Notes and Annexes.

These are in line with Bank of Italy templates as prescribed by Circular 262 dated December 22, 2005 (third amendment dated December 22, 2014), and they present comparative figures, as at December 31, 2014 for the balance sheet and as at June 30, 2014 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 presented 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, in light of the positive result of the half-year and not having identified symptoms in the capital and financial structure that could indicate uncertainty about the entity's ability to continue as a going concern, 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 accounts as at June 30, 2015 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 contingent 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 and measurement of some of the largest items in the Consolidated Accounts at June 30, 2015, 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 support the carrying values as at June 30, 2015. Valuation is particularly complex because of the uncertainty in the macroeconomic and market environment.

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 (for more information on legal risks see Part E – Section 4);
- goodwill and other intangible assets;
- assets and liabilities related to insurance contracts;
- deferred tax assets;
- property held for investment;

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

Please note that the economic and political uncertainty in Ukraine and Russia were taken into account during the assessment of the net assets owned by the Group in these Countries. Please see Part E – Information on risks and related risk management policies – Section 5 – Other Aspects – Selected emerging risks.

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

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

Part A - Accounting Policies (Continued)

Section 3 - Consolidation Procedures and Scope

The consolidation criteria and principles used to prepare the Consolidated First Half Financial Report as at June 30, 2015 are described below.

Consolidated Accounts

For the preparation of the consolidated first half Financial Reports as at June 30, 2015, the following sources have been used:
- UniCredit S.p.A. first-half accounts at June 30, 2015;
- the first-half accounts duly reclassified and adjusted to take account of consolidation needs and, where necessary, to align them to the Group accounting principles;
- the sub-consolidated first-half accounts of Nuova Compagnia di Partecipazioni Group including Nuova Compagnia di Partecipazioni S.p.A. (formerly Compagnia Italpetroli S.p.A.) and its direct and indirect subsidiaries, as at June 30, 2015.

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

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

Subsidiaries

Entities, including structured entities, over which the Group has direct or indirect control, are considered subsidiaries. Control over an entity entails the Group's ability to exercise power in order to influence the variable returns to which the Group is exposed through its relationship with them.

In order to verify the existence of control, the Group considers the following factors:
- the purpose and establishment of the investee in order to identify which are the entity's objectives, the activities that determine its returns and how these activities are governed;
- the power in order to understand whether the Group has contractual rights that attribute the ability to govern the relevant activities; to this end only substantial rights that provide practical ability to govern are considered;
- the exposure held in relation to the investee in order to assess whether the Group has relations with the investee, the returns of which are subject to changes depending on the investee's performance;
- the existence of potential "principal - agent" relationships.

If the relevant activities are governed through voting rights, the existence of control is verified considering the voting rights held, including the potential ones, and the existence of any shareholders' or other agreements which attribute the right to control the majority of the voting rights, to appoint the majority of the governing body or in any case the power to determine the entity's financial and operating policies.

Subsidiaries may also include any "structured entity" in which the voting rights are not significant for establishing control, including special purpose entities and investment funds.

In the case of structured entities, the existence of control is ascertained considering both the contractual rights that enable governance of the relevant activities of the entity (or those that contribute most to the results) and the Group's exposure to the variability of returns deriving from these activities.

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

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

A subsidiary's income and expenses are included in the consolidation from the date the Parent acquires the control. On disposal of a subsidiary, its income and expenses are consolidated up to the date of the disposal, i.e. until the Parent ceases to control the subsidiary. The difference between the consideration received of the subsidiary and the carrying amount of its net assets at the same date is recognised in the Income Statement under item 270 "Gains (Losses) on the disposal of investments" for fully consolidated companies.

The portion attributable to non-controlling interests is presented in the Balance Sheet under item 210 “Minorities”, separately from the liabilities and net equity attributable to the Group. In the Income Statement, the portion attributable to minorities is also presented separately under item 330 “Minorities”.
With respect to companies included in the consolidation scope for the first time, the fair value of the cost paid to obtain control of this equity interest, including ancillary expenses, is measured at the acquisition date.

The difference between the consideration received of an interest held in a subsidiary and the carrying amount of the net assets is recognised in the Net Equity, if the sale does not entail loss of control.

Joint arrangements

A joint arrangement is a contractual agreement under the terms of which two or more counterparties arrange to jointly control an entity.
Joint control is the contractually agreed sharing of control of an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control.
According to the standard IFRS 11 – Joint Arrangements, such agreements must be classified as Joint Operations or Joint Ventures according to the contractual rights and obligations held by the Group.

A Joint Operation is a joint arrangement in which the parties have rights on the assets and obligations with respect to the liabilities of the arrangement.
A Joint Venture is a joint arrangement in which the parties have rights on the net assets of the arrangement.

The Group has assessed the nature of the joint arrangements and has determined that its jointly controlled equity investments are of the Joint Venture type. These equity investments are recognised using the equity method.

Associates

An associate is an entity over which the investor has significant influence and which are not subsidiaries or joint ventures.
Significant influence is presumed when the investor:

- holds, directly or indirectly, at least 20% of the share capital of another entity, or
- is able, also through shareholders’ agreements, to exercise significant influence through:
  - representation on the governing body of the company;
  - participation in the policy-making process, including participation in decisions about dividends or other distributions;
  - the existence of significant transactions;
  - interchange of managerial personnel;
  - provision of key technical information.

It is to be pointed out that only companies which are governed through voting rights can be classified as subject to significant influence.
Investments in associates are recognised using the equity method.

Equity Method

Equity investments in companies measured using the equity method include the goodwill (less any impairment loss) paid to purchase them.
The investor’s share of the profit and loss of the investee after the date of acquisition is recognised in the Income Statement under item 240 “Profit (Loss) of associates”. Any dividends distributed reduce the carrying amount of the equity investment.

If the investor’s share of an investee’s losses is equal to or greater than its carrying amount, no further losses are recognised, unless the investor has incurred specific obligations or made payments on behalf of the associate.

Gains and losses on transactions with associates or joint arrangements are eliminated according to the percentage interest in the said company.

Any changes in the revaluation reserves of associates or joint arrangements, which are recorded as a contra item to changes in value of the phenomena 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.

Part A - Accounting Policies (Continued)

Investments in subsidiaries and valued at equity

					OWNERSHIP RELATIONSHIP		
	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	HELD BY	HOLDING %	VOTING RIGHTS % (2)
	A. COMPANY						
	A.1 LINE BY LINE METHOD						
1	**UNICREDIT SPA** Issued capital 20,257,667,511.62	**ROME**	**MILAN**		**HOLDING**		
2	A&T-PROJEKTENTWICKLUNGS GMBH & CO, POTSDAMER PLATZ BERLIN KG Issued capital EUR 613,550	MUNICH	MUNICH	1	GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND)	100.00	
3	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. OBERBAUM CITY KG Issued capital EUR 26,000	GRUNWALD	GRUNWALD	1	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	1.89
					SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	100.00	98.11
4	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. PARKKOLONNADEN KG Issued capital EUR 26,000	GRUNWALD	GRUNWALD	1	A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG	100.00	98.11
					ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	1.89
5	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. STUTTGART KRONPRINZSTRASSE KG Issued capital EUR 26,000	GRUNWALD	GRUNWALD	1	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	1.89
					HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	98.11
6	AGROB IMMOBILIEN AG Issued capital EUR 10,000,000	ISMANING	ISMANING	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	52.72	75.02
7	AI BETEILIGUNGS GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
8	ALINT 458 GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H. I.L. Issued capital EUR 25,565	HAMBURG	BAD HOMBURG	1	UNICREDIT LEASING S.P.A.	100.00	
9	ALLEGRO LEASING GESELLSCHAFT M.B.H. Issued capital EUR 3,576,202	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
10	ALLIB LEASING S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
11	ALLIB NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA Issued capital HRK 20,000	ZAGREB	ZAGREB	1	LOCAT CROATIA DOO	100.00	
12	ALLIB ROM S.R.L. Issued capital RON 680,000	BUCHAREST	BUCHAREST	1	UNICREDIT CONSUMER FINANCING IFN S.A.	0.02	
					UNICREDIT LEASING CORPORATION IFN S.A.	99.98	
13	ALMS LEASING GMBH. Issued capital EUR 36,337	VIENNA	SALZBURG	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
14	ALPINE CAYMAN ISLANDS LTD. Issued capital EUR 798	GEORGE TOWN	GEORGE TOWN	1	UNICREDIT BANK AUSTRIA AG	100.00	
15	ALTUS ALPHA PLC	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
16	ALV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
17	AMBASSADOR PARC DEDINJE D.O.O. BEOGRAD Issued capital RSD 2,715,063	BELGRADE	BELGRADE	1	UCTAM D.O.O. BEOGRAD	100.00	
18	ANTARES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
19	ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH Issued capital EUR 26,000	MUNICH	MUNICH	1	HVB PROJEKT GMBH	90.00	
20	AO UNICREDIT BANK Issued capital RUR 41,787,805,174	MOSCOW	MOSCOW	1	UNICREDIT BANK AUSTRIA AG	100.00	
21	ARABELLA FINANCE LTD Issued capital EUR 0	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
22	ARANY PENZUEGYI LIZING ZRT. Issued capital HUF 60,000,000	BUDAPEST	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
23	ARENA NPL ONE S.R.L. (CARTOLARIZZAZIONE 2014)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
24	ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH Issued capital EUR 511,300	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP [1]	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % [2]
25	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
26	ARRONDA IMMOBILIENVERWALTUNGS GMBH Issued capital EUR 511,500	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
27	ARTIST MARKETING ENTERTAINMENT GMBH IN LIQU. Issued capital EUR 50,000	VIENNA	VIENNA	1	MY BETEILIGUNGS GMBH IN LIQU.	100.00	
28	ATLANTERRA IMMOBILIENVERWALTUNGS GMBH Issued capital EUR 1,023,000	MUNICH	MUNICH	1	HVB PROJEKT GMBH	90.00	
29	AUFBAU DRESDEN GMBH Issued capital EUR 260,000	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
30	AUSTRIA LEASING GMBH Issued capital EUR 36,336	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	0.40	
					GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.40	99.60
31	AWT HANDELS GESELLSCHAFT M.B.H. Issued capital EUR 2,906,913	VIENNA	VIENNA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
32	B 03 IMMOBILIEN GMBH & CO KG Issued capital EUR 10,000	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	100.00	
					VECTIGAL IMMOBILIEN GMBH	..	
33	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH Issued capital EUR 730,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.25	
					IMMOBILIEN HOLDING GMBH	99.75	
34	B.I. INTERNATIONAL LIMITED Issued capital EUR 792	GEORGE TOWN	GEORGE TOWN	1	TRINITRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG	100.00	
35	BA ALPINE HOLDINGS, INC. Issued capital USD 74,435,918	WILMINGTON	WILMINGTON	1	UNICREDIT BANK AUSTRIA AG	100.00	
36	BA BETRIEBSOBJEKTE GMBH Issued capital EUR 5,630,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
37	BA BETRIEBSOBJEKTE GMBH & CO BETA VERMIETUNGS OG Issued capital EUR 1,000	VIENNA	VIENNA	1	BA BETRIEBSOBJEKTE GMBH	99.90	
					MY DREI HANDELS GMBH	0.10	
38	BA BETRIEBSOBJEKTE PRAHA, SPOL.S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	1	BA BETRIEBSOBJEKTE GMBH	100.00	
39	BA CA LEASING (DEUTSCHLAND) GMBH Issued capital EUR 153,388	BAD HOMBURG	BAD HOMBURG	1	UNICREDIT LEASING S.P.A.	94.90	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	5.10	[4]
40	BA CA SECUND LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
41	BA CREDITANSTALT BULUS EOOD Issued capital BGN 6,250,000	SOFIA	SOFIA	1	UNICREDIT LEASING EAD	100.00	
42	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. Issued capital EUR 363,364	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
43	BA GEBAEUDEVERMIETUNGSGMBH Issued capital EUR 36,336	VIENNA	VIENNA	1	BA GVG-HOLDING GMBH	70.00	
44	BA GVG-HOLDING GMBH Issued capital EUR 18,168	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
45	BA IMMO GEWINNSCHEIN FONDS1	VIENNA	VIENNA	4	UNICREDIT BANK AUSTRIA AG	..	[3]
46	BA PRIVATE EQUITY GMBH IN LIQU. Issued capital EUR 1,200,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
47	BA-CA ANDANTE LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
48	BA-CA FINANCE (CAYMAN) II LIMITED Issued capital EUR 15,000	GEORGE TOWN	GEORGE TOWN	1	ALPINE CAYMAN ISLANDS LTD.	100.00	
49	BA-CA FINANCE (CAYMAN) LIMITED Issued capital EUR 15,000	GEORGE TOWN	GEORGE TOWN	1	ALPINE CAYMAN ISLANDS LTD.	100.00	
50	BA-CA LEASING DREI GARAGEN GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
51	BA-CA LEASING MAR IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
52	BA-CA LEASING MODERATO D.O.O. Issued capital EUR 8,763	LJUBLJANA	LJUBLJANA	1	UNICREDIT LEASING S.P.A.	100.00	
53	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H. Issued capital EUR 127,177	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
54	BA-CA PRESTO LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
55	BA-CA WIEN MITTE HOLDING GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
56	BA/CA-LEASING BETEILIGUNGEN GMBH Issued capital EUR 454,000	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
57	BACA CENA IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
58	BACA CHEOPS LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
59	BACA HYDRA LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
60	BACA KOMMUNALLEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
61	BACA LEASING ALFA S.R.O. Issued capital CZK 110,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
62	BACA LEASING CARMEN GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
63	BACA LEASING GAMA S.R.O. Issued capital CZK 110,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
64	BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH Issued capital EUR 21,936,492	VIENNA	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	(4)
65	BACA NEKRETNINE DRUSTVO SA OGRANICENOM ODGOVORNOSCU Issued capital BAM 31,263	SARAJEVO	BANJA LUKA	1	UNICREDIT LEASING S.P.A.	100.00	
66	BACA-LEASING AQUILA INGATLANHASNOSITO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
67	BACA-LEASING OMIKRON INGATLANHASZNOSTO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
68	BACAL ALPHA DOO ZA POSLOVANJE NEKRETNINAMA Issued capital HRK 20,000	ZAGREB	ZAGREB	1	LOCAT CROATIA DOO	100.00	
69	BACAL BETA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA Issued capital HRK 100,000	ZAGREB	ZAGREB	1	LOCAT CROATIA DOO	100.00	
70	BAI WOHNUNGSEIGENTUMSGESELLSCHAFT M.B.H. Issued capital EUR 73,000	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	99.90	
					BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.10	
71	BAL CARINA IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
72	BAL DEMETER IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
73	BAL HESTIA IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
74	BAL HORUS IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
75	BAL HYPNOS IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP [1]	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS % [2]
76	BAL LETO IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
77	BAL OSIRIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
78	BAL SOBEK IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
79	BALEA SOFT GMBH & CO. KG Issued capital EUR 500,000	HAMBURG	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
80	BALEA SOFT VERWALTUNGSGESELLSCHAFT MBH Issued capital EUR 50,000	HAMBURG	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
81	BANK AUSTRIA CREDITANSTALT LEASING IMMOBILIENANLAGEN GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
82	BANK AUSTRIA FINANZSERVICE GMBH Issued capital EUR 490,542	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
83	BANK AUSTRIA HUNGARIA BETA LEASING KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
84	BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	WOEM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
85	BANK AUSTRIA LEASING HERA IMMOBILIEN LEASING GMBH Issued capital EUR 36,337	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
86	BANK AUSTRIA LEASING IKARUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
87	BANK AUSTRIA LEASING MEDEA IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
88	BANK AUSTRIA REAL INVEST CLIENT INVESTMENT GMBH Issued capital EUR 145,500	VIENNA	VIENNA	1	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	100.00	
89	BANK AUSTRIA REAL INVEST IMMOBILIEN-KAPITALANLAGE GMBH Issued capital EUR 5,000,000	VIENNA	VIENNA	1	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	100.00	
90	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH Issued capital EUR 10,900,500	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	94.95	
91	BANK AUSTRIA WOHNBAUBANK AG Issued capital EUR 18,765,944	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
92	BANK PEKAO SA Issued capital PLN 262,470,034	WARSAW	WARSAW	1	UNICREDIT SPA	50.10	
93	BANKHAUS NEELMEYER AG Issued capital EUR 12,800,000	BREMEN	BREMEN	1	UNICREDIT BANK AG	100.00	
94	BARD ENGINEERING GMBH Issued capital EUR 100,098	EMDEN	EMDEN	4	BARD HOLDING GMBH	..	[3]
95	BARD HOLDING GMBH Issued capital EUR 25,000	EMDEN	EMDEN	4	UNICREDIT BANK AG	..	[3]
96	BAREAL IMMOBILIENTREUHAND GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	50.00	
					UNICREDIT BANK AUSTRIA AG	50.00	
97	BARODA PIONEER ASSET MANAGEMENT COMPANY LTD Issued capital INR 880,440,640	MUMBAI	MUMBAI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
98	BARODA PIONEER TRUSTEEE COMPANY PVT LTD Issued capital INR 500,000	MUMBAI	MUMBAI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
99	BAULANDENTWICKLUNG GDST 1682/8 GMBH & CO OEG Issued capital EUR 0	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	1.00	
					CALG IMMOBILIEN LEASING GMBH	99.00	

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS % (2)
100	BAVARIA SERVICOS DE REPRESENTACAO COMERCIAL LTDA. Issued capital BRL 351,531	SAO PAULO	SAO PAULO	1	UNICREDIT DELAWARE INC	0.47	
					UNICREDIT SPA	99.53	
101	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
102	BF NINE HOLDING GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	ALLEGRO LEASING GESELLSCHAFT M.B.H.	100.00	
103	BIL LEASING-FONDS GMBH & CO VELUM KG Issued capital EUR 2,556	GRUNWALD	GRUNWALD	1	BIL LEASING-FONDS VERWALTUNGS-GMBH	..	33.33
					UNICREDIT BANK AG	100.00	33.33
104	BIL LEASING-FONDS VERWALTUNGS-GMBH Issued capital EUR 26,000	GRUNWALD	GRUNWALD	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
105	BLUE CAPITAL EUROPA IMMOBILIEN GMBH & CO. ACHTE OBJEKTE GROSSBRITANNIEN KG Issued capital EUR 5,500	MUNICH	MUNICH	1	WEALTHCAP FONDS GMBH	90.91	
					WEALTHCAP INVESTORENBETREUUNG GMBH	9.09	
106	BORGO DI PEROLLA SRL Issued capital EUR 2,043,952.49	MASSA MARITTIMA	MASSA MARITTIMA	1	FONDIARIA LASA SPA	100.00	
107	BREWO GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
108	BUCHSTEIN IMMOBILIENVERWALTUNG GMBH UND CO OG Issued capital EUR 18,168	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
109	BUITENGAATS HOLDING B.V. Issued capital EUR 18,000	EEMSHAVEN	EEMSHAVEN	4	BARD ENGINEERING GMBH	..	(3)
110	BULBANK LEASING EAD Issued capital BGN 2,050,000	SOFIA	SOFIA	1	UNICREDIT LEASING EAD	100.00	
111	BV GRUNDSTUCKSENTWICKLUNGS-GMBH Issued capital EUR 511,300	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
112	BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG Issued capital EUR 511,292	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
113	CA-LEASING DELTA INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
114	CA-LEASING EPSILON INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
115	CA-LEASING EURO, S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
116	CA-LEASING KAPPA INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
117	CA-LEASING OMEGA INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
118	CA-LEASING OVUS S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
119	CA-LEASING SENIOREN PARK GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
120	CA-LEASING ZETA INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
121	CABET-HOLDING GMBH Issued capital EUR 290,909	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
122	CABO BETEILIGUNGSGESELLSCHAFT M.B.H. Issued capital EUR 35,000	VIENNA	VIENNA	1	CABET-HOLDING GMBH	100.00	
123	CAFU VERMOEGENSVERWALTUNG GMBH & CO OG Issued capital EUR 6,719,227	VIENNA	VIENNA	1	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
124	CAL-PAPIER INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
125	CALG 307 MOBILIEN LEASING GMBH Issued capital EUR 90,959	VIENNA	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	(4)
126	CALG 443 GRUNDSTUECKVERWALTUNG GMBH Issued capital EUR 36,336	VIENNA	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	(4)
127	CALG 445 GRUNDSTUECKVERWALTUNG GMBH Issued capital EUR 18,168	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.60	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.40	(4)
128	CALG 451 GRUNDSTUECKVERWALTUNG GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
129	CALG ALPHA GRUNDSTUECKVERWALTUNG GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
130	CALG ANLAGEN LEASING GMBH Issued capital EUR 55,945,753	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
131	CALG ANLAGEN LEASING GMBH & CO GRUNDSTUECKVERMIETUNG UND -VERWALTUNG KG Issued capital EUR 2,326,378	MUNICH	MUNICH	1	CALG ANLAGEN LEASING GMBH	99.90	
132	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH Issued capital EUR 13,318,789	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
133	CALG GAMMA GRUNDSTUECKVERWALTUNG GMBH Issued capital EUR 36,337	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
134	CALG GRUNDSTUECKVERWALTUNG GMBH Issued capital EUR 36,500	VIENNA	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	(4)
135	CALG IMMOBILIEN LEASING GMBH Issued capital EUR 41,384,084	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
136	CALG IMMOBILIEN LEASING GMBH & CO. 1120 WIEN, SCHOENBRUNNER SCHLOSSSTRASSE 38-42 OG Issued capital EUR 300	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
137	CALG IMMOBILIEN LEASING GMBH & CO. PROJEKT ACHT OG Issued capital EUR 300	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
138	CALG IMMOBILIEN LEASING GMBH & CO. PROJEKT VIER OG Issued capital EUR 300	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
139	CALG MINAL GRUNDSTUECKVERWALTUNG GMBH Issued capital EUR 18,286	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
140	CAMPO DI FIORI S.R.L. Issued capital EUR 50,000	ROME	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
141	CAPITAL MORTGAGE SRL (CARTOLARIZZAZIONE : BIPCA CORDUSIO RMBS)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
142	CAPITAL MORTGAGE SRL (CARTOLARIZZAZIONE : CAPITAL MORTGAGE 2007 - 1)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
143	CARD COMPLETE SERVICE BANK AG Issued capital EUR 6,000,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	50.10	
144	CARDS & SYSTEMS EDV-DIENSTLEISTUNGS GMBH Issued capital EUR 75,000	VIENNA	VIENNA	1	CARD COMPLETE SERVICE BANK AG	5.00	
					DC BANK AG	1.00	
					UNICREDIT BANK AUSTRIA AG	52.00	
145	CDM CENTRALNY DOM MAKLERSKI PEKAO SA Issued capital PLN 56,331,898	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
146	CEAKSCH VERWALTUNGS G.M.B.H. Issued capital EUR 35,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	100.00	
147	CENTAR KAPTOL DOO Issued capital HRK 46,830,400	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
148	CENTER HEINRICH-COLLIN-STRASSE1 VERMIETUNGS GMBH U.CO KG Issued capital EUR 5,200,000	VIENNA	VIENNA	4	BA IMMO GEWINNSCHEIN FONDS1	..	(3)
					BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	0.10	

Part A - Accounting Policies (CONTINUED)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
149	CENTRUM BANKOWOSCI BEZPOSREDNIEJ SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSC Issued capital PLN 500,000	KRAKOW	KRAKOW	1	BANK PEKAO SA	100.00	
150	CENTRUM KART SA Issued capital PLN 26,782,648	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
151	CHARADE LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
152	CHEFREN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
153	CIVITAS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
154	COFIRI S.P.A. IN LIQUIDAZIONE Issued capital EUR 6,910,151	ROME	ROME	1	UNICREDIT SPA	100.00	
155	COMMUNA - LEASING GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	REAL-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
156	COMPAGNIA FONDIARIA ROMANA - SOCIETA' A RESPONDABILITA' LIMITATA Issued capital EUR 103,400	ROME	ROME	1	IMMOBILIARE PATETTA SRL	87.50	
					SOCIETA' VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L.	12.50	
157	CONSORZIO QUENIT Issued capital EUR 10,000	VERONA	VERONA	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	55.00	
158	CONSUMER TWO SRL (CARTOLARIZZAZIONE: CONSUMER TWO)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
159	CONTRA LEASING-GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	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	(4)
160	CORDUSIO RMBS - UCFIN SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS UCFIN - SERIE 2006)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
161	CORDUSIO RMBS SECURITISATION SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS SECURITISATION - SERIE 2006)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
162	CORDUSIO RMBS SECURITISATION SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS SECURITISATION - SERIE 2007)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
163	CORDUSIO RMBS SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
164	CORDUSIO SIM - ADVISORY & FAMILY OFFICE SPA Issued capital EUR 120,000	MILAN	MILAN	1	UNICREDIT SPA	100.00	
165	CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI Issued capital EUR 520,000	MILAN	MILAN	1	UNICREDIT SPA	100.00	
166	CORIT - CONCESSIONARIA RISCOSSIONE TRIBUTI S.P.A. IN LIQUIDAZIONE Issued capital EUR 1,243,732	ROME	ROME	1	UNICREDIT SPA	60.00	
167	CRIVELLI SRL Issued capital EUR 10,000	MILAN	MILAN	1	UNICREDIT SPA	100.00	
168	CUMTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH Issued capital EUR 26,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
					UNICREDIT BANK AG	6.15	
169	CUXHAVEN STEEL CONSTRUCTION GMBH Issued capital EUR 25,000	CUXHAVEN	CUXHAVEN	4	BARD ENGINEERING GMBH	..	(3)
170	DBC SP.Z O.O. Issued capital PLN 50,000	WARSAW	WARSAW	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
171	DC BANK AG Issued capital EUR 5,000,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.94	
172	DC ELEKTRONISCHE ZAHLUNGSSYSTEME GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H.	100.00	
173	DEBO LEASING IFN S.A. Issued capital RON 724,400	BUCHAREST	BUCHAREST	1	UNICREDIT CONSUMER FINANCING IFN S.A.	0.01	
					UNICREDIT LEASING CORPORATION IFN S.A.	99.99	

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
174	DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT ALPHA MANAGEMENT KG Issued capital EUR 255,650	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
175	DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT BETA MANAGEMENT KG Issued capital EUR 255,650	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
176	DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT GAMMA MANAGEMENT KG Issued capital EUR 255,650	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
177	DINERS CLUB CS, S.R.O. Issued capital EUR 829,848	BRATISLAVA	BRATISLAVA	1	DC BANK AG	100.00	
178	DINERS CLUB POLSKA SP.Z.O.O. Issued capital PLN 7,500,000	WARSAW	WARSAW	1	DC BANK AG	100.00	
179	DIRANA LIEGENSCHAFTSVERWERTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 17,500	VIENNA	VIENNA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
180	DLV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
181	DOBLERHOF IMMOBILIEN GMBH & CO KG Issued capital EUR 10,000	VIENNA	VIENNA	1	KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	100.00	
					VECTIGAL IMMOBILIEN GMBH	..	
182	DOM INWESTYCYJNY XELION SP. Z O.O. Issued capital PLN 60,050,000	WARSAW	WARSAW	1	BANK PEKAO SA	50.00	
					UNICREDIT SPA	50.00	
183	DOMUS CLEAN REINIGUNGS GMBH Issued capital EUR 17,500	VIENNA	VIENNA	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS AUSTRIA GMBH	100.00	
184	DONAUMARINA PROJEKTENTWICKLUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	100.00	
185	DONAUTURM AUSSICHTSTURM-UND RESTAURANT-BETRIEBSGESELLSCHAFT M.B.H. Issued capital EUR 880,000	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	95.00	
186	DONAUTURM LIEGENSCHAFTSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 1,820,000	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	94.85	
187	DR. W. W. DONATH IMMOBILIENVERWALTUNG GMBH Issued capital EUR 37,000	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	100.00	
188	DUODEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
189	DV ALPHA GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	PIRTA VERWALTUNGS GMBH	100.00	
190	DV BETEILIGUNGSVERWALTUNGS GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	PIRTA VERWALTUNGS GMBH	100.00	
191	EKAZENT GEBAEUDEVERMIETUNG GMBH Issued capital EUR 1,310,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.06	
					EKAZENT REALITAETENGESELLSCHAFT M.B.H.	99.94	
192	EKAZENT IMMOBILIEN MANAGEMENT GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	100.00	
193	EKAZENT REALITAETENGESELLSCHAFT M.B.H. Issued capital EUR 4,370,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.02	
					IMMOBILIEN HOLDING GMBH	99.98	
194	ELEKTRA PURCHASE NO. 32 S.A.	LUXEMBOURG	LUXEMBOURG	4	UNICREDIT BANK AG	..	(3)
195	ELEKTRA PURCHASE NO. 33 LIMITED	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
196	ELEKTRA PURCHASE NO. 34 LIMITED	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
197	ELEKTRA PURCHASE NO. 35 LIMITED	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
198	ELEKTRA PURCHASE NO. 36 LIMITED	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
199	ELEKTRA PURCHASE NO. 40 LIMITED	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
200	ELEKTRA PURCHASE No. 17 S.A. - COMPARTMENT 2	LUXEMBOURG	LUXEMBOURG	4	UNICREDIT BANK AG	..	(3)
201	ELEKTRA PURCHASE No. 28 LTD	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
202	ELEKTRA PURCHASE No. 31 LTD	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
203	ELEKTRA PURCHASE No. 911 LTD	ST. HELIER	ST. HELIER	4	UNICREDIT BANK AG	..	(3)
204	ENTASI SRL Issued capital EUR 10,200	ROME	ROME	1	UNICREDIT SPA	100.00	
205	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK GREFRATH KG Issued capital EUR 1,043,889	OLDENBURG	OLDENBURG	1	WEALTHCAP INVESTORENBETREUUNG GMBH	0.07	
					WEALTHCAP PEIA MANAGEMENT GMBH	68.45	68.20
206	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK KRAHENBERG KG Issued capital EUR 1,393,806	OLDENBURG	OLDENBURG	1	WEALTHCAP INVESTORENBETREUUNG GMBH	0.05	
					WEALTHCAP PEIA MANAGEMENT GMBH	68.49	68.24
207	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK MOSE KG Issued capital EUR 1,270,305	OLDENBURG	OLDENBURG	1	WEALTHCAP INVESTORENBETREUUNG GMBH	0.05	0.06
					WEALTHCAP PEIA MANAGEMENT GMBH	68.48	68.23
208	EUROGATE BETEILIGUNGSVERWALTUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	PRO WOHNBAU AG	100.00	
209	EUROGATE PROJEKTENTWICKLUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	100.00	
210	EUROGATE PROJEKTENTWICKLUNG GMBH & CO AREA BETA KG Issued capital EUR 35,000	VIENNA	VIENNA	1	EUROGATE BETEILIGUNGSVERWALTUNG GMBH	100.00	
					EUROGATE PROJEKTENTWICKLUNG GMBH	..	
211	EUROLEASE AMUN IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
212	EUROLEASE ANUBIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
213	EUROLEASE ISIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
214	EUROLEASE MARDUK IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
215	EUROLEASE RA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
216	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 14,398,879	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
217	EUROPA BEFEKTETESI ALAPKEZELOE ZRT (EUROPA INVESTMENT FUND MANAGEMENT LTD.) Issued capital HUF 100,000,000	BUDAPEST	BUDAPEST	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
218	EUROPE REAL-ESTATE INVESTMENT FUND	BUDAPEST	BUDAPEST	4	UNICREDIT BANK HUNGARY ZRT.	..	(3)
219	EUROPEAN-OFFICE-FONDS	MUNICH	MUNICH	4	UNICREDIT BANK AG	..	(3)
220	EUROPEYE SRL Issued capital EUR 100,000	ROME	ROME	1	UNICREDIT SPA	80.00	
221	EUROVENTURES-AUSTRIA-CA-MANAGEMENT GESMBH Issued capital EUR 36,336	VIENNA	VIENNA	1	CABET-HOLDING GMBH	100.00	
222	EXPANDA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
223	F-E GOLD SRL (CARTOLARIZZAZIONE : F-E GOLD)	MILAN	MILAN	4	UNICREDIT LEASING S.P.A.	..	(3)
224	F-E MORTGAGES SRL (CARTOLARIZZAZIONE : F-E MORTGAGES 2005)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
225	F-E MORTGAGES SRL (CARTOLARIZZAZIONE : F-E MORTGAGES SERIES 1 - 2003)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
226	FACTORBANK AKTIENGESELLSCHAFT Issued capital EUR 3,000,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
227	FCT UCG TIKEHAU Issued capital EUR 50,000,000	PARIS	PARIS	4	UNICREDIT SPA	..	(3)

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
228	FINECO VERWALTUNG AG (IN LIQUIDATION) Issued capital EUR 50,000	MUNICH	MUNICH	1	UNICREDIT SPA	100.00	
229	FINECOBANK SPA Issued capital EUR 200,150,192	MILAN	REGGIO EMILIA	1	UNICREDIT SPA	65.47	
230	FMC LEASING INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
231	FMZ SAVARIA SZOLGALTATO KORLATOLT FELELOESSEG TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	UNICREDIT LEASING KFT	75.00	
232	FMZ SIGMA PROJEKTENTWICKLUNGS GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
233	FOLIA LEASING GESELLSCHAFT M.B.H. Issued capital EUR 1,981,769	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
234	FONDIARIA LASA SPA Issued capital EUR 3,102,000	ROME	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
235	FOOD & MORE GMBH Issued capital EUR 100,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
236	FORUM POLSKIEGO BIZNESU MEDIA SP.Z O.O. Issued capital PLN 13,758,000	WARSAW	WARSAW	1	PEKAO PROPERTY SA	100.00	
237	FUGATO LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
238	G.N.E. GLOBAL GRUNDSTUECKSVERWERTUNG GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
239	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H. Issued capital EUR 21,872,755	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
240	GARAGE AM HOF GESELLSCHAFT M.B.H. Issued capital EUR 220,000	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	90.60	
					SCHOELLERBANK AKTIENGESELLSCHAFT	2.00	
241	GBS GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.00	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	1.00	(4)
242	GEBAEUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	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	(4)
243	GELDILUX-TS-2013 SA Issued capital EUR 31,000	LUXEMBOURG	LUXEMBOURG	4	UNICREDIT LUXEMBOURG S.A.	..	(3)
244	GEMEINDELEASING GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H. Issued capital EUR 18,333	VIENNA	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	(4)
245	GEMMA VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG Issued capital EUR 68,325,723	PULLACH	PULLACH	4	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	6.13	(3)
246	GENERAL LOGISTIC SOLUTIONS LLC Issued capital RUB 142,309,444	MOSCOW	MOSCOW	1	UCTAM RU LIMITED LIABILITY COMPANY	100.00	
247	GIMMO IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH Issued capital EUR 25,600	MUNICH	MUNICH	1	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	100.00	
248	GOLF- UND COUNTRY CLUB SEDDINER SEE IMMOBILIEN GMBH Issued capital EUR 52,500	MUNICH	MUNICH	1	ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	6.00	
					HVB PROJEKT GMBH	94.00	
249	GRAND CENTRAL FUNDING CORPORATION Issued capital USD 1,000	NEW YORK	NEW YORK	4	UNICREDIT BANK AG	..	(3)

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
250	GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND) Issued capital EUR 4,086,245	MUNICH	MUNICH	1	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	98.24	
251	GRUNDSTUCKSGESELLSCHAFT SIMON BESCHRANKT HAFTENDE KOMMANDITGESELLSCHAF Issued capital EUR 51,500	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
252	GRUNDSTUECKSVERWALTUNG LINZ-MITTE GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
253	H & B IMMOBILIEN GMBH & CO. OBJEKTE KG Issued capital EUR 5,000	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
254	H.F.S. IMMOBILIENFONDS GMBH Issued capital EUR 25,565	EBERSBERG	EBERSBERG	1	WEALTHCAP INVESTMENT SERVICES GMBH	100.00	
255	H.F.S. LEASINGFONDS DEUTSCHLAND 1 GMBH & CO. KG (IMMOBILIENLEASING) Issued capital EUR 0	MUNICH	MUNICH	4	HVB IMMOBILIEN AG	..	(3)
					WEALTHCAP REAL ESTATE MANAGEMENT GMBH	0.08	
256	H.F.S. LEASINGFONDS DEUTSCHLAND 7 GMBH & CO. KG Issued capital EUR 56,605,126	MUNICH	MUNICH	4	HVB PROJEKT GMBH	0.02	(3)
					WEALTHCAP REAL ESTATE MANAGEMENT GMBH	0.08	
257	HAWA GRUNDSTUCKS GMBH & CO. OHG HOTELVERWALTUNG Issued capital EUR 276,200	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	99.50	
					TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	0.50	
258	HAWA GRUNDSTUCKS GMBH & CO. OHG IMMOBILIENVERWALTUNG Issued capital EUR 54,300	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	99.50	
					TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	0.50	
259	HBF PROJEKTENTWICKLUNG ZWEI GMBH & CO KG Issued capital EUR 1,000	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	95.00	
					EUROGATE BETEILIGUNGSVERWALTUNG GMBH	5.00	100.00
260	HBF PROJEKTENTWICKLUNG DREI GMBH & CO KG Issued capital EUR 1,000	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	95.00	
					EUROGATE BETEILIGUNGSVERWALTUNG GMBH	5.00	
261	HBF PROJEKTENTWICKLUNG EINS GMBH & CO KG Issued capital EUR 1,000	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	95.00	
					EUROGATE BETEILIGUNGSVERWALTUNG GMBH	5.00	
262	HELICONUS SRL (CARTOLARIZZAZIONE: HELICONUS)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
263	HERKU LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
264	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH Issued capital EUR 25,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
265	HONEU LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
266	HUMAN RESOURCES SERVICE AND DEVELOPMENT GMBH Issued capital EUR 18,168	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
267	HVB ASSET LEASING LIMITED Issued capital USD 1	LONDON	LONDON	1	UNICREDIT BANK AG	100.00	
268	HVB ASSET MANAGEMENT HOLDING GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVB VERWA 4 GMBH	100.00	
269	HVB AUTO LEASING EOOD Issued capital BGN 8,073,320	SOFIA	SOFIA	1	UNICREDIT LEASING EAD	100.00	
270	HVB CAPITAL LLC Issued capital USD 10,000	WILMINGTON	WILMINGTON	1	UNICREDIT BANK AG	100.00	
271	HVB CAPITAL LLC II Issued capital USD 15	WILMINGTON	WILMINGTON	1	UNICREDIT BANK AG	100.00	
272	HVB CAPITAL LLC III Issued capital USD 10,000	WILMINGTON	WILMINGTON	1	UNICREDIT BANK AG	100.00	
273	HVB CAPITAL PARTNERS AG Issued capital EUR 2,500,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
274	HVB EXPORT LEASING GMBH Issued capital EUR 25,600	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
275	HVB FUNDING TRUST	WILMINGTON	WILMINGTON	4	UNICREDIT BANK AG	..	(3)
276	HVB FUNDING TRUST II Issued capital USD 2,657	WILMINGTON	WILMINGTON	1	UNICREDIT BANK AG	100.00	
277	HVB FUNDING TRUST III	WILMINGTON	WILMINGTON	4	UNICREDIT BANK AG	..	(3)
278	HVB GESELLSCHAFT FUR GEBAUDE BETEILIGUNGS GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
279	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG Issued capital EUR 10,000,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
280	HVB HONG KONG LIMITED Issued capital USD 129	HONG KONG	HONG KONG	1	UNICREDIT BANK AG	100.00	
281	HVB IMMOBILIEN AG Issued capital EUR 520,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
282	HVB INVESTMENTS (UK) LIMITED Issued capital GBP 2	GEORGE TOWN	GEORGE TOWN	1	UNICREDIT BANK AG	100.00	
283	HVB LEASING CZECH REPUBLIC S.R.O. Issued capital CZK 49,632,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
284	HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG Issued capital EUR 1,025,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
285	HVB LONDON INVESTMENTS (AVON) LIMITED Issued capital GBP 2	LONDON	LONDON	1	UNICREDIT BANK AG	100.00	
286	HVB PRINCIPAL EQUITY GMBH Issued capital EUR 25,600	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
287	HVB PROFIL GESELLSCHAFT FUR PERSONALMANAGEMENT MBH Issued capital EUR 26,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
288	HVB PROJEKT GMBH Issued capital EUR 24,543,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	94.00	
					UNICREDIT BANK AG	6.00	
289	HVB REALTY CAPITAL INC.	NEW YORK	NEW YORK	1	UNICREDIT U.S. FINANCE LLC	100.00	
290	HVB SECUR GMBH Issued capital EUR 50,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
291	HVB TECTA GMBH Issued capital EUR 1,534,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	94.00	
					UNICREDIT BANK AG	6.00	
292	HVB VERWA 1 GMBH Issued capital EUR 51,200	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
293	HVB VERWA 4 GMBH Issued capital EUR 26,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
294	HVB VERWA 4.4 GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVB VERWA 4 GMBH	100.00	
295	HVB-LEASING AIDA INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
296	HVB-LEASING ATLANTIS INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
297	HVB-LEASING FIDELIO INGATLANHASNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
298	HVB-LEASING FORTE INGATLANHASNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
299	HVB-LEASING GARO INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,100,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
300	HVB-LEASING HAMLET INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
301	HVB-LEASING JUPITER INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
302	HVB-LEASING LAMOND INGATLANHASZNOSITO KFT. Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
303	HVB-LEASING MAESTOSO INGATLANHASZNOSITO KFT. Issued capital HUF 3,100,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
304	HVB-LEASING NANO INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
305	HVB-LEASING ROCCA INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
306	HVB-LEASING RUBIN KFT. Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
307	HVB-LEASING SMARAGD KFT. Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
308	HVB-LEASING SPORT INGATLANHASZNOSITO KORLATOLT FELELOEOASSEGUE TARSASAG Issued capital HUF 3,100,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
309	HVBFF INTERNATIONAL GREECE GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVBFF INTERNATIONALE LEASING GMBH	100.00	
310	HVBFF INTERNATIONALE LEASING GMBH Issued capital EUR 26,000	MUNICH	MUNICH	1	HVBFF OBJEKT BETEILIGUNGS GMBH	10.00	
					WEALTHCAP PEIA MANAGEMENT GMBH	90.00	
311	HVBFF OBJEKT BETEILIGUNGS GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
312	HVBFF PRODUKTIONSHALLE GMBH I.L. Issued capital EUR 26,000	MUNICH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
313	HVZ GMBH & CO. OBJEKT KG Issued capital EUR 148,090,766	MUNICH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
314	HYPO-BANK VERWALTUNGSZENTRUM GMBH Issued capital EUR 25,600	MUNICH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
315	HYPO-BANK VERWALTUNGSZENTRUM GMBH & CO. KG OBJEKT ARABELLASTRASSE Issued capital EUR 25,600	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
316	HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH & CO. IMMOBILIEN-VERMIETUNGS KG Issued capital EUR 7,669,500	MUNICH	MUNICH	1	HVB PROJEKT GMBH	80.00	
317	HYPOVEREINS IMMOBILIEN EOOD Issued capital BGN 100,000	SOFIA	SOFIA	1	UNICREDIT BULBANK AD	100.00	
318	HYPOVEREINSFINANCE N.V. Issued capital EUR 181,512	AMSTERDAM	AMSTERDAM	1	UNICREDIT BANK AG	100.00	
319	I-FABER SPA Issued capital EUR 5,652,174	MILAN	MILAN	1	UNICREDIT SPA	65.32	
320	IDEA FIMIT SGR FONDO SIGMA IMMOBILIARE Issued capital EUR 180,100,960	ROME	ROME	4	UNICREDIT SPA	..	(3)
321	IMMOBILIARE PATETTA SRL Issued capital EUR 103,400	ROME	ROME	1	NUOVA COMPAGNIA DI PARTECIPAZIONI SPA	100.00	
322	IMMOBILIEN HOLDING GMBH Issued capital EUR 36,336	VIENNA	VIENNA	1	ZETA FUENF HANDELS GMBH	100.00	
323	IMMOBILIEN RATING GMBH Issued capital EUR 50,000	VIENNA	VIENNA	1	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	61.00	
					UNICREDIT BANK AUSTRIA AG	19.00	
					UNICREDIT LEASING (AUSTRIA) GMBH	19.00	
324	IMMOBILIENLEASING GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H.	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
325	IMPRESA ONE SRL (CARTOLARIZZAZIONE : IMPRESA ONE)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
326	IMU IMMOBILIENENTWICKLUNG MUTHGASSE GMBH & CO KG Issued capital EUR 2,500	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	60.00	
					IMU IMMOBILIENENTWICKLUNG MUTHGASSE GMBH	..	
327	INPROX CHOMUTOV, S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
328	INPROX KLADNO, S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
329	INPROX POPRAD, SPOL. S.R.O. Issued capital EUR 6,639	BRATISLAVA	BRATISLAVA	1	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
330	INPROX SR I., SPOL. S R.O. Issued capital EUR 6,639	BRATISLAVA	BRATISLAVA	1	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
331	INTERKONZUM DOO SARAJEVO Issued capital BAM 11,942,563	SARAJEVO	SARAJEVO	1	UNICREDIT LEASING S.P.A.	100.00	
332	INTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH Issued capital EUR 26,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
					UNICREDIT BANK AG	6.15	
333	INTRO LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	PROJEKT-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
334	INV TOTALUNTERNEHMER GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	EUROGATE PROJEKTENTWICKLUNG GMBH	100.00	
335	IPSE 2000 S.P.A. (IN LIQUIDAZIONE) Issued capital EUR 12,500,000	ROME	ROME	1	UNICREDIT SPA	50.00	
336	ISB UNIVERSALE BAU GMBH Issued capital EUR 6,288,890	BERLIN	BERLIN	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
337	IVONA BETEILIGUNGSVERWALTUNG GMBH Issued capital EUR 18,168	VIENNA	VIENNA	1	BA IMMO GEWINNSCHEIN FONDS1	100.00	
338	JAUSERN-LEASING GESELLSCHAFT M.B.H. Issued capital EUR 2,802,537	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
339	JOHA GEBAEUDE- ERRICHTUNGS- UND VERMIETUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 37,000	LEONDING	LEONDING	1	UNO-EINKAUFSZENTRUM-VERWALTUNGSGESELLSCHAFT M.B.H.	99.03	
340	KAISERWASSER BAU- UND ERRICHTUNGS GMBH UND CO OG Issued capital EUR 36,336	VIENNA	VIENNA	1	RAMSES-IMMOBILIENHOLDING GMBH	..	100.00
					UNICREDIT BANK AUSTRIA AG	99.80	..
341	KELLER CROSSING TEXAS L.P. Issued capital USD 7,086,872	WILMINGTON	ATLANTA	1	US PROPERTY INVESTMENTS INC.	100.00	
342	KINABALU FINANCIAL PRODUCTS LLP Issued capital GBP 2,509,000	LONDON	LONDON	1	UNICREDIT BANK AG	100.00	99.90
					VERBA VERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG	..	0.10
343	KINABALU FINANCIAL SOLUTIONS LTD Issued capital GBP 1,700,000	LONDON	LONDON	1	UNICREDIT BANK AG	100.00	
344	KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H. Issued capital EUR 3,650,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	..	
					IMMOBILIEN HOLDING GMBH	100.00	
345	KLEA WOHNBAU GESELLSCHAFT GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	100.00	
346	KLEA ZS-IMMOBILIENVERMIETUNG G.M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	100.00
347	KLEA ZS-LIEGENSCHAFTSVERMIETUNG G.M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	100.00
348	KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H. Issued capital EUR 44,000	VIENNA	VIENNA	1	CARD COMPLETE SERVICE BANK AG	100.00	
349	KUNSTHAUS LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	KUTRA GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	5.00	
					UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
350	KUR- UND SPORTHOTEL GESELLSCHAFT M.B.H. Issued capital EUR 3,650,000	KITZBUHEL	KITZBUHEL	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	..	
					KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	100.00	

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
351	KUTRA GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
352	LAGERMAX LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
353	LAGEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
354	LARGE CORPORATE ONE SRL (CARTOLARIZZAZIONE : LARGE CORPORATE ONE)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
355	LARGO LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	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	(4)
356	LASSALLESTRASSE BAU-, PLANUNGS-, ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.00	100.00
357	LBC UNTERNEHMENSBETEILIGUNGSGES.M.B.H. Issued capital EUR 37,000	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	100.00	
358	LEASFINANZ BANK GMBH Issued capital EUR 5,136,500	VIENNA	VIENNA	1	BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH	100.00	
359	LEASFINANZ GMBH Issued capital EUR 672,053	VIENNA	VIENNA	1	BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH	100.00	
360	LEGATO LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
361	LELEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
362	LIFE MANAGEMENT ERSTE GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
363	LIFE MANAGEMENT ZWEITE GMBH Issued capital EUR 26,000	GRUNWALD	GRUNWALD	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
364	LIFE SCIENCE I BETEILIGUNGS GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG	100.00	
365	LINDENGASSE BUROHAUSGESELLSCHAFT M.B.H. Issued capital EUR 37,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.20	
					KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	99.80	
366	LINO HOTEL-LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
367	LIPARK LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
368	LIVA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 38,731	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
369	LLC UKROTSBUD Issued capital UAH 31,000	KIEV	KIEV	1	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	99.00	
370	LOCAT CROATIA DOO Issued capital HRK 39,000,000	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
371	LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2005)	CONEGLIANO	CONEGLIANO	4	UNICREDIT LEASING S.P.A.	..	(3)
372	LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2006)	CONEGLIANO	CONEGLIANO	4	UNICREDIT LEASING S.P.A.	..	(3)
373	LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2011)	CONEGLIANO	CONEGLIANO	4	UNICREDIT LEASING S.P.A.	..	(3)
374	LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2014)	CONEGLIANO	CONEGLIANO	4	UNICREDIT LEASING S.P.A.	..	(3)
375	LTD SI&C AMC UKRSOTS REAL ESTATE Issued capital UAH 7,000,000	KIEV	KIEV	1	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	99.99	

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
376	M. A. V. 7., BANK AUSTRIA LEASING BAUTRAEGER GMBH & CO.OG. Issued capital EUR 3,707	VIENNA	VIENNA	1	UNICREDIT LUNA LEASING GMBH	98.04	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	1.96	(4)
377	M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. & CO. MCL THETA KG Issued capital EUR 0	VIENNA	VIENNA	1	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	100.00	
					TREUCONSULT PROPERTY BETA GMBH	..	100.00
378	MARTIANEZ COMERCIAL, SOCIEDAD ANONIMA Issued capital EUR 3,449,740	PUERTO DE LA CRUZ	PUERTO DE LA CRUZ	1	BF NINE HOLDING GMBH	100.00	
379	MBC IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
380	MC MARKETING GMBH IN LIQU. Issued capital EUR 300,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
381	MC RETAIL GMBH IN LIQ. Issued capital EUR 35,000	VIENNA	VIENNA	1	MC MARKETING GMBH IN LIQU.	100.00	
382	MENUETT GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
383	MERKURHOF GRUNDSTUCKSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG Issued capital EUR 5,112,919	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
384	MIK 2012 KARLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
385	MILLETERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
386	MM OMEGA PROJEKTENTWICKLUNGS GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
387	MOBILITY CONCEPT GMBH Issued capital EUR 4,000,000	OBERHACHING	OBERHACHING	1	UNICREDIT LEASING GMBH	60.00	
388	MOC VERWALTUNGS GMBH & CO. IMMOBILIEN KG Issued capital EUR 5,112,940	MUNICH	MUNICH	4	HVB PROJEKT GMBH	23.00	(3)
389	MOEGRA LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
390	MOVIE MARKET BETEILIGUNGS GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
391	MY BETEILIGUNGS GMBH IN LIQU. Issued capital EUR 17,500	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
392	NAGE LOKALVERMIETUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
393	NATA IMMOBILIEN-LEASING GESELLSCHAFT M.B.H. Issued capital EUR 18,200	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	51.50	
					UNICREDIT LEASING (AUSTRIA) GMBH	6.00	
394	NEWSTONE MORTGAGE SECURITIES No.1 PLC	LONDON	LONDON	4	REDSTONE MORTGAGES LIMITED	..	(3)
395	NF OBJEKT FFM GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
396	NF OBJEKT MUNCHEN GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
397	NF OBJEKTE BERLIN GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
398	NOE HYPO LEASING ASTRICTA GRUNDSTUECKVERMIETUNGS GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
399	NORDBAHNHOF BAUFELD 39 PROJEKTENTWICKLUNG GMBH & CO KG Issued capital EUR 1,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	7.00	
					UNICREDIT BANK AUSTRIA AG	93.00	

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
400	NORDBAHNHOF BAUFELD ACHT PROJEKTENTWICKLUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	NORDBAHNHOF PROJEKTE HOLDING GMBH	100.00	
401	NORDBAHNHOF BAUFELD FUENF PROJEKTENTWICKLUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	NORDBAHNHOF PROJEKTE HOLDING GMBH	100.00	
402	NORDBAHNHOF BAUFELD SECHS PROJEKTENTWICKLUNG GMBH & CO KG Issued capital EUR 1,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	7.00	
					UNICREDIT BANK AUSTRIA AG	93.00	
403	NORDBAHNHOF BAUFELD SIEBEN PROJEKTENTWICKLUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	NORDBAHNHOF PROJEKTE HOLDING GMBH	100.00	
404	NORDBAHNHOF PROJEKTE HOLDING GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	7.00	
					UNICREDIT BANK AUSTRIA AG	93.00	
405	NUOVA COMPAGNIA DI PARTECIPAZIONI SPA Issued capital EUR 200,000	ROME	ROME	1	UNICREDIT SPA	100.00	
406	OCEAN BREEZE ASSET GMBH & CO. KG Issued capital EUR 2,000	BREMEN	BREMEN	1	OCEAN BREEZE ENERGY GMBH & CO. KG	100.00	
407	OCEAN BREEZE ENERGY GMBH & CO. KG Issued capital EUR 2,000	BREMEN	BREMEN	1	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH	100.00	
408	OCEAN BREEZE FINANCE S.A. - COMPARTMENT 1 Issued capital EUR 0	LUXEMBOURG	LUXEMBOURG	4	UNICREDIT BANK AG	..	(3)
409	OCEAN BREEZE GMBH Issued capital EUR 25,000	BREMEN	BREMEN	1	OCEAN BREEZE ENERGY GMBH & CO. KG	100.00	
410	OCT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
411	OLG HANDELS- UND BETEILIGUNGSVERWALTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
412	OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT EGGENFELDENER STRASSE KG Issued capital EUR 26,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	94.00	
					UNICREDIT BANK AG	6.00	
413	OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT HAIDENAUPLATZ KG Issued capital EUR 26,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	94.00	
					UNICREDIT BANK AG	6.00	
414	OMNIA GRUNDSTUECKS-GMBH & CO. OBJEKT PERLACH KG Issued capital EUR 5,125,701	MUNICH	MUNICH	1	OMNIA GRUNDSTUCKS-GMBH	..	0.99
					ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	94.78	93.87
					WEALTHCAP LEASING GMBH	5.22	5.14
415	OOO UNICREDIT LEASING Issued capital RUR 149,160,248	MOSCOW	MOSCOW	1	AO UNICREDIT BANK	100.00	
416	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH Issued capital EUR 10,149,150	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
417	OSI OFF-SHORE SERVICE INVEST GMBH	HAMBURG	HAMBURG	4	UNICREDIT BANK AG	..	(3)
418	OTHMARSCHEN PARK HAMBURG GMBH & CO. CENTERPARK KG Issued capital EUR 51,129	MUNICH	MUNICH	1	HVB PROJEKT GMBH	10.00	
					T & P FRANKFURT DEVELOPMENT B.V.	30.00	
					T & P VASTGOED STUTTGART B.V.	60.00	
419	OTHMARSCHEN PARK HAMBURG GMBH & CO. GEWERBEPARK KG Issued capital EUR 51,129	MUNICH	MUNICH	1	HVB PROJEKT GMBH	10.00	
					T & P FRANKFURT DEVELOPMENT B.V.	30.00	
					T & P VASTGOED STUTTGART B.V.	60.00	
420	OWS LOGISTIK GMBH Issued capital EUR 12,500	EMDEN	EMDEN	4	OSI OFF-SHORE SERVICE INVEST GMBH	..	(3)
421	OWS NATALIA BEKKER GMBH & Co. KG Issued capital EUR 1,000	EMDEN	EMDEN	4	OWS LOGISTIK GMBH	..	(3)
422	OWS OCEAN ZEPHYR GMBH & Co. KG Issued capital EUR 6,000	EMDEN	EMDEN	4	OWS OFF-SHORE WIND SOLUTIONS GMBH	..	(3)
423	OWS OFF-SHORE WIND SOLUTIONS GMBH Issued capital EUR 25,000	EMDEN	EMDEN	4	OSI OFF-SHORE SERVICE INVEST GMBH	..	(3)

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
424	OWS WINDLIFT 1 CHARTER GMBH & Co. KG Issued capital EUR 1,000	EMDEN	EMDEN	4	OWS LOGISTIK GMBH	..	(3)
425	PALAIS ROTHSCHILD VERMIETUNGS GMBH & CO OG Issued capital EUR 2,180,185	VIENNA	VIENNA	1	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
426	PARZHOF-ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	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	(4)
427	PEKAO BANK HIPOTECZNY S.A. Issued capital PLN 223,000,000	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
428	PEKAO FAKTORING SP. ZOO Issued capital PLN 50,587,900	LUBLIN	LUBLIN	1	BANK PEKAO SA	100.00	
429	PEKAO FINANCIAL SERVICES SP. ZOO Issued capital PLN 4,500,000	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
430	PEKAO FUNDUSZ KAPITALOWY SP. ZOO Issued capital PLN 51,380,000	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
431	PEKAO INVESTMENT BANKING SA Issued capital PLN 225,141,851	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
432	PEKAO LEASING HOLDING S.A.IN LIQUIDATION Issued capital PLN 207,671,225	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
433	PEKAO LEASING SP ZO.O. Issued capital PLN 241,588,600	WARSAW	WARSAW	1	BANK PEKAO SA	36.49	
					PEKAO LEASING HOLDING S.A.IN LIQUIDATION	63.51	
434	PEKAO PIONEER P.T.E. SA Issued capital PLN 20,760,000	WARSAW	WARSAW	1	BANK PEKAO SA	65.00	
					PIONEER GLOBAL ASSET MANAGEMENT SPA	35.00	
435	PEKAO PROPERTY SA Issued capital PLN 51,346,400	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
436	PELOPS LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
437	PENSIONSKASSE DER HYPO VEREINSBANK VVAG	MUNICH	MUNICH	4	UNICREDIT BANK AG	..	(3)
438	PERIKLES 20092 VERMOGENSVERWALTUNG GMBH Issued capital EUR 25,000	BREMEN	BREMEN	1	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH	100.00	
439	PESTSZENTIMREI SZAKORVOSI RENDELOE KFT. Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
440	PIANA LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
441	PIONEER ALTERNATIVE INVESTMENT MANAGEMENT (BERMUDA) LIMITED Issued capital USD 12,000	HAMILTON	HAMILTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
442	PIONEER ALTERNATIVE INVESTMENT MANAGEMENT LTD Issued capital EUR 1,032,000	DUBLIN	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
443	PIONEER ALTERNATIVE INVESTMENTS (ISRAEL) LTD Issued capital ILS 50,000	RAMAT GAN	RAMAT GAN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
444	PIONEER ALTERNATIVE INVESTMENTS (NEW YORK) LTD Issued capital USD 1	DOVER	NEW YORK	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
445	PIONEER ASSET MANAGEMENT AS Issued capital CZK 27,000,000	PRAGUE	PRAGUE	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
446	PIONEER ASSET MANAGEMENT S.A.I. S.A. Issued capital RON 3,022,000	BUCHAREST	BUCHAREST	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	97.42	
					UNICREDIT TIRIAC BANK S.A.	2.58	
447	PIONEER ASSET MANAGEMENT SA Issued capital EUR 10,000,000	LUXEMBOURG	LUXEMBOURG	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
448	PIONEER FUNDS DISTRIBUTOR INC Issued capital USD 2,060	BOSTON	BOSTON	1	PIONEER INVESTMENT MANAGEMENT INC	100.00	
449	PIONEER GLOBAL ASSET MANAGEMENT SPA Issued capital EUR 1,219,463,434	MILAN	MILAN	1	UNICREDIT SPA	100.00	
450	PIONEER GLOBAL FUNDS DISTRIBUTOR LTD Issued capital EUR 12,900	HAMILTON	HAMILTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
451	PIONEER GLOBAL INVESTMENTS (AUSTRALIA) PTY LIMITED Issued capital AUD 3,980,000	SYDNEY	SYDNEY	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
452	PIONEER GLOBAL INVESTMENTS (TAIWAN) LTD. Issued capital TWD 70,000,000	TAIPEI	TAIPEI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
453	PIONEER GLOBAL INVESTMENTS LIMITED Issued capital EUR 752,500	DUBLIN	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
454	PIONEER INSTITUTIONAL ASSET MANAGEMENT INC Issued capital USD 1,000	WILMINGTON	BOSTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
455	PIONEER INVESTMENT COMPANY AS Issued capital CZK 61,000,000	PRAGUE	PRAGUE	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
456	PIONEER INVESTMENT FUND MANAGEMENT LIMITED Issued capital HUF 100,000,000	BUDAPEST	BUDAPEST	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
457	PIONEER INVESTMENT MANAGEMENT INC Issued capital USD 20,990	WILMINGTON	BOSTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
458	PIONEER INVESTMENT MANAGEMENT LIMITED Issued capital EUR 1,032,912	DUBLIN	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
459	PIONEER INVESTMENT MANAGEMENT SHAREHOLDER SERVICES INC. Issued capital USD 1,000	BOSTON	BOSTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
460	PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ Issued capital EUR 51,340,995	MILAN	MILAN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
461	PIONEER INVESTMENT MANAGEMENT USA INC. Issued capital USD 1	WILMINGTON	BOSTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
462	PIONEER INVESTMENTS (SCHWEIZ) GMBH Issued capital CHF 20,000	ZURICH	ZURICH	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
463	PIONEER INVESTMENTS AUSTRIA GMBH Issued capital EUR 5,000,000	VIENNA	VIENNA	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
464	PIONEER INVESTMENTS KAPITALANLAGEGESELLSCHAFT MBH Issued capital EUR 6,500,000	MUNICH	MUNICH	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
465	PIONEER PEKAO INVESTMENT FUND COMPANY SA (POLISH NAME: PIONEER PEKAO TFI SA) Issued capital PLN 37,804,000	WARSAW	WARSAW	1	PIONEER PEKAO INVESTMENT MANAGEMENT SA	100.00	
466	PIONEER PEKAO INVESTMENT MANAGEMENT SA Issued capital PLN 28,914,000	WARSAW	WARSAW	1	BANK PEKAO SA	49.00	
					PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
467	PIRTA VERWALTUNGS GMBH Issued capital EUR 2,067,138	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
468	POLLUX IMMOBILIEN GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	
469	POMINVEST DD Issued capital HRK 17,434,000	SPLIT	SPLIT	1	ZAGREBACKA BANKA D.D.	88.66	88.95
470	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG Issued capital EUR 500,013,550	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
471	PORTIA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG Issued capital EUR 25,600	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
472	POSATO LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
473	PRELUDE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	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	(4)
474	PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL Issued capital UAH 877,000,000	KIEV	KIEV	1	UNICREDIT BANK AUSTRIA AG	100.00	
475	PRO WOHNBAU AG Issued capital EUR 23,621,113	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	99.69	
					KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	0.31	

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
476	PROJEKT-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H.	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
477	PRVA STAMBENA STEDIONICA DD ZAGREB Issued capital HRK 80,000,000	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
478	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK Issued capital UAH 7,739,032,809	KIEV	KIEV	1	PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL	11.35	35.58
					UNICREDIT BANK AUSTRIA AG	80.02	37.35
					UNICREDIT SPA	8.44	26.48
479	PURE FUNDING No. 10 LTD	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
480	QUADEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
481	QUART Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
482	QUINT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
483	RAMSES IMMOBILIEN GESELLSCHAFT M.B.H. & CO OG Issued capital EUR 36,500	VIENNA	VIENNA	1	RAMSES-IMMOBILIENHOLDING GMBH	0.20	
					UNICREDIT BANK AUSTRIA AG	99.30	
484	RANA-LIEGENSCHAFTSVERWERTUNG GMBH Issued capital EUR 72,700	VIENNA	VIENNA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	99.90	
485	REAL ESTATE MANAGEMENT POLAND SP. Z O.O. Issued capital PLN 124,500	WARSAW	WARSAW	1	UNICREDIT LEASING S.P.A.	100.00	
486	REAL INVEST EUROPE D BA RI KAG	AUSTRIA	AUSTRIA	4	UNICREDIT BANK AUSTRIA AG	..	(3)
487	REAL INVEST IMMOBILIEN GMBH Issued capital EUR 36,400	VIENNA	VIENNA	1	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	99.00	
488	REAL-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
489	REAL-RENT LEASING GESELLSCHAFT M.B.H. Issued capital EUR 73,000	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
490	REDSTONE MORTGAGES LIMITED Issued capital GBP 100,000	LONDON	LONDON	1	UNICREDIT BANK AG	100.00	
491	REGEV REALITAETENVERWERTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 726,728	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
492	RHOTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH Issued capital EUR 26,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
					UNICREDIT BANK AG	6.15	
493	RIGEL IMMOBILIEN GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	
494	ROMA 2000 SRL IN LIQUIDAZIONE Issued capital EUR 50,000	ROME	ROME	1	NUOVA COMPAGNIA DI PARTECIPAZIONI SPA	100.00	
495	RONCASA IMMOBILIEN-VERWALTUNGS GMBH Issued capital EUR 256,000	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
496	ROSENKAVALIER 2008 GMBH	FRANKFURT	FRANKFURT	4	UNICREDIT BANK AG	..	(3)
497	ROYSTON LEASING LIMITED	GRAND CAYMAN	GRAND CAYMAN	4	UNICREDIT BANK AG	..	(3)
498	RSB ANLAGENVERMIETUNG GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
499	RVT BAUTRAEGER GESELLSCHAFT M.B.H. Issued capital EUR 37,000	VIENNA	VIENNA	1	LBC UNTERNEHMENSBETEILIGUNGSGES.M.B.H.	100.00	
500	SALONE N. 1 SPA Issued capital EUR 100,000	CONEGLIANO VENETO	CONEGLIANO VENETO	1	UNICREDIT SPA	100.00	
501	SALONE N. 2 SPA Issued capital EUR 100,000	CONEGLIANO VENETO	CONEGLIANO VENETO	1	UNICREDIT SPA	100.00	
502	SALONE N. 3 SPA Issued capital EUR 100,000	CONEGLIANO VENETO	CONEGLIANO VENETO	1	UNICREDIT SPA	100.00	

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
503	SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. OHG SAARLAND Issued capital EUR 1,533,900	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
504	SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. OHG VERWALTUNGSZENTRUM Issued capital EUR 2,300,850	MUNICH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	97.78	
					TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	2.22	
505	SALVATORPLATZ-GRUNDSTUECKSGESELLSCHAFT MIT BESCHRAENKTER HAFTUNG Issued capital EUR 511,300	MUNICH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
506	SANITÀ - S.R.L. IN LIQUIDAZIONE Issued capital EUR 5,164,333	ROME	ROME	1	UNICREDIT SPA	99.60	
507	SANTA ROSA S.R.L. Issued capital EUR 0	ROME	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
508	SAS-REAL INGATLANUEZEMELTETOE ES KEZELOE KFT. (ENGLISH :SAS-REAL KFT) Issued capital HUF 750,000,000	BUDAPEST	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
509	SCHOELLERBANK AKTIENGESELLSCHAFT Issued capital EUR 20,000,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
510	SCHOELLERBANK INVEST AG Issued capital EUR 2,543,549	SALZBURG	SALZBURG	1	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
511	SCHOTTENGASSE 6-8 IMMOBILIEN GMBH IN LIQU Issued capital EUR 10,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
512	SECA-LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
513	SEDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
514	SELFOSS BETEILIGUNGSGESELLSCHAFT MBH Issued capital EUR 25,000	GRUNWALD	MUNICH	1	HVB PROJEKT GMBH	100.00	
515	SEXT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H Issued capital EUR 36,500	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
516	SIA UNICREDIT INSURANCE BROKER Issued capital EUR 15,082	RIGA	RIGA	1	SIA UNICREDIT LEASING	100.00	
517	SIA UNICREDIT LEASING Issued capital EUR 15,569,120	RIGA	RIGA	1	UNICREDIT BANK AUSTRIA AG	100.00	
518	SIGMA LEASING GMBH Issued capital EUR 18,286	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.40	99.60
					UNICREDIT LEASING (AUSTRIA) GMBH	0.40	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
519	SIMON VERWALTUNGS-AKTIENGESELLSCHAFT I.L. Issued capital EUR 2,556,459	MUNICH	MUNICH	1	UNICREDIT BANK AG	99.98	
520	SIRIUS IMMOBILIEN GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	
521	SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH Issued capital EUR 30,000	MUNICH	MUNICH	1	HVB PROJEKT GMBH	5.00	
					SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG	95.00	
522	SOCIETÀ DI GESTIONI ESATTORIALI IN SICILIA SO.G.E.SI. S.P.A. IN LIQ. Issued capital EUR 36,151,500	PALERMO	PALERMO	1	UNICREDIT SPA	80.00	
523	SOCIETÀ ITALIANA GESTIONE ED INCASSO CREDITI S.P.A. IN LIQUIDAZIONE Issued capital EUR 341,916	ROME	ROME	1	UNICREDIT SPA	100.00	
524	SOCIETÀ' VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L. Issued capital EUR 108,500	ROME	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
525	SOFIGERE SOCIETE PAR ACTIONS SIMPLIFIEE Issued capital EUR 40,000	PARIS	PARIS	1	UNICREDIT SPA	100.00	

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
526	SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG Issued capital EUR 35,800	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
527	SONATA LEASING-GESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H.	1.00	
					UNICREDIT LEASING (AUSTRIA) GMBH	98.80	99.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
528	SPECTRUM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	WOEM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
529	SPREE GALERIE HOTELBETRIEBSGESELLSCHAFT MBH Issued capital EUR 511,300	MUNICH	MUNICH	1	ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH	100.00	
530	STEWE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	PROJEKT-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	24.00	
					UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	75.80	76.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
531	STRUCTURED INVEST SOCIETE ANONYME Issued capital EUR 125,500	LUXEMBOURG	LUXEMBOURG	1	UNICREDIT BANK AG	100.00	
532	STRUCTURED LEASE GMBH Issued capital EUR 250,000	HAMBURG	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
533	SUVREMENE POSLOVNE KOMUNIKACIJE D.O.O Issued capital HRK 1,110,000	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
534	SVIF UKRSOTSBUD	KIEV	KIEV	4	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	..	(3)
535	T & P FRANKFURT DEVELOPMENT B.V. Issued capital EUR 4,938,271	AMSTERDAM	AMSTERDAM	1	HVB PROJEKT GMBH	100.00	
536	T & P VASTGOED STUTTGART B.V. Issued capital EUR 10,769,773	AMSTERDAM	AMSTERDAM	1	HVB PROJEKT GMBH	87.50	
537	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG Issued capital EUR 920,400	MUNICH	MUNICH	1	HVB TECTA GMBH	75.00	
538	TERRONDA DEVELOPMENT B.V. Issued capital EUR 1,252,433	AMSTERDAM	AMSTERDAM	1	HVB PROJEKT GMBH	100.00	
539	TERZ Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
540	TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT Issued capital EUR 6,240,000	MUNICH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	99.67	
541	TRANSTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH Issued capital EUR 26,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
					UNICREDIT BANK AG	6.15	
542	TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
543	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. Issued capital EUR 365,000	VIENNA	VIENNA	1	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	100.00	
544	TREVI FINANCE N 3 SRL (CARTOLARIZZAZIONE : TREVI FINANCE 3)	CONEGLIANO	CONEGLIANO	4	UNICREDIT SPA	..	(3)
545	TREVI FINANCE N. 2 S.R.L. Issued capital EUR 10,000	CONEGLIANO	CONEGLIANO	1	UNICREDIT SPA	80.00	
546	TREVI FINANCE N. 3 S.R.L. Issued capital EUR 10,000	CONEGLIANO	CONEGLIANO	1	UNICREDIT SPA	60.00	
547	TREVI FINANCE S.R.L. Issued capital EUR 10,000	CONEGLIANO	CONEGLIANO	1	UNICREDIT SPA	80.00	
548	TRICASA GRUNDBESITZ GESELLSCHAFT MBH & CO. 1. VERMIETUNGS KG Issued capital EUR 6,979,476	MUNICH	MUNICH	1	HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH	..	
					ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	100.00	

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP [1]	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % [2]
549	TRICASA GRUNDBESITZGESELLSCHAFT DES BURGERLICHEN RECHTS NR. 1 Issued capital EUR 13,687,272	MUNICH	MUNICH	1	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	100.00	
550	TRIESTE ADRIATIC MARITIME INITIATIVES SRL Issued capital EUR 3,300,000	TRIESTE	TRIESTE	3	UNICREDIT SPA	36.86	
551	TRINITRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG Issued capital EUR 102,300	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
552	UCL NEKRETNINE D.O.O. Issued capital BAM 10,000	SARAJEVO	SARAJEVO	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	30.00	
					UNICREDIT LEASING (AUSTRIA) GMBH	70.00	
553	UCTAM BALTICS SIA Issued capital EUR 4,265,585	RIGA	RIGA	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
554	UCTAM BULGARIA EOOD Issued capital BGN 20,000	SOFIA	SOFIA	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
555	UCTAM CZECH REPUBLIC SRO Issued capital CZK 45,500,000	PRAGUE	PRAGUE	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	99.96	
					UNICREDIT TURN-AROUND MANAGEMENT GMBH	0.04	
556	UCTAM D.O.O. BEOGRAD Issued capital RSD 564,070,470	BELGRADE	BELGRADE	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
557	UCTAM HUNGARY KFT Issued capital HUF 10,100,000	BUDAPEST	BUDAPEST	1	EUROPA BEFEKTETESI ALAPKEZELOE ZRT (EUROPA INVESTMENT FUND MANAGEMENT LTD.)	0.33	
					UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	99.67	
558	UCTAM RO S.R.L. Issued capital RON 30,257,830	BUCHAREST	BUCHAREST	1	UCTAM BALTICS SIA	..	
					UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
559	UCTAM RU LIMITED LIABILITY COMPANY Issued capital RUB 4,000,000	MOSCOW	MOSCOW	1	AO UNICREDIT BANK	..	
					UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
560	UCTAM UKRAINE LLC Issued capital UAH 1,013,324	KIEV	KIEV	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	99.99	
561	UCTAM UPRAVLJANJE D.O.O. Issued capital EUR 7,500	LJUBLJANA	LJUBLJANA	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
562	UFFICIUM IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	KUTRA GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	5.00	
					UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
563	UNI IT SRL Issued capital EUR 1,000,000	TRENTO	TRENTO	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	51.00	
564	UNICOM IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
565	UNICREDIT (CHINA) ADVISORY LIMITED Issued capital CNY 826,410	BEIJING	BEIJING	1	UNICREDIT BANK AG	100.00	
566	UNICREDIT AURORA LEASING GMBH Issued capital EUR 219,000	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
567	UNICREDIT AUTO LEASING E.O.O.D. Issued capital BGN 2,205,830	SOFIA	SOFIA	1	UNICREDIT LEASING EAD	100.00	
568	UNICREDIT BANK A.D. BANJA LUKA Issued capital BAM 97,055,000	BANJA LUKA	BANJA LUKA	1	UNICREDIT BANK AUSTRIA AG	98.41	
569	UNICREDIT BANK AG Issued capital EUR 2,407,151,016	MUNICH	MUNICH	1	UNICREDIT SPA	100.00	
570	UNICREDIT BANK AUSTRIA AG Issued capital EUR 1,681,033,521	VIENNA	VIENNA	1	UNICREDIT SPA	99.99	
571	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S. Issued capital CZK 8,754,617,898	PRAGUE	PRAGUE	1	UNICREDIT BANK AUSTRIA AG	99.96	
572	UNICREDIT BANK D.D. Issued capital BAM 119,195,000	MOSTAR	MOSTAR	1	UNICREDIT BANK AUSTRIA AG	30.14	24.29 [5]
					UNICREDIT SPA	3.27	3.28
					ZAGREBACKA BANKA D.D.	65.59	65.69

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP [1]	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % [2]
573	UNICREDIT BANK HUNGARY ZRT. Issued capital HUF 24,118,220,000	BUDAPEST	BUDAPEST	1	UNICREDIT BANK AUSTRIA AG	100.00	
574	UNICREDIT BANK IRELAND PLC Issued capital EUR 1,343,118,650	DUBLIN	DUBLIN	1	UNICREDIT SPA	100.00	
575	UNICREDIT BANK SERBIA JSC Issued capital RSD 23,607,620,000	BELGRADE	BELGRADE	1	UNICREDIT BANK AUSTRIA AG	100.00	
576	UNICREDIT BANKA SLOVENIJA D.D. Issued capital EUR 20,383,765	LJUBLJANA	LJUBLJANA	1	UNICREDIT BANK AUSTRIA AG	99.99	
577	UNICREDIT BETEILIGUNGS GMBH Issued capital EUR 1,000,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
578	UNICREDIT BPC MORTAGE SRL (COVERED BONDS)	VERONA	VERONA	4	UNICREDIT SPA	..	[3]
579	UNICREDIT BPC MORTGAGE S.R.L. Issued capital EUR 12,000	VERONA	VERONA	1	UNICREDIT SPA	60.00	
580	UNICREDIT BROKER D.O.O. SARAJEVO BROKERSKO DRUSTVO U OSIGURANJU Issued capital BAM 7,823	SARAJEVO	SARAJEVO	1	UNICREDIT INSURANCE MANAGEMENT CEE GMBH	100.00	
581	UNICREDIT BROKER S.R.O. Issued capital EUR 8,266	BRATISLAVA	BRATISLAVA	1	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
582	UNICREDIT BULBANK AD Issued capital BGN 285,776,674	SOFIA	SOFIA	1	UNICREDIT BANK AUSTRIA AG	99.45	
					UNICREDIT SPA	..	
583	UNICREDIT BUSINESS INTEGRATED SOLUTIONS AUSTRIA GMBH Issued capital EUR 1,200,000	VIENNA	VIENNA	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	100.00	
584	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI Issued capital EUR 237,523,160	MILAN	MILAN	1	CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI	..	
					FINECOBANK SPA	..	
					HVB - MILANO (BAYERISCHE HYPO UND VEREINSBANK A.G.)	..	
					PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ	..	
					UNICREDIT BANK AG	..	
					UNICREDIT FACTORING SPA	..	
					UNICREDIT SPA	100.00	100.00
585	UNICREDIT CAPITAL MARKETS LLC Issued capital USD 100,100	NEW YORK	NEW YORK	1	UNICREDIT U.S. FINANCE LLC	100.00	
586	UNICREDIT CENTER AM KAISERWASSER GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
587	UNICREDIT CONSUMER FINANCING EAD Issued capital BGN 2,800,000	SOFIA	SOFIA	1	UNICREDIT BULBANK AD	100.00	
588	UNICREDIT CONSUMER FINANCING IFN S.A. Issued capital RON 103,269,200	BUCHAREST	BUCHAREST	1	UNICREDIT SPA	49.90	
					UNICREDIT TIRIAC BANK S.A.	50.10	
589	UNICREDIT CREDIT MANAGEMENT BANK SPA Issued capital EUR 41,280,000	VERONA	VERONA	1	UNICREDIT SPA	100.00	
590	UNICREDIT CREDIT MANAGEMENT IMMOBILIARE S.P.A. Issued capital EUR 1,000,000	VERONA	VERONA	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	100.00	
591	UNICREDIT DELAWARE INC Issued capital USD 1,000	DOVER	NEW YORK	1	UNICREDIT SPA	100.00	
592	UNICREDIT DIRECT SERVICES GMBH Issued capital EUR 767,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
593	UNICREDIT FACTORING CZECH REPUBLIC AND SLOVAKIA, A.S. Issued capital CZK 222,600,000	PRAGUE	PRAGUE	1	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.	100.00	
594	UNICREDIT FACTORING EAD Issued capital BGN 1,000,000	SOFIA	SOFIA	1	UNICREDIT BULBANK AD	100.00	
595	UNICREDIT FACTORING SPA Issued capital EUR 414,348,000	MILAN	MILAN	1	UNICREDIT SPA	100.00	
596	UNICREDIT FLEET MANAGEMENT S.R.O. Issued capital CZK 5,000,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
597	UNICREDIT FLEET MANAGEMENT S.R.O. Issued capital EUR 6,639	BRATISLAVA	BRATISLAVA	1	UNICREDIT LEASING SLOVAKIA A.S.	100.00	

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
598	UNICREDIT FUGGETLEN BIZTOSITASKOEZVETITOE SZOLGALTATO KFT. Issued capital HUF 5,000,000	BUDAPEST	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	25.20	
					UNICREDIT LEASING KFT	74.80	
599	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH Issued capital EUR 14,383,206	VIENNA	VIENNA	1	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
600	UNICREDIT GLOBAL BUSINESS SERVICES GMBH Issued capital EUR 1,525,600	UNTERFOHRING	UNTERFOHRING	1	UNICREDIT BANK AG	100.00	
601	UNICREDIT GLOBAL LEASING EXPORT GMBH Issued capital EUR 11,745,607	VIENNA	VIENNA	1	UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH	100.00	
602	UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH Issued capital EUR 7,476,432	VIENNA	VIENNA	1	UNICREDIT LEASING S.P.A.	100.00	
603	UNICREDIT INGATLANLIZING ZRT Issued capital HUF 81,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
604	UNICREDIT INSURANCE BROKER EOOD Issued capital BGN 5,000	SOFIA	SOFIA	1	UNICREDIT LEASING EAD	100.00	
605	UNICREDIT INSURANCE BROKER SRL Issued capital RON 25,000	BUCHAREST	BUCHAREST	1	UNICREDIT LEASING CORPORATION IFN S.A.	100.00	
606	UNICREDIT INSURANCE MANAGEMENT CEE GMBH Issued capital EUR 156,905	VIENNA	VIENNA	1	DV ALPHA GMBH	100.00	
607	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA Issued capital EUR 10,000,000	LUXEMBOURG	LUXEMBOURG	1	UNICREDIT SPA	100.00	
608	UNICREDIT JELZALOGBANK ZRT. Issued capital HUF 3,000,000,000	BUDAPEST	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
609	UNICREDIT KFZ LEASING GMBH Issued capital EUR 648,265	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	100.00	
610	UNICREDIT LEASING (AUSTRIA) GMBH Issued capital EUR 93,510,420	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	10.00	
					UNICREDIT BANK AUSTRIA AG	89.98	90.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.02	(4)
611	UNICREDIT LEASING AVIATION GMBH Issued capital EUR 1,600,000	HAMBURG	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
612	UNICREDIT LEASING CORPORATION IFN S.A. Issued capital RON 90,989,013	BUCHAREST	BUCHAREST	1	UNICREDIT CONSUMER FINANCING IFN S.A.	0.04	
					UNICREDIT TIRIAC BANK S.A.	99.96	
613	UNICREDIT LEASING CROATIA D.O.O. ZA LEASING Issued capital HRK 28,741,800	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
614	UNICREDIT LEASING CZ, A.S. Issued capital CZK 981,452,000	PRAGUE	PRAGUE	1	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.	100.00	
615	UNICREDIT LEASING D.O.O. Issued capital BAM 2,120,953	SARAJEVO	SARAJEVO	1	UNICREDIT LEASING S.P.A.	100.00	
616	UNICREDIT LEASING EAD Issued capital BGN 2,605,000	SOFIA	SOFIA	1	UNICREDIT BULBANK AD	100.00	
617	UNICREDIT LEASING FINANCE GMBH Issued capital EUR 17,580,000	HAMBURG	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
618	UNICREDIT LEASING FLEET MANAGEMENT S.R.L. Issued capital RON 680,000	BUCHAREST	BUCHAREST	1	DV ALPHA GMBH	90.02	
					UNICREDIT LEASING CORPORATION IFN S.A.	9.98	
619	UNICREDIT LEASING FUHRPARKMANAGEMENT GMBH Issued capital EUR 364,000	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
620	UNICREDIT LEASING GMBH Issued capital EUR 15,000,000	HAMBURG	HAMBURG	1	UNICREDIT BANK AG	100.00	
621	UNICREDIT LEASING HUNGARY ZRT Issued capital HUF 350,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
622	UNICREDIT LEASING IMMOTRUCK ZRT. Issued capital HUF 100,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
623	UNICREDIT LEASING INSURANCE SERVICES S.R.O. Issued capital EUR 5,000	BRATISLAVA	BRATISLAVA	1	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
624	UNICREDIT LEASING KFT Issued capital HUF 3,100,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
625	UNICREDIT LEASING LUNA KFT Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	80.00	
626	UNICREDIT LEASING MARS KFT Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	80.00	
627	UNICREDIT LEASING S.P.A. Issued capital EUR 410,131,062	MILAN	MILAN	1	UNICREDIT SPA	100.00	
628	UNICREDIT LEASING SLOVAKIA A.S. Issued capital EUR 26,560,000	BRATISLAVA	BRATISLAVA	1	UNICREDIT LEASING CZ, A.S.	100.00	
629	UNICREDIT LEASING SRBIJA D.O.O. BEOGRAD Issued capital RSD 693,877,000	BELGRADE	BELGRADE	1	UNICREDIT LEASING S.P.A.	100.00	
630	UNICREDIT LEASING TECHNIKUM GMBH Issued capital EUR 1,435,000	VIENNA	VIENNA	1	LEASFINANZ GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
631	UNICREDIT LEASING TOB Issued capital UAH 5,083,582	KIEV	KIEV	1	UNICREDIT LEASING S.P.A.	100.00	
632	UNICREDIT LEASING URANUS KFT Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	80.00	
633	UNICREDIT LEASING VERSICHERUNGSSERVICE GMBH & CO KG Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
634	UNICREDIT LEASING, LEASING, D.O.O. Issued capital EUR 25,039,658	LJUBLJANA	LJUBLJANA	1	UNICREDIT BANKA SLOVENIJA D.D.	1.17	
					UNICREDIT LEASING S.P.A.	98.83	
635	UNICREDIT LUNA LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
636	UNICREDIT LUXEMBOURG FINANCE SA Issued capital EUR 350,000	LUXEMBOURG	LUXEMBOURG	1	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	100.00	
637	UNICREDIT LUXEMBOURG S.A. Issued capital EUR 238,000,000	LUXEMBOURG	LUXEMBOURG	1	UNICREDIT BANK AG	100.00	
638	UNICREDIT MOBILIEN UND KFZ LEASING GMBH Issued capital EUR 36,500	VIENNA	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	(4)
639	UNICREDIT OBG S.R.L. Issued capital EUR 10,000	VERONA	VERONA	1	UNICREDIT SPA	60.00	
640	UNICREDIT OBG SRL (COVERED BONDS)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
641	UNICREDIT PARTNER D.O.O. BEOGRAD Issued capital RSD 2,001,875	BELGRADE	BELGRADE	1	ALLEGRO LEASING GESELLSCHAFT M.B.H.	100.00	
642	UNICREDIT PARTNER D.O.O. ZA TRGOVINU I USLUGE Issued capital HRK 200,000	ZAGREB	ZAGREB	1	UNICREDIT INSURANCE MANAGEMENT CEE GMBH	20.00	
					UNICREDIT LEASING CROATIA D.O.O. ZA LEASING	80.00	
643	UNICREDIT PARTNER LLC Issued capital UAH 53,557	KIEV	KIEV	1	UNICREDIT INSURANCE MANAGEMENT CEE GMBH	100.00	
644	UNICREDIT PEGASUS LEASING GMBH Issued capital EUR 36,500	VIENNA	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	(4)
645	UNICREDIT POJISTOVACI MAKLERSKA SPOL.S R.O. Issued capital CZK 510,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
646	UNICREDIT POLARIS LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
647	UNICREDIT RENT D.O.O. BEOGRAD Issued capital RSD 3,285,948,900	BELGRADE	BELGRADE	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
648	UNICREDIT SUBITO CASA SPA Issued capital EUR 500,000	MILAN	MILAN	1	UNICREDIT SPA	100.00	
649	UNICREDIT TECHRENT LEASING GMBH Issued capital EUR 36,336	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.00	
					UNICREDIT LEASING (AUSTRIA) GMBH	1.00	

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
650	UNICREDIT TIRIAC BANK S.A. Issued capital RON 1,101,604,066	BUCHAREST	BUCHAREST	1	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H.	0.01	
					BANK AUSTRIA-CEE BETEILIGUNGSGMBH	0.01	
					BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	0.01	
					UNICREDIT BANK AUSTRIA AG	95.62	
					UNICREDIT LEASING (AUSTRIA) GMBH	0.01	
651	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH Issued capital EUR 750,000	VIENNA	VIENNA	1	UNICREDIT TURN-AROUND MANAGEMENT GMBH	100.00	
652	UNICREDIT TURN-AROUND MANAGEMENT GMBH Issued capital EUR 72,673	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
653	UNICREDIT U.S. FINANCE LLC Issued capital USD 130	WILMINGTON	NEW YORK	1	UNICREDIT BANK AG	100.00	
654	UNICREDIT ZAVAROVALNO ZASTOPINSKA DRUZBA D.O.O. Issued capital EUR 40,000	LJUBLJANA	LJUBLJANA	1	UNICREDIT INSURANCE MANAGEMENT CEE GMBH	100.00	
655	UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
656	UNICREDIT ZWEITE BETEILIGUNGS GMBH Issued capital EUR 1,000,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
657	UNICREDIT-LEASING HOSPES KFT Issued capital HUF 1,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
658	UNICREDIT-LEASING NEPTUNUS KFT Issued capital HUF 3,010,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	96.35	
659	UNICREDIT-LEASING ORION INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
660	UNICREDITO ITALIANO CAPITAL TRUST III Issued capital EUR 1,000	NEWARK	NEWARK	1	UNICREDITO ITALIANO FUNDING LLC III	100.00	
661	UNICREDITO ITALIANO CAPITAL TRUST IV Issued capital GBP 1,000	NEWARK	NEWARK	1	UNICREDITO ITALIANO FUNDING LLC IV	100.00	
662	UNICREDITO ITALIANO FUNDING LLC III Issued capital EUR 1,000	WILMINGTON	NEW YORK	1	UNICREDIT SPA	100.00	
663	UNICREDITO ITALIANO FUNDING LLC IV Issued capital GBP 1,000	WILMINGTON	NEW YORK	1	UNICREDIT SPA	100.00	
664	UNIVERSALE INTERNATIONAL REALITAETEN GMBH Issued capital EUR 32,715,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
665	UNO-EINKAUFSZENTRUM-VERWALTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 37,000	LEONDING	LEONDING	1	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	100.00	
666	US PROPERTY INVESTMENTS INC. Issued capital USD 100,000	DALLAS	DALLAS	1	UNICREDIT BANK AG	100.00	
667	V.M.G. VERMIETUNGSGESELLSCHAFT MBH Issued capital EUR 25,565	MUNICH	MUNICH	1	WEALTHCAP INVESTMENT SERVICES GMBH	100.00	
668	VANDERBILT CAPITAL ADVISORS LLC	WILMINGTON	CHICAGO	1	PIONEER INSTITUTIONAL ASSET MANAGEMENT INC	100.00	
669	VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H. Issued capital EUR 431,630	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
670	VECTIGAL IMMOBILIEN GMBH & CO KG Issued capital EUR 2,470,930	VIENNA	VIENNA	1	KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	100.00	
					VECTIGAL IMMOBILIEN GMBH	..	
671	VERBA VERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG Issued capital EUR 1,023,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
672	VERMIETUNGSGESELLSCHAFT MBH & CO OBJEKT MOC KG Issued capital EUR 48,728,161	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	88.08	88.03
					LANDOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	0.06
673	VERWALTUNGSGESELLSCHAFT KATHARINENHOF MBH Issued capital EUR 511,292	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS % (2)
674	VIENNA DC BAUTRAEGER GMBH Issued capital EUR 18,168	VIENNA	VIENNA	1	WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT	100.00	
675	VIENNA DC TOWER 1 LIEGENSCHAFTSBESITZ GMBH Issued capital EUR 17,500	VIENNA	VIENNA	1	WED DONAU-CITY GESELLSCHAFT M.B.H.	100.00	
676	VIENNA DC TOWER 2 LIEGENSCHAFTSBESITZ GMBH Issued capital EUR 17,500	VIENNA	VIENNA	1	WED DONAU-CITY GESELLSCHAFT M.B.H.	100.00	
677	VILLINO PACELLI SRL Issued capital EUR 41,600	ROME	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
678	VISCONTI SRL Issued capital EUR 11,000,000	MILAN	MILAN	1	UNICREDIT SPA	76.00	
679	VUWB INVESTMENTS INC. Issued capital USD 10,000	ATLANTA	ATLANTA	1	WEALTHCAP FONDS GMBH	100.00	
680	WEALTH MANAGEMENT CAPITAL HOLDING GMBH Issued capital EUR 26,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
681	WEALTHCAP EQUITY GMBH Issued capital EUR 500,000	MUNICH	MUNICH	1	WEALTHCAP INITIATOREN GMBH	100.00	
682	WEALTHCAP EQUITY MANAGEMENT GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	WEALTHCAP EQUITY GMBH	100.00	
683	WEALTHCAP FONDS GMBH Issued capital EUR 512,000	MUNICH	MUNICH	1	WEALTHCAP INITIATOREN GMBH	100.00	
684	WEALTHCAP INITIATOREN GMBH Issued capital EUR 1,533,876	MUNICH	MUNICH	1	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
685	WEALTHCAP INVESTMENT SERVICES GMBH Issued capital EUR 4,000,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	10.00	
					WEALTH MANAGEMENT CAPITAL HOLDING GMBH	90.00	
686	WEALTHCAP INVESTMENTS INC. Issued capital USD 312,000	WILMINGTON	COUNTRY OF NEW CASTLE	1	WEALTHCAP FONDS GMBH	100.00	
687	WEALTHCAP INVESTORENBETREUUNG GMBH Issued capital EUR 60,000	MUNICH	MUNICH	1	WEALTHCAP INVESTMENT SERVICES GMBH	100.00	
688	WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH Issued capital EUR 125,000	MUNICH	MUNICH	1	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
689	WEALTHCAP LEASING GMBH Issued capital EUR 25,000	GRUNWALD	MONACO DI BAVIERA	1	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
690	WEALTHCAP MANAGEMENT SERVICES GMBH Issued capital EUR 50,000	GRUNWALD	GRUNWALD	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
691	WEALTHCAP PEIA KOMPLEMENTAR GMBH Issued capital EUR 26,000	GRUNWALD	GRUNWALD	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
692	WEALTHCAP PEIA MANAGEMENT GMBH Issued capital EUR 1,023,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	6.00	
					WEALTH MANAGEMENT CAPITAL HOLDING GMBH	94.00	
693	WEALTHCAP REAL ESTATE MANAGEMENT GMBH Issued capital EUR 60,000	MUNICH	MUNICH	1	WEALTHCAP INVESTMENT SERVICES GMBH	100.00	
694	WEALTHCAP STIFTUNGSTREUHAND GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	WEALTHCAP FONDS GMBH	100.00	
695	WEALTHCAP USA IMMOBILIEN VERWALTUNGS GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	WEALTHCAP FONDS GMBH	100.00	
696	WED DONAU-CITY GESELLSCHAFT M.B.H. Issued capital EUR 726,728	VIENNA	VIENNA	1	WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT	100.00	
697	WED HOLDING GESELLSCHAFT M.B.H. Issued capital EUR 72,673	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	59.60	
698	WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT Issued capital EUR 3,634,368	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	38.00	
					WED HOLDING GESELLSCHAFT M.B.H.	62.00	
699	WIEN MITTE IMMOBILIEN GMBH Issued capital EUR 17,500	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	50.00	
					BA-CA WIEN MITTE HOLDING GMBH	50.00	
700	WOEM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 3,322,141	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00 (4)
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	
701	WOHNBAUERRICHTUNGS-UND-VERWERTUNGS-GMBH Issued capital EUR 6,615,700	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.28	
					IMMOBILIEN HOLDING GMBH	99.72	

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP [1]	OWNERSHIP RELATIONSHIP: HELD BY	OWNERSHIP RELATIONSHIP: HOLDING %	VOTING RIGHTS % [2]
702	WOHNPARK BRANDENBURG-GORDEN GMBH Issued capital EUR 51,150	BRANDENBURG	BRANDENBURG	1	IMMOBILIEN HOLDING GMBH	5.18	
					KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	94.82	
703	Z LEASING ALFA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
704	Z LEASING ARKTUR IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
705	Z LEASING AURIGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
706	Z LEASING CORVUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
707	Z LEASING DORADO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	CALG GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
708	Z LEASING DRACO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
709	Z LEASING GAMA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
710	Z LEASING GEMINI IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
711	Z LEASING HEBE IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	GEBAEUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
712	Z LEASING HERCULES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
713	Z LEASING IPSILON IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
714	Z LEASING ITA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
715	Z LEASING JANUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
716	Z LEASING KALLISTO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 263,958	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
717	Z LEASING KAPA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
718	Z LEASING LYRA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
719	Z LEASING NEREIDE IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
720	Z LEASING OMEGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	[4]
721	Z LEASING PERSEUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 16,134,987	VIENNA	VIENNA	1	BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH	100.00	

Continued: Investments in subsidiaries and valued at equity

NAME		MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
722	Z LEASING SCORPIUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
723	Z LEASING TAURUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 73,000	VIENNA	VIENNA	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
724	Z LEASING VENUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
725	Z LEASING VOLANS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
726	ZABA PARTNER DOO ZA POSREDOVANJE U OSIGURANJU I REOSIGURANJU Issued capital HRK 1,500,000	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
727	ZAGREB NEKRETNINE DOO Issued capital HRK 5,000,000	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
728	ZAGREBACKA BANKA D.D. Issued capital HRK 6,404,839,100	ZAGREB	ZAGREB	1	UNICREDIT BANK AUSTRIA AG	84.48	
729	ZANE BH DOO Issued capital BAM 131,529	SARAJEVO	SARAJEVO	1	ZAGREB NEKRETNINE DOO	100.00	
730	ZAO LOCAT LEASING RUSSIA Issued capital RUR 107,000,000	MOSCOW	MOSCOW	1	OOO UNICREDIT LEASING	100.00	
731	ZAPADNI TRGOVACKI CENTAR D.O.O. Issued capital HRK 20,000	RIJEKA	RIJEKA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
732	ZB INVEST DOO Issued capital HRK 4,000,000	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
733	ZETA FUENF HANDELS GMBH Issued capital EUR 17,500	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
734	ZM REVITALISIERUNGS-UND VERMIETUNGS-GMBH Issued capital EUR 2,056,561	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.04	
					IMMOBILIEN HOLDING GMBH	99.96	

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP [1]	NATURE OF RELATIONSHIP [5]	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS % [2]
	A. VALUED AT EQUITY METHOD							
	A.2 INVESTMENTS IN JOINT VENTURES							
1	FIDES LEASING GMBH Issued capital EUR 57,229	VIENNA	VIENNA	7	2	CALG ANLAGEN LEASING GMBH	50.00	
2	HETA BA LEASING SUED GMBH Issued capital EUR 36,500	KLAGENFURT	KLAGENFURT	7	2	UNICREDIT LEASING S.P.A.	50.00	
3	KOC FINANSAL HIZMETLER AS Issued capital TRY 3,093,741,012	ISTANBUL	ISTANBUL	7	2	UNICREDIT BANK AUSTRIA AG	50.00	0.00
4	STICHTING CUSTODY SERVICES YKB Issued capital EUR 125,000	AMSTERDAM	AMSTERDAM	7	2	YAPI KREDI BANK NEDERLAND N.V.	40.90	
5	YAPI KREDI BANK MALTA LTD. Issued capital EUR 60,000,000	ST. JULIAN'S	ST. JULIAN'S	7	1	KOC FINANSAL HIZMETLER AS	..	
						YAPI KREDI HOLDING BV	40.90	
6	YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY Issued capital AZN 47,325,904	BAKU	BAKU	7	1	YAPI KREDI FINANSAL KIRALAMA AO	0.04	
						YAPI KREDI YATIRIM MENKUL DEGERLER AS	0.04	
						YAPI VE KREDI BANKASI AS	40.82	
7	YAPI KREDI BANK MOSCOW Issued capital USD 30,760,000	MOSCOW	MOSCOW	7	1	YAPI KREDI FINANSAL KIRALAMA AO	0.07	
						YAPI VE KREDI BANKASI AS	40.83	
8	YAPI KREDI BANK NEDERLAND N.V. Issued capital EUR 48,589,110	AMSTERDAM	AMSTERDAM	7	1	YAPI KREDI HOLDING BV	13.40	
						YAPI VE KREDI BANKASI AS	27.50	
9	YAPI KREDI DIVERSIFIED PAYMENT RIGHTS FINANCE Issued capital USD 1,000	GEORGE TOWN	GEORGE TOWN	7	2	YAPI VE KREDI BANKASI AS	40.90	[4]
10	YAPI KREDI FAKTORING AS Issued capital TRY 75,183,837	ISTANBUL	ISTAMBUL	7	2	ENTERNASYONAL TURIZM YATIRIM A.S.	..	
						YAPI KREDI FINANSAL KIRALAMA AO	0.01	
						YAPI VE KREDI BANKASI AS	40.88	
11	YAPI KREDI FINANSAL KIRALAMA AO Issued capital TRY 389,927,705	ISTANBUL	ISTANBUL	7	2	YAPI VE KREDI BANKASI AS	40.90	
12	YAPI KREDI HOLDING BV Issued capital EUR 102,000,000	AMSTERDAM	AMSTERDAM	7	2	YAPI VE KREDI BANKASI AS	40.90	
13	YAPI KREDI INVEST LIMITED LIABILITY COMPANY Issued capital AZN 110,000	BAKU	BAKU	7	2	YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY	40.90	
14	YAPI KREDI PORTFOEY YOENETIMI AS Issued capital TRY 5,860,131	ISTANBUL	ISTANBUL	7	2	YAPI KREDI YATIRIM MENKUL DEGERLER AS	35.71	
						YAPI VE KREDI BANKASI AS	5.17	
15	YAPI KREDI YATIRIM MENKUL DEGERLER AS Issued capital TRY 197,682,787	ISTANBUL	ISTANBUL	7	2	YAPI KREDI FINANSAL KIRALAMA AO	..	
						YAPI VE KREDI BANKASI AS	40.89	
16	YAPI VE KREDI BANKASI AS Issued capital TRY 4,298,165,828	ISTANBUL	ISTANBUL	7	1	KOC FINANSAL HIZMETLER AS	40.90	
	A.3 COMPANIES UNDER SIGNIFICANT INFLUENCE							
17	ADLER FUNDING LLC Issued capital USD 2,142,857	DOVER	NEW YORK	8	5	UNICREDIT BANK AG	32.81	
18	ALLIANZ YASAM VE EMEKLILIK AS Issued capital TRY 139,037,203	ISTANBUL	ISTANBUL	8	2	YAPI KREDI FAKTORING AS	0.04	
						YAPI KREDI FINANSAL KIRALAMA AO	19.93	
						YAPI KREDI YATIRIM MENKUL DEGERLER AS	0.04	
						YAPI VE KREDI BANKASI AS	..	
19	ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE DOBROVOLJNIM MIROVINSKIM FONDOM Issued capital HRK 90,000,000	ZAGREB	ZAGREB	8	4	ZAGREBACKA BANKA D.D.	49.00	
20	ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE OBVEZNIM MIROVINSKIM FONDOM Issued capital HRK 15,000,000	ZAGREB	ZAGREB	8	4	ZAGREBACKA BANKA D.D.	49.00	
21	ASSET BANCARI II Issued capital EUR 15,663,103	MILAN	MILAN	8	2	UNICREDIT SPA	39.06	
22	AVIVA SPA Issued capital EUR 247,000,387	MILAN	MILAN	8	4	UNICREDIT SPA	49.00	
23	BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT Issued capital EUR 50,000,000	INNSBRUCK	INNSBRUCK	8	1	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	37.53	41.70
						UNICREDIT BANK AUSTRIA AG	9.85	4.93
24	BANQUE DE COMMERCE ET DE PLACEMENTS SA Issued capital CHF 75,000,000	GINEVRA	GINEVRA	8	1	YAPI VE KREDI BANKASI AS	30.67	

Continued: Investments in subsidiaries and valued at equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	NATURE OF RELATIONSHIP (5)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
25	BARN BV Issued capital EUR 195,020,000	AMSTERDAM	AMSTERDAM	8	2	UNICREDIT BANK AUSTRIA AG	40.00	
26	BKS BANK AG Issued capital EUR 72,072,000	KLAGENFURT	KLAGENFURT	8	1	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	25.47	29.64
						UNICREDIT BANK AUSTRIA AG	7.29	7.46
27	BULKMAX HOLDING LTD Issued capital USD 2,800	LA VALLETTA	LA VALLETTA	8	5	HVB CAPITAL PARTNERS AG	45.00	
28	BV-BGPB BETEILIGUNGSGESELLSCHAFT PRIVATER BANKEN FUR INTERNET - UND MOBILE BEZAHLUNGEN MBH Issued capital EUR 83,332	BERLIN	BERLIN	8	5	UNICREDIT BANK AG	30.00	
29	CASH SERVICE COMPANY AD Issued capital BGN 12,500,000	SOFIA	SOFIA	8	5	UNICREDIT BULBANK AD	20.00	
30	CBD INTERNATIONAL SP.ZO.O. Issued capital PLN 100,500	WARSAW	WARSAW	8	2	ISB UNIVERSALE BAU GMBH	49.75	
31	CNP UNICREDIT VITA S.P.A. Issued capital EUR 381,698,528	MILAN	MILAN	8	4	UNICREDIT SPA	38.80	
32	COINV S.P.A. Issued capital EUR 167,767,089	MILAN	MILAN	8	5	UNICREDIT SPA	12.00	
33	COMPAGNIA AEREA ITALIANA S.P.A. Issued capital EUR 358,391,437	FIUMICINO (ROME)	FIUMICINO (ROME)	8	5	UNICREDIT SPA	33.11	
34	COMTRADE GROUP B.V. Issued capital EUR 4,522,000	AMSTERDAM	AMSTERDAM	8	5	HVB CAPITAL PARTNERS AG	21.05	
35	CONSORZIO SE.TEL. SERVIZI TELEMATICI IN LIQUIDAZIONE Issued capital EUR 4,647	NAPLES	NAPLES	8	5	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	33.33	
36	CREDIFARMA SPA Issued capital EUR 10,000,000	ROME	ROME	8	2	UNICREDIT SPA	17.00	
37	CREDITRAS ASSICURAZIONI SPA Issued capital EUR 12,000,000	MILAN	MILAN	8	4	UNICREDIT SPA	50.00	
38	CREDITRAS VITA SPA Issued capital EUR 112,200,000	MILAN	MILAN	8	4	UNICREDIT SPA	50.00	
39	DA VINCI S.R.L. Issued capital EUR 100,000	ROME	ROME	8	5	IDEA FIMIT SGR FONDO SIGMA IMMOBILIARE	25.00	
40	ES SHARED SERVICE CENTER SOCIETA' PER AZIONI Issued capital EUR 35,000	CERNUSCO SUL NAVIGLIO	CERNUSCO SUL NAVIGLIO	8	5	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	49.00	
41	EUROPROGETTI & FINANZA S.P.A. IN LIQUIDAZIONE Issued capital EUR 5,636,400	ROME	ROME	8	2	UNICREDIT SPA	39.79	
42	FENICE HOLDING S.P.A. Issued capital EUR 25,682,932	CALENZANO	CALENZANO	8	5	UNICREDIT SPA	25.91	
43	FIDIA SPA IN LIQUIDAZIONE Issued capital EUR 4,860,960	MILAN	MILAN	8	2	UNICREDIT SPA	50.00	
44	INCONTRA ASSICURAZIONI S.P.A. Issued capital EUR 5,200,000	MILAN	MILAN	8	4	UNICREDIT SPA	49.00	
45	KRAJOWA IZBA ROZLICZENIOWA SA Issued capital PLN 5,445,000	WARSAW	WARSAW	8	2	BANK PEKAO SA	5.74	(6)
46	MARINA CITY ENTWICKLUNGS GMBH Issued capital EUR 120,000	VIENNA	VIENNA	8	2	CABET-HOLDING GMBH	25.00	
47	MARINA TOWER HOLDING GMBH Issued capital EUR 35,000	VIENNA	VIENNA	8	5	CABET-HOLDING GMBH	25.00	
48	MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA Issued capital EUR 433,583,881	MILAN	MILAN	8	1	UNICREDIT SPA	8.60	
49	MEGAPARK OOD Issued capital BGN 5,000	SOFIA	SOFIA	8	5	AWT HANDELS GESELLSCHAFT M.B.H.	43.50	
50	MULTIPLUS CARD D.O.O. ZA PROMIDZBU I USLUGE Issued capital HRK 5,000,000	ZAGREB	ZAGREB	8	2	SUVREMENE POSLOVNE KOMUNIKACIJE D.O.O	75.00	25.00
51	NAUTILUS TANKERS LIMITED Issued capital USD 2,000	LA VALLETTA	LA VALLETTA	8	5	HVB CAPITAL PARTNERS AG	45.00	
52	NOTARTREUHANDBANK AG Issued capital EUR 8,030,000	VIENNA	VIENNA	8	1	UNICREDIT BANK AUSTRIA AG	25.00	
53	OBERBANK AG Issued capital EUR 91,627,625	LINZ	LINZ	8	1	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	27.32	30.28
						UNICREDIT BANK AUSTRIA AG	3.93	1.54

Part A - Accounting Policies (Continued)

Continued: Investments in subsidiaries and valued at equity

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	NATURE OF RELATIONSHIP (5)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
54 OBJEKT-LEASE GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 107,912	VIENNA	VIENNA	8	2	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	49.23	
					UNICREDIT LEASING (AUSTRIA) GMBH	0.77	
55 OESTERREICHISCHE HOTEL- UND TOURISMUSBANK GESELLSCHAFT M.B.H. Issued capital EUR 11,628,000	VIENNA	VIENNA	8	1	UNICREDIT BANK AUSTRIA AG	50.00	
56 OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT Issued capital EUR 130,000,000	VIENNA	VIENNA	8	1	CABET-HOLDING GMBH	24.75	
					SCHOELLERBANK AKTIENGESELLSCHAFT	8.26	
					UNICREDIT BANK AUSTRIA AG	16.14	
57 OESTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH Issued capital EUR 36,336	VIENNA	VIENNA	8	2	UNICREDIT BANK AUSTRIA AG	29.30	
58 PALATIN GRUNDSTUECKVERWALTUNGS GESELLSCHAFT M.B.H. Issued capital EUR 36,336	STOCKERAU	STOCKERAU	8	2	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
59 PSA PAYMENT SERVICES AUSTRIA GMBH Issued capital EUR 285,000	VIENNA	VIENNA	8	2	CAFU VERMOEGENSVERWALTUNG GMBH & CO OG	4.50	0.00
					SCHOELLERBANK AKTIENGESELLSCHAFT	0.02	4.52
					UNICREDIT BANK AUSTRIA AG	19.48	
60 PURGE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	8	2	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	50.00	
61 RCI FINANCIAL SERVICES S.R.O. Issued capital CZK 70,000,000	PRAGUE	PRAGUE	8	2	UNICREDIT LEASING CZ, A.S.	50.00	49.86
62 REMBRA LEASING GESELLSCHAFT M.B.H. Issued capital EUR 886,336	VIENNA	VIENNA	8	2	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
63 SCHULERRICHTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,340	VIENNA	VIENNA	8	2	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
64 SMIA SPA Issued capital EUR 1,473,229	ROME	ROME	8	5	UNICREDIT SPA	26.38	
65 SP PROJEKTENTWICKLUNG SCHOENEFELD GMBH & CO.KG Issued capital EUR 102,258	SCHOENEFELD	STUTTGART	8	5	UNICREDIT BANK AUSTRIA AG	50.00	
66 SVILUPPO GLOBALE GEIE (IN LIQUIDAZIONE) Issued capital EUR 45,000	ROME	ROME	8	5	UNICREDIT SPA	33.33	
67 SWANCAP PARTNERS GMBH Issued capital EUR 1,010,000	MUNICH	MUNICH	8	2	UNICREDIT BANK AG	75.25	49.00
68 TORRE SGR S.P.A. Issued capital EUR 3,200,000	ROME	ROME	8	2	UNICREDIT SPA	37.50	
69 UNI GEBAEUDEMANAGEMENT GMBH Issued capital EUR 18,168	LINZ	LINZ	8	2	BA GVG-HOLDING GMBH	50.00	
70 WKBG WIENER KREDITBUERGSCHAFTS- UND BETEILIGUNGSBANK AG Issued capital EUR 15,308,027	VIENNA	VIENNA	8	2	UNICREDIT BANK AUSTRIA AG	22.12	
71 YAPI KREDI KORAY GAYRIMENKUL YATIRIM ORTAKLIGI AS Issued capital TRY 40,000,000	ISTANBUL	ISTANBUL	8	2	YAPI VE KREDI BANKASI AS	30.45	

Notes to the table showing the investments in subsidiaries 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 consolidatedline by line under IFRS 10.
(4) In the consolidated financial statements the Group's stake is 100% as the trust company does not share in the profits. The voting rights are held by the grantor, a Group company.
(5) The equity investment in Unicredit Bank D.D. is consolidated at 99% by virtue of UniCredit S.p.A.'s and Zagrebacka Banka D.D's.direct shareholdings, Unicredit Bank Austria AG's direct shareholding of 24.40% and its option on minority interests representing 5.74% of the share capital.
(6) Related to 5.74% due to transfer of 28.70% to held for sale financial assets.
(7) One borrower has been consolidated through HVB Gesellschaft für Gebäude MbH & Co KG in accordance with IFRS 10. This borrower has the German legal form of GmbH & Co. KG (a type of limited partnership), its only asset, a property over which HVB gained economic ownership during the course of the restructuring process, has been substantially sold during the first half of 2015. After the finalization of the selling process, expected to be completed in the second half of 2015, this entity will be deconsolidated. The Company shareholders' equity of €3 million, that is held by third parties, is shown in the consolidated balance sheet under minority interest. For data protection reasons, no further details, including the name of the company involved, are provided.

Changes in the scope of consolidation
Companies consolidated line by line, including the Parent Company, decreased by 17 entities compared with December 31, 2014 (3 inclusions and 20 exclusions as a result of disposals and mergers) from 751 as at December 31, 2014 to 734 as at June 30, 2015.

Companies consolidated at equity decreased from 73 at the end of December 2014 to 71 at the end of June 2015.
This overall decrease of 2 entities result from 1 inclusion and 3 exclusions.

We remind that after the endorsment of IFRS 11 the option to consolidate joint controlled entities proportionally has been eliminated, imposing the net equity method for those companies that fall in the scope of the aforementioned IFRS 11.

With reference to June 30, 2015, it can be noted that 205 controlled entities (of which 12 belonging to the Bankig Group) were not consolidated, of which 191 for materiality threshold and/or liquidation procedures. Based on available information, it is believed that their consolidation would not have impacted significantly the Group equity

Among the non-consolidated remaining 14 entities can be outlined:
- the pension fund belonging to a subsidiary accounted for under IAS 19R;
- 3 investment funds which quotas are entirely or partially subscribed by the Group and for which consolidation would not determine neither a significant increase in Group consolidated assets;
- 3 entities acquired as a result of loan restructuring procedures;
- 1 SPE for which the Group is the main lender which valuation pertain to the ordinary lending activity in accordance with the performance of underlying assets.

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 2014	**751**
B. Increased by	**3**
B.1 Newly established companies	-
B.2 Change of the consolidation method	-
B.3 Entities consolidated for the first time in 2015	3
C. Reduced by	**20**
C.1 Disposal	16
C.2 Change of the consolidation method	1
C.3 Absorption by other Group entities	3
D. Closing balance	**734**

The tables below analyze the other increases and decreases occurred during the first half of the year by company:

Increases
Entities consolidated for the first time in 2015

COMPANY NAME	MAIN OFFICE
TRANSFINANCE A.S.	PRAGA
ELEKTRA PURCHASE NO. 40 LIMITED	DUBLINO

COMPANY NAME	MAIN OFFICE
UNICREDIT LEASING INSURANCE SERVICES S.R.O.	BRATISLAVA

Part A - Accounting Policies (Continued)

Reductions

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

Disposal

COMPANY NAME	MAIN OFFICE
PEKAO TELECENTRUM SP. ZOO IN LIQUIDATION	WARSAW
STATUS VERMOGENSVERWALTUNG GMBH	SCHWERIN
CALG IMMOBILIEN LEASING GMBH & CO. 1050 WIEN, SIENBENBRUNNENGASSE 19-21 OG	VIENNA
BDK CONSULTING LLC IN LIQUIDATION	LUCK
CAC REAL ESTATE, S.R.O.	PRAGUE
PLANETHOME GMBH	MANNHEIM
BANK AUSTRIA IMMOBILIENSERVICE GMBH	VIENNA
PUBLIC JOINT STOCK COMPANY UNICREDIT BANK	KIEV

COMPANY NAME	MAIN OFFICE
RONDO LEASING GMBH	VIENNA
ALEXANDA GV GMBH & Co. VERMIETUNGS KG	WIESBADEN
GUS CONSULTING GMBH IN LIQUIDATION	VIENNA
BACA-LEASING GEMINI INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG	BUDAPEST
PLANETHOME AG	UNTERFOHRING
ENDERLEIN & CO. GMBH	BIELEFELD
CONSUMER ONE SRL (CARTOLARIZZAZIONE : CONSUMER ONE)	VERONA
ENTASI SRL (CARTOLARIZZAZIONE : ENTASI)	ROME

Change of the consolidation method

COMPANY NAME	MAIN OFFICE
UNICREDIT CAIB SECURITIES UK LTD.	LONDON

Absorption by other Group entities

COMPANY NAME OF THE MERGERED ENTITY	MAIN OFFICE		COMPANY NAME OF THE TAKING IN ENTITY	MAIN OFFICE
UNICREDIT LEASING REAL ESTATE S.R.O.	BRATISLAVA	>>>	UNICREDIT LEASING SLOVAKIA A.S.	BRATISLAVA
HVB LEASING EOOD	SOFIA	>>>	UNICREDIT LEASING EAD	SOFIA
UNICREDIT LEASING ROMANIA S.A.	BUCHAREST	>>>	UNICREDIT LEASING CORPORATION IFN S.A.	BUCHAREST

Entities line by line which changed the company name during 2015

COMPANY NAME	MAIN OFFICE
OMNIA GRUNDSTUECKS-GMBH & CO. OBJEKT PERLACH KG FORMERLY (ex. BIL IMMOBILIEN FONDS GMBH & CO OBJEKT PERLACH KG)	MUNICH
UNICREDIT PARTNER D.O.O. ZA TRGOVINU I USLUGE (ex. UNICREDIT PARTNER D.O.O.ZA POSREDOVANJE U OSIGURANJU)	ZAGREB
WEALTHCAP MANAGEMENT SERVICES GMBH (ex. ACTIVE ASSET MANAGEMENT GMBH)	GRUNWALD
UNICREDIT BROKER D.O.O. SARAJEVO BROKERSKO DRUSTVO U OSIGURANJU (ex. UNICREDIT BROKER DOO SARAJEVO ZA BROKERSKE POSLOVE U OSIGURANJU)	SARAJEVO
PEKAO LEASING HOLDING S.A.IN LIQUIDATION (ex. PEKAO LEASING HOLDING S.A.)	WARSAW
UNICREDIT FACTORING CZECH REPUBLIC AND SLOVAKIA, A.S. (ex. TRANSFINANCE A.S.)	PRAGUE
WEALTHCAP INVESTMENT SERVICES GMBH (ex. H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH)	MUNICH

COMPANY NAME	MAIN OFFICE
PEKAO INVESTMENT BANKING SA (ex. UNICREDIT CAIB POLAND S.A.)	WARSAW
SALVATORPLATZ-GRUNDSTUECKSGESELLSCHAFT MIT BESCHRAENKTER HAFTUNG (ex.SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH)	MUNICH
BDK CONSULTING LLC IN LIQUIDATION (ex. BDK CONSULTING LLC)	LUCK
UNICREDIT INSURANCE MANAGEMENT CEE GMBH (ex. UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH)	VIENNA
ALINT 458 GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H. I.L. (ex. ALINT 458 GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.)	BAD HOMBURG
NUOVA COMPAGNIA DI PARTECIPAZIONI SPA (ex. COMPAGNIA ITALPETROLI S.P.A.)	ROME

Companies consolidated at equity method

In the following tables are listed the changes in equity investment in joint ventures and in companies under significant influence consolidated with the equity method.

Equity investments in joint ventures and in companies under significant influence: annual changes

	NUMBER OF COMPANIES
A. Opening balance 2014	**73**
B. Increased by	**1**
B.1 Newly established companies	-
B.2 Change of the consolidation method	-
B.3 Entities consolidated for the first time in 2015	1
C. Reduced by	**3**
C.1 Disposal	3
C.2 Change of the consolidation method	-
C.3 Absorption by other entities	-
D. Closing balance	**71**

Investments in joint ventures consolidated et Equity Method (IFRS 11)

COMPANY NAME	MAIN OFFICE
YAPI KREDI BANK NEDERLAND N.V.	AMSTERDAM
YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY	BAKU
YAPI VE KREDI BANKASI AS	ISTANBUL
YAPI KREDI BANK MOSCOW	MOSCA
KOC FINANSAL HIZMETLER AS	ISTANBUL
STICHTING CUSTODY SERVICES YKB	AMSTERDAM
YAPI KREDI DIVERSIFIED PAYMENT RIGHTS FINANCE	GEORGE TOWN
FIDES LEASING GMBH	VIENNA

COMPANY NAME	MAIN OFFICE
YAPI KREDI BANK MALTA LTD.	ST. JULIAN'S
YAPI KREDI FINANSAL KIRALAMA AO	ISTANBUL
YAPI KREDI HOLDING BV	AMSTERDAM
YAPI KREDI FAKTORING AS	ISTANBUL
YAPI KREDI YATIRIM MENKUL DEGERLER AS	ISTANBUL
YAPI KREDI INVEST LIMITED LIABILITY COMPANY	BAKU
YAPI KREDI PORTFOEY YOENETIMI AS	ISTANBUL
HYPO-BA LEASING SUD GMBH	KLAGENFURT

Increases

The increase in the first half 2015 refers to the application of the equity method to account for the company Credifarma S.p.A. classified as associate starting as of June 30, 2015.

Reductions

The decreases in the first half 2015 refer to:

- the sale of the companies Bluvacanze S.p.A.,Tasfiye Halinde UniCredit Menkul Degerler As (In liquidation), Martur Sunger Ve Koltuk Tesisleri Ticaret Ve Sanayi A.S.

Entities at equity which changed the company name during 2015

COMPANY NAME	MAIN OFFICE
COMPAGNIA AEREA ITALIANA S.P.A. (ex. ALITALIA - COMPAGNIA AEREA ITALIANA S.P.A.)	FIUMICINO (ROME)
SVILUPPO GLOBALE GEIE (IN LIQUIDAZIONE) (ex. SVILUPPO GLOBALE GEIE)	ROME

COMPANY NAME	MAIN OFFICE
HETA BA LEASING SUED GMBH (ex. HYPO-BA LEASING SUED GMBH)	KLAGENFURT

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 Half-Year Consolidated Financial Report as at June 30, 2015. For further details and information please refer to the Interim Report on Operations.

Section 5 - Other Matters

In 2015 the following principles or accounting interpretations have become effective:
- IFRIC21 – Levies (EU Regulations 634/2014)
- Annual Improvements to IFRSs 2011–2013 Cycle (EU Regulation 1361/2014).

Please note that the application of the principles and amendments mentioned above, did not have substantial impact on balance sheet and income statement.

The European Commission during 2014 has endorsed the following accounting standards, amendments or interpretations that will be applicable in the future:
- Annual Improvements to IFRSs 2010–2012 Cycle (EU Regulation 28/2015);
- Amendments to IAS 19 - Defined benefit plans: employee contributions (EU Regulation 29/2015).

As of June 30, 2015 the IASB issued the following standards, amendments, interpretations or revisions:
- IFRS 9 Financial Instruments (July 2014);
- IFRS 14 Regulatory Deferral Accounts (January 2014);
- IFRS 15 Revenue from Contracts with Customers (May 2014);
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (December 2014);
- Amendments to IAS 1: Disclosure Initiative (December 2014);
- Annual Improvements to IFRSs 2012-2014 Cycle (September 2014);
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (September 2014);
- Amendments to IAS 27: Equity Method in Separate Financial Statements (August 2014);
- Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants (June 2014);
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (May 2014);
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (May 2014).

However, the application of these principles by the Group is subject to completion of the approval process by the competent bodies of the European Commission, which is still ongoing.

The Consolidated First Half Financial Report has been approved by the Board of Directors' meeting of August 5, 2015, which authorized its disclosure to the public, also pursuant to IAS 10.

The whole document is filed to the competent offices and entities as required by law.

Deferred tax assets

Deferred tax assets are subjected to probability tests taking into account economic projections foreseeable for future years and the peculiarities of the fiscal legislations of each country, in order to check whether there are future taxable incomes against which it is possible to use the same.

With particular reference to UniCredit S.p.A., to which most of the Group's deferred tax assets are ascribable, the recoverability test takes into account, besides the economic projections, the forecasts for the conversion of deferred tax assets into tax credits under the terms of Italian Law No. 214/2011.

Legislative Decree No. 83 issued on June 27, 2015 has modified the tax deductibility regime for IRES and IRAP purposes applicable to loan loss provisions, not deriving from the disposal, pertaining to loans due from customers. The new regime sets the full and immediate deductibility in the year in which the provisions are recognized in the financial statements. The same decree has as well introduced transition rules applicable to both the above mentioned loss provisions recognized in the financial statements in 2015 (tax deductibility of 75% in the same year) and the loss provisions recognized in the previous years and not yet tax deducted. For the latter, together with the 25% of loan loss provisions recognized in 2015 and not immediately deductible, the decree sets the deductibility in the subsequent fiscal years until 2025, following percentages defined in the decree, while it remains confirmed the option to convert them into tax credits. There are no impacts, at present, on the probability test coming from these changes in tax regulation.

A.2 - The Main Items of the Accounts

With regard to the classification and measurement criteria of the main items, please refer to Part A.2 of the Notes to the Consolidated Accounts as at December 31, 2014.

In addition to what is reported in the above mentioned Part A.2, with effective date January 1, 2015, Bank of Italy revised the classification criteria for non performing exposures (7th update of Circ. 272 July 30, 2008 - "Matrice dei conti" issued on January 20, 2015), in order to align them with the new definitions of Non-Performing exposures and Forbearance as defined in the Implementing Regulation (EU) No. 680/20134 of the Commission, and subsequent amendments and additions ("Final Draft Implementing Technical Standards on Supervisory reporting on forbearance and non-performing exposures" - EBA/ITS/2013/03/rev1 24/7/2014).

In particular the mentioned EBA standards have introduced the definition of forborne exposures, i.e. debt contracts in respect of which forbearance measures have been extended. Forbearance measures consist of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments ("financial difficulties"). According to the EBA templates, a concession refers to either of the following actions:

- a modification of the previous terms and conditions of a contract the debtor is considered unable to comply with due to its financial difficulties ("troubled debt") to allow for sufficient debt service ability, that would not have been granted had the debtor not been in financial difficulties;
- a total or partial refinancing of a troubled debt contract, that would not have been granted had the debtor not been in financial difficulties.

Forborne exposures can be classified in the categories "Non-performing exposures" and "performing exposures" as defined by the same EBA standards. With reference to the assessments of impairment and provisions for Forborne exposures, the accounting policies applied are the general criteria in accordance with IAS 39 requirements.

The same Circular 272 classifies impaired or "non-performing" exposures, in other words those with the characteristics listed in paragraphs 58-62 of IAS 39, in the following categories:

- Bad loans: refer to credit exposures, formally considered as uncollectable, towards borrowers that are in insolvency (even not judicially ascertained) or an equivalent situation. The impairment loss assessment is performed in general on analytical basis (including the validation of the provision with coverage levels statistically defined for certain loan portfolios below a set threshold). In case of not significant amounts, the assessment of impairment loss is performed on a collective basis aggregating similar exposures.
- Unlikely to pay: refer to "on balance" and "off balance sheet" exposures, which do not meet the conditions to be classified as "bad loans". The classification as "unlikely to pay" derives from the assessment of the debtor's unlikeliness (without actions such as realization of collateral) to repay fully his credit obligation (principal and/or interest). The classification within the unlikely to pay category is not necessarily related to the explicit presence of anomalies (repayment failure) but rather is tied to the existence of evidences of a debtor's risk of default. The impairment loss assessment is performed in general on analytical basis (also checking the coverage level which is statistically defined for certain loan portfolios below a set threshold) or on a collective basis aggregating similar exposures.
- Impaired past-due: represent on-balance-sheet exposures, other than those classified among bad loans or unlikely to pay, which, at the reference date, have amounts that are past-due or over limits. Impaired past-due amounts can be determined making reference, alternatively, to the single debtor or to the single transaction. Impaired past due are assessed with a collective approach on a historical/statistical basis, applying, where available, the risk level determined by the corresponding risk factor used for regulatory purposes (EU Regulation No. 575/2013 - CRR) and related to the prudential requirements for lending institutions and investment firms ("Loss Given Default" or LGD).

Part A - Accounting Policies (Continued)

A.3 - Information on transfers between portfolios of financial assets

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

In particular, the following may be reclassified:
- those HfT or AfS financial assets that would have satisfied the definition specified by 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, 2015 (broken down by type of underlying asset and portfolio) of assets which were reclassified in the second half of 2008 and in the first half of 2009. The gains/losses 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, 2015, if these assets had not been reclassified, would have been a gain of €4,938 thousand, while the impact actually recognized was a gain of €39,865 thousand.

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

(€ '000)

					INCOME/EXPENSES ABSENT RECLASSIFICATION (BEFORE TAX)		INCOME/EXPENSE RECOGNIZED DURING THE PERIOD (BEFORE TAX)	
INSTRUMENTS TYPE (1)	ACCOUNTING PORTFOLIO BEFORE RECLASSIFICATION (2)	ACCOUNTING PORTFOLIO AFTER RECLASSIFICATION (3)	BOOK VALUE AS AT 06.30.2015 (4)	FAIR VALUE AS AT 06.30.2015 (5)	FROM MEASUREMENT (6)	OTHER (7)	FROM MEASUREMENT (8)	OTHER (9)
A. Debt securities			**3,514,085**	**3,704,824**	**(44,478)**	**52,166**	**(28,412)**	**64,138**
	Held for trading	Available for sale	4,481	4,481	285	149	285	171
	Held for trading	Held to maturity	161,701	164,610	(335)	1,880	-	1,880
	Held for trading	Loans to Banks	883,745	942,125	(6,875)	11,352	-	24,281
	Held for trading	Loans to Customers	2,447,899	2,578,295	(37,531)	38,091	(28,778)	37,051
	Available for sale	Loans to Banks	-	-	-	-	-	-
	Available for sale	Loans to Customers	16,259	15,313	(22)	694	81	755
B. Equity instruments			**-**	**-**	**-**	**-**	**-**	**-**
	Held for trading	Available for sale	-	-	-	-	-	-
C. Loans			**259,291**	**294,766**	**(4,634)**	**1,884**	**2,226**	**1,913**
	Held for trading	Available for sale	-	-	-	-	-	-
	Held for trading	Held to maturity	-	-	-	-	-	-
	Held for trading	Loans to Banks	32,993	35,328	(1,093)	695	-	858
	Held for trading	Loans to Customers	226,298	259,438	(3,541)	1,189	2,226	1,055
	Available for sale	Loans to Banks	-	-	-	-	-	-
	Available for sale	Loans to Customers	-	-	-	-	-	-
D. Units in investment funds			**-**	**-**	**-**	**-**	**-**	**-**
	Held for trading	Available for sale	-	-	-	-	-	-
Total			**3,773,376**	**3,999,590**	**(49,112)**	**54,050**	**(26,186)**	**66,051**

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 €1,718,145 thousand as at June 30, 2015.

A.4 - Information on fair value

QUALITATIVE INFORMATION

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

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

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

For financial instruments listed in active markets, fair value is determined on the basis of official prices in the principal market 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 can be determined on the basis of the relevant market prices for the component parts.

If the observable prices in active market or other observable inputs, such as the quoted price of a similar instrument in an active market, the Group may use another valuation techniques, such as:

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

The Group uses valuation models (Mark to Model) in keeping with the methods generally accepted and used by the market. Valuation models include techniques based on the discounting of future cash flows and on volatility estimates, and they are subject to revision both during their development and periodically in order to ensure their consistency with the objectives of the valuation.

These methods use inputs based on prices set in recent transactions for the instrument being valued and/or prices/quotations for instruments having similar characteristics in terms of risk profile. Indeed, these prices/quotations are relevant for determining significant parameters in terms of the credit risk, liquidity risk and price risk of the instrument being valued. Reference to these "market" parameters makes it possible to limit the discretionary nature of the valuation, and ensures that the resulting fair value can be verified. If, for one or more risk factors it is not possible to refer to market data, the valuation models employed use estimates based on historical data as inputs.

As a further guarantee of the objectivity of valuations derived from valuation models, the Group employs:

- Independent price verifications (IPVs);
- Fair value adjustments (FVAs).

Independent price verification requires that the prices are verified monthly by Risk Management units that are independent from the units that assume the risk exposure.
This verification calls for comparing and adjusting the price in line with valuations obtained from independent market participants.

For instruments not quoted in active markets, the above verification process uses prices contributed by info providers as a reference, and assigns a greater weighting to those prices that are considered representative of the instrument being valued.
This valuation can include the "executability" of the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices from different sources, and the process followed by the info provider to obtain the information.

Part A - Accounting Policies (Continued)

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

Hereby we provide IFRS 13 disclosure requirements about accounting portfolios measured at fair value on a recurring basis, not measured at fair value, or measured at fair value on a non-recurring basis.

Assets and Liabilities measured at fair value on a recurring basis

Fixed Income Securities

Fixed Income Securities are priced in a two tier process depending on the liquidity in the respective market. Liquid instruments in active markets are marked to market and consequently positions in these instruments are disclosed in reference to Fair Value Hierarchy under Level 1[2]. In order to assess it, within the global bond Independent Price Verification (IPV) process a daily Liquidity Indicator is defined taking into account: the number of executable bid/ask quotes, their relative sizes and spreads. Such indicator is tracked over a 20 business days time window in order to obtain a stable monthly indicator.

Instruments not traded in active markets are marked to model based on implied credit spread curves derived from the former Level 1 instruments. The model maximizes the use of observable input and minimizes the use of unobservable inputs. With this respect, depending on the proximity of the credit spread curve applied, the bonds are disclosed as Level 2 or Level 3 respectively; Level 3 is applied in case credit spread curves used are significantly unobservable. Under fair value accounting, fair value adjustments for liquidity and model deficiencies compensate for the lack of market observables for the Level 2 and Level 3 positions.

In the global bond IPV process market prices of Level 1 bonds and pricing models for illiquid bonds are regularly verified for accuracy.

Structured Financial Products

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

Asset Backed Securities

Since 2009, UniCredit's valuation process relies on internal policies centered on:

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

According to the IPV process the quality of a price is assessed based upon the availability of quotes of independent market players for identical assets. The process relies in the first instance on consensus data provider as reliable collector of market quotes.

As a second step, prices are assessed by benchmarking each security to a pool of similar securities with available market quotes. An alternative approach consists in evaluating the instrument through the use of quantitative pricing models, which are applicable every time that information regarding market participants assumptions on model parameters are reasonably made available without excessive costs or efforts.

Derivatives

Fair value of derivatives not traded in an active market is determined using a mark to model valuation technique. In such cases, where active markets exist for its component parts, then fair value is determined on the basis of the relevant market prices for the component parts.

Valuation techniques that are based on significant inputs that are observable are referred to as Level 2 valuations, while those based on techniques that use significant unobservable inputs are referred to as Level 3 valuations.

Equity Instruments

Equity Instruments are assigned to Level 1 when a quoted price is available on a liquid market and to Level 3 when no quotations are available or quotations have been suspended indefinitely. These instruments are classifies as Level 2 only when trading volume on the market where the instrument is quoted has decreased significantly.

For equity instruments measured at cost an impairment is given, if the carrying amount exceeds the recoverable amount significantly and/or over a prolonged period of time.

Investment Funds

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

- **Real Estate Funds**

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

[2] As far as Italian Government bonds are concerned, it is worth stressing they are typically exchanged on the MTS market which is largely aknowledged as the main liquid platform for this kind of asset.

- **Other Funds**
  The Group holds investments also in mutual funds, hedge funds and private equity funds.
  Funds are usually assigned to Level 1 when a quoted price is available on an active market.
  Funds are disclosed as Level 2 or Level 3 depending on NAV availability, portfolio transparency and possible issues related to position write off.
  When sufficient information for reliable fair value measurements is not available, funds (e.g. hedge funds and private equity) are valued at cost and classified as Available for Sale at Level 3.

With reference to funds valued at cost, an impairment is applied in case the carrying amount is significantly above the recoverable amount or above the carrying amount for a prolonged period of time.

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

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

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

UniCredit CVA/DVA methodology is based on the following inputs:
- EAD derived by simulation techniques. Simulated exposures also take into account Specific Wrong-Way Risk that arises for transactions where there is a correlation between counterparty credit risk and the underlying derivative risk factors;
- PD 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 implied by current market default rates, obtained from credit default swaps.

As of June 30, 2015, net CVA/DVA cumulative adjustment amounts to €460 million negative. The part related to own credit spread evolution, which is filtered out from regulatory capital (accordingly to CRDIV), amounts to €267 million positive.

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 adjustment refers to the risk that the actual fair value of the instrument differs from the value produced by the model.

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

Part A - Accounting Policies (Continued)

Other adjustments

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

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

Financial instrument not carried at fair value, for example retail loans and deposit, and credit facilities extended to corporate clients are not managed on a fair value basis.

For these instruments fair value are calculated for disclosure purposes only and do not impact the balance sheet or the profit or loss. Additionally, since these instruments generally do not trade, there is significant management judgment required to determine their fair values as defined by IFRS 13.

Cash and cash balances

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

Held-to-maturity investments

Considering that held to maturity investments are mainly composed by securities, fair value for this asset class is determined according to what above explained in section "Assets and Liabilities measured at fair value on a recurring basis – Fixed Income Securities".

Loans and Receivables to banks and customers

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

Property, plant and equipment held for investment purposes

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

Debt securities in issue

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

Other liabilities

Fair value for liabilities, recorded at amortized cost, is determined using the discounted cash flow model adjusted for UniCredit credit risk.
The Credit Spread is determined using UCG's senior and subordinated risk curves.

Description of the valuation techniques

Specific valuation techniques are used to value positions for which a market price is not directly observable from market sources. The Group uses well known valuation techniques for determining fair values of financial and non-financial 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 flows.

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

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

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

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

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

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

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

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

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

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

Part A - Accounting Policies (Continued)

Inflation Swap rate

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

Credit spreads

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

Loss Given Default (LGD)/Recovery Rate

LGD also known as loss severity (the inverse concept is the recovery rate) represents the percentage of contractual cash flows lost in the event of a default, expressed as the net amount of loss relative to the outstanding balance. An increase in the loss severity, in isolation, would result in a decrease in a fair value measure. 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 security. In general as prepayment speeds change, the weighted average life of the security changes, which impacts the valuation either positively or negatively, depending upon the nature of the security and the direction of the change in the weighted average life.

Probability of Default (PD)

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

Early Conversion

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

EBITDA

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

Ke

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

Growth Rate

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

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

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

(€ million)

PRODUCT CATEGORIES			FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	VALUATION TECHNIQUES	UNOBSERVABLE PARAMETERS		RANGE
Derivatives	Financial							
		Commodities	14.27	40.52	Discounted Cash Flows	Swap Rate (% of used value)	10%	130%
					Option Pricing Model	Volatility	20%	120%
						Correlation	-100%	100%
		Equity	266.39	340.00	Option Pricing Model	Volatility	15%	120%
						Correlation	-100%	100%
			270.01	172.32	Option Pricing Model/ Discounted Cash Flows	Dividends Yield	0%	20%
		Foreign Exchange			Option Pricing Model	Volatility	1%	40%
					247,18	Interest rate	1 bps	1,000 bps
		Interest Rate	1,095.28	247.18	Discounted Cash Flows	Swap Rate (bps)	0 bps	1,000 bps
						Inflation Swap Rate	120 bps	230 bps
					Option Pricing Model	Inflation Volatility	1%	10%
						Interest Rate Volatility	5%	100%
			1.64	24.62		Correlation	20%	100%
		Hybrid			Option Pricing Model	Volatility	15%	120%
			154.03	164.13		Correlation	-100%	100%
	Credit				Hazard Rate Model	Credit Spread	116 bps	331%
						LGD	5%	95%
						Correlation	25%	85%
			1,511.85	1,475.91	Option Pricing Model	Volatility	35%	50%
Debt Securities and Loans		Corporate/ Government/Other	12.56		Market Approach	Price (% of used value)	95%	110%
		Mortgage & Asset Backed Securities			Discounted Cash Flows	Credit Spread (% of used value)	0 bps	30%
						LGD	25%	100%
						Default Rate	1%	12.0%
						0,00	0%	30%
Equity Securities		Unlisted Equity & Holdings	2,004.88	0.00	Market Approach	Price (% of used value)	0%	100%
					Gordon Growth Model	Ke	8.8%	11.8%
						Growth Rate	2.5%	3.5%
					Dividend Discount Model	Beta	0.35	0.45
						0,00	5.5%	6.5%
Units in Investment Funds		Real Estate & Other Funds	258.59		Adjusted Nav	PD	1%	30%
						LGD	30%	40%

Amongst the unlisted Level 3 equity instruments, measured using a model, are the shares in Bank-of-Italy capital (for €1,659 million at June 30, 2015 – unchanged with respect to the previous period); for further information, please refer to see Part E - Section 2.4 - Price Risk: Banking Book.

Part A - Accounting Policies (CONTINUED)

A.4.2 Valuations processes and sensitivities

The Group verifies that the value attributed to each position reflects the current fair value in an appropriate way. Assets and liabilities subject to fair value measurements are determined using different techniques, among which (but not only) models such as discounted cash flow and internal models. On the basis of the observability of the input used, all the measurements are classified as Level 1, Level 2 or Level 3 of the fair value hierarchy.

When a financial instrument, measured at fair value, is valued through the use of one or more significant inputs not directly observable on the market, a further procedure for the price verification is implemented. These procedures include the revision of relevant historical data, the analysis of profits and losses, the individual valuation of each component for structural products and benchmarking. This approach uses subjective opinions and judgments based on experience and, therefore, it could require valuation adjustments which take into account the bid/ask spread, liquidity and counterparty risk, in addition to the valuation model type adopted.

According to Group Market Risk Governance guidelines, in order to ensure the right separateness of the functions in charge of the model development and those in charge of the validation processes, all valuation models developed by Group companies' front offices are independently tested centrally and validated by the Group Internal Validation functions. The aim of this independent control structure is of evaluating the model risk from a theoretical solidity, calibration techniques eventually applied and appropriateness of the model for a specific product in a defined market point of views.

In addition to the daily mark to market or mark to model valuation, the Independent Price Verification (IPV) is applied with the aim of guaranteeing a fair value which is independent from Market Risk perspective for all illiquid instruments.

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

The direction of sensitivity for instruments categorized at level 3 of fair value hierarchy to variations in significant unobservable inputs is supplied in the following table. For fair value computations where significant unobservable input are employed (Level 3), the sensitivity analysis is performed using a range of reasonable alternatives for the unobservable parameters.

The Group takes into account that the impact of unobservable inputs in the fair value computation of level 3 financial instruments, depends on the correlation among different inputs used in the valuation technique. Furthermore, the effect of unobservable input variation has an impact on the amount and the direction of fair value measurement, also according to the instrument nature and sign.

(€ million)

PRODUCT CATEGORIES			FAIR VALUE MOVEMENTS GIVEN REASONABLE POSSIBLE ALTERNATIVES	
Derivatives				
	Financial			
		Commodities	+/-	0.66
		Equity	+/-	75.76
		Foreign Exchange	+/-	4.92
		Interest Rate	+/-	7.04
		Hybrid	+/-	1.23
	Credit		+/-	24.96
Debt Securities and Loans		Corporate/Government/Other	+/-	13.58
		Mortgage & Asset Backed Securities	+/-	0.98
Equity Securities		Unlisted Equity & Holdings	+/-	426.41
Units in Investment Funds		Real Estate & Other Funds	+/-	12.51

A.4.3 Fair value hierarchy

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

The fair value hierarchy level associated to assets and liabilities is set as the minimum level among all significant valuation inputs used.
A valuation input is not considered significant for the fair value of an instrument if the remaining inputs are able to explain the major part of the fair value variance itself over a period of three months.
In some specific cases, the significance limit is assessed in relation to the fair value of the instrument at the measurement date.

In particular, three levels are considered:

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

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

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

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

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

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

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

Transfers between hierarchy levels

The main drivers to transfers in and out the FV levels (both between L1 and L2 and in/out L3) include changes in market conditions (among which liquidity parameter) and enhancements to valuation techniques and weights for unobservable inputs used for the valuation itself.
Quantitative and qualitative details about transfers between FV levels occurred in the period is presented in Part A.4.5 - Fair Value Hierarchy.

A.4.4 Other information

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

Part A - Accounting Policies (Continued)

QUANTITATIVE INFORMATION

A.4.5 Fair Value Hierarchy

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

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value levels (€ '000)

FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	AMOUNTS AS AT 06.30.2015			AMOUNTS AS AT 12.31.2014		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Financial assets held for trading	27,699,881	67,956,045	1,969,962	25,775,109	73,091,798	2,358,639
2. Financial assets at fair value through P&L	16,823,582	16,280,713	412,351	14,654,988	16,770,278	378,131
3. Available for sale financial assets	98,881,376	7,547,627	3,207,665	85,779,651	7,680,520	3,475,120
4. Hedging derivatives	1	6,531,938	1	-	9,101,384	12,783
5. Property, plant and equipment	-	-	69,728	-	-	70,457
6. Intangible assets	-	-	-	-	-	-
Total	**143,404,840**	**98,316,323**	**5,659,707**	**126,209,748**	**106,643,980**	**6,295,130**
1. Financial liabilities held for Trading	7,638,813	62,404,270	2,458,396	8,096,066	67,921,489	1,117,160
2. Financial liabilities at fair value through P&L	-	456,770	3,622	-	562,269	4,698
3. Hedging derivatives	-	7,685,912	1	-	8,620,667	1,276
Total	**7,638,813**	**70,546,952**	**2,462,019**	**8,096,066**	**77,104,425**	**1,123,134**

Transfers between level of fair value occurring between December 31, 2014 and June 30, 2015 mainly reflect the evolution of market of reference in the period and the enhancement of processes for fair value level attribution in some Group entities.

The sub-item 3. Available-for-sale financial assets at level 3 as of June 30, 2015, includes Bank of Italy stake with a value of €1,659 million, unchanged from previous period (see Part E - Section 2.4 - Price Risk: Banking Book for further information); while it does not include €644 million measured at cost (€701 million as of December 31, 2014).

Besides the transfers related to financial assets and liabilities carried at level 3 detailed in the sections below during the year the following transfers occurred:

- from level 1 to level 2 owing to a worsening of the liquidity and price reliability indicators (based on the bid-ask spread, relative size and applicability of the published prices) collected by third parties as calculated and recorded in the context of the Global Bond IPV process:
  - of financial assets measured at fair value through profit & loss (financial assets held for trading and carried at fair value) for approximately €397 million;
  - of financial assets measured at fair value through reserves (financial assets available for sale) for approximately €215 million;
  - of financial liabilities measured at fair value through profit & loss (financial liabilities held for trading and carried at fair value) for approximately €10 million;

- from level 2 to level 1 owing to an improvement of the liquidity and price reliability indicators (based on the bid-ask spread, relative size and applicability of the published prices) collected by third parties as calculated and recorded in the context of the Global Bond IPV process:
  - of financial assets measured at fair value through profit & loss (financial assets held for trading and carried at fair value) for approximately €484 million;
  - of financial assets measured at fair value through reserves (financial assets available for sale) for approximately €285 million;
  - of financial liabilities measured at fair value through profit & loss (financial liabilities held for trading and carried at fair value) for approximately €37 million.

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

(€ '000)

	CHANGES IN FIRST HALF 2015					
	HELD FOR TRADING FINANCIAL ASSETS	AT FAIR VALUE TROUGH P&L FINANCIAL ASSETS	AVAILABLE FOR SALE FINANCIAL ASSETS	HEDGING DERIVATIVES	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS
1. Opening balances	**2,358,639**	**378,131**	**3,475,120**	**12,783**	**70,457**	**-**
2. Increases	**2,002,787**	**80,680**	**492,069**	**6**	**815**	**-**
2.1 Purchases	1,584,080	8,861	216,915	-	-	-
2.2 Profits recognized in:	328,705	8,281	29,360	-	-	-
2.2.1 Income Statement	328,705	8,281	2,181	-	-	-
- of which Unrealized gains	*273,660*	*2,317*	*133*	-	-	-
2.2.2 Equity	X	X	27,179	-	-	-
2.3 Transfers from other levels	82,515	54,867	200,563	-	-	-
2.4 Other increases	7,487	8,671	45,231	6	815	-
3. Decreases	**2,391,464**	**46,460**	**759,524**	**12,788**	**1,544**	**-**
3.1 Sales	1,694,524	35,379	71,255	-	166	-
3.2 Redemptions	109,439	2,572	67,900	5,478	-	-
3.3 Losses recognized	445,900	836	36,696	-	662	-
3.3.1 Income Statement	445,900	836	12,109	-	662	-
- of which Unrealized losses	*437,188*	*836*	*6,761*	-	*662*	-
3.3.2 Equity	X	X	24,587	-	-	-
3.4 Transfers to other levels	118,040	-	365,998	-	-	-
3.5 Other decreases	23,561	7,673	217,675	7,310	716	-
4. Closing balances	**1,969,962**	**412,351**	**3,207,665**	**1**	**69,728**	**-**

The sub-item 2 increases and 3 decreases in financial assets are included in the Profit and Loss in the following items:
- Item 80: Gains and losses on financial assets and liabilities held for trading;
- Item 110: Gains and losses on financial assets/liabilities at fair value through profit or loss;
- Item 90: Fair value adjustments in hedge accounting.

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

Transfers between levels of fair value occurring between December 31, 2014 and June 30, 2015 mainly reflect the evolution of market of reference in the period and the enhancement of processes for fair value level attribution in some Group entities and mostly refer to exposure held by UniCredit Bank AG.

The change in available-for-sale financial assets does not include €644 million measured at cost.

Part A - Accounting Policies (Continued)

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

(€ '000)

	CHANGES IN FIRST HALF 2015		
	FINANCIAL LIABILITIES HELD FOR TRADING	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH P&L	HEDGING DERIVATIVES
1. Opening balances	**1,117,160**	**4,698**	**1,276**
2. Increases	**2,070,331**	**23,704**	**1**
2.1 Issuance	669,242	-	-
2.2 Losses recognized in:	265,218	-	-
2.2.1 Income Statement	265,218	-	-
- of which Unrealized losses	*221,372*	-	-
2.2.2 Equity	X	X	-
2.3 Transfers from other levels	1,123,788	-	-
2.4 Other increases	12,083	23,704	1
3. Decreases	**729,095**	**24,780**	**1,276**
3.1 Redemptions	67,686	-	1,275
3.2 Purchases	129,175	-	-
3.3 Profits recognized in:	250,037	-	-
3.3.1 Income Statement	250,037	-	-
- of which Unrealized gains	*249,995*	-	-
3.3.2 Equity	X	X	-
3.4 Transfers to other levels	254,178	-	-
3.5 Other decreases	28,019	24,780	1
4. Closing balances	**2,458,396**	**3,622**	**1**

The sub-item 2 increases and 3 decreases in financial assets are included in the Profit and Loss in the following items:
- Item 80: Gains and losses on financial assets and liabilities held for trading;
- Item 110: Gains and losses on financial assets/liabilities at fair value through profit or loss;
- Item 90: Fair value adjustments in hedge accounting.

Transfers between levels of fair value occurring between December 31, 2014 and June 30, 2015 mainly reflect the evolution of market of reference in the period and the enhancement of processes for fair value level attribution in some Group entities and mostly refer to exposure held by UniCredit Bank AG.

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

(€ '000)

ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS: BREAKDOWN BY FAIR VALUE LEVEL	AMOUNTS AS AT 06.30.2015				AMOUNTS AS AT 12.31.2014			
		FAIR VALUE				FAIR VALUE		
	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3
1. Held-to-maturity investments	2,748,186	1,432,125	1,307,520	29,855	2,583,911	1,115,852	1,312,122	188,727
2. Loans and receivables with banks	86,192,497	1,679,145	31,710,018	53,208,698	68,730,127	3,403,995	41,657,630	28,675,591
3. Loans and receivables with customers	473,930,383	1,244,667	143,689,462	338,250,737	470,568,766	1,795,399	173,150,278	315,828,151
4. Property, plant and equipment held for investment	2,924,332	-	141,711	3,487,206	3,012,079	-	163,329	3,544,851
5. Non-current assets and disposal groups classified as held for sale	3,750,623	-	614,797	3,025,168	3,599,748	-	24,949	3,540,895
Total	**569,546,021**	**4,355,937**	**177,463,508**	**398,001,664**	**548,494,631**	**6,315,246**	**216,308,308**	**351,778,215**
1. Deposits from banks	121,454,199	-	50,419,754	71,003,601	106,036,913	-	55,497,214	52,192,998
2. Deposits from customers	435,898,312	-	137,288,436	299,608,492	410,411,985	-	134,231,255	277,831,237
3. Debt securities in issue	144,960,980	64,015,699	67,099,288	21,298,839	150,275,804	60,500,691	76,624,212	22,440,725
4. Liabilities included in disposal groups classified as held for sale	1,447,557	-	76,848	1,370,709	1,650,458	-	-	1,648,175
Total	**703,761,048**	**64,015,699**	**254,884,326**	**393,281,641**	**668,375,160**	**60,500,691**	**266,352,681**	**354,113,135**

Between December 31, 2014 and June 30, 2015 changes in the ratio between fair value and book value for loans and receivables to banks and customers reflect the enhancement of the methodology and the parameters adopted for the fair value calculation for disclosure and the evolution in the benchmark interest rate, in the risk premium and in the probability of default depending on or deriving from markets trend.
The above phenomenon together with the evolution of the approach to identify the significance of non-observable inputs has been reflected in fair value hierarchy level distribution.

For further details on sub item 5. Non-current assets and disposal groups classified as held for sale see Part B Section 15, table 15.1.

A.5 - Information on “Day One Profit/Loss”

The value at which financial instruments are initially 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 of the Notes to the Consolidated Accounts of 2014 Consolidated Reports and Accounts) and instruments designated at fair value (see sections 5 and 15 of Part A.2 above mentioned), any difference from the amount collected or paid is posted under the appropriate items of the income statement.

The use of conservative valuation models, the processes described above for revising the models used and related parameters and value adjustments to reflect model risk ensure that the amount recognized in the income statement is not derived from the use of valuation parameters that cannot be observed.

More specifically, the calculation of fair value adjustments to reflect model risk ensures that the fair value portion of these instruments relating to the use of subjective parameters is not recognized in the profit and loss account, but recorded as an 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 (amount not recognized in the Income Statement) changed from €95,937 thousand at December 31, 2014 to €98,796 thousand at June 30, 2015.

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 06.30.2015 LEVEL 1	AMOUNTS AS AT 06.30.2015 LEVEL 2	AMOUNTS AS AT 06.30.2015 LEVEL 3	AMOUNTS AS AT 12.31.2014 LEVEL 1	AMOUNTS AS AT 12.31.2014 LEVEL 2	AMOUNTS AS AT 12.31.2014 LEVEL 3
A) Financial assets (non-derivatives)						
1. Debt securities	**12,577,304**	**1,849,753**	**122,535**	**13,455,132**	**2,010,639**	**124,509**
1.1 Structured securities	85,895	608,121	59,793	49,913	581,331	53,916
1.2 Other debt securities	12,491,409	1,241,632	62,742	13,405,219	1,429,308	70,593
2. Equity instruments	**10,795,296**	**10,169**	**13,184**	**9,362,794**	**3,568**	**12,867**
3. Units in investment funds	**1,752,928**	**477,361**	**32,188**	**1,247,926**	**526,073**	**18,067**
4. Loans	**430,735**	**11,891,167**	**-**	**3**	**10,129,226**	**-**
4.1 Reverse Repos	-	11,891,167	-	-	9,868,950	-
4.2 Other	430,735	-	-	3	260,276	-
Total (A)	**25,556,263**	**14,228,450**	**167,907**	**24,065,855**	**12,669,506**	**155,443**
B) Derivative instruments						
1. Financial derivatives	**2,119,372**	**53,006,371**	**1,648,057**	**1,488,253**	**59,767,529**	**2,042,013**
1.1 Trading	2,119,366	51,548,514	869,905	1,488,253	57,961,655	1,144,645
1.2 Related to fair value option	-	12,572	-	-	61,615	1,900
1.3 Other	6	1,445,285	778,152	-	1,744,259	895,468
2. Credit derivatives	**24,246**	**721,224**	**153,998**	**221,001**	**654,763**	**161,183**
2.1 Trading	24,246	721,055	153,998	221,001	654,303	161,183
2.2 Related to fair value option	-	-	-	-	-	-
2.3 Other	-	169	-	-	460	-
Total (B)	**2,143,618**	**53,727,595**	**1,802,055**	**1,709,254**	**60,422,292**	**2,203,196**
Total (A+B)	**27,699,881**	**67,956,045**	**1,969,962**	**25,775,109**	**73,091,798**	**2,358,639**
Total Level 1, Level 2 and Level 3			**97,625,888**			**101,225,546**

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.4 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, 2015, already included in the net presentation of these transactions, totaled €14,243,924 (€18,448,893 as at December 31, 2014).

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 06.30.2015 LEVEL 1	AMOUNTS AS AT 06.30.2015 LEVEL 2	AMOUNTS AS AT 06.30.2015 LEVEL 3	AMOUNTS AS AT 12.31.2014 LEVEL 1	AMOUNTS AS AT 12.31.2014 LEVEL 2	AMOUNTS AS AT 12.31.2014 LEVEL 3
1. Debt securities	**16,698,451**	**14,714,307**	**355,186**	**14,538,031**	**15,188,777**	**322,349**
1.1 Structured securities	-	1	-	-	1	-
1.2 Other debt securities	16,698,451	14,714,306	355,186	14,538,031	15,188,776	322,349
2. Equity instruments	**12**	**-**	**37,677**	**12**	**-**	**37,092**
3. Units in investment funds	**125,119**	**292,596**	**19,488**	**116,945**	**311,739**	**18,690**
4. Loans	**-**	**1,273,810**	**-**	**-**	**1,269,762**	**-**
4.1 Structured	-	-	-	-	-	-
4.2 Other	-	1,273,810	-	-	1,269,762	-
Total	**16,823,582**	**16,280,713**	**412,351**	**14,654,988**	**16,770,278**	**378,131**
Cost	**16,813,706**	**15,941,287**	**413,864**	**14,540,083**	**16,364,113**	**369,814**
Total Level 1, Level 2 and Level 3			**33,516,646**			**31,803,397**

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.4 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 06.30.2015			AMOUNTS AS AT 12.31.2014		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**98,487,243**	**7,445,629**	**1,046,486**	**85,295,756**	**7,617,712**	**1,312,950**
1.1 Structured securities	-	122,086	68,550	-	1	18,885
1.2 Other	98,487,243	7,323,543	977,936	85,295,756	7,617,711	1,294,065
2. Equity instruments	**122,275**	**74,463**	**2,265,317**	**220,756**	**35,287**	**2,330,664**
2.1 Measured at fair value	122,275	74,463	1,954,681	220,756	35,287	1,992,078
2.2 Carried at cost	-	-	310,636	-	-	338,586
3. Units in investment funds	**247,808**	**27,535**	**540,240**	**240,321**	**27,521**	**532,712**
4. Loans	**24,050**	**-**	**-**	**22,818**	**-**	**-**
Total	**98,881,376**	**7,547,627**	**3,852,043**	**85,779,651**	**7,680,520**	**4,176,326**
Total Level 1, Level 2 and Level 3			**110,281,046**			**97,636,497**

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.4 Information on fair value.

Sub-item 2.1. "Equity securities at fair value" includes Bank of Italy stake (presented among level 3 instruments) with a value of €1,659 million at June 30, 2015 - unchanged from previous period; see Part E - Section 2.4 - Price Risk: Banking Book for further information.

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

5.1 Held-to-maturity investments: product breakdown

(€ '000)

	AMOUNTS AS AT 06.30.2015				AMOUNTS AS AT 12.31.2014			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**2,748,186**	**1,432,125**	**1,307,520**	**29,855**	**2,583,911**	**1,115,852**	**1,312,122**	**188,727**
- Structured securities	-	-	-	-	-	-	-	-
- Other securities	2,748,186	1,432,125	1,307,520	29,855	2,583,911	1,115,852	1,312,122	188,727
2. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Level 1, Level 2 and Level 3				**2,769,500**				**2,616,701**

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

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 06.30.2015				AMOUNTS AS AT 12.31.2014			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
A. Loans to Central Banks	**16,857,024**	**-**	**4,843,034**	**12,015,051**	**12,909,320**	**-**	**5,233,593**	**7,632,631**
1. Time deposits	3,131,984	X	X	X	3,954,954	X	X	X
2. Compulsory reserves	12,819,025	X	X	X	8,941,722	X	X	X
3. Reverse repos	880,647	X	X	X	-	X	X	X
4. Other	25,368	X	X	X	12,644	X	X	X
B. Loans to banks	**69,335,473**	**1,679,145**	**26,866,984**	**41,193,647**	**55,820,807**	**3,403,995**	**36,424,037**	**21,042,960**
1. Loans	**65,506,023**	**183**	**24,757,402**	**41,030,365**	**50,691,203**	**78**	**34,687,787**	**20,880,686**
1.1 Current accounts and demand deposits	20,336,542	X	X	X	23,958,650	X	X	X
1.2 Time deposits	6,590,656	X	X	X	6,202,567	X	X	X
1.3 Other loans	38,578,825	X	X	X	20,529,986	X	X	X
- Reverse repos	*32,801,459*	*X*	*X*	*X*	*15,941,846*	*X*	*X*	*X*
- Finance leases	*4,338*	*X*	*X*	*X*	*4,506*	*X*	*X*	*X*
- Other	*5,773,028*	*X*	*X*	*X*	*4,583,634*	*X*	*X*	*X*
2. Debt securities	**3,829,450**	**1,678,962**	**2,109,582**	**163,282**	**5,129,604**	**3,403,917**	**1,736,250**	**162,274**
2.1 Structured	*-*	*X*	*X*	*X*	*-*	*X*	*X*	*X*
2.2 Other	*3,829,450*	*X*	*X*	*X*	*5,129,604*	*X*	*X*	*X*
Total	**86,192,497**	**1,679,145**	**31,710,018**	**53,208,698**	**68,730,127**	**3,403,995**	**41,657,630**	**28,675,591**

The figure as at June 30, 2015 reflects an increase in the Compulsory reserves and in Reverse repos, both mainly attributable to the Holding company UniCredit S.p.A. and the German subsidiary UniCredit Bank AG.

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

Section 7 - Loans and receivables with customers - Item 70

7.1 Loans and receivables with customers: product breakdown

(€ '000)

TYPE OF TRANSACTION/ VALUES	AMOUNTS AS AT 06.30.2015						AMOUNTS AS AT 12.31.2014					
	BOOK VALUE			FAIR VALUE			BOOK VALUE			FAIR VALUE		
		IMPAIRED						IMPAIRED				
	PERFORMING	PURCHASED	OTHERS	LEVEL 1	LEVEL 2	LEVEL 3	PERFORMING	PURCHASED	OTHERS	LEVEL 1	LEVEL 2	LEVEL 3
Loans	**423,441,839**	**45,116**	**39,871,359**	**-**	**136,767,596**	**335,588,589**	**419,059,419**	**58,906**	**40,866,169**	**-**	**165,682,804**	**314,190,684**
1. Current accounts	40,396,790	23,936	7,118,749	X	X	X	42,769,091	25,074	7,693,580	X	X	X
2. Reverse repos	25,532,000	-	249	X	X	X	27,609,835	-	27	X	X	X
3. Mortgages	154,520,329	11,868	16,813,606	X	X	X	151,112,245	16,291	16,779,637	X	X	X
4. Credit cards and personal loans, including wage assignement loans	15,481,649	7	506,466	X	X	X	15,167,515	6	488,198	X	X	X
5. Finance leases	23,152,721	-	4,238,464	X	X	X	24,175,452	-	4,117,171	X	X	X
6. Factoring	9,455,685	258	401,264	X	X	X	9,836,032	233	488,462	X	X	X
7. Other loans	154,902,665	9,047	10,792,561	X	X	X	148,389,249	17,302	11,299,094	X	X	X
Debt securities	**10,454,560**	**-**	**117,509**	**1,244,667**	**6,921,866**	**2,662,148**	**10,417,675**	**-**	**166,597**	**1,795,399**	**7,467,474**	**1,637,467**
8. Structured securities	-	-	-	X	X	X	-	-	-	X	X	X
9. Other debt securities	10,454,560	-	117,509	X	X	X	10,417,675	-	166,597	X	X	X
Total	**433,896,399**	**45,116**	**39,988,868**	**1,244,667**	**143,689,462**	**338,250,737**	**429,477,094**	**58,906**	**41,032,766**	**1,795,399**	**173,150,278**	**315,828,151**
Total carrying amount Performing and Impaired			**473,930,383**						**470,568,766**			

Notes to the table in the previous page:
The sub-item "7. Other loans" includes:
- €53,020 million for other non-current account loans (€50,320 million as at December 31, 2014);
- €22,722 million for pooled transactions (€21,658 million as at December 31, 2014);
- €11,889 million advances to customers for import/export (€11,441 million as at December 31, 2014);
- €10,915 million for advances to ordinary customers (€9,688 million as at December 31, 2014);
- €9,631 million 'hot money' transactions (€8,724 million as at December 31, 2014).

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

Loans and receivables with customers are not managed on a fair value basis, which is presented solely for the purpose of fulfilling financial disclosure requirements. Fair value measures are classified according to a three level hierarchy that reflects the significance of the inputs used in the measurement process.
The fair value of on-demand items has been estimated to be equal to their net carrying amount using the option provided for by IFRS 7.29. According to this assumption, on-demand items has been classified within level 3 in the fair value hierarchy. The fair value of impaired loans has been estimated to be equal to their net carrying amount taking their specific realizable value as the best estimate of the future expected cash flows discounted at the valuation date. According to this assumption, impaired loans has been allocated to level 3 in the fair value hierarchy.
For further information see Part A - Accounting Policies - A.4 Information on fair value.

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, 2015 intangible assets amounted to €5,645 million, increased in comparison to €5,562 million as at December 31, 2014.
The increase is mainly related to purchase of intangible assets with finite life and to the effects of exchange rates related to foreign currencies items.

13.1 Intangible assets: breakdown

(€ '000)

	AMOUNTS AS AT 06.30.2015		AMOUNTS AS AT 12.31.2014	
ASSETS/VALUES	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE
A.1 Goodwill	**X**	**3,616,889**	**X**	**3,561,531**
A.1.1 attributable to the Group	X	3,616,889	X	3,561,531
A.1.2 attributable to minorities	X	-	X	-
A.2 Other intangible assets	**1,934,826**	**92,957**	**1,907,045**	**92,957**
A.2.1 Assets carried at cost:	1,934,826	92,957	1,907,045	92,957
a) Intangible assets generated internally	*1,292,395*	*-*	*1,218,073*	*-*
b) Other assets	*642,431*	*92,957*	*688,972*	*92,957*
A.2.2 Assets valued at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**1,934,826**	**3,709,846**	**1,907,045**	**3,654,488**
Total finite and indefinite life		**5,644,672**		**5,561,533**

The Group does not use the revaluation model (fair value) to measure intangible assets.
Intangible Assets - Other - Indefinite life include trademarks/brands (Fineco).
Intangible Assets - Other - Definite life include:
• Customer Relationships of €85 million;
• Software of €421 million;
• Licenses, patents and similar rights of €87 million.

Part B - Consolidated Balance Sheet - Assets (Continued)

13.2 Intangible assets: annual changes

(€ '000)

		CHANGES IN FIRST HALF 2015 OTHER INTANGIBLE ASSETS				
		GENERATED INTERNALLY		OTHER		
	GOODWILL	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE	TOTAL
A. Gross opening balance	**19,908,071**	**2,340,427**	**-**	**7,159,206**	**994,734**	**30,402,438**
A.1 Total net reduction in value	(16,346,540)	(1,122,354)	-	(6,470,234)	(901,777)	(24,840,905)
A.2 Net opening balance	**3,561,531**	**1,218,073**	**-**	**688,972**	**92,957**	**5,561,533**
B. Increases	**62,203**	**209,138**	**-**	**79,409**	**-**	**350,750**
B.1 Purchases	-	9,643	-	63,579	-	73,222
B.2 Increases in intangible assets generated internally	X	176,381	-	-	-	176,381
B.3 Write-backs	X	-	-	-	-	-
B.4 Increases in fair value		-	-	-	-	-
- in equity	*X*	-	-	-	-	-
- through profit or loss	*X*	-	-	-	-	-
B.5 Positive exchange differences	62,203	2,496	-	10,972	-	75,671
B.6 Other changes	-	20,618	-	4,858	-	25,476
C. Reduction	**6,845**	**134,816**	**-**	**125,950**	**-**	**267,611**
C.1 Disposals	-	405	-	66	-	471
C.2 Write-downs	-	125,494	-	100,703	-	226,197
- amortization	X	125,494	-	100,661	-	226,155
- write-downs	-	-	-	42	-	42
+ in equity	*X*	-	-	-	-	-
+ through profit or loss	-	-	-	*42*	-	*42*
C.3 Reduction in fair value		-	-	-	-	-
- in equity	*X*	-	-	-	-	-
- through profit or loss	*X*	-	-	-	-	-
C.4 Transfer to non-current assets held for sale	-	-	-	64	-	64
C.5 Negative exchange differences	-	76	-	582	-	658
C.6 Other changes	6,845	8,841	-	24,535	-	40,221
D. Net Closing Balance	**3,616,889**	**1,292,395**	**-**	**642,431**	**92,957**	**5,644,672**
D.1 Total net write-down	(16,473,936)	(1,153,558)	-	(6,437,300)	(901,777)	(24,966,571)
E. Gross closing balance	**20,090,825**	**2,445,953**	**-**	**7,079,731**	**994,734**	**30,611,243**
F. Carried at cost	**-**	**-**	**-**	**-**	**-**	**-**

The Goodwill book value as at June 2015 (€3,617 million) has been impacted by the net exchange differences for €62 million related to the appreciation of the original currency in which the Goodwill was recognized. The variation mainly refers to the companies operating in USA and in Poland.
The negative other changes of the period are related to the goodwill recognized in Poland (for further information refer to Interim Report on Operations – Development of Group operations and other corporate transactions).

For further details of impairment test on goodwill and other intangible assets with definite and indefinite life, recognized as a result of business combinations, please refer to the following pages.

13.3 Other information

Information on intangible assets noted during business combinations

The application of IFRS 3 to the accounting for business combinations resulted 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 12.31.2014	AMORTIZATION	IMPAIRMENT	(*) OTHER CHANGES	TOTAL 06.30.2015
Trademarks	93	-	-	-	93
Core deposits and customer relationships	92	(9)	-	2	85
Goodwill	3,562	-	-	55	3,617
TOTAL	**3,747**	**(9)**	**-**	**57**	**3,795**

(*) mainly due to fx effect related to intangible assets in foreign currency.
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** recognized 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 recognized 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 taxes, calculated by applying a discount rate that takes into account the risk context of the trademark being valued.

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.
As of June 30, 2015, the residual value of Core Deposit is equal to zero due to fully write-off as of December 2013.

Customer Relationships

Assets under Management (AuM)

The value of this intangible asset comes mainly from the ability of the company to obtain a profit from the placement of products that are related to the assets managed with its own customers.
The income flows used to value this asset when first posted are:
- for the placement banks, the fees granted by the producers;
- for the producers, the fees received from the customers, net of fees paid, mainly to the placement banks.

These fees are considered recurring, because they are tied to managed assets held by customers.
As of June 30, 2015, the residual value of Assets under Management is equal to zero due to fully write-off as of December 2013.

Assets under Custody (AuC)

The value of this intangible asset comes mainly from the ability of the company to obtain a profit from customer assets under administration.
The income flows used to value this asset when first posted consist of the fees received for the work associated with assets under administration.
These fees are considered recurring, because they are generated by the normal activity of customers acting on their own portfolios.
As of June 30, 2015, the residual value of Assets under Custody is equal to zero due to fully write-off as of December 2013.

Life Insurance

The value of this intangible asset comes mainly from the ability of the company to obtain a profit from the placement of products related to the "bancassurance" business with its own customers.
The income flows used to value this asset when first posted consist of the fees received for the work associated with the bancassurance business.
These fees are considered recurrent because, from the point of view of the investor, they are similar to the products of managed/administered deposits.
As of June 30, 2015, the residual value of Life Insurance is equal to zero due to fully write-off as of December 2013.

Part B - Consolidated Balance Sheet - Assets (Continued)

Products

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

Furthermore, in some cases, the value of the asset is related to fees received for the disbursement of regional incentives.

As of June 30, 2015, the residual value of Products is equal to zero due to fully write-off as of December 2013.

Other

This intangible asset includes all other types of so-called customer relationships, including by way of example those deriving from the ability of the company to obtain placement fees on third-party bonds and from securities auctions.

As of June 30, 2015, the gross value of these intangible assets which is the Customer relationship of Poland is equal to €85 million.

The average residual useful life of Customer relationship is 12 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

The carrying amount of goodwill as of June 30, 2015 was €3,617 million, in line with the figure for December 31, 2014, with the exception of an increase of €62 million due to the exchange rate effect and a reduction of €7 million due to revision, as required by IFRS 3 at the end of the measurement period, of the amount of goodwill of SKOK Kopernik -acquired indirectly through the Polish subsidiary Bank Pekao (for further information refer to Interim Report on Operations – Development of Group operations and other corporate transactions).

Following IAS 36.99, a trigger analysis has been performed with reference to the key assumptions underlying the last calculation made for December 31, 2014 Goodwill impairment test and the results are being confirmed for June 30, 2015 both for the cash generating units to which residual goodwill is allocated and for the Group.

Estimating cash flows to determine the value in use as at December 31, 2014

The impairment test at December 31, 2014 was performed on the basis of the financial projections (Net Profit and RWA) embedded in the Budget for 2015 and the Strategic Plan approved by the Board of Directors on March 11, 2014.

For additional details about the impairment test and of the sensitivity of the recoverable amount to the key parameters see the Consolidated financial statements as at December 31, 2014.

Analysis of indicators as at June 30, 2015

With the aim of assessing potential variations occurred in the first half of 2015 in the assumptions underlying latest impairment test calculation, a trigger analysis of the key indicators has been carried out.

Pursuant to IAS 36.99, the result of the analysis of changes in the prevailing circumstances as at June 30, 2015 compared to December 31, 2014 and of events that have occurred during the same period confirms the validity of the outcome of the goodwill impairment test performed on December 31, 2014; following this analysis, the results have therefore been confirmed also with respect to the June 30, 2015 impairment test.

In particular, the following considerations have been made:
- there are no substantial changes in assets and liabilities making up the CGU structure;
- Net Profit actual results do not show the need to review the financial projections underlying December 2014 Impairment Test, at both Group and CGUs level;
- at Group level and for most of the CGUs, RWA are lower than budget targets;
- cost of Equity updated as of June 2015 is c.a. 10.3 % which is significantly lower than December 2014 both at Group level (c.a. 11.3% as of December 2014) and for all CGUs;
- there have been no changes in Common Equity Tier 1 ratio target.

In addition, the following elements of the prevailing Macro and Banking scenario have been observed:

- EMU macro data continue to surprise on the up-side despite slower growth in the rest of the world. The triple-boost linked to low oil prices, the cheaper euro and the launch of QE has increased domestic demand in the euro area. Some risks remain, however, as highlighted by recent political tensions concerning the Greek bail-out. More in detail:
  A. EMU growth has continued to accelerate in Q2, even though the pace of the expansion remains subdued in parts of the region. Indicators for domestic demand, however, suggest that the recovery is broadening as both consumption and investment have strengthened. Consumption is underpinned by good employment growth, increasing wages and low inflation. Investment activity has been boosted by the low interest rate environment and the launch of QE in March. As a consequence sentiment indicators moved to cyclical highs.
  B. Consensus forecasts for 2015 EMU growth have therefore increased since December, moving from 1.1% y/y to 1.5%. Upgrades in Europe were pronounced for Germany and Spain, less so for Italy. Despite a weaker exchange rate exports remain a growth drag due to lower growth outside Europe.
  C. Following the introduction of several new policy tools aiming to ease monetary conditions in the Euro area, the ECB launched full blown quantitative easing in March. Through the acquisition of government and agency bonds the ECB intends to lower long-term interest rates further and thereby to boost credit creation. The move also had favorable effects on confidence and the exchange rate. Meanwhile, the healing process in the financial sector continues as the recovery improves the quality of bank loan portfolios.
  D. Some long-awaited reforms have been implemented on the political front, namely in Italy and Spain. The Renzi government has recently delivered important legislative acts for the labor market, the institutional framework and the banking sector (popolari reform).

Results of the impairment test

Based on analysis of events that have occurred and circumstances that have changed since December 2014 pursuant to IAS 36.99 the results of December 2014 impairment test are confirmed also for June 2015.

It must be emphasized that the parameters and information used to verify the recoverability of goodwill (in particular the expected cash flows for the CGUs and the discount rates used) are significantly influenced by the macroeconomic and market situation, which may be subject, to currently unpredictable changes.

The effect that these changes may have on the estimated cash flows of the different CGUs, as well as on the main assumptions made, could therefore lead to different results in the coming financial years.

Part B - Consolidated Balance Sheet - Assets (Continued)

Section 15 - Non-current assets and disposal groups classified as held for sale - Item 150 (assets) and 90 (liabilities)

Non-current assets or directly connected groups of assets and liabilities, which constitute a set of cash flow generating assets, the sale of which is highly likely, are recognised under these items. They are measured at the lower value between the book value and the fair value less costs to sell.

In the Balance Sheet at June 30, 2015, compared with December 31, 2014, we note that, following the interruption in the sales negotiations, the company Vienna DC Tower 2 Liegenschaftsbesitz GMBH ceased to be attributed to the non-current assets and asset disposal groups pursuant to IFRS 5.

Data at June 30, 2015 refer mainly, as regards the single assets and liabilities held for sale, to the companies UniCredit Credit Management Bank S.p.A. and UniCredit Credit Management Immobiliare S.p.A., to the real-estate properties held by some companies in the group and the associate Krajowa Izba Rozliczeniowa SA for 28.7%.

As regards the data for asset disposal groups, and associated liabilities, the figure at June 30, 2015 refers to the following companies already listed in the consolidated accounting statement at December 31, 2014, based on accounting standard IFRS 5:

- the companies of the Ukrainian Group (PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD);
- the companies of the Immobilien Holding Group, which came into the consolidation scope at September 30, 2014.

With reference to the Ukrainian Group and the related disposal process, as already explained in the Interim Report on Operations, although the disposal process has suffered delays compared with the initial plans, management remains committed in the sale of Ukrainian subsidiary. In fact, negotiations with the counterparty interested in the acquisition are continuing and, accordingly, the equity investment has been maintained among assets held for sale (IFRS 5) as of June 30, 2015.

The book value of the Ukrainian subsidiaries, equal to €251 million net of the valuation reserve, negative owing to exchange-rate fluctuations relating to the Hryvnia of €641 million, reflects an estimate of the fair value and entailed a further negative value adjustment of €100 million in the half-year (bringing the total value of registered negative value adjustments to €300 million); the exposures to the Ukrainian group include as well loans due to other companies of UniCredit group for a value of €519 million (of which €89 million have been reimbursed in July 2015). The recoverable amount of the overall exposures at the end of the disposal process in progress may differ from these estimates, according to the outcome of the negotiations.

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

(€ '000)

	AMOUNTS AS AT	
	06.30.2015	12.31.2014
A. Individual assets		
A.1 Financial assets	462,788	-
A.2 Equity investments	5,778	-
A.3 Property, Plant and Equipment	152,783	86,121
A.4 Intangible assets	65	-
A.5 Other non-current assets	131,148	5,913
Total A	**752,562**	**92,034**
of which carried at cost	110,658	33,904
of which designated at fair value - level 1	-	-
of which designated at fair value - level 2	614,797	24,949
of which designated at fair value - level 3	27,107	33,181
B. Assets groups classified as held for sale		
B.1 Financial assets held for trading	41,086	64,850
B.2 Financial assets at fair value through profit or loss	-	-
B.3 Available for sale financial assets	25,217	76,273
B.4 Held to maturity investments	-	-
B.5 Loans and receivables with banks	104,365	174,999
B.6 Loans and receivables with customers	1,525,703	1,698,998
B.7 Equity investments	60,070	60,061
B.8 Property, Plant and Equipment	137,714	169,561
B.9 Intangible assets	38,277	45,147
B.10 Other assets	1,065,629	1,217,825
Total B	**2,998,061**	**3,507,714**
of which carried at cost	-	-
of which designated at fair value - level 1	-	-
of which designated at fair value - level 2	-	-
of which designated at fair value - level 3	2,998,061	3,507,714
Total A+B	**3,750,623**	**3,599,748**
C. Liabilities associated with assets classified as held for sale		
C.1 Deposits	6,516	1,305
C.2 Securities	-	-
C.3 Other liabilities	70,332	978
Total C	**76,848**	**2,283**
of which carried at cost	-	2,283
of which designated at fair value - level 1	-	-
of which designated at fair value - level 2	76,848	-
of which designated at fair value - level 3	-	-
D. Liabilities included in disposal groups classified as held for sale		
D.1 Deposits from banks	122,258	124,227
D.2 Deposits from customers	950,487	1,204,245
D.3 Debt securities in issue	22	3,365
D.4 Financial liabilities held for trading	183	263
D.5 Financial liabilities at fair value through profit or loss	-	-
D.6 Provisions	336	467
D.7 Other liabilities	297,423	315,608
Total D	**1,370,709**	**1,648,175**
of which carried at cost	-	-
of which designated at fair value - level 1	-	-
of which designated at fair value - level 2	-	-
of which designated at fair value - level 3	1,370,709	1,648,175
Total C+D	**1,447,557**	**1,650,458**

Fair value measurements, made for disclosure purposes only, are classified into a fair value hierarchy that reflects the significance of inputs used in the valuations. For further information see Part A – Accounting Policies – A.4 Information on fair value.
With reference to the fair value levels we must specify that the figures referred to companies of the Ukrainian group are presented at June 30, 2015 among level 3 assets and liabilities, reflecting their measurement using a valuation model.

Part B - Consolidated Balance Sheet

Liabilities

Section 1 - Deposits from banks - Item 10

1.1 Deposits from banks: product breakdown

(€ '000)

TYPE OF TRANSACTIONS/GROUP COMPONENTS	AMOUNTS AS AT	
	06.30.2015	12.31.2014
1. Deposits from central banks	**31,914,378**	**26,090,360**
2. Deposits from banks	**89,539,821**	**79,946,553**
2.1 Current accounts and demand deposits	15,825,926	15,798,564
2.2 Time deposits	10,119,096	11,773,289
2.3 Loans	56,061,091	45,545,017
2.3.1 repos	*38,504,255*	*26,772,247*
2.3.2 other	*17,556,836*	*18,772,770*
2.4 Liabilities in respect of commitments to repurchase treasury shares	-	-
2.5 Other liabilities	7,533,708	6,829,683
Total	**121,454,199**	**106,036,913**
Fair value - level 1	-	-
Fair value - level 2	50,419,754	55,497,214
Fair value - level 3	71,003,601	52,192,998
Total fair value	**121,423,355**	**107,690,212**

The €5,824 million increase in sub-item "1. Deposits from central banks" is mainly attributable to UniCredit S.p.A., following the growth in the advances from the Bank of Italy.

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

The €11,732 million increase in sub-item "2.3.1 Loans – repos" is mainly attributable to the increase in the activities of UniCredit Bank AG.

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

Section 2 - Deposits from customers - Item 20

2.1 Deposits from customers: product breakdown

(€ '000)

TYPE OF TRANSACTIONS/GROUP COMPONENTS	AMOUNTS AS AT	
	06.30.2015	12.31.2014
1. Current accounts and demand deposits	268,991,476	258,307,109
2. Time deposits	91,061,902	89,760,649
3. Loans	67,090,222	55,673,038
3.1 repos	*60,722,663*	*49,430,961*
3.2 other	*6,367,559*	*6,242,077*
4. Liabilities in respect of commitments to repurchase treasury shares	26,814	744,267
5. Other liabilities	8,727,898	5,926,922
Total	**435,898,312**	**410,411,985**
Fair value - level 1	-	-
Fair value - level 2	137,288,436	134,231,255
Fair value - level 3	299,608,492	277,831,237
Total fair value	**436,896,928**	**412,062,492**

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

The €11,292 million increase in sub-item "3.3.1 Loans – repos" is substantially attributable to UniCredit S.p.A.

Deposits from customers are not carried at fair value, which is presented solely for the purpose of fulfilling financial disclosure requirements. Fair value measurements are classified according to a three level hierarchy that reflects the significance of the inputs used in the measurements.
The fair value of demand items was estimated to be equal to their net book value by exercising the option provided for by IFRS 7.29. According to this assumption, demand items were classified as level 3 in the fair value hierarchy.
For further information see Part A - Accounting Policies - A.4 Information on fair value.

Section 3 - Debt securities in issue - Item 30

3.1 Debt securities in issue: product breakdown

(€ '000)

TYPE OF SECURITIES/VALUES	AMOUNTS AS AT 06.30.2015				AMOUNTS AS AT 12.31.2014			
		FAIR VALUE				FAIR VALUE		
	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3
A. Listed securities								
1. Bonds	133,324,401	63,995,605	60,576,803	16,200,368	136,645,200	60,446,833	68,254,942	17,168,136
1.1 structured	10,836,982	1,547,230	9,424,357	-	11,418,271	927,116	10,733,511	-
1.2 other	122,487,419	62,448,375	51,152,446	16,200,368	125,226,929	59,519,717	57,521,431	17,168,136
2. Other securities	11,636,579	20,094	6,522,485	5,098,471	13,630,604	53,858	8,369,270	5,272,589
2.1 structured	283,680	-	295,411	-	448,501	-	479,255	-
2.2 other	11,352,899	20,094	6,227,074	5,098,471	13,182,103	53,858	7,890,015	5,272,589
Total	**144,960,980**	**64,015,699**	**67,099,288**	**21,298,839**	**150,275,804**	**60,500,691**	**76,624,212**	**22,440,725**
Total Level 1, Level 2 and Level 3				**152,413,826**				**159,565,628**

The sum of the sub-items 1.1 "Structured bonds" and 2.1 "Other structured securities" was equal to €11,121 million and accounted for 8% of total debt securities.They mainly refer to interest-rate linked instruments with closely related embedded derivatives identified according to Mifid "structured instruments" definition.

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 €154 million negative.

For information about fair value measurement and hierarchy see Part A. Accounting Policies - A.4. Information on fair value.

Section 4 - Financial liabilities held for trading - Item 40

Financial liabilities held for trading: product breakdown

(€ '000)

TYPE OF OPERATIONS / GROUP COMPONENTS	AMOUNTS AS AT					
	06.30.2015			12.31.2014		
	FAIR VALUE			FAIR VALUE		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
A. Financial liabilities						
1. Deposits from banks	168,006	14,524	6	219,099	101,761	1,187
2. Deposits from customers	5,094,249	5,029,353	2,978	5,942,873	2,494,380	11,291
3. Debt securities	-	5,089,456	1,466,922	-	6,135,498	290,751
3.1 Bonds	-	3,469,114	1,363,280	-	4,980,418	184,376
3.1.1 Structured	-	*3,080,684*	*1,357,145*	-	*4,516,260*	*184,376*
3.1.2 Other	-	*388,430*	*6,135*	-	*464,158*	-
3.2 Other securities	-	1,620,342	103,642	-	1,155,080	106,375
3.2.1 Structured	-	*1,620,342*	*103,642*	-	*1,155,080*	*106,375*
3.2.2 Other	-	-	-	-	-	-
Total A	**5,262,255**	**10,133,333**	**1,469,906**	**6,161,972**	**8,731,639**	**303,229**
B. Derivative instruments						
1. Financial derivatives	2,343,138	51,543,679	824,406	1,632,770	58,598,692	638,052
1.1 Trading	2,343,080	51,061,447	740,757	1,632,751	57,277,948	545,343
1.2 Related to fair value option	-	259,239	3,941	-	379,954	1,585
1.3 Other	58	222,993	79,708	19	940,790	91,124
2. Credit derivatives	33,420	727,258	164,084	301,324	591,158	175,879
2.1 Trading derivatives	33,420	721,752	164,084	301,324	586,661	175,879
2.2 Related to fair value option	-	-	-	-	-	-
2.3 Other	-	5,506	-	-	4,497	-
Total B	**2,376,558**	**52,270,937**	**988,490**	**1,934,094**	**59,189,850**	**813,931**
Total A+B	**7,638,813**	**62,404,270**	**2,458,396**	**8,096,066**	**67,921,489**	**1,117,160**
Total Level 1, Level 2 and Level 3			**72,501,479**			**77,134,715**

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.4 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, 2015, already included in the net presentation of these transactions, totaled €15,034,746 (€21.230.036 as at December 31, 2014).

Part B - Consolidated Balance Sheet - Liabilities (CONTINUED)

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					
	06.30.2015			12.31.2014		
	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	**-**	**456,770**	**3,622**	**-**	**562,269**	**4,698**
3.1 Structured	-	456,770	-	-	562,269	-
3.2 Other	-	-	3,622	-	-	4,698
Total	**-**	**456,770**	**3,622**	**-**	**562,269**	**4,698**
Total Level 1, Level 2 and Level 3			**460,392**			**566,967**

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.4 Information on fair value.

Section 12 - Provisions for risks and charges - Item 120

As at June 30, 2015 **Provision for risks and charges** amounted to €10,017 million, a decrease over end 2014 (€10,623 million).
The sub-item 2. "Other provisions for risks and charges", which amounted to €3,095 million as at June 30, 2015, 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 risks and charges: breakdown

(€ '000)

ITEMS/COMPONENTS	AMOUNTS AS AT	
	06.30.2015	12.31.2014
1. Pensions and other post retirement benefit obligations	**6,921,212**	**7,293,416**
2. Other provisions for risks and charges	**3,095,412**	**3,329,596**
2.1 Legal disputes	680,565	684,540
2.2 Staff expenses	882,054	982,650
2.3 Other	1,532,793	1,662,406
Total	**10,016,624**	**10,623,012**

PENSIONS AND OTHER POST RETIREMENT BENEFIT OBLIGATIONS
There are several defined-benefit plans within the Group, i.e., plans whose benefit is linked to salary and employee length of service both in Italy and abroad. The Austrian, German and Italian plans account for over 90% of the Group's pension obligations.
Group's plans are usually not financed with segregated assets; the most notable exceptions, with respect to the defined-benefits plans 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;
- those plans set up in UK by UniCredit S.p.A.

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

The obligations arising from defined-benefit plans are determined using the "projected unit credit method". The assets of financed plans are measured at fair value at the financial statements date. The balance sheet reflects the result of the deficit or surplus (i.e., the difference between obligations and assets) net of any impacts of the limit on assets. Actuarial gains and losses are recognized in Shareholders' Equity and shown in a specific item of Revaluation reserves in the financial year in which they are recorded.
The actuarial assumptions used to determine obligations vary from country to country and from plan to plan in accordance with IAS 19. The discount rate is determined, depending on the currency of denomination of the commitments and the maturity of the liability, by reference to market yields at the balance sheet date on a basket of high quality corporate bonds.

In the light of evolving common interpretation about "high quality corporate bonds" identification, UCG refined its Discount Rate setting methodology since December 2014 by (i) limiting the number of "investment grade" bonds whose rating is lower than AA (i.e. only no. 18 securities with maturity above 15y), for which an adjustment is made to reduce the excess-return and (ii) by using a Nelson Siegel methodology in modelling the yield-curve expressed by the basket of securities (adjusted above 25y in order to stick the long-term maturity segments of the curve to the Euribor implied-forward rate).

The discount rate used as of June 30, 2015 for pensions and post-retirement benefits is increased by 10 to 20 bps (depending on different plan duration), compared to December 31, 2014 (20 bps the increase for "Trattamento di fine rapporto del personale" presented to liability item 110-Provisions for employee severance pay) reflecting the yields evolution of the basket of selected securities.

The remeasurement at June 30, 2015 of such commitments (including employee severance pay for so called "Trattamento di fine rapporto del personale") leads to a reduction in the negative balance of the revaluation reserve referred to actuarial gains/losses on defined benefit plans of €245 million, net of tax (balance moves from €2,877 million at December 31, 2014 to €2.632 million at June 30, 2015).
For additional information on amount, timing and uncertainty of cash flows (sensitivities) see Consolidated Reports and Accounts as at December 31, 2014.

12.4 Provisions for risks and charges - other provisions

(€ '000)

	AMOUNTS AS AT	
	06.30.2015	12.31.2014
2.3 Other provisions for risks and charges - other		
- Real estate risks and costs	80,119	79,982
- Restructuring costs	75,325	118,455
- Out-of-court settlements and legal costs	27,337	30,385
- Allowances payable to agents	124,434	125,386
- Disputes regarding financial instruments and derivatives	125,353	127,893
- Tax disputes	169,720	198,978
- Costs for liabilities arising from equity investment disposals	131,522	124,572
- Other	798,983	856,755
Total	**1,532,793**	**1,662,406**

The decrease in sub-item "Costs for liabilities arising from equity investment disposals" It is mainly due to provisions related to the restructuring plans of the subsidiary UniCredit Leasing S.p.A.

Part B - Consolidated Balance Sheet - Liabilities (Continued)

Section 15 - Group Shareholders' Equity - Items 140, 160, 170, 180, 190, 200 and 220

At June 30, 2015 the **Group Shareholders' Equity**, including the profit for the period of €1,034 million, amounted to €50,195 million, against €49,390 million at the end of 2014.
The table below shows a breakdown of Group Equity and the changes over the previous year:

Group capital: breakdown

(€ '000)

	AMOUNTS AS AT		CHANGES	
	06.30.2015	12.31.2014	AMOUNT	%
1. Share capital	20,257,668	19,905,774	351,894	1.8%
2. Share premium reserve	15,976,604	15,976,604	-	-
3. Reserves	15,161,743	13,748,408	1,413,335	10.3%
4. Treasury shares	(2,632)	(2,795)	163	5.8%
a. Parent Company	(2,440)	(2,440)	-	-
b. Subsidiaries	(192)	(355)	163	45.9%
5. Revaluation reserve	(4,121,367)	(4,134,549)	13,182	0.3%
6. Equity instruments	1,888,463	1,888,463	-	-
7. Net profit (loss)	1,034,413	2,007,828	-973,415	n.s.
Total	**50,194,892**	**49,389,733**	**805,159**	**1.6%**

The €805 million increase in Group Equity resulted from:

A free capital increase as resolved:	€352 million
• by the Board of Directors of April 9, 2015 and carried out taking €55 million from the specifically established reserve, for the issue of shares connected with the medium-term incentive plan for the Group's personnel;	
• by the Shareholders' Meeting of May 13, 2015 and connected with the payment of the "Scrip dividend" relating to financial year 2014, carried out taking the existing "reserve for allocating profits to shareholders through the issuance of new free shares" for €297 million	
An increase in the reserves, including the change in treasury shares owing to:	
• attribution to the reserve of the result of the previous year, net of the distribution of the preferred dividend equal to €2 million;	€2,000 million
• a decrease deriving from the use of reserves for the purpose of increasing the free capital and from the use of the reserve set aside specifically for the purpose of the issue of performance shares associated with the personnel incentive plan;	-€352 million
• allocation to the reserve of the coupon paid to subscribers of the issue of Additional Tier 1 instruments, net of the related taxes;	-€58 million
• use of the reserve for the usufruct fee associated with the "Cashes";	-€33 million
• a decrease in the reserve for the extraordinary distribution of dividends;	-€169 million
• an increase in the reserve connected with Share-Based Payments;	47 million
• other decreases	-€21 million
A change in valuation reserves owing to:	
• an increase in exchange rate differences;	€466 million
• an increase in the value of the reserve on actuarial gains (losses) on defined-benefit plans;	€250 million
• a decrease in the value of financial assets available for sale;	-€483 million
• a decrease in the value of hedging for financial risks and of assets held for sale;	-€83 million
• an increase in the value of the valuation reserve of companies carried at equity.	-€137 million
A decrease in the profit for the period compared with that of December 31, 2014	-€973 million

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

During the first half of 2015, the Share Capital – which at December 31, 2014 was represented by 5,863,329,150 ordinary shares and 2,449,313 savings shares, both categories with no face value – changed for the reasons illustrated in the paragraph "Transactions concerning share capital" of the "Interim Report on Operations".
In particular, the capital went up from €19,905,774 thousand at the end of 2014 to €20,257,668 thousand following the free increases of:
- €54,744 thousand, resolved by the Board of Directors of April 9, 2015, carried out taking the amount at the same time from the pre-constituted "Reserve associated with the medium-term incentive system for the Group Personnel" which entailed the issue of 16,313,933 ordinary shares;
- €297,150 thousand, resolved by the Shareholders' Meeting of May 13, 2015 against payment of the "Scrip dividend" relating to financial year 2014, carried out taking the existing "Reserve for allocating profits to shareholders through the issuance of new "free shares".

In particular, the Shareholder's Meeting, on approval of the financial statements of UniCredit S.p.A. at December 31, 2014, resolved to distribute to shareholders a dividend of €694,239,666.96, taking the amount from profit reserves, in the form of a "scrip dividend" to be carried out through the issue of shares to be assigned to shareholders who hold ordinary shares and holders of savings shares of the Company at the respective assignment ratios: 1:50 and 1:72, with the right to request, instead of assignment of shares, payment of the dividend in cash.

The settlement, which occurred on June 5, 2015, determined:
- for rightholders who exercised the cash option, payment of a dividend in cash of a total of €168,751,280.40;
- for rightholders who did not exercise the cash option, the issue of 87,534,728 new ordinary shares and 31,364 new savings shares on the basis of the assignment ratios indicated above. The book value assumed for recognition of the share capital of the new shares issued was approximately €3.39 for each ordinary and savings share.

At June 30, 2015, the Share Capital was consequently represented by 5,967,177,811 ordinary shares and 2,480,677 savings shares.
At the end of June 2015, the number of treasury shares held was 47,600 ordinary shares, unchanged compared with the end of 2014, as no transactions were made during the half-year.

The Group Net Equity at June 30, 2015 also reflects, among other things, the changes consequent to the resolutions of the Shareholders' Meeting of May 13, 2015 which entailed on allocating the profit of UniCredit S.p.A. for financial year 2014, for the amount of €79,774,102.79:
1. the distribution to the 2,449,313 savings shares, under the terms of Art. 32, Section 1, Lett. b) of the Articles of Association of:
   - a privileged dividend with reference to financial year 2014 of €0.315 per share, for an amount of €771,533.60;
   - a privileged dividend with reference to financial years 2012 and 2013 – for which it had not been paid – of €0.630 per share, for an amount of €1,543,067.19;
2. the allocation, under the terms of Art. 32, Section 4, of the Articles of Association, of €6,000,000.00 to initiatives of a social, welfare and cultural nature;
3. the allocation of €50,000,000.00 to the reserve associated with the medium-term incentive system for the Group personnel;
4. the allocation of €21,459,502.00 to the statutory reserve.

Part B - Consolidated Balance Sheet - Liabilities (Continued)

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

(€ '000)

	AMOUNTS AS AT	
	06.30.2015	12.31.2014
Legal Reserve	1,517,514	1,517,514
Statutory Reserve	1,217,304	1,195,845
Other Reserves	6,097,586	4,657,955
Total	**8,832,404**	**7,371,314**

The Legal Reserve of UniCredit S.p.A. also includes €2,533,152 thousand deriving from usage of resources, as resolved by the Shareholders' Meeting of May 11, 2013 and May 13, 2014 from the Share premium reserve and therefore not classified among reserves from allocation of profit from previous year.

15.5 Other Information

Revaluation reserve: breakdown

(€ '000)

	AMOUNTS AS AT	
ITEM/TYPES	06.30.2015	12.31.2014
1. Available-for-sale financial assets	1,087,346	1,570,748
2. Property, plant and equipment	-	-
3. Intangible assets	-	-
4. Hedges of foreign investments	-	-
5. Cash-flow hedges	540,875	626,727
6. Exchange differences	(2,545,116)	(3,011,344)
7. Non-current assets classified as held for sale	106	(3,081)
8. Actuarial gains (losses) on defined benefit plans	(2,631,082)	(2,880,910)
9. Revaluation reserves of investments valued at net equity	(850,516)	(713,709)
10. Special revaluation laws	277,020	277,020
Total	**(4,121,367)**	**(4,134,549)**

The FX currency reserves as at June 30, 2015 mainly refer to the following currencies:
- Turkish Lira: 1,099 million (negative), included in the share of the revaluation reserves of the investments valued at equity in accordance with IFRS 11;
- Ruble: 1,525 million (negative);
- UAH (Ukraine): 641 million (negative).

With reference to the exchange fluctuations reserve relative to the Ukrainian currency, and in respect of the process to dispose of the subsidiaries stated in accordance with IFRS 5, it is noted that IAS 21 require that net equity is reclassified to the income statement as part of the future final result of the sale. With reference to UAH exchange rate (Ukraina) the negative reserve existing as of June 30, 2015 does not include the negative exchange rate differences already recycled to profit or loss in 2013 (€380 million).

Other information

2. Assets used to guarantee own liabilities and commitments

(€ '000)

PORTFOLIOS	AMOUNTS AS AT 06.30.2015	AMOUNTS AS AT 12.31.2014
1. Financial assets held for trading	25,014,535	22,902,564
2. Financial assets designated at fair value	20,000,830	19,359,603
3. Financial assets available for sale	63,536,054	48,325,533
4. Financial assets held to maturity	2,305,327	1,981,554
5. Loans and receivables with banks	2,075,337	2,675,809
6. Loans and receivables with customers	76,755,941	73,540,014
7. Property, plant and equipment	-	-

Deposits from Banks include €30,905 million related to Central Banks' refinancing operations collateralized by securities and loans respectively amounting to nominal €20,480 million and €16,582.
Regarding collateral securities, those not recognized on balance-sheet - since they represent repurchased or retained Group's financial liabilities - amount to nominal €5,958 million.

Security borrowing transactions collateralized by securities or not collateralized

(€ '000)

	AMOUNTS AS AT 06.30.2015			
	AMOUNTS OF THE SECURITIES BORROWED/TRANSACTION PURPOSE			
LENDER BREAKDOWN	GIVEN AS COLLATERAL IN OWN FUNDING TRANSACTIONS	SOLD	SOLD IN REPO TRANSACTIONS	OTHER PURPOSES
A. Banks	889,320	803,732	8,868,592	1,854,760
B. Financial companies	-	327,307	1,759,373	364,097
C. Insurance companies	-	3,885	-	6,077
D. Non-Financial companies	-	170,191	1,174,177	350,992
E. Others	-	576	1,137,297	75
Total	**889,320**	**1,305,691**	**12,939,439**	**2,576,001**

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 06.30.2015 DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	TOTAL	AS AT 06.30.2014 TOTAL
1. Financial assets held for trading	131,773	1,584	351,044	484,401	405,212
2. Financial assets at fair value through profit or loss	159,726	21,553	-	181,279	215,894
3. Available-for-sale financial assets	1,034,736	-	-	1,034,736	1,119,524
4. Held-to-maturity investments	20,646	-	-	20,646	42,640
5. Loans and receivables with banks	44,078	221,400	-	265,478	276,725
6. Loans and receivables with customers	132,968	6,915,572	-	7,048,540	7,978,575
7. Hedging derivatives	X	X	858,710	858,710	1,018,639
8. Other assets	X	X	68,591	68,591	61,523
Total	**1,523,927**	**7,160,109**	**1,278,345**	**9,962,381**	**11,118,732**

The "Debt securities" and "Loans" columns include interest income from non-performing assets, other than the interest income recognized in item "Write-backs", amounting to €2 million and €555 million, respectively.

1.4 Interest expense and similar charges: breakdown

(€ '000)

ITEMS/TYPE	AS AT 06.30.2015 DEBTS	SECURITIES	OTHER TRANSACTIONS	TOTAL	AS AT 06.30.2014 TOTAL
1. Deposits from Central banks	(91,720)	X	-	(91,720)	(82,078)
2. Deposits from banks	(266,552)	X	-	(266,552)	(325,625)
3. Deposits from customers	(1,029,382)	X	-	(1,029,382)	(1,264,620)
4. Debt securities in issue	X	(2,172,960)	-	(2,172,960)	(2,752,073)
5. Financial liabilities held for trading	(1,815)	(46,436)	(496,462)	(544,713)	(517,676)
6. Financial liabilities at fair value through profit or loss	-	(1,913)	-	(1,913)	(3,194)
7. Other liabilities and funds	X	X	(66,298)	(66,298)	(108,455)
8. Hedging derivatives	X	X	-	-	-
TOTAL	**(1,389,469)**	**(2,221,309)**	**(562,760)**	**(4,173,538)**	**(5,053,721)**

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 06.30.2015	AS AT 06.30.2014
a) guarantees given	**274,009**	**281,836**
b) credit derivatives	**-**	**1,129**
c) management, brokerage and consultancy services:	**2,441,899**	**2,238,050**
1. securities trading	138,910	177,193
2. currency trading	56,634	52,841
3. portfolio management	1,007,666	837,345
3.1. individual	*104,770*	*92,138*
3.2. collective	*902,896*	*745,207*
4. custody and administration of securities	101,987	91,957
5. custodian bank	19,469	19,360
6. placement of securities	414,020	365,783
7. reception and transmission of orders	102,171	106,757
8. advisory services	45,658	56,173
8.1 related to investments	*25,836*	*19,035*
8.2 related to financial structure	*19,822*	*37,138*
9. distribution of third party services	555,384	530,641
9.1 portfolio management	155,764	163,833
9.1.1 individual	*744*	*532*
9.1.2 collective	*155,020*	*163,301*
9.2. insurance products	370,312	334,980
9.3. Other products	29,308	31,828
d) collection and payment services	**802,788**	**881,502**
e) securitization servicing	**6,049**	**4,981**
f) factoring	**43,562**	**45,382**
g) tax collection services	**-**	**-**
h) management of multilateral trading facilities	**-**	**-**
i) management of current accounts	**679,681**	**686,394**
j) other services	**526,209**	**476,142**
k) security lending	**9,405**	**10,699**
Total	**4,783,602**	**4,626,115**

Income statement for 2014 differs from the figures disclosed in 2014 as the result of:
- the reclassification of the income arising from the placement fees of Debt Capital Markets "best effort" transactions (i.e. placement of financed instruments without underwriting risks) from "Gains and losses on financial assets and liabilities held for trading" to "Fee and commission income";
- the reclassification of the margins arising from currency trading with customers of a subsidiary from "Net Fee and commission income" to "from "Gains and losses on financial assets and liabilities held for trading";
- the presentation on a gross basis of fees for distribution of funds by a subsidiary previously presented on a net basis;

Item "j) other services" mainly comprise:
- fees on loans granted: €307 million in 2015, €269 million in 2014 (+14%);
- fees for foreign transactions and services of €48 million in 2015, €38 million in 2014 (+25%);
- fees for various services provided to customers (e.g. treasury, merchant banking, etc.) of €40 million in 2015, €48 million in 2014 (-18%);
- fees for ATM and credit card services not included in collection and payment services, amounting to €29 million in 2015, €26 million in 2014 (+13%).

2.2 Fee and commission expense: breakdown

(€ '000)

TYPE OF SERVICES/VALUES	AS AT 06.30.2015	AS AT 06.30.2014
a) guarantees received	**(46,688)**	**(48,709)**
b) credit derivatives	**(1,696)**	**(6,855)**
c) management, brokerage and consultancy services:	**(450,476)**	**(433,310)**
1. trading financial instruments	(32,867)	(37,507)
2. currency trading	(10,009)	(7,591)
3. portfolio management	(106,125)	(87,876)
3.1 own portfolio	*(97,265)*	*(71,459)*
3.2 third party portfolio	*(8,860)*	*(16,417)*
4. custody and administration of securities	(91,226)	(92,152)
5. placement of financial instruments	(69,282)	(69,440)
6. off-site distribution of financial instruments, products and services	(140,967)	(138,744)
d) collection and payment services	**(224,849)**	**(239,177)**
e) other services	**(64,076)**	**(78,260)**
f) security borrowing	**(14,503)**	**(15,573)**
Total	**(802,288)**	**(821,884)**

Income statement for 2014 differs from the figures disclosed in 2014 as the result of the presentation on a gross basis of fees for distribution of funds by a subsidiary previously presented on a net basis.

Part C - Consolidated Income Statement (Continued)

Section 3 - Dividend income and similar revenue - Item 70

In 2015 dividend income, which is recognized in the accounts in the year in which their distribution is approved, totaled €301 million, or €318 million if income from units in investment funds is also considered, as against €320 million in the same period in 2014.

3.1 Dividend income and similar revenue: breakdown

(€ '000)

ITEMS/REVENUES	AS AT 06.30.2015		AS AT 06.30.2014	
	DIVIDENDS	INCOME FROM UNITS IN INVESTMENT FUNDS	DIVIDENDS	INCOME FROM UNITS IN INVESTMENT FUNDS
A. Financial assets held for trading	208,062	5,223	169,193	3,585
B. Available for sale financial assets	92,756	11,531	107,511	36,150
C. Financial assets at fair value through profit or loss	-	274	654	261
D. Investments	428	X	2,370	X
Total	**301,246**	**17,028**	**279,728**	**39,996**
Total dividends and income from units in investment funds		**318,274**		**319,724**

Sub-item "B. Available for sale financial assets" includes €75 million in dividends received relating to the shareholding in the Bank of Italy (€84 million in the first half of 2014).

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 06.30.2015	AS AT 06.30.2014	CHANGE
Financial assets held for trading	812	296	516
Financial liabilities held for trading	(173)	(78)	-95
Financial assets and liabilities in currency: exchange differences	596	111	485
Financial and credit derivatives	(583)	(109)	-474
Total	**652**	**220**	**432**

The change of item "Gains and losses on financial assets and liabilities held for trading" was due to the good performance of treasury activities and activities towards customers recorded in the first half of 2015, as also described in the Interim Report on Operations.

Previous year amounts differ from the figures disclosed in 2014 as the result of:
- the reclassification of the income arising from the placement fees of Debt Capital Markets "best effort" transactions (i.e. placement of financed instruments without underwriting risks) from "Gains and losses on financial assets and liabilities held for trading" to "Fee and commission income";
- the reclassification of the margins arising from currency trading with customers of a subsidiary from "Net Fee and commission income" to "from "Gains and losses on financial assets and liabilities held for trading".

4.1 Gains and losses on financial assets and liabilities held for trading: breakdown

(€ '000)

TRANSACTIONS/P&L ITEMS	AS AT 06.30.2015				
	UNREALIZED PROFITS	REALIZED PROFITS	UNREALIZED LOSSES	REALIZED LOSSES	NET PROFIT
1. Financial assets held for trading	**678,550**	**2,162,182**	**(863,165)**	**(1,165,895)**	**811,672**
1.1 Debt securities	110,320	363,893	(273,995)	(274,699)	(74,481)
1.2 Equity instruments	170,617	1,618,427	(527,901)	(419,806)	841,337
1.3 Units in investment funds	71,098	153,621	(38,915)	(85,036)	100,768
1.4 Loans	296,332	9,417	(20,210)	(228,219)	57,320
1.5 Other	30,183	16,824	(2,144)	(158,135)	(113,272)
2. Financial liabilities held for trading	**237,211**	**318,098**	**(371,391)**	**(356,697)**	**(172,779)**
2.1 Debt securities	150,370	107,987	(209,666)	(109,435)	(60,744)
2.2 Deposits	-	-	(39)	(4,805)	(4,844)
2.3 Other	86,841	210,111	(161,686)	(242,457)	(107,191)
3. Other financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**595,801**
4. Derivatives	**52,281,341**	**32,768,692**	**(51,600,372)**	**(33,734,847)**	**(582,792)**
4.1 Financial derivatives:	50,612,042	31,157,944	(49,906,826)	(32,155,129)	(589,575)
- on debt securities and interest rates	*44,444,625*	*28,484,796*	*(44,012,389)*	*(28,467,364)*	*449,668*
- on equity securities and share indices	*5,477,547*	*1,656,036*	*(5,218,331)*	*(2,640,382)*	*(725,130)*
- on currency and gold	*X*	*X*	*X*	*X*	*(297,606)*
- other	*689,870*	*1,017,112*	*(676,106)*	*(1,047,383)*	*(16,507)*
4.2 Credit derivatives	1,669,299	1,610,748	(1,693,546)	(1,579,718)	6,783
Total	**53,197,102**	**35,248,972**	**(52,834,928)**	**(35,257,439)**	**651,902**

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 06.30.2015	AS AT 06.30.2014
A. Gains on:		
A.1 Fair value hedging instruments	8,232,639	11,033,031
A.2 Hedged asset items (in fair value hedge relationship)	472,798	1,299,561
A.3 Hedged liability items (in fair value hedge relationship)	1,541,265	75,031
A.4 Cash-flow hedging derivatives	626	505
A.5 Assets and liabilities denominated in currency	-	1,721
Total gains on hedging activities	**10,247,328**	**12,409,849**
B. Losses on:		
B.1 Fair value hedging instruments	(8,784,244)	(10,342,073)
B.2 Hedged asset items (in fair value hedge relationship)	(903,528)	(545,798)
B.3 Hedged liability items (in fair value hedge relationship)	(532,631)	(1,539,552)
B.4 Cash-flow hedging derivatives	(15,434)	(6,199)
B.5 Assets and liabilities denominated in currency	(79)	(1,528)
Total losses on hedging activities	**(10,235,916)**	**(12,435,150)**
C. Net hedging result	**11,412**	**(25,301)**

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

As at June 30, 2015 the disposal/repurchase of financial assets/liabilities generated net gains in the amount of +€170 million (+€396 million in 2014), of which +€234 million on assets and -€64 million on liabilities.

In the first half 2015 net result recognized under sub-item "3. Available-for-sale financial assets – 3.1 Debt securities" was +€187 million and comprised gains on disposal of UniCredit S.p.A. (+€122 million, mainly due to disposal of Italian Government securities), Bank Pekao Sa (+€37 million, mainly due to disposal of Polish Government securities), UniCredit Bank Austria Ag (+€10 million, mainly due to disposal of Austrian Government securities), UniCredit Tiriac Bank S.A. (+€11 million, mainly due to disposal of Romanian Government securities).

Net results of sub-item "3. Available-for-sale financial assets – 3.2 Equity Instruments" equal to +€33 million mainly includes gain on disposal of equity investment in Wustenrot & Wurttembergische AG. for +€14 million and Sofia L.P. for +€6 million. Net result also includes gains on disposal of other equity securities realized by UniCredit Bank AG for +€7 million.

The net profit on repurchase of financial liabilities (-€64 million) principally relates to debt securities in issue, of which -€45 million relating to the offer for the partial repurchase of Subordinated Notes issued by UniCredit S.p.A. launched in the second quarter of 2015.

In 2014 the profit on repurchase of financial liabilities (+€55 million) principally related to the repurchase of debt securities, of which €49 million relating to the offer for the partial repurchase of Senior Notes issued by UniCredit S.p.A. launched in the second quarter of 2014.

6.1 Gains and losses on disposals/repurchases: breakdown

(€ '000)

	AS AT 06.30.2015			AS AT 06.30.2014		
ITEMS/P&L ITEMS	GAINS	LOSSES	NET PROFIT	GAINS	LOSSES	NET PROFIT
Financial assets						
1. Loans and receivables with banks	**4,332**	**-**	**4,332**	**1,959**	**(1)**	**1,958**
2. Loans and receivables with customers	**80,563**	**(72,589)**	**7,974**	**75,074**	**(86,517)**	**(11,443)**
3. Available-for-sale financial assets	**342,820**	**(120,812)**	**222,008**	**414,247**	**(67,818)**	**346,429**
3.1 Debt securities	306,616	(119,841)	186,775	225,615	(67,606)	158,009
3.2 Equity instruments	33,825	(859)	32,966	185,249	-	185,249
3.3 Units in Investment funds	2,379	(112)	2,267	3,381	(212)	3,169
3.4 Loans	-	-	-	2	-	2
4. Held-to-maturity investments	**12**	**-**	**12**	**3,659**	**-**	**3,659**
Total assets	**427,727**	**(193,401)**	**234,326**	**494,939**	**(154,336)**	**340,603**
Financial liabilities						
1. Deposits with banks	**36,434**	**(39,201)**	**(2,767)**	**8**	**(5)**	**3**
2. Deposits with customers	**94**	**(6,692)**	**(6,598)**	**2,252**	**(9,023)**	**(6,771)**
3. Debt securities in issue	**37,055**	**(92,175)**	**(55,120)**	**134,566**	**(72,777)**	**61,789**
Total liabilities	**73,583**	**(138,068)**	**(64,485)**	**136,826**	**(81,805)**	**55,021**
Total financial assets and liabilities			**169,841**			**395,624**

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 classified in the related balance sheet item, 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 2015 and H1 2014, as well as the related changes.

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

(€ million)

TRANSACTIONS/P&L ITEMS	AS AT 06.30.2015	AS AT 06.30.2014	CHANGE
Financial assets	(155)	219	-374
Financial liabilities	(2)	(12)	10
Financial assets and liabilities in currency: exchange	-	-	-
Financial and credit derivatives	215	(166)	381
Total	**58**	**41**	**17**

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

(€ '000)

	AS AT 06.30.2015				
TRANSACTIONS/P&L ITEMS	UNREALIZED PROFITS	REALIZED PROFITS	UNREALIZED LOSSES	REALIZED LOSSES	NET PROFIT
1. Financial assets	**84,634**	**39,151**	**(242,992)**	**(35,910)**	**(155,117)**
1.1 Debt securities	64,633	38,861	(191,458)	(35,568)	(123,532)
1.2 Equity securities	585	-	(1)	-	584
1.3 Units in investment funds	19,348	290	(1,761)	-	17,877
1.4 Loans	68	-	(49,772)	(342)	(50,046)
2. Financial liabilities	**4,122**	**339**	**(5,878)**	**(138)**	**(1,555)**
2.1 Debt securities	4,122	339	(5,878)	(138)	(1,555)
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	**427,938**	**10,512**	**(216,935)**	**(6,721)**	**214,794**
Total	**516,694**	**50,002**	**(465,805)**	**(42,769)**	**58,122**

Section 8 - Impairment losses - Item 130

8.1 Impairment losses on loans and receivables: breakdown

(€ '000)

	AS AT 06.30.2015								AS AT 06.30.2014
	WRITE-DOWNS			WRITE-BACKS					
	SPECIFIC			SPECIFIC		PORTFOLIO			
TRANSACTIONS/P&L ITEMS	WRITE-OFFS	OTHER	PORTFOLIO	INTEREST	OTHER	INTEREST	OTHER	TOTAL	TOTAL
A. Loans and receivables with banks	**-**	**(13,734)**	**(2,829)**	**117**	**6,506**	**-**	**3,390**	**(6,550)**	**(7,521)**
- Loans	-	(13,734)	(2,829)	117	6,506	-	2,463	(7,477)	(3,709)
- Debt securities	-	-	-	-	-	-	927	927	(3,812)
B. Loans and receivables with customers	**(236,623)**	**(4,367,069)**	**(495,124)**	**356,798**	**2,142,660**	**-**	**730,958**	**(1,868,400)**	**(1,807,720)**
Purchased impaired loans	**(605)**	**(6,730)**	**-**	**2,863**	**4,610**	**-**	**-**	**138**	**8,377**
- Loans	(605)	(6,730)	X	2,863	4,610	X	X	138	8,377
- Debt securities	-	-	X	-	-	X	X	-	-
Other loans	**(236,018)**	**(4,360,339)**	**(495,124)**	**353,935**	**2,138,050**	**-**	**730,958**	**(1,868,538)**	**(1,816,097)**
- Loans	(236,018)	(4,323,206)	(492,401)	353,028	2,134,961	-	724,220	(1,839,416)	(1,816,049)
- Debt securities	-	(37,133)	(2,723)	907	3,089	-	6,738	(29,122)	(48)
C. Total	**(236,623)**	**(4,380,803)**	**(497,953)**	**356,915**	**2,149,166**	**-**	**734,348**	**(1,874,950)**	**(1,815,241)**

Section 11 - Administrative costs - Item 180

11.1 Payroll: breakdown

(€ '000)

TYPE OF EXPENSES/SECTORS	AS AT 06.30.2015	AS AT 06.30.2014
1) Employees	**(4,183,199)**	**(4,063,763)**
a) wages and salaries	(2,950,800)	(2,890,403)
b) social charges	(676,256)	(660,382)
c) severance pay	(21,162)	(17,829)
d) social security costs	-	-
e) allocation to employee severance pay provision	(11,532)	(19,178)
f) provision for retirements and similar provisions:	(165,647)	(169,932)
- defined contribution	*(1,135)*	*(1,305)*
- defined benefit	*(164,512)*	*(168,627)*
g) payments to external pension funds:	(154,614)	(134,987)
- defined contribution	*(154,073)*	*(134,236)*
- defined benefit	*(541)*	*(751)*
h) costs related to share-based payments	(66,628)	(35,755)
i) other employee benefits	(151,625)	(149,612)
l) recovery payments seconded employees	15,065	14,315
2) Other staff	**(35,477)**	**(41,856)**
3) Directors and Statutory Auditors	**(5,913)**	**(7,481)**
4) Early retirement costs	**-**	**-**
Total	**(4,224,589)**	**(4,113,100)**

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 06.30.2015	AS AT 06.30.2014
1) Indirect taxes and duties	**(455,494)**	**(452,308)**
1a. Settled	(454,588)	(357,672)
1b. Unsettled	(906)	(94,636)
2) Contributions ex-ante to Resolution Funds and Deposit Guarantee Schemes (DGS)	**(309,631)**	**(105,938)**
3) Miscellaneous costs and expenses	**(2,210,497)**	**(2,279,552)**
a) advertising marketing and communication	**(170,068)**	**(177,725)**
b) expenses related to credit risk	**(120,363)**	**(126,122)**
c) expenses related to personnel	**(118,533)**	**(115,258)**
d) Information & Communication Technology expenses	**(684,779)**	**(649,525)**
Lease of ICT equipment and software	(51,420)	(52,633)
Software expenses: lease and maintenance	(125,817)	(129,627)
ICT communication systems	(41,536)	(45,123)
Services ICT in outsourcing	(380,549)	(350,190)
Financial information providers	(85,457)	(71,952)
e) consulting and professionals services	**(177,368)**	**(226,708)**
Consulting	(119,406)	(142,120)
Legal expenses	(57,962)	(84,588)
f) real estate expenses	**(537,958)**	**(555,783)**
Premises rentals	(299,070)	(314,252)
Utilities	(98,014)	(105,884)
Other real estate expenses	(140,874)	(135,647)
g) operative costs	**(401,428)**	**(428,431)**
Surveillance and security services	(27,785)	(30,462)
Money counting services and transport	(34,730)	(35,813)
Printing and stationery	(28,070)	(26,985)
Postage and transport of documents	(54,286)	(64,412)
Administrative and logistic services	(130,070)	(135,640)
Insurance	(43,550)	(44,932)
Association dues and fees and Contributions to the administrative expenses Deposit Guarantee Schemes	(44,053)	(39,840)
Other administrative expenses - Other	(38,884)	(50,347)
Total (1+2+3)	**(2,975,622)**	**(2,837,798)**

Income statement for 2014 differs from the figures disclosed in 2014 as the result of: the reclassification of the costs for a preexisting local Resolution Funds with reference to a subsidiary from "Other net operating income" to "Other administrative expenses".

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

Two contribution schemes launched by European Directives Nos. 49 and 59 of 2014, related to Deposit Guarantee Schemes (DGS) and Single Resolution Fund (SRF), became effective from 2015. They complement the pre-existing local systems of deposit protection. Costs of €310 million were recorded for the six months under "Other administrative expenses" (at June 2014, this stood at €106 million), and referred to:
- €189 million for the SRF, in respect of countries where Directive 59 had already been enacted or was substantially enacted (the main ones being Germany, Austria and Italy), and corresponding to the estimate of the annual cost owing for 2015 (subject to fine tuning once the relevant Authorities will have established the detailed criteria pertinent to calculating contributions). At June 2014, the costs relating to similar local pre-existing mechanisms in certain countries where the Group operates amounted to €21 million.
- €110 million (€85 million in the first half of 2014) for the funds to protect pre-existing deposits and €11 million for DGS in countries where the Directive has been substantially incorporated (Austria and Hungary).

Part C - Consolidated Income Statement (Continued)

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

In June 2015 **net provisions for risks and charges**, of -€217 million (-€192 million at June 2014), are referable to clow-back actions, claims for compensation, and legal and other disputes, and are updated on the basis of the development of cases in progress and to the assessment of their foreseen outcomes.

12.1 Net provisions for risks and charges: breakdown

(€ '000)

ASSETS/P&L ITEMS	AS AT 06.30.2015 PROVISIONS	REALLOCATION SURPLUS	TOTAL	AS AT 06.30.2014 TOTAL
1. Other provisions				
1.1 legal disputes	(125,123)	37,705	(87,418)	(56,811)
1.2 staff costs	(13)	-	(13)	(1)
1.3 other	(207,749)	78,085	(129,664)	(135,164)
Total	**(332,885)**	**115,790**	**(217,095)**	**(191,976)**

The item "Net provisions for risks and charges" includes, where applicable, variations in "time value" due to the passing of time and consequent approaching of the maturity of the expected liability.

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 net operating income: breakdown

(€ '000)

P&L ITEMS/VALUE	AS AT 06.30.2015	AS AT 06.30.2014
Total other operating expense	(425,892)	(398,167)
Total other operating revenues	925,161	1,020,308
Other net operating income	**499,269**	**622,141**

Income statement for 2014 differs from the figures disclosed in 2014 as the result of the reclassification of the costs for a preexisting local Resolution Funds with reference to a subsidiary from "Other net operating income" to "Other administrative expenses".

15.1 Other operating expense: breakdown

(€ '000)

TYPE OF EXPENSE/VALUE	AS AT 06.30.2015	AS AT 06.30.2014
Costs for operating leases	(2,566)	(2,494)
Non-deductible tax and other fiscal charges	(1,279)	(1,168)
Write-downs on leasehold improvements	(34,982)	(27,107)
Costs related to the specific service of financial leasing	(60,214)	(62,774)
Other	(326,851)	(304,624)
Total other operating expenses	**(425,892)**	**(398,167)**

The sub-item "Other" includes:
- various settlements and indemnities of €84 million, €42 million in 2014;
- additional costs for the leasing business of €18 million, €22 million in 2014;
- non-banking business costs €55 million, €101 million in 2014;
- charges relating to Group property of €54 million, €6 million in 2014;
- various payments relating to prior years of €3 million in 2015, same amount as in 2014;
- additional costs relating to customer accounts of €8 million, €6 million in 2014.

We can note that as part of the initiatives to optimise the use (also prospective) of the spaces covered by payable rental contracts expenses of €39 million were recognised against a commitment to liquidate a break option for the modification (reduction of the term and of the spaces rented) of the contract relating to the Piazza Cordusio/Palazzo Boggi project.

15.2 Other operating revenues: breakdown

(€ '000)

TYPE OF REVENUE/VALUES	AS AT 06.30.2015	AS AT 06.30.2014
A) Recovery of costs	**376,954**	**412,300**
B) Other Revenues	**548,207**	**608,008**
Revenues from administrative services	36,739	41,901
Revenues on rentals Real Estate investments (net of operating direct costs)	60,336	61,061
Revenues from operating leases	62,227	58,306
Recovery of miscellaneous costs paid in previous years	8,356	11,171
Revenues on Financial Leases activities	76,409	76,529
Others	304,140	359,040
Total operating revenues (A+B)	**925,161**	**1,020,308**

The sub-item "Other" includes:
- additional income received from leasing business of €26 million, €25 million in 2014;
- income from non-banking business of €88 million, €130 million in 2014;
- various income from Group property of €16 million, €4 million in 2014;
- payments of indemnities and compensation of €42 million, €18 million in 2014.

Section 24 - Earnings per share

24.1 and 24.2 Average number of diluted shares and other information

	FIRST HALF 2015	FIRST HALF 2014
Net profit for the period attributable to the Group (thousands of euros)	1,000,983	1,080,229
Average number of outstanding shares	5,786,074,067	5,708,947,128
Average number of potential dilutive shares	21,340,930	27,477,294
Average number of diluted shares	5,807,414,997	5,736,424,422
Earnings per share (€)	**0.17**	**0.19**
Diluted earnings per share (€)	**0.17**	**0.19**

€33,430 thousand has been deducted from 2015 first half net profit of €1,034,413 thousand due to disbursements charged to equity made in connection with the contract of usufruct on treasury shares agreed under the 'cashes' transaction (€35,466 thousands was deducted from 2014 fist half net profits).

Average of outstanding shares is net of 47,600 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:
The document "Disclosure by Institutions" (Pillar III of Basel 3)
is published on UniCredit group's website (www.unicreditgroup.eu)
within 60 days from the reporting date.

Part E - Information on risks and related risk management policies

The information provided in Part E refers to the Banking Group, with the exception of tables under the paragraph. “Quantative information – A.1 Credit quality”.
In this regard, please note that the Banking Group includes the banking, financial and support companies that form the Group registered under Art. 64 of the Consolidated Law on Banking and, conventionally, the banking, financial and support companies consolidated proportionately for regulatory purposes.
In the above mentioned tables the information refer to the Scope of Consolidation, which differs from the Banking Group as a result of:
- the inclusion of subsidiaries consolidated line by line not belonging to the Banking Group;
- the adoption of the equity method, in accordance with IFRS 11, to account for jointly owned entities consolidated proportionately for regulatory purposes.

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 perspective. Furthermore, the model considers a specific point of reference for Italy through the “CRO Italy” function, to which the responsibilities related to credit, operational and reputational risks of the Italian perimeter, as well as the managerial coordination of Risk Management functions in the Italian Legal Entities, have been assigned.
In particular, the Risk Management function is responsible for the following tasks:
- optimize the quality of the Group's assets, minimizing the risk cost in accordance with the risk/profitability goals set for the business areas;
- ensure the strategic steering and definition of the Group's risk management policies;
- define and supply the Heads of the Business Functions and Entities with the criteria for assessing, managing, measuring, monitoring and communicating risk. It also ensures that the procedures and systems designed to control risk at Group and individual Entity level are coherent;
- help build a risk culture across the Group by training and developing highly qualified staff, in conjunction with the competent COO functions;
- help to find ways to rectify asset imbalances, where needed in conjunction with Planning, Finance and Administration;
- help the Business Functions achieve their goals, including by assisting in the development of products and businesses (e.g. innovation of credit products, competitive opportunities linked to Basel accords, etc.);
- support the CEO in defining the Group Risk Appetite proposal, to be shared in the Group Risk Committee and submitted for approval to the Board of Directors, as preliminary and preparatory step for the yearly and multi-yearly budget plan pertaining to the CFO. Furthermore, the Group CRO is responsible for ensuring the CEO and the Board of Directors the coherence of the Group Risk Appetite with the Group strategic guidelines, as well as the coherence of the budget goals with the Group Risk Appetite setting and the periodical monitoring of the RAF. The CFO remains responsible for monitoring the performances of the Group and of the business functions, in order to identify possible underperforming areas and the related corrective measures.

Consistently with the Risk Management function architecture and in order to strengthen the capacity of independent steering, coordination and control of Group risks, improving the efficiency and the flexibility on the risk decision process and addressing the interaction among the relevant risk stakeholders, three distinct levels of Risk Committees are in place:
- the “Group Risk Committee” responsible for the Group strategic risk decisions: establishing policies, guidelines, operational limits and the methodologies for the measurement, management and control of risks. It is, moreover, responsible for the methodologies for the measurement and control of internal capital, the evaluation of risks reporting, for the evaluation of the estimates of provisions on risks; the Group Risk Committee is expected to meet at least once a month;
- the “Group Portfolio Risks Committees”, tasked with addressing, controlling and managing the different portfolio risks;
- the “Transactional Committees” in charge of evaluating the single counterparties/transactions impacting the overall portfolio risk profile.

Further information on corporate governance is included in the document “Corporate Governance Report”, published on the Group Internet site in the section: Governance » Governance system & policies » Corporate Governance report
(https://www.unicreditgroup.eu/it/governance/system-policies/corporate-governance-report.html).

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.

The UniCredit Board of Directors approved the "Credit Risk Strategies" in the context of the Risk Appetite approval.

Since March 2008 Bank of Italy authorized UniCredit Group to use the Advanced approach for calculating the capital requirement for credit and operational risks. 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 this approach has been adopted 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 Banka Slovenija dd, UniCredit Bulbank AD, UniCredit Bank Czech Republic a.s., UniCredit Bank Ireland plc., UniCredit Bank Hungary, UniCredit Tiriac Bank a.s. and UCB SK UniCredit Bank Slovakia a.s., Zao UniCredit Bank. Subsequently it is expected that other Group entities will adopt IRB systems following the above mentioned Roll-out plan.

Credit economic capital estimation is available on a unique technological platform ("CPM") and with a common methodology for holding functions and several legal entities of UniCredit group. The roll out of CPM across CEE legal entities allows to cover most of the relevant geographies. 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.

2. Credit Risk Management Policies

2.1 Organizational Aspects

The credit risk organization in Parent Company breaks down into two levels:
- functions with responsibilities at Group level;
- functions with responsibilities at Country level.

Functions with responsibilities at Group level include:
- the "Group Credit & Integrated Risks" department, responsible, at Group level, for governing and controlling the credit risk of the Group portfolio as well as ensuring an integrated view across Pillar I and II risks to Top Management. It has the following structures:
  - "Group Risk Strategies & Rating Desk" responsible for providing top management with an integrated and looking-forward vision of risks affecting the Group, defining and monitoring the Group Risk Appetite and the Group credit strategies processes, preparing the Internal Capital Adequacy Assessment Process (ICAAP) and managing the stress testing process (both regulatory and managerial). It is also responsible for assigning and certifying the rating of counterparties in the perimeter of competence. It is composed of:
    - "Credit Risk Analytics & Strategies" unit, responsible for managing scenario analyses for credit risk, managing the credit stress testing process (regulatory and managerial), developing and managing managerial models for credit metrics, defining Group credit risk strategies as well as for defining and managing concentration limits;
    - "Group Rating Desk" unit responsible for overseeing the activities for the assignment and certification of ratings to the counterparties in its area of responsibility, for the rating override process and for monitoring rating ageing and the related corrective measures;
    - "Risk Appetite & Integrated Risks Analysis" unit responsible for defining the proposal of Group Risk Appetite and detailing it both in operational terms and at local level, preparing and coordinating the Internal Capital Adequacy Assessment Process (ICAAP), providing an integrated and looking-forward vision of risks affecting the Group as well as managing the stress testing process (both regulatory and managerial). Moreover, it acts as point of reference towards Supervisory Authorities for issues covering all risks;
  - "Group Credit Risk Initiatives, Standards & Reporting" department responsible for defining the credit risk reporting framework and producing standard reports on credit risk. Moreover, it is responsible for mapping the Economic Groups as well as coordinating and monitoring the progress of the initiatives of "Group Risk Management" department. It is composed of:
    - "Credit & Integrated Risks Initiatives & Group Mapping" unit responsible, for GRM area, for coordinating and/or monitoring the progress of special initiatives and/or projects arisen from regulatory requirements or rationalization needs of internal processes related to credit risk and covering all risks. Furthermore, it is responsible for mapping Top Economic Groups and for the definition of the related standards;

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

- Group Credit Risk MIS, Standards & Reporting department responsible for defining the requirements of data analysis systems used for reporting purposes (Credit Risk Management Information System/MIS), defining the Group risk reporting framework, producing standard reports on credit risk as well as defining the reporting taxonomy. Furthermore, it is one of the interfaces with “PF&A” department for second level controls on supervisory reports;

- “Group Risk Monitoring & Credit Rules” department responsible for providing Top Management with an integrated vision (current and looking-forward) of risks affecting the Group and acting as point of reference and coordination towards Supervisor Authorities and major external stakeholders for issues within the its perimeter of competence. It is responsible for monitoring, on a periodic basis, the Group credit portfolio and the integrated risk assessment. Furthermore, it is responsible for defining the Global Rules. It is composed of:
  - “Group Credit Rules” unit responsible for preparing the Global Rules within its perimeter of competence and checking their approval and implementation by Legal Entities. Moreover, with regard to the Group Wide credit processes, the unit is responsible for setting up the concept of target process in cooperation with Organization function;
  - “Risks Assessment & Monitoring” unit responsible for analysing and monitoring the omposition and risk of credit portfolio at Group/Legal Entities/Division level, by main credit risk metrics, highlighting any gaps against budget/forecast and underlying drivers. The unit is also responsible for producing periodic analyses aiming at providing top management with an integrated view of risks affecting the Group, as well as the analyses for Rating Agencies, Investors and "ad hoc" requests from external organizations/bodies;
- “Group Internal Validation” department responsible for validating, at Group level, the measurement methodologies, the related processes, the IT components and the data quality, for Pillar I and Pillar II risks, providing adequate reporting for Company Bodies and the Supervisory Authority. The department includes the following structures: “Group Wide Credit Risk & Architecture Validation”, “Local Credit Risk Validation”, “Market, Operational & Pillar II Risks Validation”;
- “Group Risks Modeling & Governance” department responsible for developing and managing models and methodologies for measuring Pillar II risks and their aggregation for the determination of the economic capital. Moreover, it is responsible for defining the methodologies for the management of credit risk, assigning and certifying the rating of counterparties in the perimeter of competence, as well as the coordination of the implementation activities regarding Basel regulation on credit risk. It has the following structure:
  - “Risks Integration & Economic Capital” unit responsible for developing, managing and maintaining methods and models for measuring Pillar II risks and their aggregation for the determination of the economic capital;
  - “Group Wide Rating Modeling & Governance” unit responsible for developing, maintaining and governing IRB models for Probability of Default, Loss Given Default, Exposure at Default measurement related to Group Wide portfolios as well as for defining the Group guidelines for credit risk measurement of local portfolios ensuring their implementation;
  - “Group Basel Program Management” team responsible for coordinating and monitoring the activities related to Basel regulation;

- the “Group Credit Transactions” department that, with respect to credit risk, breaks down into the following structures:
  - the “Group Credit Committee Secretariat” unit, responsible for supporting, as a central group-wide reference point for credit transactions above defined threshold or according to other current regulations, the arrangement and coordination of the various procedural phases and information flows to facilitate the functioning of the approval and reporting processes involving the Committees under its remit or upper Bodies;
  - “FIBS Credit Transactions” department, responsible for the management and the monitoring of the counterparties, single and economic groups, belonging to the client segments Financial Institutions, Banks and Sovereigns (hereafter "FIBS") within the perimeter in its remit;
  - “CIB & Large Credit Transactions” unit, responsible for transactions above defined thresholds for Corporate counterparties, Structured Finance (including Special Products) transactions as well as Restructuring/Workout cases and Debt-to-Equity positions generated in the course of Restructuring activities;
  - “Country Risks Analysis & Monitoring” team, responsible for the assessment, approval and daily management of Country Risks and Cross-Border credit risk-taking.

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” unit responsible, for the Italian perimeter of UniCredit S.p.A. (e.g. “Country Chairman Italy” and “CIB Italy”), for the quantitative and qualitative analyses of the credit processes and of the credit related phenomena, for the management of the area projects, for the coordination of relations with Supervisory and Control Bodies, for the budget planning and for the costs analysis;
- the “Risk Management Italy” department, responsible for governance and control of credit risk for the area of responsibility of the Italian perimeter of UniCredit S.p.A. (e.g. “Country Chairman Italy” and “CIB Italy), irrespective of the risk classification and the operational and reputational risk for UniCredit S.p.A., as well as the consolidation of the Legal Entities risk managers’ analysis. The department with respect to credit risk, breaks down into the following structures:
  - “Credit Risk Portfolio Analytics” department responsible for monitoring loan portfolio risk composition in terms of credit quality, cost of risk, RWAs and capital absorption for the UniCredit S.p.A. perimeter, with the exception of positions held by “FIBS” counterparties, preparing the required reporting;
  - “Credit Policies & Products Italy” department responsible for UniCredit S.p.A., for defining process/product credit rules relative to underwriting, monitoring, restructuring and workout for the UniCredit S.p.A. perimeter;

- "Credit Risk Methodologies" department responsible for defining and managing credit risk management methodologies. These methodologies relate to credit risk measurement models for all customer segments and Consumer credit processes;
- "Credit Risk Planning & Forecasting" unit, responsible for planning and control of provisions, RWAs and capital absorption for performing and problem loans, and making proposals in terms of credit risk appetite for the portfolios of competence;
- "Rating Desk Italy" unit responsible, for the Italy perimeter, for correcting any discrepancies between the rating assigned by the internal automatic system and the actual risk level of corporate counterparties of UniCredit S.p.A. through overrides, and ensuring the communication of their creditworthiness assessment to all UniCredit S.p.A. functions concerned;

- the "Credit Underwriting" department responsible for the Italian perimeter of UniCredit S.p.A. (e.g. "Country Chairman Italy" and "CIB Italy"), for Credit Underwriting activities in relation to the "Regional Industry Teams" of competence, to the "Territorial Credit Risk Underwriting Italy" department and to the "Individual Credit Underwriting" department, within the perimeter of competence. The department is also responsible for the administrative management of the Credit Committee's activities within the Italy perimeter;
- the "Loan Administration" department, responsible, for the Italian perimeter of UniCredit S.p.A. (e.g. "Country Chairman Italy" and "CIB Italy"), for the post-sales credit activities, for providing assistance for technical legal problems and for the operative credit risk control related to medium/long-term activities, guarantees, contracts and also for managing activities relating to subsidized loans. The department is furthermore responsible for the supporting activities with regards to SACE agreements and for the legal advice and consultancy on credit issues within the Italian perimeter, for both the performing and non performing portfolios. It includes the following structures:
  - "Loan Administration Network";
  - "Subsidized Loans";
  - "Collaterals and Contracts Administration Services";
  - "Credit Advice Italy";
  - "Loan Administration Services, Support and Controls;
- the "Special Credit" department responsible for credit underwriting activity within the "special portfolio" perimeter, for managing of restructuring and workout activities for the Italian perimeter of UniCredit S.p.A. (e.g. "Country Chairman Italy" and "CIB Italy"), identifying and controlling the implementation of the interventions aimed to the cost of risk reduction, in particular:
  - 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 within the "special portfolio" perimeter;
  - 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, ensuring the enforcement and implementations of collection strategies and activities;
  - 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:
  - the "Territorial Credit Risk Underwriting Special Portfolio Italy" department, responsible, within the "special portfolio" perimeter – except for the "Credit Underwriting" perimeter for: managing credit underwriting activities for UniCredit S.p.A. customers, managing credit underwriting activities under the responsibility of "Regional Industry Team" 6 – Real Estate;
  - the "Restructuring & Workout Italy" department, responsible with reference to the customers or to the Economic Groups of any segment of the Italian perimeter of UniCredit S.p.A., within the delegated powers of the existing law, for coordinating and managing the positions classified in restructuring and workout, as well as for the management of the administrative/accounting activities, within its perimeter of competence, following the actual regulation. The department is responsible of the activities of credit granting for the competent positions within the delegated powers, and of the analysis of the customers and of the Economic Groups positions, with regards to the possible restructuring solutions for the restructuring files, with exposures higher than a certain threshold;
  - "Special Credit Analysis & Control Management" unit, responsible for the valuation of the conformity of the rules related to the files management, whose collection is in charge of the Bank, as well as the planning of the expected proceeds and the monitoring of the collected portfolio, managed by external servicers. The Unit is also responsible, within the limits of its assigned powers, for coordinating and guiding the management of positions within its perimeter of competence;
- the "Large Files Restructuring" department, responsible for coordinating and guiding the management of positions (assessing and making decisions within the limits of its assigned powers - or formulating the related proposal to the competent decision-making Bodies) undergoing restructuring, with reference to customers in the Italian perimeter of UniCredit S.p.A. (e.g. "Country Chairman Italy" and "CIB Italy") with exposures exceeding a set limit, also monitoring compliance with the agreements set forth in the restructuring plan and any covenants established;
- the "Credit Monitoring" department responsible – among other things – for coordinating, heading and managing the monitoring activities for all customers within all of UniCredit S.p.A. e.g. "Country Chairman Italy" and "CIB Italy").

  The department is split in the following structures:
  - "Credit Monitoring Operations & Support" unit is responsible for the coordination and oversight of the activities within the monitoring operating model, and for the support the Head of "Credit Monitoring" department for defining the guidelines for maximizing the efficiency and the effectiveness of the monitoring operating model, in line with the strategic guidelines and credit policies;
  - "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.;

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

- "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, defining corrective measures in coordination with the "Central Credit Risk Monitoring Italy" department;
- "Customer Recovery" (Cu. Re.) department, is responsible for managing and supporting processes and strategies of monitoring, credit collection and classification of customers to impaired loans portfolio for Individuals and Enterprises customers (Individual Enterprises), as identified by the current regulation, including all the assessments and decisions concerning possible settlements or renegotiations and/or rehabilitation solutions (e.g. suspension of the installment), ensuring their operational effectiveness and efficiency). Furthermore the department is responsible to manage the relations with external credit collections servicers and with credit protection Associations (e.g. Unirec, Ebitec), as well as to promote the operative commercial relations aimed to ensure the collection results.

Furthermore, with respect to credit risk, these specific committees are active:
• the "Group Credit Committee", in charge of discussing and approving competent credit proposals referring to all files, including restructuring/workout ones, status classification of files, relevant strategies and corrective actions to be taken for watchlist files, specific limits for transactions related to Debt Capital Markets on Trading book, single issuer exposures limits on Trading book, Debt to Equity transactions and transactions related to Equity participations deriving from Debt to Equity transactions;
• 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 o consulting function for files to be approved by upper Bodies, for: credit proposals referring to all files, including restructuring/workout ones, status classification of files relevant strategies and corrective actions to be taken for watch-list files, single issuer exposure limits on Trading book, Debt to Equity transactions and/or actions/rights-execution related to equity participations resulting from Debt to Equity transactions, Debt to Assets transactions and/or actions/rights execution related to asset resulting from Debt to Asset transactions;
• the "Italian Transactional Credit Committee" has the responsibility – within its assigned sub-delegations of powers for credit activities and the related thresholds – to evaluate and approve the underwriting and the review of the credit lines and to evaluate and approve the loan loss provisions, asset value adjustments and releases of capital and/or capitalized interests related to counterparts UniCredit S.p.A.
The "Italian Transactional Credit Committee" carries out, moreover, consulting function for files to be approved by upper Bodies;
• the "Italian Special & Transactional Credit Committee" has the responsibility – within its assigned credit decision making powers and the related thresholds – to evaluate and approve the underwriting and the review of the credit lines and to evaluate and approve the loan loss provisions, asset value adjustments and releases of capital and/or capitalized interests related to counterparts UniCredit S.p.A.;
• the "Group Rating Committee" is responsible, within its perimeter of competence and its delegated powers, for approving rating override.

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 incurring losses or increasing costs due to political, economic and social events that occur in a foreign Country where the borrower operates, which is different from the borrower's home Country. These events are directly or indirectly caused by the local Government's acts or behaviors.
For instance, the repayment of assets in a specific Country can be partly or entirely compromised by specific measures applied by the local government (e.g. breach of contracts, expropriation, tax increase) or by a deterioration of the economic, political and social environment (e.g. a sharp recession, currency and/or banking crisis, disaster, wars, social unrest) of a Country.

Country risk is managed by determining the appropriate maximum risk levels (country limits), that can be assumed by the various Legal Entities belonging to the Group vis-à-vis all counterparties (sovereigns, government entities, banks, financial institutions, corporate customers, small businesses, individuals, project finance, etc.) residing in or related to the Country, for cross-border transactions (from the standpoint of the Entity providing the loan) in foreign currency (from the standpoint of the borrower). In order to continue in the implementation of the policy (i.e. inclusion also of cross border transaction in local currency) we are working on designing automated procedures of collection of single transaction, identified according to defined characteristics (in local vs. foreign currency).

Country risk management processes are mainly concentrated at Holding Company in terms of both methodological aspects and the decision-making process, in order to ensure a uniform assessment and monitoring approach, particularly for the rating assignment – PD (probability of default) and LGD (loss given default) – as well as control of risk concentration.

The country rating assignment (both in terms PD and LGD) is performed using the specific internal rating model. The analysis, focused on both qualitative and quantitative factors, is an integral part of the final rating calculation process. In case the rating resulting from the model does not appropriately reflect the credit profile of the country, an override is requested from the competent Body. Both the calculation of PD and LGD values are mandatory and must be assigned before any decision on cross-border credit transactions is taken. The rating has to be updated at least once a year or whenever any material information impacting the country creditworthiness becomes available.

Cross border plafonds are calculated in a top-down/bottom-up process considering the risk of the Country (rating), the size of the country measured by its share in international trade of goods and services as well as its share in international capital flows, demand of the bank's export customers and business opportunities. Cross border plafond are renewed at least on a yearly basis.

The evolution of the macroeconomic and political scenario has been constantly monitored in order to be consistently reflected within the Internal Ratings of the mentioned countries; Internal Ratings have been therefore revised more than on a yearly basis, when needed.

With specific reference to the sovereign risk, direct counterparty risk to sovereigns (and central administrations) is managed through the normal counterparty approval process. Limits and exposures to sovereigns - in both the trading and banking books - have been managed in a prudent way to ensure such limits/exposures are sized primarily by both regulatory and liquidity requirements of the Group.

Through the Collateral agreements the Group has in place to mitigate exposures to OTC derivative counterparties, eligible collateral generally includes (in addition to cash) sovereign bond collateral from specified countries (as per the approved Group credit policy). This eligibility is however always subject to minimum external rating criteria, and ongoing daily price availability. The rating threshold has therefore seen a reduction in the number of the eligible sovereign issuers from the original name specific eligibility list.

For CEE Countries, given the strategic importance for the Group, loans to customers are subject to specific credit risk strategies defined and monitored at country level, taking also into consideration the macroeconomic outlook.

2.3 Credit Risk Management, Measurement and Control

2.3.1 Reporting and Monitoring Activities

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

Group Risk Management function performs credit risk reporting at portfolio level, producing reports at Group level, both recurring and specific (on demand of Top Management or Regulators or external entities, e.g. rating agencies) with the objective of analyzing the main risk components and their development over time, and thus to detect any signals of deterioration at an early stage and, subsequently, to put in place the appropriate corrective actions. Credit portfolio performance is analyzed with reference to its main risk drivers (such as growth and risk indicators), customer segments, regions, industrial sectors, and impaired credits performance and relevant coverage.

Portfolio reporting activities at Group level are performed in close collaboration with the Chief Risk Officers at Legal Entities level and Credit Risk Portfolio Managers who, within their respective perimeters, implement specific reporting activities.

Starting from 2014, the Reporting and Monitoring activities have been assigned to two different Units in the "Group Credit and Integrated Risks" Department: the *Group Credit Risk Initiatives, Standards and Reporting* and *Group Risk Monitoring & Credit rules.*

Within the *Group Credit & Integrated Risks* department, the *Group Credit Risk Initiatives*, *Standards and Reporting* unit is responsible for defining the Group framework and taxonomies for Risk Reporting as well as to prepare standard reporting on credit risk (e.g.: analyses on credit risk drivers and KPIs: exposure at default – EAD, Expected Loss – EL, migrations, value adjustment and provisions, coverage ratio, cost of risk, etc.).

The reporting provides a managerial tool for supporting decision making process in the management and mitigation of risks.

During 2014 and in the first half of 2015 several activities have been performed with the aim of enhancing the risk data availability in terms of completeness, reconciliation, granularity and timeliness, in order to optimize the existing reporting and taking into account the evolving market scenario.

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

These activities will continue to be performed over the next months in line with the *Basel Committee on Banking Supervision* requirements (Paper BCBS n.239) that provide for the adoption by the Systemically Important Financial Institutions (SIFI) of a set of principles aimed at guaranteeing effective risk data aggregation and reporting processes.

A dedicated project ("PERDAR") has started in 2014 with the aim of guaranteeing the Group compliance to the above mentioned principles and selected activities have been launched in order to enhance the Group Governance in term of Risk Reporting. Among these activities, it's worth mentioning the issuance of internal regulation that defines the risk reporting production process as well as the Group risks' taxonomies.

ERM Report is one of the critical risk reporting prepared by the *Group Credit & Integrated Risks* department, being a key tool for monitoring the asset quality of the Group portfolio. The purpose of the ERM Report is to provide a comprehensive view on the most significant Group's risks with the appropriate level of detail, for each risk type (credit, market, interest rate, investment, transaction, liquidity and operational) and for the main geographical areas where these risks are originated and managed (Italy, Germany, Austria, CEE and Poland). ERM Report is evolving in order to fully incorporate the above mentioned Basel Committee principles (BCBS n.239) and to guarantee an even more integrated view of the Group's risks.
Currently ERM Report includes information about Group exposures to all significant risks, providing a detailed representation in terms of:
- *Credit Risk* – through analyses at Group and geographical area level about composition and quality of Group's assets, focusing on the non-performing portfolio and its coverage ratio, on value adjustments and provisions, on selected portfolios (e.g. Leasing, Leveraged & Project Finance, Shipping and Real estate) as well as on large exposures;
- *Liquidity Risk* – through analyses focused on the Group's ability to meet its liquidity needs in the short, medium and long term, also in stress scenarios (tested through regular stress test simulations), and to raise/create liquidity pool either directly or through access to financial markets;
- *Market Risk core banking book* – through analyses of the exposures and of the main market risk indicators, as well as controls on the VAR limits set for financial markets and related to the Group's core investment portfolio;
- *Market Risk trading & non-core banking book* – through review of data (e.g. VAR, credit spread, interest rates and exchange rates) related to Group's trading and non-core investment portfolio and stress scenario analyses;
- *Operational Risk* – through analyses of the operational losses generated by each Geographical Area, including the detail of losses greater than Euro 1 bln as well as of the risk mitigation actions aimed at preventing potential future losses. Regulatory capital value is also assessed on a quarterly basis through both Standard (TSA) and Advanced (AMA) approaches.

The *"Group Risk Monitoring & Credit rules"* Unit, instead, is responsible for analyzing and monitoring the Credit Portfolio composition and riskiness in terms of main risk drivers at Group/Legal Entities/Division level, by providing to the competent PF&A structures the useful information to highlight delta versus Budget/Forecast, and is in charge of producing regular analyses in order to provide to Top Management an integrated view on Group Risks, as well as documents for Rating Agencies, Investors and "ad hoc" requests coming from external organizations.

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 Holding 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 Holding 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 Holding 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 Risk Limits, on Project Finance and Acquisition & Leveraged Finance transactions, on assessment, monitoring and management of underwriting risk limits for the syndicated loan, on "Commercial Real Estate Financing (CREF)" and on "Structured Trade and Export Finance (STEF)";
- policies developed locally by single Legal Entitles. Such documents provide detailed credit rules for specific regions, subsidiaries, etc., if required by local market peculiarities, and are applicable only within the specific Legal Entity perimeter.

At both Legal Entity and Holding Company (if necessary) level, the policies are further detailed through Operative Instructions, describing specific rules and instructions for the management of 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

For the purpose of credit risk measurement, credit risk can be 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). Moreover credit risk can also arise in case of a decrease of market value of financial obligation due to a deterioration in its credit quality.

Credit risk is measured both 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.

In addition to one year horizon risk parameters, multi period risk parameters are estimated according to a Point In Time and Forward Looking perspective allowing for compliance with the recent updates of accounting principles (IFRS 13) and a more robust risk adjusted performance evaluation.

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) of the single obligors considering the correlations among the defaults.

The Expected Loss (EL) at portfolio level represents the aggregated average loss of the portfolio due to potential defaults of the obligors.
The EL of the portfolio is just the sum of the single obligor ones, which can be evaluated as the product of PD x LGD x EAD, and is independent from the default correlations in the portfolio. EL is typically charged as a cost component.

Value at Risk represents the threshold monetary loss overcome only with a given probability level (VaR at 1-α confidence level). Economic Capital is derived from Value at Risk subtracting the expected loss and it is an input for determining Internal Capital set up to cover potential unexpected losses from all risk factors.

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

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

The credit portfolio models produce also measures of economic capital reallocated by individual borrowers within each portfolio and are the basis for risk-adjusted performance measures.
The measures of economic capital (Credit VaR based) are also a fundamental input for the design and application of credit strategies, the analysis of credit limits and risk concentration. The economic capital calculation engine is one of the tools used for the analysis of stress tests of the credit portfolio, starting from macro-economic variables that affect the various customer segments, by Country, size, etc.

All the above mentioned risk parameters are subject to an initial validation and a regular monitoring process for each rating system in all its components: models, processes, IT systems and data quality.

The aim is to give evidence of the systems compliance, highlighting improvement areas as well as possible misalignments in the methodologies, which could limit the full comparability among the resulting risk measures.
The internal Credit VaR model is also subject to assessment in the context of Basel - Pillar 2 validation.

Credit economic capital estimation is available on a unique technological platform ("CPM") and a common methodology for holding functions and several legal entities of UniCredit group. The roll out of CPM across CEE legal entities allows to cover most of the relevant geographies.

To evaluate the effectiveness of securitizations in transferring credit risk, a new tool (Structured Credit Risk Analyzer) has been developed. It allows to simulate credit losses in collateral portfolios and allocate the resulting losses to the tranches which characterize the liability side of the securitization, both for cash and synthetic structure types (where credit risk is transferred via credit derivatives).

2.3.4 Credit Risk Strategies

Group Credit Risk Strategies are an effective instrument for governing credit risk, contributing to the setting of the Group ambitions within the Budget process in coherence with the Group Risk Appetite, of which they are an integral part.
Being the concrete deployment of the Group Risk Appetite metrics, Credit Risk Strategies constitute also an operational tool.

Starting from the Macroeconomic and credit scenario, the outlook at industry level and the business strategy initiatives, Credit Risk Strategies define a set of guidelines and operative targets for all the Group countries and business lines. The aim is to identify their risk profile and a to steer the Group growth coherent with that.

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

In compliance with the current regulation, UniCredit has to adopt internal policies and control systems to identify, measure, monitor and manage credit concentration risk towards:
- an individual counterparty or a group of related counterparties (Single Name/Economic Group);
- counterparties in the same economic sector (Industry).

Stress test simulations are a comprehensive part of credit risk strategies definition. With the stress test procedure it is possible to estimate some risk parameters like Probability of Default, Expected Loss, Economic Capital and Risk Weighted Asset under the assumption of an adverse macroeconomic and financial stressed scenario. Stressed parameters are used not only for regulatory purposes (Basel II, Pillar I and Pillar II requirements), but also as managerial indicators about the portfolio vulnerability of a single Legal Entity, business line, industry/regional area, customer group and other relevant cluster, conditioned by the downturn of the economic cycle.

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

2.4 Credit Risk Mitigation Techniques

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

With specific reference to Credit Risk Mitigation, general guidelines are in force, issued by the Parent Company, to lay down Group-wide rules and principles that should guide, govern and standardize the credit risk mitigation management, in line with Group principles and best practice, as well as in accordance with the relevant regulatory requirements.

Following the General Group Credit Risk Mitigation Guidelines all Legal Entities have adopted internal regulations, specifying processes, strategies and procedures for collateral management. In particular such internal regulations detail collateral eligibility, valuation and monitoring rules and ensure the soundness, legal enforceability and timely liquidation of valuable collateral according to each Country's local legal system.

Collateral management assessments and Credit Risk Mitigation compliance verifications have been performed by the Legal Entities, specifically as part of Internal Rating System applications, in order to assess the presence of adequate documentation and procedure concerning the Credit Risk Mitigation instruments used for supervisory capital.

According to credit policy, collaterals or guarantees can be accepted only to support loans and they cannot serve as a substitute for the borrower's ability to meet obligations. For this reason, in addition to the overall analysis of the credit worthiness and of the repayment capacity of the borrower, they are subject to specific evaluation and analysis of the support role for the repayment of the exposure.

Collaterals accepted in support of credit lines granted by the Group's Legal Entities, primarily include real estate, both residential and commercial, financial collateral (including cash deposits, debt securities, equities, and units of Undertakings for Collective Investment in Transferable Securities (UCITS)). Other types of collateral (pledged goods or pledged loans and life insurance policies) are less common. The Group also makes use of bilateral netting agreements for OTC derivatives (by means of ISDA and CSA agreements), Repos and securities lending.

The management system of credit risk mitigation techniques is embedded in the credit approval process and in the credit risk monitoring process, which widely support the evaluation and data quality checks of collaterals/guarantees and their appropriate linking to the categories defined for LGD estimates purposes. Controls and related responsibilities are duly formalized and documented in internal rules and job descriptions. Furthermore processes are implemented to control that all the relevant information regarding the identification and evaluation of the credit protection are correctly registered in the system.

When accepting a credit risk mitigation technique, UniCredit group emphasizes the importance of processes and controls of the legal certainty requirements of the protection, as well as the assessment of the suitability of the collateral or guarantee. In case of personal guarantees, the protection provider (or the protection seller in case of credit default swap) has to be assessed in order to measure his/her solvency and risk profile.

In case of collaterals, the process of valuation is based on precautionary principles, with reference to the use of "market values" and to the application of adequate haircuts to ensure that, in case of liquidation, there are no unexpected losses.

Monitoring processes of credit risk mitigation techniques ensure that general and specific requirements established by credit policies, internal and regulatory rules are met over the time.

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 II rules;
- accurate and regular reporting in order to monitor aggregate portfolio risk over time.

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

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.

As an alternative to conventional solutions aimed at managing internally impaired loans, the option to sell them on the secondary loan market is evaluated.

In order to catalyze the use of the secondary loan market a dedicated "Distressed Asset Management" structure has been created: it will be in charge to identify single impaired exposures or portfolios of impaired exposures to be sold out using the secondary loan market.

Transactions are closed via a competitive auction mechanism and their cost-effectiveness is assessed comparing the net present value.

QUANTITATIVE INFORMATION

A. Credit quality

These tables exclude amounts from companies consolidated using the Equity Method, according to the requirements of IFRS 11 (including the companies of the Koc/Yapi Kredi Group subject to joint control).

A.1 Impaired and performing loans: amounts, writedowns, changes, distribution by business activity/region

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

(€ '000)

	BANKING GROUP					OTHER COMPANIES		
PORTFOLIO/QUALITY	BAD LOANS	UNLIKELY TO PAY	NON PERFORMING PAST-DUE	PERFORMING PAST-DUE	OTHER ASSETS	NON PERFORMING	OTHERS	TOTAL
1. Available-for-sale financial assets	6,627	5,653	-	-	106,990,951	-	177	107,003,408
2. Held-to-maturity financial instruments	240	6,295	-	-	2,741,651	-	-	2,748,186
3. Loans and receivables with banks	17,507	13,276	-	43,281	86,084,992	-	33,441	86,192,497
4. Loans and receivables with customers	19,648,222	17,693,143	2,686,069	12,468,289	421,394,040	6,550	34,070	473,930,383
5. Financial assets at fair value through profit or loss	-	12,378	-	54,514	32,974,862	-	-	33,041,754
6. Financial instruments classified as held for sale	949,284	398,891	54,818	30	756,131	-	-	2,159,154
Total 06.30.2015	**20,621,880**	**18,129,636**	**2,740,887**	**12,566,114**	**650,942,627**	**6,550**	**67,688**	**705,075,382**

The banking group portion does not include intercompany accounts (including those with companies which are not consolidated).

With reference to the comparative figures as of December 31, 2014 of loans due from customers, see the table "Loans to customers" presented in the Interim Report on Operations at the paragraph Group Results.

Of which loans and receivables with customers - detail of Forbearance exposures

(€ '000)

PORTFOLIO/QUALITY	BAD LOANS	UNLIKELY TO PAY	IMPAIRED PAST DUE	PERFORMING	TOTAL
- of which Forborne	2,772,787	6,686,268	362,654	5,928,939	15,750,648
- of which not Forborne	16,877,965	11,007,047	2,327,263	427,967,460	458,179,735
Total 06.30.2015	**19,650,752**	**17,693,315**	**2,689,917**	**433,896,399**	**473,930,383**

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

Breakdown of credit exposures by portfolio and credit quality (gross and net values)

(€ '000)

PORTFOLIO/QUALITY	NON PERFORMING			PERFORMING			TOTAL (NET EXPOSURE)
	GROSS EXPOSURE	SPECIFIC WRITEDOWNS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	
A. Banking group							
1. Available-for-sale financial assets	65,188	52,908	12,280	106,991,059	108	106,990,951	107,003,231
2. Held-to-maturity financial instruments	8,988	2,453	6,535	2,741,651	-	2,741,651	2,748,186
3. Loans and receivables with banks	147,401	116,618	30,783	86,158,491	30,218	86,128,273	86,159,056
4. Loans and receivables with customers	81,688,606	41,661,172	40,027,434	436,162,099	2,299,770	433,862,329	473,889,763
5. Financial assets at fair value through profit or loss	12,378	-	12,378	33,029,380	4	33,029,376	33,041,754
6. Financial instruments classified as held for sale	4,004,605	2,601,612	1,402,993	769,363	13,202	756,161	2,159,154
Total A	**85,927,166**	**44,434,763**	**41,492,403**	**665,852,043**	**2,343,302**	**663,508,741**	**705,001,144**
B. Other consolidated companies							
1. Available-for-sale financial assets	-	-	-	177	-	177	177
2. Held-to-maturity financial instruments	-	-	-	-	-	-	-
3. Loans and receivables with banks	-	-	-	33,441	-	33,441	33,441
4. Loans and receivables with customers	48,910	42,360	6,550	34,567	497	34,070	40,620
5. Financial assets at fair value through profit or loss	-	-	-	X	X	-	-
6. Financial instruments classified as held for sale	-	-	-	-	-	-	-
Total B	**48,910**	**42,360**	**6,550**	**68,185**	**497**	**67,688**	**74,238**
Total 06.30.2015	**85,976,076**	**44,477,123**	**41,498,953**	**665,920,228**	**2,343,799**	**663,576,429**	**705,075,382**

Data concerning the banking Group are net of infragroup positions, including those with other entities included in the scope of consolidation.

According toto Bank of Italy Circular 262, the table below provides a breakdown of performing loans to customers subject to renegotiation under collective agreements executed by the Banking Associations/Unions or on the basis of the regulations prevailing in the countries where the Group is present, entailing the temporary suspension of payment of instalments (for principal and/or interest) and exposures subject to renegotiations granted by the single bank to customers experiencing financial difficulties and which therefore fall within the EBA definition of Forborne Performing Exposures.

Customer Loans - Performing forborne exposures

(€ '000)

PORTFOLIO/QUALITY	PERFORMING									TOTAL (NET EXPOSURE) 06.30.2015
	OTHER PERFORMING			PAST-DUE 1/90 DAYS			PAST-DUE OVER 90 DAYS			
BANKING GROUP AND OTHER CONSOLIDATED COMPANIES	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	
5. Loans and receivables with customers (item 70 BS)	**423,380,111**	**1,952,509**	**421,427,602**	**8,908,973**	**192,545**	**8,716,428**	**3,907,582**	**155,213**	**3,752,369**	**433,896,399**
- Exposures renegotiated in application of collective agreements (*)	451,520	10,558	440,962	77,528	3,171	74,357	104,076	4,769	99,307	614,626
- Exposures renegotiated under single initiatives of the bank (*)	3,843,635	81,505	3,762,130	539,077	20,816	518,261	1,072,898	38,976	1,033,922	5,314,313
- Other exposures	419,084,956	1,860,446	417,224,510	8,292,368	168,558	8,123,810	2,730,608	111,468	2,619,140	427,967,460

(*) Exposures refer to measures extended to clients experimenting financial difficulty.

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

(€ '000)

EXPOSURE TYPES/AMOUNTS	AMOUNT AS AT 06.30.2015			
	GROSS EXPOSURE	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
a) Bad loans	131,561	114,054	X	17,507
b) Unlikely to pay	15,728	2,452	X	13,276
c) Non performing past-due	112	112	X	-
e) Other assets	102,023,560	X	30,326	101,993,234
Total	**102,170,961**	**116,618**	**30,326**	**102,024,017**

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

(€ '000)

EXPOSURE TYPES/AMOUNTS	AMOUNT AS AT 06.30.2015			
	GROSS EXPOSURE	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
a) Bad loans	54,704,091	34,099,718	X	20,604,373
b) Unlikely to pay	27,436,780	9,320,420	X	18,116,360
c) Non performing past-due	3,638,894	898,007	X	2,740,887
e) Other assets	563,828,483	X	2,312,976	561,515,507
Total	**649,608,248**	**44,318,145**	**2,312,976**	**602,977,127**

Classification of impaired loans/exposures in the risk categories

The classification into different risk categories is based on the guidelines provided by the EBA standards (European Commission's Implementing Technical Standard - Implementing Regulation (EU) no. 680/2014) and Circular 272 (7th update – "Accounts Matrix" issued by the Bank of Italy on January 20, 2015), which were introduced with the consolidated harmonised supervisory reporting (FINREP) on September 30, 2014.
In view of the changes in the regulatory and reporting context, a general review of credit processes is underway, which will allow full compliance with the new classification rules, monitoring of the dynamics of these exposures, as well as the preparation of the required reports to the supervisory authority. Specifically, because ongoing measures are continuing to ensure full compliance regarding credit and monitoring processes, an approach has been adopted based on the best approximations available from the pre-existing management systems, for the purposes of producing the FINREP and balance sheet reporting.
With regard to the categories making up the "impaired" loans class, it is noted that:

- the classification made by each Entity into the different "default" classes, must be done in accordance with legal and regulatory provisions issued by the local Supervisory Authorities. In this regard, and given its role as Parent Company, the latter must adhere to the instructions issued by the Italian Supervisory Authorities, appropriate measures were adopted with reference to the Group's foreign Entities, with the aim of reconciling and aligning the results attributable to "default" classes, which are otherwise not altogether uniform;
- at Group level, the volume of impaired assets according to the IFRS definition is substantially equivalent to the one for non-performing assets referred to in the EBA standards; any discrepancies may refer especially to the Group's non-Italian Entities, for example with reference to fully collateralised loans.

The following is noted regarding the implement of the *forbearance* definition:

- pending the necessary infrastructure changes (processes and related support applications), the database used to define the Forborne perimeter consists in this phase of information already available within the management and accounting systems. The latter already provide for the outlining of exposures covered by concessions if:
  - the loan has been renegotiated in terms of collective agreements, or through internal initiatives implemented to support specific categories of debtors, or through initiatives intended to support the customer in the wake of calamitous events;
  - the amortization schedule related to a loan is modified or extended;
  - syndicated loans are subject to renegotiation.
- In order that these concessions to be included within the forborne perimeter, a condition of *"financial difficulty of the debtor"* must necessarily exist, as defined by EBA standards (*Troubled Debt Test*). The intrinsic characteristics of each local system entailed in this phase a number of differences in terms of the type of concessions considered and ways of recognising the state of financial difficulty, even though these were consistent with the EBA definition.
- In consideration of the use of an approach based on the best estimates possible, the volumes of exposures identified in this phase as forborne could differ from those corresponding to a precise application of the new definition when fully implemented. It is worth observing in particular that in this phase it was not practicable to identify refinanced loans precisely over the entire perimeter (even though these are included in the EBA definition of Forbearance). In the same way, the criteria for inclusion may be affected by the differences between what is required by the previous Bank of Italy Restructured definition and the new EBA rules.
- Once the processes have been adjusted, the recording of loans based on objective criteria will be combined with an analytical approach, which requires both the manual identification of concessions that are not automatically discernible, and the possibility of a subjective intervention to integrate/change the findings of the *Trouble Debt Test*. Once fully operational, this could imply an increase to the exposures subject to Forbearance measures.

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

C. Securitization transactions

C.1 Securitization transactions

QUALITATIVE INFORMATION

In securitisation transactions the Group plays, as the case may be, the role of originator, sponsor or investor.

The Group as originator

The Group's origination consists in the sale of on-balance sheet receivables portfolios to vehicles set up as securitization companies under Law 130/99 or similar non-Italian legislation.
The buyer finances the purchase of the receivables portfolios by issuing bonds of varying seniority and transfers its issue proceeds to the Group. The yield and maturity of the bonds issued by the buyer therefore mainly depend on the cash flow expected from the assets being sold.
As a further form of security to bondholders, these transactions may include special types of credit enhancement, e.g., subordinated loans, financial guarantees, standby letters of credit or over-collateralization.
The Group's objectives when carrying out these transactions are usually the following:

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

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

The Group makes limited use of this type of transactions. The amount of securitized loans[3], net of the transactions in which the Group has acquired all the liabilities issued by the SPVs (the so-called self-securitizations), accounts for 2.64% of the Group's credit portfolio. Self-securitizations in turn account for 1.96% of the loan portfolio.

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.

In the consolidated financial statements, exposure to the variability deriving from maintenance of the risk of first loss together with the role of servicer of the underlying assets determines control by the Group over these securitisation vehicles. Therefore they are subject to full consolidation.

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 Group's main objectives in its securitization transactions (whether traditional or synthetic) are the optimization of the loan portfolio by freeing up regulatory and economic capital and obtaining fresh liquidity together with greater diversification of its sources of funding.
The crisis in the markets experienced since the second half of 2007 made it advisable to use securitization as a means of increasing counterbalancing capacity, i.e. the availability of assets that can readily be used to create liquidity, by retaining the securities issued by the vehicle within the Group.

Analysis and realization of securitization transactions are carried out within the Parent in close cooperation with the Group entities involved and with UniCredit Bank AG as Arranger and Investment Banking. This process requires an economic feasibility study to assess the impact of transactions (according to their nature and aims), on regulatory and economic capital, on risk-adjusted profitability measures and on the level of Group's liquidity. If this initial phase produces a positive result, a technical and operational feasibility study is carried out to identify the assets to be securitized and design the structure of the transaction. Once technical feasibility has been established, the transaction is realized.

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

During first half 2015 UniCredit S.p.A. carried out five new synthetic transactions:
- Gepafin;
- ARTS MidCap 2;
- ARTS Leonardo 2015-1 S.A.;
- Bond Italia 1 Investimenti;
- Bond Italia 1 Misto.

It should also be noted that in first half 2015 the Euroconnect Issuer SME 2007 (synthetic), Entasi (traditional) and Consumer ONE (self-securitization) were closed.

Eventually it should be noted that "self-securitizations" are not included in the quantitative tables, as required by regulations.

The Group as sponsor

The Group defines the role of sponsor as that performed by an entity, other than the transferor, which organises and administers a securitisation or asset-backed commercial paper structure in which financial assets are purchased from third parties.

The Group acts as sponsor of asset backed commercial paper vehicles (i.e. commercial paper issuing conduits) set up in order to allow customers the access to the securitizations' market (multi-seller Customer conduits).
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.
These circumstances put the Group in the condition of having the power over the assets of the conduits and being at the same time exposed to the variability deriving from such assets. Therefore the conduits sponsored by the Group have come within the perimeter of consolidation starting from 2007, in application of the conditions provided for in IFRS 10 and previously by SIC 12.

In addition to the Customer Conduits, purchase companies may also be consolidated if the Group is exposed to the variability of yields deriving from funding provided directly or indirectly, through the conduit, and also has the power to manage the underlying assets.

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

The Group as investor
The Group is also an investor in structured credit instruments issued by structured entities.

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.

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 regularl y evaluates their market value.

In line with the above management principles, risk monitoring and maximizing profit on securitization transactions is achieved by:
- analyzing the monthly or quarterly investor reports produced by the Trustee, paying special attention to the performance of the collateral;
- monitoring similar transactions' collateral performance and issues of similar paper;
- watching the market fundamentals of the underlying credit;
- staying in constant contact with the investors and, where collateral is managed, with the managers and analysts of the Collateral Manager.

Furthermore to each portfolio is assigned a market VaR limit by Risk Management. This is monitored bearing in mind the correlations. The Group has spread curves for each rating and product (asset backed securities, mortgage backed securities, etc.) and uses them to calculate risk, in the same way as other instruments in its portfolio. The method used is in line with other sources of market risk, and enables us to estimate the possible effects of diversification and to aggregate the VaR with other sections of the portfolio.

Banking Group – Consolidated Securitization Vehicles
As mentioned before in the context of securitization transactions the Group may operate as originator, sponsor and investor.
The following table provides indication on assets and off-balance sheet exposures of the Group towards consolidated securitization vehicles broken down by role of the Group.

(€ '000)

SPV TYPE	TOTAL ASSETS	OFF BALANCE SHEET EXPOSURES
ABS Issuing vehicles	17,963	2,031
Commercial Paper Conduits	537,436	2,419,963
Own securitizations	3,696,974	567,995
Total	**4,252,373**	**2,989,989**

Banking Group – Non consolidated Securitization Vehicles
The following table provides indication on assets, liabilities and off-balance sheet exposures of the Group towards non-consolidated securitization vehicles broken down by role of the Group.
The maximum exposure to loss has been calculated by grossing up the difference between assets and liabilities with off balance sheet positions (irrevocable credit lines and financial guarantees) held toward these vehicles.

Exposures to Securitization SPVs not subject to consolidation

BALANCE SHEET ITEM/SPV TYPE	AMOUNTS AS AT 06.30.2015						
	ACCOUNTING PORTFOLIO (ASSETS)	TOTAL ASSETS (A)	ACCOUNTING PORTFOLIO (LIABILITIES)	TOTAL LIABILITIES (B)	NET ACCOUNTING VALUE (C=A-B)	MAXIMUM EXPOSURE TO LOSS (D)	DIFFERENCE BETWEEN MAXIMUM EXPOSURE TO LOSS AND ACCOUNTING VALUE (E=D-C)
ABS Issuing vehicles		**5,653,631**		**50,667**	**5,602,964**	**5,630,992**	**28,028**
	HFT	220,175	Deposits	49,662			
	FVO	18,384	Securities	-			
	AFS	108,663	HFT	1,005			
	HTM	102,620	FVO	-			
	LAR	5,203,789		-			
Commercial Paper Conduits		**-**		**4,881**	**(4,881)**	**762,546**	**767,427**
	HFT	-	Deposits	4,881			
	FVO	-	Securities	-			
	AFS	-	HFT	-			
	HTM	-	FVO	-			
	LAR	-		-			
Own securitizations		**38,908**		**21,251**	**17,657**	**17,657**	**-**
	HFT	-	Deposits	21,251			
	FVO	-	Securities	-			
	AFS	1,623	HFT	-			
	HTM	-	FVO	-			
	LAR	37,285		-			
Total		**5,692,539**		**76,799**	**5,615,740**	**6,411,195**	**795,455**

HFT = Financial assets held for trading
FVO = Financial assets at fair value through profit or loss
HTM = Available for Sale Financial assets
AFS = Held to maturity Investments
LAR = Loans to Customers

Deposits = Deposits from customers
Securities = Debt securities in issue
HFT = Financial liabilities held for trading
FVO = Financial liabilities at fair value through profit or loss

Exposures toward ABS Issuing vehicles are constituted for the most part, €5,525,681 thousand, by exposures in Asset Backed Securities.
The remaining part is constituted by loans exposures.
The good credit quality of this portfolio is borne out by the fact that over 82.52% of these instruments are rated A or better and over 44.12% of the portfolio is triple-A rated.
As at December 31, 2014 over 79% of these exposures were rated equal to or better than A (over 39% of the portfolio was rated triple-A).
Over 89.38% of the exposure was toward countries belonging to European Union.
Exposure to Greece, Ireland, Portugal and Spain accounted for 14.96%, most of which concerns exposures to Spanish underlying assets (9.73%).

Structured credit product exposures broken down by rating class

EXPOSURE TYPE	AAA	AA	A	BBB	BB	B	CCC	CC	C	NR
RMBS	36.62%	27.58%	16.52%	11.71%	5.50%	1.78%	0.29%	0.00%	0.00%	0.00%
CMBS	26.92%	5.79%	20.58%	27.22%	15.03%	3.63%	0.83%	0.00%	0.00%	0.00%
CDO	0.00%	0.00%	32.15%	10.21%	52.53%	0.01%	5.10%	0.00%	0.00%	0.00%
CLO/CBO	54.43%	26.74%	13.90%	4.58%	0.35%	0.00%	0.00%	0.00%	0.00%	0.00%
Other ABS	67.58%	17.22%	7.24%	2.94%	0.47%	0.17%	0.00%	0.00%	0.00%	4.38%
Total	**44.12%**	**23.63%**	**14.77%**	**10.00%**	**4.99%**	**1.32%**	**0.29%**	**0.00%**	**0.00%**	**0.88%**

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

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	21.89%	76.10%	0.00%	0.00%	0.11%	1.90%
CMBS	8.58%	67.15%	0.00%	0.00%	24.27%	0.00%
CDO	0.00%	15.32%	0.00%	0.00%	52.53%	32.15%
CLO/CBO	0.01%	55.10%	0.00%	0.00%	44.89%	0.00%
Other ABS	19.82%	76.62%	0.00%	0.00%	1.07%	2.49%
Total	**17.36%**	**72.02%**	**0.00%**	**0.00%**	**8.62%**	**2.00%**

The following table summarizes the exposure to US Subprime and Alt-A mortgages, which was €3,554 thousand at June 30, 2015, i.e. a reduction from December 31, 2014 when this figure amounted to €3,701 thousand.

US Subprime and Alt-A exposures

(€ '000)

UNDERLYING/EXPOSURE TYPE	AMOUNTS AS AT 06.30.2015		
	CDO OF ABS	RMBS	TOTAL
US Alt-A	-	3,137	3,137
US Subprime	-	417	417
Total	**-**	**3,554**	**3,554**

Instruments with US subprime underlying have a coverage ratio of 97.93%. Instruments with Alt-A mortgages underlying have a coverage ratio of 7.52%.

Percentage **composition of the vintage** of **US Subprime and Alt-A** exposures is reported in the following table.

US Subprime and Alt-A percentage of exposures broken down by vintage

UNDERLYING/VINTAGE	Before 2005	2005	2006
US Alt-A	29.39%	70.61%	0.00%
US Subprime	100.00%	0.00%	0.00%
Total	**37.68%**	**62.32%**	**0.00%**

Exposures toward Commercial Paper Conduit comprise non revocable credit line provided to the purchase companies that acquires the receivables from the originators. These credit line are granted by *credit enhancements* (deferred purchase price and credit insurance) so that the Group does not bear the variability of the underlying portfolio.

Exposures toward own securitization comprise securities and off balance sheet exposure toward Aurora 1 and Caesar finance.
These SPV are not consolidated as the conditions required by IFRS 10 are not fulfilled.

D. Structured entities (other than entities for securitization transactions)

D.1 Consolidated structured entities

The Group has involvements in Structured entities that are consolidated because it has both power on the underlying assets and exposure to variability of returns arising from the structured entities activities as a result of the financial instruments subscribed.

The consolidated structured entities of the Group belong to one of the following categories:
- **Leasing:** These structured entities are set-up by the Group in order to meet the needs of customers interested into entering into finance leasing. The Group provides funding to these Structured entities, both in form of equity and in form of loans. Such funding is used to buy assets (real estate, equipment, etc.) that are leased to a customer under a finance leasing contract.
- **Project finance:** These structured entities are set-up in order to finance capital intensive projects according to the need of specific customers. Typically the funds needed to develop the project are provided by the customer, in form of equity and by the Group in form of loans. The Group consolidates such Structured entities as a result of deterioration of the credit worthiness of the customer and subsequent acquisition of the right to manage the project.
- **Real estate:** These structured entities have been set-up in order to fund real estate project used in the business by the Group.
- **Funding:** These structured entities are set-up by the Group so to gather funding in specific markets that is guaranteed by a Group Legal entity. This funding is then transferred to the group legal entity that guarantees it.
- **Investment funds:** These structured entities are open ended and closed ended investment funds in which the Group acquired control under IFRS 10 having subscribed enough quotas to expose it to variability of returns and the ability to manage, directly and indirectly, the underlying portfolio.
- **Warehousing:** These structured entities are set-up in order to subsequently perform securitization transactions. In particular they purchase mortgages in specific markets and from different originators until a “critical mass” that allow to perform securitization is reached. The purchases of mortgages are funded through loans provided by the Group.

The following table provides on balance sheet and off balance sheet, non-revocable credit line and financial guarantees, provided by Group companies to consolidated structured entities.
These exposures are eliminated in the consolidation process.

(€ '000)

SPV TYPE	TOTAL ASSETS	OFF BALANCE SHEET EXPOSURES
Leasing SPV	2,839,225	176,970
Project Finance SPV	1,750,798	53,544
Real Estate SPV	167,002	10,089
Funding SPV	280,904	-
Investment funds	1,201,977	-
Warehousing	981,660	28,114
Total	**7,221,566**	**268,717**

D.2 Not Consolidated for accounting purposes structured entities

D.2.1 Consolidated for regulatory purposes structured entities

The Group has not exposure toward structured entities consolidated for regulatory purpose but that are not consolidated for accounting purposes.

D.2.2 Other structured entities

QUALITATIVE INFORMATION

The Group has exposure toward unconsolidated structured entities either as a result of its lending activities or through the investments in quotas issued by funds that are structured entities under IFRS 12 definition.

In particular, unconsolidated structured entities in which the Group is exposed to belong to the following categories:
- **Acquisition and Leveraged Finance Structured entities** are set up for providing funding for the acquisition of a target business, where Sponsors participate with equity contribution and lenders structure their facilities according to the cash flow profile of the target. The Group provides funding to these Structured entities according to the applicable internal credit policies described in Part E – Section 1 that also define the level of equity that has to be provided by the sponsor.
  The Group has no control over these Structured Entities because it neither manages the company whose acquisition is being financed nor is significantly exposed to the associated variability.
- **Leasing Structured entities** are set-up to buy an asset and rent it to customers (based on a financial leasing contract). The funding is provided through loans – and the structured entities are the owner of the asset. At the end of the contract the asset is usually sold to the customer at a price usually equal to the residual value.
  The Group provides funding to these Structured entities according to the applicable internal credit policies described in Part E – Section 1.
  In particular, the contracts ruling such transactions and associated guarantees ensure that the Group has no control over these Structured Entities because it neither manages the activities of the structured entities nor is significantly exposed to variability of returns of the leased assets.
- **Market Related Structured** entities are set-up in order to allow customers to invest into financial instruments having features, in term of currency of denomination or interest rate, different from those offered in the market. In this context the Group maintains exposure against these vehicles through that do not transfer the main risks of the underlying.
- **Notes issuing structured entities** are structured entities that issue security different from ABS that are backed up by certain type of assets. These include covered bonds issued by third parties. The Group does not control these structured entities as it has neither the ability to manage the underlying assets or retaining significant exposures to its variability of return.
- **Project Finance Structured Entities** are structured entities set up for the financing capital intensive business initiatives, where customers participate with equity contribution. The Group provides funding to these Structured entities according to the applicable internal credit policies described in Part E – Section 1 that also define the level of equity that has to be provided by the sponsor.
  The Group has no control over these Structured Entities because it neither manages the assets being financed nor is significantly exposed to the resulting variability.
- **Real Estate Structured entities** are set-up for the financing of specific real estate initiatives. In these structures the customers, typically commercial and residential development companies, institutional investors and housing companies set up the structured entities set up the SPV and provides the equity while the Group provides funding according to the applicable internal credit policies described in Part E – Section 1 that also define the level of equity that has to be provided by the sponsor.
  The Group has no control over these Structured Entities because it neither manages the assets being financed nor is significantly exposed to the resulting variability.
- **Shipping and Aircraft Structured entities** are set up for the building or the acquisition of a ship or an aircraft that is then used by the customer in the context of its business activities. The Group provides funding to these Structured entities according to the applicable internal credit policies described in Part E – Section 1 that also define the level of equity that has to be provided by the sponsor.
  The Group has no control over these Structured Entities because it neither manages the assets being financed nor is significantly exposed to the resulting variability.
- **Investments funds** comprise open ended and closed ended investment funds in which the Group has subscribed quotas or provided loans.

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

QUANTITATIVE INFORMATION

The following table provides indication on assets, liabilities and off-balance sheet exposures recognized in the balance sheet of the Group.
The maximum exposure to loss has been calculating by grossing up the difference between assets and liabilities with off balance sheet positions (Credit lines and financial guarantees) held toward the mentioned structured entities.

Exposure to structured entites different from Securitization SPV not consolidated for accounting purposes

(€ '000)

	AMOUNTS AS AT 06.30.2015						
BALANCE SHEET ITEM/SPV TYPE	ACCOUNTING PORTFOLIO (ASSETS)	TOTAL ASSETS (A)	ACCOUNTING PORTFOLIO (LIABILITIES)	TOTAL LIABILITIES (B)	NET ACCOUNTING VALUE (C=A-B)	MAXIMUM EXPOSURE TO LOSS (D)	DIFFERENCE BETWEEN MAXIMUM EXPOSURE TO LOSS AND ACCOUNTING VALUE (E=D-C)
Acquisition and Leverage Finance SPV		**38,893**		**1,598**	**37,295**	**37,295**	**-**
	HFT	-	Deposits	1,598	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	38,893		-	-	-	-
Leasing SPV		**365,985**		**17,713**	**348,272**	**348,349**	**77**
	HFT	-	Deposits	17,713	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	628	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	365,357		-	-	-	-
Market Related SPV		**380,035**		**125,758**	**254,277**	**340,103**	**85,826**
	HFT	47,160	Deposits	125,758	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	332,875		-	-	-	-
Notes Issuing Vehicles		**483,729**		**3,731**	**479,998**	**479,998**	**-**
	HFT	5,989	Deposits	-	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	24,941	HFT	3,731	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	452,799		-	-	-	-
Project Finance SPV		**201,738**		**81,304**	**120,434**	**121,564**	**1,130**
	HFT	-	Deposits	81,304	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	201,738		-	-	-	-
Real Estate SPV		**402,322**		**18,819**	**383,503**	**395,481**	**11,978**
	HFT	-	Deposits	18,819	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	402,322		-	-	-	-
Shipping Aircraft SPV		**130,479**		**125**	**130,354**	**130,354**	**-**
	HFT	-	Deposits	125	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	130,479		-	-	-	-
Investment funds		**9,420,259**		**5,777,249**	**3,643,010**	**4,309,709**	**666,699**
	HFT	2,262,477	Deposits	5,777,249	-	-	-
	FVO	437,203	Securities	-	-	-	-
	AFS	815,583	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	5,904,996		-	-	-	-
Total		**11,423,440**		**6,026,297**	**5,397,143**	**6,162,853**	**765,710**

HFT = Financial assets held for trading
FVO = Financial assets at fair value through profit or loss
HTM = Available for Sale Financial assets
AFS = Held to maturity Investments
LAR = Loans to Customers

Deposits = Deposits from customers
Securities = Debt securities in issue
HFT = Financial liabilities held for trading
FVO = Financial liabilities at fair value through profit or loss

Information on Sovereign Exposures

With reference to the Group's sovereign exposures[4], the book value of sovereign debt securities as at June 30, 2015 amounted to €136,261 million, of which over 91% concentrated in eight countries; Italy, with €60,801 million, represents about 45% 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, 2015.

Breakdown of Sovereign Debt Securities by Country and Portfolio

(€ '000)

	AMOUNTS AS AT 06.30.2015		
COUNTRY / PORTFOLIO	NOMINAL VALUE	BOOK VALUE	FAIR VALUE
- Italy	**55,949,772**	**60,800,714**	**60,816,837**
financial assets/liabilities held for trading (net exposures *)	2,932,000	2,731,837	2,731,837
financial assets at fair value through profit or loss	21,099	21,917	21,917
available for sale financial assets	51,219,327	56,278,789	56,278,789
loans and receivables	194,352	196,387	195,378
held to maturity investments	1,582,994	1,571,784	1,588,916
- Germany	**23,717,710**	**24,379,994**	**24,379,994**
financial assets/liabilities held for trading (net exposures *)	1,577,998	1,682,546	1,682,546
financial assets at fair value through profit or loss	20,150,012	20,547,806	20,547,806
available for sale financial assets	954,700	1,112,267	1,112,267
loans and receivables	1,035,000	1,037,375	1,037,375
held to maturity investments	-	-	-
- Spain	**12,228,606**	**13,335,293**	**13,335,293**
financial assets/liabilities held for trading (net exposures *)	242,714	41,277	41,277
financial assets at fair value through profit or loss	4,367,778	4,640,532	4,640,532
available for sale financial assets	7,610,000	8,647,189	8,647,189
loans and receivables	-	-	-
held to maturity investments	8,114	6,295	6,295
- Austria	**8,539,455**	**10,448,650**	**10,457,836**
financial assets/liabilities held for trading (net exposures *)	(205,131)	415,683	415,683
financial assets at fair value through profit or loss	211,581	286,853	286,853
available for sale financial assets	8,259,361	9,552,172	9,552,172
loans and receivables	161,071	81,329	81,329
held to maturity investments	112,573	112,613	121,799
- Poland	**7,031,861**	**7,342,621**	**7,390,174**
financial assets/liabilities held for trading (net exposures *)	309,511	239,596	239,596
financial assets at fair value through profit or loss	-	-	-
available for sale financial assets	4,940,026	5,322,791	5,322,791
loans and receivables	1,176,431	1,184,947	1,231,562
held to maturity investments	605,893	595,287	596,225
- France	**3,819,455**	**3,653,061**	**3,653,061**
financial assets/liabilities held for trading (net exposures *)	673,455	339,153	339,153
financial assets at fair value through profit or loss	1,046,000	1,066,247	1,066,247
available for sale financial assets	2,100,000	2,247,661	2,247,661
loans and receivables	-	-	-
held to maturity investments	-	-	-
- Czech Republic	**2,732,569**	**2,744,965**	**2,744,965**
financial assets/liabilities held for trading (net exposures *)	63,663	12,294	12,294
financial assets at fair value through profit or loss	78,402	78,395	78,395
available for sale financial assets	2,590,504	2,654,276	2,654,276
loans and receivables	-	-	-
held to maturity investments	-	-	-
- Romania	**1,388,561**	**1,415,370**	**1,415,370**
financial assets/liabilities held for trading (net exposures *)	193,685	112,013	112,013
financial assets at fair value through profit or loss	-	-	-
available for sale financial assets	1,194,876	1,303,357	1,303,357
loans and receivables	-	-	-
held to maturity investments	-	-	-
Total on-balance sheet exposures	**115,407,988**	**124,120,668**	**124,193,530**

(*) including exposures in Credit Derivatives.

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

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

The weighted duration of the sovereign bonds shown in the table above, divided by the banking[5] and trading book, is the following:

Weighted duration

(years)

	BANKING BOOK	TRADING BOOK
- Italy	3.58	1.97
- Germany	2.33	3.44
- Spain	3.70	16.72
- Austria	4.71	2.65
- Poland	4.08	1.50
- France	4.43	4.77
- Czech Republic	3.90	-5.69 (*)
- Romania	2.81	3.29

(*) sale positions with weighted duration longer the purchase positions.

The remaining 9% of the total of sovereign debt securities, amounting to €12,140 million with reference to the book values as at June 30, 2015, is divided into 53 countries, including Russia (€752 million), Slovenia (€359 million), the US (€240 million), Portugal (€74 million), Ireland (€5 million) and Argentina (€5 million). The sovereign exposure to Greece, Cyprus and Ukraine is immaterial.
With respect to these exposures, as at June 30, 2015 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 06.30.2015				
	FINANCIAL ASSETS AT FAIR VALUE	AVAILABLE FOR SALE FINANCIAL ASSETS	LOANS	HELD TO MATURITY INVESTMENTS	TOTAL
Book value	29,926,649	94,772,313	2,530,234	2,305,646	129,534,842
% Portfolio	89.29%	85.94%	0.45%	83.90%	18.33%

In addition to the exposures to sovereign debt securities, loans[6] 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, 2015 of loans given to countries towards which the overall exposure exceeds €140 million, representing over 95% of the total.

Breakdown of Sovereign Loans by Country

(€ '000)

PAESE	AMOUNTS AS AT 06.30.2015 BOOK VALUE
- Germany (*)	7,725,228
- Austria (**)	6,423,969
- Italy	6,287,680
- Croatia	2,490,653
- Poland	1,602,461
- Indonesia	369,133
- Serbia	352,854
- Slovenia	235,787
- Bosnia and Herzegovina	205,173
- Gabon	193,659
- China	190,834
- Bulgaria	185,982
- Turkey	163,523
Total on-balance sheet exposures	**26,426,936**

(*) of which 1,398,153 thousands in financial assets held for trading and those at fair value through profit or loss.
(**) of which 280,708 thousands in financial assets at fair value through profit or loss.

5. The banking book includes assets at fair value through profit or loss, available-for-sale assets, held to maturity assets and loans.
6. Tax items are not included.

Lastly, it should be noted that derivatives are traded within the ISDA master agreement and accompanied by Credit Support Annexes, which provide for the use of cash collaterals or low-risk eligible securities.

For more details on the sensitivity analysis of credit spreads and on the results of stress tests see the Grexit, the Widespread Contagion, the Adverse CEE 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 €2,363 (nominal value of €2,289 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 2015:
- outstanding contracts amounting to nominal €0.58 billion matured;
- no new transactions has been completed.

The overall reduction in the exposures relating to 2015 has been partly off-setted (approximately €180 million) by revaluation of currency denominated investments (USD 2.1 billion nominal at June 30, 2015), resulting in a reduction from nominal €2,695 million to nominal €2,289 million.

The aggregate market value of the transactions described above, if considered collectively as a synthetic derivative, would have been positive for approximately €31 million (before tax) at June 30, 2015 (€44 million at December,31 2014). The cumulated valuation reserve (before tax) for the above mentioned investments totaled about €22 million positive at June 30, 2015 (€22 million positive at December 31, 2014).

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 placement for a nominal amount of €750 million and with a book value of €738 million including accrued interest at June 30, 2015 (classified into the held-to-maturity portfolio in accordance with the economic purpose), a term repo (conducted in two stages) for a total nominal amount of €750 million, with a book value (liability) of €761 million at June 30, 2015, was completed in June 2012.

At the same time, a 4.25% BTP maturing in September 2019 was purchased under a term reverse repo (conducted in 2 stages) for a total nominal value of €750 million and a book value of €760 million at June 30, 2015, 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.

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

Information on OTC Trading Derivatives with customers

The business model governing OTC derivatives trading with customers provides for centralization of market risk in the CIB Division-Markets Area, while credit risk is assumed by the Group company which, under the divisional or geographical segmentation model, manages the relevant customer's account.

The Group's operational model provides for customer trading derivatives business to be carried on, as part of each subsidiary's operational independence:

- by the commercial banks and divisions that close transaction in OTC derivatives in order to provide non-institutional clients with products to manage currency, interest-rate and price risk. Under these transactions, the commercial banks transfer their market risks to the CIB Division by means of equal and opposite contracts, retaining only the relevant counterparty risk. The commercial banks also place or collect orders on behalf of others for investment products with embedded derivatives (e.g., structured bonds);
- by the CIB Division operating with large corporate and financial institutions, in respect of which it assumes and manages both market and counterparty risk;
- by CEE Banks, which transact business directly with their customers.

The UniCredit group trades OTC derivatives on a wide range of underlyings, e.g.: interest rates, currency rates, share prices and indexes, commodities (precious metals, base metals, petroleum and energy materials) and credit rights.

OTC derivatives offer considerable scope for personalization: new payoff profiles can be constructed by combining several OTC derivatives (for example, a plain vanilla IRS with one or more plain vanilla or exotic options). The risk and the complexity of the structures obtained in this manner depend on the respective characteristics of the components (reference parameters and indexation mechanisms) and the way in which they are combined.

Credit and market risk arising from OTC derivatives business is controlled by the Chief Risk Officer competence line (CRO) in the Parent and/or in the Division or subsidiary involved. This control is carried out by means of guidelines and policies covering risk management, measurement and control in terms of principles, rules and processes, as well as by setting VaR limits.

This business with non-institutional clients does not entail the use of margin calls, whereas with institutional counterparties (dealt with by the CIB Division) recourse may be made to credit risk mitigation techniques, for example "netting" and/or collateral agreements.

Write-downs and write-backs of derivatives to take account of counterparty risk are determined in line with the procedure used to assess other credit exposure, specifically:

- performing exposure to non-institutional clients is valued in terms of PD (Probability of Default) and LGD (Loss Given Default), in order to obtain a value in terms of 'expected loss' to be used for items designated and measured at fair value;
- non-performing positions are valued in terms of estimated expected future cash flow according to specific indications of impairment (which are the basis for the calculation of the amount and timing of the cash flow).

Here follows the breakdown of balance-sheet asset item 20. "Financial assets held for trading" and of balance-sheet liability item 40. "Financial liability held for trading".
To make the distinction between customers and banking counterparties, the definition contained in Bank of Italy Circular No. 262 as lastly updated on January 21, 2014 (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 €57,673 million (with a notional value of €1,287,775 million) including €23,471 million with customers. The notional value of derivatives with customers amounted to €741,912 million including €734,135 million in plain vanilla (with a fair value of €22,965 million) and €7,777 million in structured derivatives (with a fair value of €506 million). The notional value of derivatives with banking counterparties totaled €545,863 million (fair value of €34,202 million) including €42,602 million related to structured derivatives (fair value of €941 million).
The balance of item 40 "Financial liabilities held for trading" of the consolidated accounts with regard to derivative contracts totaled €55,636 million (with a notional value of €1,340,771 million) including €18,808 million with customers. The notional value of derivatives with customers amounted to €762,043 million including €755,511 million in plain vanilla (with a fair value of €18,475 million) and €6,532 million in structured derivatives (with a fair value of €333 million). The notional value of derivatives with banking counterparties totaled €578,728 million (fair value of €36,828 million) including €32,673 million related to structured derivatives (fair value of €731 million).

Exposures in the renewable energy sector

The Group owns through Ocean Breeze Energy GmbH & Co. KG, a fully consolidated company of UniCredit Bank AG, a wind park named BARD Offshore 1 (BO1) with following characteristics:

GEOGRAPHICAL LOCATION	OWNER	PERCENTAGE OF OWNERSHIP	DATE WHEN THE PLANT STARTED TO PRODUCE ENERGY	PERCENTAGE OF COMPLETION	INSTALLED CAPACITY	TOTAL VALUE OF THE ASSET
German EEZ[1], 100 km before the island of Borkum	Ocean Breeze Energy GmbH & Co. KG	100%	December 2010, final taking into operation August 2013	100%	400 MW	€1.5 billion

(1) Exclusive Economic Zone.

This power plant has been developed by the BARD on behalf of Ocean Breeze Energy GmbH & Co. KG ("OBKG") and has been classified as tangible asset since December 31, 2013 in OBKG's balance sheet.
The BARD Group itself has been fully financed by UniCredit Bank AG and, starting from December 31, 2013, fully consolidated in UniCredit Bank AG.
The total value of the wind farm amounts to €1.5 billion and includes the grants of €42 million provided by the European Union that have been classified as government grants in accordance with IAS 20 and, in compliance with IAS 20.24, have been deducted from the initial cost of the power plant on the assets side of the balance sheet.
The current book value of the wind farm has been confirmed by an appraisal exercise performed by an independent expert.
With Year End 2013 the wind farm was finalized and transferred to Ocean Breeze Energy GmbH & Co. KG. After the handover some remedial works need to be completed in order to ensure that the wind farm can be operated sustainably for at least 25 years and enhance the technical availability and performance of the 80 installed turbines: this optimization of the turbines will take a period of 24 to 36 months.
Bard Holding GmBH does not have other power plants under construction. A ramp down process to close all open items has been set in January 2014 and will take until July 2019/20.
To cover the risks regarding dismantlement/refurbishing of the power plants it has been posted a provision of about €12.6 million.
After outage experienced in 2014, grid connection is available and stable; BO1 wind farm availability has been improved steadily in Q2 with about 70 WECs available feeding-in by the end of June.

Final settlement of 2014 outage from grid operator (TenneT) according to relevant compensation regime is still pending; compensation payments revenues have been recognized only to the extent they have been accepted by TenneT (net of an invoice issued by grid operator to adjust wake-factor calculation). An additional amount has been invoiced to TenneT but not yet recognised in income.

Section 2 - Market Risk

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

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

According to this organization, the structure at first level of reporting to "Group Risk Management", dedicated to market risk governance is the "Group Financial Risk" department.

Risk Management Strategies and Processes

The Parent Company's Board of Directors lays down strategic guidelines for taking on market risks by calculating capital allocation for the Parent company and its subsidiaries, depending on risk appetite and value creation objectives in proportion to risks assumed.

In addition to the Group Risk Committee, with reference to the management of Market Risks, the responsible Committees are:
- Group Market Risk Committee;
- Group Assets & Liabilities Committee.

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

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, in accordance with the current policy "Eligibility Criteria for the Regulatory Trading Book assignment", 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.

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 centers. The Asset and Liability management committees decide on the maturity profile that is deemed most appropriate to protect the bank's net interest income. The maturity profile for sight items, as well as the investment strategies, vary per regional centers, as they takes into account local specificities.

The interest rate management strategy takes into account the main impact from prepayments. Based on historical prepayment data as well as trend analysis the prepayment behavior is estimated. In Italy the prepayment expected profile is implicitly taken into account by treasury while hedging for commercial assets interest risk. The prepayment risk in the German mortgage portfolio is marginal due to the fees in case of early prepayment. However the prepayment exposure in specific contracts is separately 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 interest risk exposure on Banking Book perimeter is periodically reported, at least on a monthly basis, to the Group ALCO.
The committee's involvement in interest rate risk management includes:
- limit setting and monitoring;
- hedge strategies;
- guidelines and policies;
- setting and monitoring on the funds transfer pricing decisions;
- definition of risk methodologies and measurement.

It should be noted that the Group ALCO sets the guidelines and Risk Framework for the Regional Centers. 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 has been created, with direct report to "Group Risk Management" department.

The "Group Financial Risk" is responsible for the government and control of Group financial risks (liquidity, interest rate, market, counterparty and trading credit[7] risks) through the evaluation of strategies and the proposal to relevant Bodies of risk limits and Global/Local rules. The department is also responsible for the managerial coordination of the corresponding functions of Regional Centers (RCs), according to "GMGR[8]" 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.

7. I.e. Pre-settlement, Settlement, Money Market and Issuer Risk.
8. Group Managerial Golden Rules.

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

In order to effectively manage Group financial risks, the new organizational structure includes the following units:

- "Group Market & Trading Credit Risk Management" department, responsible for the governance and control of Group's market, trading credit and collateral risks, in charge of the following activities:
  - define Group market and trading credit risk management framework to be implemented by RCs;
  - ensure that counterparty and issuer risk strategies are integrated in the Group credit risk strategy and into the daily credit risk management processes of the RCs;
  - verify the sound implementation of market, counterparty and issuer risk framework and processes in the RCs;
  - steer the market and traded credit risk management of the RCs and ensuring a consistent Group-wide approach;
  - monitor the coherence of business strategy with the market risk strategy.

  The department includes:
  - "Market Risk Management" unit, responsible for market risk management at consolidated level and in charge of these activities:
    - coordinate the market risk identification process of the RCs and ensure the consistency with regulatory standards;
    - propose the Group market risk strategy and translate the strategy into the set up and allocation of global and granular limits at Group and RCs level;
    - assess market risk for new products and formulate NBOs on the issuance of such products for RCs;
    - control risks not included in internal models in cooperation with "Group Risk Methodologies & Architecture" unit;
    - verify the compliance of front office activity with Group market risk strategy through the analysis of P&L explanation and attributions and the daily supervision of the limits monitoring activity performed by RCs' market risk control functions, with the activation, in case of limit breach, of the escalation process and the definition of correct mitigation actions to be taken.
  - "Portfolio Market Risk Management" unit, responsible for stress testing, monitoring and reporting of market risk profiles and limits, with the following activities:
    - coordinate the Group market risk stress test program to be implemented by RCs and ensure that it includes all material market risks of the Group;
    - perform stress testing for market risk at Group level, evaluating Group capacity to absorb market risk losses and opportunities to reduce risk;
    - produce market risk reports in order to provide an updated view of market risks at Group level, both in normal and stressed scenarios, in compliance with the requirements set by the "Group Financial Risk Standard & Practice" unit;
    - provide the relevant functions with the adequate information on Group market risk and ensure they are consistently integrated in Group capital planning and in all regulatory disclosures (ICAAP, Basel II Pillar III disclosures, notes to Financial Statements).
- "Group Price Control" team, responsible for Group-wide Market Data Reference and Fair Value framework for marking books and records. In particular, the team is responsible for the following activities:
  - define, set up and update Market Data Reference framework for the end-of-day market data assignment and Fair Value framework for the valuation of financial instruments for marking purposes, the latter in cooperation with "Group Risk Methodologies & Architecture" unit;
  - define the Group-wide Independent Price Verification (IPV) and Fair Value Adjustments (FVA) activities (for example: cooperation with competence centers and PF&A department, reporting);
  - verify the correct implementation and output quality of the above mentioned frameworks in the RCs and the congruity of the valuation criteria;
  - define, set up and update market conformity checks;
  - perform second level controls, for its area of competence, on money market rates contribution and FTP and end of day market data validation, market conformity checks, IPV and FVA processes for the RC Italy;
  - support UniCredit S.p.A., for the Country Chairman Italy perimeter, in the activities related to the enforcement of the MiFID application;
  - define and monitor risk limits and autonomy levels on portfolio models and building blocks used for management of segregated accounts and verify their allocation with respect to the investment strategies;
  - deliver the results of the monitoring activity to the Group Investment Committee and to the Board of Directors/CEO;
  - assess portfolio models and building blocks' performance data calculated by "Global Investment Strategy (GIS)" department;
  - provide, or approve if proposed by "Global Investment Strategy" (GIS) or "Investment Products Italy" department, the asset classification for financial instruments in the "Common Instrument Classification" (CIC) Management System.
- "Group Risk Methodologies & Architecture" unit, responsible for the methodologies and architecture at Group level for market, counterparty, interest rate and liquidity risks, through the following activities:
  - define, set up and update the financial risk measurement, management and stress testing methodologies (e.g. VaR, SVaR, IRC, CCR, EPE, CBC);
  - analyze and review of the models developed by "Planning, Finance & Administration" department, used for management and control of the balance sheet and liquidity risk;
  - develop prototypes for new financial risk management models and financial risk management and reporting applications;
  - define, set up and update the methodologies for Independent Price Verification (IPV) and Fair Value Adjustments (FVA), in cooperation with "Group Price Control" team;
  - manage the regulatory approval and review process for financial risks management models, addressing "Group Internal Validation" department and "Internal Audit" department recommendations related to such models;
  - coordinate the Group-wide models' and architectures rollout and maintenance within the various RCs, verifying their correct implementation and output quality;
  - develop risk metrics for those risks not correctly captured by internal models in cooperation with the "Market Risk Management" unit;
  - support the competent functions in the measurement and analysis of counterparty, liquidity, interest rate and market risk economic capital for regulatory ICAAP process, strategic planning and budgeting process;

- support, in cooperation with the "CIB Division" and "PF&A" department, the competent functions in order to identify and exploit capital optimization opportunities;
- analyze Front Office developed models used for marking P&L, review their adequacy on an on-going basis and assess, in cooperation with "Group Price Control" team, the related model risk to quantify Fair Value Adjustments;
- define, set up and update the Group-wide financial risks management and Front Office reference market data (i.e. EOD, IPV, FVA, conformity checks) architectures;
- source, validate and supply market parameters for financial risks management models;
- support the "Group Market & Trading Credit Risk Management" department by configuring Group-wide stress test scenarios into the Group-wide risk measurement systems;
- maintain and monitor the performance of the Group-wide financial risks models, including back testing results carried out by the RCs and at a consolidated level, in cooperation with "Market Risk Validation" unit.

- "Financial Risk Italy" unit, responsible for the independent control of liquidity, interest rate, market, counterparty, trading credit and collateral risks at RC Italy level as well as for carrying out the stress tests required. In particular, the unit is responsible for the following activities:
  - propose, in cooperation with the Group function, the setting and allocation for the RC Italy of market, interest rate and liquidity risk limits, monitoring breaches and evaluating also countermeasures/mitigation actions to be taken;
  - verify the consistency of Front Office activity with the market risk strategy;
  - perform exposure validation, credit lines monitoring, overnight and intra-day overdraft management for RC Italy trading credit and collateral risks, on FIBS counterparties;
  - produce relevant reporting at RC Italy level;
  - perform stress test program defined at Group level on RC Italy level for market, liquidity, trading credit and collateral risks and relevant internal models maintenance and back-testing for the RC Italy;
  - monitor collateral management relating to derivative products and securities financing transactions with FIBS counterparties at RC Italy level;
  - assess financial risks pertaining to new products in RC Italy and provide an opinion on the issuance of such products;
  - limit monitoring in terms of mark up and hedging cost for corporate treasury sales business;
  - perform largest 50 exposure plausibility checks on exposure data for RC Italy according to the required data model, for weekly and monthly official reporting to the Bank of Italy, for trading credit and collateral risks;
  - perform second level controls, for its area of competence, on money market rates contribution and FTP, as indicated by internal processes and regulation in force.
- "Group Financial Risk Standard & Practice" unit, responsible for Global Policies and for the financial risk reporting coherence and coordination across the Group. In detail, the unit is in charge of the following activities:
  - issue Global Policies in cooperation with the "Group Financial Risk" department;
  - monitor the approval and the implementation of Global Policies on financial risks at local level with the cooperation of Legal Entities competent functions; these functions guarantee the implementation of local Policies in accordance to Global Policies;
  - verify the approval and the implementation at local level of the Global Operational Instructions (GOI) leveraging on Legal entities' competent functions;
  - set the reporting standards for the "Group Financial Risk" department, managing documentation to Group Committees identifying roles and responsibilities;
  - track and coordinate activities related to "Group Financial Risk" department Audit findings;
  - act as interface with Regulators/Management/relevant Bodies for the "Group Financial Risk" department, in coordination with Group and department's structures.
- "Group Liquidity and Interest Rate Risk Management" unit, responsible for the independent control of interest rate risks at Group level. Responsibilities include these activities:
  - propose to the competent Bodies the limits for managing balance sheet interest rate risks at Group level and review the limits proposal at Regional Centre level;
  - perform controls, analysis and limits monitoring for balance sheet relevant risk factors at both Group and Regional Centre level;
  - define and coordinate scenario analysis for interest rate risk at both Group and Regional Centre level;
  - produce relevant reporting at Group level to competent Bodies and to Regulators when required, in accordance to the standards and requirements set by the "Financial Risk Standard & Practice" unit.

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

Risk measurement and reporting systems

Trading Book

During first half of 2015, 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 four 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 is made even more effective with the individual granular risk limits, in addition to VaR limits, in relation to primary investment banking operations.

Within the organizational context described above, the policy implemented by the UniCredit group within the scope of market risk management is aimed at the gradual adoption and use of common principles, rules and processes in terms of appetite for risk, ceiling calculations, model development, pricing and risk model scrutiny.

The Group Financial Risk department is specifically required to ensure that principles, rules and processes are in line with industry best practice and consistent with standards and uses in the various countries in which they are applied.
The main tool used by the UniCredit group to measure market risk on trading positions is Value at Risk (VaR), calculated using the historical simulation method. Further details on risk valuation models are included in the following chapter.

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 II 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 200 bps parallel shock is included.
- *Income perspective:* the focus of the analysis is the impact of changes of interest rates on accrual or reported Net Interest Income that is the difference between revenues generated by interest sensitive assets and the cost related to interest sensitive liabilities. An example of a measure of risks used is Net Interest Income sensitivity for a 100bp parallel shock in rates. It provides an indication of the impact on the net interest income over the next 12 months if such shock should occur. Additional scenarios that are evaluated include steepening and flattening scenarios.

Next to the set of limits and warning levels for interest rate risk, restrictions and exposure measures are in place for other market risk types such foreign exchange risk, equity risk, value risk due to credit spread fluctuations. Besides through economic value sensitivity measures and other granular indicators, these risk types are captured in a value at risk measure that includes all market risk factors. These values at risk measures are based on a historical simulation.

Hedging policies and risk mitigation

Trading Book

On a quarterly basis a set of risk indicators is provided to the Group Risk Committee through the Enterprise Risk Management Report and, on a monthly basis, to the Group Market Risk Committee through the Market Risk Overview report; these include VaR, Stressed-VaR and IRC usages, Sensitivities and Stress Test results.

At the same time limit breaches are reported both to the Group Market Risk Committee and to the Group Risk Committee, the escalation process being ruled by the Global Policy "Market Risk Limits" which defines the nature of the various thresholds/limits applied, as well as the relevant bodies to involve to establish the most appropriate course of action to restore exposure within the approved limits.

If required, focus is provided from time to time on the activity of a specific business line/desk in order to ensure the highest level of comprehension and discussion of the risks in certain areas which are deemed to deserve particular attention.

Banking Book
The ALCO evaluates the main market risk drivers on a monthly basis. This committee decides on the strategy which aims to stabilize the net interest income. Group Risk Management reports to the committee on the Banking Book risk measures both from a value and income perspective.
It proposes and monitors limits and warning levels that have been approved by the relevant competent bodies.
Breaches of limits and warning levels are reported, upon occurrence, to the relevant bodies. Consequently the escalation process is activated in line with the procedures set in the Policy, to establish the most appropriate course of action to restore exposure within the approved limits.
Execution of structural hedges to mitigate the interest rate risk exposure on client business is responsibility of the treasury functions. Strategic transactions in the banking book can be executed by the Asset and Liability Management department-ALM.

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 unsecuritized 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 revaluates daily positions on the basis of trends in market prices over an appropriate observation period.
The empirical distribution of profits/losses deriving therefrom is analyzed to determine the effect of extreme market movements on the portfolios.
For a given portfolio, probability and time horizon, VaR is defined as a threshold value such that the probability that the mark-to-market loss on the portfolio, over the given time horizon, not exceeding this value (assuming normal markets and no trading in the portfolio) has the given confidence level. The parameters used to calculate the VaR are as follows: 99% confidence level; 1 day time horizon; daily update of time series; observation period of 500 days. Use of a 1-day time-horizon makes it possible to make an immediate comparison with profits/losses realized.

Analogously stressed VaR is calculated with 99% confidence level and 1 day time horizon on a weekly basis, but over a stressed observation period of 250 days. The chosen historical period identifies the 1-year observation window which produces the highest resulting measure for the current portfolio.
The SVAR window at Group level and for UCI S.p.A. has been set to the sovereign debt crisis window (2012).
UCB AG has applied as stressed window the period which correspond to the “Lehman crisis” (2008/09) while UCBA AG used both the “Lehman” window and “RUB crisis” (2014).
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 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 first half of 2015 a conservative liquidity horizon of one year has been applied to all positions.

Group Internal Validation performed its analyses in order to evaluate the conceptual soundness of the IRC model, to supplement the available analyses on that topic and to ensure the compliance of the resulting risk management environment 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 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 (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.

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

Bank of Italy authorized UniCredit group to the use of internal models for the calculation of capital requirements for market risk. As of today UCI Ireland and Bank Pekao are the main companies of the Group that are still using the standardized approach for calculating capital requirements related to trading positions. As part of the progressive extension of the internal models approach to all Group companies, however, the VaR is already used for the management of market risk in these latter companies. Starting from second quarter of 2014, the contribution to the market risk capital requirement of the subsidiaries registered outside the European Union, has been quantified according to the approach approved by the competent national authorities.

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 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. Group Internal Validation performed the periodic validation of the VaR framework to assess the compliance with regulatory requirements including an independent backtesting analysis complemented with different parameterization (e.g. different time horizon, percentile).

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 internal model.

As for internal scenario analysis, policies and procedures (i.e. "stress testing"),stress tests results for IMOD perimeter are calculated in the Group engine UGRM, thus ensuring a common methodological approach. For non-IMOD portfolio, these procedures have been entrusted to the individual legal entities. Overall, however, a set of scenarios common to the Group as a whole, is applied to all positions in order to check on a monthly basis the potential impact that their occurrence could have on the global trading portfolio. Stress Test's results and effects are discussed on monthly basis, during a Market Risk Stress Test Open Forum, where the Market Risk function' s representatives of the different Group's companies and Business' representatives take part.

Procedures and methodologies for Valuation of Trading Book positions

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 directly calculated from market data. 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 are accepted market practice and 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, that define rules and principles for the management and the control of those activity that are entailed with Market Risk, in order to ensure the adequate separation between functions in charge of development activities and functions in charge of validation, all pricing models developed by Legal Entities front – office functions, are centrally and independently tested and validated by Group Internal Validation in coordination with 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 derived from market data are regularly verified for accuracy and appropriateness. While daily marking to market and marking to model may be performed by dealers, verification of market prices and model inputs is performed by Market Risk function which is independent from the Trading, 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 (FVA) are set.

Information on pricing models used for fair value calculation

Hereby we provide IFRS 13 disclosure requirements about accounting portfolios measured at fair value on a recurring basis.

Fixed Income Securities

Fixed Income Securities are priced in a two tier process depending on the liquidity in the respective market. Liquid instruments negotiated in active markets are marked to market and consequently positions of 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 interest rate and implied credit spread curves derived from 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, 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 may 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. Such instruments are classified as Level 2 or Level 3 depending on the observability of significant inputs to the model.

Asset Backed Securities

UniCredit group evaluation of Asset Backed Securities is based on the 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.
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. 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 Fair Valuation approach which, when necessary, is supplemented by FVA that 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 suitable model valuation techniques. In such cases, where active markets exist for model inputs fair value is determined on the basis of the relevant market prices for such 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 (stock exchange) and to Level 3 when quotations are unavailable or when instruments have been suspended indefinitely from negotiations. 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 estimated, if the original cost exceeds the recoverable amount significantly or over a prolonged period of time.

Investment Funds

The Group holds investments in certain investment funds that publish net asset value (NAV) per share, including mutual funds, private equity funds, hedge funds (including funds of funds) and real estate funds. The Group's investments include co-investments in funds that are managed by the Group Asset Management and investments in funds that are managed by third parties.
Open-end funds are usually assigned to Level 1 when regular NAVs are available calculated from active market prices.
Funds can be also disclosed as Level 2 or Level 3 depending on NAV availability, portfolio transparency and possible issues related to position write off.
Real Estate funds and other closed funds are classified to Level 1 when quoted listed prices are available on an active market; when this condition is not met, such 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.
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.

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

Fair Value Adjustment (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;
- Model Risk;
- Close-out risk;
- Other adjustments.

Credit and debit valuation adjustment (CVA/DVA)

Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit own credit quality respectively.
UniCredit CVA/DVA methodology is based on the following input:
- EAD derived by simulation techniques. Simulated exposures also take into account Specific Wrong Way Risk that arises for transactions where there is a correlation between counterparty credit risk and the underlying derivative risk factors;
- PD derived by actual historic default rates or implied by current market default rates, obtained from credit default swaps;
- LGD based on the estimated level of expected recovery should a counterparty default and obtained from a bank's own historical experience or implied by current market default rates, obtained from credit default swaps.

Model Risk

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

Close-out risk

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

Other adjustments

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

Risk measures

VaR data

Shown below are the VaR data for the trading book.

In aggregating the various risk profiles of the different risk taking units of the Group, the diversification arising from positions taken by different companies has been considered when calculating the overall risk for I-mod perimeter (Diversified VaR); while for the risk taking units of subsidiaries having legal residence out of European Union, the relative VaR, and the Group VaR calculated including them, are reported for informative purpose (without considering Diversification Benefit).

Risk on trading book
Daily VaR on Trading Book

(€ million)

I-MOD PERIMETER	06.25.2015	AVERAGE LAST 60 DAYS	2015 AVERAGE	MAX	MIN	2014 AVERAGE
UniCredit S.p.A.	2.9	4.8	6.0	9.4	2.8	7.9
UCBA AG excl. NoN EU Countries	4.9	8.4	12.7	20.9	4.9	2.7
UCB AG Group	5.8	7.3	7.5	9.7	5.4	6.8
Diversified UniCredit Group VaR	**9.1**	**14.5**	**17.5**	**26.4**	**7.7**	**13.0**

Daily VaR on Trading Book

(€ million)

STANDARDIZED APPROACH PERIMETER	06.25.2015	AVERAGE LAST 60 DAYS	2015 AVERAGE	MAX	MIN	2014 AVERAGE
UCBA AG NoN EU Countries (*)	5.9	5.1	5.2	7.8	3.4	3.3
Bank Pekao SA	0.2	0.3	0.3	0.5	0.2	0.4
Undiversified UniCredit Group VaR	**19.8**	**26.0**	**31.7**	**42.3**	**18.9**	**21.2**

(*) including Turkey, Russia,Serbia, Bosnia.

Comparing the average VaR for all 2014 and for first half 2015, the increase measured for UCBA AG, already started at the end of 2014 (I-Mod perimeter), was mainly driven by the increased FX delta on EUR/RUB due to execution of the strategic FX hedges approved by GALCO and by market turbulences (Russia-Ukraine conflicts). During second quarter 2015, UCBA AG VaR was reduced, mainly due to decreased FX exposure on RUB in ALM portfolio. UCI's VaR in first half 2015 decreased due to reduction of exposure to Italian sovereigns and the exit of punitive scenario from the left tail of the PL distribution computing the VaR.

SVaR data

Shown below are the SVaR data for the trading book.

In aggregating the various risk profiles of the different risk taking units of the Group, the diversification arising from positions taken by different companies has been considered when calculating the overall risk for I-mod perimeter (Diversified SVaR); while for the risk taking units of subsidiaries having legal residence out of European Union, the relative SVaR, and the Group SVaR calculated including them, are reported for informative purpose (without considering Diversification Benefit).

Risk on trading book
SVaR on Trading Book

(€ million)

I-MOD PERIMETER	06.25.2015	AVERAGE LAST 12 WEEKS	2015 AVERAGE	MAX	MIN	2014 AVERAGE
UCI S.p.A.	16.0	17.6	22.8	32.4	11.4	22.1
UCBA AG excl.Non EU Countries	4.2	10.2	11.9	21.8	4.2	4.5
UCB AG Group	27.3	28.2	28.2	36.7	21.0	28.0
Diversified UniCredit Group	**31.8**	**33.4**	**40.0**	**58.9**	**26.5**	**37.6**

SVaR on Trading Book

(€ million)

STANDARDIZED APPROACH PERIMETER	06.25.2015	AVERAGE LAST 12 WEEKS	2015 AVERAGE	MAX	MIN	2014 AVERAGE
UCBA AG Non EU Countries (*)	12.5	8.5	9.7	17.3	5.2	15.9
Undiversified UniCredit Group	**60.0**	**64.4**	**72.7**	**92.4**	**56.8**	**72.3**

(*) including Turkey, Russia,Serbia, Bosnia.

According to recalibration results, during the period *February 19, 2015 - June 11, 2015*, UCBA AG modified Stress VaR window: the "RUB crisis" *January 16, 2014 - December 31, 2014*, temporally replaced the Lehman crisis *(February 21, 2008 - February 04, 2009)*.

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

IRC data

Shown below are the IRC data for the trading book.

In aggregating the various risk profiles of the different risk taking units of the Group, the diversification arising from positions taken by different companies has been considered when calculating the overall risk for I-mod perimeter (Diversified IRC); while for the risk taking units of subsidiaries having legal residence out of European Union, the relative IRC, and the Group IRC calculated including them, are reported for informative purpose (without considering Diversification Benefit).

Risk on trading book

IRC on Trading Book

(€ million)

I-MOD PERIMETER	06.25.2015	AVERAGE LAST 12 WEEKS	2015 AVERAGE	2015 MAX	2015 MIN	2014 AVERAGE
UCI S.p.A.	170.8	195.6	243.1	346.6	131.1	215.5
UCBA AG excl. Non EU Countries	22.1	31.8	33.2	66.5	20.0	29.1
UCB AG group	231.0	243.5	264.2	310.4	223.0	244.1
Diversified UniCredit group	**348.1**	**359.0**	**425.0**	**558.1**	**294.3**	**406.7**

IRC on Trading Book

(€ million)

STANDARDIZED APPROACH PERIMETER	06.25.2015	AVERAGE LAST 12 WEEKS	2015 AVERAGE	2015 MAX	2015 MIN	2014 AVERAGE
UCBA AG Non EU Countries (*)	26.0	25.3	20.6	26.9	12.3	14.5
Undiversified UniCredit group	**449.9**	**496.2**	**561.2**	**691.4**	**408.3**	**507.6**

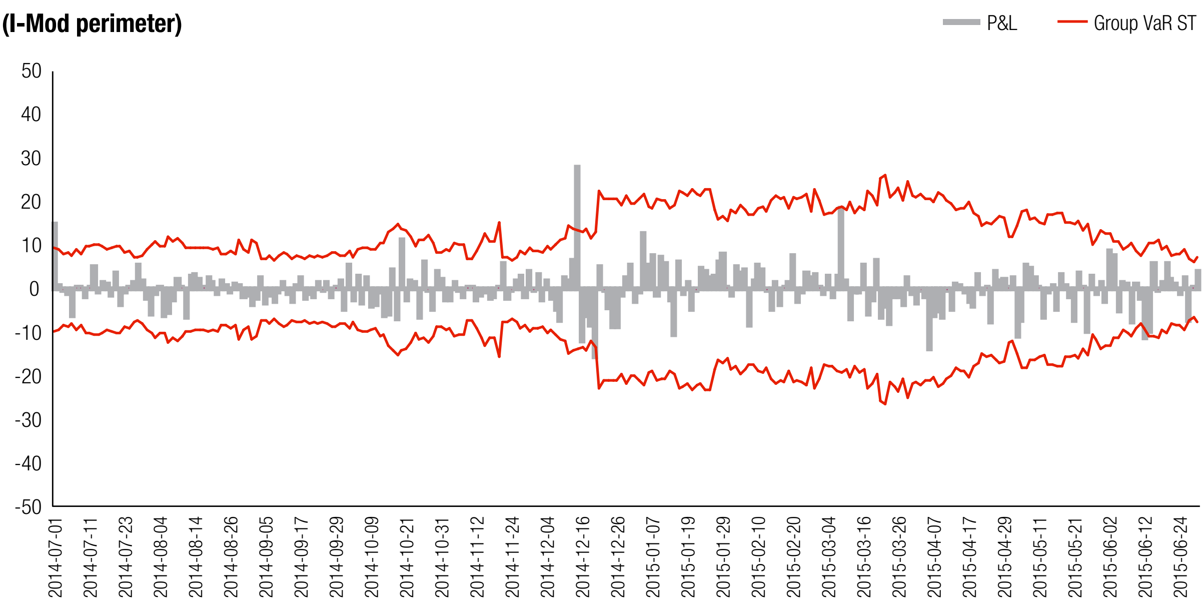
(*) including Turkey, Russia,Serbia, Bosnia.

On average terms UCI S.p.A.'s IRC increased in 2015 due to higher exposure to Italian sovereign, which was meaningful reduced in the second quarter of 2015. IRC for UCBA AG Non EU countries increased mainly due to higher exposure to Russian Federation, KOC Finansman AS and Republic of Serbia.

VaR backtesting

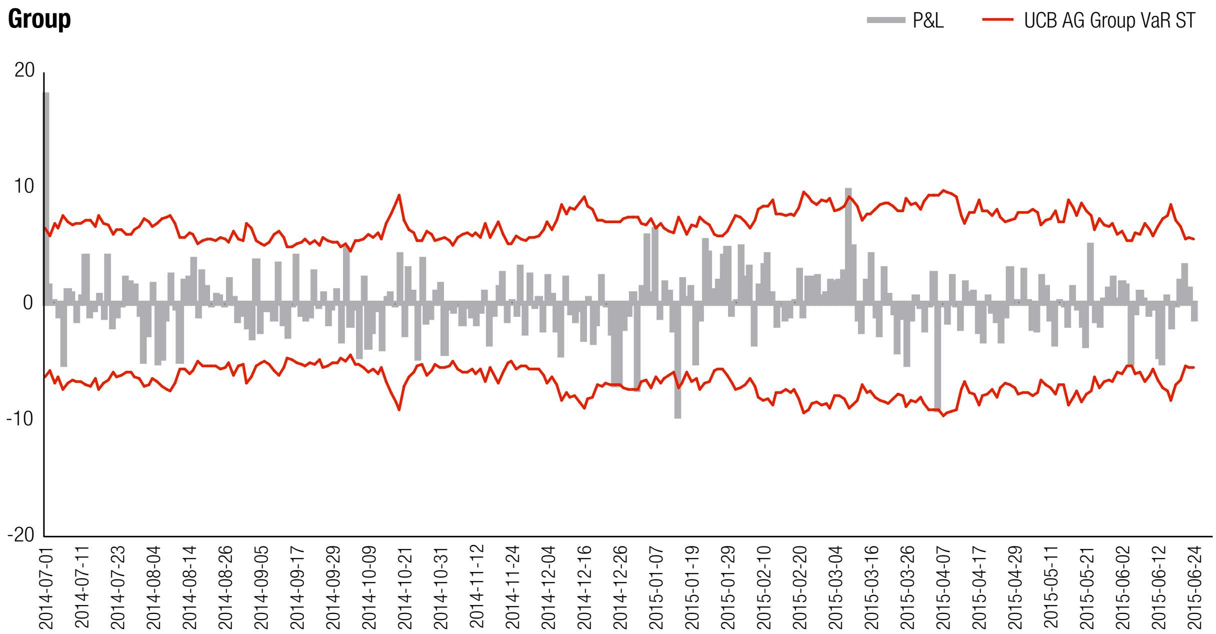
In first half 2015, UniCredit group's market risk trend remained aligned to last days of 2014, that were dominated by a general context of market uncertainty, negatively affected by the higher markets' volatility due to turbulences in Russia. The decreasing trend during the second quarter 2015 is driven by reduced FX exposure to RUB and reduced exposure to Italian sovereigns.
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 both for Group (I-Mod Perimeter) and for each main risk taker unit:

Group (I-Mod perimeter)



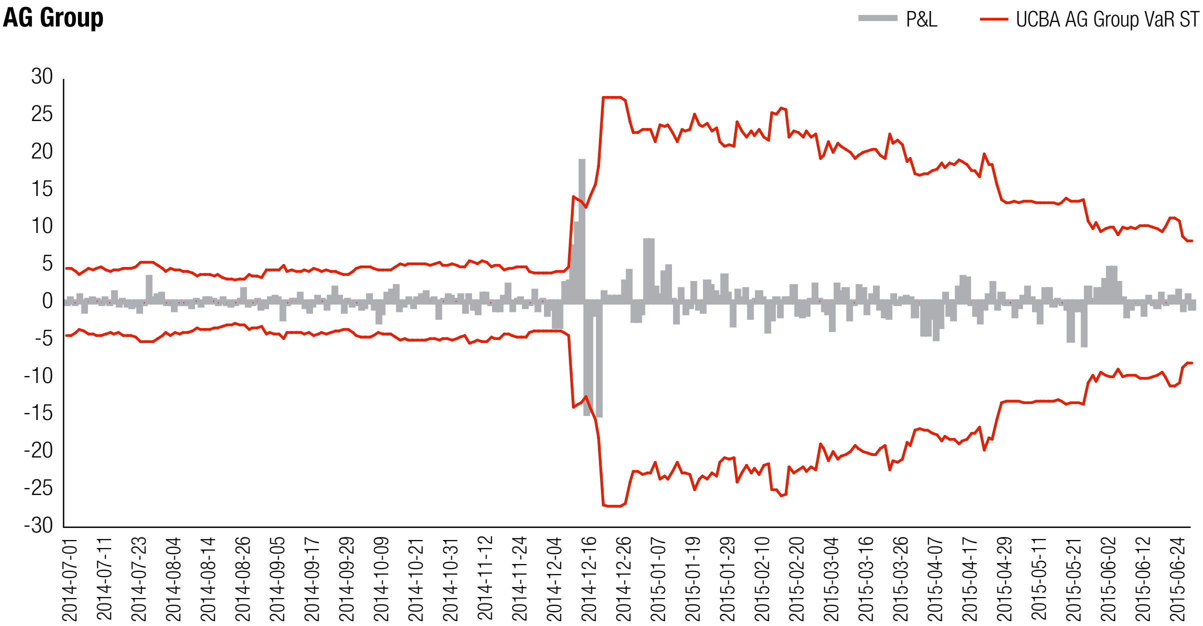
The negative overdraft registered at December 19, 2014 has been caused by higher market's volatility, driven by Russian market turbulences; the one registered at June 12, 2015 has been driven by increased credit spread on Italian Sovereign.

UCB AG Group



The negative overdraft that occurred at January 14, 2015 was caused by the decision of the Swiss national bank to abandon the CHF/EUR minimum exchange rate floor of 1.2. As it was widely unanticipated in the markets, a consequence of the decision was a huge market movement especially in foreign exchange rates, in particular a depreciation of the EUR against several currencies, especially against the CHF and USD.

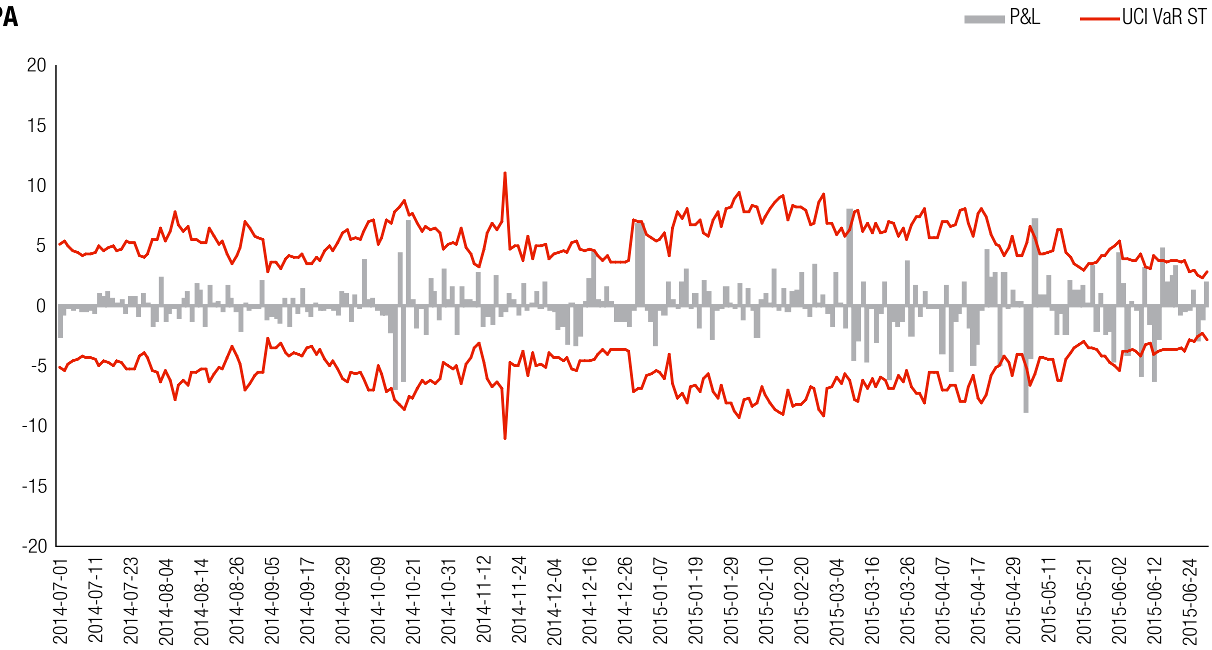
UCBA AG Group



Starting from January 2014 UCBA AG has adopted the new calculation methodology, reflecting the new criteria defined in CRR's article 325.
In 2014 two negative overdrafts have been registered, December 16^{th} and 17^{th}, driven by the extreme volatility (due to the Russia-Crisis) that mainly affected Hedge-Position in RUB. The decreasing trend registered in second quarter 2015 is mainly driven by reduced FX exposure to RUB.

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

UCI SPA



In UCI S.p.A. five negative overdrafts were recorded in first half 2015: negative overdraft registered in May 04th, June 12th and 26th have been driven by increased credit spread on Italian sovereign, while those occurred in June 04th and 09th driven by appreciation of PLN vs EUR.
The decreasing trend registered in second quarter 2015 is mainly driven by reduced exposure to Italian sovereign.

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.
In addition to the monitoring of Granular Market Limits, Group Market Risk functions conduct sensitivity analysis at least on monthly basis, in order to determine the effect on the income statement of changes in the value of individual risk factors or several risk factors of the same type. Results are reported to top management on a monthly basis. In addition to the sensitivity of financial instruments to changes in the underlying risk factor, it also calculated sensitivity to the volatility of interest rates assuming a positive shift of 50% or negative change of 30% in volatility curves or matrixes.

QUANTITATIVE INFORMATION

Sensitivity to changes in interest rates is determined using both parallel shifts of interest-rate curves, and changes in the curve itself.
The curves are analyzed using parallel shifts of ±1bp/±10bps and ±100bps.
For each 1bp shift, sensitivity is calculated for a series of time-buckets.
Sensitivity for changes in the steepness of the rate curve is analyzed by clockwise turning (Turn CW), i.e. an increase in short-term rates and a simultaneous fall in long-term rates, and by counter-clockwise turning (Turn CCW), whereby short-term rates fall and long-term rates rise.
Currently, clockwise and counter-clockwise turning use the following increases/decreases:
- +50bps/-50bps for the one-day bucket;
- 0bps for the one-year bucket;
- -50bps/+50bps for the 30-year plus bucket;
- for buckets between the above ones, the change to be set is found by linear interpolation.

The tables below show trading book sensitivities.

(€ million)

INTEREST RATES	+1BP LESS THAN 1 MONTH	+1BP 1 MONTH TO 6 MONTHS	+1BP 6 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	+1BP TOTAL	-10 BPS	+10 BPS	+100 BPS	+100 BPS	CW	CCW
Total	**-0.1**	**0.0**	**-0.1**	**0.2**	**-0.0**	**-0.3**	**-0.2**	**-0.4**	**24.8**	**-5.1**	**142.3**	**-52.9**	**13.1**	**15.0**
of which: EUR	-0.2	0.2	-0.3	0.2	0.0	-0.3	-0.2	**-0.6**	18.6	-6.8	140.0	-71.2	13.3	2.1
USD	0.0	-0.3	0.2	0.1	-0.1	-0.0	0.1	**0.0**	-0.1	0.2	-2.0	-1.2	-9.7	9.1
GBP	0.0	-0.0	-0.0	-0.0	-0.0	0.0	0.0	**0.0**	-0.1	0.2	0.7	5.8	-1.4	1.3
CHF	0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	**0.0**	5.9	0.2	5.1	1.5	6.3	4.7
JPY	0.0	-0.0	0.0	0.0	0.0	-0.0	0.0	**0.1**	0.1	0.6	1.4	6.1	1.0	0.1

(€ million)

	-30%	+50%
Interest Rates	**1.991**	**6.923**

Main contributor is EUR Curve.

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 30, 2015, the sensitivity of interest income to an immediate and parallel shift of +100bps was +€332 million.
The sensitivity of the economic value of shareholders' equity to an immediate and parallel change in interest rates ("parallel shift") of +200bps was -€2,860 million at June 30, 2015[9].

The main sources of interest rate risk can be classified as follows:
- repricing risk: risk resulting from differences in interest reset date of assets and liabilities. Mismatches in interest reset dates lead to yield curve risk. This refers to the risk resulting from exposure of the bank's positions to changes in the slope and shape of the yield curve. A related risk is basis risk. This risk resulting from the imperfect correlation in lending and borrowing interest rate changes for different instruments, may also show similar repricing characteristics;
- optional risk: risk resulting from implicit or explicit options in the Group's banking book positions. Embedded options in the bank's mortgage portfolio are a relevant example.

Limits and threshold are defined in terms Sensitivity for each Group Bank or Company. The set of metrics is defined depending on the level of sophistication of the Company's business.

Each of the Group's banks or companies assumes responsibility for managing exposure to interest rate risk within its specified limits. At consolidated level, the Group Asset Liability Management Unit and the functions of Group Risk Management are in charge of interest rate risk measurement.

Interest rate risk measurement includes:
- Net Interest Income analysis: this involves among other a static gap analysis (i.e., assuming that positions remain constant during the period), an impact simulation on interest income for the current period is performed, by taking into account elasticity assumptions for sight items. In addition a simulation analysis includes the analysis of the impact on income from different shocks for the interest rates. Reference shocks for a rate rise and a rate fall scenario are an instantaneous and parallel shock of respectively +/- 100bps;
- Economic Value analysis: this includes the calculation of duration measures, value sensitivities of the balance sheet for different points on the curve, as well as the impact on the Economic Value from larger shocks, e.g. a 200bp parallel shift.

9. The figures include modeled sensitivity estimates for assets and liabilities with not well-defined maturities, such as sight and savings deposits.

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

The interest rate risk is monitored in terms of Economic value sensitivity for an instantaneous and parallel shock of +1 basis point value of the interest rate term structure. On a monthly basis the Economic Value sensitivity for interest rate term structure shock of +200 basis point value and Net Interest Income Sensitivity are measured. The function responsible for interest rate risk management verifies on a daily basis the limit usage of the interest rate risk of relevant positions.

The Treasury hedges interest rate risk exposure from commercial transactions. The Treasury interest rate risk exposure is monitored through a set of limits and threshold levels. The same holds for the overall interest rate exposure of the balance sheet, taking into account also the strategic investment positions of the bank, e.g. transactions not directly related to hedging the commercial business.

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”.

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.

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%,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 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 trading book sensitivities.

(€ million)

Equities All markets	DELTA CASH-EQUIVALENT	-20%	-10%	-1%	+1%	+10%	+20%
Europe	-24.4				-0.2		
USA	-11.7				-0.1		
Japan	-4.7				-0.0		
Asia ex-Japan	47.5				0.5		
Latin America	-1.4				-0.0		
Other	-10.9				-0.1		
Total	**-5.6**	**-77.5**	**-7.6**	**-0.2**	**-0.1**	**-1.5**	**-12.2**

(€ million)

	-30%	+30%
Equities	**-16.614**	**-2.768**

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 stable investments, as well as units in mutual investment funds not included in the trading book as they are also held as stable investments. The assessment of the whole banking book also takes account of this type of risk.

Information about the value of shareholding in the Bank of Italy

UniCredit holds 22.114% of the Share Capital of Bank of Italy, recognized under the Balance Sheet Item 40 - Available-for-sale financial assets at its fair value following the capital increase carried out with effectiveness 2013 through the issue of new shares to replace the previous ones. The capital increase had entailed (i) a positive effect on the profit for the year 2013 of €1,190 million (net of €184 million of taxes) and (ii) in 2014 additional tax charges of €215 million, in relation to the increase in taxes on the transaction in question, introduced by Italian Law No. 89/2014.

With the capital increase a limit of 3% was introduced for the holding of shares, establishing that no voting rights or dividend rights would be attached to excess shares, and that there would be an adjustment period (within which to dispose of any surplus shares) of no more than 36 months (starting from December 2013), during which the excess shares would not have voting rights but would have dividend rights. As things stand, the Bank of Italy has not made any commitment to repurchase or intermediate the excess shares, and the operating procedures and conditions for such repurchase have not yet been defined, while initiatives aimed at selling the excess shares are being assessed. At June 30, 2015, the investment in the Bank of Italy was measured at fair value (for a value of €1,659 million), using a fundamentally level 3 measurement process, which confirmed a carrying amount in line with the figures of the previous year, without therefore resulting in any measurement impacts in the first half of 2015. The measurement, based on a long-term dividend discount model adjusted by a liquidity discount appropriate to reflect a limited circulation of shares, also takes into account the value at which the capital increase was carried out, which in turn reflects the outcome of the measurement process carried out last November 2013 by the committee of high-level experts on behalf of the Bank of Italy.

As is the case for all fair value measurements of unlisted securities performed using models and non-observable variables, there is a certain level of uncertainty and professional judgement. In addition, in the specific case of the investment in question, the observation of effective disposals of the shares, in the coming months, qualifies as a factor of uncertainty for the determination of fair value and its sustainability in the near future.

With regard to the regulatory treatment as of June 30, 2015 (effects on regulatory capital and capital ratios):

- to the value of the investment measured at fair value in the balance sheet is applied a weighting of 100% (in accordance with Article 133 "Exposures in Equity Instruments" of the CRR);
- the revaluation recognised through profit or loss at December 31, 2013 is not subject to the filter.

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

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.

QUANTITATIVE INFORMATION

Exchange-Rate Sensitivity assesses the economic impact of the appreciation or depreciation by 1%, 5% and 10% of each currency against all the others. Exposure to the various currencies is expressed as the "Delta cash equivalent" in euros: this is the euro equivalent of the currency amount which would expose the bank to the same exchange-rate risk arising in its actual portfolio.

The Group also calculates sensitivity to the volatility of exchange rates assuming a positive shift of 50% or negative change of 30% in volatility curves or matrixes.

The tables below show trading book sensitivities.

(€ million)

EXCHANGE RATES	DELTA CASH-EQUIVALENT	-10%	-5%	-1%	+1%	+5%	+10%
USD	115.2	32.8	9.0	-1.2	1.2	25.5	62.7
GBP	-96.5	4.6	4.4	1.0	-1.0	0.1	5.9
CHF	-3.1	-2.4	-0.7	0.0	-0.0	1.1	1.6
JPY	9.0	18.0	3.6	-0.1	0.1	4.2	10.1

(€ million)

	-30%	+50%
Exchange rates	**-0.612**	**2.406**

Main contributors are EUR/USD and EUR/GBP.

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 centers 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.

The management policy regarding currency risk related to the early repayment option on AT1 capital instruments denominated in a foreign currency already recognized as items of shareholders' equity (anyway subject to prior authorization by the regulator) provides for the maintenance of a long position in foreign currency.

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.

QUANTITATIVE INFORMATION

Credit spread sensitivity is calculated by assuming a worsening of creditworthiness seen in a parallel shift of +1bp/+10bp/+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.

The table below shows trading book sensitivities.

(€ million)

	+1BP LESS THAN 1 MONTH	+1BP 1 MONTH TO 6 MONTHS	+1BP 6 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	+1PB TOTAL	+10 PB	+100 PB
Total	**0.00**	**-0.1**	**-0.1**	**-0.3**	**-0.5**	**-0.9**	**-0.5**	**-2.3**	**-22.8**	**-336.7**
Rating										
AAA	-0.0	-0.0	-0.0	-0.0	0.0	-0.2	-0.2	**-0.4**	-4.1	-39.9
AA	-0.0	-0.0	-0.0	-0.1	-0.2	-0.2	-0.1	**-0.7**	-6.6	-87.3
A	-0.0	-0.0	-0.0	-0.0	-0.1	-0.2	-0.0	**-0.4**	-3.8	-73.2
BBB	0.0	-0.0	-0.1	-0.2	-0.0	-0.3	-0.1	**-0.7**	-6.4	-97.2
BB	-0.0	-0.0	-0.0	-0.0	-0.1	0.0	-0.0	**-0.1**	-1.0	-16.3
B	-0.0	-0.0	0.0	-0.0	-0.0	-0.0	-0.0	**-0.1**	-0.5	-9.8
CCC and NR	-	-	-	-	-	-	-	**-**	-0.2	-4.4
Sector										
Sovereigns & Related	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-12.5**	**-117.8**
ABS and MBS	**-0.0**	**-0.0**	**-0.0**	**-0.0**	**-0.0**	**-0.0**	**-0.0**	**-0.0**	**-0.4**	**-4.2**
Financial Services	**-0.0**	**-0.0**	**-0.0**	**-0.1**	**-0.4**	**-0.3**	**-0.0**	**-0.8**	**-8.4**	**-83.3**
All Corporates	**-0.0**	**-0.0**	**0.0**	**0.0**	**-0.1**	**0.0**	**-0.0**	**-0.1**	**-1.4**	**-19.7**
Basic Materials	*-*	*-0.0*	*0.0*	*0.0*	*-0.0*	*0.0*	*-0.0*	*-0.0*	*-0.1*	*-1.0*
Communications	*-0.0*	*-0.0*	*0.0*	*-0.0*	*-0.0*	*0.1*	*-0.0*	*-0.0*	*-*	*-1.0*
Consumer Cyclical	*-0.0*	*-0.0*	*0.0*	*0.0*	*-0.0*	*-0.0*	*-0.0*	*-0.0*	*-0.4*	*-3.6*
Consumer Non cyclical	*-0.0*	*-0.0*	*0.0*	*0.0*	*-0.0*	*0.0*	*-0.0*	*-0.0*	*-0.3*	*-3.8*
Energy	*-0.0*	*-0.0*	*-0.0*	*0.0*	*-0.0*	*0.0*	*-0.0*	*-0.0*	*-0.0*	*-0.5*
Technology	*-*	*-0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*-0.0*	*0.0*	*0.1*	*0.5*
Industrial	*-0.0*	*0.0*	*0.0*	*0.0*	*-0.0*	*0.0*	*-0.0*	*-0.0*	*-0.1*	*-1.5*
Utilities	*-0.0*	*-0.0*	*0.0*	*0.0*	*-0.0*	*-0.0*	*0.0*	*-0.0*	*-0.3*	*-2.7*
- All other Corporates	***-0.0***	***0.0***	***0.0***	***-0.0***	***-0.0***	***0.0***	***-0.0***	***-0.0***	***-0.0***	***-0.5***

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

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.

Grexit

The newly appointed Greek government and the EU partners fail to find a solution to extend the program and this leads to an exit of the country from the EMU. In the risk scenario, we assume that this would happen in a situation where the Russia/Ukraine conflict does not escalate.
The exit of a country from the EMU is unchartered territory. In the risk scenario, the shock propagates mainly via a negative confidence effect. In particular, the uncertainty that would follow the exit of Greece, along with speculation of more members opting out, would have a severe negative impact on eurozone financial markets and growth.
The ECB has just launched QE. In the event of Grexit we expect a step up of the program and further liquidity measures to contain financial pressure and counter rising deflation risk.
The negative confidence shock and financial market volatility would have a severe impact on eurozone GDP growth, with Spain and Italy underperforming. In the EMU, GDP would contract 3.0% in the first year and 0.5% in the second. Spillover to the US would be more severe than in the other two shocks, to reflect tensions in global financial market.
Inflation in the EMU would be low due to weaker growth and falling oil prices.
We expect the usual flight-to-quality reaction, which would focus more on German and US bonds. Credit spreads for other EMU issuers would come under pressure, especially in the periphery. We expect limited repricing of credit risk on the interbank curve, given the ECB monetary policy is extremely expansionary.
Euro would weaken vs. the USD, even though the FED would probably have to delay the tightening cycle. EUR-GBP may suffer as long as sterling may be perceived as EMU hedge. CEE currencies would depreciate (vs. the Euro) scenario since policy makers would favor some local currency devaluation. Most CEE countries will witness a severe GDP contraction/growth slowdown in 2015, followed by a slight recovery in 2016.

Widespread Contagion

In this scenario, updated in December 2014, we assume that debt crisis escalates again, with pressures hitting Spain and Italy. The step-up in government commitment towards building a credible firewall against contagion and the ECB's policies should continue to 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 weigh on Spain and Italy creating pressure for a more radical and systemic response from European authorities. This should avert a sovereign default or an EUR break-up in the following two years.
The shock originated in financial markets would have a severe impact on GDP growth in EU periphery. On the Fixed Income side, the flight-to-quality demand would focus on German and US bonds. Credit Spreads would fall by around 20/30 bps for these issuers respectively. All other government bonds would come under pressure due to credit risk reprising. Italian and Spanish bonds would widen around 200 bps vs swap. Spread widening is expected also for corporate bonds; the shift in credit risk preference would lead to strong pressure on high-yield bonds; equity markets would experience a moderate downturn, coupled with an increase in volatility.
Contagion spreading across the eurozone should weight on EUR-USD. GBP-USD would be relatively less affected then EUR-USD, while EUR-GBP may suffer as well as GBP might be perceived as an hedge for EUR.
In CEE, as response to lower growth and deteriorating fundamentals, we would expect policy-makers to favor some local currency devaluation to promote growth. In particular for Russia, Ukraine and Turkey this would reinforce the current inflation target overshoot.

Scenario "Adverse CEE"

In this new risk scenario, introduced in December 2014, we assume eurozone countries facing a deep recession in 2015 and 2016, due to the direct and indirect impact of an adverse CEE shock. The escalation of Russian sanctions and the negative impact on the other CEE countries would negatively affect GDP growth in Germany, whose real economy is the most exposed to risks from CEE. A further cooling of the Russian economy would have negative implications for German exporters, although the direct impact is limited. There could be negative second-round effects also on business in the whole CEE region. Uncertainty may lead to a wait-and-see attitude of companies, thereby weighing on the investment activity. This deterioration of the outlook for the CEE economies would have negative consequences on Germany and its trading partners, especially on Italy's real economy at a time when domestic demand is still fragile.
On the FI side, we would initially observe a flight-to-quality on German and US bonds, where we expect a moderate richening vs swap of 10/15 bps respectively. In the periphery, spreads would come under pressure. The Italian and Spanish swap spreads would widen by 250/230 bps.
With respect to FX, EUR is expected to sharply depreciate mainly against USD, as USD would likely continue to be perceived as the reference safe-haven currency in case of escalating turmoil in the eurozone. EUR would also probably lose ground versus JPY, GBP and CHF, which are also traditional safe-haven currencies.
Credit Spread shifts are particularly high for Russia Federation and Ukraine and higher spillover will be on other CEE countries, mainly Bosnia Herzegovina/Bulgaria/Croatia/Hungary/Romania. As for Interest Rates, curves evidence a counterclockwise swing (decrease of IR on short maturities, increase of IR on long maturities) for PLN/HUF/RON.

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 bull 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
Scenario

(€ million)

	2015			
06.25.2015	EMERGING MARKET SLOWDOWN	GREXIT	WIDESPREAD CONTAGION	ADVERSE CEE
UniCredit S.p.A.	35	4	8	10
Bank Pekao SA	-10	-13	-9	-10
UCBA AG Group	35	155	52	86
UCB AG Group	-786	-392	-223	-1,048
UniCredit group Total	**-726**	**-246**	**-171**	**-963**

Conditional losses in Trading Book are driven by UCB AG perimeter, mainly Equity Derivative Trading and Integrated Credit Trading Business Lines in CIB perimeter. Conditional losses decreased during the first semester due to iTraxx positions in ICT perimeter and USD options in FX G10 Business Line. Both UniCredit S.p.A. and UCBA AG Group evidence conditional profits in the reported scenarios: they are driven by FX hedging transactions of expected profits in PLN and CEE currencies respectively; these positions are part of the Regulatory Trading Book.

Grexit scenario has been updated during the semester: the scenario is meant to provide an impact analysis of the Grexit combined with contagion effects to the periphery.

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

Section 3 – Liquidity Risk

QUALITATIVE INFORMATION

A. General aspects, operational processes and methods for measuring liquidity risk
Liquidity risk is defined as the risk that the Group may find itself unable to 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 has the responsibility to set the overall Group Risk Appetite and sub-allocate the limits. This activity is however based on the input/limit requests from Liquidity Centres and/or Legal Entities. 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 can 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 Group[10].

As a general rule, the Large Exposure Regime, which came into force on December 31, 2010, limits interbank exposures to a maximum of 25% of own funds: this rule is also applicable to intra-group exposures.
However, there are significant differences in the way in which this EU regulation has been implemented in the various countries. In many CEE countries the limit of 25% of free funds is valid, with some countries showing even stricter rules; 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 "Liquidity Management & Control Group 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 promotes the self-sufficiency of the Legal Entities, by allowing them to access 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.

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).

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 current requirements of Bank of Italy).

More specifically, Group Treasury acts as main coordinator in the management of infra-group flows, stemming from liquidity deficits or surplus of the various Group’s Legal Entities, and applies the appropriate transfer prices to such funds movements. By doing so, Group Treasury ensures a disciplined and efficient access to the markets.

Optimisation of liquidity risks is pursued through the setting of specific limits on the standard banking activity of transforming short, medium and long-term maturities. This is implemented in accordance with legal and regulatory framework in each country and internal rules and policies of the Group companies through management models in place within the individual Liquidity Centres.

Such models are subject to analyses carried out by the local Risk Management or equivalent structure with the same responsibilities in coordination with the Group’s Risk Management to ensure that they comply with the metrics and the objectives of the Group’s liquidity framework.
Moreover, the regional rules must conform to national law and regulatory requirements.

Risk measurement and reporting systems

Techniques for risk measurement

The different types of liquidity risk managed by the bank are:
- funding risk, the bank may not be able to face efficiently any expected or unexpected cash outflows due to the unavailability of funding sources;
- market risk, the bank, in liquidating a sizeable amount of assets, face a considerable (and unfavorable) price change generated by exogenous or endogenous factors;
- mismatch risk, risk generated by the misalignment between the amounts and/or the maturities of cash inflows and outflows;
- contingency risk, future and unexpected obligations (i.e. draw on committed facilities, deposits withdrawal, increase in collateral pledging) could require the bank a greater amount of liquidity compared to what is considered the amount to run the ordinary business.

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, liquidity coverage 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.

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

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 Operative Maturity Ladder is composed by the net cash flows (in/outflows) affecting the cash position at Central Banks or "Nostro Account". Therefore, these flows impact directly the "core liquidity" of the bank, over pre-defined time buckets.
The Operational Maturity Ladder, calculated for all the relevant currencies, is composed of the following building-blocks:
- Primary Gap, which shows the net wholesale refinancing requirements over the various time-buckets of the horizon;
- Counterbalancing Capacity, which shows the amount of unencumbered securities that are accepted as collateral by Central Banks and/or market counterparties. The Counterbalancing Capacity is considered at its "Liquidity Value" (i.e. the Market Value minus the applicable Haircut);
- Cumulative Gap, which is the sum of the previous components;
- Reservation for Unexpected Flows, which consists of liquidity adjustment to the Operative Maturity Ladder, that can be used by the Treasury to refinance unexpected outflows impacting the Central Bank position (included in the short-term buckets). The Reservation for Unexpected Flows needs to take into account the volatility of the funding needs of the commercial asset portfolio, the volatility of the commercial funding sources, including potential concentration effects, the change of liquidity value of the Counterbalancing Capacity due to observed market price changes.

The Group adopts also the Cash Horizon as a synthetic indicator of the short-term liquidity risk levels. 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 Cash Horizon is included in the Risk Appetite Framework, with a limit of at least 3 months.

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 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).

The main metric used to measure the medium/long-term position is the Structural Ratio.
In general, the Structural Liquidity ratio "1Y Ratio" is calculated as the ratio between liabilities and assets with maturity above one year. All the balance sheet items are mapped according to their contractual maturity, their modelled maturity or according to their specific nature. The limit set at 90% means that at least 90% of the assets with a maturity of over 1Y have to be financed with liabilities with maturity over 1Y.
The over 1 year metric uses the amounts in the buckets from 1 year up to and including irredeemable. The ">3 year" ratio uses the amounts in the buckets from 3 years up to and including irredeemable. The ">5 year" ratio uses the amounts in the buckets "7 year" up to and including "Irredeemable".

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. The Group runs liquidity scenarios and sensitivity analyses on a regular basis, the latter by assessing the impact on an institution's financial condition of a move in one particular risk factor, the source of the shock not being identified, whereas scenario tests tend to consider the impact of simultaneous moves in a number of risk factors, based on a hypothetical, well defined and consistent stress scenario.

Liquidity scenarios

At macro level the Group identifies three basic different classes of potential liquidity crisis:

- market (systemic, global o sector) related crisis: Market Downturn Scenario. This scenario consists of a sudden turmoil in a monetary and capital market, which may be caused by closure (or limited access) to market/settlement system, critical political events, country crisis, credit crunch, etc.;
- specific to the Group, or part of it: name crisis, and downgrade scenarios; the assumption could be operational risk, event related to the worsen perception of the Group reputation risk and a downgrade in UniCredit S.p.A. rating;
- a combination of market and specific crisis: combined scenario.

These scenarios are expected to cause a substantial reduction in the funding coming from rating-sensitive customers, CD/CPs' investors and inter-bank markets. For inter-bank deposits and CD/CPs a significant reduction of the duration is also simulated. In additional, a possible draw of non-used Committed Lines is considered.

The Combined Scenario is defined as a general negative development in the market environment and also as a factual or market-hypothesized problem specific to the Bank/Group. During the first half of 2015 the Group liquidity stress test result on the combined scenario was always positive.

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

In the Group the governance and control of liquidity risk is mainly performed through the setting and monitoring of operating restrictions aimed at preventing potential vulnerabilities in the bank's ability to meet its cash flow obligations.

The short-term liquidity limits 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.

The Group measures and manages liquidity mainly based on monitoring system that envisages different types of restrictions – managerial, regulatory and risk driven – embedded in risk metrics limits or warning/trigger levels.

In both the events of limit breach or warning level activation at Group Level, the Group Risk Management function has to investigate the rationale of the events, trigger the proper escalation and report them to the competent Body. It is then Competent Body's responsibility – upon receiving of information and recommendations – to decide on the further course of action.

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.

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

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 nd 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.

The Group is also adopting Basel 3 regulatory ratios, such as Liquidity Coverage Ratio (LCR), as integral part of the overall liquidity management analysis. The necessity to meet the Liquidity Coverage Ratio requirement is effectively within the Group Funding Plan as well as within the Group Risk Appetite framework. At this purpose, an additional metric, aimed to measure the funding needs originated from the commercial activity of the Bank, is used: the Core Banking Book Funding Gap. The Core Banking Book Funding Gap measures the need of funding the bank has to fill on the wholesale market. The indicator is integrated in the Risk Appetite Framework with the aim of monitoring and managing the level of funding coverage of net loans to customers, coming from funding sources not exclusively obtained through Treasury/Finance activity. It is the result of the algebraic sum of the loans to customers and commercial funding.

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 be pre-defined. Depending on the situation some of these actions can then be approved for execution.

The ability to act in time is essential to minimize the potentially disruptive consequences of a liquidity crisis. The analytics of the Stress tests will form a valuable tool to identify the expected consequences and to define up front the most suitable actions in a certain crisis scenario. In combination with Liquidity Risk Indicators 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 liquidity risk 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.

Liquidity Risk Indicators

A system of Liquidity Risk 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 Risk Indicators should support the management decisions in case of deteriorating of Liquidity position or stressed situations.

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.

Since March 2008, the UniCredit group has used the AMA model (Advanced Measurement Approach) for calculating operational risk capital. The use of this method has been rolled out to the main entities of the Group.

Organizational structure

Senior Management is responsible for approving all aspects relating to the Group operational risk framework and verifying the adequacy of the measurement and control system and is regularly updated on changes to the risk profile and operational risk exposure, with support from the appropriate risk committees if required.

The "Group Operational & Reputational Risks Committee" is responsible for monitoring operational and reputational risks at Group level, evaluating incidents significantly affecting the overall operational and reputational risk profile, submitting to the "Group Risk Committee", for either approval or information, operational and reputational risk strategies, policies, guidelines, methodologies, operational losses trend monitoring based on operational expected losses forecast as well as regular reporting on operational and reputational risk portfolio.

The Committee is responsible for ensuring consistency in operational and reputational risk policies, methodologies and practices across Business Functions and Legal Entities. It controls and monitors the Group operational and reputational risk portfolio and risk mitigation actions.

The "Group Operational & Reputational Risk Committee", chaired by the Parent company's head of Group Risk Management, is made up of permanent and guest members. The list of participants of the Committee has been updated in 2014, also in the light of 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", functions/decision making Bodies/Legal Entities, for the following topics:
- Group risk appetite including capitalization targets and capital allocation criteria for Group operational risks;
- estimation model of expected operational losses for the Group and for the main Legal Entities basing on historical losses time series;
- 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 validation reports;
- 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;

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

- 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;
- advice on matter of operational risk, upon request of the Holding Company;

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, upon request of the Holding Company functions/Bodies and Legal Entities;
- issue opinions, upon request of competent Committees, in case of doubt on the application of the reputational risk Global Rules, in order to evaluate the overall transaction;
- issue opinions to evaluate the reputational risk related to non-credit transactions identified by the Head of CIB Division.

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 planned mitigation actions within the expected operational losses defined by the competent Bodies;
- Group insurance strategies, including renewals, limits and deductibles;
- approval and following fundamental modifications of the methodologies for the measurement and control of operational risk, supported by the related validation reports.

The “Group Operational & Reputational Risks Committee” provides 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, included the one addressed to the Regulatory Authorities (before the presentation to them);
- results of scenario analyses;
- results of the critical risk indicators analyses;
- relevant internal and external operational events occurred, significantly affecting the Group's portfolio;
- operational and reputational risk policies;
- corrective actions for balancing Group operational risk positions, including mitigation actions;
- Group insurance strategies, including renewals, limits and deductibles;
- methodologies for the measurement and control of operational risk;
- regular reports on reputational risks included the one addressed to Regulatory Authorities (before the presentation to them).

The “Group Operational & Reputational Risks Committee” receives from the relevant competent Committees:
- regular report on all transactions for which transaction inherent reputational risks, based on current reputational risk Group Rules, have been evaluated.

In the Parent company, the Group Operational & Reputational Risks department reports to the head of Group Risk Management and supervises and manages the overall profile of the operational and reputational risks in the Group by defining the strategies, methodologies and forecast on expected operational losses.

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 ICT risks), and monitoring their correct application by the Legal Entities;
- the Operational and Reputational Risk Strategies unit is responsible for defining operational risk strategies, defining expected operational losses and controlling actual expected operational losses trend as well as proposing the 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 regulations, an internal validation process for the operational risk control and measurement system has been set up at the Parent Company and in the relevant Group Entities in order to verify the compliance with regulations and Group standards. This process is responsibility of Operational and Pillar II Risks Validation team, within the Group Internal Validation department.
Group methodologies for measuring and allocating the capital at risk and the IT system are validated at Parent Company level by the abovementioned function, while the implementation of the operational risk control and management system within the relevant Entities is analyzed by local Operational Risk Management functions with a self-assessment, following the technical instructions and policies issued by Group Internal Validation.

The results of the local assessments are annually verified by Group Internal Validation, which also performs additional analysis on data and documentation. Such evidences are the basis for the release of specific Non-Binding Opinions to the relevant subsidiaries. The local validation report, together with the opinion of Group Internal Validation and Internal Audit report are submitted to the Entities' competent governing bodies.
All the validation outcomes on the operational risk control and measurement system, both at Parent Company and controlled entities level, are annually consolidated within the annual validation report which, along with the annual Internal Audit report, is presented 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.
Periodical reporting on validation activities is submitted also to "Group Operational & Reputational Risks Committee".

Reporting

A reporting system has been developed to inform senior management and relevant control bodies on the Group operational risk exposure and the risk mitigation actions.
In particular, monthly updates are provided on operational losses, quarterly updates are provided on capital-at-risk estimates, the main initiatives undertaken to mitigate operational risk in the various business areas, operational losses suffered in the credit linked processes ("cross-credit" losses). Furthermore the validation results are submitted to the attention of the Group Operational & Reputational Risk Committee.

Operational risk management and mitigation

Operational risk management exploits 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, scenario loss data and risk indicators.

Capital at risk is calculated per risk 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.

B. Legal Risks

UniCredit S.p.A. and other UniCredit group companies are involved in numerous legal proceedings (which include commercial disputes, adversarial regulatory matters and investigations). From time to time, past and present directors, officers and employees may be involved in civil and/or criminal proceedings, the details of which the UniCredit group may not lawfully know about or communicate.
The Group is also required to deal appropriately with various legal and regulatory requirements in relation to issues such as conflicts of interest, ethical issues, anti-money laundering laws, US and international sanctions, client assets, competition law, privacy and information security rules and others. Actual or alleged failure to do so may lead, and in certain instances has led, to additional litigation and investigations and subjects the Group to damages claims, regulatory fines, other penalties and/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 and/or its clients. Given the nature of the Group's business and the reorganization of the Group over time there is a risk that claims or matters that initially involve one Group company may affect or involve other Group entities.
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 or prosecution authority and claims in which the petitioner has not specifically quantified the penalties requested (for example, in putative class actions in the United States). In such cases, given the impossibility 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 provide for possible liabilities that may result from pending legal proceedings (excluding labour law, tax cases and credit recovery actions), the UniCredit group has set aside a provision for risks and charges of €681 million as at June 30, 2015. The estimate for reasonably possible liabilities and this provision are based upon currently available information but, given the numerous uncertainties inherent in legal proceedings, 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 speculative. Therefore, it is possible that this provision may not be sufficient to entirely meet the legal costs and the fines and penalties that may result from pending legal actions, and the actual costs of resolving pending matters may prove to be substantially higher.

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

Consequently it cannot be excluded that an unfavourable outcome of such legal proceedings or such investigations may have a negative impact on the results of the UniCredit group and/or its financial situation.
Set out below is a summary of information relating to matters involving the UniCredit group which are not considered groundless or in the ordinary course. This section also describes pending proceedings against UniCredit S.p.A. and/or other companies of the UniCredit group and/or employees (even former employees) that UniCredit considers relevant and which, at present, are not characterised by a defined claim or for which the respective claim cannot be quantified.
Unless expressly mentioned below, labour law, tax and credit recovery claims are excluded from this section and are described elsewhere in the notes.
In accordance with IAS 37 information which would seriously prejudice the relevant company's position in the dispute may be omitted.

Madoff

Background

UniCredit S.p.A. and various of its direct and indirect subsidiaries have been sued or investigated in the wake of a Ponzi scheme perpetrated by Bernard L. Madoff ("**Madoff**") through his company Bernard L. Madoff Investment Securities LLC ("**BLMIS**"), which was exposed in December 2008. Madoff or BLMIS and the UniCredit S.p.A. group of companies were principally connected as follows:

- The Alternative Investments division of Pioneer ("**PAI**"), an indirect subsidiary of UniCredit S.p.A., was investment manager and/or investment adviser for the Primeo funds (including the Primeo Fund Ltd (now in Official Liquidation) ("**Primeo**")) and other non-U.S. funds-of-funds that had invested in other non-U.S. funds with accounts at BLMIS.
- Before PAI's involvement with Primeo, BA Worldwide Fund Management Ltd ("**BAWFM**"), an indirect subsidiary of UniCredit Bank Austria AG ("**BA**"), had been Primeo's investment adviser. BAWFM also performed for some time investment advisory functions for Thema International Fund plc ("**Thema**"), a non-U.S. fund that had an account at BLMIS.
- 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.
- BA acted in Austria as the "prospectus controller" under Austrian law in respect of Primeo and the Herald Fund SPC ("**Herald**"), a non-U.S. fund that had an account at BLMIS.
- UniCredit Bank AG (then Hypo- und Vereinsbank AG ("**HVB**")) issued notes whose return was to be calculated by reference to the performance of a synthetic hypothetical investment in Primeo.

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 by purported representatives of investors in the **Herald** funds, the **Primeo** fund and the **Thema** funds, which were invested, either directly or indirectly, in BLMIS. Plaintiffs principally alleged that the defendants should have discovered Madoff's fraud. The Herald case asserted violations of the United States Racketeer Influenced and Corrupt Organizations Act ("**RICO**"), demanding some $2 billion in damages, which plaintiffs sought to treble under RICO. Plaintiffs in the three cases also sought damages in unspecified amounts (other than under RICO, as noted above) and other relief.
On November 29, 2011, the Southern District dismissed all three purported class actions on grounds, with respect to UniCredit S.p.A., PGAM, PAI and BA, that the United States was not a convenient forum for resolution of plaintiffs' claims. That decision was upheld on appeal by the United States Court of Appeals for the Second Circuit (the "**Second Circuit**"), and the United States Supreme Court (the "**Supreme Court**") denied the Thema and Herald plaintiffs' petition for review of that decision. All appeals have now been exhausted.

Claims by the SIPA Trustee

In December of 2008, a bankruptcy administrator (the "**SIPA Trustee**") for the liquidation of BLMIS was appointed in accordance with the U.S. Securities Investor Protection Act of 1970 ("**SIPA**"). In December 2010, the SIPA Trustee filed two cases (the "**HSBC**" and the "**Kohn**" case, respectively) in the United States Bankruptcy Court in the Southern District of New York (the "**Bankruptcy Court**") against several dozen defendants, including UniCredit S.p.A., PAI, BA, PGAM, BAWFM, Bank Austria Cayman Islands and certain currently or formerly affiliated persons, as well as Bank Medici. Both cases were later removed to the non-bankruptcy federal trial court, i.e., the Southern District.

Kohn Case

In the Kohn case, the SIPA Trustee made claims against more than 70 defendants, including UniCredit S.p.A., BA, PGAM, BAWFM, Bank Austria Cayman Islands, certain current or formerly affiliated persons, and Bank Medici. Three categories of claims were advanced: avoidance claims (commonly referred to as "claw-back" claims), common law claims and RICO violations. On November 26, 2014, the SIPA Trustee voluntarily dismissed without prejudice and effective immediately certain defendants (and all claims against them) from the Kohn case, including UniCredit S.p.A., BA, PGAM, BAWFM, Bank Austria Cayman Islands and the current or formerly affiliated persons. The case remains pending against certain other defendants not affiliated with UniCredit S.p.A. or its affiliated entities.

HSBC Case

In the HSBC case, the SIPA Trustee made claims against some 60 defendants, including UniCredit S.p.A., BA, BAWFM, PAI, certain current or formerly affiliated persons, and Bank Medici. In this case, the SIPA Trustee (i) made "claw-back" claims against certain defendants on a joint and several basis, including the abovementioned, alleged to be in excess of $2 billion and (ii) sought unspecified amounts (said to exceed several billion dollars) for common law claims, including aiding and abetting BLMIS's breach of fiduciary duty and BLMIS's fraud.

The common law claims were dismissed by the Southern District on July 28, 2011. That decision was upheld on appeal by the Second Circuit. A further request for review by the Supreme Court was rejected and no further appeals are pending.
The avoidance claims remain pending in the Bankruptcy Court. They are currently subject to a motion that they be dismissed pursuant to a ruling that such avoidance claims cannot be made in respect of transfers outside the United States between foreign transferors and foreign transferees because the relevant provisions of United States law do not apply extra-territorially.
On December 17, 2014, the Bankruptcy Court approved settlements the SIPA Trustee entered into with the Primeo funds and the Herald fund which the Trustee regarded as satisfying certain pending claw-back claims against UniCredit S.p.A., PAI and BA. Accordingly, the Trustee voluntarily dismissed with prejudice the avoidance claims against UniCredit S.p.A. and PAI, and without prejudice the avoidance claims against BA. Such dismissals were approved by the court on July 22, 2015.
The current or formerly affiliated persons named as defendants in the HSBC case have been omitted as defendants in the SIPA Trustee's proposed amended complaint filed in the HSBC case on June 26, 2015, but which requires permission of the Bankruptcy Court to be filed. The current or formerly affiliated persons may have rights to indemnification from UniCredit S.p.A. and its affiliated entities.

Claims by SPV Optimal SUS Ltd. and by SPV OSUS Ltd.
UniCredit S.p.A. and certain of its affiliates – BA, BAWFM, PAI – have been named as defendants, together with approximately 40 other defendants, in a lawsuit filed in the Supreme Court of the State of New York, County of New York, on December 12, 2014, by SPV OSUS Ltd. The complaint asserts common law based claims in connection with the Madoff Ponzi scheme, principally that defendants aided and abetted and/or knowingly participated in Madoff's scheme. The case is brought on behalf of investors in BLMIS and claims damages in an unspecified amount. The action filed by SPV OSUS Ltd. is in the initial stages.

Proceedings Outside the United States
On July 22, 2011, the Joint Official Liquidators of Primeo (the "**Primeo Liquidators**") sued PAI in the Grand Court of the Cayman Islands, Financial Services Division. PAI and the Primeo Liquidators settled these claims.
Investors in the Primeo and Herald Madoff feeder funds have brought numerous civil proceedings in Austria, of which 195 with a claimed amount totaling €128 million plus interest remain. The claims in these proceedings are either that BA breached certain duties regarding its function as prospectus controller, or that BA improperly advised certain investors (directly or indirectly) to invest in those funds or a combination of these claims. The Austrian Supreme Court has issued 10 final decisions with respect to prospectus liability claims asserted in the legal proceedings. With respect to claims related to the Primeo feeder funds, all 7 final Austrian Supreme Court decisions have been in favour of BA. With respect to the Herald feeder funds, the Austrian Supreme Court has ruled three times with respect to prospectus liability, once in favour of BA and twice in favour of the claimant. At this stage, it is not possible to predict with certainty the impact of these decisions on the remaining Herald cases, future rulings may be adverse to BA.
In respect of the Austrian civil proceedings pending as against BA related to Madoff's fraud, BA has made provisions for an amount considered appropriate to the current risk.
BA has been named as a defendant in criminal proceedings in Austria which concern the Madoff case. These complaints allege, amongst other things, that BA breached provisions of the Austrian Investment Fund Act as prospectus controller of the Primeo fund and certain tax issues. On the tax issues the tax authorities confirmed in a final report in April 2015 that all taxes had been correctly paid. The criminal proceedings are still at the pre-trial stage.
HVB issued several tranches of notes whose potential return was to be calculated by reference to the performance of a synthetic hypothetical investment in the Primeo fund. The nominal value of the notes issued by HVB is around €27 million. Three legal proceedings have been commenced in Germany in connection with the issuance of said Primeo-linked notes, which named HVB as a defendant. In the first case, the court of appeal has dismissed the lawsuit and the German Federal Court of Justice has not allowed a further appeal. The second case has been abandoned by the plaintiff. The last case has been decided in favour of HVB at first instance and has been decided predominantly in favour of HVB but partially in favour of the plaintiffs by the court of appeal. This decision is not final and HVB has lodged an appeal against denial to leave to appeal in front of the German Federal Court of Justice.

Subpoenas and Investigations
UniCredit S.p.A. and several of its subsidiaries received subpoenas, orders and requests to produce information and documents from the United States Securities Exchange Commission, 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. These subpoenas, orders and requests have been satisfied.
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 countries or in countries where proceedings related to Madoff investments are, or may in the future be, pending.

Certain Potential Consequences
In addition to the foregoing proceedings and investigations stemming from the Madoff case against UniCredit S.p.A., its subsidiaries and some of their respective employees and former employees, additional Madoff-related proceedings and/or investigations may be filed in the future in said countries or in other countries. Such potential future proceedings and/or investigations could be filed against UniCredit S.p.A., its subsidiaries, their respective employees and former employees or entities with which UniCredit S.p.A. is affiliated. The pending or future proceedings and/or investigations may have negative consequences for the UniCredit S.p.A. group of companies.
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 proceedings, 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.

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

Alpine Holding GmbH

Alpine Holding GmbH (a limited liability company) issued a bond in every year from 2010 to 2012. In 2010 and 2011, UniCredit Bank Austria AG acted as Joint Lead Manager, together with another bank. In June/July 2013, Alpine Holding GmbH and Alpine Bau GmbH became insolvent and insolvency proceedings began. Numerous bondholders then started to send letters to the banks involved issuing the bonds, setting out their claims. Insofar as UniCredit Bank Austria AG is concerned, bondholders based their claims primarily on prospectus liability of the Joint Lead Managers; only in a minority of cases did they also claim misselling due to bad investment advice by the banks which sold the bonds to their customers. At this time, UniCredit Bank Austria AG, among other banks, has been named as defendant in civil proceedings initiated by investors including a class action filed by the Federal Chamber of Labour (with the claimed amount totalling about €3,4 million). The principal claim is prospectus liability. These civil proceedings are pending in the first instance. No judgments have been issued so far against UniCredit Bank Austria AG. In addition to the foregoing proceedings against UniCredit Bank Austria AG stemming from the Alpine insolvency, additional Alpine-related actions have been threatened and may be filed in the future by investors and/or a consumer protection agency/the Chamber of Labour. The pending or future actions may have negative consequences for UniCredit Bank Austria AG. UniCredit Bank Austria AG intends to defend itself vigorously against these claims. At this stage, it is not possible to estimate reliably the timing and results of the various actions, nor determine the level of liability, if any.

Proceedings arising out of the purchase of UCB AG by UniCredit S.p.A. and the related group reorganization

Proceedings in Germany challenging the validity of UCB AG shareholder resolutions

By resolutions adopted at UCB AG's Extraordinary Shareholders' Meeting of October 25, 2006 (the "**2006 EGM**"), various sale and purchase agreements were approved (the "**2006 Resolutions**"). Those agreements transferred (1) the shares held by UCB AG in BA and in HVB Bank Ukraine to UniCredit S.p.A. (2) the shares held by UCB AG in International Moscow Bank and AS UniCredit Bank Riga to BA and (3) the Vilnius and Tallin branches of UCB AG to AS UniCredit Bank Riga. In 2008, these resolutions were confirmed by a UCB AG Shareholders' Meeting (the "**2008 Resolutions**").
The validity of the 2006 Resolutions, as well as of the 2008 Resolutions, was challenged by several of UCB AG's former minority shareholders in two sets of proceedings in the German courts against UCB AG (the "**2006 Proceedings**" and the "**2008 Proceedings**") on the basis, inter alia, that the price paid for the various transactions was too low.
The 2008 Proceedings have now been settled. The 2006 proceedings, which were stayed pending the resolution of the 2008 proceedings, have revived and the challenges have been dismissed. Several minority shareholders have filed appeals against this dismissal. The 2006 Resolutions are valid and binding unless and until found void by a court of final instance.

Squeeze-out of UCB AG minority shareholders (Appraisal Proceedings)

Approximately 300 former minority shareholders of UCB AG filed a request to have a review of the price paid to them when they were squeezed out (Appraisal Proceedings). The dispute mainly concerns the valuation of UCB AG.
The first hearing took place on April 15, 2010. The proceedings are still pending in Germany and are expected to last for a number of years.

Squeeze-out of Bank Austria's minority shareholders

Certain former minority shareholders in Bank Austria initiated proceedings before the Commercial Court of Vienna claiming that the squeeze-out price paid to them was inadequate, and asking the Court to review the adequacy of the amount paid (Appraisal Proceedings).
The Commercial Court of Vienna has referred the case to a panel, called the "**Gremium**", to investigate the facts of the case in order to review the adequacy of the cash compensation. UniCredit, considering the nature of the valuation methods employed, continues to believe that the amount paid to the minority shareholders was adequate.
Should the parties fail to settle the matter, the Commercial Court will issue a decision (which is appealable), which could result in UniCredit S.p.A. having to pay additional cash compensation to the former shareholders.

Financial Sanctions matters

Recently, violations of U.S. sanctions and certain US dollar payments practices have resulted in certain financial institutions entering into settlements and paying substantial fines and penalties to various U.S. authorities, including the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"), the U.S. Department of Justice ("**DOJ**"), the District Attorney for New York County ("**NYDA**"), the U.S. Federal Reserve ("**Fed**") and the New York Department of Financial Services ("**DFS**"), depending on the individual circumstances of each case. Certain companies in the UniCredit group are cooperating with various U.S. authorities and are updating other relevant non U.S. authorities as appropriate. More specifically, in March 2011 UCB AG received a subpoena from the NYDA relating to historic transactions involving certain Iranian entities, designated by OFAC, and their affiliates.
In June 2012, the DOJ opened an investigation of OFAC-related compliance by UCB AG and its subsidiaries more generally. In this context, UCB AG is conducting a voluntary investigation of its US dollar payments practices and its historic compliance with applicable US financial sanctions, in the course of which certain historic non-transparent practices have been identified. UniCredit Bank Austria AG has independently initiated a voluntary investigation of its historic compliance with applicable U.S. financial sanctions, as has UniCredit S.p.A., and each is cooperating with various US authorities.
It is possible that investigations into historic compliance practices may be extended to one or more of the other companies within the UniCredit group. The scope, duration and outcome of each review or investigation will depend on facts specific to the individual case. Although we cannot at this time determine the form, extent or the timing of any resolution with any relevant authorities, the investigation costs, remediation required and/or payment or other legal liability incurred could lead to cash outflows and could potentially have a material adverse effect on the net assets and net results of UniCredit S.p.A. (on a stand-alone and consolidated basis) and one or more individual Group entities in any particular period.

Proceedings related to claims for Withholding Tax Credits

On July 31, 2014, the Supervisory Board of UCB AG concluded its internal investigation into the so-called "cum-ex" transactions (the trading of equities around dividend dates and claims for withholding tax credits) at UCBAG. The findings of the Supervisory Board's investigation indicate that the Bank sustained losses due to certain past acts/omissions of individuals and such Board has taken appropriate action. UniCredit S.p.A., UCB AG's parent company, supports the decisions taken by the Supervisory Board. UCB AG has also taken action to defend its interests. In addition, UCB AG is cooperating with Prosecutors in Frankfurt, Cologne and Munich who are investigating possible tax evasion in connection with cum-ex transactions both for UCB AG's own book as well as for a former customer of UCB AG. In May 2014, the Frankfurt Prosecutor notified UCB AG of the opening of proceedings against UCB AG under section 30 of the Administrative Offences Act (the "**Ordnungswidrigkeitengesetz**"). On December 16, 2014, the Munich Prosecutor also announced the initiation of proceedings against UCBAG under section 30 of the Ordnungswidrigkeitengesetz. In relation to these matters, UCB AG could be subject to tax and interest claims, as well as substantial penalties, administrative fines and profit or revenue claw backs UCB AG is in communication with its relevant regulators regarding these matters. UCB AG is also in communication with competent domestic and foreign tax authorities.

Compound interest/usury

During the first half of 2015, the significant increase observed in the number of claims made against UniCredit S.p.A. in 2014 for refunds/compensation for compound interest/usury continues. These are, mostly, in the initial stages.

Certain legal developments in CEE arising out of disputes relating to foreign currency loans

In Central and Eastern Europe, in the last decade, a significant number of customers took out loans and mortgages denominated in a foreign currency (FX). In a number of instances customers – or consumer associations acting on their behalf – have sought to renegotiate the terms of such FX loans and 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. In addition, politicians in a number of countries are proposing legislation that impacts FX loans. These developments have resulted in litigation against subsidiaries of UniCredit in a number of countries including Croatia, Hungary, Poland, Romania and Serbia. In Croatia, Zagrebačka banka ("Zaba") has very recently been successful at the Supreme Court in having FX loans and the related currency clause upheld as lawful. The interest rate clause has however been judged unfair and this is resulting in individual customers bringing lawsuits with mixed success. Both the consumer association plaintiff and Zaba have appealed to the Constitutional Court. In Hungary, there is no longer any litigation pending. At this time it is not possible to reliably assess the impact of these developments, the timing of any final court decisions, how successful any 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 consolidated UniCredit group.

Derivatives Litigation

In the years preceding the 2007 financial crisis, financial institutions, including the companies of the UC group, entered into numerous derivatives contracts both with institutional and non-institutional investors. In Germany and Italy such derivative contracts have been challenged most notably by non-institutional investors where those contracts are out of the money. This affected the financial sector generally and is not specific to UniCredit and its group companies. It is impossible to assess the full impact of such legal challenges on the Group.

Medienfonds/closed end funds

Various UCB AG customers bought shares in a fund known as VIP Medienfonds 4 Gmbh & Co. KG ("**Medienfonds**").

UCB AG 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, UCB AG 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 UCB AG and others. The investors argue that UCB AG did not disclose to them the risk of the tax treatment being revoked and assert UCB AG, together with other parties, including the promoter of the fund, is responsible for the alleged errors in the prospectus used to market the fund. Additionally some plaintiffs invoke rights under German consumer protection laws.

The courts of first and second instance passed various sentences, of which several were unfavourable for UCB AG.

On December 30, 2011 The District Higher Court of Munich decided the issue relating to prospectus liability through a specific procedure pursuant to the Capital Markets Test Case Act (Kapitalanleger-Musterverfahrensgesetz). The Court stated that the prospectus was incorrect concerning the description of tax risks, loss risk and the fund´s forecast; the Court further held UCB AG liable along with the promoter of Medienfonds for such errors. UCB AG filed an appeal to the Federal Court. The Federal Court has now heard the appeal and remanded the matter back to the Higher Regional Court for consideration. A decision with respect to the question of UCB AG's liability for the prospectus in this proceeding will affect only the few remaining pending cases since with the vast majority of the investors a general settlement has already been closed.

In a fiscal proceeding that the fund brought concerning the tax declaration of the fund for the fiscal year 2004, no final decision has been issued as to whether the tax benefits were rightfully revoked in the first place.

In addition to the above matter, UCB AG is defending lawsuits concerning other closed-end funds. The economic background of these lawsuits is often but not always linked to a modified view of the tax authorities with regard to tax benefits originally envisaged. Plaintiffs claim from UCB AG repayment of their capital investment in exchange for the respective shares in the fund.

With regard to a mutual fund investing in heating plants, a test case proceeding has been filed against UCB AG pursuant to the Kapitalanleger-Musterverfahrensgesetz.

UCB AG has made provisions which are, at present, deemed appropriate.

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

New Mexico CDO-Related Litigation

Claims brought or threatened by or on behalf of the state of New Mexico or any of its agencies or funds

In August 2006, the New Mexico Educational Retirement Board (ERB) and the New Mexico State Investment Council (SIC), both US state funds, invested $90 million in Vanderbilt Financial, LLC (VF), a vehicle sponsored by Vanderbilt Capital Advisors, LLC (VCA). The purpose of VF was to invest in the equity tranche of various collateralized debt obligations (CDOs) managed primarily by VCA. The equity investments in VF, including those made by the ERB and SIC, became worthless. VF was later liquidated.

Beginning in 2009, several lawsuits were threatened or filed on behalf of the state of New Mexico, including by private parties who claimed a right to sue in a representative capacity. The suits relate to losses suffered by the ERB and/or SIC on their VF investments, with additional claims threatened in relation to further losses suffered by SIC on its earlier investments in other VCA-managed CDOs. The lawsuits allege fraud and kickback practices. Damages claimed in the filed lawsuits are computed based on multiples of the original investment, up to a total of $365 million. In 2012, VCA reached an agreement in principle with the ERB, SIC and State of New Mexico to settle all claims brought or threatened by or on behalf of the state of New Mexico or any of its agencies or funds. The settlement is contingent on the court's approval, but that process has been temporarily on hold, and the original litigation has been stayed, pending the determination by the New Mexico Supreme Court of a legal question in a lawsuit brought against a different set of defendants in other proceedings. In the interim, two related but largely duplicative suits have been dismissed. The New Mexico Supreme Court issued its ruling on the awaited legal question in June 2015. VCA expects to renew its request for court approval of its settlement with the ERB, SIC and State of New Mexico in the second half of 2015.

Other litigations

In November 2011, Bruce Malott, the former chairman of the ERB, brought suit in New Mexico state court against persons allegedly involved with "pay to play" or kickback practices at the ERB, alleging damages to his reputation in earning capacity as a result of his association with the challenged practices. Among the defendants are VCA, VF, PIM US and two former officers of VCA. No damages amount is specified, but Malott seeks treble damages and punitive damages (as applicable) in addition to any actual damages he might prove. In June 2013, Malott's claims were dismissed but with leave to replead. Malott filed a further amended complaint in August 2013 which, in October 2013, the defendants once again moved to dismiss. In May 2014, the Court dismissed the lawsuit again, this time with prejudice.

Divania S.r.l.

In the first half of 2007, Divania S.r.l. (now in bankruptcy) ("**Divania**") filed a suit in the Court of Bari 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. (then UniCredit Corporate Banking S.p.A. and 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). On September 29, 2014 the judges reserved their decision and, by a decision of February 2, 2015, the judge ordered that the Expert's Report be repeated. The matter was set down for a further hearing on December 22, 2015.

Another two lawsuits have also been filed by Divania, one for €68.9 million (which was subsequently increased up to €80.5 million ex art 183 c.p.c.) and the second for €1.6 million; the first one was set down for a final hearing on November 3, 2015 at which the parties will state their positions and, in respect of the second case, a deadline has been set for the parties to file their final submissions.

UniCredit S.p.A. has made a provision for an amount consistent with the risk of the lawsuit.

Valauret S.A.

In 2004, Valauret S.A. and Hughes de Lasteyrie du Saillant filed a civil claim 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 ongoing. 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.

Brontos – criminal proceeding

On March 26, 2015, the Judge of the preliminary hearing of the Court of Rome ruled that there was no case to answer in respect of any of the defendants, including all current and former employees and representatives of UniCredit. On July 27, 2015 the public prosecutor filed an appeal before the Court of Cassation.

I Viaggi del Ventaglio Group (IVV)

In 2011 a lawsuit was filed with the Court of Milan against UniCredit S.p.A. by I Viaggi del Ventaglio de Mexico SA, SA Tonle and the bankruptcy trustee of I Viaggi del Ventaglio International SA ("IVVISA") for approximately €68 million.
In 2014 two further lawsuits were filed with the Court of Milan by the bankruptcy trustee of IVV Holding srl and by the bankruptcy trustee of I Viaggi del Ventaglio S.p.A. for €48 million and €170 million, respectively. The three lawsuits are related.
The first and third relate to allegedly unlawful conduct in relation to loans. The second relates to disputed derivative transactions.
UniCredit S.p.A.'s initial view is that the claims appear to be groundless and no provisions have been made.

Lawsuit brought by "Paolo Bolici"

In May 2014, the company wholly owned by Paolo Bolici sued UniCredit S.p.A. in the Court of Rome seeking the return of €12 million in allegedly unlawful interest (allegedly incurred inter alia because of usury) and €400 million for damages. The company then went bankrupt. UniCredit S.p.A.'s initial view is that no provisions are to be made.

MATERIAL EVENTS SUBSEQUENT TO JUNE 30, 2015

For ease of comprehension material developments subsequent to June 30, 2015 have been included directly in the text and have been inserted in the following paragraphs: "Madoff", "Brontos – criminal proceeding".

C. Risks arising from employment law cases

The Group is involved in employment law disputes. In general, provisions have been made for all employment law disputes to cover any potential disbursements and in any event UniCredit S.p.A. the Group does not believe that any liabilities related to the outcome of the pending proceeding 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

There are lawsuits pending on Appeal that have been decided in favor of the Bank in the first instance, whose main petition is to request that the funding level of the former Cassa di Risparmio di Roma Fund be restored and that the individual social security accounts of each member be assessed and quantified. With reference to the main claim, the relief sought is estimated at €384 million. No provisions have been made as these actions are considered to be unfounded.

D. Tax disputes and audits

In the Annual Report at December 31, 2014 information was provided regarding a tax assessment notice concerning withholdings at source allegedly not applied on interest paid in 2009 in relation to debt instruments issued to strengthen capital, for a total of taxes and accessory charges of around €40 million. Following the submission of a tax settlement proposal, the dispute was definitively settled through the payment of tax and interest only for a total amount of €17.8 million.

New pending cases

During the first half of the year 2015 the following were served on UniCredit S.p.A. – on its own account and as a consolidating entity – and on several Group Companies:

- seven payment notices for a total amount of €29.6 million including the amount due from all the jointly-liable parties. These notices related to the claim for registration tax allegedly due for the registration of the rulings that had settled the opposition proceedings regarding the liability status of the companies of the "Costanzo Group";
- notice imposing penalties for alleged failure to supplement invoices in relation to leases payable on properties owned by the Pension Fund of Cassa Centrale di Risparmio V.E. per le Province Siciliane, amounting to €0.5 million;
- tax bill for the payment of IRAP tax due for 2003. The bill was served as a result of the Court of Cassation ruling that had partially upheld the tax claims. The total amount involved is €3.6 million.

Appeals have been lodged before the competent Tax Commissions for all the above. In particular, the notice relating to the 2003 IRAP tax has been challenged on the grounds of inherent defects. Having assessed the tax risk in relation to the nature of the disputes, the Company, with reference to the matters described above, has in any case made additional provisions of €1.8 million, essentially related to the dispute regarding the 2003 IRAP tax. The provision was limited to this amount, because the remaining amount was already covered by provisions made as of December 31, 2014.
In addition, the following tax audits were initiated during the first half of 2015:

- the Guardia di Finanza (Italian tax police) started a new audit regarding the examination of excessive reductions for IRES tax, for 2012, and transactions that generated a "notional" tax credit for income generated abroad, for the years 2011 and 2012;
- the Italian Revenue Agency initiated an audit pursuant to Decree Law 185 of November 29, 2008 (so-called mentoring) regarding the year 2013;
- Italian Revenue Agency served a questionnaire regarding several debt-to-equity restructuring transactions.

In addition to these audits, another audit is also under way regarding the tax treatment of interest paid in relation to debt instruments issued to strengthen capital. The tax period that will become due for assessment, as of December 31, 2015, is 2010.
The relevant documentation has been submitted in response to the requests made for these inspections. A provision of €18 million has been made to cover the potential risks arising from these audits.

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

Updates on pending proceedings and tax audits

- The previous years' Annual Reports disclosed notices of assessment served on UniCredit S.p.A. as the consolidating entity of Pioneer Investment Management SGR for the years 2006 and 2007, for around €33 million and €30.5 million, respectively. With regard to the year 2006, the judicial conciliation was concluded on February 13, 2015, with a reduction to €9.5 million of the amounts due to the Italian Revenue Agency. With regard to the year 2007, the appeal submitted is still pending before the competent Tax Commission.
- Disclosure was also provided regarding notices of assessment served on UniCredit S.p.A., as the consolidating entity of Pioneer Investment Management SGR for the years 2008 and 2009, regarding additional IRES tax and IRAP tax, for disputes relating to transfer pricing. The appeals submitted, for both years, are still pending before the competent Tax Commissions.
- With regard to the disputes involving additional IRES tax and IRAP tax for 2009 for Finecobank S.p.A. concerning costs that were allegedly non-deductible, a tax settlement proposal has been submitted. Currently, the negotiation is still under way, but an appeal has been also submitted, because the period for the conclusion of the tax settlement proposal procedure has elapsed.
- At December 31, 2014, total provisions for tax risks to cover disputes and audits amounted to over €105 million. As noted above, additional provisions were made during the first half of 2015 of €19.8 million, which were offset by uses and releases of €26 million. As a result, the total risk provision at June 30, 2015 was €98.8 million.

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 last financial statements, please note that the Regional Administrative Court of Lazio, with a judgment dated May 16, 2014, rejected the private shareholders' request for the annulment of the interministerial order of March 6, 2013 concerning the annulment of the ICS Statute of 2005; the private shareholders appealed to the Council of State to suspend and then nullify this ruling.
It should also be noted that in March 2014, following the approval of the new ICS Statute, issued by interministerial order of January 24, 2014 (published in the Official Gazette of April 19, 2014), in which UniCredit's shareholding in the company has been significantly diluted (from 10.81% to 1.264%), it was considered appropriate to adjust the shareholding held and its book value to the new statutory provisions.

F. Carlo Tassara S.p.A. restructuring process

On December 23, 2013 Carlo Tassara ("Tassara") and the creditor banks signed the third amendment agreement on the moratorium on debt payments.
The purpose of this transaction is to allow the company to better enhance certain assets under disposal, whose proceeds will be used to pay its financial debts.
The main terms and conditions of the Amendment Agreement include:

1. the postponement of the final expiry of the agreements to December 31, 2016;
2. the appointment of the 9 members composing the Board of Directors, with 6 independent members in accordance with the new corporate governance;
3. the conversion of the creditor banks' exposures into Strumenti Finanziari Partecipativi ("SFP") for a total amount of €650 million. The SFP, which can be traded once the restructuring agreement expires, have no maturity date and have a priority over any classes of shares with respect to distribution of net income and reserves, as well as in case of liquidation of Carlo Tassara. The criteria to split the SFP among the banks was calculated taking into account the amount and the distribution of the unsecured debt and, for the difference, the uncovered portion of the secured debt. The value of the listed securities was determined on the basis of the 6-month average share price before the closing of the restructuring agreement;
4. the commitment of the creditor banks to subscribing additional SFP on a pro-rata basis if in the course of the plan material losses occur pursuant to article 2447 of the Italian Civil Code;
5. the commitment of the creditor banks to converting into SFP the residual credits that should remain in place after the disposal of all the available-for-sale assets of Carlo Tassara;
6. the business continuity of Carlo Tassara will be ensured by enterprises with historical links with the Valcamonica area.

The existing collateral (pledge on Intesa Sanpaolo, Eramet and Cattolica Assicurazioni shares) remained in place after the signing of the above-mentioned agreements.
On December 27, 2013, following the fulfillment of the conditions precedent to the effectiveness of the third amendment agreement, the banks subscribed the SFP worth €650 million.
UniCredit subscribed for 63,131,974 SFP with a nominal value of €1.00 each and totaling €63 million, issued by Tassara pursuant to the resolution of the Extraordinary Meeting of December 23, 2013, and agreed to contemporaneously pay up these SFP by voluntarily offsetting a portion of its loans (nominal value) to Tassara totaling €63 million, reducing the Bank's overall exposure to Tassara.

As a result of the above-mentioned offsetting, part of the Bank's loans to Tassara (€63 million) was paid off and the Company's outstanding debts to the Bank decreased, with effect from December 27, 2013, by €63 million.
On December 23, 2013, in compliance with the governance provisions, the members of Carlo Tassara S.p.A.'s new Board of Directors were appointed.

In the financial year 2014 the proceeds achieved by Carlo Tassara S.p.A. following the collections realized for securities and dividends amounted to about €853 million.

In the first half of 2015 Tassara sold listed securities (pledged and otherwise) and received dividends for a total amount of approximately €159 million, including the proceeds deriving from the sale of Intesa Sanpaolo shares for approximately €70 million and A2A shares (pledged and otherwise) for approximately €84 million. During the first quarter, UniCredit S.p.A. had transferred to the other Banks involved in the agreement 712,431 PFIs with a face value of €1.00 each and at the same time acquired 83,087 (with the same face value). Following this operation (together with the ones finalised in 2014) UniCredit S.p.A. held at June 30, 2015 a total of 31,669,806 PFIs, each with a face value of €1.00.

On May 30, 2015 the subsidiaries of Carlo Tassara Alior Lux Sàrl and Alior Polka signed a preliminary agreement for the sale to PZU of the entire equity interest in Alior Bank SA, representing 25.3% of the Polish bank's share capital. The sale, subordinated among other things to the authorisations of the Polish supervisory authority and of the competition authorities in Poland and Ukraine, will occur in several tranches by the end of the first half of 2016.

UniCredit S.p.A.'s loan exposure at June 30, 2015 amounted to€106 million (€463 million at the end of 2013 and approximately €120 million at the end of 2014), against which writedowns of €13 million (amounting to €91 million at December 31, 2013 and €28 million at December 31, 2014).

G. Banca delle Marche and Cassa di Risparmio di Ferrara (Carife) Recovery Plan

The Banca delle Marche and Cassa di Risparmio di Ferrara's extraordinary administrative procedure bodies asked for the intervention of the Interbank Deposit Protection Fund ("FITD"), which UniCredit S.p.A. and the subsidiary Fineco contribute to on the basis of their respective proportions of deposits covered by the said fund.

In support of the Banca delle Marche recovery plan presented by Fonspa, the Fund resolved an intervention in July 2014, conditional on additional investors being found to participate in the transaction, the approval of the recovery plan by the Bank of Italy, and on the positive outcome of the Banca delle Marche shareholders' meeting on the capital increase and the associated formalities of subscription and payment. The intervention resolved by the fund would entail the issue of a guarantee (enforceable at the term of eight years envisaged for the recovery of an impaired loan portfolio in the context of a securitisation transaction) for a maximum amount of €800 million and the assumption of an equity interest for an amount of up to €100 million, in the context of the capital increase of the said Banca delle Marche (data refer to the entire Italian banking system, the expense of which would be recognised in the financial statements of the single banks in the consortium on the basis of their proportions of deposits guaranteed). At the present time, the conditions precedent have not yet been fulfilled and no potential investors have been identified to participate in the transaction; it is therefore possible that the structure that was initially envisaged will undergo some changes in the coming months.

On May 6, 2015, and on the request of the Special Receivers for Carife, the Fund resolved the subscription of a reserved capital increase for €300 million, approved by the general shareholding assembly of Carife on July 30, 2015. The validity of the Capital Increase is still conditional on the Fund being authorised by the ECB to acquire the Carife shareholding pursuant to Art. 19 of the Consolidated Banking Law (TUB).

To date there are no significant additional transactions resolved by FITD in favor of other banks in extraordinary administration following their bank crisis.

In general, the developments of all these bank crises may result in the coming periods in potential liabilities for the Group, also reflecting the terms of the transition to the European directives ruling these matters.

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

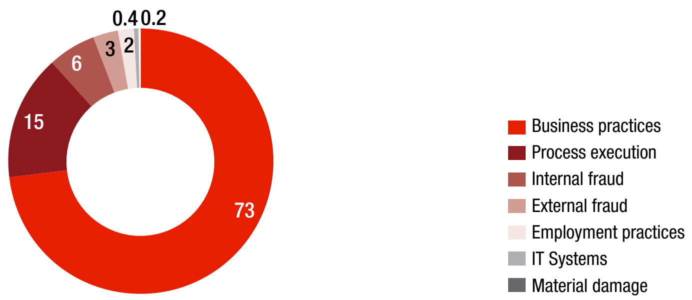
QUANTITATIVE INFORMATION

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 Supervision of Banks issued by the Bank of Italy in December 2013 (Circular No. 285/2013 and following 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 business 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 1H 2015 divided by risk category (%)



In the 1H 2015, the main source of operational risk was "Clients, products and business practices", a category which includes losses arising from the non-fulfillment of professional obligations towards clients or from the nature or characteristics of the products or services provided, as well as any sanctions for violating regulations. The second largest contribution to losses came from errors in process management, execution and delivery due to operational or process management shortfalls. There were also, in decreasing order, losses stemming from external fraud, internal fraud and employment practices. The residual risk categories were damage to physical assets from external events and IT systems related problems.

Section 5 – Other Risks

The so-called Pillar 1 risk types (credit risk, market risk, operational risk, as described in dedicated chapters) are considered as primary risks, but there are others the Group considers to be significant which include:

- business risk;
- real estate risk;
- financial investment risk;
- strategic risk;
- reputational risk.

These risks are defined as follows.

Business Risk

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.
The exposure data used to calculate business risk are taken from the income statements of each Group Entity for which the risk is significant. Volatility and correlation are derived from the relevant profit & loss reports.
Business risk is measured by Earnings at Risk (EaR), defined as the maximum annual loss with a confidence level set according to the rating target, over a one-year time horizon and assuming normal distribution of the risk drivers.
Business Risk is calculated on a quarterly basis for monitoring and for budgeting purposes according to planning time scheduling.

Real Estate Risk

Real estate risk is defined as the potential losses resulting from market value fluctuations of the Group's real estate portfolio, including real estate special purpose vehicles. It does not take into consideration properties held as collateral.
The relevant data for the real estate risk calculation include general information related to properties and area or regional price indexes for each property to enable calculation of volatility and correlation in the model.
The calculation of real estate risk estimates the maximum potential loss with a confidence level set according to the rating target over a one-year time horizon, using a variance-covariance approach and assuming normal distribution of the market values.
Real estate risk is calculated for monitoring purposes every six months and for budgeting purposes according to the timelines scheduled in the planning process.

Financial Investment Risk

Financial investment risk stems from the equity held in companies not included in the Group and not held in the trading book.
The relevant portfolio mainly includes listed and unlisted shares, derivatives with underlying equity, private equity, units of mutual, hedge and private equity funds.
For all Group equity positions, capital charges may be calculated using either a PD/LGD based approach or a market-based one. The PD/LGD approach is used for unlisted or listed but not liquid equities, including direct private equity holdings. The market-based approach is used for traded equities, equity hedges and all mutual, hedge and private equity funds through the mapping to market indexes.
The calculation of financial investment risk is based on the maximum potential loss, i.e. Value at Risk (VaR), with a confidence level set according to the rating target and over a one-year time horizon.
Financial investment risk is calculated quarterly for monitoring and for budgeting purposes according to the timelines scheduled in the planning process.

Strategic Risk

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, with negative impact on the risk profile and consequently on capital, earnings as well as the overall direction and scope of a bank on the long run.
UniCredit group has in place a dedicated Corporate Governance Structure – the system of rules and procedures that serve as guidelines for the conduct of the company in carrying out its duties to its stakeholders – that allows the management of Strategic risk at Group level.
As defined, it is generally accepted that Strategic Risk cannot be mitigated via capital charges. In this context, with the
aim to steer the business evolution and minimizing the Strategic Risk, UniCredit group has implemented specific policies and processes.

Reputational Risk

Reputational risk is identified as the current or future risk of a loss or decline in profits or share value as a result of a negative perception of the bank's image by customers, counterparties, bank shareholders, investors or regulators.

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

Since 2010 UniCredit adopts the Group Reputational Risk Governance Guidelines, which aim at defining a general set of principles and rules for assessing and controlling reputational risk.
The reputational risk management is in charge to Group Operational & Reputational Risks Department of UniCredit S.p.A. and to dedicated functions within the Group companies.
Moreover, the setup of the Group Operational and Reputational Risk Committee ensures consistency in reputational risk policies, methodologies and practices across Divisions, Business Units and Legal Entities, controlling and monitoring the Group Reputational Risk portfolio. Furthermore the Transactional Credit Committees are in charge of evaluating possible reputational risks inherent transactions, on the basis of the current reputational risk guidelines and policies.
The current policies mitigating specific Reputational risk topics regard “Defense/Weapons Industry”, “Nuclear Energy”, “Mining”, “Water Infrastructure (dam)”,“Coal fired power generation” and “Non Co-operative Jurisdictions”.
Eventually the Human Rights Commitment aims to identify and manage human rights risks and reduce potential human rights violations.

Within the Internal Capital Adequacy Assessment Process (ICAAP) and in line with the proportionality principle defined in Pillar II of Basel II, the risk profile of the Group and the main material Legal Entities is assessed for all the Pillar 2 risk types.
Credit, market, operational, business, real estate and financial investment risks are therefore measured quantitatively, by:
• economic capital and aggregation as an input for internal capital; and
• stress tests.

On the other side, for small Legal Entities a synthetic approach (top down approach) is used, in which the book value changes of the entities are simulated using market risk-like methods.

The Internal Capital represents the capital needed to face the potential losses inherent in the Group’s business activities and it takes into consideration all the Pillar 2 risk types identified by the Group and which are quantifiable in terms of Economic Capital: credit, market, operational, business, financial investment and real estate risks. The effect of the diversification between risk types is also calculated (‘inter-risk diversification’) together with the diversification effects at portfolio level (‘intra-risk diversification’). In addition a capital add-on is calculated as prudential cushion in order to account for model uncertainty risk and the variability of the economic cycle.

The capital aggregation is performed using the Bayesian Copula approach with a one-year time horizon and a confidence level in line with the Group rating target. For control purposes, the 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 assess their impacts in terms of capital requirements. 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. The stress test activities also asses the capital requirements for the main regions where the Group is active, and are carried out at least twice a year.

The firm-wide stress test considers the various impacts of a given macro-economic scenario on all relevant risks. These scenarios are drawn analyzing both significant market events happened in the past and plausible worst-case events not yet occurred. This assessment allows to analyze the capital requirements of the Group in stressed conditions over a two year time horizon.

The output of the stress test is therefore, for each risk types and at aggregated level, a quantitative analysis of the capital requirements together with the calculations of the losses conditional on the selected stressed scenarios. In addition the total capital diversification benefit is also assessed.

The Group top management is involved in the ex-ante as well as the ex-post stress analysis in the following way:
• before the exercise is finalized, with a presentation regarding the selected scenarios and the underlying assumptions;
• after the exercise is finalized, with the disclosure of the results and a potential discussion of a contingency plan, if needed.

The adequacy of the risk measurement methodologies supporting the ICAAP, including stress testing and risk aggregation, is checked by internal validation.

Under the corporate governance system, the Parent Company’s Group Risk Management is responsible for the Group Economic and Internal Capital methodology development and their measurement, moreover the Parent Company is responsible to set and implement the Group related processes.
The "Group Rules", after the approval, are sent to relevant LEs for approval and implementation.

Internal Capital Adequacy Assessment Process (ICAAP)
Measuring the risk profile is a fundamental element of the Internal Capital Adequacy Assessment Process under Basel Pillar II.

The Group's approach to ICAAP relies on the definition of the "Risk Governance", as a preliminary requirement, while the process consists of the following phases:
- perimeter definition and risk identification;
- risk profile measurement;
- risk appetite setting and capital allocation; and
- monitoring and reporting.

Capital adequacy is assessed considering the balance between the assumed risks, both Pillar I and Pillar II, and the available capital.
With respect to Pillar II, the relevant metric is the Risk Taking Capacity, which is the ratio between available capital (Available Financial Resources, AFR) and Internal Capital.

Risk Appetite
The Risk Appetite in UniCredit is defined as the level of risk that the Group is prepared to accept in pursuit of its strategic objectives and business plan, taking into account the interest of its customers and shareholders as well as capital and other requirements.

The Group Risk Appetite is approved on an annual basis by the Board of Directors and is regularly monitored and reported, at least quarterly, to the relevant committees, with the aim to ensure the Group develops within the desired risk return profile set by the Board. At local level, the risk appetite is set for the main legal entities and Subgroups and approved by the local competent functions.

Various level of thresholds are defined such to act as early warning indicators anticipating potential risk situations that will be promptly escalated at relevant organizational level. In the event that the risk appetite thresholds set are met, the necessary management measures have to be adopted for effectively adjusting the risk profile.

The structure of the Risk Appetite in UniCredit includes qualitative and quantitative items which are included in the Risk Appetite Statement and in the Risk Appetite KPIs, respectively.

The Risk Appetite Statement defines the positioning of the bank in terms of strategic targets and related risk profiles to address stakeholders expectations and includes:
- a definition of the desired risk-return profile, in coherence with the Group's business model predominantly based on being a commercial bank with a diversified presence in Western countries as well as selected CEE economies;
- a long-term rating objective of "A", on the basis of the macro scenario evolution and the sovereign risk performance;
- the fulfillment of regulatory requirements, guaranteeing a solid capital position and a sound liquidity base;
- an assessment of the risks the bank accepts taking or should avoid both in normal and in stressed conditions;
- an indication on strategies to manage key risks in the perimeter of the Group;
- a management model that ensures accountability in the global definition of the risks, through its cascading to the Groups' Legal Entities, and through a regular monitoring and escalation process in place;
- The risk appetite framework also covers other qualitative statements for various other types of risks (e.g. strategic, reputational, compliance) in order to ensure prevention or early intervention.

The quantitative elements of the risk appetite framework are instead represented by a set of KPIs, based on the analysis of the expectations of UniCredit internal and external stakeholders. They develop across the following risk dimensions relevant for the Group:
- Risk ownership and positioning: in order to explicitly indicate main focus activities of the bank and overall risk positioning;
- Regulatory requirements: such to ensure compliance on the capital and liquidity position, with a specific reference to the capital position that the Group wants to have under both normal and stressed conditions;
- Profitability and Risk: with the aim to have a return on equity above the cost of capital, through a proper balance between revenue generation and capital absorbed, while maintaining an efficient level of cost;
- Control on specific risk types: with the purpose of setting boundaries for management decisions. In particular, there are key references to the level of the average loss on the credit portfolio over a one-year horizon and to the amount of liquidity to be funded in the wholesale market.

In addition the Group has a series of transversal operative limits and metrics that cover the main risk profiles in order to supplement the risk appetite framework.

Moreover, a yearly consolidated report on capital adequacy is prepared in accordance with the current regulation and including an overview of the main Group companies and is sent to the competent Regulators. The Board of Directors that authorizes the sending of this report to the Authorities, also acknowledges that the risk governance of the Group is deemed adequate, guaranteeing that the risk management system in place is in line with the risk profile and strategy of the Group.

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

Risks relating to the judgment of the German Federal Employment Tribunal (Bundesarbeitsgericht, BAG)

With reference to publication of the judgement of the German Federal Employment Tribunal (Bundesarbeitsgericht, BAG) which could apply to the obligations related to the professional pensions taken on by UniCredit Bank AG through Versorgungskasse des Bankgewerbes e.V. (BVV), there continues to be insufficient information to determine reliably the potential obligations and liabilities deriving from it (please refer on this point to what was noted in the section "Report on Operations" in the paragraph "Subsequent Events" of the dossier 2014 Reports and Consolidated Financial Statements).

Selected emerging risks

In UniCredit, the management and monitoring of risks is based on a dynamic approach: top Management is promptly informed on top risks and/or emerging risks through a strict monitoring process embedded in the Risk Assessment process.
These practices contribute to the assessment of risks with a forward looking prospective through the analysis of the macro-economic environment, the political risks, the regulatory framework development.

Some details of top and emerging risk are provided in the following section.

A. Geopolitical Risk:

Ukraine

The conflict in the eastern part of the country and the deterioration of the economic indicators led to a severe economic downturn in Ukraine. Recession is further worsened by various factors including no longer functioning financial markets, currency depreciation, and a loss of confidence in politics and in the efforts to carry out reforms. The situation of public sector finances has become more difficult as a result of additional borrowing requirements. Although the IMF has committed to make available US$17.5 billion in financial aid under a four-year programme, a comprehensive rescheduling package will be required to avoid the country's insolvency. According to the Ukrainian Ministry of Finance, negotiations with creditors are due to begin in July. The outlook for the next months depends on developments in the conflict, on the progress of reforms and on the success of debt restructuring efforts.
UniCredit group is in Ukraine through its subsidiary Ukrotsbank (USB), classified – in accounting terms – as for held for sale in the financial statements as December 31, 2013, in relation to which disposal activities are still ongoing. The current situation in the country has a strong impact on the commercial activity. Banking operations in Crimea were closed. In the regions of Donetsk and Luhansk, 44 branches were closed permanently and 3 branches were closed at least temporarily.

Credit operations

As loan loss provisions increased and the loan portfolio declined, net lending volume (after deduction of loan loss provisions) of the Ukrainian banking subsidiary Ukrsotsbank (hereinafter USB) in the first half of 2015 decreased from €1.7 billion to €1.5 billion. The loan exposure towards Ukraine counterparties also includes gross loans and receivables booked directly in UniCredit Bank Austria AG (Profit Center Vienna, PCV), which decreased from €0.5 billion to €0.4 billion. In Ukraine credit operations carried out in the eastern region (Crimea and Donbass), including those counterparts holding the major part of their activities in the crisis region, remained more or less constant in the first half of 2015 (net exposure of €0.3 billion).
The uncertainty resulting from the above mentioned negative development of the economic conditions as well as a worsening or prolonged political tension in the region, particularly in the Donbass area, could materially impact the customer's creditworthiness, the loan loss provisions and real estate of Ukrsotsbank, as well as the exposures booked in the Profit Center Vienna of UniCredit Bank Austria AG.

Capital measures

In March 2015 a debt forgiveness operation amounting to US$250 million and relating to loans granted by UniCredit Bank Austria and UniCredit S.p.A. was carried out. This operation also increased the capital ratios. In addition, at the end of June 2015, a capital increase of US$250 million was carried out at Ukrsotsbank (through the conversion of existing loans of UniCredit Bank Austria AG into equity) to further strengthen the bank's capital base.
As at the end of June 2015, Ukrsotsbank complied with the minimum capital adequacy level defined by the NBU. However, a further negative development of the economic conditions and/or of the Ukrainian currency UAH and a further worsening or prolonged duration of the conflict in the region may significantly impact on compliance with local regulatory requirements of Ukrsotsbank, in particular as concerns minimum capital requirements. Therefore, and in addition to the capital measures undertaken, UniCredit Bank Austria AG has issued a letter of guarantee in favour of Ukrsotsbank in order to support Ukrsotsbank's operations also prior to its future sale as well as to sustain the bank's managerial plans.

Currency
After a significant rise to above 30 UAH per euro in February 2015, in the second quarter the EUR/UAH exchange rate is stable, standing at 23 to 25 UAH per euro.
Exchange rate risk in Ukrsotsbank was significantly reduced in the first quarter of 2015 as the USD position was, in effect, closed (via debt cancellation by UniCredit Bank Austria AG). A capital increase in June further improved the USD position at the end of the second quarter, making the bank more solid to face a potential future depreciation of local currency.

Liquidity
Deposits in UAH and in USD stabilized during the first half of 2015, after decreasing during the first quarter. The bank holds collateral (Ukrainian government bonds) which can be used in the amount of about UAH 0.6 billion for UAH refinancing with the local central bank. In addition, there is a collateral-free National Bank of Ukraine (NBU) facility of UAH 0.4 billion. Bank Austria is committed to support USB with a USD funding line currently not used. At the moment, Ukrsotsbank is not benefitting any local central bank support.

Intra-group loans
At June 30, 2015 the loan exposures of UniCredit group companies to the subsidiary Ukrsotsbank amounted to €519 million (of which 89 million have been reimbursed in July 2015).

Russia
Oil prices have remained low following their severe fall in the second half of 2014, and the sanctions imposed in connection with the Ukraine conflict are still in place. These factors together with a general structural weaknesses of the Russian economy lead to a negative outlook for economic growth is bleak. The sanctions continue to significantly restrict Russian companies' business and access to Western capital markets. These developments have led to strong currency fluctuations and higher funding costs. Prospects continue to be impacted by uncertainty essentially determined by oil price fluctuations and the situation in Ukraine. Sovereign exposures of UniCredit Russian subsidiary mainly derives from management of excess liquidity.

Credit Operations
As of June 30, 2015, lending volume rose to €13 billion (year-end 2014: €12 billion) as a result of exchange rate movements; the proportion of defaulted loans increased to 5.2% (year-end 2014: 3.7%).
The increase in net write-downs of loans and provisions for guarantees and commitments to €107 million (first half of 2014: €49 million) was mainly driven by provisioning for corporate customers and reflects the difficult economic scenario. The intra-group guarantee assumed by UniCredit Bank Austria AG in favour of its Russian banking subsidiary for a portfolio of corporate loans remained unchanged at €1.3 billion.

Currency and liquidity
In the first quarter of 2015 the rouble remained nearly stable against the US dollar while slightly recovering against the euro. The second quarter saw a stable trend of the rouble against both currencies. The liquidity position has remained unchanged as compared to evidences reported in the Disclosure by Institutions as of December 31, 2014 The bank is compliant with all external and internal liquidity limits and liquidity ratios.

B. Market Risk – Exchange rate risk

Swiss franc
UniCredit group's exposure in CHF stands at approximately €14.5 billion (gross value of the receivables) and is concentrated in Austria (€11.9 billion), Poland (€1.1 billion) and CEE (€1.4 billion). Although the highest CHF loans concentration is in Austria and Poland, the negative implications in credit quality terms, taking into account the possible regulatory developments, could potentially be more significant in the CEE area. Finally, it is important to highlight that in Croatia the sale of mortgage loans in CHF interrupted in 2009 (in 2010 in Austria; in Poland, Bank Pekao never sold mortgage loans denominated in CHF while in the former BPH, now merged into Bank Pekao, these products were sold until 2008).

Part F - Consolidated Shareholders' Equity

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Notes:
The document "Disclosure by Institutions" (Pillar III of Basel 3) is published on UniCredit group's website (www.unicreditgroup.eu) according to the deadline defined in the relevant regulations.
Part F does not include information regarding the capital adequacy of the financial conglomerate UniCredit, which meets the definition of financial conglomerate especially active in the banking and financial sectors but was nonetheless exempted from supplementary supervision pursuant to art. 4, paragraph 1, letter a, of Legislative Decree 142/2005.
Please note that the disclosures to be provided by the systemically important banks were published on the UniCredit group's website according to the deadline defined in the relevant regulations (www.unicreditgroup.eu).

Part F - Consolidated Shareholders' Equity

Section 1 - Consolidated Shareholders' Equity

A. QUALITATIVE INFORMATION

The UniCredit group has made a priority of capital management and allocation on the basis of the risk assumed in order to expand the Group's operations and create value. These activities are part of the Group planning and monitoring process and comprise:
- planning and budgeting processes:
  - proposals as to risk propensity and capitalization objectives;
  - analysis of risk associated with value drivers and allocation of capital to business areas and units;
  - assignment of risk-adjusted performance objectives;
  - analysis of the impact on the Group's value and the creation of value for shareholders;
  - preparation and proposal of the equity plan and dividend policy;
- monitoring processes:
  - analysis of performance achieved at Group and business unit level and preparation of management reports for internal and external use;
  - analysis and monitoring of limits;
  - analysis and performance monitoring of the capital ratios of the Group and individual companies.

The Group has set itself the goal of generating income in excess of that necessary to remunerate risk (cost of equity), and thus of creating value for its shareholders by allocating capital to the various business areas and business units on the basis of specific risk profiles. In support of planning and monitoring processes, the Group has adopted a methodology based on risk-adjusted performance measurement (Rapm) which provides a number of indicators that combine and summarize the operating, financial and risk variables to be considered.
Capital and its allocation are therefore extremely important in defining strategies, since on the one hand it represents the shareholders' investment in the Group which must be adequately remunerated, on the other hand it is a scarce resource on which there are external limitations imposed by regulatory provisions.
The definitions of capital used in the allocation process are as follows:
- Risk or employed capital: This is the equity component provided by shareholders (employed capital) for which a return that is greater than or equal to expectations (cost of equity) must be provided;
- Capital at risk: This is the portion of capital and reserves that is used (the budgeted amount or allocated capital) or was used to cover (at period-end – absorbed capital) risks assumed to pursue the objective of creating value.

If capital at risk is measured using risk management methods, it is defined as economic capital, if it is measured using regulatory provisions, it is defined as regulatory capital.
Economic capital and regulatory capital differ in terms of their definition and the categories of risk covered. The former is based on the actual measurement of exposure assumed, while the latter is based on schedules specified in regulatory provisions.
Economic capital is set at a level that will cover adverse events with a probability of 99.93% (confidence interval), while regulatory capital is quantified on the basis of a CET1 target ratio in line with that of major international banking groups and taking into account the impacts of the supervisory regulations in force or that will be adopted (CRR, Global Systemically Important Financial Institutions: G-SIFIs, etc.).

The process of capital allocation is based on a "dual track" logic, considering both economic capital, measured through the full evaluation of risks by risk management models, and regulatory capital, quantified applying internal capitalization targets to regulatory capital requirements.
The purpose of the capital management function performed by the Capital Management unit of Planning, Strategy and Capital Management is to define the target level of capitalization for the Group and its companies in line with supervisory regulations and the propensity for risk.
The Unicredit group has identified a Common Equity Tier 1 Ratio Target above 10% at current rules and a Fully Loaded Common Equity Tier 1 Ratio Target equal to 10% as of 2016, as communicated in March 2014 within the Strategic Plan 2013-2018. The Strategic Plan defines the referring macroeconomic scenario, the Group strategic guidelines and the main economic and financial targets as well as dividend payout assumptions coherent with the Common Equity Tier 1 Ratio Target. The complete Strategic Plan presentation is available in the Group site, in the 2013 fourth quarter results section (http://www.unicreditgroup.eu/content/dam/unicreditgroup/documents/en/investors/group-results/2012/2013/Strategic-Plan-2013-18.pdf).
Capital is managed dynamically: the Capital Management unit prepares the equity plan and monitors capital ratios for regulatory purposes.
On the one hand, monitoring is carried out in relation to shareholders' equity, for both accounting and regulatory purposes (Common Equity Tier 1, Additional Tier 1 and Tier 2 Capital), and on the other hand, in relation to the planning and performance of risk-weighted assets (RWAs).
The dynamic management approach is aimed at identifying the investment and capital-raising instruments (ordinary shares and other equity instruments) that are most suitable for achieving the Group's goals. If there is a capital shortfall, the gaps to be filled and capital generation measures are indicated, and their cost and efficiency are measured using RAPM. In this context, value analysis is enhanced by the joint role played by the Capital Management unit in the areas of regulatory, accounting, financial, tax-related, risk management and other aspects and the changing regulations[1], affecting these aspects so that an assessment and all necessary instructions can be given to other Group HQ areas or the companies asked to perform these tasks.

1. E.g. Basel 2/3, IAS/IFRS etc.

Section 2 - Own funds and banking regulatory ratios

2.1 Regulatory framework
The Bank of Italy Circular no. 285 of December 17, 2013, as amended, states that the asset and liability items to be included in the regulatory scope of consolidation are to be calculated according to the consolidation methods provided for by the regulations governing the preparation of financial statements (Bank of Italy Circular no. 262).
In more detail, the following consolidation methods are applied:
- the line-by-line consolidation method, to banking, financial and instrumental companies belonging to the banking group;
- the proportionate consolidation method, to banking, financial and instrumental companies in which the banking group or the bank holds a stake of at least 20 per cent, when they are owned by the banking group or the bank jointly with other parties and in accordance with agreements signed with them;
- the equity method: a) to the other banking and financial companies in which the banking group or the bank holds a stake (provided that the bank also holds stakes of at least 20 per cent subject to joint control) of at least 20 per cent or subject to significant influence; b) to businesses, other than banking, financial and instrumental companies, owned exclusively or jointly by the banking group (or the bank) or subject to significant influence.

For more information regarding exclusion and exemption from consolidation see the general instructions contained in Circular no. 115.

2.2 Banking Own Funds

A. QUALITATIVE INFORMATION

Transitional Own Funds
Own Funds and Capital Ratios as of June 30, 2015 – calculated according to the regulatory framework “Basel 3” as defined in the Directive 2013/36/EU (CRD IV) and Regulation (EU) n. 575 issued on June 26, 2013 (CRR) – includes transitional adjustments outlined by the aforementioned regulation for the year 2015.

Stake in Bank of Italy’s capital
With reference to the regulatory treatment of the UniCredit’s stake in Bank of Italy, it is worth mentioning that: (I) the carrying value as of June 30, 2015 is risk weighted at 100% (according to the CRR article 133 “Equity exposure”); (II) the revaluation recognized at P&L as of December 31, 2013 is not filtered out.

Unrealized gain and losses related to exposures towards Central Administrations classified Available for Sale – AFS
With reference to the contents of Bank of Italy Bollettino di Vigilanza n° 12 issued on December 2013 related to the transitional provisions on Own Funds for unrealized gain and losses associated to exposures towards Central Administrations classified in the IAS 39 category “Available For Sale – AFS”, UniCredit S.p.A. exercised the option contained in the Bank of Italy Circular 285 (“Disposizioni di vigilanza per le banche”, Part 2, Chapter 14, Section II, Paragraph 2) for the calculation of its Consolidated and Individual Own Funds for UniCredit S.p.A. Accordingly, starting from March 31, 2014 reporting period and in coherence with previous periods, UniCredit S.p.A. (for those securities issued by EU Central Administration classified in the portfolio “Available for Sale – AFS”) excludes by any element of its Own Funds unrealized gains and losses related to exposures towards EU Central Administration classified in the IAS 39 category “Available for Sale – AFS”, taking into account the provisions contained in the CRR Article 467.

Subordinated liabilities
On February 10, 2015, UniCredit S.p.A. launched Tier 2 notes, denominated in EUR, through own network Retail e Private with characteristics compliant with new “CRD IV” regulation, in place starting from January 1, 2014.
The securities have a maturity of 10 years and 2 months and can be called by the Issuer only one after 5 years and 2 months. Notes pay floating rate coupons of Euribor 3M + 275 basis points. It was launched the maximum amount expected, amounting to €2.5 billion.

1. Common Equity Tier 1 *(CET1)*

Common Equity Tier 1 includes ordinary shares issued by UniCredit S.p.A.

Please note that ordinary shares underlying to the “Cashes” transaction for a total amount of €609 million are reclassified in Additional Tier 1 Capital as instruments subject to grandfathering provisions.

The net profit of the first half 2015, equal to €1,034 million, is recognized in Own Funds reduced of Group foreseeable dividends calculated at the date, equal to €353 million. The interim profit is included in Own Funds as UniCredit group obtained the prior permission from the competent Authority according to CRR article 26 (2).

Part F - Consolidated Shareholders' Equity (CONTINUED)

2. Additional Tier 1 *(AT1)*

Financial instruments included in Additional Tier 1 Capital

SUBJECT TO TRANSITIONAL RULES (GRANDFATHERING)	ISSUER	UNIQUE IDENTIFIER [1]	COMPUTABLE CRR AMOUNT (€/MLN) [2]	NOMINAL AMOUNT IN ORIGINAL CURRENCY (MLN)	CURRENCY	MATURITY DATE	OPTIONAL CALL DATE	FIXED OR FLOATING DIVIDEND/ COUPON	COUPON RATE AND ANY RELATED INDEX	CONVERTIBLE OR NON-CONVERTIBLE	WRITE-DOWN FEATURES	POSITION IN SUBORDINATION HIERARCHY IN LIQUIDATION [3]
yes	UNICREDIT SPA	XS0527624059	325	500	EUR	No maturity	07.21.2020	Fixed to Floating	9.375% from issue date to 07/21/2020, equivalent to MS + 6.49%; Euribor 3M + 7.49% from 07/21/2020	Non convertible	yes	Tier 2
no	UNICREDIT SPA	XS1046224884	898	1250	USD	No maturity	06.03.2024	Fixed	8% p.a. until 06/03/2024; therafter fixed every 5 years for 5-Year Mid-Swap Rate + 518bps	Non convertible	yes	Tier 2
no	UNICREDIT SPA	XS1107890847	991	1000	EUR	No maturity	09.10.2021	Fixed	6.75% p.a until 10/09/2021; therafter fixed every 5 years for 5-Year Mid-Swap Rate + 610bps	Non convertible	yes	Tier 2
yes	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	XS0372556299	199	350	GBP	No maturity	06.27.2018	Fixed to Floating	8.5925% from issue date to 06/27/2018 payable semi-annually, equivalent to MS + 2.95%; Libor 3M + 3.95% from 06/27/2018	Non convertible	yes	Tier 2
yes	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	XS0470937243	567	750	EUR	No maturity	12.10.2019	Fixed to Floating	8.125% from issue date to 12/10/2019; Euribor 3M + 6.650%	Non convertible	yes	Tier 2
yes	HVB FUNDING TRUST II	XS0102826673	20	100	GBP	10.13.2036	10.13.2034	Fixed	7.76% p.a	Non convertible	yes	Tier 2
yes	UNICREDITO ITALIANO CAPITAL TRUST III	XS0231436238	121	750	EUR	No maturity	10.27.2015	Fixed to Floating	4.028% from issue date to 10/27/2015, equivalent to MS + 0.76%; Euribor 3M + 1.76% from 10/27/2015	Non convertible	yes	Tier 2
yes	UNICREDITO ITALIANO CAPITAL TRUST IV	XS0231436667	28	300	GBP	No maturity	10.27.2015	Fixed to Floating	5.396% from issue date to 10/27/2015, equivalent to MS + 0.76%; Libor 3M + 1.76% from 10/27/2015	Non convertible	yes	Tier 2
yes	ALPINE CAYMAN ISLANDS LTD.	DE000A0DD4K8	95	250	EUR	No maturity	10.28.2011	Fixed to Floating	1Y 6.00%, max between 8.00% and CMS euro 10y + 0.10% from 10/28/2005. Payable semi-annually	Non convertible	no	Tier 2
yes	ALPINE CAYMAN ISLANDS LTD.	DE000A0DYW70	50	150	EUR	No maturity	03.22.2012	Fixed to Floating	1Y 7.5% payable in arrear, max between 8.00% and euro CMS 10 y + 0.15% from second year to maturity.	Non convertible	no	Tier 2
yes	HVB FUNDING TRUST	US404398AA77	19	300	USD	06.30.2031	06.30.2029	Fixed	8.741% p.a.	Non convertible	yes	Tier 2
yes	HVB FUNDING TRUST III	US404399AA50	18	200	USD	10.22.2031	10.22.2029	Fixed	9% payable semi-annually	Non convertible	yes	Tier 2

Note:
1. Please note that ISIN Guidelines (paragraph 7) states that "banking instruments or facilities such as bank loans are outside of the scope of the ISO-6166 standard and should not be identified by ISIN codes". Hence, the present section shows an internal identification code for those instruments classified as "Loans".
2. In case of instruments issued by Group's subsidiaries, the value represents the computable amount of the instrument, that is the basis for the calculation of minority interests. In case of Additional Tier 1 instruments in the transitional rules, the value represents the total computable amount (including both the quota in Additional Tier 1 and the quota reclassified in Tier 2 when exceeding the grandfathering limit calculated according to regulation).
3. The write-up mechanisms described are aligned with the original Final Terms & Conditions; therefore, the classification of instruments is coherent with the regulatory framework in force at the issuance date.

Saving shares for €8 million and related share premium equal to €10 million, in addition to the ordinary shares underlying to the "Cashes" transaction, are included in Additional Tier 1 Capital.

3. Tier 2 *(T2)*

Financial instruments included in Tier 2 Capital

SUBJECT TO TRANSITIONAL RULES (GRANDFATHERING)	ISSUER	UNIQUE IDENTIFIER [1]	COMPUTABLE CRR AMOUNT (€/MLN) [2]	NOMINAL AMOUNT IN ORIGINAL CURRENCY (MLN)	CURRENCY	MATURITY DATE	OPTIONAL CALL DATE	FIXED OR FLOATING DIVIDEND/ COUPON	COUPON RATE AND ANY RELATED INDEX	CONVERTIBLE OR NON-CONVERTIBLE	WRITE-DOWN FEATURES	POSITION IN SUBORDINATION HIERARCHY IN LIQUIDATION [3]
no	UNICREDIT SPA	XS0241369577	103	900	EUR	02.01.2016	-	Fixed	3.95% p.a.	Non Convertible	yes	Lower Tier 2
no	UNICREDIT SPA	XS0241198315	74	450	GBP	02.01.2016	-	Fixed	5% p.a.	Non Convertible	yes	Lower Tier 2
yes	UNICREDIT SPA	IT0004012552	24	170	EUR	03.30.2016	03.30.2011	Fixed to Floating	4% first year, max between 3.2% and 65% of swap Euro 10 y from second year to maturity	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004012586	32	230	EUR	03.30.2016	03.30.2011	Fixed to Floating	3.5% first year, max between minimum rate and 75% of swap Euro 10 y from second year to maturity	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0322918565	432	1.000	EUR	09.26.2017	-	Fixed	5.75% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0332831485	83	171	EUR	12.04.2017	-	Floating	Max between 5.14% and 100% of swap Euro 10 y	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0334815601	49	100	EUR	12.11.2017	-	Floating	Minimum between 11% and 113.5% of swap Euro 10 y	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0348222802	110	125	EUR	03.03.2023	-	Fixed	6.04% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0356063940	8	15	EUR	04.10.2018	-	Floating	Max between 5.535% and 10 y Euro CMS	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0356629369	56	100	EUR	04.24.2018	-	Floating	Max between 5% and 10 y Euro CMS + 0.67%	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0367777884	412	1.000	EUR	06.05.2018	-	Fixed	6.70% p.a.	Non Convertible	yes	Lower Tier 2
no	UNICREDIT SPA	XS0372227982	75	125	EUR	06.25.2018	-	Floating	Euribor 6M + 1.7%	Non Convertible	yes	Lower Tier 2
no	UNICREDIT SPA	XS0503612250	50	50	EUR	04.21.2021	-	Fixed	5% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0504566414	50	50	EUR	04.25.2022	-	Fixed	5.05% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0503708280	48	50	EUR	04.26.2020	-	Fixed	4.75% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004605074	323	333	EUR	05.31.2020	-	Fixed	05/31/2011: 3.00%; 05/31/2012: 3.25%; 05/31/2013: 3.50%; 05/31/2014: 3.75%; 05/31/2015: 4.00%; 05/31/2016: 4.40%; 05/31/2017: 4.70%; 05/31/2018: 5.07%; 05/31/2019: 5.40%; 05/31/2020: 6.00%.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0515754587	50	50	EUR	06.14.2020	-	Fixed	5.16% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004615305	127	327	EUR	06.14.2017	-	Fixed	06/14/2011: 3.00%; 06/14/2012: 3.25%; 06/14/2013: 3.50%; 06/14/2014: 3.80%; 06/14/2015: 4.10%; 06/14/2016: 4.40%; 06/14/2017: 4.70%.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004698418	254	464	EUR	03.31.2018	-	Fixed to Floating	5.00% p.a. from 06/30/2011 to 03/31/2013; from 06/30/2013 Euribor 3M + 1% p.a.	Non Convertible	no	Senior

Part F - Consolidated Shareholders' Equity (Continued)

continued: Financial instruments included in Tier 2 Capital

SUBJECT TO TRANSITIONAL RULES (GRANDFATHERING)	ISSUER	UNIQUE IDENTIFIER [1]	COMPUTABLE CRR AMOUNT (€/MLN) [2]	NOMINAL AMOUNT IN ORIGINAL CURRENCY (MLN)	CURRENCY	MATURITY DATE	OPTIONAL CALL DATE	FIXED OR FLOATING DIVIDEND/ COUPON	COUPON RATE AND ANY RELATED INDEX	CONVERTIBLE OR NON-CONVERTIBLE	WRITE-DOWN FEATURES	POSITION IN SUBORDINATION HIERARCHY IN LIQUIDATION [3]
yes	UNICREDIT SPA	IT0004698426	413	759	EUR	03.31.2018	-	Fixed	03/31/2012: 4.10%; 03/31/2013: 4.30%; 03/31/2014: 4.50%; 03/31/2015: 4.70%; 03/31/2016: 4.90%; 03/31/2017: 5.05%; 03/31/2018: 5.10%	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0618847775	745	750	EUR	04.19.2021	-	Fixed	6.125% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004723927	233	394	EUR	06.30.2018	-	Fixed to Floating	5% p.a. until 06/30/2013; from 09/30/2013 Euribor 3M + 1% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004740368	12	20	EUR	07.05.2018	-	Floating	Euribor 3M + 2.50% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0849517650	1.492	1.500	EUR	10.31.2022	-	Fixed	6.95% p.a	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004747330	96	157	EUR	08.19.2018	-	Fixed	08/19/2012: 4.40%; 08/19/2013: 4.60%; 08/19/2014: 4.80%; 08/19/2015: 5.00%; 08/19/2016; 5.30%; 08/19/2017: 5.65%; 08/19/2018: 6.00%	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004748882	6	10	EUR	07.21.2018	-	Floating	Euribor 3M + 2.637% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004764004	272	414	EUR	10.31.2018	-	Fixed	10/31/2012: 5.60%; 10/31/2013: 5.90%; 10/31/2014: 6.10%; 10/31/2015: 6.30%; 10/31/2016: 6.50%; 10/31/2017: 6.80%; 10/31/2018: 7.20%	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004780562	368	518	EUR	01.31.2019	-	Fixed	01/31/2013: 6.50%; 01/31/2014: 6.90%; 01/31/2015: 7.30%; 01/31/2016: 7.80%; 01/31/2017: 8.10%; 01/31/2018: 8.30%; 01/31/2019: 8.50%	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0878681419	196	300	SGD	07.30.2023	07.30.2018	Fixed	1-5.5Y 5.5% p.a., 5.5-10.5Y SOR + 4.47% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0925177130	668	750	USD	05.02.2023	05.02.2018	Fixed to Floating	1-5Y 6.375%. 6-10Y USD MS + 5.51%	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0986063864	995	1.000	EUR	10.28.2025	10.28.2020	Fixed	5.75% p.a.. after the call. 5Y Swap + 410 bps	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0001	5	10	EUR	10.30.2017	-	Fixed	5.45% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0002	5	10	EUR	10.30.2017	-	Fixed	5.45% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0003	5	10	EUR	11.13.2017	-	Fixed	5.54% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0004	2	5	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0005	2	5	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0006	10	20	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0007	10	20	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0008	0	1	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0009	19	40	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior

continued: Financial instruments included in Tier 2 Capital

SUBJECT TO TRANSITIONAL RULES (GRANDFATHERING)	ISSUER	UNIQUE IDENTIFIER [1]	COMPUTABLE CRR AMOUNT (€/MLN) [2]	NOMINAL AMOUNT IN ORIGINAL CURRENCY (MLN)	CURRENCY	MATURITY DATE	OPTIONAL CALL DATE	FIXED OR FLOATING DIVIDEND/ COUPON	COUPON RATE AND ANY RELATED INDEX	CONVERTIBLE OR NON-CONVERTIBLE	WRITE-DOWN FEATURES	POSITION IN SUBORDINATION HIERARCHY IN LIQUIDATION [3]
no	UNICREDIT SPA	135_SL0010	2	5	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0011	10	20	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0012	2	5	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0013	5	10	EUR	01.30.2018	-	Fixed	5.74% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0014	5	10	EUR	01.30.2018	-	Fixed	5.74% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS1070428732	184	185	EUR	05.21.2024	05.21.2019	Fixed	3.125% from issue date to 05/21/2019; fixed rate equivalent to 5Y MS + 2.50% from 05/21/2019	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0062981500	53	10.000	JPY	03.12.2021	-	Fixed	6.3% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0070770333	10	5.000	JPY	10.31.2016	-	Fixed	5.39% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0071432222	10	5.000	JPY	11.28.2016	-	Fixed	5.2% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	US060587AB85	203	700	USD	02.15.2017	-	Fixed	7.25% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000541917	5	45	EUR	01.25.2016	-	Floating	Euribor 6M + 0.40% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000541719	20	20	EUR	10.06.2020	-	Fixed	6.5% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000541669	5	5	EUR	07.31.2020	-	Fixed to Floating	7.1% payable until 07/31/2005, thereafter 1.8 x 10yJPYCMS. floor: 3.25%, cap: 8.25%	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0118835676	3	50	EUR	10.24.2015	-	Floating	Euribor 6M + 0.29% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0122710188	20	20	EUR	01.24.2031	-	Floating	Euribor 3M + 0.39% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0123313636	30	30	EUR	01.25.2031	-	Floating	Euribor 6M + 0.3925% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0123117292	46	46	EUR	01.25.2031	-	Floating	Euribor 3M + 0.35% payable quarterly	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000539606	9	9	EUR	12.21.2026	12.21.2017	Fixed	6% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0134061893	55	55	EUR	08.20.2033	-	Floating	Euribor 3M + 0.52% payable quarterly	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0136314415	35	35	EUR	10.31.2031	-	Floating	Euribor 3M + 0.49% payable quarterly	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000539531	1	5	EUR	12.06.2016	-	Fixed to Floating	7% from 12/06/2001 to 12/05/2006; thereafter 9.90% minus Euribor 12M. floor: 0%	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0137905153	12	12	EUR	10.30.2031	-	Fixed	5.935% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0138428684	60	60	EUR	12.31.2031	-	Floating	Euribor 3M + 0.50% payable quarterly	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0138355515	2	10	USD	11.14.2016	-	Fixed	6.00% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0138294201	7	30	USD	11.14.2016	-	Fixed	6.00% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0139264682	36	40	USD	12.05.2031	-	Fixed	6.21% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	A111_SL0040	25	28	USD	12.15.2046	-	Fixed	USD 130.000 per month/ 5.673% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0140394817	94	95	EUR	12.27.2031	-	Floating	Euribor 3M + 0.48% payable quarterly	Non Convertible	no	Senior

Part F - Consolidated Shareholders' Equity (CONTINUED)

continued: Financial instruments included in Tier 2 Capital

SUBJECT TO TRANSITIONAL RULES (GRANDFATHERING)	ISSUER	UNIQUE IDENTIFIER [1]	COMPUTABLE CRR AMOUNT (€/MLN) [2]	NOMINAL AMOUNT IN ORIGINAL CURRENCY (MLN)	CURRENCY	MATURITY DATE	OPTIONAL CALL DATE	FIXED OR FLOATING DIVIDEND/ COUPON	COUPON RATE AND ANY RELATED INDEX	CONVERTIBLE OR NON-CONVERTIBLE	WRITE-DOWN FEATURES	POSITION IN SUBORDINATION HIERARCHY IN LIQUIDATION [3]
no	UNICREDIT BANK AUSTRIA AG	XS0140907626	50	50	EUR	12.27.2021	-	Floating	Euribor 3M + 0.48% payable quarterly	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0140691865	50	50	EUR	12.27.2026	-	Floating	Euribor 6M + 0.5% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0140608125	4	40	EUR	12.27.2015	-	Floating	Euribor 3M + 0.43% payable quarterly	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0140608398	63	63	EUR	12.27.2021	-	Fixed	5.80% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0140838474	125	125	EUR	12.27.2029	-	Floating	Euribor 6M + 0.52% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0141069442	100	100	EUR	12.28.2021	-	Floating	Euribor 6M +0.48% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000539481	40	40	EUR	11.29.2021	-	Fixed	6% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	A111_SL0050	25	25	EUR	10.19.2021	-	Fixed	6.01% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	A111_SL0053	20	20	EUR	12.02.2021	-	Fixed	5.51% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000246814	2	15	EUR	02.26.2021	02.26.2016	Floating	Euribor 6M + 0.20% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000245790	1	27	EUR	10.25.2019	-	Fixed to Floating	7.25% for first five years, thereafter arithmetic average Secondary Market Yield of Banking Bonds according to ONB minus 0.25%	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0093266939	21	60	DEM	12.21.2018	-	Fixed	5.43% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0097425226	29	40	EUR	05.14.2019	-	Fixed to Floating	5.00% from issue date to 05/14/2009; 5.00% + 16% of Euro CMS 10y from 05/14/2009.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0097950900	2	3	EUR	05.28.2019	-	Fixed to Floating	4.50% from issue date to 05/28/2004; max between 4.50% and 90% of Euro CMS 10y from 05/28/2004.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0098170003	32	43	EUR	06.01.2019	-	Fixed to Floating	4.70% from issue date to 06/01/2009; max between 4.70% and 102% of Euro CMS 10y from 06/01/2009	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0098907693	20	25	EUR	06.25.2019	06.25.2009	Fixed	7.00% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0104764377	39	39	EUR	11.19.2029	-	Floating	Euribor 6M + 0.62%	Non Convertible	no	Senior
no	UNICREDIT BANK AG	DE0002298890	16	20	EUR	06.07.2019	-	Fixed	5.5% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0105174352	12	12	EUR	12.13.2024	-	Fixed	2.00% p.a. from issue date to 12/13/2004; 9.00% p.a. from 12/13/2004.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0105656267	12	15	EUR	12.21.2029	-	Fixed	5.00% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0114878233	8	8	EUR	08.03.2020	-	Floating	Euribor 6M + 0.65%	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0119485885	14	14	EUR	10.23.2020	-	Floating	Euribor 3M + 0.70%	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0120851174	10	10	EUR	12.22.2020	-	Floating	67% of Euro CMS 10y, with a min. of 4.85% and a max of 5.85%	Non Convertible	no	Senior
no	UNICREDIT BANK AG	A1982_SL0068	5	10	EUR	11.27.2017	-	Fixed	5.85% p.a.	Non Convertible	no	Senior

continued: Financial instruments included in Tier 2 Capital

SUBJECT TO TRANSITIONAL RULES (GRANDFATHERING)	ISSUER	UNIQUE IDENTIFIER [1]	COMPUTABLE CRR AMOUNT (€/MLN) [2]	NOMINAL AMOUNT IN ORIGINAL CURRENCY (MLN)	CURRENCY	MATURITY DATE	OPTIONAL CALL DATE	FIXED OR FLOATING DIVIDEND/ COUPON	COUPON RATE AND ANY RELATED INDEX	CONVERTIBLE OR NON-CONVERTIBLE	WRITE-DOWN FEATURES	POSITION IN SUBORDINATION HIERARCHY IN LIQUIDATION [3]
no	UNICREDIT BANK AG	XS0150812872	4	10	EUR	07.08.2017	-	Fixed	1.00% from 07/08/2003 to 07/08/2007; 3.00% from 07/08/2008 to 07/08/2012; 4.00% from 07/08/2013 to 07/08/2017	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0154897317	11	25	EUR	09.24.2017	-	Floating	Max between 6.50% and 94% of Euro CMS 10y from issue date to 09/24/2007; 94% of Euro CMS 10Y 09/24/2007.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	A1982_SL0085	2	10	EUR	05.30.2016	-	Fixed	6% p.a.	Non Convertible	no	Senior
no	BANK AUSTRIA WOHNBAUBANK AG	AT0000347695	3	12	EUR	11.02.2016	11.03.2013	Fixed	4.875% p.a.	Convertible - AT1	yes	Senior
no	BANK AUSTRIA WOHNBAUBANK AG	AT000B074141	3	8	EUR	10.22.2017	-	Fixed	4.625% p.a.	Convertible - AT1	no	Senior
no	UNICREDIT LUXEMBOURG FINANCE SA	US90466GAC69	312	750	USD	10.31.2017	-	Fixed	6.00% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	IT0005087116	2.495	2.500	EUR	05.03.2025	05.03.2020	Floating	Euribor 3M + 2.75%	Non Convertible	no	Senior

Notes:
1. Please note that ISIN Guidelines (paragraph 7) states that "banking instruments or facilities such as bank loans are outside of the scope of the ISO-6166 standard and should not be identified by ISIN codes". Hence, the present section shows an internal identification code for those instruments classified as "Loans".
2. In case of instruments issued by Group's subsidiaries, the value represents the computable amount of the instrument, that is the basis for the calculation of minority interests.
3. The write-up mechanisms described are aligned with the original Final Terms & Conditions; therefore, the classification of instruments is coherent with the regulatory framework in force at the issuance date.

B. QUANTITATIVE INFORMATION

(€ '000)

OWN FUNDS	06.30.2015	12.31.2014
A. Common Equity Tier 1 Capital (CET1) before prudential filters	**48,651,338**	**47,500,669**
of/w grandfathered CET1 instruments	-	-
B. CET1 Prudential Filters (+/-)	**(1,556,854)**	**(1,577,383)**
C. CET1 gross of deductions and transitional adjustments (A +/- B)	**47,094,484**	**45,923,286**
D. Items to be deducted from CET1	**6,454,372**	**6,954,941**
E. Transitional adjustments - Effect on CET1 (+/-), including minority interests subject to transitional adjustments	**2,058,454**	**3,029,343**
F. Common Equity Tier 1 Capital (C - D +/-E)	**42,698,566**	**41,997,688**
G. Additional Tier 1 Capital (AT1) gross of deductions and transitional adjustments	**3,731,140**	**3,735,578**
of/w grandfathered AT1 instruments	1,842,677	1,847,115
H. Items to be deducted from AT1	**69,363**	**71,438**
I. Transitional adjustments - Effect on AT1 (+/-), including qualifying instruments issued by subsidiaries and computable in AT1 due to transitional provisions	**(74,406)**	**(162,529)**
L. Additional Tier 1 Capital (G - H +/- I)	**3,587,371**	**3,501,611**
M. Tier 2 (T2) Capital gross of deductions and transitional adjustments	**11,603,977**	**9,815,391**
of/w grandfathered T2 instruments	2,185,556	2,089,642
N. Items to be deducted from T2	**762,714**	**1,057,928**
O. Transitional adjustments - Effect on T2 (+/-), including qualifying instruments issued by subsidiaries and computable in T2 due to transitional provisions	**671,460**	**600,045**
P. Tier 2 Capital (M - N +/- O)	**11,512,723**	**9,357,508**
Q. Total Own Funds (F + L + P)	**57,798,660**	**54,856,807**

Part F - Consolidated Shareholders' Equity (Continued)

Description of main capital items as of June 30, 2015

Regarding the amount of transitional adjustments as of June 30, 2015, it is worth mentioning that such amounts – compared to December 31, 2014 – reflect among the other effects also the gradual reduction of the transitional adjustment requested starting from January 1, 2015; here follows the main items:
- 60% for the items to be deducted from Common Equity Tier 1 (instead of 80% applied for 2014);
- 60% for unrealized gains on AFS securities other than exposures towards EU Central Administration (instead of 80% applied for 2014);
- 80% for the amount of actuarial losses calculated according to CRR article 473 (instead of 100% applied for 2014).

A. Common Equity Tier 1 Capital (CET1) before prudential filters

The item includes:
- paid up instruments for €/mln 19,622; such item includes the effects of the increase related to the scrip dividend scheme as approved by the Extraordinary Shareholders' Meeting of May 13, 2015, under which newly-issued ordinary shares of the Company (n° 1:50) were granted to the shareholders entitled to receive the 2014 dividend not requesting a cash payment;
- share premium for €/mln 15,953;
- other reserves included retained earnings for €/mln 15,843, also including the net profit of the 1st half of the year equal to €/mln 1,034; interim profit is included in Own Funds according to CRR article 26, net of Group foreseeable dividends, equal to €/mln 353;
- minority interest given recognition in CET1 capital for €/mln 1,352;
- accumulated other comprehensive income, negative for €/mln 4,119; such item includes – among the others – the following items whose regulatory treatment is outlined below:
  - reserves for actuarial losses (IAS 19):
    - amount of the negative reserve included in this item: €/mln 2,633;
    - amount of the positive transitional filter included in section "E. Transitional adjustments – Effect on CET1 (+/-), including minority interests subject to transitional adjustments"): €/mln 1,866;
    - increase of the amount in net liability for defined benefit obligations that would be recognized in application of the "corridor method" according to the previous version of IAS 19 principle[2]: €/mln 767.
  - riserve su attività disponibili per la vendita (AFS):
    - amount of the positive reserve included in this item: €/mln 1,345;
    - amount of the negative transitional adjustment for unrealized gains on fair value items included in section "E. Transitional adjustments – Effect on CET1 (+/-), including minority interests subject to transitional adjustments"): €/mln 1,122, of/w €/mln 787 referred to securities issued by UE Central Administrations[3].
  - revaluation reserve on exchange differences: amount of the negative reserve included in this item for €/mln 3,665.

The item does not include:
- €/mln 609 related to Cashes[4] reclassified in the Item "G. Additional Tier 1 Capital (AT1) gross of deductions and transitional adjustments";
- €/mln 8 related to Saving Shares;
- €/mln 10 related to share premium referred to Saving Shares.

B. Common Equity Tier 1 Capital (CET1) before prudential filters.

The item includes:
- filters required by CRR including, referred to:
  - negative filter on cash flow hedge reserve of financial instruments (CRR art. 33), equal to €/mln 558;
  - negative filter on gains on liabilities of the institutions related to changes in own credit standing (CRR art. 33), equal to €/mln 273;
  - negative filter related to additional value adjustments (CRR art. 34), equal to €/mln 390;
- national filters as required by Bank of Italy Circular n° 285, referred to:
  - multiple goodwill redemption ("affrancamenti mutipli"), equal to €/mln 282[5];
  - gain on sale of properties mainly used in operations ("cessione in blocco"), equal to €/mln 54;

2. 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.
3. With reference to the contents of Bank of Italy Bollettino di Vigilanza n° 12 issued on December 2013 related to the transitional provisions on Own Funds for unrealized gain and losses associated to exposures towards Central Administrations classified in the IAS 39 category "Available For Sale – AFS", UniCredit S.p.A. exercised the option contained in the Bank of Italy Circular 285 ("Disposizioni di vigilanza per le banche", Part 2, Chapter 14, Section II, Paragraph 2) for the calculation of its Consolidated Supervisory Capital (as well as for the calculation of Individual Supervisory Capitals of all banks belonging to UniCredit Banking Group supervised by the Bank of Italy). Accordingly, starting from March 31, 2014 reporting period and in coherence with previous periods, UniCredit S.p.A. (for those securities issued by EU Central Administration classified in the portfolio "Available for Sale – AFS") excludes by any element of its Own Funds unrealized gains and losses related to exposures towards EU Central Administration classified in the IAS 39 category "Available for Sale – AFS", taking into account the provisions contained in the CRR Article 467.
4. 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 legitimately issued, they are fully loss absorbing as any other ordinary share.
5. The calculation takes into account the provisions of the Resolution n. 55/E of the Italian Revenue Agency (Agenzia delle Entrate) issued on May 29th, 2015 concerning "Discipline of the tax credit resulting from the processing of deferred tax assets recorded in the financial statements referred to in Article 2, paragraphs 55 to 58 of Decree-Law 29 December 2010, n. 225" (Disciplina del credito d'imposta derivante dalla trasformazione di attività per imposte anticipate iscritte in bilancio di cui all'articolo 2, commi da 55 a 58, del decreto legge 29 dicembre 2010, n. 225).

D. Items to be deducted from CET1[6]
The item includes the following main elements:
- goodwill and other intangible assets, for €/mln 5,673;
- deferred tax assets that rely on future profitability and do not arise from temporary differences, for €/mln 237;
- excess of expected losses compared to provisions related to IRB positions, equal to €/mln 294; such amounts reflects a decrease of €/mln 590 compared to the amount deducted as of December 31, 2014;
- deductions for securitizations, equal to €/mln 179.

E. Transitional adjustments – Effect on CET1 (+/-), including minority interests subject to transitional adjustments
The item includes the following elements:
- exclusion of 100% of unrealized gains related to exposures towards EU Central Administrations classified in the portfolio “Available For Sale – AFS”, equal to €/mln 787 (-);
- exclusion of 60% of both unrealized gains related to debt instruments other than those issued by EU Central Administration, and capital instruments classified in the portfolio “Available For Sale – AFS”, for an overall amount of €/mln 334 (-);
- positive filter on negative actuarial reserves (IAS 19) equal to 80% of the amount calculated according to CRR article 473 €/mln, for €/mln 1,866 (+);
- positive filter for the 60% of the deduction related to deferred tax assets that rely on future profitability and do not arise from temporary differences, for €/mln 142 (+);
- positive filter for the 60% of the deduction related to excess of expected losses compared to provisions related to IRB position, for €/mln 177 (+);
- positive filter due to the inclusion of minority interests subject to transitional adjustments, for €/mln 995 (+).

I. Transitional adjustments – Effect on AT1 (+/-), including qualifying instruments issued by subsidiaries and computable in AT1 due to transitional provisions
The item includes the following transitional adjustments:
- positive filter for €/mln 14, equal to:
  - 60% (€/mln 27) of the amount of the deduction (€/mln 46) related to direct, indirect and synthetic positions in AT1 instruments issued by financial sector entities (FSE), in which a significant investment is held;
  - net of 50% of the residual amount of the deduction related to direct positions (€/mln 14);
- deduction of 50% of the residual amount (€/mln 177) related to the excess of expected losses compared to provisions referred to IRB position, equal to €/mln 88 (-).

M. Tier 2 (T2) Capital gross of deductions and transitional adjustments
The change compared to December 31, 2014 mainly includes the issuing of the Tier 2 instrument (ISIN IT0005087116) by UniCredit S.p.A. on March 3, 2015 for a total of 2,5 €/billion.

O. Transitional adjustments – Effect on T2 (+/-), including qualifying instruments issued by subsidiaries and computable in T2 due to transitional provisions
The item includes the following transitional adjustments:
- deduction of the remaining 50% of the residual amount referred to direct positions held in AT1 instruments issued by FSE in which a significant investment is held, for €/mln 14 (-);
- deduction of the remaining 50% of the residual amount related to the excess of expected losses compared to provisions referred to IRB position, equal to €/mln 88 (-);
- positive filter due to the inclusion of instruments issued by subsidiaries and included in Tier 2 Capital according to transitional provisions, equal to €/mln 606 (+);
- national positive filter as regulated by Bank of Italy Circular n° 285, equal to 60% of 50% of unrealized gains on AFS securities, equal to €/mln 167 (+).

6. With reference to the regulatory treatment of the UniCredit’s stake in Bank of Italy, it is worth mentioning that: (I) the carrying value as of June 30, 2015 is risk weighted at 100% (according to the CRR article 133 “Equity exposure”); (II) the revaluation recognized at P&L as of December 31, 2013 is not filtered out.

Part F - Consolidated Shareholders' Equity (Continued)

2.3 Capital adequacy

A. QUALITATIVE INFORMATION

See the "Section 1 – Consolidated Shareholders' Equity" for qualitative information on the procedures adopted by the Banking Group to assess the adequacy of own funds supporting current and future activities

B. QUANTITATIVE INFORMATION

Capital Adequacy

(€ '000)

	UNWEIGHTED ASSETS		WEIGHTED ASSETS/REQUIREMENTS	
ITEMS/VALUES	06.30.2015	12.31.2014	06.30.2015	12.31.2014
A. RISK ASSETS				
A.1 CREDIT AND COUNTERPARTY RISK	**890,729,893**	**864,338,492**	**343,984,833**	**344,210,788**
1. Standardized approach [1]	408,457,142	401,609,123	189,772,143	187,662,040
2. IRB approaches	469,854,704	453,356.258	151,768,842	153,875,480
2.1 Foundation	*20,272,895*	*19,109,484*	*14,641,595*	*13,036,617*
2.2 Advanced	*449,581,809*	*434,246,774*	*137,127,247*	*140,838,863*
3. Securitizations	12,418,047	9,373,111	2,443,848	2,673,268
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			**27,518,787**	**27,536,863**
B.2 Credit valuation adjustment risk			**418,364**	**434,325**
B.3 Settlement risk			**4,145**	**4,159**
B.4 Market Risk			**1,062,153**	**1,224,228**
1. Standard approach			158,727	181,828
2. Internal Models			903,426	1,042,400
3. Concentration Risk			-	-
B.5 Operational Risk			**3,468,298**	**3,538,233**
1. Basic indicator approach			239,504	236,047
2. Traditional standardized approach			280,904	305,834
3. Advanced measurement approach			2,947,890	2,996,352
B.6 Other calculation elements			**-**	**-**
B.7 Total capital requirements			**32,471,747**	**32,737,808**
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Risk Weighted Assets			**405,896,834**	**409,222,601**
C.2 Common Equity Tier 1 Capital/Risk weighted assets (CET1 capital ratio)			**10.52%**	**10.26%**
C.3 Tier 1 Capital/Risk weighted assets (Tier 1 capital ratio)			**11.40%**	**11.12%**
C.4 Total Own Funds/Risk weighted assets (Total capital ratio)			**14.24%**	**13.41%**

Note:
1. The weighted amounts include the "Exposures with or central counterparties as pre-funded contributions to the default fund".

Part H - 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 2015 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, 2015, for each group of related parties, pursuant to IAS 24.

Related party transactions: balance sheet items

(€ '000)

	AMOUNT AS AT 06.30.2015								
	NON-CONSOLIDATED SUBSIDIARIES	NON-CONSOLIDATED JOINT VENTURES	ASSOCIATES	KEY MANAGEMET PERSONNEL	OTHER RELATED PARTIES	TOTAL	% ON CONSOLIDATED	SHAREHOLDERS (*)	% ON CONSOLIDATED
Financial asset held for trading	-	14,811	525,711	28	1,507	542,057	0.56%	3,071	0.00%
Financial asset designated at fair value	-	-	-	-	37,675	37,675	0.11%	-	0.00%
Available for sale financial asset	8,225	256,652	144,136	-	266	409,279	0.37%	19,000	0.02%
Held to maturity investments	-	-	-	-	-	-	0.00%	-	0.00%
Loans and receivables with banks	-	1,956,947	1,671,846	-	-	3,628,793	4.21%	-	0.00%
Loans and receivables with customers	45,630	1,091,150	1,041,138	1,729	93,425	2,273,072	0.48%	385,530	0.08%
Other assets	2,354	1,110	30,275	-	42	33,781	0.32%	113	0.00%
Total Assets	**56,209**	**3,320,670**	**3,413,106**	**1,757**	**132,915**	**6,924,657**	**0.85%**	**407,714**	**0.05%**
Deposits from banks	24	36,312	8,840,086	-	-	8,876,422	7.31%	179,596	0.15%
Deposits from customers	10,268	11,370	611,112	8,499	55,301	696,550	0.16%	290,028	0.07%
Debt securities in issue	-	37,749	218,929	-	22,056	278,734	0.13%	11,339	0.01%
Other liabilities	521	795	47,016	-	5,671	54,003	0.27%	26	0.00%
Total Liabilities	**10,813**	**86,226**	**9,717,143**	**8,499**	**83,028**	**9,905,709**	**1.25%**	**480,989**	**0.06%**
Guarantees given and commitments	117,848	938,893	225,519	140	197,790	1,480,190	0.88%	27,310	0.02%

(*) 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 06.30.2015								
	NON-CONSOLIDATED SUBSIDIARIES	NON-CONSOLIDATED JOINT VENTURES	ASSOCIATES	KEY MANAGEMET PERSONNEL	OTHER RELATED PARTIES	TOTAL	% ON CONSOLIDATED	SHAREHOLDERS (*)	% ON CONSOLIDATED
Interest income and similar revenues	873	48,565	33,560	29	1,065	84,092	0.84%	9,807	0.10%
Interest expense and similar charges	(5)	(544)	(48,000)	(24)	(41)	(48,614)	1.16%	(1,670)	0.04%
Fee and commission income	259	3,156	316,147	13	903	320,478	6.70%	6,874	0.14%
Fee and commission expense	-	(65)	(33,651)	(4)	(10)	(33,730)	4.20%	(871)	0.11%
Impairment losses on:	232	(3)	4,957	-	(232)	4,954	-0.26%	1,768	-0.09%
a) loans	232	(3)	4,962	-	(202)	4,989	-0.27%	1,768	-0.09%
b) available for sale assets	-	-	-	-	-	-	0.00%	-	0.00%
c) held-to-maturity assets	-	-	-	-	-	-	0.00%	-	0.00%
d) other financial assets	-	-	(5)	-	(30)	(35)	-0.70%	-	0.00%
Operating costs	(9)	700	(224,276)	3	(10,108)	(233,690)	3.13%	-	0.00%

(*) Shareholders and related companies holding a stake with voting right in the Bank's share capital exceeding 2%.

Part H - Related-Party Transactions (Continued)

Note that the "key management personnel" are persons having authority and responsibility for planning, directing, and controlling UniCredit's activities, directly or indirectly (i.e. members of the Board of Directors, including the Chief Executive Officer, the Standing Auditors, members of the Executive Management Committee and the Head of Internal Audit in office during the period under consideration).

The "other related parties" category includes:
- close family members of key management personnel (i.e. those family members who, as is expected, may influence – or be influenced by – the person in question);
- companies controlled (or jointly controlled) by key management personnel or their close family members;
- Group employee post-employment benefit plans.

Specifically, below are some observations on major related-party transactions.

In 2012 the subsidiary UniCredit Business Integrated Solutions S.C.p.A. (UBIS) assumed the role of operating sub-holding to provide the Group's support services both in Italy and abroad.
Against this backdrop, on February 15, 2013 the Board of Directors of UBIS approved the executive plan relating to the "Invoice Management" transaction aimed at the formation of a joint venture with the partner Accenture S.p.A. (Accenture) for the provision of back office services with respect to the "income and expense cycle" (issuance, receipt, verification, recording and payment of invoices). In relation to this, UBIS - with effect from April 1, 2013 - transferred its "income and expense cycle" business unit to the company formed by Accenture, called "Accenture Back Office and Administration Services S.p.A.", and sold Accenture some of the shares resulting from the transfer. As a result of the transaction, UBIS holds 49% of the share capital of Accenture Back Office and Administration Services S.p.A.'s; the remaining 51% is held by Accenture (which is the controlling shareholder).
Afterwards, on April 19, 2013, the Board of Directors of UBIS approved the executive plan of the project aimed at the formation of a joint venture with another major player in the industry, IBM Italia S.p.A. (IBM), for the provision of technological infrastructure services (hardware, data center, etc.) to Commercial Banking. The transaction was completed when UBIS, with effect from September, 1, 2013, transferred the "Information Technology" business unit to the company named "Value Transformation Services S.p.A." (V-TServices), formed and controlled by IBM Italia S.p.A. As a result of the transaction, UBIS holds 49% of V-TServices's share capital; the remaining 51% is held by IBM (which is the controlling shareholder).
The services provided to the UniCredit group by the above-mentioned companies result in an exchange of fees (administrative costs).

In order to ensure compliance with the commitments undertaken by UniCredit S.p.A. under the "ReboRa Agreement", in 2010 - following the sale of UniCredit CAIB AG by UniCredit Bank Austria AG ("Bank Austria") to UniCredit Bank AG - UniCredit S.p.A. and Bank Austria entered into a Compensation Agreement, consisting of 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), aimed at keeping Bank Austria financially neutral with respect to the profits generated from the operations sold.
In particular, this agreement establishes a commitment for UniCredit S.p.A. to pay an amount indexed to the earnings of the Group's CIB Division-Markets Segment (excluding Poland) in return for Bank Austria's commitment to pay 12 month Euribor + 200bps recorded annually on the notional amount equal to the sale price of UniCredit CAIB AG (corresponding to around €1,28 billion). Upon expiry of the agreement, UniCredit S.p.A. has made a commitment to pay any increase attributable pro rata to the CIB Markets perimeter with respect to sale price of UniCredit CAIB AG.
This agreement, recognized in the financial statements under trading derivatives and valued on the basis of a valuation model which considers the flows described, was closed with a final payment aligned with the valuation of the contract of December 2014 (€98,3 million).

With reference to transactions with Mediobanca S.p.A. ("Mediobanca"), in addition to the 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 S.p.A., in return for a consideration (recorded as a reduction in Shareholders' Equity), the right to vote and receive dividends on the UniCredit S.p.A. shares subscribed for by Mediobanca in January 2009, as part of the capital increase approved by UniCredit in November 2008. These shares were concomitantly used in support of the issuance of convertible securities denominated "CASHES".
Following the resolutions of 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 were adjusted to reflect (i) the reverse split of UniCredit S.p.A. shares and (ii) the free capital increase of December 2011 carried out through the allocation to capital of an equivalent amount transferred from the issue-premium reserve recorded in January 2009. In the second quarter, given the conditions envisaged by the contract, the first installment referred to the 2014 result amounting to €33 million was paid.
As part of the "CASHES" transaction, Mediobanca also acts as a custodian of the shares issued by UniCredit S.p.A.

At June 30, 2015 the Group's exposure to Italpetroli Group, considered part of the intragroup transactions, consisted mainly of the credit exposure.

During 2013 UniCredit S.p.A. had entered into two separate agreements with UniCredit Bank AG aimed at ensuring fulfillment of the provisions of Articles 311, paragraph 2, and 317 of the German Stock Corporation Act (Aktiengesetz, AktG), applicable to groups including a German company, when there is no domination agreement in place. Those provisions establish (i) the obligation for the parent company to compensate, or commit to compensating, the subsidiary for any damages arising from measures or transactions (or lack thereof) ordered by the parent company and that the subsidiary would not have adopted/conducted had it not belonged to the group and (ii) the subsidiary's obligation to claim a compensation from the parent company and, if no compensation is received, to prepare a report ("dependency report") on the status of all harmful measures and compensation not yet awarded.

In March 2013 UniCredit S.p.A. signed a compensation agreement with UniCredit Bank AG to pay for services provided to UniCredit Bank Russia, Ukrsotsbank and UniCredit Bank Austria and to compensate for the damages caused by the cessation of funding for Russian and Ukrainian companies by UniCredit Bank AG. Under that agreement UniCredit S.p.A. acted as guarantor, committing to pay the amount due to UniCredit Bank AG if the latter and UniCredit Bank Austria failed to reach a deal. The agreement did not result in any disbursements on the part of UniCredit S.p.A. since UniCredit Bank AG and UniCredit Bank Austria later entered into agreements that did not make it necessary to activate the guarantee.
In December 2013, UniCredit S.p.A. signed another compensation agreement with UniCredit Bank AG to compensate for damages identified in 2013 in relation to specific activities relating to (i) loan syndication, (ii) global account management, (iii) guarantees issued and (iv) secondment of human resources carried out by UniCredit Bank AG in favor of UCI S.p.A. and other Group companies (mainly UniCredit Bank Austria, Pekao and other companies in the CEE area). The contract also provided for UniCredit S.p.A.'s guarantee with respect to claims directed to other Group companies if the parties failed to reach a remuneration/compensation agreement by March 31, 2014 and failed to make payment by April 15, 2014.
With respect to this commitment, as at December 31, 2013 UniCredit S.p.A. booked €89 million in its separate financial statements. During the first quarter of 2014, following the revision and refinement of the estimates made in December 2013, the sums requested were definitively calculated and subsequently settled in the amount of €60 million, with a resulting positive effect on the 2014 financial statements of approximately €30 million.
In December 2014, UniCredit S.p.A. and UniCredit Bank AG signed a new agreement relating to certain specific activities performed by UniCredit Bank AG in 2014 and the previous years, mainly relating to global account management, loan syndication, guarantees issued and secondment of human resources, which resulted in the payment to UniCredit Bank AG of €10 million in the same month.
In the first quarter of 2015, following a further joint review of the methods for determining the amounts due, a further modification of the amount determined in December 2013 was agreed, resulting in payment by Unicredit S.p.A. of a further €1 million.

In April 2013, UniCredit S.p.A. started to act as primary dealer and market maker on the Italian, Portuguese, Spanish and Greek government bond markets (these roles were previously played by UniCredit Bank AG). In light of the fact that the model developed provides for the regular provision by UCB AG of services in support of the activity now carried out by UniCredit S.p.A., a cooperation agreement on the remuneration for these services was entered into, which was also in force for 2014.

In the period 2008/2009, UniCredit S.p.A. (on its own behalf and as the Parent Company of the former segment banks later merged into UniCredit S.p.A.) and Aspra (later merged into UniCredit Credit Management Bank (UCCMB)) entered into agreements for the sale to UCCMB of loans providing for guarantees and indemnities; such agreements were later extended and partially modified in 2011 by varying the operational conditions for the implementation of these guarantees and indemnities. The original disposal agreements signed by each vendor bank include certain statements and guarantees that, if not observed, would have resulted in the obligation of UniCredit S.p.A. to buy-back the loans in question or in the activation of indemnities with subsequent claims for damages by UCCMB against UniCredit S.p.A. based on the original sale prices.
In view of the rights and obligations contained in the prevailing agreements, a provision for risks and charges was recognized as of December 31, 2014 in the separate financial statements of UniCredit S.p.A., reflecting the best estimate of risks associated with these guarantees and indemnities, measured on the basis of the information provided by UCCMB (which is currently as well responsible for managing the transferred loans). With reference to this provision for risks that has been recognized in the separate financial statements of UniCredit S.p.A., following the spin-off in favor of UniCredit S.p.A. of a going concern made of non-core assets and liabilities of UCCMB that was effective by January 1, 2015, the residual risk associated with the eventual claims raised by UCCMB (following IAS 37) is limited to exposures that are not included in the going-concern subject to spin-off in favor of UniCredit S.p.A, integrated by the estimate of liability associated to probable ongoing requests of indemnities. For the preparation of UniCredit group consolidated financial statement this item of provision for risks and charges is eliminated (as it represent and internal transaction) and the specific valuation of the loans in question, carried out by UCCMB, prevails over the original purchase price (IAS 39). The measurement of this provision will be reviewed in the separate financial reporting of UniCredit S.p.A. at the closing of UCCMB disposal.

In August 2014, Alitalia sealed an investment agreement with Etihad Airways aimed at strengthening Alitalia in terms of competitiveness and sustainable income, which also includes: (i) an investment of €560 million by Etihad, which thus became a non-controlling shareholder of the company; (ii) the commitment by the main stakeholders (in addition to UniCredit, Intesa Sanpaolo, Poste Italiane, Atlantia, Immsi, Pirelli, Gavio and Macca) to support an additional recapitalization of the company (maximum liability for UniCredit of €62,1 million); and (iii) support for the transaction from the shareholder financial institutions and banks with a maximum of €598 million in the form of conversion and/or consolidation of short- and medium-term debt.
The transaction, which took effect on January 1, 2015, substantially resulted in: (i) the transfer by Alitalia CAI (subsequently renamed CAI) to a new company named Alitalia-Società Aerea Italiana S.p.A. (SAI) of the business pertaining to all the operating activities performed; (ii) the transfer to Midco S.p.A., by Alitalia CAI, of the investment in SAI deriving from the contribution of the aforementioned business; (iii) the subscription by Etihad, through a cash payment of €387,5 million, of a capital increase of SAI resulting in Etihad holding 49% of SAI (the residual 51% is held by CAI, through Midco).
Following the restructuring of the short- and medium-term debt by the financial institutions and shareholder banks, at the end of 2014 UniCredit held a share of 33.50% of CAI.

Part H - Related-Party Transactions (Continued)

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.;
- Incontra Assicurazioni S.p.A.

The relationships with other related parties include the relationships with external pension funds (for UniCredit employees), since they have separate legal personality. These transactions were conducted on the same terms and conditions as those applied to transactions with independent third parties.
The relationships with these pension funds are almost entirely represented by the relationships included in Deposits from customers (and related interests).

Following the Board of Directors' approval of the termination, effective September 30, 2015, of the employment of Mr. Roberto Nicastro, General Manager, and – based on the proposal made by the Remuneration Committee – the Board defined the conditions of his exit package.
Mr. Roberto Nicastro's consensual resolution provides for, additionally to the rights to the bonuses and incentives foreseen under the existing plans for the activities rendered (and of the mortgages already granted at the conditions foreseen for the Bank's employees), the payment of the amount of euro 2,716,192.00 gross (corresponding to the cost of the indemnity in lieu of notice and 20% of the severance) upon the employment termination, as well as the deferred payout over further 5 years, in cash and shares, of the remaining part of the severance equal to euro 2,677,499.00 gross, conditional to the preservation by the Bank of adequate capital and liquidity requirements and subject to malus and clawback clauses. All the above in compliance with the applicable Regulatory Provisions and with the Bank's compensation policies.
The amounts to br paid at the date of resolution of the employment contract of Mr. Roberto Nicastro are covered by an existing provision.
Mr. Roberto Nicastro will keep the offices in the supervisory boards of Bank Pekao, Bank Austria and AO UniCredit Bank (Russia) and the related compensation.
Present information are rendered according to Corporate Governance Code.

Part I - Share-Based Payment

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Part I - Share-Based Payment

A. QUALITATIVE INFORMATION

1. Description of payment agreements based on own equity instruments

1.1 Outstanding instruments

Group Medium & Long Term Incentive Plans for selected employees include the following categories:
- **Equity-Settled Share Based Payments;**
- **Cash Settled Share Based Payments[1].**

The first category includes the following:
- **Stock Options allocated to selected Top & Senior Managers and Key Talents of the Group;**
- **Performance Stock Options** allocated to selected Top & Senior Managers and Key Talents of the Group and represented by UniCredit Options 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. The beneficiary will receive the payment by cash and/or by UniCredit shares; the payment are related to the achievement of performance condition (other than marked conditions) stated in the Plan Rules;
- **Group Executive Incentive System (Bonus Pool)** that offer to eligible Group Executives and relevant employees identified following regulatory rules, a bonus structure composed by upfront (following the moment of performance evaluation) and deferred payments in cash and in shares, to be paid over a period of ranging from 1 to 6 years (first year upfront and 4 or 5 years deferred). This payment structure will guarantee the alignment to shareholder interest and will be subjected to malus (which applies in case specific profitability, capital and liquidity thresholds are not met at both Group and Country/Division level) and claw back conditions (as legally enforceable) as defined in Plan Rules (both non-market vesting conditions);
- **Employee Share Ownership Plan (ESOP – Let's Share)** that offers to eligible Group employees the possibility to buy UniCredit ordinary shares with the advantages to foresee the 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-Companies[2].

1.2 Measurement model

1.2.1 Stock Options and Performance Stock Options

The Hull and White Evaluation Model has been adopted to measure the economic value of Stock Options.
This model is based on a trinomial tree price distribution using the Boyle's algorithm and estimates the early exercise probability on the basis of a deterministic model connected to:
- reaching a Market Share Value equals to an exercise price-multiple (M);
- probability of beneficiaries' early exit (E) after the end of the Vesting Period.

Economic and Equity effects will be recognized on a basis of instrument vesting period.
Any new Stock Options' Plans and Performance Stock Options haven't been granted during 2015.

1.2.2 Share Plan for Talent

The plan offers three "Free UniCredit Shares" installments, having subsequent annual vesting, to selected beneficiaries.
The economic value of Performance Shares is measured considering the share market price at the grant date less the present value of the future dividends, not available to beneficiaries, during the performance period. Parameters are estimated by applying the same model used for Stock Options measurement.

Economic and Net Equity effects will be accrued during the instruments' vesting period.
Any new Share Plans haven't been granted during 2015.

1.2.3 Group Executive Incentive System

The amount of the incentive is 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 expresses 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, determines the effective amount that will be paid to the beneficiary.

Economic and Net Equity effects will be accrued on a basis of instruments' vesting period.

1. Linked to the economic value of instruments representing a subsidiary's Shareholders' Equity.
2. Pioneer Global Asset Management.

Group Executive Incentive System "Bonus Pool 2014" - 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.

The plan is divided into clusters, each of which can have two or three installments of share-based payments spread over a period defined according to Plan rules.

	SHARES GRANTED GROUP EXECUTIVE INCENTIVE SYSTEM - BONUS POOL 2014			
	INSTALLMENT (2017)	INSTALLMENT (2018)	INSTALLMENT (2019)	INSTALLMENT (2020)
Date of Bonus Opportunity Economic Value granting	Jan-21-2014	Jan-21-2014	Jan-21-2014	Jan-21-2014
Date of Board resolution (to determine number of shares)	Apr-09-2015	Apr-09-2015	Apr-09-2015	Apr-09-2015
Vesting Period Start-Date	Jan-01-2014	Jan-01-2014	Jan-01-2014	Jan-01-2014
Vesting Period End-Date	Dec-31-2016	Dec-31-2017	Dec-31-2018	Dec-31-2019
UniCredit Share Market Price [€]	6.269	6.269	6.269	6.269
Economic Value of Vesting conditions [€]	-0.243	-0.434	-0.705	-1.032
Performance Shares' Fair Value per unit @ Grant Date [€]	**6.026**	**5.835**	**5.564**	**5.237**

Group Executive Incentive System 2015 (Bonus Pool)
New Group Incentive system 2015 is based on a bonus pool approach, aligned with regulatory requirements and market practices, it defines:
- sustainability, through direct link with entity results and alignment with relevant risk categories, utilizing specific indicators linked to risk-appetite;
- link between bonuses and organization structure, defining the pool on a country/division level with further review at Group level;
- bonuses allocated to Executives and other relevant employee, on a basis of European Bank Authority (EBA) rules and local regulations;
- payment structure has been defined in accordance with Regulatory provisions qualified by directive 2013/36/EU (CRD IV) and will be distributed in a period of six years by using a mix of shares and cash.

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 for 2015)
The following tables show the measurements and parameters used in relation to Free Shares (or rights to receive them) connected to the "Employee Share Ownership Plan" approved in 2014.

Measurement of Free Shares ESOP for 2015

	FREE SHARES 1ST INSTALLMENT	FREE SHARES 2ND INSTALLMENT
Date of Free Shares delivery to Group employees	Jan-30-2015	Jul-31-2015
Vesting Period Start-Date	Jan-30-2015	Jul-31-2015
Vesting Period End-Date	Jan-30-2016	Jul-31-2016
Discount Shares' Fair Value per unit [€]	**5.280**	**To be defined**

All Profit and Loss and Net Equity effects referred to free shares will be booked during the vesting period (except adjustments, according to Plan Rules, that will be booked during the next closing after vesting period).

The UniCredit free ordinary shares assigned in plan rules applications had been acquired on the market.

1.2.5 FinecoBank Stock granting to employees and personal financial advisor (PFA)
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.

B. QUANTITATIVE INFORMATION

Effects on Profit and Loss
All Share-Based Payment granted after November 7, 2002 whose vesting period ends after January 1, 2005 are included within the scope of the IFRS 2.

Financial statement presentation related to share based payments[(1)]

(€ 000)

	1° HALF 2015		1° HALF 2014	
	TOTAL	VESTED PLANS	TOTAL	VESTED PLANS
(Costs)/Revenues	**(67,143)**		**(35,711)**	
- connected to Equity Settled Plans	*(49,260)*		*(22,038)*	
- connected to Cash Settled Plans	*(17,883)*		*(13,673)*	
Debts for Cash Settled Plans	**60,271**	**-**	**32,355**	**-**
- connected to Cash Settled Plans		-		-

(1) Includes costs/revenues and debts for Plans referred to equity instruments of other Group's entities (e.g. FinecoBank and, for cash settled plans, Pioneer Global Asset Management).

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Part L - Segment Reporting

Organizational Structure

The format for segment information reflects the organizational structure currently used in management reporting for monitoring the Group's results, which is broken down into the following business segments: Commercial Banking Italy, Commercial Banking Germany, Commercial Banking Austria, Poland, Corporate & Investment Banking ("CIB"), Asset Management, Central and Eastern Europe ("CEE"), Asset Gathering, Group Corporate Center and Non-Core.

Commercial Banking Italy

Commercial Banking Italy is composed by UniCredit S.p.A. commercial network related to Core clients (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking division) Leasing (excluding Non-Core clients), Factoring product factories and local Corporate Center with supporting functions for the Italian business.
In relation to individual clients (Households and clients of specialized network Private Banking), Commercial Banking Italy' s goal is to offer a full range of products and services to fulfill transactional, investments and credit needs, relying on about 3,600 branches and multichannel services provided by new technologies.
In relation to corporate customers, Commercial Banking Italy operates trying to guarantee both the support to the economic and entrepreneurial system and the profitability and quality of its portfolio. The current Corporate Channel is organized on the territory with about 773 Managers divided in 127 Corporate centers.
The territorial organization promotes a Bank closer to customers and faster decision-making processes, while the belonging to UniCredit group allows to support companies in developing International attitudes.

Commercial Banking Germany

Commercial Banking Germany provides all German customers - except CIB clients (Large Corporate and Multinational clients) - with a complete range of banking products and services through a network of around 590 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, small business and corporate customers, commercial real estate customers, and Wealth Management customers. In detail the corporates segment employs a different "Mittelstand" bank model to its competitors in that it serves both business and personal needs across the whole bandwidth of German enterprises and firms operating in Germany. The private clients segment serves retail customers and private banking customers with banking and insurance solutions across all areas of demand. The specific, all-round advisory offering reflects the individual and differentiated needs of these customer groups in terms of relationship model and product offering.
The Segment also includes the local Corporate Center, which performs tasks as sub-holding towards other Subgroup legal entities.

Commercial Banking Austria

Commercial Banking Austria provides all Austrian customers – except CIB clients (Large Corporate and Multinational clients) – with a complete range of banking products and services. It is composed of: Retail, Corporate (excluding CIB clients), Private Banking (with its two well-known brands Bank Austria Private Banking and Schoellerbank AG), the product factories Factoring and Leasing and the local Corporate Center which also performs tasks in connection with UniCredit Bank Austria's sub-holding function.
Retail covers business with private individuals, ranging from mass-market to affluent customers. Corporates covers the entire range of business customers, SMEs and medium-sized and large companies which do not access capital markets (including Real Estate and Public Sector).
A broad coverage of the Retail and Corporate business lines is ensured through a network of about 230 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 significant market shares and a strategic market position in retail banking, private banking and especially in business with local corporate customers and is one of the leading providers of banking services in Austria.
In response to changing customer needs and behaviors, Commercial Banking Austria has launched Smart Banking Solutions, an integrated new service model, allowing clients to decide when, where and how they contact UniCredit Bank Austria. This approach combines classic branches, new formats of advisory service centres and modern self-service branches with internet solutions, Mobile Banking with innovative apps and video-telephony.

Poland

The segment Poland manages the UniCredit group's operations within the Bank Pekao S.A. Group in Poland.
Bank Pekao S.A. Group includes financial institutions operating in banking, asset management, pension funds, brokerage services, transactional advisory, leasing and factoring markets.
Bank Pekao S.A. operates for over 85 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 over one thousand branches conveniently located throughout Poland.
In relation to individual customers, the Bank is focused on the strengthening the position on consumer goods financing market and mortgage loans market while maintaining a prudent credit risk policy. The advantages of the Bank's mortgage loans offer are first of all fast credit decision, attractive financing conditions and competent advisors supporting customers in loans granting process.
The Bank actively promotes innovative solutions and modernity and provides clients with state-of-the art and user-friendly solutions in the area of mobile banking, which are top rated for high quality of service and innovativeness by several Polish institutions.
In relation to corporate and institutional clients, Bank Pekao S.A. is the leader in servicing large and medium-sized companies and has one of the widest product offer for corporate clients on the market. The Bank offers a wide range of products of money markets and currency exchange, both within the scope of current operations and long-term hedging structures of client's exposures such as currency risk and interest rate risk. Bank Pekao S.A. is a leading organizer of investment project financing, mergers and acquisitions and debt securities issues. The Bank's product offer for corporate clients also includes financial services such as granting guarantees in national and international turnover and financial services provided through leasing and factoring subsidiaries.
In 2015 Bank's activities continuously focused on acquisition of new customers and strengthening of relationships with existing customers which results in a further growth in number of customers.

Corporate & Investment Banking ("CIB")

The CIB division targets multinational and large corporate clients with highly sophisticated financial profile and needs for investment banking services, as well as institutional clients of UniCredit group. CIB serves UniCredit Group's clients across 50 countries and supports such clients in their growth, internationalization projects and restructuring phases.
The organizational structure of CIB is based on a matrix that distinguishes (i) market coverage (carried out through the Group's country-specific commercial networks: Italy, Germany and Austria) and (ii) product offering (divided into three Product Lines that consolidate the breadth of the Group's CIB know-how).
The dedicated country-specific commercial networks (CIB Network Italy, CIB Network Germany and CIB Network Austria) are responsible for the relationships with corporate clients, banks and financial institutions as well as the sale of a broad range of financial products and services, ranging from traditional lending and merchant banking operations to more sophisticated services with high added value, such as project finance, acquisition finance and other investment banking services and operations in international financial markets.
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 wide variety of services ranging from plain vanilla and standardized products, extending to more sophisticated products such as Capital Markets (Equity and Debt Capital Markets), Corporate Finance and Advisory, Syndications, Leverage Buy-Out, Project and Commodity Finance, Real Estate Finance, Shipping Finance, Structured Trade and Export Finance and Principal Investments.

Markets

Markets is the centre specialized for all financial markets activities and serves as the Group's access point to the capital markets. This results in a highly complementary international platform with a strong presence in emerging European financial markets. As a centralized "product line", it is responsible for the coordination of financial markets-related activities, including the structuring of products such as FX, Rates, Equities and credit related activities.

Global Transaction Banking ("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 regional level.
Leveraging on different investment partnerships with third-party financial institutions at international level, Asset Management offers a wide range of financial solutions, including mutual funds, asset administration services and portfolios for institutional investors.

Part L - Segment Reporting (CONTINUED)

Central and Eastern Europe ("CEE")

The Group operates, through the CEE business segment, in 13 Central and Eastern Europe countries: Azerbaijan, Bosnia & Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine; having, in addition, Leasing activities in the 3 Baltic countries. The CEE business segment operates through approximately 2,500 branches (including more than 1,000 branches of the Turkish subsidiaries which are consolidated at equity) and offers a wide range of products and services to retail, corporate and institutional clients in these countries. UniCredit Bank Austria manages this segment and acts as sub-holding for the banking operations in the CEE countries through its CEE Division.

The UniCredit group is able to offer its retail customers in the CEE countries a broad portfolio of products and services similar to those offered to its Italian, German, Austrian and Polish customers.

With respect to corporate clients, the UniCredit group is constantly engaged in standardizing the customer segments and range of products.

The Group shares its business models on an international level in order to ensure access to its network in any country where the Group is present. This approach is vital due to the variety of global products offered, particularly cash management and trade finance solutions, to corporate customers operating in more than one CEE country.

Asset Gathering

Asset gathering is a business segment specialized in wealth management through the direct channel and the financial advisors network, mainly focused on the retail customer segment.

Asset Gathering operates through Fineco Bank, UniCredit group's direct multichannel bank. It has one of the largest advisory networks in Italy and is the first broker in Italy for equity trades in terms of volume of orders. Fineco Bank offers an integrated business model combining direct banking and financial advice, with a single free-of-charge account including a full range of banking, credit, trading and investment services which are also available through applications for smartphone and tablet. With its fully integrated platform, Fineco Bank is the benchmark for modern investors.

Group Corporate Center

The Group Corporate Center includes:

Global Banking Service ("GBS")

The mission of the GBS area is to optimize costs and internal processes guaranteeing operating excellence and supporting the sustainable growth of the Business Lines. GBS falls within the scope of the Chief Operating Officer ('COO'), whose main areas of responsibility are: ICT, Operations, Workout Germany, Real Estate, Global Sourcing, Security and Organization and Legal.

Corporate Center

The Corporate Center's objective is to lead, 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.

Non-core

Starting from the first quarter 2014 the Group decided to introduce a clear distinction between activities defined as "core" segment, meaning strategic business segments and in line with risk strategies, above described, and activities defined as "non-core" segment, including non-strategic assets and those with a poor fit to the Group's risk-adjusted return framework, with the aim of reducing the overall exposure of this last segment in the course of time and to improve the risk profile. Specifically, the "non-core" segment includes selected assets of Commercial Banking Italy (identified on a single client basis) to be managed with a risk mitigation approach, the activities of the workout company UniCredit Credit Management Bank and some special vehicles for securitization operations.

A - Primary Segment

Reporting by Business Segment - 2015

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	NON-CORE	CONSOLIDATED GROUP TOTAL 06.30.2015
Net interest	2,567,751	826,044	360,986	497,170	1,196,005	1,125,323	1,721	118,104	(765,784)	34,837	5,962,157
Dividends and other income from equity investments	-	4,415	69,671	10,225	164,730	8,560	454	-	129,361	-	387,416
Net fees and commissions	1,859,562	403,403	307,734	243,017	351,191	292,636	445,415	124,486	(94,345)	78,235	4,011,334
Net trading, hedging and fair value income	29,690	65,673	30,249	86,972	168,628	630,603	2,861	28,074	39,314	10,192	1,092,256
Net other expenses/income	(26,648)	53,632	5,111	30,347	10,201	(8,126)	4,272	(3,090)	(18,203)	(16,921)	30,575
OPERATING INCOME	**4,430,355**	**1,353,167**	**773,751**	**867,731**	**1,890,755**	**2,048,996**	**454,723**	**267,574**	**(709,657)**	**106,343**	**11,483,738**
Payroll costs	(1,375,043)	(600,580)	(397,656)	(231,203)	(348,971)	(340,502)	(189,823)	(37,181)	(628,877)	(70,224)	(4,220,060)
Other administrative expenses	(944,097)	(408,288)	(268,429)	(121,067)	(322,519)	(558,898)	(92,073)	(120,535)	547,942	(295,264)	(2,583,228)
Recovery of expenses	229,028	6,185	344	335	511	832	290	42,388	58,141	62,634	400,688
Amortisation, depreciation and impairment losses on tangible and intangible assets	(29,917)	(22,994)	(11,886)	(39,889)	(51,414)	(1,311)	(5,902)	(4,191)	(282,722)	(356)	(450,582)
Operating expenses	**(2,120,029)**	**(1,025,677)**	**(677,627)**	**(391,824)**	**(722,393)**	**(899,879)**	**(287,508)**	**(119,519)**	**(305,516)**	**(303,210)**	**(6,853,182)**
OPERATING PROFIT	**2,310,326**	**327,490**	**96,124**	**475,907**	**1,168,362**	**1,149,117**	**167,215**	**148,055**	**(1,015,173)**	**(196,867)**	**4,630,556**
Net writedowns of loans and provisions for guarantees and commitments	(539,891)	(65,543)	3,413	(64,529)	(393,941)	(119,903)	(8)	(2,693)	(1,448)	(708,774)	(1,893,317)
OPERATING NET PROFIT	**1,770,435**	**261,947**	**99,537**	**411,378**	**774,421**	**1,029,214**	**167,207**	**145,362**	**(1,016,621)**	**(905,641)**	**2,737,239**
Provision for risks and charges	(70,995)	(79,570)	(73,643)	(39,658)	(91,230)	(135,113)	(5,510)	(3,929)	(64,173)	(59,541)	(623,362)
Integration costs	(290)	(23)	(294)	-	(1,391)	427	(3,414)	(1)	1,136	-	(3,850)
Net income from investments	(2,746)	11,381	(910)	152	(1,160)	336	16	-	7,603	(1,812)	12,860
PROFIT BEFORE TAX	**1,696,404**	**193,735**	**24,690**	**371,872**	**680,640**	**894,864**	**158,299**	**141,432**	**(1,072,055)**	**(966,994)**	**2,122,887**

A.2 - Breakdown by business segment: balance sheet amounts and RWA

(€ '000)

BALANCE SHEET AMOUNTS	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	NON-CORE	CONSOLIDATED GROUP TOTAL 06.30.2015
LOANS AND RECEIVABLES WITH CUSTOMERS	134,062,535	79,563,475	48,784,954	28,814,834	58,869,577	88,203,452	42	835,823	(6,560,672)	41,356,363	**473,930,383**
DEPOSITS FROM CUSTOMERS	115,318,652	77,685,416	47,122,741	29,834,624	52,782,836	94,383,078	-	15,256,498	1,772,811	1,741,656	**435,898,312**
DEBT CERTIFICATES	28,903,088	24,292,513	16,723,988	949,530	3,290,374	7,141,204	-	297,129	63,269,593	93,561	**144,960,980**
TOTAL RISK WEIGHTED ASSETS (BASEL 3)	80,463,520	31,120,789	24,582,209	25,617,894	93,461,321	67,493,747	1,874,920	1,721,971	44,441,832	35,118,634	**405,896,834**

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	NON-CORE	CONSOLIDATED GROUP TOTAL 06.30.2015
STAFF (KFS group on a proportional basis)											
Employees (FTE)	37,249	12,326	6,318	17,916	24,218	3,629	2,037	992	15,862	1,707	**122,255**
STAFF (KFS group fully considered)											
Employees (FTE)	37,249	12,326	6,565	17,916	28,834	3,986	2,037	992	15,862	1,707	**127,475**

Part L - Segment Reporting (Continued)

Reporting by Business Segment - 2014

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	NON-CORE	CONSOLIDATED GROUP TOTAL 06.30.2014
Net interest	2,580,892	871,146	395,518	544,846	1,216,820	1,174,457	1,049	115,940	(759,207)	114,403	6,255,864
Dividends and other income from equity investments	-	5,972	86,129	10,182	138,739	45,940	2,491	-	135,680	-	425,133
Net fees and commissions	1,735,946	412,344	285,245	253,865	351,553	261,876	370,574	96,903	(31,215)	116,340	3,853,431
Net trading, hedging and fair value income	(9,771)	25,580	95,668	56,641	130,302	510,042	1,709	13,023	(11,625)	1,912	813,481
Net other expenses/income	(6,301)	52,949	18,236	13,218	24,636	(100,720)	228	(4)	49,692	(13,337)	38,597
OPERATING INCOME	**4,300,766**	**1,367,991**	**880,796**	**878,752**	**1,862,050**	**1,891,595**	**376,051**	**225,862**	**(616,675)**	**219,318**	**11,386,506**
Payroll costs	(1,332,991)	(578,622)	(421,182)	(233,340)	(360,438)	(315,193)	(158,583)	(31,833)	(581,133)	(75,748)	(4,089,063)
Other administrative expenses	(925,321)	(415,264)	(255,723)	(131,419)	(324,923)	(529,975)	(82,334)	(108,557)	457,871	(322,423)	(2,638,068)
Recovery of expenses	234,924	7,050	438	456	276	1,060	3,895	37,543	58,629	72,839	417,110
Amortisation, depreciation and impairment losses on tangible and intangible assets	(35,983)	(23,113)	(11,704)	(39,430)	(52,923)	(1,349)	(5,363)	(3,949)	(260,106)	(2,859)	(436,779)
Operating expenses	**(2,059,371)**	**(1,009,949)**	**(688,171)**	**(403,733)**	**(738,008)**	**(845,457)**	**(242,385)**	**(106,796)**	**(324,739)**	**(328,191)**	**(6,746,800)**
OPERATING PROFIT	**2,241,395**	**358,042**	**192,625**	**475,019**	**1,124,042**	**1,046,138**	**133,666**	**119,066**	**(941,414)**	**(108,873)**	**4,639,706**
Net writedowns of loans and provisions for guarantees and commitments	(574,008)	(19,509)	(52,590)	(69,491)	(316,875)	(97,472)	-	(1,291)	8,687	(719,202)	(1,841,751)
OPERATING NET PROFIT	**1,667,387**	**338,533**	**140,035**	**405,528**	**807,167**	**948,666**	**133,666**	**117,775**	**(932,727)**	**(828,075)**	**2,797,955**
Provision for risks and charges	(43,706)	(18,872)	(46,271)	(17,242)	(112,639)	(18,561)	907	(2,951)	(80,985)	(15,208)	(355,528)
Integration costs	(18,758)	1,876	(371)	-	(7,048)	43	(2,133)	(2)	(437)	(16,876)	(43,706)
Net income from investments	(4,722)	3,256	21,960	(130)	(1,982)	(63,224)	239	-	149,340	(57,799)	46,938
PROFIT BEFORE TAX	**1,600,201**	**324,793**	**115,353**	**388,156**	**685,498**	**866,924**	**132,679**	**114,822**	**(864,809)**	**(917,958)**	**2,445,659**

A.2 - Breakdown by business segment: balance sheet amounts and RWA

(€ '000)

BALANCE SHEET AMOUNTS	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	NON-CORE	CONSOLIDATED GROUP TOTAL 12.31.2014
LOANS AND RECEIVABLES WITH CUSTOMERS	130,189,931	78,415,687	47,379,359	26,896,150	57,073,422	89,225,203	42	695,595	(6,708,519)	47,401,896	**470,568,766**
DEPOSITS FROM CUSTOMERS	111,741,562	76,325,456	45,728,200	29,275,882	49,524,431	80,409,997	-	13,914,712	1,490,721	2,001,024	**410,411,985**
DEBT CERTIFICATES	33,605,264	25,910,221	17,713,589	902,612	2,689,019	7,055,761	-	339,035	61,716,893	343,410	**150,275,804**
TOTAL RISK WEIGHTED ASSETS (BASEL 3)	80,591,443	33,607,804	24,046,668	25,894,055	89,278,449	67,510,018	1,692,561	1,741,754	45,314,543	39,545,308	**409,222,601**

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	NON-CORE	CONSOLIDATED GROUP TOTAL 12.31.2014
STAFF (KFS group on a proportional basis)											
Employees (FTE)	37,264	13,422	6,454	18,160	24,210	3,599	2,021	974	15,623	1,849	**123,577**
STAFF (KFS group fully considered)											
Employees (FTE)	37,264	13,422	6,701	18,160	29,040	3,955	2,021	974	15,633	1,849	**129,021**

Annexes

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Reconciliation of Condensed Accounts to Mandatory Reporting Schedule

Consolidated Balance Sheet

(€ million)

ASSETS	AMOUNTS AS AT 06.30.2015	AMOUNTS AS AT 12.31.2014	SEE THE NOTES PART B - ASSETS
Cash and cash balances = item 10	9,962	8,051	Section 1
Financial assets held for trading = item 20	97,626	101,226	Section 2
Loans and receivables with banks = item 60	86,192	68,730	Section 6
Loans and receivables with customers = item 70	473,930	470,569	Section 7
Financial investments	153,043	138,503	
Item 30. Financial assets at fair value through profit or loss	*33,517*	*31,803*	*Section 3*
Item 40. Available-for-sale financial assets	*110,281*	*97,636*	*Section 4*
Item 50. Held-to-maturity investments	*2,748*	*2,584*	*Section 5*
Item 100. Investments in associates and joint ventures	*6,497*	*6,479*	*Section 10*
Hedging instruments	9,282	11,988	
Item 80. Hedging derivatives	*6,532*	*9,114*	*Section 8*
Item 90. Changes in fair value of portfolio hedged items	*2,750*	*2,873*	*Section 9*
Property, plant and equipment = item 120	10,089	10,277	Section 12
Goodwill = item 130 - Intangible assets of which: goodwill	3,617	3,562	Section 13
Other intangible assets = item 130 - Intangible assets net of goodwill	2,028	2,000	Section 13
Tax assets = item 140	15,117	15,772	Section 14
Non-current assets and disposal groups classified as held for sale = item 150	3,751	3,600	Section 15
Other assets	10,490	9,941	
Item 160. Other assets	*10,490*	*9,941*	*Section 16*
Total assets	**875,126**	**844,217**	

Continued: Consolidated Balance Sheet

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 06.30.2015	12.31.2014	SEE THE NOTES PART B - LIABILITIES
Deposits from banks = item 10	121,454	106,037	Section 1
Deposits from customers = item 20	435,898	410,412	Section 2
Debt securities in issue = item 30	144,961	150,276	Section 3
Financial liabilities held for trading = item 40	72,501	77,135	Section 4
Financial liabilities at fair value through profit or loss = item 50	460	567	Section 5
Hedging instruments	12,543	15,150	
Item 60. Hedging derivatives	*7,686*	*8,622*	*Section 6*
Item 70. Changes in fair value of portfolio hedged items	*4,857*	*6,529*	*Section 7*
Provisions for risks and charges = item 120	10,017	10,623	Section 12
Tax liabilities = item 80	1,427	1,750	Section 8
Liabilities included in disposal groups classified as held for sale = item 90	1,448	1,650	Section 9
Other liabilities	20,951	17,781	
Item 100. Other liabilities	*19,806*	*16,601*	*Section 10*
Item 110. Provision for employee severance pay	*1,144*	*1,180*	*Section 11*
Minorities = item 210	3,272	3,446	Section 16
Shareholders' Equity, of which:	50,195	49,390	
- Capital and reserves	50,163	48,065	
Item 140. Revaluation reserves, of which: Special revaluation laws	*277*	*277*	*Section 15*
Item 140. Revaluation reserves, of which: Exchange differences	*(2,545)*	*(3,011)*	*Section 15*
Item 140. Revaluation reserves, of which: equity investments valued at equity method	*(851)*	*(714)*	*Section 15*
Item 140. Revaluation reserves, of which: non current assets classified held for sale	-	*(3)*	*Section 15*
Item 160. Equity instruments	*1,888*	*1,888*	*Section 15*
Item 170. Reserves	*15,162*	*13,748*	*Section 15*
Item 180. Share premium	*15,977*	*15,977*	*Section 15*
Item 190. Issued capital	*20,258*	*19,906*	*Section 15*
Item 200. Treasury shares	*(3)*	*(3)*	*Section 15*
- AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve	(1,003)	(683)	
Item 140. Revaluation reserves, of which: Available-for-sale financial assets	*1,087*	*1,571*	*Section 15*
Item 140. Revaluation reserves: actuarial gains (losses) on defined benefits plans	*(2,631)*	*(2,881)*	*Section 15*
Item 140. Revaluation reserves, of which: Cash-flow hedges	*541*	*627*	*Section 15*
- Net profit (loss) = item 220	1,034	2,008	Section 15
Total liabilities and Shareholders' Equity	**875,126**	**844,217**	

Note:
An explanation for the restatement of comparative figures is provided in the previous sections.

Reconciliation of Condensed Accounts to Mandatory Reporting Schedule (Continued)

Consolidated Income Statement

(€ million)

	H1 2015	H1 2014	SEE THE NOTES PART C
Net interest	5,962	6,256	Section 1
Item 30. Net interest margin	*5,789*	*6,065*	
less: Net interest margin of industrial companies	*-*	*1*	
less: Purchase Price Allocation effect	*173*	*190*	
Dividends and other income from equity investments	387	425	
Item 70. Dividend income and similar revenue	*318*	*320*	*Section 3*
less: Dividends from held for trading equity instruments included in item 70	*(213)*	*(173)*	
Item 240. Profit (Loss) of associates - of which: Profit (Loss) of associates valued at equity	*282*	*223*	*Section 16*
less: Profit (Loss) of associates - Debt to equity	*-*	*56*	
Net fees and commissions	*4,011*	*3,853*	*Section 2*
Item 60. Net fees and commissions	*3,981*	*3,804*	*Section 2*
+ Other operating income - of which: recovery of costs - commissioni istruttoria veloce (CIV)	*30*	*49*	
Net trading income	1,092	813	
Item 80. Gains (losses) on financial assets and liabilities held for trading	*652*	*220*	*Section 4*
+ Dividends from held for trading equity instruments (from item 70)	*213*	*173*	
Item 90. Fair value adjustments in hedge accounting	*11*	*(25)*	*Section 5*
Item 100. Gains (Losses) on disposal or repurchase of: d) financial liabilities	*(64)*	*55*	*Section 6*
+ Gains (Losses) on disposal or repurchase of: b) available-for-sale financial assets (from item 100)	*222*	*346*	*Section 6*
+ Gains (Losses) on disposal or repurchase of: c) held-to-maturity investments (from item 100)	*-*	*4*	*Section 6*
Item 110. Gains (Losses) on financial assets and liabilities designated at fair value through profit and loss	*58*	*41*	*Section 7*
Net other expenses/income	*31*	*39*	
Gains (losses) on disposals/repurchases on loans and receivables - not impaired position (from item 100 a)	*36*	*23*	
Item 220. Other net operating income	*499*	*622*	*Section 15*
less: Other operating income - of which: recovery of costs	*(347)*	*(363)*	
less: Other operating income - of which: recovery of costs - commissioni istruttoria veloce (CIV)	*(30)*	*(49)*	
Net write-downs/-backs of tangible operating lease assets (from item 200)	*(58)*	*(49)*	
less: Write-downs on leasehold improvements (on non-separable assets) - No Group	*35*	*27*	
less: Other operating income - Other income from invoicing JVs (only with respect to Ubis)	*(54)*	*(54)*	
+ Result of industrial companies	*(54)*	*(119)*	
Gains (Losses) on disposals of investments - assets leasing operation (from item 270)	*3*	*-*	
OPERATING INCOME	**11,484**	**11,387**	
Payroll costs	(4,220)	(4,089)	
Item 180. Administrative costs: a) staff expenses	*(4,225)*	*(4,113)*	*Section 11*
less: Administrative costs: a) staff expenses of industrial companies	*5*	*21*	
less: Integration costs	*-*	*3*	
Other administrative expenses	(2,583)	(2,638)	
Item 180. Administrative costs: b) other administrative expenses	*(2,976)*	*(2,838)*	*Section 11*
less: Administrative costs: b) other administrative expenses of industrial companies	*17*	*26*	
less: Administrative costs - Ex ante contributions to Resolution funds and to Deposit Guarantee Systems (DGS) and Bank Levy	*406*	*180*	
less: Other income/expenses - Ex ante contributions to Resolution funds and to Deposit Guarantee Systems (DGS)	*-*	*19*	
Write-downs on leasehold improvements (on non-separable assets) - No Group	*(35)*	*(27)*	
less: Integration costs	*4*	*2*	
Recovery of expenses	*401*	*417*	*Section 15*
Item 220. Other net operating income - of which: Operating income - recovery of costs	*347*	*363*	
+ Other operating income - Other income from invoicing JVs (only with respect to Ubis)	*54*	*54*	
Amortization, depreciation and impairment losses on intangible and tangible assets	*(451)*	*(437)*	
Item 200. Impairment/Write-backs on property, plant and equipment	*(322)*	*(373)*	*Section 13*
less: Impairment losses/write backs on property owned for investment	*(4)*	*13*	
less: Net write-downs/-backs of tangible operating lease assets (from item 200)	*58*	*49*	
less: Integration costs	*-*	*4*	
Item 210. Impairment/Write-backs on intangible assets	*(226)*	*(220)*	*Section 14*
Net write-downs on property, plant and equipment and intangible assets of industrial companies	*34*	*69*	
less: Purchase Price Allocation effect	*11*	*21*	
Operating costs	**(6,853)**	**(6,747)**	
OPERATING PROFIT (LOSS)	**4,631**	**4,640**	

Continued: Consolidated Income Statement. (€ million)

	H1 2015	H1 2014	SEE THE NOTES PART C
OPERATING PROFIT (LOSS)	**4,631**	**4,640**	
Net impairment losses on loans and provisions for guarantees and commitments	(1,893)	(1,842)	
Item 100. Gains (Losses) on disposal and repurchase of: a) loans	*12*	*(9)*	*Section 6*
less: Gains (Losses) on disposals/repurchases on loans and receivables - not impaired position (from item 100 a)	*(36)*	*(23)*	
Item 130. Net losses/recoveries on impairment: a) loans	*(1,875)*	*(1,815)*	*Section 8*
Item 130. Net losses/recoveries on impairment: d) other financial assets	*5*	*6*	*Section 8*
NET OPERATING PROFIT (LOSS)	**2,737**	**2,798**	
Other charges and provisions	(623)	(356)	
Item 190. Provisions for risks and charges	*(217)*	*(211)*	*Section 12*
+ Other income/expenses - Ex ante contributions to Resolution funds and to Deposit Guarantee Systems (DGS)	*-*	*(19)*	
less: Provisions for risks and charges of industrial companies	*-*	*1*	
+ Administrative costs - Ex ante contributions to Resolution funds and to Deposit Guarantee Systems (DGS) and Bank Levy	*(406)*	*(180)*	
Surplus on release of integration provision	*-*	*34*	
Integration costs	(4)	(44)	
Integration costs before Purchase Price Allocation effect	*(4)*	*(44)*	
Net income from investments	13	47	
Item 130. Net losses/recoveries on impairment: b) available-for-sale financial assets	*(23)*	*(86)*	*Section 8*
Impairment losses/write backs on property owned for investment (from item 200)	*4*	*(13)*	
Item 240. Profit (Loss) of associates -of which: write-backs/impairment losses and gains/losses on disposal of associates valued at equity	*6*	*116*	*Section 16*
+ Profit (Loss) of associates - Debt to equity	*-*	*(56)*	
Item 250. Net valuation at fair value of tangible and intangible assets	*(1)*	*-*	*Section 17*
Item 270. Gains (Losses) on disposal of investments	*29*	*81*	*Section 19*
less: Gains (Losses) on disposals of investments - assets leasing operation (from item 270)	*(3)*	*-*	
less: Industrial companies	*-*	*4*	
less: Purchase Price Allocation effect	*-*	*2*	
PROFIT (LOSS) BEFORE TAX	**2,123**	**2,446**	
Income tax for the period	(581)	(991)	
Item 290. Tax expense related to profit from continuing operations	*(521)*	*(921)*	*Section 20*
less: Tax expense related to profit from continuing operations of industrial companies	*(1)*	*(2)*	
less: Purchase Price Allocation effect	*(58)*	*(68)*	
NET PROFIT (LOSS)	**1,542**	**1,455**	
Profit (Loss) after tax from discontinued operations = item 310	(180)	(22)	
Item 310. Profit (Loss) after tax from discontinued operations	*(180)*	*(22)*	*Section 21*
PROFIT (LOSS) FOR THE PERIOD	**1,363**	**1,433**	
Minorities	(202)	(172)	
Item 330. Minorities	*(202)*	*(172)*	*Section 22*
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**1,161**	**1,261**	
Purchase Price Allocation effect	(126)	(145)	
Impairment of goodwill	-	-	
Item 260. Impairment of goodwill	*-*	*-*	*Section 18*
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**1,034**	**1,116**	

Note:
An explanation for the restatement of comparative figures is provided in the previous sections.

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 operational 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.

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).

Forbearance/Forborne exposures
Forborne exposures consist of exposures to which forbearance measures have been extended, i.e. concessions towards a debtor who is facing or about to face difficulties in meeting its financial commitments ("financial difficulties").

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".

Definition of Terms and Acronyms (Continued)

Impaired loans
Loans are subjected to periodic examination in order to identify those which, following events occurring after their entry in the accounts (at the market value, normally equal to the disbursed amount including the transaction costs and revenues directly attributable to the disbursement of the loan), show objective signs of a possible loss of value. This category includes loans that have been classed as bad, doubtful, restructured or overdue, in accordance with the Bank of Italy rules consistent with IAS/IFRS (q.v.).

Impairment
Within the framework of the IAS/IFRS (q.v.), this refers to the loss of value of a balance sheet asset, recorded when the book value is greater than the recoverable value, i.e. the sum that can be obtained by selling or using the asset.

Index linked
Policies whose performance at maturity depends on a benchmark parameter that may be a share index, a basket of securities or another indicator.

Investment banking
Banking segment devoted to the subscription and placement of newly issued securities, as well as the trading of financial instruments.

Investor
Any entity other than the Sponsor (q.v.) or Originator (q.v.) with exposure to a securitization.

IRB - Internal Rating Based
Method for determining the capital needed to cover credit risk within the framework of Pillar 1 of Basel 2 (q.v.). The rules are applied to the exposures of the banking portfolio. Furthermore, in the IRB methods the risk weightings of the assets are determined on the basis of the bank's own internal evaluations of the debtors (or, in some cases, of the transactions). Using systems based on internal ratings, the banks determine the weighted risk exposure. The IRB methods consist of a basic method and an advanced method, which differ in terms of the risk parameters that the bank must estimate: in the basic method, the banks use their own estimates for "PD – Probability of Default" and the regulatory values for the other risk parameters; in the advanced method, the banks use their own estimates for " PD – Probability of Default ", "LGD – Loss Given Default", "CCF – Credit Conversion Factors" and, where provided for, "M - Maturity" (q.v.). The use of IRB methods for the calculation of capital requirements is subject to authorization from Banca d'Italia.

IRS - Interest Rate Swap
See "Swap".

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:
- <u>Junior</u> exposures are the last to be repaid, and consequently absorb the first loss produced by the securitization transaction;
- <u>Mezzanine</u> exposures are those with medium repayment priority, between senior and junior;
- <u>Senior</u> 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.

Operational 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, operational 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.

Definition of Terms and Acronyms (Continued)

Payout ratio
It indicates the percentage of net income that is distributed to shareholders. The percentage distributed is determined mainly on the basis of the company's self-financing needs and the return expected by shareholders.

PD - Probability of Default
Probability of a counterparty entering into a situation of "default" (q.v.) within a time horizon of one year.

Preference shares
Capital instruments that associate forms of remuneration tied to market rates with particularly pronounced subordination conditions, such as non-recovery in subsequent years of the interest not paid by the bank and bearing a share of its losses in the event that these produce a significant reduction in the capital requirements. The regulatory authorities set the conditions under which preference shares may be counted among the core capital of banks and banking groups.

Private banking
Financial services aimed at so-called "high-end" private customers for the global management of financial needs.

Private equity
Investments in the risk capital of companies, generally unlisted but with high growth potential and the ability to generate constant cash flows. Investments in private equity include a wide range of operations that vary according to both the development phase of the company concerned and the investment techniques used. These techniques include closed-end private equity funds.

Purchase companies
Vehicle used by "ABCP Conduits – Asset Backed Commercial Paper Conduits" (q.v.) to purchase the assets to be securitized and subsequently financed by the Conduit vehicle by means of commercial paper.

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.

ROAC - Return On Allocated Capital
It is an indicator calculated as ratio between the net profit and the average allocated/absorbed capital. It shows in percentage terms the earning capacity for allocated/absorbed capital units.

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.

The world moves fast.

Anticipation makes a world of difference.

Serving talent.

In a world that is always on the move, UniCredit saw the need for a network of high-tech services.
UniCredit Start Lab is our accelerator for innovative startups. From mentoring and network development to managerial coaching, we've got it covered.
MyZabaStart is a platform, lauched in Croatia by Zagrebačka Banca BB, that provides support for deserving business ideas in the green, creative and innovative sectors, to help drive their business growth.
If the world evolves we evolve.

Certification

Condensed Interim Consolidated Financial Statements Certification pursuant to Art. 81-ter of Consob Regulation no. 11971 of May 14, 1999, as amended **269**

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 in charge with preparing the financial reports) of UniCredit S.p.A., also in compliance with Art. 154-bis (paragraphs 3 and 4) of Italian Legislative Decree no. 58 of February 24, 1998, do hereby **certify:**
   - the adequacy in relation to the Legal Entity's features, and
   - the actual application

   of the administrative and accounting procedures employed to draw up the 2015 Condensed Interim Consolidated Financial Statements.

2. The adequacy of administrative and accounting procedures employed to draw up the 2015 Condensed Interim Consolidated Financial Statements has been evaluated by applying a model devised by UniCredt S.p.A. in accordance with "Internal Control – 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 2015 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 5, 2015

Federico GHIZZONI

Marina NATALE

Technology is for young people.

Young people of all ages.

The future is for everyone.

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REPORT ON REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
UNICREDIT S.p.A.

Introduction

We have reviewed the condensed interim consolidated financial statements of UNICREDIT S.p.A. and subsidiaries (the "UNICREDIT Group"), which comprise the consolidated balance sheet as of June 30, 2015 and the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in shareholders' equity, the consolidated cash flow statement for the six month period then ended and the related explanatory notes. The Directors are responsible for the preparation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly interim financial statements under Resolution n° 10867 of July 31, 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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 June 30, 2015 are not prepared, in all material respects, in accordance with the International Accounting 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 7, 2015

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